



# Aberdeen Standard OEIC II

Annual Long Report  
For the year ended 28 February 2022

[abrdn.com](http://abrdn.com)

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# Report of the Authorised Corporate Director

Aberdeen Standard OEIC II ('the Company') is an open-ended investment company with variable capital. The Company is incorporated in Scotland with registered number SI000004 and is currently authorised pursuant to 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 22 May 1998.

The Company is also an UCITS for the purposes of the FCA Rules. Its FCA Product Reference Number ("PRN") is 186564. It has an umbrella structure scheme for the purposes of the Collective Investment Schemes Sourcebook ("COLL") and consists of twenty four open funds and three closed funds.

## Appointments

### Authorised Corporate Director

Aberdeen Standard Fund Managers Limited

#### Registered Office

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

#### Correspondence Address

PO Box 12233  
Chelmsford  
CM99 2EE

### Investment Adviser

abrdrn Investment Management Limited

#### Registered office

1 George Street  
Edinburgh  
EH2 2LL

#### Correspondence Address

1 George Street  
Edinburgh  
EH2 2LL

### Depository

Citibank UK Limited

#### Registered Office

Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

### Registrar

SS&C Financial Services Europe Limited  
SS&C House  
St Nicholas Lane  
Basildon  
Essex  
SS15 5FS

### Independent Auditor

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

# Report of the Authorised Corporate Director

## Continued

### Note:

The Authorised Corporate Director (the ACD) and abrdrn Investment Management Limited are wholly owned subsidiaries of abrdrn plc, and are accordingly associates. The Investment Adviser has appointed abrdrn Japan Limited and abrdrn Asia Limited as sub-advisers. 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 investment.

The ACD 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 abrdrn plc, which is incorporated in Scotland.

Financial details and Fund Managers' reviews of the individual funds for the year ended 28 February 2022 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 II (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 abrdrn website at [abrdrn.com](http://abrdrn.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.

ASI Japanese Growth Equity Fund is no longer open to investors, having redeemed all shares on 13 December 2021. ASI UK Recovery Equity Fund is no longer open to investors, having redeemed all shares on 22 October 2020. Global Emerging Markets Equity Unconstrained Fund is no longer open to investors, having redeemed all shares on 14 January 2016. It is the intention of the ACD to terminate the funds at a later date once the residual assets and liabilities are settled. As a result the financial statements for these funds have not been prepared on a going concern basis.

### Significant Events

Effective from 5 July 2021 Standard Life Aberdeen plc was renamed abrdrn plc.

On 24 February 2022, Russia launched a military offensive against Ukraine resulting in widespread sanctions on Russia and heightened security and cyber threats. Market disruptions associated with the geopolitical event have had a global impact, and uncertainty exists as to the implications. Such disruptions can adversely affect assets of funds and performance thereon, specifically Russian and Ukrainian assets.

The outlook for many capital markets is significantly different now compared to 28 February 2022, the year-end of Aberdeen Standard OEIC II. As a result, the NAVs of certain funds have fluctuated since the year-end. The subsequent events note within the fund financial statements provides a quantification of this fluctuation in NAV. The Management Company has delegated various tasks to abrdrn's 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.

abrdrn's Valuation and Pricing Committee (VPC) also continue to review the valuation of assets and the recoverability of income from those assets making appropriate adjustments where necessary. The VPC is made up of a wide range of specialists across abrdrn with a wide range of experience in asset pricing. The Management Company has also evaluated, and will continue to evaluate, the operational resilience of all

# Report of the Authorised Corporate Director

## Continued

service providers. The Company's key suppliers do not have operations pertaining to the Company in Ukraine or Russia.

As at 23 May 2022, Aberdeen Standard OEIC II 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 March 2021

- On 31 May 2021, Mr. Gary Marshall resigned as a director of Aberdeen Standard Fund Managers Limited.
- On 31 May 2021, Mrs. Allison Donaldson resigned as a director of Aberdeen Standard Fund Managers Limited.
- On 31 May 2021, Mr. Robert McKillop was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 31 May 2021, Mrs. Claire Marshall was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 1 June 2021, the AMC rates on the ASI UK Government Bond Fund were reduced on the Retail shares from 0.90% to 0.70%, Platform 1 shares from 0.40% to 0.20% and Institutional shares from 0.40% to 0.20%.
- On 9 August 2021, the ASI UK High Income Equity Fund, ASI Global Income Equity Fund, ASI Europe ex UK Income Equity Fund, ASI Emerging Markets Income Equity Fund and ASI American Income Equity Fund updated their Investment Objective and Policy ("IOP") to apply a greater focus to the yield delivery aspect of the funds objective. Other minor IOP changes were also made at this time.
- On 24 August 2021, the provider of the performance benchmarks for the ASI Short Duration Credit Fund, rebranded their benchmark from Bloomberg Barclays Global Aggregate Credit (Hedged to GBP) to Bloomberg Global Aggregate Credit (Hedged to GBP). The rebrand had no impact on the performance or constituents of the benchmarks.
- On 1 September 2021, the way that fund expenses are applied to the funds of Aberdeen Standard OEIC II was amended to be a single General Administration Charge covering common fund costs (e.g. fund pricing functions) whereas fund specific costs are applied directly to the fund (e.g. the cost of holding the specific assets of the fund at the custodian). This change did not increase the on-going charge figure ("OCF") of any of the funds but created consistency of expense methodology across the Aberdeen Standard Fund Managers Limited range of funds. All investors received a communication regarding this change and OCF values continue to be available within the Key Investor Information Document (KIID). For further details see the fund prospectus which is available at [www.abrdn.com](http://www.abrdn.com).
- On 24 October 2021, as a result of UK regulatory changes brought about by the UK's decision to leave the European Union, the Depositary of the funds changed from Citibank Europe PLC, UK Branch to Citibank UK Limited. There was no impact to the funds as a result of this change.
- On 24 October 2021, the ASI Global Smaller Companies Fund added two risks in relation to investing in China "A" shares through the Stock Connect platform and Emerging Markets Risk.
- On 5 November 2021, Mr. Robert McKillop resigned as a director of Aberdeen Standard Fund Managers Limited.
- On 10 November 2021, Mrs. Emily Smart was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 10 November 2021, Mrs. Denise Thomas was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 29 November 2021, the Investment Manager changed its name from Standard Life Investments Limited to abrdn Investment Management Limited.
- On 13 December 2021, the ASI Japanese Growth Equity Fund was closed.
- On 4 January 2022, Mrs. Rowan McNay was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 5 January 2022, Mrs. Claire Marshall resigned as a director of Aberdeen Standard Fund Managers Limited.
- On 7 January 2022 the ASI AAA Bond Fund Standard Life Income Shareclass was closed.
- On 24 February 2022, Mr. Adam Shanks was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 13 April 2022 the ACD informed shareholders that it intends to close ASI Short Duration Credit Fund on 22 June 2022 and cancel all of the shares in issue on that date. The financial statements for the current year have therefore not been prepared on a going concern basis.
- 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.
- The list of sub-investment advisers to the funds was refreshed, where appropriate.

# Report of the Authorised Corporate Director

## Continued

### Assessment of Value

In 2017 the 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, the Authorised Corporate Director is required to perform a detailed assessment on whether funds are "providing value to investors". The resulting findings will be published within 4 months of the funds year-end date and can be found on the 'Fund Centre' pages on the abrdn website at [abrdn.com](http://abrdn.com).

### Crossholding Information

There were no cross holdings between funds in Aberdeen Standard OEIC II as at 28 February 2022 (28 February 2021: nil).

# Statement of the Authorised Corporate Director's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Authorised Corporate Director ("ACD") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net income and net capital gains or losses on the property of the Company for the period.

In preparing the financial statements the ACD is responsible for:

- . selecting suitable accounting policies and then apply them consistently;
- . making judgements and estimates that are reasonable and prudent;
- . following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- . complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- . keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- . assessing the Company and its funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- . using the going concern basis of accounting unless they either intend to liquidate the Company or its funds or to cease operations, or have no realistic alternative but to do so; for the reasons stated in the Report of the Authorised Corporate Director, the financial statements of ASI Japanese Growth Equity Fund, ASI Short Duration Credit Fund, ASI UK Recovery Equity Fund and Global Emerging Markets Equity Unconstrained Fund have not been prepared on a going concern basis;
- . such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- . taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

## 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.

**Aron Mitchell**  
Director  
23 May 2022

**Denise Thomas**  
Director  
23 May 2022

# Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Aberdeen Standard OEIC II

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.

**Citibank UK Limited**

23 May 2022



# Independent Auditor's Report to the Shareholders of Aberdeen Standard OEIC II ('the Company')

## Opinion

We have audited the financial statements of the Company for the year ended 28 February 2022 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 2 and the accounting policies set out on pages 16 to 19.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub-funds as at 28 February 2022 and of the net revenue/net expense and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Emphasis of matter – non going concern basis of preparation

In respect of ASI Japanese Growth Equity Fund, ASI Short Duration Credit Fund, ASI UK Recovery Equity Fund and Global Emerging Markets Equity Unconstrained Fund, we draw attention to the disclosure made in accounting policy (a) "Basis of preparation" to the financial statements which explains that the financial statements of the sub-funds have not been prepared on going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

## Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or its sub-funds or to cease their operations, and as they have concluded that the Company and its sub-funds' financial position means that this is realistic except for ASI Japanese Growth Equity Fund, ASI Short Duration Credit Fund, ASI UK Recovery Equity Fund and Global Emerging Markets Equity Unconstrained Fund. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Company's and its sub-funds' business model and analysed how those risks might affect the Company's and its sub-funds' financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Authorised Corporate Director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's and its sub-funds' ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company or its sub-funds will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;

# Independent Auditor's Report to the Shareholders of Aberdeen Standard OEIC II ('the Company')

## Continued

- Assessing the segregation of duties in place between the Authorised Corporate Director, the Depositary, the Administrator and the Investment Adviser.
- Reading Authorised Corporate Director board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Authorised Corporate Director and the Administrator, no further high-risk journal entries or other adjustments were identified.

### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Authorised Corporate Director and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money

laundering, data protection and bribery and corruption legislation recognising the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any.

Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Report of the Authorised Corporate Director is consistent with the financial statements.

# Independent Auditor's Report to the Shareholders of Aberdeen Standard OEIC II ('the Company')

## Continued

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

### Authorised Corporate Director's responsibilities

As explained more fully in the statement set out on page 7 the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Grant Archer**  
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
St Vincent Plaza  
319 St Vincent Street  
Glasgow  
G2 5AS  
23 May 2022

# Investment Report

1 March 2021 – 28 February 2022

## Global Overview

Global equity markets broadly rose over the period, with the US, UK and Latin America all performing well. However, China, Asia Pacific (excluding Japan) and emerging markets were among the weakest. Following the COVID-19 outbreak, and the subsequent lockdown restrictions and collapse of economic activity, markets began to recover as investors hoped that economies would return to normality.

Momentum in the US stock market stalled at the beginning of the period, amid inflationary concerns. Nevertheless, accelerating vaccine rollouts and the easing of COVID-19 restrictions helped boost hopes of a global economic rebound, which benefited equities. However, investors grew worried that the spread of the Delta variant, alongside global supply-chain issues, would hamper the economic recovery. Markets had recovered following the discovery of the Omicron variant in late November, but they fell again into 2022 as central banks tightened monetary policy and following the Russian invasion of Ukraine. In response to the conflict, Europe was one of the hardest-hit regions, along with Russia, as many western countries imposed sanctions on the country.

## Individual market overviews

**UK equities** recorded double-digit gains over the 12-month period. Investors continued to grapple with the economic fallout from the coronavirus pandemic as well as mounting concerns about inflation. However, the easing of lockdown restrictions following an effective vaccine rollout maintained the positive economic and stock market momentum for most of the period.

The UK equity market advanced steadily through the spring and summer, albeit stocks suffered a slight setback in July on higher COVID-19 numbers. Supportive government policy, easing lockdown restrictions, positive earnings results and a successful vaccine rollout collectively drove markets upwards. The broad UK stock market has displayed relative resilience in a tough start to 2022 for global stock markets. The UK stock market's exposure to old economy sectors, such as energy and banks, helped it hold up much better than most other developed markets in January's volatility. Large-cap stocks, as measured by the FTSE 100 Index, outperformed smaller and mid-sized stocks over the period. The FTSE 100's significant weighting in energy and natural resources companies then helped the UK market largely ride out February's worldwide sell-off.

**US shares** made strong gains during the 12 months, due to a successful vaccine rollout, economic reopening and strong company earnings. The prospect of higher interest rates in 2022 against a backdrop of surging inflation

caused share prices to fall sharply at the end of the period, but it was still a bumper 12 months for US equities.

Early on, the roll out of mass inoculation programmes acted as a catalyst for a sharp rotation away from growth stocks to cyclical stocks and those companies that suffered the most from lockdown restrictions. Share prices continued to climb throughout the spring and into the summer, driven mainly by investors' ongoing optimism regarding the distribution of COVID-19 vaccines and generally positive economic data. In November, the S&P 500 Index, fuelled by a robust results season, hit new highs for eight consecutive days. The rally broke late in the month, as the headlines became dominated by news of the Omicron variant of COVID-19. Stocks started to move up again in December, as concerns surrounding the impact of the new variant eased. Growth stocks, such as technology companies, which are especially sensitive to higher interest rates, were particularly hard hit in January's sell-off, with the tech-heavy Nasdaq Index falling sharply. Despite the US economy being less directly affected than European economies by the outbreak of war in Ukraine, US stocks fell in February.

**European shares** (excluding the UK) finished higher over the 12 months. Equities gained at the beginning of the period, helped by the earlier rollout of vaccinations and the expansion of the European Central Bank's (ECB) monetary stimulus package.

The region's equities performed well from March 2021 through the spring and summer despite ongoing lockdown measures and rising COVID-19 cases. After rising for seven consecutive months, European shares finally fell in September, with German equities among the worst performers. Outgoing Chancellor Angela Merkel's Christian Democratic Union-Christian Social Union bloc lost out to the Social Democratic Party (SPD) in the federal election. European markets recovered in October before being hit in November by the Omicron scare. European stocks then rallied into the year-end but sold off sharply alongside global markets in January on the prospect of higher interest rates. This weakness extended into February after Russia's invasion of Ukraine towards the end of the month saw investors sell equities.

**Japanese equities** marginally increased over the 12 months, although underperformed other major developed markets. While the coronavirus pandemic continued to dominate sentiment at the beginning of the period, markets benefited from positive investor sentiment arising from vaccine breakthroughs and positive economic data. However, fears of rising infections, the slow vaccination programme and Tokyo entering its third emergency lockdown weighed on markets.

# Investment Report

1 March 2021 – 28 February 2022 continued

Domestic politics also dominated headlines, with former Prime Minister Yoshihide Suga replaced by Fumio Kishida as leader of the ruling Liberal Democratic Party. Kishida's ascent to power was initially welcomed by investors due to expectations of an additional economic stimulus. However, investors became concerned that the new prime minister would raise taxes on financial income, primarily for the wealthy. In November, Prime Minister Kishida released details of a stimulus package of almost ¥56 trillion. Japanese equities sold off abruptly in January, with technology-related stocks especially weak. The impact of Russia's invasion of Ukraine on the Japanese stock market was limited. Russia is a relatively small trading partner for Japan, although the conflict's implications for global energy prices are salient given Japan is an energy importer.

**Asia Pacific equities** declined over the 12 months. Volatility persisted throughout the period, amid growing worries that inflation may persist even after global growth has peaked. Meanwhile, the emergence of the new Omicron variant and monetary-tightening measures by central banks further weighed on markets into the end of the period. Asian stock markets slipped further in February amid the global market volatility and higher commodity prices caused by Russia's invasion of Ukraine.

From a country perspective, Chinese equities underperformed the wider region. Aside from persistent tensions with the US, Chinese stocks were also buffeted by increased regulatory scrutiny across sectors, a slowing economy, a resurgence in COVID-19 cases towards the end of 2021 and concerns over property developer Evergrande's unresolved debt crisis. Outside of China, the Indian market was a bright spot. Indian stocks were buoyed by the country's vaccine rollout and improving macro backdrop. Taiwanese equities also outperformed on the back of robust semiconductor demand.

## Bond markets

In fixed income, **government bond** prices fell over the period, with European government bonds seeing particularly weak performance. Rising optimism about vaccines and concerns that the economic recovery will fuel sharp rises in inflation led to weakness in government bonds throughout the period. Despite expectations of a withdrawal of central bank support, the spread of the Omicron variant left investors preferring the safety of government debt once again. However, US, UK and European government bonds fell towards the end of the period, as central banks acted to control inflation by reducing policy support. **Corporate bonds** fared better but were still mostly down over the period. Stimulus measures and rising optimism helped bolster the market, although they later fell as investor fears of forthcoming central bank action increased.

## Outlook for equities

The Russia-Ukraine conflict is likely to dominate news flow in the short term, with the conflict adding to the challenging macroeconomic backdrop for global equities. Markets will remain volatile, with the Omicron variant, rising inflation, higher rates and the slowdown in China also weighing on sentiment. That said, many of the risk factors throughout 2021 have moderated, with global vaccination rates rising and the direction of Chinese policy becoming clearer. The fourth-quarter reporting season also suggests that earnings are holding up quite well, despite cost pressures and supply-chain disruption.

## Outlook for bonds

Within fixed income, investor attention will likely focus on how effective central-bank measures to control inflation will be. Further hawkish comments from the US Federal Reserve have resulted in expectations of five rate hikes in 2022. The conflict in Ukraine has also left investors uncertain about the timeline of rate hikes in Europe, although the European Central Bank has not ruled out rate hikes in 2022. However, these pressures could moderate into the second half of 2022 if supply bottlenecks ease.

## March 2022



# Ethical Funds Advisory Group Report

## Ethical Funds Advisory Group Report

abrdrn is responsible for managing a range of ethical funds. The Aberdeen Standard Investments Ethical Funds are managed according to clearly defined investment mandates and the range of available investments is underpinned by established policies and independent research data on their ethical credentials.

## The Aberdeen Standard Investments Ethical Funds Advisory Group

The Aberdeen Standard Investments Ethical Funds Advisory Group is chaired by the Global Head of Distribution Governance and Risk. It comprises of investors in the ethical funds and senior group managers at abrdrn with involvement in managing and marketing the Funds and their associated products. The Group generally meets twice a year and is responsible for ensuring the ethical policy for these Funds is applied correctly, that the policy continues to reflect the concerns of investors in the ethical funds and that the processes supporting the application of the policy are robust.

This involves:

- considering current ethical issues and trends and the implications for the Funds
- reviewing investment and marketing reports
- ensuring that abrdrn's process for ethical investment is observed
- reviewing and addressing customer queries and
- commissioning market and customer research on ethical issues

## Funds' Criteria

The ethical funds are invested according to the positive and negative criteria set out in the ethical policy. The funds do not invest in companies that fail the negative criteria and favour investment in companies that meet the positive criteria.

## Issues Arising

The Group discussed a number of issues during the period relating to companies' individual approaches to corporate responsibility. Due consideration was given to reviewing the ethical funds' policy. Topics discussed by the group included the 2020 annual investor survey, current ethical issues, SDGs, net zero targets, taxation, food production safety, gaming and the updating of our approach documents to maximise consistency and clarity as a house view concerning our ethical fund policy.

## Voting record – ASI UK Ethical Equity Fund

The votes against proposals accounted for 1.06% out of a total of 1,413 for the period of 1 March 2021 and 28 February 2022. We took action and voted against at the remuneration resolutions at the AGMs of RELX Plc, London Stock Exchange Group Plc, Midwich Group Plc, Fevertree Drinks Plc, Whitbread Plc, HomeServe Plc, DS Smith Plc, Ashtead Group Plc, Ashmore Group Plc, Hyve Group Plc and Euromoney Institutional Investor Plc.

We voted against the Remuneration Report for Hyve Group Plc at the AGM of the company. Earlier in the year the company held an SGM to introduce a Value Creation Plan (VCP). We were concerned that the VCP would award an excessive maximum pay-out in return for achieving undemanding hurdles. We were also concerned by the presence of a significant one-off LTIP award made in 2019. We also voted against Remuneration Reports of RELX Plc, London Stock Exchange Group Plc, Midwich Group Plc, Whitbread Plc, HomeServe Plc, DS Smith Plc, Ashtead Group Plc and Ashmore Group Plc largely on account of Long Term Incentive Plans awarding high levels of vesting for achieving only median threshold performance, the misalignment of executive pensions with the wider workforce and unwarranted CEO salary increases.

We also voted against the reappointment of KPMG LLP as an auditor due to their long tenure and the effect this has on their independence.

We abstained from voting on two occasions on the re-election of directors of The Go-Ahead Group Plc due to investigations surrounding the candidate and Countryside Properties Plc due to the last minute replacement of the candidate.

We voted for SSE Plc's Proposal to Approve the Net Zero Transition Report, which includes set targets for absolute and intensity of emissions approved by the Science Based Targets Initiative.

## Investor opinion

Investors in the ethical funds continue to make valuable contribution to the Group's understanding of ethical concerns, primarily through investor attendance at the Advisory Group and feedback from the annual survey of investor's views on ethical matters. The 2021 investor survey focused on a number of issues including deforestation, use of single-use plastics, good labour practices, supply chain policies and broader environmental protection.

# Ethical Funds Advisory Group Report

## Continued

### Further information

If you would like to find out more about the Aberdeen Standard Investments' Ethical Funds approach please visit the below link:

<https://www.abrdn.com/en/uk/institutional/responsible-investing>

For any additional information, please write to Amanda Young, Secretary to the Ethical Funds Advisory Group, abrdn, 6 St Andrew's Square, Edinburgh, EH2 2AH.

### Amanda Young

Secretary to the Ethical Funds Advisory Group  
10 March 2022

# Notes to the Financial Statements of Aberdeen Standard OEIC II

For the year ended 28 February 2022

## 1 Accounting Policies for all Funds

### a. Basis of preparation

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.

For all funds apart from ASI Japanese Growth Equity Fund, ASI Short Duration Credit Fund, ASI UK Recovery Equity Fund and Global Emerging Markets Equity Unconstrained Fund, 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, each 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 for at least the next 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

ASI Japanese Growth Equity Fund is no longer open to investors, having redeemed all shares on 13 December 2021. ASI UK Recovery Equity Fund is no longer open to investors, having redeemed all shares on 22 October 2020. Global Emerging Markets Equity Unconstrained Fund is no longer open to investors, having redeemed all shares on 14 January 2016. On 13 April 2022 the ACD informed shareholders that it intends to close ASI Short Duration Credit Fund on 22 June 2022 and cancel all of the shares in issue on that date. It is the intention to terminate the funds at a later date once the residual assets and liabilities are settled. As a result the financial statements for these funds have not been prepared on a going concern basis. Prior year financial statements for ASI UK Recovery Equity Fund and Global Emerging Markets Equity Unconstrained Fund were also not been prepared on a going concern basis.

For the funds not prepared on a going concern basis, no adjustments were required to the financial statements to adjust assets or liabilities to their realisable values or to provide for liabilities arising from the decision to terminate the funds. No liabilities have been recorded for costs of the terminations as the intention is that the ACD will bear any such costs which may arise.

### b. Valuation of investments

Listed investments have been valued at fair value as at the close of business on 28 February 2022. The SORP defines fair value as the market value of each security, in an active market, this is generally the quoted bid price.

Unlisted, unapproved, illiquid or suspended securities are valued at the Authorised Corporate Directors' best estimate of the amount that would be received from an immediate transfer at arm's length. The ACD has appointed a Fair Value Pricing committee to review valuations.

Collective Investment Schemes are valued by reference to their net asset value. Dual priced funds have been valued at the bid price. Single priced funds have been valued using the single price.

Any open positions in derivative contracts or forward foreign currency transactions at the year-end are included in the Balance Sheet at their mark to market value.

### c. Foreign Exchange

Assets and liabilities denominated in foreign currencies are translated into Sterling at the prevailing exchange rates as at the close of business on the reporting date.

Foreign currency transactions are translated at the rates of exchange ruling on the date of such transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

### d. Dilution

In certain circumstances (as detailed in the Prospectus) the ACD may apply a dilution adjustment on the issue or cancellation of shares, which is applied to the capital of the fund on an accruals basis. The adjustment is intended to protect existing investors from the costs of buying or selling underlying investments as a result of large inflows or outflows from the fund.



# Notes to the Financial Statements of Aberdeen Standard OEIC II

## For the year ended 28 February 2022 continued

### e. Revenue

Dividends on equities and preference stocks are recognised when the securities are quoted ex-dividend, or in the case of unquoted securities when the dividend is declared.

Overseas dividends are grossed up at the appropriate rate of withholding tax and the tax consequences are shown within the tax charge.

Revenue from collective investment schemes is recognised when the investments are quoted ex dividend.

Accumulation distributions from shares held in collective investment schemes are reflected as revenue and form part of the distribution.

Equalisation received from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of the investment.

Revenue from offshore funds is recognised when income is reported by the offshore fund operator.

Interest on bank deposits is recognised on an accruals basis.

Interest from short-term deposits is recognised on an accruals basis.

Interest on debt securities is recognised on an accruals basis.

Interest from debt securities is recognised as revenue using the effective interest method. The purchase price of the asset, the yield expectation and scheduling of payments, are all part of this calculation. Callable bonds are calculated on a yield to worst expectation generally, which may not match other calculations.

Stock dividends are recognised as revenue when they are quoted ex dividend. In the case of enhanced stock dividends, the value of the enhancement is recognised as capital.

Special dividends may be treated as repayments of capital or as revenue dependent on the facts of the particular case. Where receipt of a special dividend results in a significant reduction in the capital value of the holding, then the special dividend will be recognised as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividends are recognised as revenue.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the fund is required to take up all or some of the shares underwritten in which case an appropriate proportion of the commission received is deducted from the cost of the relevant shares.

Distributions from Brazilian corporations may take the form of interest on capital as an alternative to making dividend distributions. Interest on capital distributions are recognised on an accruals basis.

Management fee rebates from collective investment schemes are recognised as revenue or capital on a consistent basis to how the underlying scheme accounts for the management fee. Where such rebates are revenue in nature, the income forms part of the distribution.

For dividends received from US Real Estate Investment Trusts ("REITs"), on receipt of the capital/revenue split from the REITs, the allocation of the dividend is adjusted within the financial statements.

### f. Expenses

All expenses other than those relating to the purchase and sale of investments are charged against revenue on an accruals basis in the Statement of Total Return. Where a fund has an objective of maximising income returned to investors the expenses may be deducted from capital in line with the distribution policy. Details of any deduction from capital for distribution purposes would be disclosed in the distribution notes of the relevant fund.

Expenses relating to the purchases of investments are charged to the cost of investment and expenses relating to the sales of investments are deducted from the proceeds on sales.

### g. Taxation

Provision is made for corporation tax at the current rate on the excess of taxable income over allowable expenses.

UK dividends are disclosed net of any related tax credit.

# Notes to the Financial Statements of Aberdeen Standard OEIC II

## For the year ended 28 February 2022 continued

Overseas dividends are disclosed gross of any foreign tax suffered and the tax element is separately disclosed in the taxation note.

The tax accounting treatment follows that of the principal amount, with charges or reliefs allocated using the marginal basis regardless of any alternative treatment that may be permitted in determining the distribution.

Any windfall overseas tax reclaims received are netted off against irrecoverable overseas tax and therefore the irrecoverable overseas tax line in the taxation note may be negative.

The funds; ASI Europe ex UK Income Equity Fund and ASI Europe ex UK Growth Equity Fund are party to certain claims and proceedings to recover tax suffered in respect of overseas income. These claims and proceedings are considered to be contingent assets of the funds and have not been recognised in these Financial Statements as the outcome of the claims and the potential recoveries are not sufficiently certain.

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent that it is regarded more likely than not that there will be taxable profits against which the reversal of underlying timing differences can be offset.

### **h. Distributions**

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, this will increase the distribution with a corresponding reduction to capital. For the purposes of calculating the distribution, on these classes, the effect of marginal tax relief between capital and revenue is not incorporated.

Further details with regards to the distribution policy and deductions from capital can be found in the fund distribution note where it applies.

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.

### **i. Equalisation**

Equalisation appears within the fund reports as part of the distribution. This represents the net revenue in the funds share price attached to the issue and cancellation of shares. It will form part of any distributions at the period end attributable to shareholders.

### **j. Derivatives**

Funds with strategies that permit it, can make use of derivatives. Derivatives can be used to reduce risk or cost, or to generate additional capital or income consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Some strategies may permit use of derivatives with a higher or lower frequency or for investment purposes. The accounting for each derivative is applied consistently in line with the derivative type; the valuation policy and market convention. Market convention for derivatives is often based on total return; however where a fund strategy or derivative type is defined with revenue in mind the accounting treatment can have a revenue element, forming part of the distribution, highlighted in the distribution policy. The Statement of Total Return captures all realised and unrealised gains regardless of nature. The Portfolio Statement will show the individual derivative contracts as net positions in line with the valuation policy.

# Notes to the Financial Statements of Aberdeen Standard OEIC II

## For the year ended 28 February 2022 continued

There are three broad transaction types: derivatives create a future asset or liability recognised as unrealised profit or loss until the date of maturity where cash is exchanged; swaps realise amounts of profit or loss in line with an agreed schedule until maturity; options recognise a premium paid or received, with the right or obligation to buy "call" or sell "put" an asset, exercised when the option owner is in the money. These transaction types break into three broad strategies.

Funds with strategies spanning multiple currencies can make use of the following transactions in line with their policy: forward currency exchange contracts (a derivative of the exchange rate); cross currency swaps; currency options and other currency derivatives. These transactions relate to the future expectations of foreign exchange rates. The future expectation is based on the current interest rates projected to a forward date. Currency derivatives exchange one currency for another currency at a future date.

Funds with strategies in debt instruments (bonds) can make use of the following transactions in line with their policy: bond future contracts (a derivative of the bond market or asset); credit default swaps; interest rate swaps; overnight index swaps; inflation swaps; interest rate options; swaptions; total return bond swaps and other bond related derivatives. These transactions relate to the future expectations on debt assets. The future expectations can be based on an individual asset or a market. Bond derivatives can relate to the future credit expectations; interest rate expectations; inflation expectations or a combination of these.

Funds with strategies in equity instruments (shares) can make use of the following transactions in line with their policy: equity future contracts (a derivative of the equity market or asset); variance swaps (differences in volatility between two assets); equity options; total return equity swaps and other equity related derivatives. These transactions relate to the future expectations on equity assets. The future expectations can be based on an individual asset or a market. Equity derivatives relate to the future expectations in equity markets. Equity markets are subject to the variables found in bond markets, however there is not an explicit relationship to derive a price.

### k. Collateral and margin

Funds undertaking derivative transactions, exchange investment assets based on legal agreements. In line with collective investment scheme rules and abrdn policy collateral or margin must be exchanged to limit the exposure to investors should an agreement fail. Collateral is exchanged at an agreement level on a net basis following abrdn policy at a counterparty level within a fund. Collateral is monitored and where required exchanged daily, Collateral is bilateral in nature exchanged between the two counterparties in a transaction. Margin is similar to collateral limiting the risk for investors. The main difference is the exchange of initial margin, required before a contract is opened. Once opened the exchange of variation margin is monitored and where required exchanged daily. Both collateral and margin do not affect the valuation of the asset they are protecting or the fund unless re-hypothecated (used to buy) into another investment asset. All funds do not re-hypothecate but may use liquidity collective investments to manage cash effectively.

## 2 Risk management policies

Generic risks that the abrdn range are exposed to and the risk management techniques employed are disclosed below. Numerical disclosures and specific risks, where relevant, are disclosed within the financial statements.

The Financial Conduct Authority (FCA) Collective Investment Schemes Sourcebook (COLL) and FCA Funds Sourcebook (FUND) rules require the Management Company to establish, implement and maintain an adequate and documented Risk Management Process (RMP) for identifying the risks they manage, or might be, exposed to. The RMP must comprise of such procedures as are necessary to enable abrdn to assess the exposure of each fund it manages to market risk, liquidity risk, counterparty risk, operational risk and all other risks that might be material.

abrdn functionally and hierarchically separates the functions of risk management from the operating units and portfolio management functions, to ensure independence and avoid any potential or actual conflicts of interest. The risk management function has the necessary authority, access to all relevant information, staff and regular contact with senior management and the Board of Directors of the Company. The management of investment risk within abrdn is organised across distinct functions, aligned to the well-established 'three lines of defence' model.

# Notes to the Financial Statements of Aberdeen Standard OEIC II

## For the year ended 28 February 2022 continued

1. Risk ownership, management and control.
2. Oversight of risk, compliance and conduct frameworks.
3. Independent assurance, challenge and advice.

The risk management process involves monitoring funds on a regular and systematic basis to identify, measure and monitor risk and where necessary escalate appropriately, including to the relevant Board, any concerns and proposed mitigating actions.

The risk team, in line with client expectations and the investment process, develops the risk profiles for the funds in order to set appropriate risk limits. Regulatory limits as well as those agreed, are strictly enforced to ensure that abrdn does not inadvertently (or deliberately) breach them and add additional risk exposure. In addition, there is an early warnings system of potential changes in the portfolio risk monitoring triggers. Where possible, these are coded into the front office dealing system, in a pre-trade capacity, preventing exposures or breaching limits before the trade is actually executed.

### Risk Definitions & Risk Management Processes

i) **Market Risk** is the risk that economic, market or idiosyncratic events cause a change in the market value of Client assets. Market Risk can be broadly separated into two types:

- (1) Systematic risk stems from any factor that causes a change in the valuation of groups of assets. These factors may emerge from a number of sources, including but not limited to economic conditions, political events or actions, the actions of central banks or policy makers, industry events or, indeed, investor behaviour and risk appetite.
- (2) Specific or Idiosyncratic Risk, which is the part of risk directly associated with a particular asset, outside the realms of, and not captured by Systematic Risk. In other words, it is the component of risk that is peculiar to a specific asset, and may manifest itself in various guises, for example: corporate actions, fraud or bankruptcy.

Portfolios are subject to many sub-categories of market risk. Many of these risks are interlinked and not mutually exclusive. Examples of these types of investment risk include: Country risk; Sector risk; Asset-class risk; Inflation/deflation risk; Interest rate risk; Currency risk; Derivatives risk; Concentration risk; and Default risk. Factors that cause changes in market risks include: future perceived prospects (i.e. changes in perception regarding the future economic position of countries, companies, sectors, etc.); shifts in demand and supply of products and services; political turmoil, changes in interest rate/inflation/taxation policies; major natural disasters; recessions; and terrorist attacks.

There are several ways in which to review and measure investment risk. The risk team recognises that each method is different and has its own unique insights and limits, and applies the following measurements for each fund, where relevant:

- **Leverage:** has the effect of gearing a fund's expected performance by allowing it to gain greater exposure to underlying investment opportunities (gains and losses). The higher the leverage the greater the risk (potential loss).
- **Value-at-Risk (VaR) and Conditional VaR (CVaR):** VaR measures with a degree of confidence the maximum the fund could expect to lose in any given time frame. Assuming a normal (Gaussian) distribution, this is a function of the volatility of the fund's returns. The higher the volatility, the higher the VaR, the greater the risk. CVaR calculates the expected tail loss, under the assumption that the VaR has been reached.
- **Volatility, Tracking Error (TE):** Volatility measures the size of variation in returns that a fund is likely to expect. The higher the volatility the higher the risk. TE measures the expected magnitude of divergence of returns between the fund and benchmark over a given time.
- **Risk Decomposition:** Volatility, tracking error and VaR may be broken down to show contribution from market related factors ("Systematic" Risk) and instrument specific (Idiosyncratic Risk). This is not a different measure as such, but is intended to highlight the sources of volatility and VaR.
- **Concentration Risk:** By grouping the portfolio into various different exposures (e.g. country, sector, issuer, asset, etc.), we are able to see where, if any, concentration risk exists.
- **Stress Tests and Scenario Analysis:** This captures how much the current portfolio will make or lose if certain market conditions occur.

# Notes to the Financial Statements of Aberdeen Standard OEIC II

## For the year ended 28 February 2022 continued

- **Back Testing:** This process helps to assess the adequacy of the VaR model and is carried out in line with UCITS regulatory requirements (FCA COLL 6.12). Excessive levels of overshoots and the reasons behind them are reported to the Board.

To generate these risk analytics the risk team relies on third party calculation engines, such as APT, Bloomberg PORT+, RiskMetrics, UBS Delta and Axioma. Once the data has been processed, it is analysed by the risk team, generally reviewing absolute and relative risks, change on month and internal peer analysis. Any issues or concerns that are raised through the analysis prompt further investigation and escalation if required. Breaches of hard limits are also escalated immediately. All client mandated and regulatory risk limits are monitored on a daily basis.

Stress tests are intended to highlight those areas in which a portfolio would be exposed to risk if the current economic conditions were likely to change. An economic event may be a simple change in the direction of interest rates or return expectations, or may take the form of a more extreme market event such as one caused through military conflict. The stress test itself is intended to highlight any weakness in the current portfolio construction that might deliver unnecessary systematic exposure if the market were to move abruptly.

Stress testing is performed on a regular basis using relevant historical and hypothetical scenarios.

- ii) **Liquidity risk** is defined as the risk that a portfolio may need to raise cash or reduce derivative positions on a timely basis either in reaction to market events or to meet client redemption requests and may be obliged to sell long term assets at a price lower than their market value. Liquidity is also an important consideration in the management of portfolios: Portfolio Managers need to pay attention to market liquidity when sizing, entering and exiting trading positions.

Measuring liquidity risk is subject to three main dimensions:

- Asset Liquidity Risk – how quickly can assets be sold.
- Liability Risk – managing redemptions as well as all other obligations arising from the liabilities side of the balance sheet.
- Contingency Arrangements or Liquidity Buffers – utilising credit facilities etc.

### Liquidity Risk Management Framework

abrdn has a liquidity risk management framework in place applicable to the funds and set out in accordance with its overall Risk Management Process, relative to the size, scope and complexity of the funds. Liquidity assessment and liquidity stress testing is typically performed monthly, monitoring both the asset and liability sides. Asset side stressed scenarios are considered based on the nature of different asset classes and their liquidity risks to demonstrate the effects of a market stress on the ability to sell-down a fund. Liability side analysis includes stress scenarios on the investor profile as well as liabilities on the balance sheet. Any particular concerns noted or liquidity risk limit breaches are escalated to the relevant Committees and Boards, if material.

- iii) **Counterparty credit risk** is the risk of loss resulting from the fact that the counterparty to a transaction may default on its obligations prior to the final settlement of the transaction's cash flow. Credit risk falls into both market risk and specific risk categories. Credit risk is the risk that an underlying issuer may be unable (or unwilling) to make a payment or to fulfil their contractual obligations. This may materialise as an actual default or, to a lesser extent, by a weakening in a counterparty's credit quality. The actual default will result in an immediate loss whereas, the lower credit quality will more likely lead to mark-to-market adjustment.

Transactions involving derivatives are only entered into with counterparties having an appropriate internal credit rating that has been validated by the credit research team and approved by the relevant credit committee. Appropriate counterparty exposure limits will be set and agreed by these committees and the existing credit exposures will be assessed against these limits.

- iv) **Operational Risk**

Operational risk can be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk also includes the breakdown of processes to comply with laws, regulations or directives.

# Notes to the Financial Statements of Aberdeen Standard OEIC II

For the year ended 28 February 2022 continued

## Operational Risk Management

An Operational Risk Management Framework is in place to identify, manage and monitor appropriate operational risks, including professional liability risks, to which the Management Company and the Funds are or could be reasonably exposed. The operational risk management activities are performed independently as part of one of the functions of the Risk Division.

abrdn plc (the "Group") Risk Management Framework is based upon the Basel II definition of operational risk which is "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events".

The Group's management of operational risk is therefore aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses. The Group has developed a framework that embodies continuous improvement to internal controls and ensures that the management of risk is embedded in the culture of the Group.

The identification, management, monitoring and resolution of events, risks and controls are facilitated via the Group's risk management system, Shield. The system is designed to facilitate the convergence of governance, risk and compliance programmes and automate a comprehensive review and assessment of operational risks.

# ASI (SLI) Asian Pacific Growth Equity Fund

For the year ended 28 February 2022

## Investment Objective

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

Performance Target: To achieve the return of the MSCI AC Asia Pacific ex Japan Index +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.

Performance Comparator: IA Asia Pacific ex Japan Equity Sector Average.

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

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Asian countries, including Australasia, or companies that derive a significant proportion of their revenues or profits from Asian, including Australasia, operations or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by abrdn) and 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 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%. 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.

## 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

Over the period under review, the fund fell by 9.17% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a decline of 5.40% in its performance target (Source: FactSet, the MSCI AC Asia Pacific ex Japan Index +3%).

Source: MSCI. 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) or any other damages ([www.msci.com](http://www.msci.com)).

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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund underperformed the benchmark over the year. At the stock level, Tencent was a key laggard. The gaming and internet giant came under pressure amid regulatory uncertainty in China. We anticipate new regulations will necessitate changes to current business practices, but we believe Tencent will remain the dominant player in a sector that continues to offer highly attractive long-term prospects. Further hindering performance was the position in GDS Holdings. The data centre operator weakened along with the broader soft sentiment in the Chinese internet sector. Other Chinese names that were hurt by regulatory pressure included New Oriental Education and Ping An Insurance, both of which we exited over the period. Elsewhere, the lack of exposure to Indian technology services company Infosys, which performed well, also detracted.



# ASI (SLI) Asian Pacific Growth Equity Fund

## Continued

Conversely, our exposure to the renewables space in China was favourable. Yunnan Energy, which makes battery separators for electric vehicles (EV), was buoyed by healthy domestic demand for EVs and announcements of capacity expansion by global battery makers. NARI Technology shares rose, driven by the rising urgency for upgrades to the state grid in the wake of the country's power shortage and the policy push towards renewables. Not holding Chinese online retailer Meituan and internet services provider Baidu also proved positive amid the regulatory worries hanging over the tech and e-commerce sectors. In Indonesia, Bank Central Asia benefited from the rotation to value stocks, while its underlying business momentum remained robust as highlighted by its solid results.

### Portfolio Activity and Review

In key portfolio activity, in the interim report we had mentioned the introduction of several stocks in the first half of the period. In the second half, we continued to initiate stocks aligned to the region's structural growth trends. These included Techtronic Industries, an industry leader in cordless power tools with a strategy to innovate in order to grow its total addressable market and benefit from higher penetration of cordless tools. Its management has demonstrated their superior execution ability through exceptional sales performance and gross profit margin expansion over many years and despite the recent challenging supply chain backdrop. Critically, Techtronic's dominance in the cordless market and its relationship with key distributors are significant competitive advantages. Thai lender Kasikornbank is a leader in digitalisation, technology and environmental, social and governance factors among its domestic peers. We expect it to be among the key beneficiaries of the country's reopening and we see attractive prospects for the bank supported by its solid balance sheet, strong branch network and measured approach in digital transformation. India's largest passenger vehicle company, Maruti Suzuki, is a subsidiary of Japan's Suzuki and boasts a dominant market share in the domestic four-wheeler market. Its distribution network and business scale are unparalleled in the market. The company has also consistently proven that it is ahead of the technology curve, a function of its relationship with Suzuki and its own research and development capabilities. In the near term, Maruti will benefit from recovering consumer sentiment and the push towards personal mobility. Over the longer term, it also stands to gain from the technological advances it has made in low-emission vehicles.

In addition, we established positions in four Chinese companies. Shenzhen Inovance is a leader in China's industrial automation sector with a strong track record, competitive products, diversified revenue streams and cost advantage underpinned by effective supply chain management. In our view, the company is a key beneficiary of increasing adoption of automation in China, as an ageing population will drive the country to improve labour efficiency. Further, Beijing's push for self-reliance in key technologies will increase localisation, which will benefit leading players like Shenzhen Inovance. Textile manufacturer Shenzhou International produces apparel for global brands such as Nike, Adidas, Uniqlo and Puma. It is vertically integrated, starting from fabric research and development, and has a good track record of efficient execution. Yonyou Network Technology is the largest enterprise resource planning (ERP) provider in China. The company is growing rapidly as more companies are adopting ERP and migrating to cloud services. There is also greater demand for digital interfaces adapted for different locations. We also bought Contemporary Amperex Technology (CATL) at an attractive valuation, following a period of profit-taking among battery manufacturers. We are keen to gain greater exposure to the demand for electric car batteries in China, where CATL has a dominant market share and synergy within the local supply chain. CATL is also recognised as a global leader for battery and energy storage systems.

In Australia, we added copper producer OZ Minerals and HUB24. OZ Minerals owns and operates long-life, low-cost assets with an attractive growth profile and has upside potential in both copper and nickel, underpinned by the decarbonisation trend. HUB24 is a specialist platform provider for the country's wealth management industry. It also offers application and technology products to the financial services sector. The company is attracting solid growth in funds under administration owing to continued industry tailwinds and the move towards independent financial advice. HUB24 has also made some progress in expanding its ecosystem beyond platform custody assets and entered non-custody platform offerings, which will drive revenue opportunities and entrench its customer base further.

We participated in the initial public offering of LG Energy Solution, a global market leader in batteries for an array of energy storage requirements such as electric vehicles. However, our allocation was sub-optimal and we exited our position on valuation grounds, given the stock's sharp run-up following its listing. We also sold China Conch Venture, China Resources Gas, ITC, Ping An Insurance, Samsung SDI, Shanghai International Airport and SK Hynix in view of better opportunities elsewhere.



# ASI (SLI) Asian Pacific Growth Equity Fund

## Continued

### Portfolio Outlook and Strategy

Market sentiment remains very jittery. The Russia-Ukraine conflict has further added to several macro challenges in Asia. These include a slowdown in China, driven by regulation, the common prosperity policy, the zero-COVID strategy and geopolitics. The spread of Omicron as well as rising inflation, higher rates and US dollar strength also create uncertainties for the region.

In such an environment, the fourth quarter of 2021 reporting season suggests that earnings are holding up quite well and still growing despite input cost pressures on margins, albeit we continue to monitor closely the operational performance across our holdings. Valuations in Asia, meanwhile, look undemanding relative to history and relative to global and US equities.

Given all the understandable nervousness around Asia right now, this time is when an active approach to investing makes a difference, enabling investors to sidestep parts of the market that are most exposed to risks and uncertainties. Environmental, social and corporate governance is a key part of this active investment approach, particularly when it comes to assessing regulatory risk. It is also the time for a quality-focused investment approach – one that will help provide a buffer against rising volatility.

### Asia Pacific Equity Team

March 2022

# ASI (SLI) Asian Pacific Growth Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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 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 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.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	466.86	355.22	330.58
Return before operating charges*	(35.91)	117.35	29.94
Operating charges	(6.68)	(5.71)	(5.30)
Return after operating charges*	(42.59)	111.64	24.64
Distributions	(0.94)	(2.94)	(4.05)
Retained distributions on accumulation shares	0.94	2.94	4.05
Closing net asset value per share	424.27	466.86	355.22
* after direct transaction costs of:	0.46	0.39	0.40
<b>Performance</b>			
Return after charges	(9.12%)	31.43%	7.45%
<b>Other information</b>			
Closing net asset value (£'000)	12,230	14,521	13,002
Closing number of shares	2,882,543	3,110,250	3,660,152
Operating charges	1.46%	1.44%	1.47%
Direct transaction costs	0.10%	0.10%	0.11%
<b>Prices</b>			
Highest share price	484.6	513.3	391.8
Lowest share price	419.6	304.2	333.1

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	541.90	410.38	380.13
Return before operating charges*	(41.85)	135.99	34.37
Operating charges	(5.27)	(4.47)	(4.12)
Return after operating charges*	(47.12)	131.52	30.25
Distributions	(3.59)	(5.59)	(6.62)
Retained distributions on accumulation shares	3.59	5.59	6.62
Closing net asset value per share	494.78	541.90	410.38
* after direct transaction costs of:	0.53	0.46	0.46
<b>Performance</b>			
Return after charges	(8.70%)	32.05%	7.96%
<b>Other information</b>			
Closing net asset value (£'000)	4,279	4,590	4,134
Closing number of shares	864,934	847,024	1,007,457
Operating charges	0.99%	0.97%	1.00%
Direct transaction costs	0.10%	0.10%	0.11%
<b>Prices</b>			
Highest share price	562.5	595.7	452.3
Lowest share price	489.3	351.5	383.1

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	106.49	81.53	76.76
Return before operating charges*	(8.20)	26.94	6.94
Operating charges	(1.52)	(1.31)	(1.23)
Return after operating charges*	(9.72)	25.63	5.71
Distributions	(0.21)	(0.67)	(0.94)
Closing net asset value per share	96.56	106.49	81.53
* after direct transaction costs of:	0.10	0.09	0.09
<b>Performance</b>			
Return after charges	(9.13%)	31.44%	7.44%
<b>Other information</b>			
Closing net asset value (£'000)	1,198	1,371	1,245
Closing number of shares	1,240,939	1,287,902	1,527,171
Operating charges	1.46%	1.44%	1.47%
Direct transaction costs	0.10%	0.10%	0.11%
<b>Prices</b>			
Highest share price	110.5	117.8	90.97
Lowest share price	95.70	69.82	77.35

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	202.23	152.00	139.76
Return before operating charges*	(15.71)	50.61	12.62
Operating charges	(0.48)	(0.38)	(0.38)
Return after operating charges*	(16.19)	50.23	12.24
Distributions	(2.84)	(3.37)	(3.59)
Retained distributions on accumulation shares	2.84	3.37	3.59
Closing net asset value per share	186.04	202.23	152.00
* after direct transaction costs of:	0.20	0.17	0.17
<b>Performance</b>			
Return after charges	(8.01%)	33.05%	8.76%
<b>Other information</b>			
Closing net asset value (£'000)	1,102	1,127	763
Closing number of shares	592,312	557,506	502,270
Operating charges	0.24%	0.22%	0.25%
Direct transaction costs	0.10%	0.10%	0.11%
<b>Prices</b>			
Highest share price	209.9	222.3	167.4
Lowest share price	184.0	130.3	140.9

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	142.13	107.69	99.82
Return before operating charges*	(10.96)	35.69	9.01
Operating charges	(1.45)	(1.25)	(1.14)
Return after operating charges*	(12.41)	34.44	7.87
Distributions	(0.87)	(1.40)	(1.68)
Retained distributions on accumulation shares	0.87	1.40	1.68
Closing net asset value per share	129.72	142.13	107.69
* after direct transaction costs of:	0.14	0.12	0.12
<b>Performance</b>			
Return after charges	(8.73%)	31.98%	7.88%
<b>Other information</b>			
Closing net asset value (£'000)	12,389	13,699	9,476
Closing number of shares	9,550,373	9,637,698	8,799,111
Operating charges	1.04%	1.02%	1.05%
Direct transaction costs	0.10%	0.10%	0.11%
<b>Prices</b>			
Highest share price	147.5	156.3	118.7
Lowest share price	128.3	92.24	100.6

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.50%)</b>		<b>31,064</b>	<b>99.57</b>
<b>European Equities (1.98%)</b>		<b>714</b>	<b>2.29</b>
<b>Netherlands (1.98%)</b>		<b>714</b>	<b>2.29</b>
1,010	ASM International	244	0.78
937	ASML	470	1.51
<b>Pacific Basin Equities (96.52%)</b>		<b>30,350</b>	<b>97.28</b>
<b>Australia (11.87%)</b>		<b>4,916</b>	<b>15.76</b>
21,084	Aristocrat Leisure	422	1.35
180,000	Beach Energy	147	0.47
25,778	BHP	649	2.08
3,194	Cochlear	374	1.20
9,540	Commonwealth Bank of Australia	482	1.54
5,033	CSL	705	2.26
29,477	Goodman REIT	353	1.13
11,680	HUB24	175	0.56
4,059	Macquarie	394	1.26
45,000	Nanosonics	101	0.33
33,700	National Australia Bank	523	1.68
22,665	OZ Minerals	312	1.00
4,385	Rio Tinto	279	0.90
<b>China (34.56%)</b>		<b>8,265</b>	<b>26.49</b>
82,044	Alibaba	815	2.61
96,538	China Merchants Bank 'H'	606	1.94
21,635	China Tourism Duty Free 'A'	517	1.66
3,700	Contemporary Amperex Technology 'A'	233	0.75
36,800	GDS 'A'	150	0.48
3,940	GDS ADR	131	0.42
27,100	Glodon 'A'	180	0.58
15,562	Hangzhou Tigermed Consulting 'A'	187	0.60
2,359	JD.com 'A'	63	0.20
1,800	Kweichow Moutai 'A'	381	1.22
33,020	LONGi Green Energy Technology 'A'	303	0.97
14,600	Meituan 'B'	240	0.77



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
52,680	NARI Technology 'A'	220	0.70
12,975	NetEase	189	0.61
20,400	Shenzhen Inovance Technology 'A'	153	0.49
8,500	Shenzhen Mindray Bio-Medical Electronics 'A'	328	1.05
22,200	Shenzhou International	278	0.89
23,900	Sungrow Power Supply 'A'	342	1.10
49,553	Tencent	1,991	6.38
1,660,000	Tianhe Chemicals**	-	-
23,200	Wanhua Chemical 'A'	260	0.83
43,000	Wuxi Biologics (Cayman)	263	0.84
39,400	Yonyou Network Technology 'A'	146	0.47
9,400	Yunnan Energy New Material 'A'	289	0.93
<b>Hong Kong (8.31%)</b>		<b>2,425</b>	<b>7.77</b>
153,122	AIA	1,187	3.80
202,100	Budweiser Brewing	467	1.50
424,000	China High Precision Automation**	-	-
147,000	China Metal Recycling**	-	-
69,093	China Resources Land	250	0.80
9,974	Hong Kong Exchanges & Clearing	359	1.15
13,000	Techtronic Industries	162	0.52
<b>India (10.35%)</b>		<b>4,185</b>	<b>13.42</b>
22,900	Hindustan Unilever	492	1.58
44,540	Housing Development Finance	1,041	3.34
25,542	Kotak Mahindra Bank	465	1.49
24,236	Larsen & Toubro	435	1.39
4,095	Maruti Suzuki India	336	1.08
39,880	SBI Life Insurance	417	1.34
16,400	Tata Consultancy Services	576	1.85
6,509	UltraTech Cement	423	1.35
<b>Indonesia (2.11%)</b>		<b>725</b>	<b>2.32</b>
1,742,615	Bank Central Asia	725	2.32

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Macau (0.99%)</b>		<b>204</b>	<b>0.65</b>
104,501	Sands China	204	0.65
<b>New Zealand (1.26%)</b>		<b>435</b>	<b>1.40</b>
17,300	Fisher & Paykel Healthcare	239	0.77
3,908	Xero	196	0.63
<b>Philippines (0.76%)</b>		<b>322</b>	<b>1.03</b>
570,200	Ayala Land REIT	322	1.03
<b>Singapore (2.85%)</b>		<b>1,608</b>	<b>5.15</b>
39,216	DBS	728	2.33
95,853	Oversea-Chinese Banking	614	1.97
2,459	Sea ADR	266	0.85
<b>South Korea (11.67%)</b>		<b>3,171</b>	<b>10.17</b>
2,503	Kakao	146	0.47
1,374	LG Chemical	480	1.54
823	Samsung Biologics	397	1.27
54	Samsung Biologics (Rights)	5	0.02
4,270	Samsung Electronics	191	0.61
47,636	Samsung Electronics (Preference)	1,952	6.26
<b>Taiwan (11.45%)</b>		<b>3,884</b>	<b>12.45</b>
53,000	Delta Electronic	347	1.11
229,000	Hon Hai Precision Industry	627	2.01
181,534	Taiwan Semiconductor Manufacturing	2,910	9.33
<b>Thailand (0.34%)</b>		<b>210</b>	<b>0.67</b>
56,600	Kasikornbank (Alien Market)	210	0.67

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (0.42%)		35	0.11
35	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	35	0.11
Total investment assets		31,099	99.68
Net other assets		99	0.32
<b>Total Net Assets</b>		<b>31,198</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 28 February 2021.

Prior year classifications for some sectors have been updated to reflect current year classifications.

+ Managed by subsidiaries of abrdn plc.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(3,148)		8,202
Revenue	2	569		648	
Expenses	3	(378)		(347)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		191		300	
Taxation	4	(60)		(14)	
Net revenue after taxation			131		286
<b>Total return before distributions</b>			<b>(3,017)</b>		<b>8,488</b>
Distributions	5		(154)		(319)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(3,171)</b>		<b>8,169</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>35,308</b>		<b>28,620</b>
Amounts receivable on the issue of shares	10,309		5,716	
Amounts payable on the cancellation of shares	(11,418)		(7,497)	
		(1,109)		(1,781)
Dilution adjustment		12		7
Change in net assets attributable to shareholders from investment activities (see above)		(3,171)		8,169
Retained distribution on accumulation shares		158		293
<b>Closing net assets attributable to shareholders</b>		<b>31,198</b>		<b>35,308</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			31,099		34,928
<b>Current assets:</b>					
Debtors	6	166		369	
Cash and bank balances	7	337		208	
			503		577
<b>Total assets</b>			<b>31,602</b>		<b>35,505</b>
<b>Liabilities:</b>					
Provisions for liabilities	8		(43)		(25)
Creditors	9	(358)		(163)	
Distribution payable		(3)		(9)	
			(361)		(172)
<b>Total liabilities</b>			<b>(404)</b>		<b>(197)</b>
<b>Net assets attributable to shareholders</b>			<b>31,198</b>		<b>35,308</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(3,117)	8,231
Forward currency contracts	1	11
Other losses	(3)	(19)
Transaction charges	(29)	(21)
<b>Net capital (losses)/gains</b>	<b>(3,148)</b>	<b>8,202</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	-	11
Overseas dividends	480	601
Overseas REIT	5	6
UK dividends	84	30
<b>Total revenue</b>	<b>569</b>	<b>648</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	330	307
Dealing charge	6	6
General administration charge*	8	-
Registration fees**	8	13
	<b>352</b>	<b>326</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	2	2
Revenue collection expenses	2	-
Safe custody fee	7	5
	<b>11</b>	<b>7</b>
<b>Other:</b>		
Audit fee**	3	9
Professional fees**	12	5
	<b>15</b>	<b>14</b>
<b>Total expenses</b>	<b>378</b>	<b>347</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Adjustments in respect of prior periods	-	(80)
Overseas taxes	37	61
Overseas capital gains tax in capital	5	8
Total current tax	42	(11)
Deferred tax (note 4c)	18	25
<b>Total taxation (note 4b)</b>	<b>60</b>	<b>14</b>

#### **(b) Factors affecting current tax charge for the year**

The tax assessed for the year is greater than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>191</b>	<b>300</b>
Corporation tax at 20% (2021: 20%)	38	60
Effects of:		
Revenue not subject to taxation	(112)	(126)
Overseas taxes	37	61
Excess allowable expenses	74	66
Adjustments in respect of prior periods	-	(80)
Overseas capital gains tax	5	8
Deferred Tax	18	25
<b>Total tax charge for year (note 4a)</b>	<b>60</b>	<b>14</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### **(c) Deferred tax**

Deferred tax provision at the start of the year	25	-
Deferred tax charge in statement of total return for year (note 4a)	18	25
<b>Provision at the end of the year</b>	<b>43</b>	<b>25</b>

#### **(d) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £868,000 (2021: £794,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

# Notes to the Financial Statements

## Continued

### 5 Distributions (including the movement between net revenue and distributions)

	2022	2021
	£'000	£'000
Distribution	161	302
Add: Income deducted on cancellation of shares	46	63
Deduct: Income received on issue of shares	(53)	(46)
<b>Total distributions for the year</b>	<b>154</b>	<b>319</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	131	286
Overseas capital gains tax on realised gains	5	8
Overseas deferred capital gains tax on unrealised gains	18	25
<b>Total distributions for the year</b>	<b>154</b>	<b>319</b>

Details of the distribution per share are set out in this fund's distribution table.

### 6 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	60	76
Amounts receivable from the ACD for the issue of shares	20	7
Overseas withholding tax recoverable	9	13
Sales awaiting settlement	77	273
<b>Total debtors</b>	<b>166</b>	<b>369</b>

### 7 Liquidity

	2022	2021
	£'000	£'000
<b>Cash and bank balances</b>		
Cash at bank	337	208
	<b>337</b>	<b>208</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	35	149
<b>Net liquidity</b>	<b>372</b>	<b>357</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.



# Notes to the Financial Statements

## Continued

### 8 Provisions for Liabilities

	2022 £'000	2021 £'000
The provisions for liabilities comprise:		
Deferred tax payable on overseas capital gains tax	43	25
<b>Total provisions for liabilities</b>	<b>43</b>	<b>25</b>

### 9 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	26	30
Accrued expenses payable to the Depositary or associates of the Depositary	5	4
Amounts payable to the ACD for cancellation of shares	120	28
Other accrued expenses	5	9
Purchases awaiting settlement	202	92
<b>Total creditors</b>	<b>358</b>	<b>163</b>

### 10 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 9.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 9.

# Notes to the Financial Statements

## Continued

### 11 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	13,307	10,302	13,939	12,068
Corporate actions	-	-	-	5
<b>Trades in the year before transaction costs</b>	<b>13,307</b>	<b>10,302</b>	<b>13,939</b>	<b>12,073</b>
<b>Commissions</b>				
Equities	6	6	(5)	(6)
<b>Total commissions</b>	<b>6</b>	<b>6</b>	<b>(5)</b>	<b>(6)</b>
<b>Taxes</b>				
Equities	7	5	(17)	(14)
<b>Total taxes</b>	<b>7</b>	<b>5</b>	<b>(17)</b>	<b>(14)</b>
<b>Total transaction costs</b>	<b>13</b>	<b>11</b>	<b>(22)</b>	<b>(20)</b>
<b>Total net trades in the year after transaction costs</b>	<b>13,320</b>	<b>10,313</b>	<b>13,917</b>	<b>12,053</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.06	0.04	0.05
<b>Taxes</b>				
Equities	0.05	0.05	0.12	0.11
			2022 %	2021 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.03	0.04
Taxes			0.07	0.06

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.32% (2021: 0.21%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 12 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	3,110,250	640,509	(862,343)	(5,873)	2,882,543
Institutional accumulation	847,024	280,331	(252,267)	(10,154)	864,934
Retail income	1,287,902	94,764	(141,727)	-	1,240,939
Standard Life accumulation	557,506	61,285	(29,181)	2,702	592,312
Platform 1 accumulation	9,637,698	4,204,222	(4,345,688)	54,141	9,550,373

### 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	31,064	-	-	34,779	-	-
Collective Investment Schemes	-	35	-	-	149	-
<b>Total investment assets</b>	<b>31,064</b>	<b>35</b>	<b>-</b>	<b>34,779</b>	<b>149</b>	<b>-</b>

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure 2022 £'000	Net foreign currency exposure 2021 £'000
Australian Dollar	4,696	3,947
China Renminbi	3,539	2,797
Euro	714	699
Hong Kong Dollar	7,250	10,017
Indian Rupee	4,204	3,638

# Notes to the Financial Statements

## Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Indonesian Rupiah	725	745
Philippines Peso	322	270
Singapore Dollar	1,387	1,043
South Korean Won	3,188	4,153
Taiwan Dollar	3,988	4,068
Thai Baht	210	123
US Dollar	436	3,082
<b>Total</b>	<b>30,659</b>	<b>34,582</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £1,533,000 (2021: £1,729,000).

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £1,555,000 (2021: £1,746,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £404,000 (2021: £197,000).

## 15 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 129.72p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 120.75p. This represents a change of (6.91)% from the year end value.

# Distribution Table

For the year ended 28 February 2022 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	0.9392	-	0.9392	2.9405
Group 2	-	0.9392	0.9392	2.9405
<b>Institutional accumulation</b>				
Group 1	3.5935	-	3.5935	5.5856
Group 2	0.3484	3.2451	3.5935	5.5856
<b>Retail income</b>				
Group 1	0.2140	-	0.2140	0.6749
Group 2	0.0714	0.1426	0.2140	0.6749
<b>Standard Life accumulation</b>				
Group 1	2.8407	-	2.8407	3.3708
Group 2	1.2605	1.5802	2.8407	3.3708
<b>Platform 1 accumulation</b>				
Group 1	0.8725	-	0.8725	1.4045
Group 2	0.0651	0.8074	0.8725	1.4045

## 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 (SLI) Corporate Bond Fund

For the year ended 28 February 2022

## 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 exceed the IA Sterling Corporate bond Sector Average return (after charges) over 1 year 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.

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

## 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, including 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 abrdn) and 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) and analysis of a company's prospects and creditworthiness compared to that of the market.
- 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%. Due to the active nature of the management process, the fund's profile may deviate significantly from the iBoxx Sterling Collateralized & Corporates 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, reduce cost and/or generate extra income or growth at consistent risk (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

Over the period under review, the fund returned -3.40%. (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of -3.56% for our performance target. (Source: FactSet, the IA Sterling Corporate Bond Sector Average).

Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdn\*\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdn\*\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates. \*\*abrdn means the relevant member of abrdn group, being abrdn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Stock selection was the main contributor to returns. Additionally, the fund ran a shorter duration position than the benchmark, which also added to relative performance. A number of the top performing positions were COVID-19 recovery names which benefited from an easing of lockdown restrictions. This included top performer Metrocentre as well as British Land. Overweights in Heathrow Airport and Center Parcs also performed positively. Moreover, an off-benchmark position in Dignity Finance was beneficial. Its bonds were supported by the possibility of its crematorium business being sold, which could trigger an early repayment of the bonds at a premium.

On the negative side, the biggest detractors were antipodean banks ANZ and Westpac. Utilities holdings were among the fund's detractors, including E.On, Energias de Portugal and EDF. The long-dated bonds of British American Tobacco also dragged on returns.

# ASI (SLI) Corporate Bond Fund

## Continued

### Portfolio Activity and Review

In the primary market, towards the end of the period, we bought the dual issue bonds of Prologis – the warehouse real estate company. We also bought Workspace Group in the secondary market, which is a real estate investment trust that owns London office space. Also in the secondary market, we bought BP's corporate hybrids, which are well priced and offer good potential for upside from rising oil prices.

Late in the period, in banking, we bought the 2031 bonds of Virgin Money and NatWest, as well as NatWest's subordinated bonds. This was financed by the sale of Barclays and Citigroup's 2026 bonds. We also sold the subordinated financials of Deutsche bank.

### Portfolio Outlook and Strategy

The war in Ukraine creates high uncertainties on the political and economic front. The western world is being challenged by the geopolitical conflict, which will result in higher defence spending and a rethinking of Europe's dependency on Russian oil and gas. The imposed sanctions will hurt Russia but also the rest of Europe via higher energy prices, higher non-energy commodity prices and reduced trade with Russia and Ukraine. The situation remains fluid and we expect growth to be lower, inflation to be higher and trade of goods and commodities to be severely affected – more so in Europe than the US.

The Russia-Ukraine conflict makes the global central banks' jobs more difficult as energy price rises will exacerbate inflationary pressures, but also challenge the growth outlook and financial stability. Equity markets have fallen, credit spreads have widened and interest rates have gone up materially, which has already resulted in a tightening of financial conditions. On balance, we think that the US Federal Reserve will raise rates in mid-March, but perhaps at a more measured pace than originally thought. In Europe, the European Central Bank is likely to go slower with its stimulus withdrawal, compared to what we expected before the conflict escalated.

### Sterling IG Aggregate Team

March 2022

# ASI (SLI) Corporate Bond Fund

## Continued

### 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 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 28 February 2022.

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 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 invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- 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 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	386.40	380.34	343.27
Return before operating charges*	(9.50)	10.01	40.84
Operating charges	(4.04)	(3.95)	(3.77)
Return after operating charges*	(13.54)	6.06	37.07
Distributions	(12.69)	(12.39)	(12.45)
Retained distributions on accumulation shares	12.69	12.39	12.45
Closing net asset value per share	372.86	386.40	380.34
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.50%)	1.59%	10.80%
<b>Other information</b>			
Closing net asset value (£'000)	51,559	57,147	60,205
Closing number of shares	13,827,836	14,789,827	15,829,495
Operating charges	1.02%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	405.6	404.6	385.2
Lowest share price	372.8	334.4	345.0

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.39	64.10	57.61
Return before operating charges*	(1.62)	1.68	6.87
Operating charges	(0.40)	(0.39)	(0.38)
Return after operating charges*	(2.02)	1.29	6.49
Distributions	(2.15)	(2.09)	(2.09)
Retained distributions on accumulation shares	2.15	2.09	2.09
Closing net asset value per share	63.37	65.39	64.10
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.09%)	2.01%	11.27%
<b>Other information</b>			
Closing net asset value (£'000)	46,297	43,646	115,346
Closing number of shares	73,058,840	66,743,975	179,950,237
Operating charges	0.60%	0.61%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	68.76	68.44	64.91
Lowest share price	63.35	56.38	57.91

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	106.36	108.11	100.93
Return before operating charges*	(2.45)	2.84	11.88
Operating charges	(1.10)	(1.11)	(1.09)
Return after operating charges*	(3.55)	1.73	10.79
Distributions	(3.45)	(3.48)	(3.61)
Closing net asset value per share	99.36	106.36	108.11
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.34%)	1.60%	10.69%
<b>Other information</b>			
Closing net asset value (£'000)	22,042	25,244	26,759
Closing number of shares	22,184,024	23,734,495	24,750,945
Operating charges	1.02%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	110.8	112.3	110.4
Lowest share price	100.2	95.08	101.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.66	55.32	51.43
Return before operating charges*	(1.27)	1.46	6.06
Operating charges	(0.33)	(0.34)	(0.32)
Return after operating charges*	(1.60)	1.12	5.74
Distributions	(1.78)	(1.78)	(1.85)
Closing net asset value per share	51.28	54.66	55.32
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.93%)	2.02%	11.16%
<b>Other information</b>			
Closing net asset value (£'000)	10,234	11,222	519
Closing number of shares	19,958,567	20,532,132	938,793
Operating charges	0.60%	0.61%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	57.02	57.65	56.47
Lowest share price	51.69	48.66	51.69

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.26	56.61	52.32
Return before operating charges*	(1.34)	1.50	6.19
Operating charges	(0.01)	(0.02)	(0.02)
Return after operating charges*	(1.35)	1.48	6.17
Distributions	(1.83)	(1.83)	(1.88)
Closing net asset value per share	53.08	56.26	56.61
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.40%)	2.61%	11.79%
<b>Other information</b>			
Closing net asset value (£'000)	3,031	3,918	16,194
Closing number of shares	5,710,655	6,964,912	28,605,016
Operating charges	0.02%	0.03%	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	58.84	59.28	57.78
Lowest share price	53.51	49.81	52.47

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	67.21	65.55	58.61
Return before operating charges*	(1.68)	1.73	7.01
Operating charges	(0.07)	(0.07)	(0.07)
Return after operating charges*	(1.75)	1.66	6.94
Distributions	(2.21)	(2.15)	(2.14)
Retained distributions on accumulation shares	2.21	2.15	2.14
Closing net asset value per share	65.46	67.21	65.55
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.60%)	2.53%	11.84%
<b>Other information</b>			
Closing net asset value (£'000)	37	24	23
Closing number of shares	56,664	36,329	34,525
Operating charges	0.10%	0.11%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	70.83	70.29	66.38
Lowest share price	65.42	57.67	58.91

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	169.86	166.58	149.80
Return before operating charges*	(4.21)	4.39	17.84
Operating charges	(1.13)	(1.11)	(1.06)
Return after operating charges*	(5.34)	3.28	16.78
Distributions	(5.59)	(5.43)	(5.44)
Retained distributions on accumulation shares	5.59	5.43	5.44
Closing net asset value per share	164.52	169.86	166.58
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.14%)	1.97%	11.20%
<b>Other information</b>			
Closing net asset value (£'000)	11,507	10,320	14,325
Closing number of shares	6,994,060	6,075,427	8,599,343
Operating charges	0.65%	0.66%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	178.6	177.8	168.7
Lowest share price	164.5	146.5	150.6

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	119.79	121.31	112.83
Return before operating charges*	(2.79)	3.19	13.31
Operating charges	(0.79)	(0.80)	(0.78)
Return after operating charges*	(3.58)	2.39	12.53
Distributions	(3.89)	(3.91)	(4.05)
Closing net asset value per share	112.32	119.79	121.31
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.99%)	1.97%	11.11%
<b>Other information</b>			
Closing net asset value (£'000)	8,603	10,337	11,014
Closing number of shares	7,659,727	8,628,609	9,079,018
Operating charges	0.65%	0.66%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	124.9	126.4	123.8
Lowest share price	113.2	106.7	113.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (98.34%)</b>		<b>150,022</b>	<b>97.86</b>
<b>Euro Denominated Bonds (4.25%)</b>		<b>7,766</b>	<b>5.07</b>
<b>Corporate Bonds (4.25%)</b>		<b>7,766</b>	<b>5.07</b>
less than 5 years to maturity			
1,250,000	Cromwell EREIT 2.125% 2025	1,037	0.68
between 5 and 10 years to maturity			
400,000	Autostrade per l'Italia 2.25% 2032	308	0.20
750,000	Digital Intrepid REIT 0.625% 2031	535	0.35
greater than 25 years to maturity			
900,000	EDP 1.5% fixed to floating 2082	673	0.44
Perpetual			
800,000	Commerzbank 6.125% fixed to floating Perpetual	687	0.45
1,200,000	Deutsche Bank 4.625% fixed to floating Perpetual	941	0.61
611,000	Enel 2.25% fixed to floating Perpetual	492	0.32
1,100,000	Iberdrola International 1.874% fixed to floating Perpetual	886	0.58
1,050,488	Stichting 6.5% Perpetual	1,059	0.69
1,000,000	Telefonica Europe 2.376% fixed to floating Perpetual	722	0.47
500,000	Volkswagen International Finance 3.5% fixed to floating Perpetual	426	0.28
<b>Sterling Denominated Bonds (91.59%)</b>		<b>137,678</b>	<b>89.80</b>
<b>Corporate Bonds (89.52%)</b>		<b>135,831</b>	<b>88.60</b>
less than 5 years to maturity			
1,300,000	ABP Finance 6.25% 2026	1,519	0.99
1,000,000	Anglian Water Osprey Financing 4% 2026	1,043	0.68
1,000,000	Banco Santander 1.5% 2026	957	0.62
500,000	Barclays 3% 2026	505	0.33
1,000,000	Barclays 3.25% 2027	1,020	0.67
500,000	BAT Capital 2.125% 2025	485	0.32
500,000	BAT International Finance 4% 2026	517	0.34
609,000	Bellis Acquisition 3.25% 2026	554	0.36
565,000	Bellis Acquisition 4.5% 2026	535	0.35
500,000	CaixaBank 1.5% fixed to floating 2026	478	0.31

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
913,000	CPUK Finance 3.588% 2025	948	0.62
1,500,000	Deutsche Bank 2.625% 2024	1,495	0.98
314,000	FirstGroup 6.875% 2024	347	0.23
1,000,000	Ford Motor Credit 2.748% 2024	977	0.64
1,500,000	Go-Ahead 2.5% 2024	1,448	0.94
1,250,000	Hammerson REIT 3.5% 2025	1,233	0.80
500,000	Hammerson REIT 6% 2026	532	0.35
1,250,000	Heathrow Funding 6.75% 2026	1,478	0.96
1,500,000	Highbury Finance 7.017% 2023	921	0.60
1,000,000	Imperial Brands Finance 5.5% 2026	1,101	0.72
1,500,000	Intu (SGS) Finance REIT 4.875% 2023	857	0.56
1,500,000	Lloyds Bank 7.625% 2025	1,712	1.12
1,047,000	Lloyds Bank Corporate Markets 1.75% 2024	1,037	0.68
2,500,000	Metrocentre Finance REIT 8.75% 2023	1,417	0.92
600,000	NatWest 2.875% fixed to floating 2026	605	0.39
750,000	Pacific National Finance 5% 2023	778	0.51
1,000,000	Santander UK 3.625% 2026	1,038	0.68
900,000	Volkswagen Financial Services 1.875% 2024	885	0.58
600,000	Volkswagen Financial Services 2.125% 2024	596	0.39
500,000	Volkswagen Financial Services 2.75% 2023	504	0.33
720,000	Westfield Stratford City Finance No 2 1.642% 2026	706	0.46
between 5 and 10 years to maturity			
1,000,000	Athene Global Funding 1.75% 2027	944	0.62
750,000	Barclays 3.75% fixed to floating 2030	759	0.50
426,000	Berkeley 2.5% 2031	383	0.25
549,000	Blackstone Property Partners Europe 2.65% 2028	528	0.34
1,400,000	BNP Paribas 1.25% 2031	1,200	0.78
600,000	BNP Paribas 2% fixed to floating 2031	567	0.37
750,000	Canary Wharf Finance II 6.8% 2030	458	0.30
750,000	Comcast 5.5% 2029	912	0.59
750,000	Cooperatieve Rabobank 4.625% 2029	818	0.53
750,000	CPUK Finance 3.69% 2028	796	0.52
531,000	Credit Suisse 2.125% fixed to floating 2029	499	0.33
1,000,000	Credit Suisse 2.25% fixed to floating 2028	962	0.63
1,000,000	Danske Bank 2.25% fixed to floating 2028	976	0.64
2,260,000	Delamare Finance 5.5457% 2029	1,729	1.13

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
900,000	Deutsche Bank 1.875% fixed to floating 2028	841	0.55
830,000	Digital Stout REIT 3.3% 2029	850	0.55
668,000	General Motors Financial 1.55% 2027	628	0.41
668,000	Grainger 3% 2030	646	0.42
470,000	Hammerson REIT 7.25% 2028	534	0.35
1,500,000	Heathrow Funding 2.625% 2028	1,437	0.94
904,000	HSBC 1.75% fixed to floating 2027	865	0.56
1,500,000	HSBC 2.625% 2028	1,481	0.97
1,156,000	HSBC 3% fixed to floating 2030	1,152	0.75
500,000	HSBC 5.75% 2027	559	0.36
1,500,000	HSBC 6.75% 2028	1,782	1.16
1,500,000	HSBC Bank 5.375% fixed to floating 2030	1,627	1.06
750,000	Lloyds Banking 1.985% fixed to floating 2031	706	0.46
1,500,000	London & Quadrant Housing Trust 2.25% 2029	1,494	0.97
1,000,000	Longstone Finance 4.896% 2031	1,102	0.72
792,000	National Australia Bank 1.699% fixed to floating 2031	741	0.48
700,000	National Express 2.375% 2028	679	0.44
1,000,000	NatWest 2.105% fixed to floating 2031	945	0.62
1,000,000	NatWest 3.125% fixed to floating 2027	1,018	0.66
559,000	NatWest 3.622% fixed to floating 2030	562	0.37
500,000	NewRiver REIT 3.5% 2028	483	0.32
500,000	Pension Insurance 5.625% 2030	547	0.36
374,000	Prologis International Funding II 2.75% 2032	374	0.24
1,000,000	Santander UK 3.875% 2029	1,106	0.72
510,000	Severn Trent Utilities Finance 2.75% 2031	517	0.34
528,507	Shaftesbury Carnaby REIT 2.487% 2031	500	0.33
890,000	Shaftesbury Chinatown 2.348% 2027	872	0.57
579,000	Southern Water Services Finance 1.625% 2027	557	0.36
2,000,000	Telereal Securitisation 6.1645% 2031	2,041	1.33
750,000	Thames Water Utilities Finance 3.5% 2028	789	0.51
733,000	Unite REIT 3.5% 2028	765	0.50
500,000	Virgin Money UK 2.625% fixed to floating 2031	478	0.31
1,369,000	Virgin Money UK 5.125% fixed to floating 2030	1,431	0.93
1,000,000	Vmed O2 UK Financing I 4% 2029	902	0.59
1,100,000	Volkswagen Financial Services 1.375% 2028	1,007	0.66
1,000,000	Welltower REIT 4.8% 2028	1,124	0.73

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
500,000	Wm Morrison Supermarkets 4.75% 2029	499	0.32
1,150,000	Workspace REIT 2.25% 2028	1,089	0.71
between 10 and 15 years to maturity			
521,000	Annington Funding 2.308% 2032	477	0.31
700,000	Annington Funding 3.685% 2034	701	0.46
1,700,000	Arqiva Financing 4.882% 2032	1,391	0.91
1,500,000	AT&T 5.2% 2033	1,778	1.16
800,000	Aviva 6.125% fixed to floating 2036	890	0.58
1,500,000	Banco Santander 2.25% fixed to floating 2032	1,404	0.92
500,000	Barclays 3.25% 2033	501	0.33
1,250,000	BAT International Finance 6% 2034	1,366	0.89
1,000,000	BNP Paribas 2% 2036	847	0.55
700,000	BPCE 2.5% fixed to floating 2032	664	0.43
2,000,000	Broadgate Financing 5.098% 2033	2,024	1.32
500,000	Centrica 7% 2033	679	0.44
1,500,000	Eversholt Funding 6.697% 2035	1,711	1.12
1,200,000	Gatwick Funding 5.75% 2037	1,470	0.96
1,500,000	Great Rolling Stock 6.875% 2035	1,138	0.74
1,475,000	Lloyds Banking 2.707% fixed to floating 2035	1,359	0.89
613,000	Pension Insurance 3.625% 2032	567	0.37
1,250,000	Premiertel 6.175% 2032	1,146	0.75
609,000	Realty Income REIT 1.75% 2033	546	0.36
750,000	Western Power Distribution 5.75% 2032	937	0.61
between 15 and 25 years to maturity			
1,500,000	AT&T 4.875% 2044	1,771	1.16
750,000	Citigroup 6.8% 2038	1,136	0.74
1,000,000	E.ON International Finance 6.125% 2039	1,374	0.90
1,000,000	E.ON International Finance 6.75% 2039	1,448	0.94
400,000	EDF 5.5% 2041	499	0.33
1,000,000	GlaxoSmithKline Capital 4.25% 2045	1,244	0.81
750,000	Heathrow Funding 5.875% 2041	983	0.64
512,000	Home 3.125% 2043	532	0.35
750,000	Morhomes 3.4% 2038	774	0.51
274,000	Prologis International Funding II 3% 2042	271	0.18
750,000	RL Finance No 2 6.125% fixed to floating 2043	790	0.51
500,000	Southern Water Services Finance 3% 2037	493	0.32

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,000,000	Tesco Property Finance 2 6.0517% 2039	956	0.62
1,000,000	Tesco Property Finance 3 5.744% 2040	1,131	0.74
500,000	Tesco Property Finance 4 5.8006% 2040	572	0.37
750,000	Thames Water Utilities Finance 5.5% 2041	986	0.64
1,600,000	Verizon Communications 1.875% 2038	1,339	0.87
greater than 25 years to maturity			
1,003,000	AA Bond 5.5% 2050	1,066	0.70
432,000	Annington Funding 2.924% 2051	372	0.24
363,000	Aviva 4% fixed to floating 2055	350	0.23
1,000,000	Aviva 5.125% fixed to floating 2050	1,074	0.70
705,000	Blend Funding 3.459% 2047	789	0.51
556,000	Bromford Housing 3.125% 2048	598	0.39
820,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	796	0.52
500,000	Dignity Finance 4.6956% 2049	518	0.34
800,000	EDF 6% 2114	1,065	0.69
750,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	612	0.40
500,000	Legal & General 5.5% fixed to floating 2064	554	0.36
800,000	M&G 5.56% fixed to floating 2055	850	0.55
583,000	M&G 5.625% fixed to floating 2051	630	0.41
1,500,000	NGG Finance 5.625% fixed to floating 2073	1,537	1.00
630,000	Ørsted 2.5% fixed to floating 3021	550	0.36
500,000	RL Finance No 4 4.875% fixed to floating 2049	486	0.32
441,000	Vattenfall 2.5% fixed to floating 2083	399	0.26
1,000,000	Vodafone 3% 2056	875	0.57
Perpetual			
1,000,000	AXA 6.6862% fixed to floating Perpetual	1,107	0.72
750,000	Barclays 5.875% fixed to floating Perpetual	745	0.48
1,250,000	BP Capital Markets 4.25% fixed to floating Perpetual	1,201	0.78
500,000	EDF 5.875% fixed to floating Perpetual	487	0.32
1,000,000	EDF 6% fixed to floating Perpetual	990	0.64
400,000	HSBC 5.875% fixed to floating Perpetual	401	0.26
1,300,000	HSBC Bank Capital Funding Sterling 1 5.844% fixed to floating Perpetual	1,655	1.08
1,250,000	Lloyds Banking 7.625% fixed to floating Perpetual	1,285	0.84
1,000,000	National Express 4.25% fixed to floating Perpetual	976	0.64
818,000	NatWest 4.5% fixed to floating Perpetual	749	0.49
750,000	NatWest 5.125% fixed to floating Perpetual	730	0.48

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Government Bonds (2.07%)</b>		<b>1,847</b>	<b>1.20</b>
between 5 and 10 years to maturity			
2,000,000	UK (Govt of) 0.375% 2030	1,847	1.20
<b>US Dollar Denominated Bonds (2.50%)</b>		<b>4,578</b>	<b>2.99</b>
<b>Corporate Bonds (2.50%)</b>		<b>4,578</b>	<b>2.99</b>
between 10 and 15 years to maturity			
850,000	Omega Healthcare Investors REIT 3.25% 2033	580	0.38
greater than 25 years to maturity			
640,000	Verizon Communications 3.55% 2051	461	0.30
Perpetual			
1,500,000	Australia & New Zealand Banking FRN Perpetual	922	0.60
1,000,000	Danske Bank 6.125% fixed to floating Perpetual	754	0.49
1,000,000	Standard Chartered 7.014% fixed to floating Perpetual	916	0.60
1,500,000	Westpac Banking FRN Perpetual	945	0.62
<b>Collective Investment Schemes (0.08%)</b>		<b>1,028</b>	<b>0.67</b>
1,028	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	1,028	0.67
<b>Derivatives (0.03%)</b>		<b>(83)</b>	<b>(0.06)</b>
<b>Forward Currency Contracts (0.15%)</b>		<b>(85)</b>	<b>(0.06)</b>
	Buy EUR 214,765 Sell GBP 179,458 06/04/2022	1	-
	Buy EUR 237,966 Sell GBP 201,600 06/04/2022	(2)	-
	Buy EUR 255,105 Sell GBP 214,140 06/04/2022	-	-
	Buy EUR 325,318 Sell GBP 271,515 06/04/2022	1	-
	Buy EUR 1,352,987 Sell GBP 1,131,149 06/04/2022	3	-
	Buy EUR 1,800,351 Sell GBP 1,504,248 06/04/2022	5	-
	Buy GBP 331,019 Sell EUR 396,156 06/04/2022	(1)	-
	Buy GBP 11,127,552 Sell EUR 13,317,399 06/04/2022	(35)	(0.02)
	Buy GBP 5,044,719 Sell USD 6,851,727 06/04/2022	(60)	(0.04)
	Buy USD 136,688 Sell GBP 100,809 06/04/2022	1	-

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy USD 143,506 Sell GBP 105,479 06/04/2022	1	-
	Buy USD 144,009 Sell GBP 107,741 06/04/2022	-	-
	Buy USD 157,248 Sell GBP 116,072 06/04/2022	1	-
<b>Futures (-0.12%)</b>		<b>62</b>	<b>0.04</b>
205	Long UK Treasury 4.25% Bond Future 07/06/2032	39	0.03
(5)	Short Euro Bund Future 08/03/2022	31	0.02
(10)	Short US 10 Year Note (CBT) Future 21/06/2022	(8)	(0.01)
<b>Interest Rate Swaps (0.00%)</b>		<b>(60)</b>	<b>(0.04)</b>
GBP 8,000,000	Pay floating GBP-SONIA receive fixed 1.3365% 28/01/2025	(60)	(0.04)
Total investment assets and liabilities		150,967	98.47
Net other assets		2,343	1.53
<b>Total Net Assets</b>		<b>153,310</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 28 February 2021.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(9,259)		(234)
Revenue	2	5,375		7,071	
Expenses	3	(1,325)		(1,599)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		4,049		5,471	
Taxation	4	-		-	
Net revenue after taxation			4,049		5,471
<b>Total return before distributions</b>			<b>(5,210)</b>		<b>5,237</b>
Distributions	5		(5,347)		(7,017)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(10,557)</b>		<b>(1,780)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>161,858</b>		<b>244,385</b>
Amounts receivable on the issue of shares	11,772		3,002	
Amounts payable on the cancellation of shares	(13,564)		(89,052)	
		(1,792)		(86,050)
Dilution adjustment		27		356
Change in net assets attributable to shareholders from investment activities (see above)		(10,557)		(1,780)
Retained distribution on accumulation shares		3,773		4,947
Unclaimed distributions		1		-
<b>Closing net assets attributable to shareholders</b>		<b>153,310</b>		<b>161,858</b>



# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			151,133		159,572
<b>Current assets:</b>					
Debtors	6	2,499		3,675	
Cash and bank balances	7	499		708	
			2,998		4,383
<b>Total assets</b>			<b>154,131</b>		<b>163,955</b>
<b>Liabilities:</b>					
Investment liabilities			(166)		(229)
Bank overdrafts	7	-		(675)	
Creditors	8	(282)		(792)	
Distribution payable		(373)		(401)	
			(655)		(1,868)
<b>Total liabilities</b>			<b>(821)</b>		<b>(2,097)</b>
<b>Net assets attributable to shareholders</b>			<b>153,310</b>		<b>161,858</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	(9,399)	189
Derivative contracts	(60)	(829)
Forward currency contracts	213	365
Other (losses)/gains	(6)	48
Transaction charges	(7)	(7)
<b>Net capital losses</b>	<b>(9,259)</b>	<b>(234)</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	3	7
Derivative revenue	5	-
Interest on debt securities	5,367	7,064
<b>Total revenue</b>	<b>5,375</b>	<b>7,071</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,221	1,440
Dealing charge	11	11
General administration charge*	33	-
Registration fees**	33	95
	<b>1,298</b>	<b>1,546</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	10	26
Safe custody fee	10	15
	<b>20</b>	<b>41</b>
<b>Other:</b>		
Audit fee**	7	12
	<b>7</b>	<b>12</b>
<b>Total expenses</b>	<b>1,325</b>	<b>1,599</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge.

The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £12,540 (2021: £12,433).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Total taxation (note 4b)	-	-

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>4,049</b>	<b>5,471</b>
Corporation tax at 20% (2021: 20%)	810	1,094
Effects of:		
Distributions treated as tax deductible	(810)	(1,094)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
First interim distribution	1,331	1,864
Second interim distribution	1,310	1,793
Third interim distribution	1,404	1,709
Final distribution	1,296	1,272
	5,341	6,638
Add: Income deducted on cancellation of shares	56	452
Deduct: Income received on issue of shares	(50)	(73)
<b>Total distributions for the year</b>	<b>5,347</b>	<b>7,017</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	4,049	5,471
Expenses charged to capital	1,298	1,546
<b>Total distributions for the year</b>	<b>5,347</b>	<b>7,017</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and General administration charge.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	1,996	1,962
Amounts receivable from the ACD for the issue of shares	12	12
Sales awaiting settlement	491	1,701
<b>Total debtors</b>	<b>2,499</b>	<b>3,675</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	3	14
Cash at broker	496	694
	<b>499</b>	<b>708</b>
<b>Bank overdrafts</b>		
Overdraft at bank	-	(675)
	<b>-</b>	<b>(675)</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	-	120
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1,028	1
<b>Net liquidity</b>	<b>1,527</b>	<b>154</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	93	107
Accrued expenses payable to the Depositary or associates of the Depositary	3	5
Amounts payable to the ACD for cancellation of shares	180	668
Other accrued expenses	6	12
<b>Total creditors</b>	<b>282</b>	<b>792</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
Bonds	51,366	61,099	50,363	140,188
<b>Trades in the year before transaction costs</b>	<b>51,366</b>	<b>61,099</b>	<b>50,363</b>	<b>140,188</b>
<b>Total net trades in the year after transaction costs</b>	<b>51,366</b>	<b>61,099</b>	<b>50,363</b>	<b>140,188</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.76% (2021: 0.95%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	14,789,827	70,653	(1,031,579)	(1,065)	13,827,836
Institutional accumulation	66,743,975	9,425,933	(3,117,358)	6,290	73,058,840
Retail income	23,734,495	144,895	(1,687,445)	(7,921)	22,184,024
Institutional income	20,532,132	3,702,361	(4,278,667)	2,741	19,958,567
Standard Life income	6,964,912	-	(1,254,257)	-	5,710,655
Standard Life accumulation	36,329	20,335	-	-	56,664
Platform 1 accumulation	6,075,427	1,595,972	(677,339)	-	6,994,060
Platform 1 income	8,628,609	181,739	(1,156,396)	5,775	7,659,727

# Notes to the Financial Statements

## Continued

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	1,847	148,175	-	3,349	155,826	-
Collective Investment Schemes	-	1,028	-	-	121	-
Derivatives	70	13	-	-	276	-
<b>Total investment assets</b>	<b>1,917</b>	<b>149,216</b>	<b>-</b>	<b>3,349</b>	<b>156,223</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(8)	(158)	-	(196)	(33)	-
<b>Total investment liabilities</b>	<b>(8)</b>	<b>(158)</b>	<b>-</b>	<b>(196)</b>	<b>(33)</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	1,465	137,678	14,260	153,403
Euro	-	7,766	(7,800)	(34)
US Dollar	1,869	2,711	(4,639)	(59)
<b>Total</b>	<b>3,334</b>	<b>148,155</b>	<b>1,821</b>	<b>153,310</b>

# Notes to the Financial Statements

## Continued

2021	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	138	148,252	12,678	161,068
Euro	1,163	5,721	(6,087)	797
US Dollar	702	3,353	(4,062)	(7)
<b>Total</b>	<b>2,003</b>	<b>157,326</b>	<b>2,529</b>	<b>161,858</b>

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	3.67%	7.03%	4.99%
2021	Minimum	Maximum	Average
VaR 99% 1 Month	2.75%	4.36%	3.90%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 3.99%, £6,031,000 (2021: 3.82%, £6,183,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	128,971	84.13
Below investment grade securities	17,203	11.22
Unrated securities	3,848	2.51
<b>Total value of securities</b>	<b>150,022</b>	<b>97.86</b>

# Notes to the Financial Statements

## Continued

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	141,976	87.72
Below investment grade securities	15,820	9.78
Unrated securities	1,380	0.85
<b>Total value of securities</b>	<b>159,176</b>	<b>98.35</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	20,542	(85)	19,169	243
Futures	26,880	62	25,554	(196)
Swaps	8,000	(60)	-	-
<b>Total market exposure</b>	<b>55,422</b>	<b>(83)</b>	<b>44,723</b>	<b>47</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following broker exposure.

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	62	496	-	558	0.36
	<b>62</b>	<b>496</b>	<b>-</b>	<b>558</b>	<b>0.36</b>

2021	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	(196)	694	2	500	0.31
	<b>(196)</b>	<b>694</b>	<b>2</b>	<b>500</b>	<b>0.31</b>



# Notes to the Financial Statements

## Continued

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

At the balance sheet date the fund had the following positions.

2022			Collateral (held)/pledged		Net exposure £'000
	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	
<b>Counterparties</b>					
Citigroup	-	3	-	-	3
Credit Agricole	-	1	-	-	1
Deutsche Bank	-	1	-	-	1
JP Morgan	(60)	-	-	-	(60)
Morgan Stanley	-	5	-	-	5
NatWest Markets	-	(35)	-	-	(35)
Royal Bank of Canada	-	(60)	-	-	(60)
Societe Generale	-	1	-	-	1
Standard Chartered	-	(2)	-	-	(2)
UBS	-	1	-	-	1
<b>Total</b>	<b>(60)</b>	<b>(85)</b>	<b>-</b>	<b>-</b>	<b>(145)</b>

Collateral positions for Swaps are aggregated, not at individual trade level.

The Prospectus outlines allowable collateral. There have been no changes in the year.

2021			Collateral (held)/pledged		Net exposure £'000
	Forwards £'000	Cash £'000	Stock £'000		
<b>Counterparties</b>					
BNP Paribas	(1)	-	-	(1)	
Citigroup	1	-	-	1	
Deutsche Bank	103	-	-	103	
NatWest Markets	163	-	(247)	(84)	
Royal Bank of Canada	(18)	-	-	(18)	
UBS	(5)	-	-	(5)	
<b>Total</b>	<b>243</b>	<b>-</b>	<b>(247)</b>	<b>(4)</b>	

# Notes to the Financial Statements

## Continued

### Issuers

2021	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	(245)
		(245)

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(106)	(60)	-	(166)
<b>Non-derivatives</b>					
Other creditors	-	(282)	-	-	(282)
Distribution payable	-	(373)	-	-	(373)
<b>Total financial liabilities</b>	-	<b>(761)</b>	<b>(60)</b>	-	<b>(821)</b>

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(229)	-	-	(229)
<b>Non-derivatives</b>					
Other creditors	-	(792)	-	-	(792)
Bank overdrafts	(675)	-	-	-	(675)
Distribution payable	-	(401)	-	-	(401)
<b>Total financial liabilities</b>	<b>(675)</b>	<b>(1,422)</b>	-	-	<b>(2,097)</b>

## 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 164.52p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 158.76p. This represents a change of (3.50)% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 May 2021

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Retail accumulation</b>				
Group 1	3.1058	-	3.1058	3.1458
Group 2	2.2892	0.8166	3.1058	3.1458
<b>Institutional accumulation</b>				
Group 1	0.5259	-	0.5259	0.5304
Group 2	0.1885	0.3374	0.5259	0.5304
<b>Retail income</b>				
Group 1	0.8550	-	0.8550	0.8941
Group 2	0.2456	0.6094	0.8550	0.8941
<b>Institutional income</b>				
Group 1	0.4397	-	0.4397	0.4578
Group 2	0.3101	0.1296	0.4397	0.4578
<b>Standard Life income</b>				
Group 1	0.4528	-	0.4528	0.4687
Group 2	0.4528	-	0.4528	0.4687
<b>Standard Life accumulation</b>				
Group 1	0.5404	-	0.5404	0.5434
Group 2	0.3477	0.1927	0.5404	0.5434
<b>Platform 1 accumulation</b>				
Group 1	1.3659	-	1.3659	1.3785
Group 2	0.4586	0.9073	1.3659	1.3785
<b>Platform 1 income</b>				
Group 1	0.9634	-	0.9634	1.0037
Group 2	0.2697	0.6937	0.9634	1.0037

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 June 2021

Group 2 – shares purchased between 1 June 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	3.1049	-	3.1049	3.0843
Group 2	1.6723	1.4326	3.1049	3.0843
<b>Institutional accumulation</b>				
Group 1	0.5263	-	0.5263	0.5207
Group 2	0.3034	0.2229	0.5263	0.5207
<b>Retail income</b>				
Group 1	0.8479	-	0.8479	0.8691
Group 2	0.3747	0.4732	0.8479	0.8691
<b>Institutional income</b>				
Group 1	0.4364	-	0.4364	0.4455
Group 2	0.2669	0.1695	0.4364	0.4455
<b>Standard Life income</b>				
Group 1	0.4502	-	0.4502	0.4569
Group 2	0.4502	-	0.4502	0.4569
<b>Standard Life accumulation</b>				
Group 1	0.5407	-	0.5407	0.5342
Group 2	0.1709	0.3698	0.5407	0.5342
<b>Platform 1 accumulation</b>				
Group 1	1.3669	-	1.3669	1.3511
Group 2	0.6204	0.7465	1.3669	1.3511
<b>Platform 1 income</b>				
Group 1	0.9563	-	0.9563	0.9766
Group 2	0.3110	0.6453	0.9563	0.9766

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Retail accumulation</b>				
Group 1	3.3318	-	3.3318	3.1243
Group 2	1.4588	1.8730	3.3318	3.1243
<b>Institutional accumulation</b>				
Group 1	0.5654	-	0.5654	0.5279
Group 2	0.5414	0.0240	0.5654	0.5279
<b>Retail income</b>				
Group 1	0.9029	-	0.9029	0.8739
Group 2	0.0620	0.8409	0.9029	0.8739
<b>Institutional income</b>				
Group 1	0.4652	-	0.4652	0.4483
Group 2	0.2434	0.2218	0.4652	0.4483
<b>Standard Life income</b>				
Group 1	0.4806	-	0.4806	0.4605
Group 2	0.4806	-	0.4806	0.4605
<b>Standard Life accumulation</b>				
Group 1	0.5821	-	0.5821	0.5423
Group 2	0.1403	0.4418	0.5821	0.5423
<b>Platform 1 accumulation</b>				
Group 1	1.4680	-	1.4680	1.3716
Group 2	1.0711	0.3969	1.4680	1.3716
<b>Platform 1 income</b>				
Group 1	1.0193	-	1.0193	0.9829
Group 2	0.4318	0.5875	1.0193	0.9829

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	3.1450	-	3.1450	3.0309
Group 2	1.7548	1.3902	3.1450	3.0309
<b>Institutional accumulation</b>				
Group 1	0.5342	-	0.5342	0.5127
Group 2	0.3047	0.2295	0.5342	0.5127
<b>Retail income</b>				
Group 1	0.8452	-	0.8452	0.8407
Group 2	0.5862	0.2590	0.8452	0.8407
<b>Institutional income</b>				
Group 1	0.4358	-	0.4358	0.4316
Group 2	0.2189	0.2169	0.4358	0.4316
<b>Standard Life income</b>				
Group 1	0.4509	-	0.4509	0.4441
Group 2	0.4509	-	0.4509	0.4441
<b>Standard Life accumulation</b>				
Group 1	0.5511	-	0.5511	0.5269
Group 2	0.3437	0.2074	0.5511	0.5269
<b>Platform 1 accumulation</b>				
Group 1	1.3871	-	1.3871	1.3318
Group 2	0.6903	0.6968	1.3871	1.3318
<b>Platform 1 income</b>				
Group 1	0.9549	-	0.9549	0.9463
Group 2	0.3434	0.6115	0.9549	0.9463

## 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 (SLI) Emerging Markets Equity Fund

For the year ended 28 February 2022

## Investment Objective

To generate growth over the long term (5 years or more) by investing in emerging market 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.

Performance Comparator: IA Global emerging markets Equity Sector Average.

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

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in emerging market countries, or companies that derive a significant proportion of their revenues or profits from emerging market operations or have a significant proportion of their assets there.
- Emerging markets include Asian, Eastern European, Middle Eastern, African or Latin American countries.
- The fund may also invest in other funds (including those managed by abrdn) and 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 identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the MSCI emerging market 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%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the MSCI emerging market Index over the longer 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

Over the period under review, the fund fell by 13.73% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a decline of 3.78% in its performance target (Source: FactSet, the MSCI Emerging Markets Index +3%).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund lagged the benchmark, with the bulk of the underperformance attributable to the widely unforeseen invasion of Ukraine by Russia towards the end of the period. Exposure to Russia was a major headwind, given the fund's overweight position going into the crisis, though stock selection in China helped cushion the losses. By sector, the exposure to financials and communication services stocks proved costly.

At the stock level, the fund's Russian holdings Sberbank, Lukoil, Norilsk Nickel and Gazprom came under severe pressure as Russian valuations collapsed following the invasion. Sanctions introduced by Western nations have been harsher and more unified than many dared predict. Expert feedback is that they have also surprised the Kremlin, in particular the sanctioning of the central bank. Moreover, several announced measures have not fully begun to take effect, such as the removal of certain Russian banks from the SWIFT messaging system. We had been actively trimming our exposure to Russia over February 2022 as geopolitical risks increased, and significantly reduced our holdings following the invasion

# ASI (SLI) Emerging Markets Equity Fund

## Continued

and prior to the implementation of capital controls. Heading into this crisis, Russia had been one of the most compelling bottom-up stories in the emerging markets universe, with disruptive business models and huge secular growth potential.

Away from the conflict in Ukraine, Macau casino operator Sands China sold off as sentiment towards the Macau gaming sector waned over the year. Tourist traffic remained lacklustre amid COVID-related restrictions while fears of further regulation added to the uncertainty. Towards the period-end, however, shares of Sands China recovered modestly after the Macau government announced positive changes to the gaming law.

Other key detractors included Polish parcel service provider InPost and Chinese online auto company Autohome, which were caught in the rotation away from growth to value stocks over the period. Autohome was also weighed down by the challenging operating environment as a global chip shortage hampered vehicle production. Chinese e-commerce giant Alibaba was plagued by regulatory uncertainties.

On the flip side, the lack of exposure to Chinese online retailers Meituan and Pinduoduo, as well as internet services provider Baidu, proved favourable amid regulatory worries hanging over the tech and e-commerce sectors. In Hong Kong, marine transportation services provider Pacific Basin Shipping rallied on strong earnings for the second half of 2021 and the recovery in bulker freight rates, while SITC International was underpinned by good results amid increasing demand for the group's container shipping and logistics services. Elsewhere, rising copper prices buoyed shares of copper miner Grupo Mexico.

## Portfolio Activity and Review

In key portfolio activity, in the interim report we had mentioned several attractively valued stocks introduced into the portfolio in the first half of the period. In the second half, we continued to initiate positions in companies that we felt could maintain good returns for shareholders due to their respective market leading positions and good prospects for market share gains. These included Indonesian consumer company Cisarua Mountain Dairy (Cimory) and lender Bank Mandiri; India-based HDFC Bank; South Korean construction and project management company Samsung Engineering; Taiwanese chip maker MediaTek; China-based dairy giant Inner Mongolia Yili Industrial Group, robot maker Estun, smart new energy vehicle manufacturer Li Auto, duty-free operator China Tourism Group Duty Free and clinical

contract research organisation Hangzhou Tigermed Consulting; fuel cell maker Ballard Power Systems; as well as Brazilian stock exchange B3. We also introduced Russian oil producer Gazprom and toy supplier Detsky Mir.

Against these, we exited Accton Technology, China Conch Venture, China Resources Land, HollySys Automation Technologies, Huazhu Group, Info Edge (India), Samsung Biologics, Sungrow Power Supply, Trip.com, Turkcell, Vale, Venustech, Xinjiang Goldwind Science & Technology and Zomato to fund more compelling opportunities elsewhere.

## Portfolio Outlook and Strategy

Russia's invasion of Ukraine has created a supply shock in markets at a point in the economic cycle when inflation is high and policymakers have been moderately tightening to deal with the after-effects of the pandemic. However, because policymakers in the US and Europe are choosing to accept higher input costs in an effort to divert trade away from Russia, there is a possibility that policy tightening may be less aggressive than previously expected. This is supportive for emerging markets, where many countries will also benefit from supply shortages of crucial commodities. Meanwhile, the potential for a counter-cyclical recovery in China remains, thanks to muted inflation entering this period and the still considerable policy firepower of the People's Bank of China.

The portfolio remains focused on businesses that have robust pricing power and low debt levels, which should help them manage this period of supply disruption. It also focuses on companies where we see an appealing business change that we believe has not been discounted by other investors and can be a catalyst for a share price reappraisal. We remain positive on technology hardware given continued strong demand for semiconductors and on businesses exposed to green infrastructure.

## Global Emerging Markets Equity Team

March 2022



# ASI (SLI) Emerging Markets Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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 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 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.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	109.62	87.65	82.56
Return before operating charges*	(13.60)	23.26	6.31
Operating charges	(1.45)	(1.29)	(1.22)
Return after operating charges*	(15.05)	21.97	5.09
Distributions	(1.09)	(1.07)	(1.47)
Retained distributions on accumulation shares	1.09	1.07	1.47
Closing net asset value per share	94.57	109.62	87.65
* after direct transaction costs of:	0.09	0.09	0.07
<b>Performance</b>			
Return after charges	(13.73%)	25.07%	6.17%
<b>Other information</b>			
Closing net asset value (£'000)	83,129	88,928	55,427
Closing number of shares	87,905,737	81,122,088	63,236,069
Operating charges	1.36%	1.37%	1.37%
Direct transaction costs	0.08%	0.09%	0.08%
<b>Prices</b>			
Highest share price	113.7	118.1	98.75
Lowest share price	94.81	72.57	82.66

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	115.72	91.76	86.07
Return before operating charges*	(14.12)	24.72	6.53
Operating charges	(1.01)	(0.76)	(0.84)
Return after operating charges*	(15.13)	23.96	5.69
Distributions	(1.98)	(1.93)	(1.95)
Retained distributions on accumulation shares	1.98	1.93	1.95
Closing net asset value per share	100.59	115.72	91.76
* after direct transaction costs of:	0.09	0.08	0.07
<b>Performance</b>			
Return after charges	(13.07%)	26.11%	6.61%
<b>Other information</b>			
Closing net asset value (£'000)	1,931	1,811	44,861
Closing number of shares	1,919,305	1,564,650	48,892,113
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.08%	0.09%	0.08%
<b>Prices</b>			
Highest share price	120.0	124.7	103.40
Lowest share price	101.0	75.99	86.18

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	104.49	82.57	76.88
Return before operating charges*	(13.12)	22.05	5.81
Operating charges	(0.14)	(0.13)	(0.12)
Return after operating charges*	(13.26)	21.92	5.69
Distributions	(2.28)	(2.06)	(2.36)
Retained distributions on accumulation shares	2.28	2.06	2.36
Closing net asset value per share	91.23	104.49	82.57
* after direct transaction costs of:	0.08	0.08	0.07
<b>Performance</b>			
Return after charges	(12.69%)	26.55%	7.40%
<b>Other information</b>			
Closing net asset value (£'000)	1,204	1,401	1,073
Closing number of shares	1,319,826	1,340,943	1,299,916
Operating charges	0.14%	0.15%	0.15%
Direct transaction costs	0.08%	0.09%	0.08%
<b>Prices</b>			
Highest share price	108.3	112.5	92.90
Lowest share price	91.45	68.40	76.98

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Standard Life B accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	123.97	97.84	91.00
Return before operating charges*	(15.59)	26.13	6.85
Operating charges	-	-	(0.01)
Return after operating charges*	(15.59)	26.13	6.84
Distributions	(2.83)	(2.55)	(2.91)
Retained distributions on accumulation shares	2.83	2.55	2.91
Closing net asset value per share	108.38	123.97	97.84
* after direct transaction costs of:	0.10	0.10	0.08
<b>Performance</b>			
Return after charges	(12.58%)	26.71%	7.52%
<b>Other information</b>			
Closing net asset value (£'000)	88,741	107,997	90,051
Closing number of shares	81,878,910	87,112,016	92,036,969
Operating charges	-	-	-
Direct transaction costs	0.08%	0.09%	0.08%
<b>Prices</b>			
Highest share price	128.6	133.5	110.1
Lowest share price	108.6	81.06	91.13

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Platform 1 accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	114.34	91.05	85.45
Return before operating charges*	(14.24)	24.19	6.48
Operating charges	(1.05)	(0.90)	(0.88)
Return after operating charges*	(15.29)	23.29	5.60
Distributions	(1.60)	(1.50)	(1.90)
Retained distributions on accumulation shares	1.60	1.50	1.90
Closing net asset value per share	99.05	114.34	91.05
* after direct transaction costs of:	0.09	0.09	0.07
<b>Performance</b>			
Return after charges	(13.37%)	25.58%	6.55%
<b>Other information</b>			
Closing net asset value (£'000)	1,372	2,001	2,499
Closing number of shares	1,384,801	1,749,956	2,744,374
Operating charges	0.94%	0.95%	0.95%
Direct transaction costs	0.08%	0.09%	0.08%
<b>Prices</b>			
Highest share price	118.6	123.2	102.6
Lowest share price	99.30	75.41	85.55

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (96.23%)</b>		<b>173,952</b>	<b>98.63</b>
<b>Europe, Middle East &amp; Africa Equities (10.85%)</b>		<b>12,983</b>	<b>7.36</b>
<b>Georgia (0.85%)</b>		<b>2,157</b>	<b>1.22</b>
98,618	Bank of Georgia	1,298	0.73
153,335	Georgia Capital	859	0.49
<b>Netherlands (0.61%)</b>		<b>1,594</b>	<b>0.90</b>
34,372	Prosus	1,594	0.90
<b>Nigeria (0.33%)</b>		<b>878</b>	<b>0.50</b>
816,447	Seplat Energy	878	0.50
<b>Poland (0.94%)</b>		<b>1,016</b>	<b>0.58</b>
219,947	InPost	1,016	0.58
<b>Russia (3.42%)</b>		<b>3,910</b>	<b>2.22</b>
635,407	Detsky Mir	379	0.22
385,684	Gazprom	621	0.35
21,045	HeadHunter ADR*	236	0.13
22,943	Lukoil ADR	322	0.18
67,930	MMC Norilsk Nickel ADR	696	0.40
4,962	Novatek GDR	142	0.08
190,152	Sberbank of Russia ADR	149	0.09
25,132,373	Segezha	1,347	0.76
9,382	X5 Retail GDR	18	0.01
<b>South Africa (4.30%)</b>		<b>3,428</b>	<b>1.94</b>
81,482	Impala Platinum	1,152	0.65
319,478	Vodacom	2,276	1.29

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Turkey (0.40%)</b>		-	-
<b>Latin America Equities (7.95%)</b>		<b>14,111</b>	<b>8.00</b>
<b>Brazil (3.44%)</b>		<b>5,214</b>	<b>2.96</b>
599,319	B3 SA - Brasil Bolsa Balcao	1,263	0.72
613,433	Banco Bradesco (Preference)	1,806	1.02
112,059	Cyrela Brazil Realty	246	0.14
363,287	Rumo	814	0.46
150,029	Telefonica Brasil	1,085	0.62
<b>Mexico (3.91%)</b>		<b>7,996</b>	<b>4.53</b>
279,570	Grupo Aeroportuario del Centro Norte	1,504	0.85
235,369	Grupo Financiero Banorte 'O'	1,193	0.68
1,083,170	Grupo México	4,125	2.34
1,200,270	PLA Administradora Industrial REIT	1,174	0.66
<b>Peru (0.60%)</b>		<b>901</b>	<b>0.51</b>
7,990	Credicorp	901	0.51
<b>North America Equities (0.00%)</b>		<b>426</b>	<b>0.24</b>
<b>Canada (0.00%)</b>		<b>426</b>	<b>0.24</b>
50,002	Ballard Power Systems	426	0.24
<b>Pacific Basin Equities (77.43%)</b>		<b>146,432</b>	<b>83.03</b>
<b>China (31.83%)</b>		<b>56,085</b>	<b>31.80</b>
607,764	Alibaba	6,035	3.42
461,000	Anhui Conch Cement 'H'	1,836	1.04
255,340	ANTA Sports Products	2,893	1.64
221,744	Autohome 'A'	1,184	0.67
6,338,729	China Construction Bank 'H'	3,543	2.01
114,062	China Merchants Bank 'H'	716	0.40
48,300	China Tourism Duty Free 'A'	1,155	0.65



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
296,000	Country Garden Services	1,318	0.75
574,000	Dali Foods	225	0.13
752,300	Estun Automation 'A'	2,092	1.19
133,700	Hangzhou Tigermed Consulting 'H'	1,116	0.63
303,600	Inner Mongolia Yili Industrial 'A'	1,417	0.80
55,360	JD.com 'A'	1,473	0.83
240,440	Joinn Laboratories China 'H'	1,493	0.85
148,400	Li Auto 'A'	1,557	0.88
178,000	Li Ning	1,317	0.75
276,567	LONGi Green Energy Technology 'A'	2,537	1.44
374,349	NARI Technology 'A'	1,563	0.89
284,650	NetEase	4,138	2.35
557,124	Ping An Insurance 'H'	3,207	1.82
23,000	Proya Cosmetics 'A'	505	0.29
255,866	Tencent	10,279	5.83
6,850,000	Tianhe Chemicals**	-	-
48,043	Wuliangye Yibin 'A'	1,078	0.61
352,195	Wuxi Biologics (Cayman)	2,157	1.22
1,648,000	Xiabuxiabu Catering Management China	769	0.44
358,000	Xinyi Solar	482	0.27
<b>Hong Kong (3.80%)</b>		<b>6,900</b>	<b>3.91</b>
884,913	Budweiser Brewing	2,047	1.16
649,777	China Metal Recycling**	-	-
257,423	China Mobile	1,295	0.73
7,661,000	Pacific Basin Shipping	3,025	1.72
174,204	SITC International	533	0.30
<b>India (10.37%)</b>		<b>20,989</b>	<b>11.90</b>
22,055	Axis Bank GDR	799	0.45
25,264	Bajaj	1,297	0.73
268,125	Biocon	927	0.53
215,415	Crompton Greaves Consumer Electricals	912	0.52
63,309	HDFC Bank	895	0.51
148,335	Housing Development Finance	3,465	1.96

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
824,611	ITC	1,760	1.00
58,439	Kotak Mahindra Bank	1,064	0.60
194,387	Larsen & Toubro	3,491	1.98
89,237	Mahanagar Gas	642	0.36
391,078	Power Grid Corp of India	805	0.46
94,492	Reliance Industries	2,199	1.25
77,803	Tata Consultancy Services	2,733	1.55
<b>Indonesia (0.66%)</b>		<b>3,772</b>	<b>2.14</b>
2,713,400	Bank Mandiri Persero	1,084	0.61
10,518,859	Bank Rakyat Indonesia Persero	2,483	1.41
1,128,700	Cisarua Mountain Dairy	205	0.12
<b>Kazakhstan (0.74%)</b>		<b>1,621</b>	<b>0.92</b>
36,258	Kaspi.KZ GDR	1,621	0.92
<b>Macau (2.58%)</b>		<b>3,634</b>	<b>2.06</b>
1,862,917	Sands China	3,634	2.06
<b>Philippines (0.01%)</b>		<b>24</b>	<b>0.01</b>
43,300	Ayala Land REIT	24	0.01
<b>South Korea (14.22%)</b>		<b>28,082</b>	<b>15.93</b>
6,504	Hansol Chemical	865	0.49
20,283	LG Chemical (Preference)	3,401	1.93
172,448	Samsung Electronics	7,707	4.37
172,491	Samsung Electronics (Preference)	7,067	4.01
73,463	Samsung Engineering	1,054	0.60
137,678	Shinhan Financial	3,333	1.89
54,599	SK Hynix	4,180	2.37
21,405	Wonik IPS	475	0.27

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Taiwan (12.48%)</b>		<b>25,325</b>	<b>14.36</b>
369,295	Chroma ATE	1,846	1.05
79,958	Globalwafers	1,458	0.83
1,029,590	Hon Hai Precision Industry	2,819	1.60
59,000	MediaTek	1,694	0.96
94,073	President Chain Store	653	0.37
564,000	Sunonwealth Electric Machine Industry	677	0.38
853,664	Taiwan Semiconductor Manufacturing	13,685	7.76
707,685	Taiwan Union Technology	1,610	0.91
110,000	Win Semiconductors	883	0.50
<b>Thailand (0.74%)</b>		<b>-</b>	<b>-</b>
<b>Collective Investment Schemes (1.81%)</b>		<b>1</b>	<b>-</b>
1	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc <sup>+</sup>	1	-
Total investment assets		173,953	98.63
Net other assets		2,424	1.37
<b>Total Net Assets</b>		<b>176,377</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 28 February 2021.

<sup>+</sup> Managed by subsidiaries of abrdn plc.

\* Suspended.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(30,159)		32,224
Revenue	2	5,302		4,687	
Expenses	3	(1,314)		(960)	
Interest payable and similar charges		(2)		(2)	
Net revenue before taxation		3,986		3,725	
Taxation	4	(753)		(497)	
Net revenue after taxation			3,233		3,228
<b>Total return before distributions</b>			<b>(26,926)</b>		<b>35,452</b>
Distributions	5		(3,462)		(3,228)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(30,388)</b>		<b>32,224</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>202,138</b>		<b>193,911</b>
Amounts receivable on the issue of shares	23,024		29,218	
Amounts payable on the cancellation of shares	(21,756)		(56,510)	
		1,268		(27,292)
Dilution adjustment		-		126
Change in net assets attributable to shareholders from investment activities (see above)		(30,388)		32,224
Retained distribution on accumulation shares		3,359		3,169
<b>Closing net assets attributable to shareholders</b>		<b>176,377</b>		<b>202,138</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			173,953		198,170
<b>Current assets:</b>					
Debtors	6	2,137		3,535	
Cash and bank balances	7	776		751	
			2,913		4,286
<b>Total assets</b>			<b>176,866</b>		<b>202,456</b>
<b>Liabilities:</b>					
Provisions for liabilities	8		(222)		-
Bank overdrafts	7	(96)		-	
Creditors	9	(171)		(318)	
			(267)		(318)
<b>Total liabilities</b>			<b>(489)</b>		<b>(318)</b>
<b>Net assets attributable to shareholders</b>			<b>176,377</b>		<b>202,138</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2022 £'000	2021* £'000
Non-derivative securities	(30,079)	32,241
Forward currency contracts	8	5
Other losses	(72)	(1)
Subsidised fees taken from the capital account**	18	25
Transaction charges	(34)	(46)
<b>Net capital (losses)/gains</b>	<b>(30,159)</b>	<b>32,224</b>

\* The prior year comparatives have been updated to reflect the current year presentation.

\*\* Subsidised fees are paid by the ACD.

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	3	4
Overseas dividends	5,167	4,228
Overseas REIT	89	107
UK dividends	43	348
<b>Total revenue</b>	<b>5,302</b>	<b>4,687</b>

## 3 Expenses

	2022 £'000	2021* £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,221	923
Dealing charge	1	1
General administration charge*	2	-
Registration fees**	2	10
	<b>1,226</b>	<b>934</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	9	19
Revenue collection expenses	21	-
Safe custody fee	40	32
	<b>70</b>	<b>51</b>

# Notes to the Financial Statements

## Continued

	2022 £'000	2021 <sup>+</sup> £'000
<b>Other:</b>		
Audit fee**	5	9
Professional fees**	10	8
Subsidised fees***	(41)	(42)
Expense cap adjustment in respect of prior year	44	-
	18	(25)
<b>Total expenses</b>	<b>1,314</b>	<b>960</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge.

The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

\*\*\* Subsidised fees are paid by the ACD.

+ The prior year comparatives have been updated to reflect the current year presentation.

## 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	524	497
Overseas capital gains tax	7	-
Total current tax	531	497
Deferred tax (note 4c)	222	-
<b>Total taxation (note 4b)</b>	<b>753</b>	<b>497</b>

### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

	2022	2021
<b>Net revenue before taxation</b>	<b>3,986</b>	<b>3,725</b>
Corporation tax at 20% (2021: 20%)	797	745
Effects of:		
Revenue not subject to taxation	(1,007)	(879)
Overseas taxes	524	497
Overseas tax expensed	(8)	(8)
Excess allowable expenses	218	142
Overseas capital gains tax	7	-
Deferred tax	222	-
<b>Total tax charge for year (note 4a)</b>	<b>753</b>	<b>497</b>

# Notes to the Financial Statements

## Continued

	2022 £'000	2021 £'000
<b>(c) Deferred tax</b>		
Deferred tax charge in statement of total return for year (note 4a)	222	-
<b>Provision at the end of the year</b>	<b>222</b>	<b>-</b>

### **(d) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,603,000 (2021: £1,385,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
Distribution	3,359	3,169
Add: Income deducted on cancellation of shares	247	294
Deduct: Income received on issue of shares	(144)	(235)
<b>Total distributions for the year</b>	<b>3,462</b>	<b>3,228</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	3,233	3,228
Overseas capital gains tax on realised gains	7	-
Overseas deferred capital gains tax on unrealised gains	222	-
<b>Total distributions for the year</b>	<b>3,462</b>	<b>3,228</b>

Details of the distribution per share are set out in this fund's distribution table.

## 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	403	680
Amounts receivable from the ACD for the issue of shares	14	2,331
Expenses reimbursement receivable from the ACD	52	44
Overseas withholding tax recoverable	74	83
Sales awaiting settlement	1,594	397
<b>Total debtors</b>	<b>2,137</b>	<b>3,535</b>



# Notes to the Financial Statements

## Continued

### 7 Liquidity

	2022	2021
	£'000	£'000
<b>Cash and bank balances</b>		
Cash at bank	776	751
	<b>776</b>	<b>751</b>
<b>Bank overdrafts</b>		
Overdraft at bank	(96)	-
	<b>(96)</b>	<b>-</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1	3,665
<b>Net liquidity</b>	<b>681</b>	<b>4,416</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Provisions for Liabilities

	2022	2021
	£'000	£'000
The provisions for liabilities comprise:		
Deferred tax payable on overseas capital gains tax	222	-
<b>Total provisions for liabilities</b>	<b>222</b>	<b>-</b>

### 9 Creditors

	2022	2021
	£'000	£'000
Accrued expenses payable to ACD	93	92
Accrued expenses payable to the Depositary or associates of the Depositary	12	13
Amounts payable to the ACD for cancellation of shares	61	89
Other accrued expenses	5	9
Purchases awaiting settlement	-	115
<b>Total creditors</b>	<b>171</b>	<b>318</b>

### 10 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 9.

# Notes to the Financial Statements

## Continued

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 9.

Amounts receivable from Aberdeen Standard Fund Managers Limited in respect of subsidised fees are disclosed in notes 1 and 3 and any amounts due at the year end in note 6 and 9.

## 11 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	75,045	40,844	65,810	70,551
Corporate actions	263	12	135	39
<b>Trades in the year before transaction costs</b>	<b>75,308</b>	<b>40,856</b>	<b>65,945</b>	<b>70,590</b>
<b>Commissions</b>				
Equities	38	29	(34)	(31)
<b>Total commissions</b>	<b>38</b>	<b>29</b>	<b>(34)</b>	<b>(31)</b>
<b>Taxes</b>				
Equities	36	24	(54)	(71)
<b>Total taxes</b>	<b>36</b>	<b>24</b>	<b>(54)</b>	<b>(71)</b>
<b>Total transaction costs</b>	<b>74</b>	<b>53</b>	<b>(88)</b>	<b>(102)</b>
<b>Total net trades in the year after transaction costs</b>	<b>75,382</b>	<b>40,909</b>	<b>65,857</b>	<b>70,488</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.07	0.05	0.04
<b>Taxes</b>				
Equities	0.05	0.06	0.08	0.10
			2022 %	2021 %
	<b>Total transaction costs expressed as a percentage of net asset value</b>			
Commissions			0.04	0.03
Taxes			0.04	0.06

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.23% (2021: 0.21%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 12 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Closing shares 2022
Retail accumulation	81,122,088	20,736,192	(13,952,543)	87,905,737
Institutional accumulation	1,564,650	549,839	(195,184)	1,919,305
Standard Life accumulation	1,340,943	32,191	(53,308)	1,319,826
Standard Life B accumulation	87,112,016	18,534	(5,251,640)	81,878,910
Platform 1 accumulation	1,749,956	255,761	(620,916)	1,384,801

### 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	173,952	-	-	194,505	-	-
Collective Investment Schemes	-	1	-	-	3,665	-
<b>Total investment assets</b>	<b>173,952</b>	<b>1</b>	<b>-</b>	<b>194,505</b>	<b>3,665</b>	<b>-</b>

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure 2022 £'000	Net foreign currency exposure 2021 £'000
Brazilian Real	5,258	6,970
China Renminbi	10,347	4,349
Euro	2,610	3,128
Hong Kong Dollar	56,307	46,418

# Notes to the Financial Statements

## Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Indian Rupee	20,095	20,253
Indonesian Rupiah	3,835	1,344
Mexican Peso	8,174	7,954
Philippines Peso	24	25
Russian Ruble	2,346	605
South Africa Rand	3,428	8,684
South Korean Won	28,658	29,295
Taiwan Dollar	25,325	25,221
Thai Baht	-	1,528
Turkish Lira	-	814
US Dollar	7,115	37,334
<b>Total</b>	<b>173,522</b>	<b>193,922</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £8,676,000 (2021: £9,696,000).

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £8,698,000 (2021: £9,909,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £489,000 (2021: £318,000).

# Notes to the Financial Statements

## Continued

### 15 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 99.05p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 91.75p. This represents a change of (7.37)% from the year end value.

The fund's investment portfolio includes assets directly held in or exposed to the countries involved in the conflict. Since the outbreak of the conflict these assets have been monitored regularly by the Manager and, where relevant, subsequently written down in value based on prevailing market and industry insights.

# Distribution Table

For the year ended 28 February 2022 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	1.0855	-	1.0855	1.0697
Group 2	0.4604	0.6251	1.0855	1.0697
<b>Institutional accumulation</b>				
Group 1	1.9797	-	1.9797	1.9342
Group 2	0.3840	1.5957	1.9797	1.9342
<b>Standard Life accumulation</b>				
Group 1	2.2762	-	2.2762	2.0586
Group 2	1.2080	1.0682	2.2762	2.0586
<b>Standard Life B accumulation</b>				
Group 1	2.8271	-	2.8271	2.5452
Group 2	0.6332	2.1939	2.8271	2.5452
<b>Platform 1 accumulation</b>				
Group 1	1.6002	-	1.6002	1.5046
Group 2	1.0339	0.5663	1.6002	1.5046

## 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 AAA Bond Fund

For the year ended 28 February 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated bonds with a high degree of creditworthiness.

Performance Target: To achieve the return of the Markit iBoxx Sterling Non Gilts AAA plus 0.65% 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 Sterling denominated bonds, such as government and corporate bonds (including asset backed and mortgage backed).
- The fund may invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, 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.
- At the point of investment, bonds shall have a credit rating of "AAA-" or higher from at least one major rating agency such as Standard & Poor's, Moody's or Fitch, with the exception of any UK Government bond held by the fund (up to a 20% limit).
- The fund may also invest in other funds (including those managed by abrdn) and 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) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the Markit iBoxx Sterling Non Gilts (AAA) 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%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the Markit iBoxx Sterling Non Gilts (AAA) 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"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or credit worthiness of corporations or governments.

## Performance Review

Over the period under review, the fund returned -3.11%. (Source: FactSet, Platform 1 Accumulation, net of fees) This compared to a return of -2.37% for our performance target. (Source: FactSet, the Markit iBoxx Sterling Non Gilts AAA Index +0.65%).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund ran a shorter duration position than the benchmark, which contributed to returns over the period. A number of the top performing positions were COVID-19 recovery names which benefited from an easing of lockdown restrictions. This included top performer British Land, as well as shopping centre groups Trafford Centre and Westfield Stratford City. The bonds of CPP Investment Board, Canada's government pension plan, outperformed. British and Australian government bonds also benefitted performance.

On the downside, New Zealand and Swedish sovereign bonds weighed on returns. A holding in the ultra-long dated bonds of Oxford University also suffered as long-dated bond yields have risen. Elsewhere, the fund was underweight supranational issuers such as the European Investment Bank and the World Bank, missing out on strong returns.

# ASI AAA Bond Fund

## Continued

### Portfolio Activity and Review

Primary market activity has been limited late in the period. In the secondary market, in late 2021, we reduced our gilt holdings. We reinvested into a long-dated European Union bond, as well as the bonds of European supra-national issuers, such as the European Investment Bank and KfW, Germany's state owned regional development bank.

Early in 2022, in the secondary market, we bought the new 2036 pound sterling issue from the Asian Infrastructure Investment Bank. We bought the 2036 bonds of the British charitable foundation Wellcome Trust. We also bought Australia and New Zealand's government bonds, both at the 2051 maturity.

### Portfolio Outlook and Strategy

The war in Ukraine creates high uncertainties on the political and economic front. The western world is being challenged by the geopolitical conflict, which will result in higher defence spending and a rethinking of Europe's dependency on Russian oil and gas. The imposed sanctions will hurt Russia but also the rest of Europe via higher energy prices, higher non-energy commodity prices and reduced trade with Russia and Ukraine. The situation remains fluid and we expect growth to be lower, inflation to be higher and trade of goods and commodities to be severely affected – more so in Europe than the US.

The Russia-Ukraine conflict makes the global central banks' jobs more difficult as energy price rises will exacerbate inflationary pressures, but also challenge the growth outlook and financial stability. Equity markets have fallen, credit spreads have widened and interest rates have gone up materially, which has already resulted in a tightening of financial conditions. On balance, we think that the US Federal Reserve will raise rates in mid-March, but perhaps at a more measured pace than originally thought.

### Sterling IG Aggregate Team

March 2022



# ASI AAA Bond Fund

## Continued

### 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 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 28 February 2022.

The fund is rated as 3 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 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 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.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.42	100.68	94.98
Return before operating charges*	(2.32)	(0.21)	6.72
Operating charges	(1.01)	(1.05)	(1.02)
Return after operating charges*	(3.33)	(1.26)	5.70
Distributions	(0.94)	(0.98)	(1.36)
Retained distributions on accumulation shares	0.94	0.98	1.36
Closing net asset value per share	96.09	99.42	100.68
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.35%)	(1.25%)	6.00%
<b>Other information</b>			
Closing net asset value (£'000)	6,670	7,745	8,853
Closing number of shares	6,941,136	7,790,153	8,792,333
Operating charges	1.02%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	101.3	103.3	101.0
Lowest share price	95.45	96.63	95.20

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	108.41	109.32	102.70
Return before operating charges*	(2.54)	(0.24)	7.27
Operating charges	(0.65)	(0.67)	(0.65)
Return after operating charges*	(3.19)	(0.91)	6.62
Distributions	(1.46)	(1.54)	(1.92)
Retained distributions on accumulation shares	1.46	1.54	1.92
Closing net asset value per share	105.22	108.41	109.32
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.94%)	(0.83%)	6.45%
<b>Other information</b>			
Closing net asset value (£'000)	4,941	6,076	6,852
Closing number of shares	4,695,447	5,604,990	6,267,856
Operating charges	0.60%	0.61%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	110.6	112.3	109.7
Lowest share price	104.5	104.9	102.9

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.22	58.51	55.96
Return before operating charges*	(1.32)	(0.11)	3.95
Operating charges	(0.58)	(0.61)	(0.60)
Return after operating charges*	(1.90)	(0.72)	3.35
Distributions	(0.54)	(0.57)	(0.80)
Closing net asset value per share	54.78	57.22	58.51
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.32%)	(1.23%)	5.99%
<b>Other information</b>			
Closing net asset value (£'000)	1,901	2,180	2,344
Closing number of shares	3,470,619	3,809,509	4,005,816
Operating charges	1.02%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	58.15	60.05	58.96
Lowest share price	54.56	56.16	56.08

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.60	58.91	56.33
Return before operating charges*	(1.32)	(0.13)	3.99
Operating charges	(0.35)	(0.36)	(0.36)
Return after operating charges*	(1.67)	(0.49)	3.63
Distributions	(0.78)	(0.82)	(1.05)
Closing net asset value per share	55.15	57.60	58.91
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.90%)	(0.83%)	6.44%
<b>Other information</b>			
Closing net asset value (£'000)	2,240	2,624	4,481
Closing number of shares	4,062,331	4,555,932	7,607,642
Operating charges	0.60%	0.61%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	58.58	60.46	59.39
Lowest share price	54.98	56.55	56.46

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Retail CAT accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	100.35	101.60	95.81
Return before operating charges*	(2.34)	(0.22)	6.78
Operating charges	(1.00)	(1.03)	(0.99)
Return after operating charges*	(3.34)	(1.25)	5.79
Distributions	(0.98)	(1.02)	(1.41)
Retained distributions on accumulation shares	0.98	1.02	1.41
Closing net asset value per share	97.01	100.35	101.60
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.33%)	(1.23%)	6.04%
<b>Other information</b>			
Closing net asset value (£'000)	21,599	24,198	25,438
Closing number of shares	22,264,555	24,112,764	25,036,471
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	102.2	104.3	101.9
Lowest share price	96.36	97.52	96.03

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

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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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life income <sup>A</sup>	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.45	54.92	52.75
Return before operating charges*	(0.03)	0.17	3.96
Operating charges	(0.01)	(0.02)	(0.02)
Return after operating charges*	(0.04)	0.15	3.94
Distributions	(0.93)	(1.62)	(1.77)
Redemption value as at 7 January 2022	(52.48)	-	-
Closing net asset value per share	-	53.45	54.92
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.07%)	0.27%	7.47%
<b>Other information</b>			
Closing net asset value (£'000) <sup>B</sup>	-	-	-
Closing number of shares	-	189	189
Operating charges	0.02%	0.03%	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	54.39	56.37	55.70
Lowest share price	52.47	52.73	52.86

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

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<sup>A</sup> Standard Life income share class was closed on 7 January 2022.

<sup>B</sup> The closing net asset value of Standard Life income share class was £Nil (2021: £101 2020: £104).

# Comparative Tables

## Continued

	2022	2021	2020
Retail CAT income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.59	58.89	56.32
Return before operating charges*	(1.32)	(0.12)	3.97
Operating charges	(0.57)	(0.59)	(0.58)
Return after operating charges*	(1.89)	(0.71)	3.39
Distributions	(0.55)	(0.59)	(0.82)
Closing net asset value per share	55.15	57.59	58.89
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.28%)	(1.21%)	6.02%
<b>Other information</b>			
Closing net asset value (£'000)	3,903	4,573	4,801
Closing number of shares	7,077,274	7,939,992	8,152,498
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	58.53	60.44	59.30
Lowest share price	54.92	56.53	56.40

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Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.44	80.72	75.46
Return before operating charges*	(1.89)	(0.19)	5.35
Operating charges	(0.08)	(0.09)	(0.09)
Return after operating charges*	(1.97)	(0.28)	5.26
Distributions	(1.44)	(1.55)	(1.81)
Retained distributions on accumulation shares	1.44	1.55	1.81
Closing net asset value per share	78.47	80.44	80.72
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.45%)	(0.35%)	6.97%
<b>Other information</b>			
Closing net asset value (£'000)	50	121	99
Closing number of shares	63,693	151,079	122,646
Operating charges	0.10%	0.11%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	82.27	83.24	81.00
Lowest share price	77.92	77.51	75.63

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	79.57	80.08	75.07
Return before operating charges*	(1.87)	(0.18)	5.33
Operating charges	(0.32)	(0.33)	(0.32)
Return after operating charges*	(2.19)	(0.51)	5.01
Distributions	(1.24)	(1.29)	(1.56)
Retained distributions on accumulation shares	1.24	1.29	1.56
Closing net asset value per share	77.38	79.57	80.08
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.75%)	(0.64%)	6.67%
<b>Other information</b>			
Closing net asset value (£'000)	5,088	5,231	4,672
Closing number of shares	6,574,347	6,573,762	5,834,402
Operating charges	0.40%	0.41%	0.41%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	81.28	82.39	80.30
Lowest share price	76.85	76.88	75.24

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	63.96	64.50	60.62
Return before operating charges*	(1.49)	(0.11)	4.30
Operating charges	(0.42)	(0.43)	(0.42)
Return after operating charges*	(1.91)	(0.54)	3.88
Distributions	(0.87)	(0.87)	(1.10)
Retained distributions on accumulation shares	0.87	0.87	1.10
Closing net asset value per share	62.05	63.96	64.50
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.99%)	(0.84%)	6.40%
<b>Other information</b>			
Closing net asset value (£'000)	4,870	5,881	6,239
Closing number of shares	7,849,006	9,194,114	9,673,925
Operating charges	0.65%	0.66%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	65.26	66.23	64.69
Lowest share price	61.63	61.91	60.76

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.53	55.76	53.32
Return before operating charges*	(1.27)	(0.12)	3.76
Operating charges	(0.35)	(0.37)	(0.36)
Return after operating charges*	(1.62)	(0.49)	3.40
Distributions	(0.72)	(0.74)	(0.96)
Closing net asset value per share	52.19	54.53	55.76
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.97%)	(0.88%)	6.38%
<b>Other information</b>			
Closing net asset value (£'000)	2,083	2,978	2,768
Closing number of shares	3,991,564	5,462,179	4,963,837
Operating charges	0.65%	0.66%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	55.45	57.23	56.21
Lowest share price	52.02	53.53	53.44

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.81	58.18	54.53
Return before operating charges*	(1.35)	(0.14)	3.87
Operating charges	(0.22)	(0.23)	(0.22)
Return after operating charges*	(1.57)	(0.37)	3.65
Distributions	(0.93)	(0.95)	(1.15)
Retained distributions on accumulation shares	0.93	0.95	1.15
Closing net asset value per share	56.24	57.81	58.18
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.72%)	(0.64%)	6.69%
<b>Other information</b>			
Closing net asset value (£'000)	2,632	4,454	4,892
Closing number of shares	4,679,770	7,704,141	8,408,130
Operating charges	0.38%	0.39%	0.39%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	59.06	59.86	58.35
Lowest share price	55.85	55.85	54.65

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S income	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	52.21	53.40	51.06
Return before operating charges*	(1.20)	(0.12)	3.61
Operating charges	(0.20)	(0.21)	(0.21)
Return after operating charges*	(1.40)	(0.33)	3.40
Distributions	(0.81)	(0.86)	(1.06)
Closing net asset value per share	50.00	52.21	53.40
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.68%)	(0.62%)	6.66%
<b>Other information</b>			
Closing net asset value (£'000)	120,992	149,417	147,279
Closing number of shares	241,986,214	286,161,875	275,818,260
Operating charges	0.38%	0.39%	0.39%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	53.12	54.81	53.86
Lowest share price	49.86	51.27	51.18

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# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (96.11%)</b>		<b>162,231</b>	<b>91.67</b>
<b>Australian Dollar Denominated Bonds (0.00%)</b>		<b>1,702</b>	<b>0.96</b>
<b>Government Bonds (0.00%)</b>		<b>1,702</b>	<b>0.96</b>
greater than 25 years to maturity			
3,839,000	Australia (Commonwealth of) 1.75% 2051	1,702	0.96
<b>Euro Denominated Bonds (1.61%)</b>		<b>4,714</b>	<b>2.66</b>
<b>Corporate Bonds (0.82%)</b>		<b>1,591</b>	<b>0.90</b>
between 5 and 10 years to maturity			
1,650,000	Microsoft 3.125% 2028	1,591	0.90
<b>Government Bonds (0.79%)</b>		<b>3,123</b>	<b>1.76</b>
between 5 and 10 years to maturity			
1,800,000	Temasek Financial I 1.5% 2028	1,583	0.89
greater than 25 years to maturity			
1,980,305	European Union 0.7% 2051	1,540	0.87
<b>New Zealand Dollar Denominated Bonds (0.00%)</b>		<b>1,892</b>	<b>1.07</b>
<b>Government bonds (0.00%)</b>		<b>1,892</b>	<b>1.07</b>
greater than 25 years to maturity			
3,997,000	New Zealand (Govt of) 2.75% 2051	1,892	1.07
<b>Sterling Denominated Bonds (86.23%)</b>		<b>142,088</b>	<b>80.29</b>
<b>Corporate Bonds (54.00%)</b>		<b>94,643</b>	<b>53.48</b>
less than 5 years to maturity			
1,803,000	Asian Development Bank 1.375% 2025	1,800	1.02
700,000	Bank of Scotland 4.875% 2024	764	0.43
1,672,000	BNG Bank 0.375% 2025	1,604	0.91
4,000,000	BNG Bank 1% 2022	4,000	2.26
1,000,000	BNG Bank 1.625% 2025	1,005	0.57
2,320,000	Cie de Financement Foncier 5.5% 2027	2,746	1.55

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,100,000	Clydesdale Bank 4.625% 2026	2,365	1.34
5,048,000	Commonwealth Bank of Australia 3% 2026	5,356	3.03
2,004,000	European Investment Bank 1.375% 2025	2,002	1.13
1,000,000	Johnson & Johnson 5.5% 2024	1,100	0.62
1,390,000	KFW 0.875% 2022	1,389	0.79
1,265,000	KFW 5.5% 2025	1,430	0.81
2,000,000	Landwirtschaftliche Rentenbank 1.375% 2025	1,996	1.13
940,000	Lloyds Bank 1.75% 2022	941	0.53
2,000,000	Lloyds Bank 5.125% 2025	2,205	1.25
900,000	Muenchener Hypothekenbank 0.5% 2024	874	0.49
2,000,000	National Australia Bank 3% 2026	2,122	1.20
2,500,000	Nationwide Building Society 5.625% 2026	2,890	1.63
3,477,000	NatWest 5.125% 2024	3,708	2.09
1,015,000	New York Life Global Funding 1.25% 2026	974	0.55
2,030,000	New York Life Global Funding 1.625% 2023	2,019	1.14
1,933,000	New York Life Global Funding 1.75% 2022	1,939	1.09
4,141,000	Santander UK 5.75% 2026	4,813	2.72
2,000,000	Westfield Stratford City Finance No 2 1.642% 2026	1,960	1.11
1,440,000	Westpac Banking 1% 2022	1,440	0.81
between 5 and 10 years to maturity			
800,000	Broadgate Financing 4.851% 2031	775	0.44
6,513,000	CPPIB Capital 1.125% 2029	6,262	3.54
1,500,000	International Bank for Reconstruction & Development 4.875% 2028	1,828	1.03
5,000,000	International Finance 0.75% 2027	4,831	2.73
1,700,000	KFW 6% 2028	2,194	1.24
1,174,000	Lloyds Bank 4.875% 2027	1,361	0.77
2,380,000	Lloyds Bank 6% 2029	3,035	1.71
1,588,000	New York Life Global Funding 0.75% 2028	1,444	0.82
between 10 and 15 years to maturity			
610,000	Broadgate Financing 4.821% 2033	743	0.42
1,595,000	Canary Wharf Finance II 6.455% 2033	298	0.17
1,046,000	KFW 5.75% 2032	1,444	0.82
2,000,000	Nederlandse Waterschapsbank 5.375% 2032	2,668	1.51
3,000,000	Trafford Centre Finance FRN 2035	2,570	1.45
2,600,000	Wellcome Trust Finance 4.625% 2036	3,344	1.89



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
750,000	KFW 4.875% 2037	1,052	0.59
961,000	Paragon Mortgages No 26 FRN 2045	420	0.24
700,000	RMAC 2018-1 FRN 2046	439	0.25
2,033,000	Temasek Financial I 5.125% 2040	2,830	1.60
greater than 25 years to maturity			
801,000	Paragon Mortgages No 25 FRN 2050 'A'	555	0.31
340,000	Precise Mortgage Funding 2020-1B FRN 2056	192	0.11
630,000	University of Oxford 2.544% 2117	612	0.34
1,225,000	Wellcome Trust 1.5% 2071	920	0.52
521,000	Wellcome Trust 2.517% 2118	501	0.28
630,000	Wellcome Trust 4% 2059	883	0.50
<b>Government Bonds (32.23%)</b>		<b>47,445</b>	<b>26.81</b>
less than 5 years to maturity			
1,327,000	Asian Infrastructure Investment Bank 1.125% 2026	1,305	0.74
3,000,000	CPPIB Capital 0.375% 2023	2,962	1.67
543,000	CPPIB Capital 0.875% 2024	533	0.30
2,740,000	European Investment Bank 0.875% 2023	2,715	1.53
2,000,000	European Investment Bank 1% 2026	1,967	1.11
4,741,000	European Investment Bank 5.5% 2025	5,320	3.01
2,400,000	Inter-American Development Bank 0.5% 2026	2,308	1.30
675,000	Inter-American Development Bank 1.25% 2023	672	0.38
1,500,000	KFW 0.875% 2026	1,466	0.83
2,000,000	Nederlandse Waterschapsbank 0.875% 2026	1,946	1.10
1,103,000	Ontario Teachers' Finance Trust 1.125% 2026	1,084	0.61
between 5 and 10 years to maturity			
750,000	European Bank for Reconstruction & Development 5.625% 2028	949	0.54
2,250,000	European Investment Bank 4.5% 2029	2,705	1.53
1,200,000	European Investment Bank 6% 2028	1,552	0.88
between 10 and 15 years to maturity			
2,900,000	European Investment Bank 5.625% 2032	3,967	2.24
1,750,000	Tennessee Valley Authority 5.625% 2032	2,328	1.31

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
3,210,000	European Investment Bank 3.875% 2037	4,080	2.31
2,200,000	European Investment Bank 4.5% 2044	3,255	1.84
3,000,000	European Investment Bank 5% 2039	4,392	2.48
185,000	Tennessee Valley Authority 4.625% 2043	257	0.15
greater than 25 years to maturity			
1,000,000	European Investment Bank 4.625% 2054	1,682	0.95
<b>Swedish Krona Denominated Bonds (4.84%)</b>		<b>4,668</b>	<b>2.64</b>
<b>Government bonds (4.84%)</b>		<b>4,668</b>	<b>2.64</b>
less than 5 years to maturity			
58,800,000	Kommuninvest I Sverige 1% 2025	4,668	2.64
<b>US Dollar Denominated Bonds (3.43%)</b>		<b>7,167</b>	<b>4.05</b>
<b>Corporate Bonds (3.43%)</b>		<b>7,167</b>	<b>4.05</b>
less than 5 years to maturity			
1,300,000	Johnson & Johnson 2.45% 2026	986	0.55
between 5 and 10 years to maturity			
1,500,000	New York Life Global Funding 3% 2028	1,146	0.65
between 10 and 15 years to maturity			
2,680,000	Microsoft 3.5% 2035	2,156	1.22
between 15 and 25 years to maturity			
2,500,000	Johnson & Johnson 5.95% 2037	2,512	1.42
greater than 25 years to maturity			
540,000	President & Fellows of Harvard College 2.517% 2050	367	0.21
<b>Collective Investment Schemes (2.46%)</b>		<b>8,874</b>	<b>5.01</b>
3	Aberdeen Standard Liquidity Fund (Lux) – Euro Fund Z3 Inc+	2	-
8,872	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	8,872	5.01

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Derivatives (0.08%)</b>		<b>(370)</b>	<b>(0.20)</b>
<b>Forward Currency Contracts (0.24%)</b>		<b>(78)</b>	<b>(0.04)</b>
	Buy EUR 223,037 Sell GBP 188,497 04/05/2022	(1)	-
	Buy GBP 15,408 Sell AUD 29,215 04/05/2022	(1)	-
	Buy GBP 1,626,967 Sell AUD 3,083,408 04/05/2022	(42)	(0.02)
	Buy GBP 4,948,727 Sell EUR 5,930,561 04/05/2022	(27)	(0.02)
	Buy GBP 57,077 Sell NZD 115,559 04/05/2022	(1)	-
	Buy GBP 76,316 Sell NZD 156,270 04/05/2022	(3)	-
	Buy GBP 1,786,291 Sell NZD 3,647,308 04/05/2022	(51)	(0.03)
	Buy GBP 4,808,489 Sell SEK 60,629,289 04/05/2022	14	0.01
	Buy GBP 7,525,270 Sell USD 10,058,978 04/05/2022	29	0.02
	Buy NZD 136,546 Sell GBP 66,884 04/05/2022	2	-
	Buy USD 373,436 Sell GBP 275,408 04/05/2022	3	-
<b>Futures (-0.28%)</b>		<b>(50)</b>	<b>(0.03)</b>
14	Long US Ultra Bond (CBT) Future 21/06/2022	23	0.01
(14)	Short Euro Bund Future 08/03/2022	(16)	(0.01)
(22)	Short Euro-Buxl 30 Year Future 08/03/2022	201	0.11
(25)	Short UK Treasury 4.25% Bond Future 07/06/2032	(18)	(0.01)
(128)	Short US 10 Year Ultra Future 21/06/2022	(164)	(0.09)
(116)	Short US 5 Year Note (CBT) Future 30/06/2022	(76)	(0.04)
<b>Interest Rate Swaps (0.12%)</b>		<b>(242)</b>	<b>(0.13)</b>
GBP 2,763,000	Pay fixed 1.4887% receive floating GBP-SONIA 05/04/2039	(79)	(0.04)
GBP 11,825,000	Pay floating GBP-SONIA receive fixed 0.987% 18/11/2026	(284)	(0.16)
GBP 9,473,000	Pay floating GBP-SONIA receive fixed 1.1765% 05/04/2024	8	-
GBP 18,500,000	Pay floating GBP-SONIA receive fixed 1.6365% 10/02/2024	27	0.02
GBP 3,370,000	Pay floating GBP-SONIA receive fixed 2.6% 25/10/2023	86	0.05
Total investment assets and liabilities		170,735	96.48
Net other assets		6,234	3.52
<b>Total Net Assets</b>		<b>176,969</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 28 February 2021.

Prior year classifications for some sectors have been updated to reflect current year classifications.

\* Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(7,932)		(5,083)
Revenue	2	3,859		4,461	
Expenses	3	(1,018)		(1,169)	
Interest payable and similar charges		-		(6)	
Net revenue before taxation		2,841		3,286	
Taxation	4	-		-	
Net revenue after taxation			2,841		3,286
<b>Total return before distributions</b>			<b>(5,091)</b>		<b>(1,797)</b>
Distributions	5		(2,841)		(3,286)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(7,932)</b>		<b>(5,083)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>215,478</b>		<b>218,718</b>
Amounts receivable on the issue of shares	9,674		48,894	
Amounts payable on the cancellation of shares	(40,835)		(47,815)	
		(31,161)		1,079
Dilution adjustment		-		52
Change in net assets attributable to shareholders from investment activities (see above)		(7,932)		(5,083)
Retained distribution on accumulation shares		583		709
Unclaimed distributions		1		3
<b>Closing net assets attributable to shareholders</b>		<b>176,969</b>		<b>215,478</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			171,498		213,890
<b>Current assets:</b>					
Debtors	6	2,387		2,832	
Cash and bank balances	7	4,625		1,401	
			7,012		4,233
<b>Total assets</b>			<b>178,510</b>		<b>218,123</b>
<b>Liabilities:</b>					
Investment liabilities			(763)		(1,318)
Bank overdrafts	7	(1)		(351)	
Creditors	8	(234)		(361)	
Distribution payable		(543)		(615)	
			(778)		(1,327)
<b>Total liabilities</b>			<b>(1,541)</b>		<b>(2,645)</b>
<b>Net assets attributable to shareholders</b>			<b>176,969</b>		<b>215,478</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	(8,458)	(5,127)
Derivative contracts	152	(287)
Forward currency contracts	116	275
Other gains	266	65
Transaction charges	(8)	(9)
<b>Net capital losses</b>	<b>(7,932)</b>	<b>(5,083)</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	14	24
Derivative revenue	182	107
Interest on debt securities	3,663	4,330
<b>Total revenue</b>	<b>3,859</b>	<b>4,461</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	811	916
Dealing charge	46	53
General administration charge*	61	-
Registration fees**	68	147
	<b>986</b>	<b>1,116</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	13	27
Safe custody fee	12	14
	<b>25</b>	<b>41</b>
<b>Other:</b>		
Audit fee**	7	12
	7	12
<b>Total expenses</b>	<b>1,018</b>	<b>1,169</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £12,540 (2021: £12,433).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
<b>Total taxation (note 4b)</b>	-	-

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>2,841</b>	<b>3,286</b>
Corporation tax at 20% (2021: 20%)	568	657
Effects of:		
Distributions treated as tax deductible	(568)	(657)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

### 5 Distributions

	2022 £'000	2021 £'000
First interim distribution	792	873
Second interim distribution	650	852
Third interim distribution	668	817
Final distribution	686	767
	2,796	3,309
Add: Income deducted on cancellation of shares	66	74
Deduct: Income received on issue of shares	(21)	(97)
<b>Total distributions for the year</b>	<b>2,841</b>	<b>3,286</b>

Details of the distribution per share are set out in this fund's distribution tables.

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	2,315	2,813
Amounts receivable from the ACD for the issue of shares	72	19
<b>Total debtors</b>	<b>2,387</b>	<b>2,832</b>

# Notes to the Financial Statements

## Continued

### 7 Liquidity

	2022	2021
	£'000	£'000
<b>Cash and bank balances</b>		
Cash at bank	5	146
Cash at broker	1,361	904
Collateral cash pledged to counterparties <sup>+</sup>	-	351
Deposits with original maturity of less than 3 months	3,259	-
	<b>4,625</b>	<b>1,401</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	-	(351)
Overdraft at bank	(1)	-
	<b>(1)</b>	<b>(351)</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	2	-
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	8,872	5,295
<b>Net liquidity</b>	<b>13,498</b>	<b>6,345</b>

<sup>+</sup> This reflects cash the fund retains beneficial ownership of however which is currently being used to manage bilateral counterparty exposure on out of the money derivative positions.

<sup>^</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022	2021
	£'000	£'000
Accrued expenses payable to ACD	69	83
Accrued expenses payable to the Depositary or associates of the Depositary	3	5
Amounts payable to the ACD for cancellation of shares	156	261
Other accrued expenses	6	12
<b>Total creditors</b>	<b>234</b>	<b>361</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.



# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
Bonds	20,665	26,836	55,780	21,610
<b>Trades in the year before transaction costs</b>	<b>20,665</b>	<b>26,836</b>	<b>55,780</b>	<b>21,610</b>
<b>Total net trades in the year after transaction costs</b>	<b>20,665</b>	<b>26,836</b>	<b>55,780</b>	<b>21,610</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.37% (2021: 0.37%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	7,790,153	44,870	(891,215)	(2,672)	6,941,136
Institutional accumulation	5,604,990	198,227	(1,097,774)	(9,996)	4,695,447
Retail income	3,809,509	75,778	(393,599)	(21,069)	3,470,619
Institutional income	4,555,932	143,616	(1,095,416)	458,199	4,062,331
Retail CAT accumulation	24,112,764	108,765	(1,956,974)	-	22,264,555
Standard Life income	189	-	(189)	-	-
Retail CAT income	7,939,992	999	(822,970)	(40,747)	7,077,274
Standard Life accumulation	151,079	13,720	(101,106)	-	63,693
Institutional regulated accumulation	6,573,762	4,073,010	(4,072,425)	-	6,574,347
Platform 1 accumulation	9,194,114	1,154,552	(2,537,133)	37,473	7,849,006
Platform 1 income	5,462,179	223,209	(1,807,008)	113,184	3,991,564
Institutional S accumulation	7,704,141	-	(3,006,282)	(18,089)	4,679,770
Institutional S income	286,161,875	9,718,352	(53,338,554)	(555,459)	241,986,214

# Notes to the Financial Statements

## Continued

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	8,630	153,601	-	25,319	181,777	-
Collective Investment Schemes	-	8,874	-	-	5,295	-
Derivatives	224	169	-	418	1,081	-
<b>Total investment assets</b>	<b>8,854</b>	<b>162,644</b>	<b>-</b>	<b>25,737</b>	<b>188,153</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(274)	(489)	-	(1,022)	(296)	-
<b>Total investment liabilities</b>	<b>(274)</b>	<b>(489)</b>	<b>-</b>	<b>(1,022)</b>	<b>(296)</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

# Notes to the Financial Statements

## Continued

The interest rate risk profile of the fund's investments at the year end consists of:

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	17,434	137,912	21,778	177,124
Australian Dollar	-	1,702	(1,678)	24
Euro	(2)	4,714	(4,564)	148
New Zealand Dollar	-	1,892	(1,890)	2
Swedish Krona	-	4,668	(4,758)	(90)
US Dollar	-	7,167	(7,406)	(239)
<b>Total</b>	<b>17,432</b>	<b>158,055</b>	<b>1,482</b>	<b>176,969</b>

2021	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	11,806	180,606	23,950	216,362
Australian Dollar	-	-	(1,022)	(1,022)
Canadian Dollar	-	-	168	168
Euro	1	3,469	(3,425)	45
Swedish Krona	-	10,430	(10,563)	(133)
US Dollar	(1)	7,388	(7,329)	58
<b>Total</b>	<b>11,806</b>	<b>201,893</b>	<b>1,779</b>	<b>215,478</b>

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

# Notes to the Financial Statements

## Continued

2022	Minimum	Maximum	Average
VaR 99% 1 Month	1.91%	2.52%	2.19%

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2021	Minimum	Maximum	Average
VaR 99% 1 Month	2.03%	2.96%	2.57%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 2.01%, £3,428,000 (2021: 2.06%, £4,439,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3–5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	162,231	91.67
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>162,231</b>	<b>91.67</b>

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2021	Market value £'000	Percentage of total net assets %
Investment grade securities	207,096	96.11
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>207,096</b>	<b>96.11</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

#### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	21,402	(78)	22,303	527
Futures	34,325	(50)	42,728	(604)
Swaps	45,931	(242)	15,606	258
<b>Total market exposure</b>	<b>101,658</b>	<b>(370)</b>	<b>80,637</b>	<b>181</b>

# Notes to the Financial Statements

## Continued

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following broker exposure.

	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>2022</b>					
<b>Broker or exchange exposure</b>					
Goldman Sachs	(292)	1,361	-	1,069	0.60
	<b>(292)</b>	<b>1,361</b>	<b>-</b>	<b>1,069</b>	<b>0.60</b>
<b>2021</b>					
<b>Broker or exchange exposure</b>					
Goldman Sachs	(346)	904	289	847	0.39
	<b>(346)</b>	<b>904</b>	<b>289</b>	<b>847</b>	<b>0.39</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

At the balance sheet date the fund had the following positions.

	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
<b>2022</b>				
<b>Counterparties</b>				
Bank of America Merrill Lynch	(4)	-	-	(4)
BNP Paribas	(34)	-	-	(34)
Citigroup	2	-	-	2
HSBC	2	-	-	2
Lloyds Bank	(44)	-	-	(44)
<b>Total</b>	<b>(78)</b>	<b>-</b>	<b>-</b>	<b>(78)</b>

The Prospectus outlines allowable collateral. There have been no changes in the year.

# Notes to the Financial Statements

## Continued

2021	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
<b>Counterparties</b>				
Natwest Markets	170	-	(140)	30
Standard Chartered	285	(240)	-	45
UBS	72	(111)	-	(39)
<b>Total</b>	<b>527</b>	<b>(351)</b>	<b>(140)</b>	<b>36</b>
<b>Issuers</b>				<b>Collateral</b>
<b>2021</b>			<b>Type</b>	<b>Stock £'000</b>
United Kingdom (Gov't of)			Bond	149
				<b>149</b>

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(382)	(284)	(97)	(763)
<b>Non-derivatives</b>					
Other creditors	-	(234)	-	-	(234)
Bank overdrafts	(1)	-	-	-	(1)
Distribution payable	-	(543)	-	-	(543)
<b>Total financial liabilities</b>	<b>(1)</b>	<b>(1,159)</b>	<b>(284)</b>	<b>(97)</b>	<b>(1,541)</b>

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(1,022)	-	(296)	(1,318)
<b>Non-derivatives</b>					
Other creditors	-	(361)	-	-	(361)
Bank overdrafts	(351)	-	-	-	(351)
Distribution payable	-	(615)	-	-	(615)
<b>Total financial liabilities</b>	<b>(351)</b>	<b>(1,998)</b>	<b>-</b>	<b>(296)</b>	<b>(2,645)</b>

# Notes to the Financial Statements

## Continued

### 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 62.05p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 60.80p. This represents a change of (2.01)% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 May 2021

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Retail accumulation</b>				
Group 1	0.2535	-	0.2535	0.2707
Group 2	0.1247	0.1288	0.2535	0.2707
<b>Institutional accumulation</b>				
Group 1	0.3917	-	0.3917	0.4100
Group 2	0.1508	0.2409	0.3917	0.4100
<b>Retail income</b>				
Group 1	0.1458	-	0.1458	0.1574
Group 2	0.0373	0.1085	0.1458	0.1574
<b>Institutional income</b>				
Group 1	0.2082	-	0.2082	0.2213
Group 2	0.0673	0.1409	0.2082	0.2213
<b>Retail CAT accumulation</b>				
Group 1	0.2627	-	0.2627	0.2814
Group 2	0.1632	0.0995	0.2627	0.2814
<b>Standard Life income</b>				
Group 1	0.4179	-	0.4179	0.4126
Group 2	0.4179	-	0.4179	0.4126
<b>Retail CAT income</b>				
Group 1	0.1509	-	0.1509	0.1631
Group 2	0.0832	0.0677	0.1509	0.1631
<b>Standard Life accumulation</b>				
Group 1	0.3925	-	0.3925	0.4048
Group 2	0.2438	0.1487	0.3925	0.4048
<b>Institutional regulated accumulation</b>				
Group 1	0.3279	-	0.3279	0.3409
Group 2	0.2049	0.1230	0.3279	0.3409
<b>Platform 1 accumulation</b>				
Group 1	0.2229	-	0.2229	0.2339
Group 2	0.1116	0.1113	0.2229	0.2339
<b>Platform 1 income</b>				
Group 1	0.1901	-	0.1901	0.2022
Group 2	0.1358	0.0543	0.1901	0.2022



# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Institutional S accumulation</b>				
Group 1	0.2412	-	0.2412	0.2507
Group 2	0.2412	-	0.2412	0.2507
<b>Institutional S income</b>				
Group 1	0.2179	-	0.2179	0.2301
Group 2	0.1055	0.1124	0.2179	0.2301

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 June 2021

Group 2 – shares purchased between 1 June 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	0.1977	-	0.1977	0.2484
Group 2	0.1339	0.0638	0.1977	0.2484
<b>Institutional accumulation</b>				
Group 1	0.3326	-	0.3326	0.3879
Group 2	0.1364	0.1962	0.3326	0.3879
<b>Retail income</b>				
Group 1	0.1135	-	0.1135	0.1439
Group 2	0.0465	0.0670	0.1135	0.1439
<b>Institutional income</b>				
Group 1	0.1760	-	0.1760	0.2083
Group 2	0.0435	0.1325	0.1760	0.2083
<b>Retail CAT accumulation</b>				
Group 1	0.2069	-	0.2069	0.2576
Group 2	0.1326	0.0743	0.2069	0.2576
<b>Standard Life income</b>				
Group 1	0.4073	-	0.4073	0.3967
Group 2	0.4073	-	0.4073	0.3967
<b>Retail CAT income</b>				
Group 1	0.1186	-	0.1186	0.1488
Group 2	0.0759	0.0427	0.1186	0.1488
<b>Standard Life accumulation</b>				
Group 1	0.3504	-	0.3504	0.3907
Group 2	0.0120	0.3384	0.3504	0.3907
<b>Institutional regulated accumulation</b>				
Group 1	0.2846	-	0.2846	0.3255
Group 2	0.1013	0.1833	0.2846	0.3255
<b>Platform 1 accumulation</b>				
Group 1	0.1875	-	0.1875	0.2205
Group 2	0.0646	0.1229	0.1875	0.2205
<b>Platform 1 income</b>				
Group 1	0.1596	-	0.1596	0.1899
Group 2	0.0885	0.0711	0.1596	0.1899

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Institutional S accumulation</b>				
Group 1	0.2097	-	0.2097	0.2394
Group 2	0.2097	-	0.2097	0.2394
<b>Institutional S income</b>				
Group 1	0.1888	-	0.1888	0.2188
Group 2	0.1109	0.0779	0.1888	0.2188

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Retail accumulation</b>				
Group 1	0.2369	-	0.2369	0.2367
Group 2	0.1568	0.0801	0.2369	0.2367
<b>Institutional accumulation</b>				
Group 1	0.3496	-	0.3496	0.3752
Group 2	0.1771	0.1725	0.3496	0.3752
<b>Retail income</b>				
Group 1	0.1401	-	0.1401	0.1367
Group 2	0.0920	0.0481	0.1401	0.1367
<b>Institutional income</b>				
Group 1	0.1929	-	0.1929	0.2001
Group 2	0.1119	0.0810	0.1929	0.2001
<b>Retail CAT accumulation</b>				
Group 1	0.2525	-	0.2525	0.2447
Group 2	0.1880	0.0645	0.2525	0.2447
<b>Standard Life income</b>				
Group 1	0.1005	-	0.1005	0.4020
Group 2	0.1005	-	0.1005	0.4020
<b>Retail CAT income</b>				
Group 1	0.1320	-	0.1320	0.1412
Group 2	0.0924	0.0396	0.1320	0.1412
<b>Standard Life accumulation</b>				
Group 1	0.3082	-	0.3082	0.3795
Group 2	0.0422	0.2660	0.3082	0.3795
<b>Institutional regulated accumulation</b>				
Group 1	0.3044	-	0.3044	0.3158
Group 2	0.0683	0.2361	0.3044	0.3158
<b>Platform 1 accumulation</b>				
Group 1	0.2390	-	0.2390	0.2065
Group 2	0.1523	0.0867	0.2390	0.2065
<b>Platform 1 income</b>				
Group 1	0.1815	-	0.1815	0.1760
Group 2	0.1178	0.0637	0.1815	0.1760

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Institutional S accumulation</b>				
Group 1	0.2323	-	0.2323	0.2318
Group 2	0.2323	-	0.2323	0.2318
<b>Institutional S income</b>				
Group 1	0.1953	-	0.1953	0.2110
Group 2	0.1136	0.0817	0.1953	0.2110

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	0.2507	-	0.2507	0.2257
Group 2	0.1807	0.0700	0.2507	0.2257
<b>Institutional accumulation</b>				
Group 1	0.3854	-	0.3854	0.3624
Group 2	0.2256	0.1598	0.3854	0.3624
<b>Retail income</b>				
Group 1	0.1431	-	0.1431	0.1299
Group 2	0.0738	0.0693	0.1431	0.1299
<b>Institutional income</b>				
Group 1	0.2023	-	0.2023	0.1916
Group 2	0.0573	0.1450	0.2023	0.1916
<b>Retail CAT accumulation</b>				
Group 1	0.2556	-	0.2556	0.2341
Group 2	0.2009	0.0547	0.2556	0.2341
<b>Standard Life income*</b>				
Group 1	-	-	-	0.4073
Group 2	-	-	-	0.4073
<b>Retail CAT income</b>				
Group 1	0.1458	-	0.1458	0.1347
Group 2	0.1065	0.0393	0.1458	0.1347
<b>Standard Life accumulation</b>				
Group 1	0.3849	-	0.3849	0.3715
Group 2	0.2162	0.1687	0.3849	0.3715
<b>Institutional regulated accumulation</b>				
Group 1	0.3221	-	0.3221	0.3049
Group 2	0.1742	0.1479	0.3221	0.3049
<b>Platform 1 accumulation</b>				
Group 1	0.2220	-	0.2220	0.2056
Group 2	0.1365	0.0855	0.2220	0.2056
<b>Platform 1 income</b>				
Group 1	0.1855	-	0.1855	0.1741
Group 2	0.0815	0.1040	0.1855	0.1741

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Institutional S accumulation</b>				
Group 1	0.2446	-	0.2446	0.2243
Group 2	0.2446	-	0.2446	0.2243
<b>Institutional S income</b>				
Group 1	0.2115	-	0.2115	0.2033
Group 2	0.1109	0.1006	0.2115	0.2033

## 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.

\* Standard Life Income closed on 7 January 2022.

# ASI American Income Equity Fund

For the year ended 28 February 2022

## Investment Objective

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

Performance Target: To deliver a yield greater than that of the S&P 500 Index over a rolling five year period (before charges) and achieve a return in excess of the S&P 500 Index over a rolling five year period (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 abrdn) and 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. Given the fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.
- 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 income nature of the management process, the fund's performance profile may deviate significantly from that of the S&P 500 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

Over the period under review, the fund returned 22.94%. (Source: FactSet, Platform 1 Accumulation Shares). This compared to a return of 22.12% for our performance target (Source: FactSet, S&P 500 Index). Meanwhile, the Platform 1 Income's yield was 1.62% over the period, versus a yield target of 1.4% (the S&P 500 Index).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund outperformed the market over the period. Stock selection and allocation effects both contributed. The fund invests only in dividend-paying stocks, allocating capital across three different categories: dividend growth, high dividend and opportunity. Dividend growth focuses on companies that offer more than 10% annualised growth in the dividend. High dividend is comprised of higher-yielding stocks with stable cash flow generation and generally solid balance sheets. Opportunity highlights dividend-paying stocks where the dividend characteristics are secondary to fundamental valuation reasons to include in the portfolio. Portfolio construction contributed meaningfully to performance, as not investing in non-dividend payers was the biggest contributor over the period. High-dividend and opportunity stocks also outperformed the market, with dividend growers lagging.

When assessed relative to the S&P 500 Index, the portfolio saw the biggest positive contributions from information technology, consumer staples, and our underweight exposure to consumer discretionary. Information technology was aided by companies who



# ASI American Income Equity Fund

## Continued

were experiencing solid growth, including Microsoft, Broadcom, and Apple. More importantly, the fund avoided non-dividend payers like PayPal, which also announced disappointing third-quarter results as eBay exited more aggressively and increased concerns about competitive pressures. Consumer staples outperformed, as Costco reported better-than-expected earnings due to healthy traffic growth at its stores. Coca-Cola also contributed, with strong performance coming from both at-home and away-from-home channels, resulting in an increased return of capital to shareholders. In the consumer discretionary sector, the fund benefited from its lack of exposure to non-dividend paying Amazon, which lagged the market. Lowe's outperformed after the home improvement retailer reported resilient sales and was able to gain operating leverage on the margins through its focus on operational efficiency.

On the downside, materials, communication services and energy detracted from performance. In materials, Air Product & Chemicals was the biggest underperformer as margins suffered due to higher energy cost pass-throughs and a tighter labour and supply-chain environment. In communication services, not owning non-dividend payer Alphabet weighed on returns. In addition, Activision Blizzard's shares struggled as a California regulator's lawsuit regarding sexual harassment issues and discriminatory behaviour at Blizzard resulted in meaningful negative media attention and increased investor attention. Meanwhile, Microsoft stepped in to buy the company at a significant premium compared to where the stock started in 2022. In the energy sector, our lack of exposure to the majors like ConocoPhillips, Exxon Mobil, and Chevron hurt performance, as they rallied significantly.

### Portfolio Activity and Review

Early in the period, we initiated a position in Royalty Pharma. This opportunity holding was a recent IPO, which we believe, given the consistency of the company's diversified royalty streams, is undervalued. Another opportunity purchase was VF Corporation, the international apparel company. We expect a recovery in its Vans brand, which should result in higher growth and margins. We also bought high-dividend names Phillips 66 and MetLife. A boost in refining fundamentals is expected to enable stronger earnings growth for Phillips 66. MetLife has an improved business mix, having exited companies with relatively slower growth and returns while retaining more attractive future growth opportunities. We also bought Huntington Bancshares, as its acquisition of TCF should lead to improved growth and more attractive returns.

We took profits on our position in Kansas City Southern, after an acquisition bid from Canadian Pacific. We bought

Waste Connections, the waste management and bin lorry operator, which benefitted growth via mergers & acquisitions. We expect pricing to pick up as economies further reopen. This was funded by a sale of Waste Management, where conviction was not quite as high. We also sold Genuine Parts Company, NXP Semiconductors and Alimentation Couche-Tard to fund higher-conviction purchases.

Towards the end of the period, we purchased Coca-Cola, as we believe that internal restructuring should lead to improved sales growth and margins as reopenings are expected to boost sales. CenterPoint Energy was bought as it has exited non-utility businesses, enabling the company to focus on improving its utility assets which should help its interactions with regulators. Hanesbrands was added as a high-dividend stock, as its new management increased confidence in appropriate capital allocation. We purchased LPL Financial, as the company offered attractive organic growth and its improving third-party channel penetration should enhance returns. Elsewhere, we bought S&P Global, as the company's purchase of IHS Markit enhances its ability to achieve solid growth with improving margins. Canadian National Railway was initiated due to expectations for management change as a result of activist interest, which should drive a focus on pricing and margins. TJX Companies was purchased as sales should exceed investor expectations because of stronger in-store traffic. We also added Stanley Black & Decker because of higher conviction in competitive positioning, given its strong track record of innovation and invigoration of its brands.

On the other hand, multiple positions were exited towards the end of the period. We sold CSX and JPMorgan Chase in favour of Canadian National Railway and LPL Financial, respectively. Meanwhile, we offloaded Lockheed Martin and L3 Harris, as we exited defence positions, and Fidelity Information Services to manage our exposure to payment services. Elsewhere, we sold Restaurant Brands International after losing conviction, while we exited MGM Growth Properties as our thesis played out. Finally, we took profits in McDonald's, Alliant Energy, Procter & Gamble and Medtronic.

### Portfolio Outlook and Strategy

The Russia-Ukraine conflict has introduced greater uncertainty to global markets. We believe that the conflict presents risks of higher global inflation and the potential for downside economic forecasts. Nonetheless, we maintain our baseline view that US economic growth will remain healthy and the US Federal Reserve will focus on raising interest rates, albeit potentially less swiftly than prior to the outbreak of hostilities in Eastern Europe. We do not expect inflation to run out of control, as higher rates and

# ASI American Income Equity Fund

## Continued

the loosening of supply disruptions should reduce such pressures. As such, we are paying close attention to the oil and gas markets and the ability of the US to increase production to ease potential supply constraints that the US market may experience.

Risk factors will continue to be regularly analysed to inform portfolio construction, as factor behaviour continues to shift. We will review every sector, while also considering environmental, social and governance issues, and exposure to growth, value, industrial cycles and other risk factors. Although our focus remains on stock-picking from a bottom-up perspective, portfolio construction considerations are key to recognising unintended thematic exposures. Our stock selection process has resulted in the portfolio currently having overweight positions in industrials and financials. The biggest underweight positions are in consumer discretionary and communication services.

### North American Equity

March 2022

# ASI American Income Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	85.94	76.51	67.52
Return before operating charges*	21.04	10.56	10.04
Operating charges	(1.27)	(1.13)	(1.05)
Return after operating charges*	19.77	9.43	8.99
Distributions	(0.21)	(0.29)	(0.46)
Retained distributions on accumulation shares	0.21	0.29	0.46
Closing net asset value per share	105.71	85.94	76.51
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	23.00%	12.33%	13.31%
<b>Other information</b>			
Closing net asset value (£'000)	196	6,338	782
Closing number of shares	185,320	7,373,547	1,021,806
Operating charges	1.32%	1.33%	1.33%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices</b>			
Highest share price	111.3	90.10	86.30
Lowest share price	86.20	64.56	67.90

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	87.78	77.82	68.38
Return before operating charges*	21.55	10.68	10.13
Operating charges	(0.87)	(0.72)	(0.69)
Return after operating charges*	20.68	9.96	9.44
Distributions	(0.90)	(0.89)	(0.88)
Retained distributions on accumulation shares	0.90	0.89	0.88
Closing net asset value per share	108.46	87.78	77.82
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	23.56%	12.80%	13.81%
<b>Other information</b>			
Closing net asset value (£'000)	161,734	157,653	120,176
Closing number of shares	149,122,060	179,602,906	154,428,294
Operating charges	0.85%	0.86%	0.86%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices</b>			
Highest share price	114.1	91.97	87.80
Lowest share price	88.05	65.68	68.78

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.64	71.35	64.21
Return before operating charges*	19.24	9.74	9.52
Operating charges	(1.21)	(1.01)	(0.97)
Return after operating charges*	18.03	8.73	8.55
Distributions	(1.56)	(1.44)	(1.41)
Closing net asset value per share	95.11	78.64	71.35
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	22.93%	12.24%	13.32%
<b>Other information</b>			
Closing net asset value (£'000)	36	18	20
Closing number of shares	38,064	22,750	27,320
Operating charges	1.32%	1.33%	1.33%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices</b>			
Highest share price	100.6	82.82	80.90
Lowest share price	78.89	60.22	64.60

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.33	72.53	64.98
Return before operating charges*	19.56	9.96	9.56
Operating charges	(0.82)	(0.67)	(0.58)
Return after operating charges*	18.74	9.29	8.98
Distributions	(1.49)	(1.49)	(1.43)
Closing net asset value per share	97.58	80.33	72.53
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	23.33%	12.81%	13.82%
<b>Other information</b>			
Closing net asset value (£'000)	109	55	29
Closing number of shares	112,098	68,545	39,821
Operating charges	0.85%	0.86%	0.86%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices</b>			
Highest share price	103.1	84.53	82.22
Lowest share price	80.58	61.24	65.38

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	64.30	57.59	51.16
Return before operating charges*	15.76	7.89	7.57
Operating charges	(0.01)	(0.02)	(0.02)
Return after operating charges*	15.75	7.87	7.55
Distributions	(1.27)	(1.16)	(1.12)
Closing net asset value per share	78.78	64.30	57.59
* after direct transaction costs of:	0.03	0.03	0.03
<b>Performance</b>			
Return after charges	24.49%	13.67%	14.76%
<b>Other information</b>			
Closing net asset value (£'000)	6,053	6,907	12,047
Closing number of shares	7,683,073	10,742,143	20,920,164
Operating charges	0.02%	0.03%	0.03%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices</b>			
Highest share price	83.13	67.59	65.26
Lowest share price	64.51	48.64	51.47

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

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Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
	pence per share	pence per share	pence per share
<b>Standard Life accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	90.97	80.04	69.79
Return before operating charges*	22.36	11.03	10.34
Operating charges	(0.10)	(0.10)	(0.09)
Return after operating charges*	22.26	10.93	10.25
Distributions	(1.74)	(1.57)	(1.48)
Retained distributions on accumulation shares	1.74	1.57	1.48
Closing net asset value per share	113.23	90.97	80.04
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	24.47%	13.66%	14.69%
<b>Other information</b>			
Closing net asset value (£'000)	113	94	54
Closing number of shares	99,716	103,040	67,641
Operating charges	0.10%	0.11%	0.11%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices</b>			
Highest share price	119.0	95.22	90.30
Lowest share price	91.24	67.59	70.21

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	87.60	77.70	68.30
Return before operating charges*	21.52	10.67	10.12
Operating charges	(0.92)	(0.77)	(0.72)
Return after operating charges*	20.60	9.90	9.40
Distributions	(0.85)	(0.85)	(0.83)
Retained distributions on accumulation shares	0.85	0.85	0.83
Closing net asset value per share	108.20	87.60	77.70
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	23.52%	12.74%	13.76%
<b>Other information</b>			
Closing net asset value (£'000)	1,416	718	315
Closing number of shares	1,308,772	820,017	405,072
Operating charges	0.90%	0.91%	0.91%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices</b>			
Highest share price	113.9	91.79	87.67
Lowest share price	87.87	65.58	68.70

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.20	72.46	64.94
Return before operating charges*	19.64	9.92	9.63
Operating charges	(0.84)	(0.71)	(0.68)
Return after operating charges*	18.80	9.21	8.95
Distributions	(1.59)	(1.47)	(1.43)
Closing net asset value per share	97.41	80.20	72.46
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	23.44%	12.71%	13.78%
<b>Other information</b>			
Closing net asset value (£'000)	428	120	64
Closing number of shares	439,432	149,590	88,761
Operating charges	0.90%	0.91%	0.91%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices</b>			
Highest share price	102.9	84.41	82.14
Lowest share price	80.45	61.17	65.34

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.61	71.32	62.38
Return before operating charges*	19.91	9.86	9.49
Operating charges	(0.68)	(0.57)	(0.55)
Return after operating charges*	19.23	9.29	8.94
Distributions	(1.04)	(0.96)	(1.08)
Retained distributions on accumulation shares	1.04	0.96	1.08
Closing net asset value per share	99.84	80.61	71.32
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	23.86%	13.03%	14.33%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,432	1,432	1,432
Operating charges	0.73%	0.74%	0.74%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices</b>			
Highest share price	105.0	84.45	80.47
Lowest share price	80.86	60.20	62.75

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S income	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	73.99	66.70	59.65
Return before operating charges*	18.19	9.17	8.92
Operating charges	(0.62)	(0.53)	(0.52)
Return after operating charges*	17.57	8.64	8.40
Distributions	(1.48)	(1.35)	(1.35)
Closing net asset value per share	90.08	73.99	66.70
* after direct transaction costs of:	0.03	0.04	0.04
<b>Performance</b>			
Return after charges	23.75%	12.95%	14.08%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,504	1,504	1,504
Operating charges	0.73%	0.74%	0.74%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices</b>			
Highest share price	95.14	77.86	75.60
Lowest share price	74.23	56.31	60.00

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

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# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>North American Equities (96.93%)</b>		<b>167,621</b>	<b>98.55</b>
<b>Communication Services (8.09%)</b>		<b>11,288</b>	<b>6.64</b>
42,067	Activision Blizzard	2,555	1.50
49,814	Cogent Communications	2,354	1.39
105,544	Comcast 'A'	3,677	2.16
67,597	Verizon Communications	2,702	1.59
<b>Consumer Discretionary (5.93%)</b>		<b>12,255</b>	<b>7.20</b>
244,484	Hanesbrands	2,813	1.65
27,057	Lowe's	4,455	2.62
56,799	TJX	2,796	1.64
50,693	VF	2,191	1.29
<b>Consumer Staples (7.36%)</b>		<b>11,498</b>	<b>6.76</b>
121,966	Coca-Cola	5,657	3.33
7,318	Costco Wholesale	2,832	1.66
39,961	Philip Morris International	3,009	1.77
<b>Energy (3.33%)</b>		<b>8,123</b>	<b>4.78</b>
142,115	Baker Hughes	3,111	1.83
85,991	Enbridge	2,765	1.63
35,791	Phillips 66	2,247	1.32
<b>Financials (10.84%)</b>		<b>22,352</b>	<b>13.14</b>
119,208	Bank of America	3,926	2.31
12,069	Goldman Sachs	3,068	1.80
334,050	Huntington Bancshares	3,864	2.27
13,631	LPL Financial	1,837	1.08
60,926	MetLife	3,066	1.80
8,375	S&P Global	2,347	1.38
67,420	Schwab (Charles)	4,244	2.50

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Health Care (12.38%)</b>		<b>22,173</b>	<b>13.04</b>
55,597	AbbVie	6,123	3.60
28,263	Baxter International	1,790	1.05
69,145	Bristol-Myers Squibb	3,537	2.08
33,973	Johnson & Johnson	4,167	2.45
66,382	Royalty Pharma 'A'	1,942	1.14
13,011	UnitedHealth	4,614	2.72
<b>Industrials (12.31%)</b>		<b>20,671</b>	<b>12.15</b>
38,318	Canadian National Railway	3,542	2.08
49,194	Emerson Electric	3,406	2.00
17,830	Honeywell International	2,522	1.48
24,369	JB Hunt Transport Services	3,686	2.17
15,702	Stanley Black & Decker	1,904	1.12
17,337	Tetra Tech	2,050	1.21
38,695	Waste Connections	3,561	2.09
<b>Information Technology (28.84%)</b>		<b>48,576</b>	<b>28.56</b>
14,578	Accenture 'A'	3,436	2.02
25,982	Analog Devices	3,104	1.83
103,552	Apple	12,742	7.49
12,347	Broadcom	5,409	3.18
54,155	Cisco Systems	2,252	1.32
40,917	Marvell Technology	2,083	1.22
20,105	Mastercard 'A'	5,403	3.18
63,477	Microsoft	14,147	8.32
<b>Materials (1.60%)</b>		<b>2,421</b>	<b>1.42</b>
13,749	Air Products and Chemicals	2,421	1.42
<b>Real Estate (2.67%)</b>		<b>2,106</b>	<b>1.24</b>
12,474	American Tower REIT	2,106	1.24

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Utilities (3.58%)</b>		<b>6,158</b>	<b>3.62</b>
95,932	CenterPoint Energy	1,955	1.15
44,244	CMS Energy	2,110	1.24
35,904	NextEra Energy	2,093	1.23
<b>Collective Investment Schemes (1.89%)</b>		<b>2,449</b>	<b>1.44</b>
2,449	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	2,449	1.44
Total investment assets		170,070	99.99
Net other assets		17	0.01
<b>Total Net Assets</b>		<b>170,087</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 28 February 2021.  
+ Managed by subsidiaries of abrdn plc.



# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		36,656		13,715
Revenue	2	3,540		3,030	
Expenses	3	(1,448)		(1,107)	
Net revenue before taxation		2,092		1,923	
Taxation	4	(478)		(412)	
Net revenue after taxation			1,614		1,511
<b>Total return before distributions</b>			<b>38,270</b>		<b>15,226</b>
Distributions	5		(1,620)		(1,512)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>36,650</b>		<b>13,714</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>171,905</b>		<b>133,489</b>
Amounts receivable on the issue of shares	18,707		71,346	
Amounts payable on the cancellation of shares	(58,634)		(48,051)	
		(39,927)		23,295
Dilution adjustment		-		22
Change in net assets attributable to shareholders from investment activities (see above)		36,650		13,714
Retained distribution on accumulation shares		1,459		1,385
<b>Closing net assets attributable to shareholders</b>		<b>170,087</b>		<b>171,905</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			170,070		169,867
<b>Current assets:</b>					
Debtors	6	239		3,569	
Cash and bank balances	7	113		110	
			352		3,679
<b>Total assets</b>			<b>170,422</b>		<b>173,546</b>
<b>Liabilities:</b>					
Creditors	8	(309)		(1,611)	
Distribution payable		(26)		(30)	
			(335)		(1,641)
<b>Total liabilities</b>			<b>(335)</b>		<b>(1,641)</b>
<b>Net assets attributable to shareholders</b>			<b>170,087</b>		<b>171,905</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	36,639	13,889
Forward currency contracts	16	(69)
Other gains/(losses)	9	(92)
Transaction charges	(8)	(13)
<b>Net capital gains</b>	<b>36,656</b>	<b>13,715</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	4	8
Overseas dividends	3,413	2,903
Overseas REIT	123	119
<b>Total revenue</b>	<b>3,540</b>	<b>3,030</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,292	978
Dealing charge	1	-
General administration charge*	68	-
Registration fees**	68	100
	<b>1,429</b>	<b>1,078</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	7	14
Safe custody fee	7	6
	<b>14</b>	<b>20</b>
<b>Other:</b>		
Audit fee**	5	9
	<b>5</b>	<b>9</b>
<b>Total expenses</b>	<b>1,448</b>	<b>1,107</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	478	412
<b>Total taxation (note 4b)</b>	<b>478</b>	<b>412</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>2,092</b>	<b>1,923</b>
Corporation tax at 20% (2021: 20%)	418	384
Effects of:		
Revenue not subject to taxation	(681)	(581)
Overseas taxes	478	412
Overseas tax expensed	(3)	(3)
Excess allowable expenses	266	200
<b>Total tax charge for year (note 4a)</b>	<b>478</b>	<b>412</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £801,000 (2021: £535,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
First interim distribution	467	443
Second interim distribution	352	357
Third interim distribution	431	352
Final distribution	330	380
	1,580	1,532
Add: Income deducted on cancellation of shares	55	41
Deduct: Income received on issue of shares	(15)	(61)
<b>Total distributions for the year</b>	<b>1,620</b>	<b>1,512</b>

# Notes to the Financial Statements

## Continued

	2022 £'000	2021 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,614	1,511
Expenses charged to capital	6	1
<b>Total distributions for the year</b>	<b>1,620</b>	<b>1,512</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and General administration charge. This policy only applies to the income classes.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

## 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	236	208
Amounts receivable from the ACD for the issue of shares	2	385
Overseas withholding tax recoverable	1	-
Sales awaiting settlement	-	2,976
<b>Total debtors</b>	<b>239</b>	<b>3,569</b>

## 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	113	110
	<b>113</b>	<b>110</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	2,449	3,242
<b>Net liquidity</b>	<b>2,562</b>	<b>3,352</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

# Notes to the Financial Statements

## Continued

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	105	103
Accrued expenses payable to the Depositary or associates of the Depositary	3	3
Amounts payable to the ACD for cancellation of shares	196	72
Other accrued expenses	5	9
Purchases awaiting settlement	-	1,424
<b>Total creditors</b>	<b>309</b>	<b>1,611</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	60,303	106,042	96,008	84,343
<b>Trades in the year before transaction costs</b>	<b>60,303</b>	<b>106,042</b>	<b>96,008</b>	<b>84,343</b>
<b>Commissions</b>				
Equities	29	35	(40)	(34)
<b>Total commissions</b>	<b>29</b>	<b>35</b>	<b>(40)</b>	<b>(34)</b>
<b>Taxes</b>				
Equities	-	-	-	(2)
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>
<b>Total transaction costs</b>	<b>29</b>	<b>35</b>	<b>(40)</b>	<b>(36)</b>
<b>Total net trades in the year after transaction costs</b>	<b>60,332</b>	<b>106,077</b>	<b>95,968</b>	<b>84,307</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.03	0.04	0.04
			<b>2022 %</b>	<b>2021 %</b>
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.04	0.05

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.03% (2021: 0.05%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

## 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Closing shares 2022
Retail accumulation	7,373,547	6,012,923	(13,201,150)	185,320
Institutional accumulation	179,602,906	3,328,830	(33,809,676)	149,122,060
Retail income	22,750	15,314	-	38,064
Institutional income	68,545	1,599,495	(1,555,942)	112,098
Standard Life income	10,742,143	-	(3,059,070)	7,683,073
Standard Life accumulation	103,040	31,105	(34,429)	99,716
Platform 1 accumulation	820,017	7,117,076	(6,628,321)	1,308,772
Platform 1 income	149,590	357,661	(67,819)	439,432
Institutional S accumulation	1,432	-	-	1,432
Institutional S income	1,504	-	-	1,504

## 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

# Notes to the Financial Statements

## Continued

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	167,621	-	-	166,625	-	-
Collective Investment Schemes	-	2,449	-	-	3,242	-
<b>Total investment assets</b>	<b>167,621</b>	<b>2,449</b>	<b>-</b>	<b>166,625</b>	<b>3,242</b>	<b>-</b>

## 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign	Net foreign
	currency	currency
	exposure	exposure
	2022	2021
	£'000	£'000
Canadian Dollar	2,802	6,112
US Dollar	165,165	162,381
<b>Total</b>	<b>167,967</b>	<b>168,493</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £8,398,000 (2021: £8,425,000).

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £8,504,000 (2021: £8,493,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £335,000 (2021: £1,641,000).



# Notes to the Financial Statements

## Continued

### 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have risen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 108.20p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 111.17p. This represents a change of 2.75% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 May 2021

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Retail accumulation</b>				
Group 1	0.1353	-	0.1353	0.1000
Group 2	0.0636	0.0717	0.1353	0.1000
<b>Institutional accumulation</b>				
Group 1	0.2482	-	0.2482	0.2567
Group 2	0.1058	0.1424	0.2482	0.2567
<b>Retail income</b>				
Group 1	0.3987	-	0.3987	0.3804
Group 2	0.3987	-	0.3987	0.3804
<b>Institutional income</b>				
Group 1	0.4078	-	0.4078	0.3864
Group 2	0.2207	0.1871	0.4078	0.3864
<b>Standard Life income</b>				
Group 1	0.3246	-	0.3246	0.3053
Group 2	0.3246	-	0.3246	0.3053
<b>Standard Life accumulation</b>				
Group 1	0.4431	-	0.4431	0.4115
Group 2	0.1260	0.3171	0.4431	0.4115
<b>Platform 1 accumulation</b>				
Group 1	0.2357	-	0.2357	0.2460
Group 2	0.1370	0.0987	0.2357	0.2460
<b>Platform 1 income</b>				
Group 1	0.4075	-	0.4075	0.3861
Group 2	0.3184	0.0891	0.4075	0.3861
<b>Institutional S accumulation</b>				
Group 1	0.2786	-	0.2786	0.2590
Group 2	0.2786	-	0.2786	0.2590
<b>Institutional S income</b>				
Group 1	0.3815	-	0.3815	0.3356
Group 2	0.3815	-	0.3815	0.3356

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 June 2021

Group 2 – shares purchased between 1 June 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	0.0533	-	0.0533	-
Group 2	0.0533	-	0.0533	-
<b>Institutional accumulation</b>				
Group 1	0.1968	-	0.1968	0.2221
Group 2	0.1884	0.0084	0.1968	0.2221
<b>Retail income</b>				
Group 1	0.3611	-	0.3611	0.3683
Group 2	0.3611	-	0.3611	0.3683
<b>Institutional income</b>				
Group 1	0.3733	-	0.3733	0.3783
Group 2	0.0200	0.3533	0.3733	0.3783
<b>Standard Life income</b>				
Group 1	0.2953	-	0.2953	0.2894
Group 2	0.2953	-	0.2953	0.2894
<b>Standard Life accumulation</b>				
Group 1	0.4009	-	0.4009	0.3937
Group 2	0.0984	0.3025	0.4009	0.3937
<b>Platform 1 accumulation</b>				
Group 1	0.1831	-	0.1831	0.2117
Group 2	0.1146	0.0685	0.1831	0.2117
<b>Platform 1 income</b>				
Group 1	0.3691	-	0.3691	0.3759
Group 2	0.1950	0.1741	0.3691	0.3759
<b>Institutional S accumulation</b>				
Group 1	0.2367	-	0.2367	0.2451
Group 2	0.2367	-	0.2367	0.2451
<b>Institutional S income</b>				
Group 1	0.3443	-	0.3443	0.3503
Group 2	0.3443	-	0.3443	0.3503

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Retail accumulation</b>				
Group 1	0.0197	-	0.0197	0.0952
Group 2	0.0196	0.0001	0.0197	0.0952
<b>Institutional accumulation</b>				
Group 1	0.2511	-	0.2511	0.2218
Group 2	0.0634	0.1877	0.2511	0.2218
<b>Retail income</b>				
Group 1	0.4218	-	0.4218	0.3563
Group 2	0.2737	0.1481	0.4218	0.3563
<b>Institutional income</b>				
Group 1	0.3215	-	0.3215	0.3788
Group 2	0.2231	0.0984	0.3215	0.3788
<b>Standard Life income</b>				
Group 1	0.3393	-	0.3393	0.2916
Group 2	0.3393	-	0.3393	0.2916
<b>Standard Life accumulation</b>				
Group 1	0.4667	-	0.4667	0.3969
Group 2	0.3821	0.0846	0.4667	0.3969
<b>Platform 1 accumulation</b>				
Group 1	0.2371	-	0.2371	0.2152
Group 2	0.1319	0.1052	0.2371	0.2152
<b>Platform 1 income</b>				
Group 1	0.4239	-	0.4239	0.3690
Group 2	0.2257	0.1982	0.4239	0.3690
<b>Institutional S accumulation</b>				
Group 1	0.2835	-	0.2835	0.2416
Group 2	0.2835	-	0.2835	0.2416
<b>Institutional S income</b>				
Group 1	0.3948	-	0.3948	0.3476
Group 2	0.3948	-	0.3948	0.3476

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final dividend distribution

Group 1 - shares purchased prior to 1 December 2021

Group 2 - shares purchased between 1 December 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	-	-	-	0.0988
Group 2	-	-	-	0.0988
<b>Institutional accumulation</b>				
Group 1	0.2018	-	0.2018	0.1895
Group 2	0.1523	0.0495	0.2018	0.1895
<b>Retail income</b>				
Group 1	0.3784	-	0.3784	0.3356
Group 2	0.3784	-	0.3784	0.3356
<b>Institutional income</b>				
Group 1	0.3871	-	0.3871	0.3422
Group 2	0.3521	0.0350	0.3871	0.3422
<b>Standard Life income</b>				
Group 1	0.3110	-	0.3110	0.2725
Group 2	0.3110	-	0.3110	0.2725
<b>Standard Life accumulation</b>				
Group 1	0.4247	-	0.4247	0.3665
Group 2	0.2497	0.1750	0.4247	0.3665
<b>Platform 1 accumulation</b>				
Group 1	0.1948	-	0.1948	0.1790
Group 2	0.1063	0.0885	0.1948	0.1790
<b>Platform 1 income</b>				
Group 1	0.3886	-	0.3886	0.3418
Group 2	0.2420	0.1466	0.3886	0.3418
<b>Institutional S accumulation</b>				
Group 1	0.2388	-	0.2388	0.2108
Group 2	0.2388	-	0.2388	0.2108
<b>Institutional S income</b>				
Group 1	0.3556	-	0.3556	0.3184
Group 2	0.3556	-	0.3556	0.3184

## 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 Unconstrained Equity Fund

For the year ended 28 February 2022

## Investment Objective

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

Performance Target: To achieve the return of the S&P 500 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.

Performance comparator: IA North America Equity Sector Average.

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

## 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 in companies listed, incorporated, or domiciled in Canada or Latin America.
- The fund may also invest in other funds (including those managed by abrdn) and 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 identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- 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 10%. 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.

### 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

Over the period under review, the fund returned 15.44%. (Source: FactSet, Platform 1 Accumulation Shares, net of fees) This compared to a return of 24.12% for our performance target (Source: FactSet, S&P 500 Index + 3%). The performance was positive until late October, when a dramatic shift in investor sentiment hit multiple Conviction List stocks and meaningfully impacted performance.

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Stock selection has been negative within the fund over the review period. As an unconstrained fund, this portfolio seeks concentration within the US Equity Team's best ideas, with limited consideration to the benchmark. The Conviction List represents the top ideas from the US team, 20 in large-cap and 20 in small- and mid-cap stocks. The majority of the fund is allocated towards holdings on the large cap Conviction List, accounting for over 63% of the capital. During this review period, the performance of the Conviction List positions in the fund was solid for much of the year, but struggled with the shift in investor sentiment in late October. Unfortunately, the Conviction List included some of the higher-growth, higher-valuation stocks that were significantly impacted, hurting the fund's performance.

When assessed relative to the S&P 500 Index, information technology was the weakest sector, with the most meaningful detractions coming from the software industry. PayPal weighed on performance, as it missed

# ASI American Unconstrained Equity Fund

## Continued

third-quarter expectations due to eBay's accelerated exit and tough COVID-19 comparisons which increased investor concerns over competitive pressure. RingCentral also detracted from performance, as concerns over slowing growth impacted valuations for the cloud-based communications software provider. Activision Blizzard struggled during the period after regulators in California brought forward a lawsuit regarding Blizzard's handling of sexual harassment issues. The negative media and employee backlash pressured the stock until Microsoft announced a takeover in January 2022. Meanwhile, Fiserv shares underperformed as investors feared new entrants from fintech disruptors, a segment of the market that has accumulated meaningful interest and capital. Shares of Pegasystems, the developer of customer relationship management software, performed poorly due to concerns of slowing growth as the company shifted to a recurring revenue model.

Conversely, the portfolio saw positive relative contributions from positions in the consumer discretionary, financials and industrials sectors. Baker Hughes was the strongest contributor, as bullish long-term guidance supported its unique position to capitalise on the energy transition. AbbVie, the drug company, rallied as it offered strong long-term guidance around key products that will help when Humira faces significant biosimilar pressure. Marvell Technology was also a strong performer, as it achieved good results from the accelerating momentum in the 5G infrastructure rollout and increased traction with cloud providers. Meanwhile, the fund's overweight in Charles Schwab drove most of the outperformance of financials, as the benefits of higher rates to its business started to be priced in. Bank of America and Huntington Bancshares also contributed due to rate sensitivity. In industrials, the fund's overweight holding of J.B. Hunt contributed to performance, as did Kansas City Southern. While JB Hunt benefitted from prior investments in technology to drive share in a strong diversified transportation environment, Kansas City Southern was acquired by Canadian Pacific.

### Portfolio Activity and Review

Early in the period, we bought RingCentral, a preferred software company for cloud-based communication and collaboration for businesses, for its strong growth outlook. We purchased Waste Connections, the waste management and bin lorry operator, as pricing is likely to pick up as economies further reopen. We also bought PayPal, prior to the swoon later in the year, on expectations for stronger long-term growth. We added Huntington Bancshares, as its acquisition of TCF should lead to improved growth and more attractive returns. Elsewhere, we initiated a position in Marvell Technology as it is a

beneficiary of the 5G infrastructure rollout. We also bought Analog Devices, because synergies from its acquisition of Maxim, improved gross margins, and accelerated capital return are expected to drive returns.

We took profits on our position in Kansas City Southern, after an acquisition bid from Canadian Pacific. Elsewhere, we sold Genuine Parts Company to buy O'Reilly Auto Parts, the leader in car parts retailing. The valuation gap had closed, and O'Reilly had a superior approach to benefitting from an ageing car fleet. We sold Allison Transmission, as we expect lower future earnings from lower sales and margins as electric vehicles increasingly become the norm. Meanwhile, we exited T-Mobile, as it had reached our valuation targets, offering limited potential for upside. We also sold NXP Semiconductors and Constellation Brands, having lost conviction, to fund other purchases.

Towards the end of the year, we initiated positions where conviction had risen sufficiently. UnitedHealth Group was added on strong growth expectations for Optum, its collection of non-insurance businesses. TJX Companies was purchased as sales should exceed investor expectations because of stronger in-store traffic. We also bought Stanley Black & Decker with higher conviction in its competitive positioning, given its strong track record of innovation and invigoration of its brands. Elsewhere, we purchased LPL Financial, which offers attractive organic growth and its improving third-party channel penetration should enhance returns. Canadian National Railway was initiated due to expectations for management change as a result of activist interest, which should drive a focus on pricing and margins.

A number of positions were exited late in the period, as we looked to increase concentration in higher-conviction stocks. These included Bristol-Myers Squibb, NextEra Energy, Enbridge, Pegasystems and Charter Communications. We also offloaded Activision Blizzard, after media reports of diversity and inclusion issues at the company reduced our faith that actions taken sufficiently addressed these concerns. Finally, we sold CSX in favour of Canadian National Railway.

### Portfolio Outlook and Strategy

The Russia-Ukraine conflict has introduced greater uncertainty to global markets. We believe that the conflict presents risks of higher global inflation and the potential for downside economic forecasts. Nonetheless, we maintain our baseline view that US economic growth will remain healthy and the US Federal Reserve will focus on raising interest rates, albeit potentially less swiftly than prior to the outbreak of hostilities in Eastern Europe. We do not expect inflation to run out of control, as higher rates and loosening

# ASI American Unconstrained Equity Fund

## Continued

of supply disruptions should reduce such pressures. As such, we are paying close attention to the oil and gas markets and the ability of the US to increase production to ease potential supply constraints that the US market may experience.

Risk factors will continue to be regularly analysed to inform portfolio construction, as factor behaviour continues to shift. We will review every sector, while also considering environmental, social and governance issues, and exposure to growth, value, industrial cycles and other risk factors. Although our focus remains on stock-picking from a bottom-up perspective, portfolio construction considerations are key to recognising unintended thematic exposures. Our stock selection process has resulted in the portfolio currently having overweight positions in industrials and financials. The biggest underweight positions are in consumer staples and utilities.

### **North American Equity Team**

March 2022



# ASI American Unconstrained Equity Fund

Continued

## 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 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 28 February 2022.

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

- 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.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	183.99	160.56	144.72
Return before operating charges*	30.92	25.80	18.03
Operating charges	(2.88)	(2.37)	(2.19)
Return after operating charges*	28.04	23.43	15.84
Closing net asset value per share	212.03	183.99	160.56
* after direct transaction costs of:	0.12	0.13	0.14
<b>Performance</b>			
Return after charges	15.24%	14.59%	10.95%
<b>Other information</b>			
Closing net asset value (£'000)	34,065	28,446	30,638
Closing number of shares	16,065,638	15,460,886	19,082,115
Operating charges	1.34%	1.35%	1.35%
Direct transaction costs	0.05%	0.07%	0.09%
<b>Prices</b>			
Highest share price	236.4	192.1	181.5
Lowest share price	184.6	135.7	145.3

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	218.37	189.67	170.17
Return before operating charges*	36.70	30.53	21.15
Operating charges	(2.22)	(1.83)	(1.65)
Return after operating charges*	34.48	28.70	19.50
Distributions	(0.09)	(0.77)	(0.82)
Retained distributions on accumulation shares	0.09	0.77	0.82
Closing net asset value per share	252.85	218.37	189.67
* after direct transaction costs of:	0.14	0.15	0.16
<b>Performance</b>			
Return after charges	15.79%	15.13%	11.46%
<b>Other information</b>			
Closing net asset value (£'000)	5,709	6,511	9,945
Closing number of shares	2,258,015	2,981,469	5,243,013
Operating charges	0.87%	0.88%	0.88%
Direct transaction costs	0.05%	0.07%	0.09%
<b>Prices</b>			
Highest share price	281.6	227.8	214.4
Lowest share price	219.1	160.3	170.9

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
	pence per share	pence per share	pence per share
<b>Retail income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	91.07	79.48	71.64
Return before operating charges*	15.31	12.76	8.92
Operating charges	(1.42)	(1.17)	(1.08)
Return after operating charges*	13.89	11.59	7.84
Closing net asset value per share	104.96	91.07	79.48
* after direct transaction costs of:	0.06	0.06	0.07
<b>Performance</b>			
Return after charges	15.25%	14.58%	10.94%
<b>Other information</b>			
Closing net asset value (£'000)	1,056	963	911
Closing number of shares	1,005,942	1,057,283	1,145,268
Operating charges	1.34%	1.35%	1.35%
Direct transaction costs	0.05%	0.07%	0.09%
<b>Prices</b>			
Highest share price	117.0	95.08	89.86
Lowest share price	91.37	67.17	71.93

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2021	2020
	pence per share	pence per share
<b>Standard Life income<sup>A</sup></b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	166.08	149.76
Return before operating charges*	(13.57)	18.78
Operating charges	-	(0.08)
Return after operating charges*	(13.57)	18.70
Distributions	-	(2.38)
Redemption value as at 27 March 2020	(152.51)	-
Closing net asset value per share	-	166.08
* after direct transaction costs of:	0.01	0.14
<b>Performance</b>		
Return after charges	(8.17%)	12.49%
<b>Other information</b>		
Closing net asset value (£'000)	-	- <sup>^</sup>
Closing number of shares	-	63
Operating charges	0.05%	0.05%
Direct transaction costs	0.07%	0.09%
<b>Prices</b>		
Highest share price	172.7	190.4
Lowest share price	140.4	150.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> The Standard Life income share class closed on 27 March 2020.

<sup>^</sup> The closing net asset value of standard Life income is £104.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	197.04	169.87	151.26
Return before operating charges*	33.10	27.42	18.83
Operating charges	(0.28)	(0.25)	(0.22)
Return after operating charges*	32.82	27.17	18.61
Distributions	(1.81)	(2.09)	(2.01)
Retained distributions on accumulation shares	1.81	2.09	2.01
Closing net asset value per share	229.86	197.04	169.87
* after direct transaction costs of:	0.12	0.14	0.15
<b>Performance</b>			
Return after charges	16.66%	15.99%	12.30%
<b>Other information</b>			
Closing net asset value (£'000)	1,518	1,336	1,209
Closing number of shares	660,541	678,157	711,851
Operating charges	0.12%	0.13%	0.13%
Direct transaction costs	0.05%	0.07%	0.09%
<b>Prices</b>			
Highest share price	255.6	205.4	192.0
Lowest share price	197.7	143.7	151.9

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	161.17	140.06	125.71
Return before operating charges*	27.08	22.54	15.66
Operating charges	(1.72)	(1.43)	(1.31)
Return after operating charges*	25.36	21.11	14.35
Distributions	-	(0.49)	(0.53)
Retained distributions on accumulation shares	-	0.49	0.53
Closing net asset value per share	186.53	161.17	140.06
* after direct transaction costs of:	0.10	0.11	0.12
<b>Performance</b>			
Return after charges	15.73%	15.07%	11.42%
<b>Other information</b>			
Closing net asset value (£'000)	12,755	20,052	21,316
Closing number of shares	6,838,283	12,441,600	15,219,096
Operating charges	0.92%	0.93%	0.93%
Direct transaction costs	0.05%	0.07%	0.09%
<b>Prices</b>			
Highest share price	207.8	168.2	158.3
Lowest share price	161.7	118.4	126.2

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	87.84	76.16	68.19
Return before operating charges*	14.86	12.36	8.60
Operating charges	(0.82)	(0.68)	(0.63)
Return after operating charges*	14.04	11.68	7.97
Distributions	(0.18)	(0.44)	(0.48)
Retained distributions on accumulation shares	0.18	0.44	0.48
Closing net asset value per share	101.88	87.84	76.16
* after direct transaction costs of:	0.06	0.06	0.07
<b>Performance</b>			
Return after charges	15.98%	15.34%	11.69%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,340	1,340	1,340
Operating charges	0.80%	0.81%	0.81%
Direct transaction costs	0.05%	0.07%	0.09%
<b>Prices</b>			
Highest share price	113.4	91.62	86.09
Lowest share price	88.13	64.38	68.48

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>North American Equities (97.51%)</b>		<b>54,284</b>	<b>98.51</b>
<b>Communication Services (15.10%)</b>		<b>5,899</b>	<b>10.71</b>
2,265	Alphabet 'C'	4,554	8.27
8,550	Meta Platforms	1,345	2.44
<b>Consumer Discretionary (11.72%)</b>		<b>8,251</b>	<b>14.97</b>
1,542	Amazon.com	3,526	6.40
8,929	Lowe's	1,470	2.67
1,897	O'Reilly Automotive	917	1.66
11,400	Ralph Lauren	1,122	2.03
24,698	TJX	1,216	2.21
<b>Consumer Staples (2.10%)</b>		<b>-</b>	<b>-</b>
<b>Energy (2.90%)</b>		<b>1,586</b>	<b>2.88</b>
72,472	Baker Hughes	1,586	2.88
<b>Financials (12.28%)</b>		<b>6,785</b>	<b>12.31</b>
47,020	Bank of America	1,549	2.81
5,451	Goldman Sachs	1,386	2.52
106,118	Huntington Bancshares	1,228	2.23
6,889	LPL Financial	928	1.68
26,918	Schwab (Charles)	1,694	3.07
<b>Health Care (11.03%)</b>		<b>7,588</b>	<b>13.77</b>
21,757	AbbVie	2,396	4.35
51,610	Boston Scientific	1,699	3.08
15,983	Horizon Therapeutics	1,085	1.97
4,542	ICON	805	1.46
4,519	UnitedHealth	1,603	2.91
<b>Industrials (9.80%)</b>		<b>7,004</b>	<b>12.71</b>
13,598	Canadian National Railway	1,257	2.28

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
21,086	Emerson Electric	1,460	2.65
6,925	Honeywell International	979	1.78
9,264	JB Hunt Transport Services	1,401	2.54
6,943	Stanley Black & Decker	842	1.53
11,566	Waste Connections	1,065	1.93
<b>Information Technology (26.58%)</b>		<b>15,326</b>	<b>27.81</b>
12,986	Analog Devices	1,551	2.81
17,503	Apple	2,154	3.91
13,289	Fiserv	967	1.75
25,661	Marvell Technology	1,306	2.37
7,209	Mastercard 'A'	1,938	3.52
21,257	Microsoft	4,738	8.60
7,567	Nice ADR	1,276	2.32
9,094	PayPal	758	1.37
6,544	RingCentral 'A'	638	1.16
<b>Materials (1.85%)</b>		<b>895</b>	<b>1.63</b>
5,083	Air Products and Chemicals	895	1.63
<b>Real Estate (2.11%)</b>		<b>950</b>	<b>1.72</b>
5,630	American Tower REIT	950	1.72
<b>Utilities (2.04%)</b>		<b>-</b>	<b>-</b>
<b>Collective Investment Schemes (1.55%)</b>		<b>325</b>	<b>0.59</b>
436	Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund Z1 Inc+	325	0.59
Total investment assets		54,609	99.10
Net other assets		495	0.90
<b>Total Net Assets</b>		<b>55,104</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 28 February 2021.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		8,504		9,453
Revenue	2	600		973	
Expenses	3	(655)		(729)	
Interest payable and similar charges		(1)		(1)	
Net (expense)/revenue before taxation		(56)		243	
Taxation	4	(87)		(140)	
Net (expense)/revenue after taxation			(143)		103
<b>Total return before distributions</b>			<b>8,361</b>		<b>9,556</b>
Distributions	5		(14)		(131)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>8,347</b>		<b>9,425</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>57,309</b>		<b>64,020</b>
Amounts receivable on the issue of shares	24,860		29,137	
Amounts payable on the cancellation of shares	(35,428)		(45,377)	
		(10,568)		(16,240)
Dilution adjustment		2		6
Change in net assets attributable to shareholders from investment activities (see above)		8,347		9,425
Retained distribution on accumulation shares		14		98
<b>Closing net assets attributable to shareholders</b>		<b>55,104</b>		<b>57,309</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			54,609		56,771
<b>Current assets:</b>					
Debtors	6	34		1,475	
Cash and bank balances	7	562		40	
			596		1,515
<b>Total assets</b>			<b>55,205</b>		<b>58,286</b>
<b>Liabilities:</b>					
Creditors	8	(101)		(977)	
			(101)		(977)
<b>Total liabilities</b>			<b>(101)</b>		<b>(977)</b>
<b>Net assets attributable to shareholders</b>			<b>55,104</b>		<b>57,309</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	8,534	9,666
Forward currency contracts	-	(1)
Other losses	(13)	(194)
Transaction charges	(17)	(18)
<b>Net capital gains</b>	<b>8,504</b>	<b>9,453</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	2	6
Overseas dividends	576	925
Overseas REIT	22	42
<b>Total revenue</b>	<b>600</b>	<b>973</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	621	671
Dealing charge	8	12
General administration charge*	8	-
Registration fees**	10	27
	<b>647</b>	<b>710</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	1	7
Safe custody fee	2	2
	<b>3</b>	<b>9</b>
<b>Other:</b>		
Audit fee**	5	10
	<b>5</b>	<b>10</b>
<b>Total expenses</b>	<b>655</b>	<b>729</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	87	140
<b>Total taxation (note 4b)</b>	<b>87</b>	<b>140</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net (expense)/revenue before taxation</b>	<b>(56)</b>	<b>243</b>
Corporation tax at 20% (2021: 20%)	(11)	49
Effects of:		
Revenue not subject to taxation	(115)	(185)
Overseas taxes	87	140
Overseas tax expensed	(1)	(1)
Excess allowable expenses	127	137
<b>Total tax charge for year (note 4a)</b>	<b>87</b>	<b>140</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,141,000 (2021: £2,014,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net (expense)/revenue and distributions)

	2022 £'000	2021 £'000
Distribution	14	98
Add: Income deducted on cancellation of shares	1	48
Deduct: Income received on issue of shares	(1)	(15)
<b>Total distributions for the year</b>	<b>14</b>	<b>131</b>

#### Movement between net (expense)/revenue and distributions

Net (expense)/revenue after taxation	(143)	103
Shortfall transfer from capital to revenue	157	28
<b>Total distributions for the year</b>	<b>14</b>	<b>131</b>

Details of the distribution per share are set out in this fund's distribution table.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	30	48
Amounts receivable from the ACD for the issue of shares	4	47
Sales awaiting settlement	-	1,380
<b>Total debtors</b>	<b>34</b>	<b>1,475</b>

### 7 Liquidity

	2022	2021
	£'000	£'000
<b>Cash and bank balances</b>		
Cash at bank	562	40
	<b>562</b>	<b>40</b>
Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund Z1 Inc*	325	889
<b>Net liquidity</b>	<b>887</b>	<b>929</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022	2021
	£'000	£'000
Accrued expenses payable to ACD	48	49
Accrued expenses payable to the Depositary or associates of the Depositary	2	4
Amounts payable to the ACD for cancellation of shares	46	115
Other accrued expenses	5	9
Purchases awaiting settlement	-	800
<b>Total creditors</b>	<b>101</b>	<b>977</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	35,163	50,921	45,240	68,259
Corporate actions	-	95	-	-
<b>Trades in the year before transaction costs</b>	<b>35,163</b>	<b>51,016</b>	<b>45,240</b>	<b>68,259</b>
<b>Commissions</b>				
Equities	14	21	(17)	(26)
<b>Total commissions</b>	<b>14</b>	<b>21</b>	<b>(17)</b>	<b>(26)</b>
<b>Taxes</b>				
Equities	-	-	-	(1)
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>Total transaction costs</b>	<b>14</b>	<b>21</b>	<b>(17)</b>	<b>(27)</b>
<b>Total net trades in the year after transaction costs</b>	<b>35,177</b>	<b>51,037</b>	<b>45,223</b>	<b>68,232</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.04	0.04	0.04
			<b>2022 %</b>	<b>2021 %</b>
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.05	0.07

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.04% (2021: 0.05%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.



# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	15,460,886	10,092,633	(9,442,291)	(45,590)	16,065,638
Institutional accumulation	2,981,469	48,809	(664,288)	(107,975)	2,258,015
Retail income	1,057,283	78,116	(129,457)	-	1,005,942
Standard Life accumulation	678,157	51,680	(71,991)	2,695	660,541
Platform 1 accumulation	12,441,600	1,477,369	(7,275,604)	194,918	6,838,283
Institutional S accumulation	1,340	-	-	-	1,340

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	54,284	-	-	55,882	-	-
Collective Investment Schemes	-	325	-	-	889	-
<b>Total investment assets</b>	<b>54,284</b>	<b>325</b>	<b>-</b>	<b>55,882</b>	<b>889</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Canadian Dollar	-	628
Euro	3	4
US Dollar	54,677	56,808
<b>Total</b>	<b>54,680</b>	<b>57,440</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £2,734,000 (2021: £2,872,000).

# Notes to the Financial Statements

## Continued

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £2,730,000 (2021: £2,839,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £101,000 (2021: £977,000).

## 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 186.53p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 182.96p. This represents a change of (1.91)% from the year end value.

# Distribution Table

For the year ended 28 February 2022 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.0854	-	0.0854	0.7680
Group 2	0.0177	0.0677	0.0854	0.7680
<b>Retail income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	1.8108	-	1.8108	2.0915
Group 2	0.8873	0.9235	1.8108	2.0915
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	0.4913
Group 2	-	-	-	0.4913
<b>Institutional S accumulation</b>				
Group 1	0.1805	-	0.1805	0.4402
Group 2	0.1805	-	0.1805	0.4402

## 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 Income Equity Fund

For the year ended 28 February 2022

## Investment Objective

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

**Performance Target:** To deliver a yield greater than that of the MSCI Emerging Markets Index over a rolling five year period (before charges) and achieve a return in excess of the MSCI Emerging Markets Index over a rolling five year period (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 emerging market countries, or companies that derive a significant proportion of their revenues or profits from emerging market operations or have a significant proportion of their assets there.
- Emerging markets include Asian, Eastern European, Middle Eastern, African or Latin American countries.
- 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 abrdn) and 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. Given the fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.

- 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 income nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI Emerging Markets 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

Over the period under review, the fund fell by 7.92% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a decline of 5.82% in its performance target (Source: FactSet, the MSCI Emerging Markets Index). Meanwhile, the Platform 1 Income's yield was 3.30% over the period, versus a yield target of 2.44% (the MSCI Emerging Markets Index).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

# ASI Emerging Markets Income Equity Fund

## Continued

The fund lagged the benchmark, with the bulk of the underperformance attributable to the widely unforeseen invasion of Ukraine by Russia towards the end of the period. Exposure to Russia was a major headwind, given the fund's overweight position going into the crisis, though stock selection in China helped cushion the losses. By sector, the exposure to financials and materials stocks proved costly.

At the stock level, the fund's Russian holdings Lukoil, Sberbank, Norilsk Nickel, X5 Retail Group and Detsky Mir came under severe pressure as Russian valuations collapsed following the invasion. Sanctions introduced by Western nations have been harsher and more unified than many dared predict. Expert feedback is that they have also surprised the Kremlin, in particular the sanctioning of the central bank. Moreover, several announced measures have not fully begun to take effect, such as the removal of certain Russian banks from the SWIFT messaging system. We had been actively trimming our exposure to Russia over February 2022 as geopolitical risks increased, and significantly reduced our holdings following the invasion and prior to the implementation of capital controls. Heading into this crisis, Russia had been one of the most compelling bottom-up stories in the emerging markets universe, with disruptive business models and huge secular growth potential.

Away from the conflict in Ukraine, Macau casino operator Sands China sold off as sentiment towards the Macau gaming sector waned over the year. Tourist traffic remained lacklustre amid Covid-related restrictions while fears of further regulation added to the uncertainty. Towards the period-end, however, shares of Sands China recovered modestly after the Macau government announced positive changes to the gaming law.

Other key detractors included Ping An Insurance, which fell due to headwinds facing the life insurance industry in China, and Korean chemical producer LG Chem, which was hampered by the overhang from the initial public offering of its battery business and concerns about recalls. The underweight to Brazilian oil giant Petrobras also hindered performance as the stock rallied on the back of higher oil prices and optimism about the group's divestment strategy.

On the flip side, our holding in Chinese leading power grid company NARI Technology contributed to returns. The company benefited from its alignment to the country's clean energy objectives and power constraints. The 14th Five-Year Plan underpinned potential for grid investment and a more aggressive grid upgrade. The lack of exposure to Chinese online retailers Meituan and Pinduoduo, as well as internet services provider Baidu, also proved favourable amid regulatory worries hanging over the tech and e-commerce sectors.

Elsewhere, Hong Kong marine transportation services provider Pacific Basin Shipping rallied on strong earnings for the second half of 2021 and the recovery in bulker freight rates, while India-based Bajaj Holdings & Investment was underpinned by good results. Rising copper prices buoyed shares of copper miner Grupo Mexico.

## Portfolio Activity and Review

In key portfolio activity, in the interim report we had mentioned several attractively valued, dividend-growth stocks introduced into the portfolio in the first half of the period. In the second half, we continued to initiate positions in companies where we see good prospects for market share gains and yield growth, as well as those that we felt could maintain a high dividend yield for shareholders due to their respective market leading positions. These included Indonesian lender Bank Mandiri and contract mining firm United Tractors; India-based HDFC Bank; Taiwanese chip maker MediaTek; China-based dairy giant Inner Mongolia Yili Industrial Group and clinical contract research organisation Hangzhou Tigermed Consulting; as well as Brazilian stock exchange B3.

At the same time, we added South Korean construction and project management company Samsung Engineering and Chinese smart new energy vehicle manufacturer Li Auto, given their robust underlying free cash flow generation and diversification benefits. We also re-introduced Brazilian oil producer Petrobras to manage portfolio risk.

Against these, we exited Advanced Info Service, HollySys Automation Technologies, Kweichow Moutai, Prosus, Turkcell, Vale and Xinjiang Goldwind Science & Technology to fund more compelling opportunities elsewhere.

## Portfolio Outlook and Strategy

We are identifying companies with attractive valuations, where we hold strong fundamental insights regarding their future income potential. Over the medium and longer term, we believe firmly that the microeconomic developments captured by our stock-specific insights are sufficiently material to have a profoundly positive impact on the portfolio. We are still identifying many discrete investment opportunities, and this is enabling us to build a diversified portfolio.

Russia's invasion of Ukraine has created a supply shock in markets at a point in the economic cycle when inflation is high and policymakers have been moderately tightening to deal with the after-effects of the pandemic. However, because policymakers in the US and Europe are choosing to accept higher input costs in an effort to

# ASI Emerging Markets Income Equity Fund

## Continued

divert trade away from Russia, there is a possibility that policy tightening may be less aggressive than previously expected. This is supportive for emerging markets, where many countries will also benefit from supply shortages of crucial commodities. Meanwhile, the potential for a counter-cyclical recovery in China remains, thanks to muted inflation entering this period and the still considerable policy firepower of the People's Bank of China.

**Global Emerging Markets Equity Team**

March 2022

# ASI Emerging Markets Income Equity Fund

## Continued

### 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 table below shows the fund's ranking on the Risk and Reward Indicator. The risk and reward indicator changed from 6 to 5 on 28 February 2022.

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

Risk and reward indicator table as at 28 February 2022.

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

- 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 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 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.
- 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 fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	102.88	83.70	78.09
Return before operating charges*	(6.92)	20.36	6.76
Operating charges	(1.38)	(1.18)	(1.15)
Return after operating charges*	(8.30)	19.18	5.61
Distributions	(1.76)	(1.56)	(1.95)
Retained distributions on accumulation shares	1.76	1.56	1.95
Closing net asset value per share	94.58	102.88	83.70
* after direct transaction costs of:	0.09	0.08	0.06
<b>Performance</b>			
Return after charges	(8.07%)	22.92%	7.18%
<b>Other information</b>			
Closing net asset value (£'000)	10,167	9,759	5,207
Closing number of shares	10,749,442	9,485,609	6,220,144
Operating charges	1.34%	1.35%	1.35%
Direct transaction costs	0.09%	0.09%	0.07%
<b>Prices</b>			
Highest share price	106.9	110.2	94.48
Lowest share price	95.00	68.68	78.05

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	107.80	87.30	81.05
Return before operating charges*	(7.28)	21.30	7.03
Operating charges	(0.94)	(0.80)	(0.78)
Return after operating charges*	(8.22)	20.50	6.25
Distributions	(2.35)	(2.05)	(2.45)
Retained distributions on accumulation shares	2.35	2.05	2.45
Closing net asset value per share	99.58	107.80	87.30
* after direct transaction costs of:	0.10	0.08	0.06
<b>Performance</b>			
Return after charges	(7.63%)	23.48%	7.71%
<b>Other information</b>			
Closing net asset value (£'000)	238,821	247,080	268,717
Closing number of shares	239,829,992	229,193,137	307,817,593
Operating charges	0.87%	0.88%	0.88%
Direct transaction costs	0.09%	0.09%	0.07%
<b>Prices</b>			
Highest share price	112.2	115.4	98.43
Lowest share price	100.0	71.62	81.08

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	79.72	66.88	64.73
Return before operating charges*	(5.21)	15.88	5.58
Operating charges	(1.06)	(0.92)	(0.94)
Return after operating charges*	(6.27)	14.96	4.64
Distributions	(2.37)	(2.12)	(2.49)
Closing net asset value per share	71.08	79.72	66.88
* after direct transaction costs of:	0.07	0.06	0.05
<b>Performance</b>			
Return after charges	(7.87%)	22.37%	7.17%
<b>Other information</b>			
Closing net asset value (£'000)	259	281	331
Closing number of shares	365,033	352,279	495,268
Operating charges	1.34%	1.35%	1.35%
Direct transaction costs	0.09%	0.09%	0.07%
<b>Prices</b>			
Highest share price	82.67	85.88	75.92
Lowest share price	71.89	54.84	64.77

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.67	69.85	67.30
Return before operating charges*	(5.49)	16.65	5.77
Operating charges	(0.72)	(0.62)	(0.64)
Return after operating charges*	(6.21)	16.03	5.13
Distributions	(2.49)	(2.21)	(2.58)
Closing net asset value per share	74.97	83.67	69.85
* after direct transaction costs of:	0.07	0.07	0.05
<b>Performance</b>			
Return after charges	(7.42%)	22.95%	7.62%
<b>Other information</b>			
Closing net asset value (£'000)	6,688	4,661	15,926
Closing number of shares	8,920,656	5,570,988	22,800,995
Operating charges	0.87%	0.88%	0.88%
Direct transaction costs	0.09%	0.09%	0.07%
<b>Prices</b>			
Highest share price	86.82	90.12	79.25
Lowest share price	75.82	57.29	67.34

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	89.41	74.03	70.73
Return before operating charges*	(5.95)	17.74	6.02
Operating charges	(0.04)	(0.03)	(0.03)
Return after operating charges*	(5.99)	17.71	5.99
Distributions	(2.65)	(2.33)	(2.69)
Closing net asset value per share	80.77	89.41	74.03
* after direct transaction costs of:	0.08	0.07	0.05
<b>Performance</b>			
Return after charges	(6.70%)	23.92%	8.47%
<b>Other information</b>			
Closing net asset value (£'000)	5,738	7,778	6,288
Closing number of shares	7,104,106	8,699,618	8,493,356
Operating charges	0.04%	0.05%	0.05%
Direct transaction costs	0.09%	0.09%	0.07%
<b>Prices</b>			
Highest share price	92.90	96.28	83.89
Lowest share price	81.67	60.74	70.78

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
	pence per share	pence per share	pence per share
<b>Standard Life accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	113.84	91.52	84.39
Return before operating charges*	(7.76)	22.44	7.25
Operating charges	(0.14)	(0.12)	(0.12)
Return after operating charges*	(7.90)	22.32	7.13
Distributions	(3.34)	(2.85)	(3.19)
Retained distributions on accumulation shares	3.34	2.85	3.19
Closing net asset value per share	105.94	113.84	91.52
* after direct transaction costs of:	0.10	0.09	0.06
<b>Performance</b>			
Return after charges	(6.94%)	24.39%	8.45%
<b>Other information</b>			
Closing net asset value (£'000)	518,756	557,363	437,019
Closing number of shares	489,668,219	489,611,992	477,495,663
Operating charges	0.12%	0.13%	0.13%
Direct transaction costs	0.09%	0.09%	0.07%
<b>Prices</b>			
Highest share price	118.8	121.8	103.1
Lowest share price	106.3	75.09	84.46

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Platform 1 accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	107.26	86.91	80.73
Return before operating charges*	(7.25)	21.19	7.00
Operating charges	(0.99)	(0.84)	(0.82)
Return after operating charges*	(8.24)	20.35	6.18
Distributions	(2.28)	(1.99)	(2.41)
Retained distributions on accumulation shares	2.28	1.99	2.41
Closing net asset value per share	99.02	107.26	86.91
* after direct transaction costs of:	0.10	0.08	0.06
<b>Performance</b>			
Return after charges	(7.68%)	23.42%	7.66%
<b>Other information</b>			
Closing net asset value (£'000)	24,004	29,883	30,869
Closing number of shares	24,241,814	27,860,736	35,518,738
Operating charges	0.92%	0.93%	0.93%
Direct transaction costs	0.09%	0.09%	0.07%
<b>Prices</b>			
Highest share price	111.6	114.8	98.00
Lowest share price	99.45	71.29	80.76

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.28	69.57	67.07
Return before operating charges*	(5.47)	16.57	5.75
Operating charges	(0.76)	(0.66)	(0.67)
Return after operating charges*	(6.23)	15.91	5.08
Distributions	(2.48)	(2.20)	(2.58)
Closing net asset value per share	74.57	83.28	69.57
* after direct transaction costs of:	0.07	0.07	0.05
<b>Performance</b>			
Return after charges	(7.48%)	22.87%	7.57%
<b>Other information</b>			
Closing net asset value (£'000)	28,894	30,624	36,282
Closing number of shares	38,747,049	36,772,076	52,154,327
Operating charges	0.92%	0.93%	0.93%
Direct transaction costs	0.09%	0.09%	0.07%
<b>Prices</b>			
Highest share price	86.41	89.70	78.95
Lowest share price	75.42	57.06	67.11

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (99.89%)</b>		<b>818,270</b>	<b>98.19</b>
<b>Europe, Middle East &amp; African Equities (12.50%)</b>		<b>62,429</b>	<b>7.49</b>
<b>Georgia (0.58%)</b>		<b>6,200</b>	<b>0.74</b>
471,121	Bank of Georgia	6,200	0.74
<b>Hungary (0.47%)</b>		<b>4,002</b>	<b>0.48</b>
4,247,609	Magyar Telekom Telecommunications	4,002	0.48
<b>Nigeria (0.70%)</b>		<b>8,272</b>	<b>0.99</b>
7,695,136	Seplat Energy	8,272	0.99
<b>Poland (0.73%)</b>		<b>2,359</b>	<b>0.28</b>
510,779	InPost	2,359	0.28
<b>Russia (5.01%)</b>		<b>22,559</b>	<b>2.71</b>
5,550,063	Detsky Mir	3,311	0.40
1,705,952	Gazprom	2,746	0.33
72,742	HeadHunter ADR	815	0.10
122,063	Lukoil ADR	1,711	0.20
282,551	MMC Norilsk Nickel ADR	2,895	0.35
5,558,988	Sberbank of Russia (Preference)	5,057	0.61
110,118,268	Segezha	5,901	0.71
62,472	X5 Retail GDR (UK listing)	123	0.01
<b>South Africa (3.97%)</b>		<b>19,037</b>	<b>2.29</b>
360,627	Impala Platinum	5,098	0.61
1,956,258	Vodacom	13,939	1.68
<b>Turkey (1.04%)</b>		<b>-</b>	<b>-</b>



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Latin America Equities (9.95%)</b>		<b>67,481</b>	<b>8.10</b>
<b>Brazil (4.85%)</b>		<b>25,063</b>	<b>3.01</b>
2,638,203	B3 SA - Brasil Bolsa Balcao	5,561	0.67
3,669,145	Banco Bradesco (Preference)	10,802	1.30
461,900	Petroleo Brasileiro (Preference)	2,269	0.27
889,354	Telefonica Brasil	6,431	0.77
<b>Mexico (5.10%)</b>		<b>42,418</b>	<b>5.09</b>
1,108,251	Grupo Aeroportuario del Centro Norte	5,963	0.71
1,276,445	Grupo Financiero Banorte 'O'	6,471	0.78
5,979,226	Grupo México	22,770	2.73
7,374,499	PLA Administradora Industrial REIT	7,214	0.87
<b>Pacific Basin Equities (77.44%)</b>		<b>688,360</b>	<b>82.60</b>
<b>China (27.91%)</b>		<b>233,305</b>	<b>28.00</b>
2,106,200	Alibaba	20,913	2.51
2,033,000	Anhui Conch Cement 'H'	8,096	0.97
959,970	ANTA Sports Products	10,878	1.31
1,007,332	Autohome 'A'	5,381	0.65
32,162,354	China Construction Bank 'H'	17,977	2.16
4,244,000	China Life Insurance 'H'	5,246	0.63
987,360	China Merchants Bank 'H'	6,197	0.74
285,637	China Tourism Duty Free 'A'	6,832	0.82
1,743,000	Country Garden Services	7,764	0.93
5,101,084	Dali Foods	2,000	0.24
1,179,600	Hangzhou Tigermed Consulting 'H'	9,845	1.18
1,328,209	Inner Mongolia Yili Industrial 'A'	6,200	0.75
40,090	JD.com 'A'	1,067	0.13
1,008,980	Joinn Laboratories China 'H'	6,265	0.75
303,900	Li Auto 'A'	3,188	0.38
690,000	Li Ning	5,104	0.61
636,160	LONGi Green Energy Technology 'A'	5,836	0.70
684,184	Midea 'A'	5,391	0.65
2,162,042	NARI Technology 'A'	9,025	1.08
1,164,560	NetEase	16,928	2.03

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,391,186	Ping An Insurance 'H'	19,521	2.34
236,490	Proya Cosmetics 'A'	5,193	0.62
841,900	Tencent	33,824	4.06
14,664,682	Tianhe Chemicals*	-	-
382,465	Wuliangye Yibin 'A'	8,582	1.03
7,294,000	Xiabuxiabu Catering Management China	3,402	0.41
1,968,000	Xinyi Solar	2,650	0.32
<b>Hong Kong (4.27%)</b>		<b>47,843</b>	<b>5.74</b>
4,198,900	Budweiser Brewing	9,712	1.17
550,950	China Lumena New Materials*	-	-
88,800	China Metal Recycling*	-	-
1,988,965	China Mobile	10,007	1.20
2,259,853	China Resources Land	8,180	0.98
43,759,000	Pacific Basin Shipping	17,280	2.07
871,481	SITC International	2,664	0.32
<b>India (10.22%)</b>		<b>93,052</b>	<b>11.17</b>
315,436	Bajaj	16,196	1.94
721,284	Crompton Greaves Consumer Electricals	3,055	0.37
284,337	HDFC Bank	4,018	0.48
572,808	Housing Development Finance	13,382	1.61
3,712,617	ITC	7,925	0.95
613,340	Larsen & Toubro	11,016	1.32
1,316,764	Mahanagar Gas	9,467	1.14
5,838,584	Power Grid Corp of India	12,015	1.44
164,973	Reliance Industries	3,840	0.46
345,548	Tata Consultancy Services	12,138	1.46
<b>Indonesia (0.70%)</b>		<b>29,155</b>	<b>3.50</b>
24,104,900	Bank Mandiri Persero	9,628	1.16
56,266,105	Bank Rakyat Indonesia Persero	13,280	1.59
4,963,800	Cisarua Mountain Dairy	904	0.11
4,136,400	United Tractors	5,343	0.64

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Kazakhstan (0.83%)</b>		<b>7,139</b>	<b>0.86</b>
159,651	Kaspi.KZ GDR	7,139	0.86
<b>Macau (3.04%)</b>		<b>16,217</b>	<b>1.94</b>
8,314,147	Sands China	16,217	1.94
<b>Malaysia (0.31%)</b>		-	-
<b>Philippines (0.44%)</b>		<b>3,643</b>	<b>0.44</b>
17,900,200	Asian Terminals	3,643	0.44
<b>South Korea (14.45%)</b>		<b>129,038</b>	<b>15.48</b>
28,600	Hansol Chemical	3,803	0.46
94,052	LG Chemical (Preference)	15,770	1.89
443,520	Samsung Electronics	19,822	2.38
1,241,839	Samsung Electronics (Preference)	50,882	6.10
133,948	Samsung Engineering	1,922	0.23
792,365	Shinhan Financial	19,180	2.30
230,677	SK Hynix	17,659	2.12
<b>Taiwan (14.16%)</b>		<b>128,968</b>	<b>15.47</b>
2,174,423	Chroma ATE	10,868	1.30
325,823	Globalwafers	5,942	0.71
7,319,000	Hon Hai Precision Industry	20,041	2.41
835,000	KMC Kuei Meng International	4,273	0.51
260,000	MediaTek	7,465	0.90
305,743	President Chain Store	2,121	0.25
3,860,000	Sunonwealth Electric Machine Industry	4,633	0.56
3,843,899	Taiwan Semiconductor Manufacturing	61,620	7.39
3,575,000	Taiwan Union Technology	8,135	0.98
482,000	Win Semiconductors	3,870	0.46

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Thailand (1.11%)		-	-
<b>Collective Investment Schemes (0.00%)</b>		<b>4,925</b>	<b>0.59</b>
4,925	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	4,925	0.59
Total investment assets		823,195	98.78
Net other assets		10,132	1.22
<b>Total Net Assets</b>		<b>833,327</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 28 February 2021.

\* Managed by subsidiaries of abrdn plc.

\* Suspended.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(87,260)		160,415
Revenue	2	30,197		28,026	
Expenses	3	(3,561)		(3,448)	
Interest payable and similar charges		(18)		(16)	
Net revenue before taxation		26,618		24,562	
Taxation	4	(3,834)		(4,514)	
Net revenue after taxation			22,784		20,048
<b>Total return before distributions</b>			<b>(64,476)</b>		<b>180,463</b>
Distributions	5		(23,891)		(22,075)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(88,367)</b>		<b>158,388</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>887,429</b>		<b>800,639</b>
Amounts receivable on the issue of shares	33,316		44,354	
Amounts payable on the cancellation of shares	(21,644)		(135,944)	
		11,672		(91,590)
Change in net assets attributable to shareholders from investment activities (see above)		(88,367)		158,388
Retained distribution on accumulation shares		22,593		19,992
<b>Closing net assets attributable to shareholders</b>		<b>833,327</b>		<b>887,429</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			823,195		886,445
<b>Current assets:</b>					
Debtors	6	10,017		4,981	
Cash and bank balances	7	5,219		2,202	
			15,236		7,183
<b>Total assets</b>			<b>838,431</b>		<b>893,628</b>
<b>Liabilities:</b>					
Provisions for liabilities	8		(1,564)		(1,463)
Bank overdrafts	7	(450)		(2,730)	
Creditors	9	(2,783)		(1,737)	
Distribution payable		(307)		(269)	
			(3,540)		(4,736)
<b>Total liabilities</b>			<b>(5,104)</b>		<b>(6,199)</b>
<b>Net assets attributable to shareholders</b>			<b>833,327</b>		<b>887,429</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(87,079)	161,031
Forward currency contracts	30	38
Other losses	(141)	(549)
Transaction charges	(70)	(105)
<b>Net capital (losses)/gains</b>	<b>(87,260)</b>	<b>160,415</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	8	8
Overseas dividends	29,133	25,786
Overseas REIT	547	659
UK dividends	509	1,573
<b>Total revenue</b>	<b>30,197</b>	<b>28,026</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,510	2,518
Dealing charge	29	34
General administration charge*	346	-
Registration fees**	355	637
	<b>3,240</b>	<b>3,189</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	29	69
Revenue collection expenses	78	-
Safe custody fee	197	171
	<b>304</b>	<b>240</b>
<b>Other:</b>		
Audit fee**	5	9
Professional fees**	12	10
	<b>17</b>	<b>19</b>
<b>Total expenses</b>	<b>3,561</b>	<b>3,448</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	3,056	2,933
Overseas capital gains tax in capital	677	118
Total current tax	3,733	3,051
Deferred tax (note 4c)	101	1,463
<b>Total taxation (note 4b)</b>	<b>3,834</b>	<b>4,514</b>

#### **(b) Factors affecting current tax charge for the year**

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

	2022	2021
<b>Net revenue before taxation</b>	<b>26,618</b>	<b>24,562</b>
Corporation tax at 20% (2021: 20%)	5,324	4,912
Effects of:		
Revenue not subject to taxation	(5,766)	(5,285)
Overseas taxes	3,056	2,933
Overseas tax expensed	(40)	(43)
Excess allowable expenses	482	416
Overseas capital gains tax	677	118
Deferred tax	101	1,463
<b>Total tax charge for year (note 4a)</b>	<b>3,834</b>	<b>4,514</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### **(c) Deferred tax**

Deferred tax provision at the start of the year	1,463	-
Deferred tax charge in statement of total return for year (note 4a)	101	1,463
<b>Provision at the end of the year</b>	<b>1,564</b>	<b>1,463</b>

#### **(d) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,702,000 (2021: £1,220,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.



# Notes to the Financial Statements

## Continued

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
First interim distribution	6,089	5,091
Second interim distribution	8,656	7,643
Third interim distribution	3,817	4,225
Final distribution	5,388	4,747
	23,950	21,706
Add: Income deducted on cancellation of shares	57	455
Deduct: Income received on issue of shares	(116)	(86)
<b>Total distributions for the year</b>	<b>23,891</b>	<b>22,075</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	22,784	20,048
Expenses charged to capital	330	445
Overseas capital gains tax on realised gains	677	1,581
Overseas deferred capital gains tax on unrealised gains	100	-
Undistributed revenue brought forward	-	1
<b>Total distributions for the year</b>	<b>23,891</b>	<b>22,075</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and General administration charge. This policy only applies to the income classes.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	2,219	3,208
Amounts receivable from the ACD for the issue of shares	804	1,311
Overseas withholding tax recoverable	469	430
Sales awaiting settlement	6,525	32
<b>Total debtors</b>	<b>10,017</b>	<b>4,981</b>

# Notes to the Financial Statements

## Continued

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	5,219	2,202
	<b>5,219</b>	<b>2,202</b>
<b>Bank overdrafts</b>		
Overdraft at bank	(450)	(2,730)
	<b>(450)</b>	<b>(2,730)</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	4,925	-
<b>Net liquidity</b>	<b>9,694</b>	<b>(528)</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Provisions for Liabilities

	2022 £'000	2021 £'000
The provisions for liabilities comprise:		
Deferred tax payable on overseas capital gains tax	1,564	1,463
<b>Total provisions for liabilities</b>	<b>1,564</b>	<b>1,463</b>

### 9 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	269	279
Accrued expenses payable to the Depositary or associates of the Depositary	41	51
Amounts payable to the ACD for cancellation of shares	102	796
Other accrued expenses	5	9
Purchases awaiting settlement	2,366	602
<b>Total creditors</b>	<b>2,783</b>	<b>1,737</b>

### 10 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 9.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 9.

# Notes to the Financial Statements

## Continued

### 11 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	343,436	227,734	325,979	293,134
Corporate actions	1,211	55	567	114
<b>Trades in the year before transaction costs</b>	<b>344,647</b>	<b>227,789</b>	<b>326,546</b>	<b>293,248</b>
<b>Commissions</b>				
Equities	187	183	(187)	(163)
<b>Total commissions</b>	<b>187</b>	<b>183</b>	<b>(187)</b>	<b>(163)</b>
<b>Taxes</b>				
Equities	178	125	(259)	(281)
<b>Total taxes</b>	<b>178</b>	<b>125</b>	<b>(259)</b>	<b>(281)</b>
<b>Total transaction costs</b>	<b>365</b>	<b>308</b>	<b>(446)</b>	<b>(444)</b>
<b>Total net trades in the year after transaction costs</b>	<b>345,012</b>	<b>228,097</b>	<b>326,100</b>	<b>292,804</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.08	0.06	0.06
<b>Taxes</b>				
Equities	0.05	0.05	0.08	0.10
			2022	2021
			%	%
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.04	0.04
Taxes			0.05	0.05

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.24% (2021: 0.23%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 12 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	9,485,609	3,401,006	(2,137,173)	-	10,749,442
Institutional accumulation	229,193,137	17,760,195	(7,118,164)	(5,176)	239,829,992
Retail income	352,279	82,640	(69,886)	-	365,033
Institutional income	5,570,988	4,323,144	(1,016,121)	42,645	8,920,656
Standard Life income	8,699,618	-	(1,595,512)	-	7,104,106
Standard Life accumulation	489,611,992	97,441	(41,214)	-	489,668,219
Platform 1 accumulation	27,860,736	2,439,097	(6,063,213)	5,194	24,241,814
Platform 1 income	36,772,076	5,343,963	(3,326,127)	(42,863)	38,747,049

### 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	818,270	-	-	886,445	-	-
Collective Investment Schemes	-	4,925	-	-	-	-
<b>Total investment assets</b>	<b>818,270</b>	<b>4,925</b>	<b>-</b>	<b>886,445</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Brazilian Real	25,336	43,139
China Renminbi	47,059	22,800
Euro	2,359	6,483
Hong Kong Dollar	250,005	211,305
Hungarian Forint	4,002	4,147
Indian Rupee	91,134	90,130
Indonesian Rupiah	29,517	6,398
Malaysian Ringgit	-	2,718
Mexican Peso	43,258	45,521
Philippines Peso	3,643	3,900
Russian Ruble	17,015	22,148
South Africa Rand	19,037	35,189
South Korean Won	130,519	130,926
Taiwan Dollar	129,493	126,280
Thai Baht	-	10,012
Turkish Lira	-	8,429
US Dollar	18,732	108,582
<b>Total</b>	<b>811,109</b>	<b>878,107</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £40,555,000 (2021: £43,905,000).

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

# Notes to the Financial Statements

## Continued

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £41,160,000 (2021: £44,249,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £5,104,000 (2021: £6,199,000).

## 15 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 99.02p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 93.13p. This represents a change of (5.95)% from the year end value.

The fund's investment portfolio includes assets directly held in or exposed to the countries involved in the conflict. Since the outbreak of the conflict these assets have been monitored regularly by the Manager and, where relevant, subsequently written down in value based on prevailing market and industry insights.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 May 2021

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Retail accumulation</b>				
Group 1	0.5117	-	0.5117	0.3721
Group 2	0.3752	0.1365	0.5117	0.3721
<b>Institutional accumulation</b>				
Group 1	0.6558	-	0.6558	0.4746
Group 2	0.4055	0.2503	0.6558	0.4746
<b>Retail income</b>				
Group 1	0.6263	-	0.6263	0.4856
Group 2	0.4663	0.1600	0.6263	0.4856
<b>Institutional income</b>				
Group 1	0.6428	-	0.6428	0.5049
Group 2	0.2298	0.4130	0.6428	0.5049
<b>Standard Life income</b>				
Group 1	0.6607	-	0.6607	0.5302
Group 2	0.6607	-	0.6607	0.5302
<b>Standard Life accumulation</b>				
Group 1	0.8225	-	0.8225	0.6422
Group 2	0.2090	0.6135	0.8225	0.6422
<b>Platform 1 accumulation</b>				
Group 1	0.6423	-	0.6423	0.4598
Group 2	0.3981	0.2442	0.6423	0.4598
<b>Platform 1 income</b>				
Group 1	0.6400	-	0.6400	0.5028
Group 2	0.3844	0.2556	0.6400	0.5028

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 June 2021

Group 2 – shares purchased between 1 June 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	0.7227	-	0.7227	0.6273
Group 2	0.3652	0.3575	0.7227	0.6273
<b>Institutional accumulation</b>				
Group 1	0.8898	-	0.8898	0.7576
Group 2	0.2810	0.6088	0.8898	0.7576
<b>Retail income</b>				
Group 1	0.8284	-	0.8284	0.7102
Group 2	0.6922	0.1362	0.8284	0.7102
<b>Institutional income</b>				
Group 1	0.8771	-	0.8771	0.7398
Group 2	0.1692	0.7079	0.8771	0.7398
<b>Standard Life income</b>				
Group 1	0.9453	-	0.9453	0.7783
Group 2	0.9453	-	0.9453	0.7783
<b>Standard Life accumulation</b>				
Group 1	1.1935	-	1.1935	0.9560
Group 2	0.0418	1.1517	1.1935	0.9560
<b>Platform 1 accumulation</b>				
Group 1	0.8696	-	0.8696	0.7418
Group 2	0.3720	0.4976	0.8696	0.7418
<b>Platform 1 income</b>				
Group 1	0.8728	-	0.8728	0.7367
Group 2	0.4459	0.4269	0.8728	0.7367



# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Retail accumulation</b>				
Group 1	0.1663	-	0.1663	0.2593
Group 2	0.0417	0.1246	0.1663	0.2593
<b>Institutional accumulation</b>				
Group 1	0.3037	-	0.3037	0.3787
Group 2	0.0550	0.2487	0.3037	0.3787
<b>Retail income</b>				
Group 1	0.3917	-	0.3917	0.4262
Group 2	0.2594	0.1323	0.3917	0.4262
<b>Institutional income</b>				
Group 1	0.4156	-	0.4156	0.4436
Group 2	0.2026	0.2130	0.4156	0.4436
<b>Standard Life income</b>				
Group 1	0.4506	-	0.4506	0.4669
Group 2	0.4506	-	0.4506	0.4669
<b>Standard Life accumulation</b>				
Group 1	0.5658	-	0.5658	0.5715
Group 2	0.0961	0.4697	0.5658	0.5715
<b>Platform 1 accumulation</b>				
Group 1	0.2874	-	0.2874	0.3651
Group 2	0.1029	0.1845	0.2874	0.3651
<b>Platform 1 income</b>				
Group 1	0.4134	-	0.4134	0.4417
Group 2	0.1776	0.2358	0.4134	0.4417

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	0.3593	-	0.3593	0.2991
Group 2	0.0193	0.3400	0.3593	0.2991
<b>Institutional accumulation</b>				
Group 1	0.5038	-	0.5038	0.4395
Group 2	-	0.5038	0.5038	0.4395
<b>Retail income</b>				
Group 1	0.5240	-	0.5240	0.4948
Group 2	0.1586	0.3654	0.5240	0.4948
<b>Institutional income</b>				
Group 1	0.5541	-	0.5541	0.5196
Group 2	0.1992	0.3549	0.5541	0.5196
<b>Standard Life income</b>				
Group 1	0.5962	-	0.5962	0.5516
Group 2	0.5962	-	0.5962	0.5516
<b>Standard Life accumulation</b>				
Group 1	0.7590	-	0.7590	0.6791
Group 2	0.3823	0.3767	0.7590	0.6791
<b>Platform 1 accumulation</b>				
Group 1	0.4847	-	0.4847	0.4241
Group 2	0.1075	0.3772	0.4847	0.4241
<b>Platform 1 income</b>				
Group 1	0.5512	-	0.5512	0.5166
Group 2	0.2464	0.3048	0.5512	0.5166

## 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 Europe ex UK Growth Equity Fund

For the year ended 28 February 2022

## 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.

Performance Comparator: IA Europe ex UK Equity Sector Average.

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

## 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 abrdn) and 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 identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, FTSE World 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 8%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the FTSE World ex UK Index over the longer 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 year ended 28 February 2022, the performance of ASI Europe ex UK Equity Growth Fund was flat at 0.0% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared with an increase of 5.16% in the comparator benchmark (Source: Morningstar, the IA OE Europe Excluding UK) and an increase of 11.76% in the performance target (Source: FactSet, the FTSE World Europe ex-UK Index +3%).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

## Portfolio Activity and Review

In terms of performance, consumer-focused internet group Prosus was the biggest detractor from returns. It suffered following the announcement of a share swap with Naspers. Concerns around the increased Chinese regulation of online gaming also affected both companies. Worldline underperformed due to the announcement of a delay to the long-anticipated sale of its terminals business. Siemens Energy also lagged after a setback in the operational performance of the company's wind turbine subsidiary Siemens Gamesa. An off-benchmark position in gambling company Flutter Entertainment also weighed on returns. Its shares were weak due to fears about UK regulation tightening, as well as the broader de-rating of highly valued US-listed peers in the market rotation.

On the upside, global leader in diabetes treatment Novo Nordisk performed well and was the top contributor to returns. Management raised earnings guidance steadily throughout the period, driven in particular by a successful new product launch in its obesity franchise. Nordea Bank was another strong performer. The Finnish bank posted strong financial results and announced it was well on

# ASI Europe ex UK Growth Equity Fund

## Continued

track towards meeting its 2022 targets. Private equity firm Partners Group also performed well, as low interest rates and regulatory reform have helped flows into its markets. Lastly, ASML benefited from capacity constraints affecting the semiconductor industry, which created a very favourable environment for demand and pricing of its products.

In terms of activity, we continued to find ideas in the transformational-growth bracket and have identified some within diversified financials such as Allfunds. We participated in its initial public offering. We also bought Heineken and Dutch-based payment processor Adyen. The latter is one of the highest-quality technology companies globally, with a strong growth runway and high returns on capital, which are likely to improve as the company expands, particularly the opportunity in the US. Elsewhere, we added Mercedes-Benz and Neste.

We also added to our existing position Vivendi ahead of the spin-out of Universal Music Group (UMG). UMG is a premium asset in music publishing and is significantly undervalued within Vivendi's conglomerate structure.

We have also been consolidating our portfolio around our most-favoured holdings, zoning in on transformational growth companies and those that are well positioned to benefit from the economic recovery. Accordingly, we sold our positions in Inditex, ArcelorMittal and Swedish Match, and increased our weightings in renewables holdings such as RWE and Enel. We also consolidated our online-wealth exposure by selling Finecobank and increasing our Nordnet position. We also continued to reduce our healthcare exposure by taking some profits in Roche as the fund looks to utilise its dynamic style in rotating towards more transformational growth stories at this stage of the business cycle. We also sold Alstom, where the investment case is struggling to come through due to integration issues post its acquisition of Bombardier in rail signalling. Other sales included Siemens Energy, Amundi and Pernod Ricard.

## Portfolio Outlook and Strategy

The global geopolitical situation looks increasingly uncertain as a result of the recent Russian invasion of Ukraine. This adds to ongoing uncertainties resulting from the pandemic. While Omicron remains present, it is hoped that the world can gradually recover and finally emerge from the pandemic this year.

Overall, markets remain sensitive to headline inflation numbers and interest-rate changes. Supply-chain pressures, although easing in many areas, continue to disrupt operations. We believe companies with clear competitive advantages, solid market share and healthy

balance sheets are best placed to manage these pressures. They should achieve this by either raising prices or with better inventory support. Companies with high debt appear vulnerable to rising interest rates.

We expect investor concerns will turn to the growth outlook as we move through the year, particularly concerning the impact of higher interest rates. As always, our focus is on companies that can grow independently of the macroeconomic environment.

Taking these factors into account, we would reiterate the importance of a bottom-up investment approach focused on quality, growth and momentum characteristics. Company engagement remains the key to our ability to identify the quality-growth-momentum businesses we like to back.

## European Equity Team

March 2022

# ASI Europe ex UK Growth Equity Fund

Continued

## 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 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 28 February 2022.

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

- 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 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 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.

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

<b>Retail accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	236.26	199.76	184.27
Return before operating charges*	9.35	39.38	18.21
Operating charges	(3.46)	(2.88)	(2.72)
Return after operating charges*	5.89	36.50	15.49
Distributions	(2.18)	(0.87)	(2.31)
Retained distributions on accumulation shares	2.18	0.87	2.31
Closing net asset value per share	242.15	236.26	199.76
* after direct transaction costs of:	0.18	0.19	0.16
<b>Performance</b>			
Return after charges	2.49%	18.27%	8.41%
<b>Other information</b>			
Closing net asset value (£'000)	33,556	33,531	37,111
Closing number of shares	13,857,180	14,192,113	18,577,912
Operating charges	1.33%	1.35%	1.35%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	281.0	246.7	222.5
Lowest share price	227.3	155.6	183.6

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	279.52	235.22	215.97
Return before operating charges*	10.96	46.51	21.34
Operating charges	(2.65)	(2.21)	(2.09)
Return after operating charges*	8.31	44.30	19.25
Distributions	(4.03)	(2.22)	(3.82)
Retained distributions on accumulation shares	4.03	2.22	3.82
Closing net asset value per share	287.83	279.52	235.22
* after direct transaction costs of:	0.21	0.22	0.19
<b>Performance</b>			
Return after charges	2.97%	18.83%	8.91%
<b>Other information</b>			
Closing net asset value (£'000)	34,184	35,475	32,863
Closing number of shares	11,876,146	12,691,692	13,971,028
Operating charges	0.86%	0.88%	0.88%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	333.5	291.9	261.9
Lowest share price	270.2	183.3	215.2

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	77.70	65.93	61.54
Return before operating charges*	3.07	13.01	6.07
Operating charges	(1.14)	(0.96)	(0.91)
Return after operating charges*	1.93	12.05	5.16
Distributions	(0.71)	(0.28)	(0.77)
Closing net asset value per share	78.92	77.70	65.93
* after direct transaction costs of:	0.06	0.06	0.06
<b>Performance</b>			
Return after charges	2.48%	18.28%	8.38%
<b>Other information</b>			
Closing net asset value (£'000)	929	897	773
Closing number of shares	1,177,343	1,155,097	1,172,621
Operating charges	1.33%	1.35%	1.35%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	92.40	81.44	74.30
Lowest share price	74.77	51.36	61.32

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	208.97	174.55	159.08
Return before operating charges*	8.11	34.66	15.70
Operating charges	(0.26)	(0.24)	(0.23)
Return after operating charges*	7.85	34.42	15.47
Distributions	(4.76)	(3.07)	(4.13)
Retained distributions on accumulation shares	4.76	3.07	4.13
Closing net asset value per share	216.82	208.97	174.55
* after direct transaction costs of:	0.16	0.16	0.14
<b>Performance</b>			
Return after charges	3.76%	19.72%	9.72%
<b>Other information</b>			
Closing net asset value (£'000)	998	934	938
Closing number of shares	460,319	446,745	537,339
Operating charges	0.11%	0.13%	0.13%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	250.6	218.1	194.4
Lowest share price	203.5	136.0	158.6

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	124.99	105.24	96.70
Return before operating charges*	4.92	20.81	9.53
Operating charges	(1.26)	(1.06)	(0.99)
Return after operating charges*	3.66	19.75	8.54
Distributions	(1.73)	(0.94)	(1.66)
Retained distributions on accumulation shares	1.73	0.94	1.66
Closing net asset value per share	128.65	124.99	105.24
* after direct transaction costs of:	0.09	0.10	0.09
<b>Performance</b>			
Return after charges	2.93%	18.77%	8.83%
<b>Other information</b>			
Closing net asset value (£'000)	10,362	9,295	8,064
Closing number of shares	8,054,702	7,436,795	7,662,940
Operating charges	0.91%	0.93%	0.93%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	149.1	130.5	117.2
Lowest share price	120.8	81.99	96.36

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (99.22%)</b>		<b>79,208</b>	<b>98.97</b>
<b>European Equities (99.22%)</b>		<b>79,208</b>	<b>98.97</b>
<b>Austria (2.96%)</b>		<b>2,550</b>	<b>3.19</b>
63,615	BAWAG	2,550	3.19
<b>Denmark (7.76%)</b>		<b>7,000</b>	<b>8.75</b>
10,611	DSV	1,459	1.82
54,759	Novo Nordisk 'B'	4,190	5.24
79,831	Tryg	1,351	1.69
<b>Finland (2.28%)</b>		<b>4,136</b>	<b>5.17</b>
71,332	Neste	2,104	2.63
244,081	Nordea Bank	2,032	2.54
<b>France (29.03%)</b>		<b>17,983</b>	<b>22.47</b>
27,391	Airbus	2,635	3.29
76,068	Antin Infrastructure Partners	1,485	1.86
93,513	AXA	1,900	2.37
36,853	Danone	1,675	2.09
23,674	Schneider Electric	2,770	3.46
8,001	Teleperformance	2,222	2.78
38,576	Ubisoft Entertainment	1,561	1.95
135,257	Vivendi	1,280	1.60
63,884	Worldline	2,455	3.07
<b>Germany (13.15%)</b>		<b>14,082</b>	<b>17.60</b>
20,648	Delivery Hero	823	1.03
17,100	Deutsche Boerse	2,187	2.73
44,950	Mercedes-Benz	2,653	3.32
108,370	RWE	3,758	4.70
25,741	SAP	2,180	2.72
23,358	Siemens	2,481	3.10

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Ireland (4.71%)</b>		<b>1,482</b>	<b>1.85</b>
13,802	Flutter Entertainment	1,482	1.85
<b>Italy (4.42%)</b>		<b>2,074</b>	<b>2.59</b>
375,520	Enel	2,074	2.59
<b>Luxembourg (1.64%)</b>		<b>-</b>	<b>-</b>
<b>Netherlands (10.72%)</b>		<b>15,282</b>	<b>19.09</b>
1,225	Adyen	1,912	2.39
249,457	Allfunds	2,133	2.66
8,888	ASML	4,455	5.57
19,755	BE Semiconductor Industries	1,259	1.57
24,142	Heineken	1,826	2.28
11,373	Koninklijke DSM	1,592	1.99
45,390	Prosus	2,105	2.63
<b>Norway (2.16%)</b>		<b>1,803</b>	<b>2.25</b>
101,339	Adevinta	811	1.01
46,405	Schibsted 'A'	992	1.24
<b>Spain (1.42%)</b>		<b>-</b>	<b>-</b>
<b>Sweden (6.05%)</b>		<b>5,265</b>	<b>6.58</b>
15,959	Evolution	1,385	1.73
35,169	Lundin Energy	967	1.21
226,766	Nordnet	2,913	3.64
<b>Switzerland (12.92%)</b>		<b>7,551</b>	<b>9.43</b>
38,499	Nestle	3,746	4.68
18,278	PolyPeptide	1,200	1.50
11,247	Swatch (Bearer)	2,605	3.25

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (1.09%)		133	0.17
133	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	133	0.17
Total investment assets		79,341	99.14
Net other assets		688	0.86
<b>Total Net Assets</b>		<b>80,029</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 28 February 2021.  
+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		1,398		12,268
Revenue	2	1,933		1,479	
Expenses	3	(913)		(821)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		1,019		657	
Taxation	4	(51)		(73)	
Net revenue after taxation			968		584
<b>Total return before distributions</b>			<b>2,366</b>		<b>12,852</b>
Distributions	5		(968)		(584)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,398</b>		<b>12,268</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>80,132</b>		<b>79,749</b>
Amounts receivable on the issue of shares	5,273		12,390	
Amounts payable on the cancellation of shares	(7,715)		(24,768)	
		(2,442)		(12,378)
Dilution adjustment		-		6
Change in net assets attributable to shareholders from investment activities (see above)		1,398		12,268
Retained distribution on accumulation shares		941		487
<b>Closing net assets attributable to shareholders</b>		<b>80,029</b>		<b>80,132</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			79,341		80,379
<b>Current assets:</b>					
Debtors	6	864		1,629	
Cash and bank balances	7	1		59	
			865		1,688
<b>Total assets</b>			<b>80,206</b>		<b>82,067</b>
<b>Liabilities:</b>					
Creditors	8	(169)		(1,932)	
Distribution payable		(8)		(3)	
			(177)		(1,935)
<b>Total liabilities</b>			<b>(177)</b>		<b>(1,935)</b>
<b>Net assets attributable to shareholders</b>			<b>80,029</b>		<b>80,132</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	1,413	12,285
Other losses	(5)	(6)
Transaction charges	(10)	(11)
<b>Net capital gains</b>	<b>1,398</b>	<b>12,268</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	-	13
Overseas dividends	1,933	1,466
<b>Total revenue</b>	<b>1,933</b>	<b>1,479</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	851	761
Dealing charge	6	5
General administration charge*	20	-
Registration fees**	20	31
	<b>897</b>	<b>797</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	2	9
Safe custody fee	9	6
	<b>11</b>	<b>15</b>
<b>Other:</b>		
Audit fee**	5	9
	<b>5</b>	<b>9</b>
<b>Total expenses</b>	<b>913</b>	<b>821</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.



# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Adjustments in respect of prior periods	-	(149)
Overseas taxes	51	222
<b>Total taxation (note 4b)</b>	<b>51</b>	<b>73</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>1,019</b>	<b>657</b>
Corporation tax at 20% (2021: 20%)	204	131
Effects of:		
Revenue not subject to taxation	(386)	(281)
Overseas taxes	51	222
Overseas tax expensed	-	(2)
Excess allowable expenses	182	152
Adjustments in respect of prior periods	-	(149)
<b>Total tax charge for year (note 4a)</b>	<b>51</b>	<b>73</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,071,000 (2021: £1,889,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions

	2022 £'000	2021 £'000
Distribution	949	491
Add: Income deducted on cancellation of shares	43	174
Deduct: Income received on issue of shares	(24)	(81)
<b>Total distributions for the year</b>	<b>968</b>	<b>584</b>

Details of the distribution per share are set out in this fund's distribution table.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	-	14
Amounts receivable from the ACD for the issue of shares	53	8
Overseas withholding tax recoverable	811	236
Sales awaiting settlement	-	1,371
<b>Total debtors</b>	<b>864</b>	<b>1,629</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	1	59
	<b>1</b>	<b>59</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	133	872
<b>Net liquidity</b>	<b>134</b>	<b>931</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	64	63
Accrued expenses payable to the Depositary or associates of the Depositary	2	3
Amounts payable to the ACD for cancellation of shares	98	139
Other accrued expenses	5	9
Purchases awaiting settlement	-	1,718
<b>Total creditors</b>	<b>169</b>	<b>1,932</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	35,479	30,151	37,819	42,671
Corporate actions	569	270	-	-
<b>Trades in the year before transaction costs</b>	<b>36,048</b>	<b>30,421</b>	<b>37,819</b>	<b>42,671</b>
<b>Commissions</b>				
Equities	21	16	(22)	(19)
<b>Total commissions</b>	<b>21</b>	<b>16</b>	<b>(22)</b>	<b>(19)</b>
<b>Taxes</b>				
Equities	17	31	-	-
<b>Total taxes</b>	<b>17</b>	<b>31</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>38</b>	<b>47</b>	<b>(22)</b>	<b>(19)</b>
<b>Total net trades in the year after transaction costs</b>	<b>36,086</b>	<b>30,468</b>	<b>37,797</b>	<b>42,652</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.06	0.05	0.06	0.04
<b>Taxes</b>				
Equities	0.05	0.10	-	-
			2022 %	2021 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.05	0.05
Taxes			0.02	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.09% (2021: 0.05%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	14,192,113	703,951	(1,006,162)	(32,722)	13,857,180
Institutional accumulation	12,691,692	259,249	(1,110,166)	35,371	11,876,146
Retail income	1,155,097	120,845	(98,599)	-	1,177,343
Standard Life accumulation	446,745	36,272	(22,698)	-	460,319
Platform 1 accumulation	7,436,795	1,824,961	(1,189,717)	(17,337)	8,054,702

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	79,208	-	-	79,507	-	-
Collective Investment Schemes	-	133	-	-	872	-
<b>Total investment assets</b>	<b>79,208</b>	<b>133</b>	<b>-</b>	<b>79,507</b>	<b>872</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure 2022 £'000	Net foreign currency exposure 2021 £'000
Danish Krone	7,116	6,326
Euro	58,283	56,160
Norwegian Krone	1,804	1,732
Swedish Krona	5,265	4,847
Swiss Franc	7,551	10,350
<b>Total</b>	<b>80,019</b>	<b>79,415</b>

# Notes to the Financial Statements

## Continued

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £4,001,000 (2021: £3,971,000).

### **Interest rate risk**

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### **Other price risk**

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £3,967,000 (2021: £4,019,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £177,000 (2021: £1,935,000).

## 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 128.65p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 121.80p. This represents a change of (5.32)% from the year end value.

# Distribution Table

For the year ended 28 February 2022 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	2.1754	-	2.1754	0.8661
Group 2	1.1433	1.0321	2.1754	0.8661
<b>Institutional accumulation</b>				
Group 1	4.0287	-	4.0287	2.2168
Group 2	2.3993	1.6294	4.0287	2.2168
<b>Retail income</b>				
Group 1	0.7149	-	0.7149	0.2848
Group 2	0.4126	0.3023	0.7149	0.2848
<b>Standard Life accumulation</b>				
Group 1	4.7583	-	4.7583	3.0724
Group 2	1.9532	2.8051	4.7583	3.0724
<b>Platform 1 accumulation</b>				
Group 1	1.7316	-	1.7316	0.9354
Group 2	1.1635	0.5681	1.7316	0.9354

## 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 Europe ex UK Income Equity Fund

For the year ended 28 February 2022

## Investment Objective

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

Performance Target: To deliver a yield greater than that of the FTSE World Europe ex UK Index over a rolling five year period (before charges) and achieve a return in excess of the FTSE World Europe ex UK Index over a rolling five year period (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 include the emerging markets of Europe, but excludes the UK.
- The fund may also invest up to 15% in bonds (loans to companies).
- The fund may also invest in other funds (including those managed by abrdn) and 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. Given the fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.
- 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 income nature of the management process, the fund's performance profile may deviate significantly from that of the FTSE World Europe ex UK 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 year ended 28 February 2022, the value of ASI Europe ex UK Income Equity Fund Platform 1 Accumulation Shares increased by 5.03% (net) compared to an increase of 8.93% in the FTSE World Europe ex-UK Index (gross). From an income perspective, the Platform 1 Income share class delivered a historic yield of 2.98% over the last 12 months versus the index historic yield of 2.88% over the same period.

Source: FactSet, 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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

## Portfolio Activity and Review

In terms of performance, Italian energy company Enel was one of the top detractors from performance. A sector rotation towards value caused a pullback in renewable energy stocks, which affected Enel's stock price. Siemens Energy also lagged after a setback in the operational performance of the company's wind turbine subsidiary Siemens Gamesa. Elsewhere, Volvo weighed on returns after weaker-than-expected production due to component shortages that had adversely affected earnings. An off-benchmark position in Sweden-based outdoor and transportation goods supplier Thule also weighed on returns.

# ASI Europe ex UK Income Equity Fund

## Continued

On the upside, the global leader in diabetes treatment Novo Nordisk performed well and was the top contributor to returns. Management raised earnings guidance steadily throughout the period, driven in particular by a successful new product launch in its obesity franchise. Nordea Bank was another strong performer. The Finnish bank posted strong financial results and announced it was well on track toward meeting its 2022 targets. Swedish oil and gas exploration company Lundin Energy also contributed strongly. The company's share price rose after it announced good financial results coupled with higher dividends.

In terms of purchases, we introduced new positions in sportswear retailer Adidas, Italian bank Intesa Sanpaolo, Thule and tobacco company Swedish Match. We also purchased ING following a management change early in the period, which offers the bank a route to improved operational performance. There is the potential for significant cash to be returned to investors given the bank's balance-sheet strength. We topped up our positions in Danish non-life insurer Tryg and French asset manager Amundi. The former's purchase of RSA's Scandinavia's operations transforms the scale of the business across the region, offering attractive growth opportunities. Meanwhile, Amundi is seeing strong interest in its highly profitable retail products. The attractiveness of the business is also enhanced by a balance sheet that gives it the flexibility to develop its business to improve earnings and dividend growth. Other top-ups included Swatch (luxury goods) and Schneider Electric (engineering software development).

Major sales included Bouygues, Tele2, Vonovia and Siemens Energy. Bouygues, the French infrastructure business, has not delivered what we had hoped for operationally. The Swedish-based telecoms business Tele2 has been weakened by recent management changes, hence our decision to sell. We sold the German real estate company Vonovia because of a concern that a recent acquisition and rights issue could be detrimental. Elsewhere, we trimmed our positions in Carlsberg (brewer), RWE (renewable energy), AXA (insurance) and Nestle (food company).

## Portfolio Outlook and Strategy

The global geopolitical situation looks increasingly uncertain as a result of the recent Russian invasion of Ukraine. This adds to ongoing uncertainties resulting from the pandemic. While Omicron remains present, it is hoped that the world can gradually recover and finally emerge from the pandemic this year.

For many years we have maintained a balanced approach to managing our income fund to avoid taking large views on how factors will perform. We think this is the right way to be positioned in 2022, given the degree of macroeconomic and factory uncertainty.

Overall, markets remain sensitive to headline inflation numbers and interest-rate changes. Supply-chain pressures, although easing in many areas, continue to disrupt operations. Since we make a significant allocation in growing dividends in our portfolio (~35%), we can help address the risks around inflation. For example, our holdings in financials and utilities should continue to provide positive earnings and dividend momentum relative to the market. We expect our holdings in aggregate to grow their dividends by >8% during 2022, well ahead of current inflation levels in Europe.

Looking ahead, and informed by our dividend driven, balanced and total return focused approach, we see the fund continuing to deliver a sustainable premium dividend yield and attractive total returns across multiple economic scenarios.

## European Equity Team

March 2022



# ASI Europe ex UK Income Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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 invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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 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 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	145.94	129.55	121.83
Return before operating charges*	12.56	18.20	9.49
Operating charges	(2.15)	(1.81)	(1.77)
Return after operating charges*	10.41	16.39	7.72
Distributions	(2.81)	(2.91)	(3.00)
Retained distributions on accumulation shares	2.81	2.91	3.00
Closing net asset value per share	156.35	145.94	129.55
* after direct transaction costs of:	0.11	0.13	0.15
<b>Performance</b>			
Return after charges	7.13%	12.65%	6.34%
<b>Other information</b>			
Closing net asset value (£'000)	7,603	7,866	7,834
Closing number of shares	4,862,477	5,389,955	6,046,764
Operating charges	1.32%	1.32%	1.33%
Direct transaction costs	0.07%	0.09%	0.11%
<b>Prices</b>			
Highest share price	176.1	153.1	143.7
Lowest share price	146.7	101.0	121.5

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	156.56	138.31	129.46
Return before operating charges*	13.45	19.49	10.07
Operating charges	(1.49)	(1.24)	(1.22)
Return after operating charges*	11.96	18.25	8.85
Distributions	(3.74)	(3.66)	(3.86)
Retained distributions on accumulation shares	3.74	3.66	3.86
Closing net asset value per share	168.52	156.56	138.31
* after direct transaction costs of:	0.12	0.14	0.16
<b>Performance</b>			
Return after charges	7.64%	13.19%	6.84%
<b>Other information</b>			
Closing net asset value (£'000)	279,222	290,899	234,392
Closing number of shares	165,692,685	185,806,699	169,466,115
Operating charges	0.85%	0.85%	0.86%
Direct transaction costs	0.07%	0.09%	0.11%
<b>Prices</b>			
Highest share price	189.5	164.1	153.4
Lowest share price	157.4	107.9	129.1

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	91.11	83.60	81.61
Return before operating charges*	7.91	11.56	6.29
Operating charges	(1.32)	(1.14)	(1.16)
Return after operating charges*	6.59	10.42	5.13
Distributions	(3.00)	(2.91)	(3.14)
Closing net asset value per share	94.70	91.11	83.60
* after direct transaction costs of:	0.07	0.08	0.10
<b>Performance</b>			
Return after charges	7.23%	12.46%	6.29%
<b>Other information</b>			
Closing net asset value (£'000)	1,043	1,024	1,195
Closing number of shares	1,101,878	1,123,399	1,429,628
Operating charges	1.32%	1.32%	1.33%
Direct transaction costs	0.07%	0.09%	0.11%
<b>Prices</b>			
Highest share price	107.6	95.78	93.07
Lowest share price	91.27	65.21	80.83

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	98.06	89.56	87.04
Return before operating charges*	8.51	12.41	6.67
Operating charges	(0.92)	(0.79)	(0.80)
Return after operating charges*	7.59	11.62	5.87
Distributions	(3.23)	(3.12)	(3.35)
Closing net asset value per share	102.42	98.06	89.56
* after direct transaction costs of:	0.07	0.09	0.10
<b>Performance</b>			
Return after charges	7.74%	12.97%	6.74%
<b>Other information</b>			
Closing net asset value (£'000)	210,611	295,361	363,956
Closing number of shares	205,625,631	301,195,408	406,365,931
Operating charges	0.85%	0.85%	0.86%
Direct transaction costs	0.07%	0.09%	0.11%
<b>Prices</b>			
Highest share price	116.2	103.0	99.71
Lowest share price	98.59	69.88	86.31

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	108.21	98.02	94.46
Return before operating charges*	9.34	13.63	7.23
Operating charges	(0.02)	(0.02)	(0.03)
Return after operating charges*	9.32	13.61	7.20
Distributions	(3.57)	(3.42)	(3.64)
Closing net asset value per share	113.96	108.21	98.02
* after direct transaction costs of:	0.08	0.10	0.11
<b>Performance</b>			
Return after charges	8.61%	13.88%	7.62%
<b>Other information</b>			
Closing net asset value (£'000)	7,570	9,640	10,849
Closing number of shares	6,642,306	8,908,507	11,068,360
Operating charges	0.02%	0.02%	0.03%
Direct transaction costs	0.07%	0.09%	0.11%
<b>Prices</b>			
Highest share price	129.0	113.6	109.1
Lowest share price	108.8	76.50	93.87

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	170.22	149.26	138.66
Return before operating charges*	14.57	21.12	10.77
Operating charges	(0.19)	(0.16)	(0.17)
Return after operating charges*	14.38	20.96	10.60
Distributions	(5.51)	(5.15)	(5.28)
Retained distributions on accumulation shares	5.51	5.15	5.28
Closing net asset value per share	184.60	170.22	149.26
* after direct transaction costs of:	0.13	0.15	0.17
<b>Performance</b>			
Return after charges	8.45%	14.04%	7.64%
<b>Other information</b>			
Closing net asset value (£'000)	759	925	1,036
Closing number of shares	411,050	543,399	693,816
Operating charges	0.10%	0.10%	0.11%
Direct transaction costs	0.07%	0.09%	0.11%
<b>Prices</b>			
Highest share price	207.1	178.3	165.5
Lowest share price	171.2	116.5	138.3

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	116.59	103.06	96.51
Return before operating charges*	10.01	14.51	7.51
Operating charges	(1.17)	(0.98)	(0.96)
Return after operating charges*	8.84	13.53	6.55
Distributions	(2.72)	(2.67)	(2.82)
Retained distributions on accumulation shares	2.72	2.67	2.82
Closing net asset value per share	125.43	116.59	103.06
* after direct transaction costs of:	0.09	0.10	0.12
<b>Performance</b>			
Return after charges	7.58%	13.13%	6.79%
<b>Other information</b>			
Closing net asset value (£'000)	26,440	29,711	32,101
Closing number of shares	21,079,338	25,483,898	31,149,268
Operating charges	0.90%	0.90%	0.91%
Direct transaction costs	0.07%	0.09%	0.11%
<b>Prices</b>			
Highest share price	141.1	122.2	114.3
Lowest share price	117.2	80.40	96.24

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.57	77.29	75.14
Return before operating charges*	7.35	10.69	5.77
Operating charges	(0.84)	(0.72)	(0.73)
Return after operating charges*	6.51	9.97	5.04
Distributions	(2.79)	(2.69)	(2.89)
Closing net asset value per share	88.29	84.57	77.29
* after direct transaction costs of:	0.06	0.08	0.09
<b>Performance</b>			
Return after charges	7.70%	12.90%	6.71%
<b>Other information</b>			
Closing net asset value (£'000)	23,551	27,951	31,424
Closing number of shares	26,675,514	33,049,174	40,659,205
Operating charges	0.90%	0.90%	0.91%
Direct transaction costs	0.07%	0.09%	0.11%
<b>Prices</b>			
Highest share price	100.2	88.87	86.04
Lowest share price	85.03	60.30	74.51

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	86.29	76.12	71.07
Return before operating charges*	7.52	10.76	5.64
Operating charges	(0.71)	(0.59)	(0.59)
Return after operating charges*	6.81	10.17	5.05
Distributions	(2.27)	(2.15)	(2.38)
Retained distributions on accumulation shares	2.27	2.15	2.38
Closing net asset value per share	93.10	86.29	76.12
* after direct transaction costs of:	0.07	0.08	0.09
<b>Performance</b>			
Return after charges	7.89%	13.36%	7.11%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,336	1,336	1,336
Operating charges	0.73%	0.73%	0.74%
Direct transaction costs	0.07%	0.09%	0.11%
<b>Prices</b>			
Highest share price	104.6	90.44	84.39
Lowest share price	86.76	59.38	70.91

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S income	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.41	59.67	57.90
Return before operating charges*	5.72	8.28	4.45
Operating charges	(0.53)	(0.45)	(0.47)
Return after operating charges*	5.19	7.83	3.98
Distributions	(2.17)	(2.09)	(2.21)
Closing net asset value per share	68.43	65.41	59.67
* after direct transaction costs of:	0.05	0.06	0.07
<b>Performance</b>			
Return after charges	7.93%	13.12%	6.87%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,637	1,637	1,637
Operating charges	0.73%	0.73%	0.74%
Direct transaction costs	0.07%	0.09%	0.11%
<b>Prices</b>			
Highest share price	77.65	68.70	66.42
Lowest share price	65.76	46.56	57.43

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (99.59%)</b>		<b>535,137</b>	<b>96.11</b>
<b>European Equities (99.59%)</b>		<b>535,137</b>	<b>96.11</b>
<b>Denmark (6.39%)</b>		<b>50,405</b>	<b>9.05</b>
81,358	Carlsberg 'B'	8,814	1.58
357,156	Novo Nordisk 'B'	27,328	4.91
842,940	Tryg	14,263	2.56
<b>Finland (9.59%)</b>		<b>29,493</b>	<b>5.30</b>
94,912	Kone 'B'	4,163	0.75
198,482	Neste	5,854	1.05
2,338,933	Nordea Bank	19,476	3.50
<b>France (14.10%)</b>		<b>107,445</b>	<b>19.30</b>
432,764	Antin Infrastructure Partners	8,448	1.52
863,770	AXA	17,549	3.15
1,243,385	Engie	14,843	2.67
23,900	LVMH Moet Hennessy Louis Vuitton	13,201	2.37
170,261	Sanofi	13,321	2.39
160,158	Schneider Electric	18,740	3.37
559,245	TotalEnergies	21,343	3.83
<b>Germany (21.38%)</b>		<b>100,006</b>	<b>17.96</b>
44,380	Adidas	7,883	1.42
132,560	Daimler Truck	3,023	0.54
105,002	Deutsche Boerse	13,427	2.41
283,297	Deutsche Post	10,711	1.92
829,593	Deutsche Telekom	11,136	2.00
265,119	Mercedes-Benz	15,649	2.81
627,432	RWE	21,760	3.91
154,563	Siemens	16,417	2.95

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Italy (8.62%)</b>		<b>26,851</b>	<b>4.82</b>
1,547,341	Enel	8,545	1.53
649,713	FinecoBank Banca Fineco	8,117	1.46
5,307,083	Intesa Sanpaolo	10,189	1.83
<b>Netherlands (9.74%)</b>		<b>60,097</b>	<b>10.79</b>
123,613	Akzo Nobel	8,792	1.58
40,000	ASML	20,047	3.60
140,717	BE Semiconductor Industries	8,969	1.61
906,033	ING	7,961	1.43
62,613	Koninklijke DSM	8,764	1.57
327,185	Universal Music	5,564	1.00
<b>Norway (2.21%)</b>		-	-
<b>Spain (2.82%)</b>		<b>9,626</b>	<b>1.73</b>
1,129,550	Iberdrola	9,626	1.73
<b>Sweden (12.55%)</b>		<b>72,694</b>	<b>13.06</b>
164,414	Atlas Copco 'A'	6,407	1.15
534,649	Hemnet	6,156	1.11
381,422	Lundin Energy	10,484	1.88
923,383	Nordnet	11,863	2.13
2,811,276	Swedish Match	15,411	2.77
365,102	Thule	10,817	1.94
797,963	Volvo 'B'	11,556	2.08
<b>Switzerland (12.19%)</b>		<b>78,520</b>	<b>14.10</b>
161,944	Nestle	15,758	2.83
7,470	Partners	7,564	1.36
40,659	Roche (Participating certificate)	11,555	2.07

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
628,836	SIG Combibloc	10,564	1.90
56,326	Swatch (Bearer)	13,045	2.34
58,523	Zurich Insurance	20,034	3.60
<b>Collective Investment Schemes (0.40%)</b>		<b>8,973</b>	<b>1.61</b>
10,379	Aberdeen Standard Liquidity Fund (Lux) – Euro Fund Z3 Inc+	8,567	1.54
406	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	406	0.07
Total investment assets		544,110	97.72
Net other assets		12,691	2.28
<b>Total Net Assets</b>		<b>556,801</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 28 February 2021.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		40,921		58,930
Revenue	2	22,011		24,379	
Expenses	3	(5,397)		(5,344)	
Interest payable and similar charges		(31)		(23)	
Net revenue before taxation		16,583		19,012	
Taxation	4	(1,898)		(2,452)	
Net revenue after taxation			14,685		16,560
<b>Total return before distributions</b>			<b>55,606</b>		<b>75,490</b>
Distributions	5		(17,111)		(19,482)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>38,495</b>		<b>56,008</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>663,379</b>		<b>682,789</b>
Amounts receivable on the issue of shares	5,919		119,610	
Amounts payable on the cancellation of shares	(158,289)		(201,896)	
		(152,370)		(82,286)
Dilution adjustment		-		48
Change in net assets attributable to shareholders from investment activities (see above)		38,495		56,008
Retained distribution on accumulation shares		7,297		6,820
<b>Closing net assets attributable to shareholders</b>		<b>556,801</b>		<b>663,379</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			544,110		663,311
<b>Current assets:</b>					
Debtors	6	13,812		15,027	
Cash and bank balances	7	577		1,871	
			14,389		16,898
<b>Total assets</b>			<b>558,499</b>		<b>680,209</b>
<b>Liabilities:</b>					
Bank overdrafts	7	-		(178)	
Creditors	8	(1,021)		(15,861)	
Distribution payable		(677)		(791)	
			(1,698)		(16,830)
<b>Total liabilities</b>			<b>(1,698)</b>		<b>(16,830)</b>
<b>Net assets attributable to shareholders</b>			<b>556,801</b>		<b>663,379</b>



# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	40,770	58,166
Forward currency contracts	-	(5)
Other gains	178	791
Transaction charges	(27)	(22)
<b>Net capital gains</b>	<b>40,921</b>	<b>58,930</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	1	92
Overseas dividends	22,010	24,287
<b>Total revenue</b>	<b>22,011</b>	<b>24,379</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	4,771	4,688
Dealing charge	28	30
General administration charge*	237	-
Registration fees**	260	488
	<b>5,296</b>	<b>5,206</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	31	58
Safe custody fee	65	60
	<b>96</b>	<b>118</b>
<b>Other:</b>		
Audit fee**	5	9
Professional fees**	-	11
	<b>5</b>	<b>20</b>
<b>Total expenses</b>	<b>5,397</b>	<b>5,344</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	1,898	2,452
<b>Total taxation (note 4b)</b>	<b>1,898</b>	<b>2,452</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	16,583	19,012
Corporation tax at 20% (2021: 20%)	3,317	3,802
Effects of:		
Revenue not subject to taxation	(4,402)	(4,857)
Overseas taxes	1,898	2,452
Excess allowable expenses	1,085	1,055
<b>Total tax charge for year (note 4a)</b>	<b>1,898</b>	<b>2,452</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £10,591,000 (2021: £9,506,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
First interim distribution	11,738	9,224
Second interim distribution	575	5,548
Third interim distribution	3,103	3,171
Final distribution	859	883
	16,275	18,826
Add: Income deducted on cancellation of shares	884	757
Deduct: Income received on issue of shares	(48)	(101)
<b>Total distributions for the year</b>	<b>17,111</b>	<b>19,482</b>

# Notes to the Financial Statements

## Continued

	2022 £'000	2021 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	14,685	16,560
Expenses charged to capital	2,421	2,915
Shortfall transfer from capital to revenue	5	7
<b>Total distributions for the year</b>	<b>17,111</b>	<b>19,482</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and General administration charge. This policy only applies to the income classes.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

## 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	-	166
Amounts receivable from the ACD for the issue of shares	19	-
Overseas withholding tax recoverable	3,905	2,461
Sales awaiting settlement	9,888	12,400
<b>Total debtors</b>	<b>13,812</b>	<b>15,027</b>

## 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	577	1,871
	<b>577</b>	<b>1,871</b>
<b>Bank overdrafts</b>		
Overdraft at bank	-	(178)
	<b>-</b>	<b>(178)</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	8,567	2,501
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	406	159
<b>Net liquidity</b>	<b>9,550</b>	<b>4,353</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

# Notes to the Financial Statements

## Continued

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	383	431
Accrued expenses payable to the Depositary or associates of the Depositary	12	16
Amounts payable to the ACD for cancellation of shares	621	1,839
Other accrued expenses	5	9
Purchases awaiting settlement	-	13,566
<b>Total creditors</b>	<b>1,021</b>	<b>15,861</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	185,560	433,925	356,713	494,790
Corporate actions	5,212	-	1,022	-
<b>Trades in the year before transaction costs</b>	<b>190,772</b>	<b>433,925</b>	<b>357,735</b>	<b>494,790</b>
<b>Commissions</b>				
Equities	124	175	(173)	(205)
<b>Total commissions</b>	<b>124</b>	<b>175</b>	<b>(173)</b>	<b>(205)</b>
<b>Taxes</b>				
Equities	144	207	-	-
<b>Total taxes</b>	<b>144</b>	<b>207</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>268</b>	<b>382</b>	<b>(173)</b>	<b>(205)</b>
<b>Total net trades in the year after transaction costs</b>	<b>191,040</b>	<b>434,307</b>	<b>357,562</b>	<b>494,585</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.07	0.04	0.05	0.04
<b>Taxes</b>				
Equities	0.08	0.05	-	-
			<b>2022 %</b>	<b>2021 %</b>
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.05	0.06
Taxes			0.02	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.06% (2021: 0.05%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

## 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	5,389,955	365,923	(887,201)	(6,200)	4,862,477
Institutional accumulation	185,806,699	1,714,988	(21,829,195)	193	165,692,685
Retail income	1,123,399	51,723	(103,942)	30,698	1,101,878
Institutional income	301,195,408	770,880	(97,951,907)	1,611,250	205,625,631
Standard Life income	8,908,507	-	(2,266,201)	-	6,642,306
Standard Life accumulation	543,399	16,714	(149,063)	-	411,050
Platform 1 accumulation	25,483,898	516,482	(4,959,644)	38,602	21,079,338
Platform 1 income	33,049,174	933,894	(5,362,015)	(1,945,539)	26,675,514
Institutional S accumulation	1,336	-	-	-	1,336
Institutional S income	1,637	-	-	-	1,637

## 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

# Notes to the Financial Statements

## Continued

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	535,137	-	-	660,651	-	-
Collective Investment Schemes	-	8,973	-	-	2,660	-
<b>Total investment assets</b>	<b>535,137</b>	<b>8,973</b>	<b>-</b>	<b>660,651</b>	<b>2,660</b>	<b>-</b>

## 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign	Net foreign
	currency exposure	currency exposure
	2022	2021
	£'000	£'000
Danish Krone	56,731	45,119
Euro	349,572	444,732
Norwegian Krone	262	14,660
Swedish Krona	72,986	76,661
Swiss Franc	78,520	82,574
<b>Total</b>	<b>558,071</b>	<b>663,746</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £27,904,000 (2021: £33,187,000).

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £27,206,000 (2021: £33,166,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £1,698,000 (2021: £16,830,000).

# Notes to the Financial Statements

## Continued

### 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have risen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 125.43p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 125.99p. This represents a change of 0.45% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 May 2021

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Retail accumulation</b>				
Group 1	2.5126	-	2.5126	1.5976
Group 2	1.8829	0.6297	2.5126	1.5976
<b>Institutional accumulation</b>				
Group 1	2.8956	-	2.8956	1.8584
Group 2	0.8684	2.0272	2.8956	1.8584
<b>Retail income</b>				
Group 1	1.8866	-	1.8866	1.2839
Group 2	0.8361	1.0505	1.8866	1.2839
<b>Institutional income</b>				
Group 1	2.0320	-	2.0320	1.3763
Group 2	1.3384	0.6936	2.0320	1.3763
<b>Standard Life income</b>				
Group 1	2.2450	-	2.2450	1.5080
Group 2	2.2450	-	2.2450	1.5080
<b>Standard Life accumulation</b>				
Group 1	3.4942	-	3.4942	2.2679
Group 2	0.6082	2.8860	3.4942	2.2679
<b>Platform 1 accumulation</b>				
Group 1	2.1404	-	2.1404	1.3727
Group 2	1.3976	0.7428	2.1404	1.3727
<b>Platform 1 income</b>				
Group 1	1.7523	-	1.7523	1.1876
Group 2	0.8736	0.8787	1.7523	1.1876
<b>Institutional S accumulation</b>				
Group 1	1.6426	-	1.6426	1.0499
Group 2	1.6426	-	1.6426	1.0499
<b>Institutional S income</b>				
Group 1	1.3591	-	1.3591	0.9163
Group 2	1.3591	-	1.3591	0.9163



# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 June 2021

Group 2 – shares purchased between 1 June 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	-	-	-	0.9093
Group 2	-	-	-	0.9093
<b>Institutional accumulation</b>				
Group 1	-	-	-	1.1483
Group 2	-	-	-	1.1483
<b>Retail income</b>				
Group 1	0.1981	-	0.1981	0.8682
Group 2	0.0322	0.1659	0.1981	0.8682
<b>Institutional income</b>				
Group 1	0.2131	-	0.2131	0.9317
Group 2	0.1187	0.0944	0.2131	0.9317
<b>Standard Life income</b>				
Group 1	0.2364	-	0.2364	1.0209
Group 2	0.2364	-	0.2364	1.0209
<b>Standard Life accumulation</b>				
Group 1	0.3404	-	0.3404	1.5495
Group 2	0.0717	0.2687	0.3404	1.5495
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	0.8415
Group 2	-	-	-	0.8415
<b>Platform 1 income</b>				
Group 1	0.1840	-	0.1840	0.8039
Group 2	0.0690	0.1150	0.1840	0.8039
<b>Institutional S accumulation</b>				
Group 1	0.0508	-	0.0508	0.6660
Group 2	0.0508	-	0.0508	0.6660
<b>Institutional S income</b>				
Group 1	0.1466	-	0.1466	0.6255
Group 2	0.1466	-	0.1466	0.6255

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Retail accumulation</b>				
Group 1	0.2992	-	0.2992	0.4010
Group 2	0.2139	0.0853	0.2992	0.4010
<b>Institutional accumulation</b>				
Group 1	0.7434	-	0.7434	0.6062
Group 2	0.4301	0.3133	0.7434	0.6062
<b>Retail income</b>				
Group 1	0.6473	-	0.6473	0.5411
Group 2	0.6151	0.0322	0.6473	0.5411
<b>Institutional income</b>				
Group 1	0.6989	-	0.6989	0.5808
Group 2	0.4217	0.2772	0.6989	0.5808
<b>Standard Life income</b>				
Group 1	0.7754	-	0.7754	0.6392
Group 2	0.7754	-	0.7754	0.6392
<b>Standard Life accumulation</b>				
Group 1	1.2057	-	1.2057	0.9639
Group 2	0.2773	0.9284	1.2057	0.9639
<b>Platform 1 accumulation</b>				
Group 1	0.5186	-	0.5186	0.4381
Group 2	0.3297	0.1889	0.5186	0.4381
<b>Platform 1 income</b>				
Group 1	0.6025	-	0.6025	0.5010
Group 2	0.2707	0.3318	0.6025	0.5010
<b>Institutional S accumulation</b>				
Group 1	0.4699	-	0.4699	0.3689
Group 2	0.4699	-	0.4699	0.3689
<b>Institutional S income</b>				
Group 1	0.4667	-	0.4667	0.3872
Group 2	0.4667	-	0.4667	0.3872

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.1016	-	0.1016	0.0462
Group 2	0.0816	0.0200	0.1016	0.0462
<b>Retail income</b>				
Group 1	0.2642	-	0.2642	0.2160
Group 2	0.0691	0.1951	0.2642	0.2160
<b>Institutional income</b>				
Group 1	0.2855	-	0.2855	0.2323
Group 2	0.0971	0.1884	0.2855	0.2323
<b>Standard Life income</b>				
Group 1	0.3174	-	0.3174	0.2559
Group 2	0.3174	-	0.3174	0.2559
<b>Standard Life accumulation</b>				
Group 1	0.4741	-	0.4741	0.3679
Group 2	0.4257	0.0484	0.4741	0.3679
<b>Platform 1 accumulation</b>				
Group 1	0.0592	-	0.0592	0.0175
Group 2	0.0183	0.0409	0.0592	0.0175
<b>Platform 1 income</b>				
Group 1	0.2462	-	0.2462	0.2005
Group 2	0.0800	0.1662	0.2462	0.2005
<b>Institutional S accumulation</b>				
Group 1	0.1025	-	0.1025	0.0621
Group 2	0.1025	-	0.1025	0.0621
<b>Institutional S income</b>				
Group 1	0.1960	-	0.1960	0.1576
Group 2	0.1960	-	0.1960	0.1576

## 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 Europe ex UK Smaller Companies Fund

For the year ended 28 February 2022

## Investment Objective

To generate growth over the long 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 ex UK 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 small-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 includes the emerging markets of Europe, but excludes the UK.
- Smaller capitalisation companies are defined as any stock included in the EMIX Smaller European Companies ex UK 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 abrdn) and 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 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 investment process, the fund's performance profile may deviate significantly from that of the EMIX Smaller European Companies ex UK 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

Over the period under review, the fund returned 5.56% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared with a return of 5.26% for our performance target (Source: FactSet, the EMIX Smaller European Companies ex UK Index +3%).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

French fragrance business Interparfums outperformed on expected higher consumer spending. The company is well positioned to return to growth after the end of the pandemic given its franchise line-up and pipeline of new products. Swiss-based peptide pharmaceutical business Bachem turned in a strong performance. The company is seeing healthy growth from both its core peptide business and newer oligonucleotide business. Management

# ASI Europe ex UK Smaller Companies Fund

## Continued

upgraded its medium-term targets for earnings. Finnish food retailer Kesko continued its excellent run of adding value. The company upgraded its profit guidance for the year. Its core businesses, food retail and building and technical, are performing ahead of expectations.

By contrast, our holding in France-listed nursing home operator Orpea was relatively weak. The business has been negatively affected by COVID-19 in addition to several journalist allegations, which resulted in the CEO's departure. The rumours have caused considerable reputational damage, adversely affecting nursing home occupancy levels and the company's ability to grow. Patrizia, the German real estate firm, also weighed on returns. The broader property sector weakened on concerns about higher inflation and rising interest rates. In addition, the pandemic has curtailed the ability to conclude transactions; despite this, we see this as only temporary in nature. Lastly, commercial kitchen equipment maker Rational underperformed following a period of exceptional share price strength. The German company's earnings guidance for 2021 disappointed some investors, as it reflected continued uncertainty over the timing of restaurants reopening after COVID-19 restrictions.

## Portfolio Activity and Review

We built a new position in Italian IT services provider Reply. The group's focus is on the high-growth areas of the internet-of-things (IoT), the cloud, big data and cybersecurity. We believe Reply will benefit from multi-year demand growth in these areas, especially in its home market of Italy. We initiated a holding in Swiss intralogistics provider Interroll Holdings during the quarter. The business is a leader in the manufacturing of equipment for moving items around warehouses. The business has a long tradition of innovation and is well positioned to benefit from the growth being seen in warehousing generally and the automation of warehousing coming particularly from increased e-commerce fulfilment.

Elsewhere, we added to the holding in German online event-ticketing business CTS Eventim. The company stands to significantly gain from the events industry returning to normal over the next few years. Conversely, we sold Almirall, the Spanish pharmaceutical manufacturer. We are concerned that the growth opportunity for the business is not as good as we first thought. Lastly, other notable sales included trimming positions in Interparfums and Troax to manage portfolio risk.

## Portfolio Outlook and Strategy

The events in Ukraine are dominating markets with considerable uncertainty around how the situation will develop and its impact on economies. As a result, volatility has increased significantly with a vastly reduced appetite for risk. We have reviewed the portfolio, and we are comfortable that we have no direct holdings in Russia, Ukraine or Belarus. Additionally, the portfolio's investments have no material direct exposures to these markets. More difficult to quantify is the indirect impact that may occur through economic effects over time. What is clear, however, is that a focus on quality and strong balance sheets will remain important as the economic outlook deteriorates. We will remain focused on this over the coming months and the disciplined application of our tried and tested process.

## Smaller Companies Equity Team

March 2022

# ASI Europe ex UK Smaller Companies Fund

## Continued

### 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 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 28 February 2022.

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

- 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 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 shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	366.39	285.65	272.58
Return before operating charges*	29.96	85.16	17.11
Operating charges	(5.80)	(4.42)	(4.04)
Return after operating charges*	24.16	80.74	13.07
Distributions	(1.09)	(1.02)	(2.99)
Retained distributions on accumulation shares	1.09	1.02	2.99
Closing net asset value per share	390.55	366.39	285.65
* after direct transaction costs of:	0.18	0.07	0.15
<b>Performance</b>			
Return after charges	6.59%	28.27%	4.79%
<b>Other information</b>			
Closing net asset value (£'000)	6,003	6,047	5,387
Closing number of shares	1,537,142	1,650,507	1,885,744
Operating charges	1.35%	1.38%	1.38%
Direct transaction costs	0.04%	0.02%	0.05%
<b>Prices</b>			
Highest share price	484.8	382.9	315.4
Lowest share price	363.4	221.8	275.0

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	101.52	78.77	74.83
Return before operating charges*	8.25	23.57	4.67
Operating charges	(1.05)	(0.82)	(0.73)
Return after operating charges*	7.20	22.75	3.94
Distributions	(0.58)	(0.47)	(1.01)
Retained distributions on accumulation shares	0.58	0.47	1.01
Closing net asset value per share	108.72	101.52	78.77
* after direct transaction costs of:	0.05	0.02	0.04
<b>Performance</b>			
Return after charges	7.09%	28.88%	5.27%
<b>Other information</b>			
Closing net asset value (£'000)	4,451	3,532	2,087
Closing number of shares	4,094,306	3,479,029	2,649,094
Operating charges	0.88%	0.91%	0.91%
Direct transaction costs	0.04%	0.02%	0.05%
<b>Prices</b>			
Highest share price	134.7	106.1	86.98
Lowest share price	100.7	61.17	75.50

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Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021
	pence per share	pence per share
<b>Institutional income<sup>A</sup></b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	53.98	50.00 <sup>B</sup>
Return before operating charges*	4.47	4.15
Operating charges	(0.56)	(0.17)
Return after operating charges*	3.91	3.98
Distributions	(0.33)	-
Closing net asset value per share	57.56	53.98
* after direct transaction costs of:	0.03	-
<b>Performance</b>		
Return after charges	7.24%	7.96%
<b>Other information</b>		
Closing net asset value (£'000)	1	1
Closing number of shares	2,000	2,000
Operating charges	0.88%	0.91%
Direct transaction costs	0.04%	0.02%
<b>Prices</b>		
Highest share price	71.35	56.40
Lowest share price	53.55	47.05

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Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional Income share class was launched on 21 October 2020.

<sup>B</sup> The opening net asset value stated is the share class launch price.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	105.73	81.43	76.76
Return before operating charges*	8.51	24.45	4.80
Operating charges	(0.16)	(0.15)	(0.13)
Return after operating charges*	8.35	24.30	4.67
Distributions	(1.45)	(0.97)	(1.51)
Retained distributions on accumulation shares	1.45	0.97	1.51
Closing net asset value per share	114.08	105.73	81.43
* after direct transaction costs of:	0.05	0.02	0.04
<b>Performance</b>			
Return after charges	7.90%	29.84%	6.08%
<b>Other information</b>			
Closing net asset value (£'000)	1,659	1,098	859
Closing number of shares	1,453,876	1,038,455	1,055,005
Operating charges	0.13%	0.16%	0.16%
Direct transaction costs	0.04%	0.02%	0.05%
<b>Prices</b>			
Highest share price	141.1	110.5	89.89
Lowest share price	104.9	63.25	77.46

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	398.01	309.00	293.64
Return before operating charges*	32.38	92.36	18.39
Operating charges	(4.36)	(3.35)	(3.03)
Return after operating charges*	28.02	89.01	15.36
Distributions	(2.15)	(1.77)	(3.88)
Retained distributions on accumulation shares	2.15	1.77	3.88
Closing net asset value per share	426.03	398.01	309.00
* after direct transaction costs of:	0.19	0.07	0.16
<b>Performance</b>			
Return after charges	7.04%	28.81%	5.23%
<b>Other information</b>			
Closing net asset value (£'000)	41,363	31,536	26,316
Closing number of shares	9,708,822	7,923,436	8,516,771
Operating charges	0.93%	0.96%	0.96%
Direct transaction costs	0.04%	0.02%	0.05%
<b>Prices</b>			
Highest share price	528.1	415.9	341.2
Lowest share price	394.8	239.9	296.3

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>European Equities (95.17%)</b>		<b>49,989</b>	<b>93.48</b>
<b>Belgium (0.99%)</b>		<b>318</b>	<b>0.60</b>
24,489	Fagron	318	0.60
<b>Denmark (2.86%)</b>		<b>930</b>	<b>1.74</b>
13,824	SimCorp	930	1.74
<b>Finland (4.10%)</b>		<b>2,075</b>	<b>3.88</b>
94,804	Kesko 'B'	2,075	3.88
<b>France (15.98%)</b>		<b>6,502</b>	<b>12.16</b>
9,530	Eurazeo	552	1.03
53,207	Interparfums	2,971	5.56
20,745	Nexity	613	1.15
13,290	Orpea	412	0.77
7,036	Teleperformance	1,954	3.65
<b>Germany (29.06%)</b>		<b>15,493</b>	<b>28.97</b>
5,848	Amadeus Fire	705	1.32
36,089	CTS Eventim	1,899	3.55
42,493	Dermapharm	2,319	4.34
40,110	Jungheinrich (Preference)	1,092	2.04
22,482	Nemetschek	1,493	2.79
884	New Work	119	0.22
26,354	Norma	686	1.28
25,398	OHB	747	1.40
66,767	PATRIZIA	974	1.82
3,197	Rational	1,763	3.30
5,705	Sixt	639	1.19
35,674	Takkt	459	0.86
63,012	VIB Vermoegen	2,598	4.86

# Portfolio Statement

## Continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Ireland (5.06%)</b>		<b>1,751</b>	<b>3.27</b>
1,382,428	Hibernia REIT	1,342	2.51
121,281	Irish Continental	409	0.76
<b>Italy (13.59%)</b>		<b>8,411</b>	<b>15.73</b>
96,599	Azimut	1,730	3.24
208,394	FinecoBank Banca Fineco	2,604	4.87
64,203	Interpump	2,605	4.87
21,370	MARR	299	0.56
9,620	Reply	1,173	2.19
<b>Luxembourg (1.22%)</b>		<b>425</b>	<b>0.80</b>
9,604	Stabilus	425	0.80
<b>Netherlands (2.47%)</b>		<b>702</b>	<b>1.31</b>
25,507	Corbion	702	1.31
<b>Norway (1.59%)</b>		<b>1,362</b>	<b>2.55</b>
82,720	Borregaard	1,362	2.55
<b>Spain (4.54%)</b>		<b>2,723</b>	<b>5.09</b>
39,964	CIE Automotive	800	1.50
61,309	Fluidra	1,393	2.60
9,195	Vidrala	530	0.99
<b>Sweden (9.21%)</b>		<b>4,461</b>	<b>8.34</b>
183,446	AddTech 'B'	2,274	4.25
60,977	Bulten	361	0.68
93,241	Troax	1,826	3.41

# Portfolio Statement

## Continued

Holding	Investment	Market value £'000	Percentage of total net assets
Switzerland (4.50%)		4,836	9.04
4,976	Bachem	2,203	4.12
412	Interroll	1,141	2.13
7,578	Komax	1,492	2.79
Collective Investment Schemes (4.72%)		3,037	5.68
446	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc+	368	0.69
2,670	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	2,669	4.99
Total investment assets		53,026	99.16
Net other assets		451	0.84
<b>Total Net Assets</b>		<b>53,477</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 28 February 2021.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		1,649		9,014
Revenue	2	727		439	
Expenses	3	(507)		(357)	
Net revenue before taxation		220		82	
Taxation	4	(65)		(5)	
Net revenue after taxation			155		77
<b>Total return before distributions</b>			<b>1,804</b>		<b>9,091</b>
Distributions	5		(225)		(181)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,579</b>		<b>8,910</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>42,214</b>		<b>34,649</b>
Amounts receivable on the issue of shares	15,056		5,019	
Amounts payable on the cancellation of shares	(5,626)		(6,547)	
		9,430		(1,528)
Dilution adjustment		-		3
Change in net assets attributable to shareholders from investment activities (see above)		1,579		8,910
Retained distribution on accumulation shares		254		180
<b>Closing net assets attributable to shareholders</b>		<b>53,477</b>		<b>42,214</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			53,026		42,169
<b>Current assets:</b>					
Debtors	6	128		133	
Cash and bank balances	7	467		3	
			595		136
<b>Total assets</b>			<b>53,621</b>		<b>42,305</b>
<b>Liabilities:</b>					
Creditors	8	(144)		(91)	
			(144)		(91)
<b>Total liabilities</b>			<b>(144)</b>		<b>(91)</b>
<b>Net assets attributable to shareholders</b>			<b>53,477</b>		<b>42,214</b>



# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	1,655	9,002
Other gains	6	23
Transaction charges	(12)	(11)
<b>Net capital gains</b>	<b>1,649</b>	<b>9,014</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	3	3
Overseas dividends	724	436
<b>Total revenue</b>	<b>727</b>	<b>439</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	435	301
Dealing charge	21	14
General administration charge*	21	-
Registration fees**	17	25
	<b>494</b>	<b>340</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	3	5
Safe custody fee	5	3
	<b>8</b>	<b>8</b>
<b>Other:</b>		
Audit fee**	5	9
	<b>5</b>	<b>9</b>
<b>Total expenses</b>	<b>507</b>	<b>357</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	65	5
<b>Total taxation (note 4b)</b>	<b>65</b>	<b>5</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>220</b>	<b>82</b>
Corporation tax at 20% (2021: 20%)	44	16
Effects of:		
Revenue not subject to taxation	(145)	(87)
Overseas taxes	65	5
Excess allowable expenses	101	71
<b>Total tax charge for year (note 4a)</b>	<b>65</b>	<b>5</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £583,000 (2021: £482,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
Interim distribution	249	178
Final distribution	6	2
	255	180
Add: Income deducted on cancellation of shares	6	6
Deduct: Income received on issue of shares	(36)	(5)
<b>Total distributions for the year</b>	<b>225</b>	<b>181</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	155	77
Shortfall transfer from capital to revenue	70	104
<b>Total distributions for the year</b>	<b>225</b>	<b>181</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	1	-
Amounts receivable from the ACD for the issue of shares	19	57
Overseas withholding tax recoverable	108	76
<b>Total debtors</b>	<b>128</b>	<b>133</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	467	3
	<b>467</b>	<b>3</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	368	384
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	2,669	1,608
<b>Net liquidity</b>	<b>3,504</b>	<b>1,995</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	38	31
Accrued expenses payable to the Depositary or associates of the Depositary	2	2
Amounts payable to the ACD for cancellation of shares	99	44
Other accrued expenses	5	9
Purchases awaiting settlement	-	5
<b>Total creditors</b>	<b>144</b>	<b>91</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	11,834	2,191	3,715	4,727
Corporate actions	-	-	-	392
<b>Trades in the year before transaction costs</b>	<b>11,834</b>	<b>2,191</b>	<b>3,715</b>	<b>5,119</b>
<b>Commissions</b>				
Equities	13	3	(5)	(4)
<b>Total commissions</b>	<b>13</b>	<b>3</b>	<b>(5)</b>	<b>(4)</b>
<b>Taxes</b>				
Equities	5	1	-	-
<b>Total taxes</b>	<b>5</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>18</b>	<b>4</b>	<b>(5)</b>	<b>(4)</b>
<b>Total net trades in the year after transaction costs</b>	<b>11,852</b>	<b>2,195</b>	<b>3,710</b>	<b>5,115</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.11	0.12	0.12	0.09
<b>Taxes</b>				
Equities	0.04	0.05	-	-
			2022 %	2021 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.03	0.02
Taxes			0.01	-

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.29% (2021: 0.21%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	1,650,507	135,234	(217,486)	(31,113)	1,537,142
Institutional accumulation	3,479,029	799,944	(184,667)	-	4,094,306
Institutional income	2,000	-	-	-	2,000
Standard Life accumulation	1,038,455	682,640	(268,666)	1,447	1,453,876
Platform 1 accumulation	7,923,436	2,644,540	(887,351)	28,197	9,708,822

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	49,989	-	-	40,177	-	-
Collective Investment Schemes	-	3,037	-	-	1,992	-
<b>Total investment assets</b>	<b>49,989</b>	<b>3,037</b>	<b>-</b>	<b>40,177</b>	<b>1,992</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure 2022 £'000	Net foreign currency exposure 2021 £'000
	Danish Krone	939
Euro	38,868	32,961
Norwegian Krone	1,362	672
Swedish Krona	4,461	3,885
Swiss Franc	4,836	1,899
<b>Total</b>	<b>50,466</b>	<b>40,633</b>

# Notes to the Financial Statements

## Continued

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £2,523,000 (2021: £2,032,000).

### **Interest rate risk**

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### **Other price risk**

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £2,651,000 (2021: £2,108,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £144,000 (2021: £91,000).

## 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 426.03p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 384.79p. This represents a change of (9.68)% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	1.0912	-	1.0912	1.0246
Group 2	0.0034	1.0878	1.0912	1.0246
<b>Institutional accumulation</b>				
Group 1	0.5775	-	0.5775	0.4723
Group 2	0.1558	0.4217	0.5775	0.4723
<b>Institutional income</b>				
Group 1	0.3260	-	0.3260	-
Group 2	0.3260	-	0.3260	-
<b>Standard Life accumulation</b>				
Group 1	1.0563	-	1.0563	0.8009
Group 2	0.5718	0.4845	1.0563	0.8009
<b>Platform 1 accumulation</b>				
Group 1	2.1473	-	2.1473	1.7698
Group 2	0.1433	2.0040	2.1473	1.7698

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.3895	-	0.3895	0.1739
Group 2	0.2727	0.1168	0.3895	0.1739
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

## 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 Balanced Growth Fund

For the year ended 28 February 2022

## Investment Objective

To generate growth over the long term (5 years or more) by investing in a diversified portfolio of assets.

Performance Target: To exceed the IA Mixed Investment 40–85% Shares Sector Average return (after charges) over 1 year and to 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.

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

## Investment Policy

### Portfolio Securities:

- The fund will invest least 70% in global equities, corporate investment grade bonds and government bonds issued anywhere in the world either directly or indirectly.
- The fund may hold other securities (e.g. investment trusts, supranational and other types of bonds, and listed real estate) issued anywhere in the world.
- The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash.

### Management Process:

- The management team use their discretion (active management) to select individual holdings depending on their growth prospects and/or creditworthiness relative to market expectations, given future economic and business conditions.
- Asset allocation is informed by reference to a basket of assets aligned to the fund's objective and considered representative of the expected risk profile of typical funds in the sector. In addition, short term proportions ("tactical asset allocations") in each asset class may be adjusted at any time with the aim of improving returns.
- The fund will be subject to constraints which are intended to manage risk such as the fund must not hold more than 85% of its assets in equities. The constraints may vary over time, and 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 Mixed Investment 40–85% Shares Sector Average.

### Derivatives and Techniques:

- The fund will make routine use of 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").
- Derivatives include instruments used to express short term views reflecting expected changes in interest rates, companies share prices, inflation, currencies or creditworthiness of corporations or governments.
- The fund may also invest in other funds which may use derivatives extensively although these investments shall be in line with fund's overall risk profile.

## Performance Review

Over the period under review, the fund returned 2.25% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of 4.12% for our performance target (Source: FactSet, IA Mixed Investment 40–85% Shares Sector Average).

Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdn\*\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdn\*\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates. \*\*abrdn means the relevant member of abrdn group, being abrdn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

### Equity portfolios

In the UK, specialty pharmaceuticals business Indivior performed very well due to continued strong sales from opioid-abuse products and the settlement of historic Department of Justice claims in the US against its previous management. Watches of Switzerland was another strong performer, with analysts consistently upgrading their expectations due to the company's pricing power and its ability to expand. AstraZeneca was another positive contributor: continued progress with its pipeline of products has driven analyst upgrades and supported the stock valuation. Also, important drugs in oncology have delivered positive trial results.

On the downside, online food delivery business Just Eat Takeaway.com detracted from performance. The company's shares were weak amid concerns around increased competition and profitability. In August 2021, it was removed from the FTSE 100 Index due to its dual listing in London and Amsterdam, which triggered our sale of this position. At Prudential, COVID-related mobility restrictions

# ASI Global Balanced Growth Fund

## Continued

in China and Hong Kong have held back revenue growth, leading to a decline in the company's share price. We expect the shares to recover once restrictions are lifted. Close Brothers also performed poorly. Its shares have lagged the banking sector due to its lack of exposure to rising interest rates. This has caused analysts to downgrade their earnings expectations, leading to share price weakness.

In the US, the prospect of higher interest rates and soaring demand for energy supported holdings. Financial services firm Charles Schwab was one of the fund's top performers, as the market began to value the company's structurally improving profitability and exposure to rising interest rates. Shares in oil-field services business Baker Hughes rose as energy firms boosted capital expenditure to meet rising demand, which accelerated sharply with Russia's invasion of Ukraine near the end of the period. Elsewhere, biopharmaceutical company AbbVie will lose exclusivity rights on its major blockbuster drug Humira in 2023. However, the stock contributed positively to the fund, as the market became more confident in the prospects for a number of new compounds.

There was less conviction in the prospects for Comcast, which hurt fund performance. Fears that competition from fibre and fixed wireless access will erode Comcast's customer base overpowered the stock's defensive characteristics. In energy, we exited ConocoPhillips to fund higher conviction names, but unfortunately, after that sale, the company acquired a Permian asset at a good price and signalled improved capital return, which drove the shares higher. Meanwhile, Amazon gave up some of its recent gains. This was due to the general unwinding of pandemic winners, which pressured its shares, and the company's increased spend to further build out its fulfilment network. These factors lead to softer earnings.

In Europe, Danish pharmaceutical company Novo Nordisk performed well thanks to its leading franchise in obesity and diabetes management. The shares significantly outperformed on the back of a strong initial take-up of its new weight reduction drug, Wegovy. A post-COVID bounce in industrial production saw steel prices return to more normal levels, which buoyed our position in ArcelorMittal. Private equity business Partners Group was another strong performer, as investors continued to reallocate assets to private markets. Stronger returns also led to a record level of performance fees.

On the downside, rising raw material costs affected the renewable energy division of Siemens Energy, which suffered tighter margins. Allfunds, the leader in European fund distribution, experienced a significant reversal of fortunes following its successful initial public offering. A rotation from growth to value stocks and a weaker stock market backdrop hurt fund inflows and caused a mark-to-market downgrade in its assets under administration.

Elsewhere, Neste Oil, a leading refiner of biofuels, underperformed, as higher feedstock prices put pressure on returns and concerns about oversupply surfaced.

### Government bond portfolio

The government bond portfolio outperformed its benchmark over the period. Positive strategies included duration and curve positioning, where the flattening exposure in the US curve proved particularly beneficial. We benefited from trading UK duration from the long and short side over the period. Although our curve steepening exposure suffered in the second half of the year, overall, it was a strong period for performance.

UK curve positioning performed negatively after the emergence of Omicron, as a combination of reduced issuance, due to better-than-expected government accounts, and a refusal from the Monetary Policy Committee to halt the significant quantitative-easing programme saw a sizeable bid for long-end bonds, which hurt portfolio performance.

## Portfolio Activity and Review

### Equity portfolios

In the UK, we started a new position in Ashtead, a high-quality business with an impressive management team. The company is well placed to benefit from a structural shift to rental in US construction equipment and continues to win market share. We also bought AlphaWave IP, an early-stage semiconductor technology business with a lead over peers in terms of performance. Questions remain around the sustainability of its competitive advantage, but recent contract wins have been supportive and its shares are undervalued compared to peers. We moved to an overweight position in HSBC following an analyst upgrade in September 2021. The stock sold off due to concerns around Chinese real estate, which afforded us an attractive entry point to a quality international banking franchise with high leverage to rising interest rates and exposure to Asian loan growth in the long term.

We sold Johnson Matthey following an analyst downgrade to hold. The shares recovered strongly at the start of 2021, giving us an opportunity to exit. The stock subsequently sold off due to a profits warning and the company's decision to exit its battery manufacturing business. We also exited workplace solutions business IWG following an analyst downgrade to hold. We lack conviction in its franchise model, which has shown limited progress after initial deals. Elsewhere, Abcam is a high-quality business, but it is very highly valued given its need for investment and likely pressure on margins in the medium term. We exited our position, as we see better value elsewhere.

# ASI Global Balanced Growth Fund

## Continued

Turning to the US, we initiated positions in companies poised for higher returns. Canadian National Railway has shifted its focus to operations and margins rather than acquisitions. We expect the market to reward the higher returns that should result from this decision. We also initiated a position in Analog Devices, as it stands to benefit from gross margin expansion; ongoing benefit from acquisition synergies, following its takeover of Maxim; and accelerated capital return. New Fortress Energy is transitioning from a development firm to an operating one. The market views this transition as more delayed than we expect. We have increased confidence in the company securing liquefied natural gas supplies, which will further cement its ability to provide cleaner energy to power producers over dirtier fuel sources.

Conversely, we exited NXP Semiconductors and Adobe following share price rises that took valuations closer to fair value. We believed that NXP's exposure to the auto sector combined with its margin improvement was not reflected in the shares. As 2021 progressed, this shortfall in the valuation was closed and we took profits. When we acquired Adobe, we believed the market was not pricing in the durability of growth and the company's ability to maintain its best-in-class return on invested capital. By summer 2021, that pricing gap was closed and we exited our position. Elsewhere, we sold JP Morgan. Although it is a well-run company, we chose to exit the shares in favour of banks, which more directly benefit from rising interest rates.

In Europe, we sold Partners Group in favour of Antin Infrastructure Partners, as we believe Antin offers a more exciting growth opportunity. We have conviction in the company's ability to leverage its track record in private infrastructure and scale its performance fees from zero. We exited Alstom and Siemens Energy on the back of raw material inflation and low pricing power. We also sold Swiss pharmaceutical company Roche, as we were able to find better uses of capital elsewhere.

### Government bond portfolio

Having reduced duration exposure earlier in the year, we looked to re-enter more protective duration strategies, as yield levels became more attractive into the middle of the period – these included flattening strategies, particularly in the US and Australia, where curves had steepened aggressively.

In the UK, we maintained a short-duration bias for most of the period, offset by long-duration exposure in German bonds. Curve trading in the UK was generally positive, as the portfolio aimed to play major supply events on a tactical basis while maintaining a soft steepening bias for the majority of the period. We reduced duration at the start of the review period, although we scaled this

exposure back significantly over the summer, as lower liquidity levels and consensus positioning in bearish rates trades looked vulnerable. This indeed proved to be the case, as rates rallied into the end of the review period. We re-entered into short exposure in the middle of the review period, as we still feel rates are vulnerable to a modest repricing higher into year-end.

We added to short-duration exposure heading into the end of 2021, which suffered as the Omicron variant emerged, although tactical trading helped to offset losses. The portfolio maintained a short-duration bias into the start of the year. As bond yields began to rise, this was scaled back.

## Portfolio Outlook and Strategy

The Russia-Ukraine conflict is likely to dominate news flow in the short term, with the conflict adding to the challenging macroeconomic backdrop for global equities. Markets will remain volatile, with the Omicron variant, rising inflation, higher rates and the slowdown in China also weighing on sentiment. That said, many of the risk factors throughout 2021 have moderated, with global vaccination rates rising and the direction of Chinese policy becoming clearer. The fourth-quarter reporting season also suggests that earnings are holding up quite well despite cost pressures and supply-chain disruption.

Within fixed income, investor attention will likely be focused on how effective central-bank measures to control inflation will be. Further hawkish comments from the US Federal Reserve have resulted in expectations of five rate hikes in 2022. The conflict in Ukraine has also left investors uncertain about the timeline of rate hikes in Europe, although the European Central Bank has not ruled out rate hikes in 2022. However, these pressures could moderate into the second half of 2022 if supply bottlenecks ease.

### Global Tactical Allocation (GTAA) Team

March 2022

# ASI Global Balanced Growth Fund

## Continued

### 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 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 28 February 2022.

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

- 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 invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	198.48	177.12	167.38
Return before operating charges*	8.00	23.29	11.64
Operating charges	(2.20)	(1.93)	(1.90)
Return after operating charges*	5.80	21.36	9.74
Distributions	(1.49)	(1.18)	(2.04)
Retained distributions on accumulation shares	1.49	1.18	2.04
Closing net asset value per share	204.28	198.48	177.12
* after direct transaction costs of:	0.10	0.10	0.08
<b>Performance</b>			
Return after charges	2.92%	12.06%	5.82%
<b>Other information</b>			
Closing net asset value (£'000)	326,952	333,453	312,938
Closing number of shares	160,047,774	168,007,029	176,682,881
Operating charges	1.04%	1.04%	1.05%
Direct transaction costs	0.05%	0.06%	0.04%
<b>Prices</b>			
Highest share price	220.8	207.5	191.5
Lowest share price	199.1	149.1	168.3

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	224.44	199.45	187.70
Return before operating charges*	9.02	26.29	13.03
Operating charges	(1.48)	(1.30)	(1.28)
Return after operating charges*	7.54	24.99	11.75
Distributions	(2.70)	(2.21)	(3.14)
Retained distributions on accumulation shares	2.70	2.21	3.14
Closing net asset value per share	231.98	224.44	199.45
* after direct transaction costs of:	0.11	0.12	0.09
<b>Performance</b>			
Return after charges	3.36%	12.53%	6.26%
<b>Other information</b>			
Closing net asset value (£'000)	27,865	28,919	26,264
Closing number of shares	12,011,839	12,884,951	13,167,897
Operating charges	0.62%	0.62%	0.63%
Direct transaction costs	0.05%	0.06%	0.04%
<b>Prices</b>			
Highest share price	250.4	234.5	215.6
Lowest share price	226.0	167.9	188.8

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	127.61	114.59	109.53
Return before operating charges*	5.19	15.03	7.63
Operating charges	(1.41)	(1.25)	(1.24)
Return after operating charges*	3.78	13.78	6.39
Distributions	(0.96)	(0.76)	(1.33)
Closing net asset value per share	130.43	127.61	114.59
* after direct transaction costs of:	0.06	0.07	0.05
<b>Performance</b>			
Return after charges	2.96%	12.03%	5.83%
<b>Other information</b>			
Closing net asset value (£'000)	1,801	1,851	1,697
Closing number of shares	1,381,212	1,450,488	1,480,510
Operating charges	1.04%	1.04%	1.05%
Direct transaction costs	0.05%	0.06%	0.04%
<b>Prices</b>			
Highest share price	141.3	133.6	124.4
Lowest share price	127.5	96.40	110.1

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

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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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	125.76	112.93	107.94
Return before operating charges*	5.11	14.82	7.52
Operating charges	(0.83)	(0.74)	(0.73)
Return after operating charges*	4.28	14.08	6.79
Distributions	(1.51)	(1.25)	(1.80)
Closing net asset value per share	128.53	125.76	112.93
* after direct transaction costs of:	0.06	0.07	0.05
<b>Performance</b>			
Return after charges	3.40%	12.47%	6.29%
<b>Other information</b>			
Closing net asset value (£'000)	1,306	799	677
Closing number of shares	1,016,005	635,525	599,876
Operating charges	0.62%	0.62%	0.63%
Direct transaction costs	0.05%	0.06%	0.04%
<b>Prices</b>			
Highest share price	139.4	131.9	122.8
Lowest share price	125.9	95.02	108.6

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

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Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Retail CAT accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	150.20	134.00	126.60
Return before operating charges*	6.05	17.61	8.76
Operating charges	(1.60)	(1.41)	(1.36)
Return after operating charges*	4.45	16.20	7.40
Distributions	(1.19)	(0.94)	(1.57)
Retained distributions on accumulation shares	1.19	0.94	1.57
Closing net asset value per share	154.65	150.20	134.00
* after direct transaction costs of:	0.07	0.08	0.06
<b>Performance</b>			
Return after charges	2.96%	12.09%	5.85%
<b>Other information</b>			
Closing net asset value (£'000)	190,716	191,838	177,685
Closing number of shares	123,319,959	127,722,152	132,602,927
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.05%	0.06%	0.04%
<b>Prices</b>			
Highest share price	167.1	157.0	144.9
Lowest share price	150.8	112.8	127.3

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.76	83.86	78.57
Return before operating charges*	3.74	11.01	5.40
Operating charges	(0.12)	(0.11)	(0.11)
Return after operating charges*	3.62	10.90	5.29
Distributions	(1.59)	(1.30)	(1.69)
Retained distributions on accumulation shares	1.59	1.30	1.69
Closing net asset value per share	98.38	94.76	83.86
* after direct transaction costs of:	0.05	0.05	0.04
<b>Performance</b>			
Return after charges	3.82%	13.00%	6.73%
<b>Other information</b>			
Closing net asset value (£'000)	2,325	2,482	2,236
Closing number of shares	2,363,150	2,618,765	2,666,098
Operating charges	0.12%	0.12%	0.13%
Direct transaction costs	0.05%	0.06%	0.04%
<b>Prices</b>			
Highest share price	106.1	98.95	90.63
Lowest share price	95.40	70.59	79.03

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	105.91	94.17	88.67
Return before operating charges*	4.26	12.40	6.15
Operating charges	(0.75)	(0.66)	(0.65)
Return after operating charges*	3.51	11.74	5.50
Distributions	(1.22)	(1.00)	(1.44)
Retained distributions on accumulation shares	1.22	1.00	1.44
Closing net asset value per share	109.42	105.91	94.17
* after direct transaction costs of:	0.05	0.05	0.04
<b>Performance</b>			
Return after charges	3.31%	12.47%	6.20%
<b>Other information</b>			
Closing net asset value (£'000)	19,081	18,842	16,590
Closing number of shares	17,438,338	17,789,313	17,618,030
Operating charges	0.67%	0.67%	0.68%
Direct transaction costs	0.05%	0.06%	0.04%
<b>Prices</b>			
Highest share price	118.1	110.7	101.8
Lowest share price	106.6	79.27	89.17

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

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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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	92.23	82.81	79.15
Return before operating charges*	3.75	10.87	5.52
Operating charges	(0.66)	(0.58)	(0.58)
Return after operating charges*	3.09	10.29	4.94
Distributions	(1.06)	(0.87)	(1.28)
Closing net asset value per share	94.26	92.23	82.81
* after direct transaction costs of:	0.05	0.05	0.04
<b>Performance</b>			
Return after charges	3.35%	12.43%	6.24%
<b>Other information</b>			
Closing net asset value (£'000)	1,728	1,330	1,175
Closing number of shares	1,832,966	1,442,502	1,419,361
Operating charges	0.67%	0.67%	0.68%
Direct transaction costs	0.05%	0.06%	0.04%
<b>Prices</b>			
Highest share price	102.2	96.71	90.05
Lowest share price	92.29	69.68	79.60

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Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (8.44%)</b>		<b>54,544</b>	<b>9.54</b>
<b>Australian Dollar Denominated Bonds (0.02%)</b>		-	-
<b>Government Bonds (0.02%)</b>		-	-
<b>Euro Denominated Bonds (0.05%)</b>		<b>501</b>	<b>0.09</b>
<b>Corporate Bonds (0.05%)</b>		<b>252</b>	<b>0.05</b>
less than 5 years to maturity			
100,000	Citigroup 1.25% fixed to floating 2026	84	0.02
100,000	Standard Chartered FRN 2023	84	0.02
greater than 25 years to maturity			
100,000	Channel Link Enterprises Finance FRN 2050	84	0.01
<b>Government Bonds (0.00%)</b>		<b>249</b>	<b>0.04</b>
greater than 25 years to maturity			
320,624	European Union 0.7% 2051	249	0.04
<b>Sterling Denominated Bonds (7.02%)</b>		<b>53,703</b>	<b>9.39</b>
<b>Corporate Bonds (2.53%)</b>		<b>27,600</b>	<b>4.83</b>
less than 5 years to maturity			
150,000	ABP Finance 6.25% 2026	175	0.03
100,000	Banco Santander 1.375% 2024	98	0.02
100,000	Banco Santander 1.5% 2026	96	0.02
200,000	Banque Federative du Credit Mutuel 1.75% 2024	198	0.03
300,000	Barclays 3% 2026	303	0.05
100,000	Barclays 3.25% 2027	102	0.02
150,000	BAT International Finance 4% 2026	155	0.03
50,000	BAT International Finance 7.25% 2024	54	0.01
271,000	BNG Bank 1.625% 2025	272	0.05
100,000	BNP Paribas 3.375% 2026	103	0.02
200,000	CaixaBank 1.5% fixed to floating 2026	191	0.03
200,000	Citigroup 1.75% 2026	194	0.03
100,000	Citigroup 5.875% 2024	107	0.02
100,000	Clydesdale Bank 4.625% 2026	113	0.02

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Commonwealth Bank of Australia 3% 2026	106	0.02
200,000	CPUK Finance 3.588% 2025	208	0.04
100,000	Credit Agricole 7.375% 2023	108	0.02
100,000	Deutsche Bank 2.625% 2024	100	0.02
100,000	EDP Finance 8.625% 2024	112	0.02
110,000	Enel Finance International 5.625% 2024	119	0.02
200,000	Eversholt Funding 6.359% 2025	230	0.04
100,000	First Abu Dhabi Bank 1.375% 2023	99	0.02
100,000	FirstGroup 6.875% 2024	110	0.02
100,000	Global Switch 4.375% 2022	102	0.02
100,000	Go-Ahead 2.5% 2024	97	0.02
250,000	Hammerson REIT 3.5% 2025	247	0.04
100,000	Hammerson REIT 6% 2026	106	0.02
100,000	HSBC 2.256% fixed to floating 2026	98	0.02
70,000	Imperial Brands Finance 8.125% 2024	78	0.01
164,000	JPMorgan Chase 0.991% fixed to floating 2026	157	0.03
100,000	Landesbank Baden-Wuerttemberg 1.125% 2025	96	0.02
160,000	Lloyds Bank 7.625% 2025	183	0.03
200,000	Lloyds Bank Corporate Markets 1.75% 2024	198	0.03
200,000	Metrocentre Finance REIT 8.75% 2023	113	0.02
100,000	National Australia Bank 1.375% 2022	100	0.02
271,000	Network Rail Infrastructure Finance 4.75% 2024	288	0.05
210,000	Santander UK 3.625% 2026	218	0.04
100,000	Santander UK 5.75% 2026	116	0.02
100,000	Tritax Big Box REIT 2.625% 2026	102	0.02
100,000	Volkswagen Financial Services 1.125% 2023	98	0.02
100,000	Volkswagen Financial Services 1.625% 2022	100	0.02
100,000	Volkswagen Financial Services 1.875% 2024	98	0.02
100,000	Westfield America Management REIT 2.125% 2025	98	0.02
200,000	Westfield Stratford City Finance No 2 1.642% 2026	196	0.03
between 5 and 10 years to maturity			
100,000	Anglian Water Services Financing 2.625% 2027	103	0.02
220,000	Anheuser-Busch InBev 2.25% 2029	217	0.04
100,000	APT Pipelines 3.5% 2030	102	0.02
100,000	Assura Financing REIT 1.5% 2030	92	0.02
100,000	AT&T 5.5% 2027	115	0.02

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
200,000	Athene Global Funding 1.75% 2027	189	0.03
100,000	Bank of America 1.667% fixed to floating 2029	94	0.02
300,000	Bank of America 7% 2028	377	0.07
150,000	BAT International Finance 2.25% 2028	138	0.02
200,000	Bazalgette Finance 2.375% 2027	204	0.04
100,000	Berkeley 2.5% 2031	90	0.02
200,000	BNP Paribas 1.25% 2031	171	0.03
200,000	BNP Paribas 2% fixed to floating 2031	189	0.03
100,000	BPCE 5.25% 2029	112	0.02
100,000	Broadgate Financing 4.851% 2031	97	0.02
35,000	Canary Wharf Finance II 6.455% 2030	7	-
200,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	194	0.03
100,000	Cooperatieve Rabobank 4.625% 2029	109	0.02
350,000	Credit Suisse 2.25% fixed to floating 2028	337	0.06
200,000	Danske Bank 2.25% fixed to floating 2028	195	0.03
200,000	Deutsche Bank 1.875% fixed to floating 2028	187	0.03
200,000	Digital Stout REIT 3.75% 2030	211	0.04
150,000	E.ON International Finance 6.25% 2030	189	0.03
200,000	Fidelity National Information Services 3.36% 2031	206	0.04
200,000	General Motors Financial 1.55% 2027	188	0.03
200,000	Grainger 3% 2030	194	0.03
200,000	Great Rolling Stock 6.5% 2031	190	0.03
200,000	Heathrow Funding 2.625% 2028	192	0.03
100,000	Heathrow Funding 2.75% 2029	98	0.02
150,000	Heathrow Funding 6.45% 2031	190	0.03
100,000	HSBC 2.625% 2028	99	0.02
300,000	HSBC 3% fixed to floating 2030	299	0.05
70,000	HSBC 5.75% 2027	78	0.01
53,000	HSBC Bank 5.375% fixed to floating 2030	57	0.01
200,000	ING 1.125% fixed to floating 2028	184	0.03
200,000	Lloyds Bank 4.875% 2027	232	0.04
216,000	National Australia Bank 1.699% fixed to floating 2031	202	0.04
100,000	NatWest 2.105% fixed to floating 2031	95	0.02
200,000	NatWest 3.622% fixed to floating 2030	201	0.03
100,000	Orange 3.25% 2032	105	0.02
150,000	Pension Insurance 5.625% 2030	164	0.03
107,000	Prologis International Funding II 2.75% 2032	107	0.02

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
200,000	Shaftesbury Chinatown 2.348% 2027	196	0.03
100,000	South Eastern Power Networks 5.625% 2030	123	0.02
87,000	Southern Gas Networks 4.875% 2029	100	0.02
100,000	Telefonica Emisiones 5.445% 2029	118	0.02
150,000	Telereal Securitisation 6.1645% 2031	153	0.03
100,000	Time Warner Cable 5.75% 2031	117	0.02
200,000	UBS 1.875% fixed to floating 2029	190	0.03
119,000	Unite REIT 3.5% 2028	124	0.02
89,000	United Utilities Water 5.625% 2027	106	0.02
100,000	Verizon Communications 1.125% 2028	91	0.02
150,000	Virgin Money UK 2.625% fixed to floating 2031	143	0.02
100,000	Virgin Money UK 4% fixed to floating 2027	104	0.02
200,000	Volkswagen Financial Services 1.375% 2028	183	0.03
100,000	Welltower REIT 4.8% 2028	112	0.02
200,000	Workspace REIT 2.25% 2028	189	0.03
50,000	Yorkshire Power Finance 7.25% 2028	64	0.01
between 10 and 15 years to maturity			
200,000	Annington Funding 3.685% 2034	200	0.03
200,000	Arqiva Financing 4.882% 2032	164	0.03
100,000	Banco Santander 2.25% fixed to floating 2032	94	0.02
110,000	Barclays 3.25% 2033	110	0.02
72,000	BAT International Finance 6% 2034	79	0.01
100,000	Broadgate Financing 4.821% 2033	122	0.02
100,000	DWR Cymru Financing UK 2.375% 2034	94	0.02
100,000	DWR Cymru Financing UK 2.5% 2036	98	0.02
150,000	EDF 6.125% 2034	190	0.03
200,000	Gatwick Funding 4.625% 2034	219	0.04
100,000	Gatwick Funding 5.75% 2037	122	0.02
200,000	GlaxoSmithKline Capital 5.25% 2033	254	0.04
80,000	Greene King Finance FRN 2033	52	0.01
100,000	HSBC Bank 5.375% 2033	119	0.02
100,000	Lloyds Banking 2.707% fixed to floating 2035	92	0.02
100,000	Metropolitan Housing Trust 1.875% 2036	89	0.02
150,000	National Grid Electricity Transmission 2.75% 2035	145	0.03
75,000	Octagon Healthcare Funding 5.333% 2035	71	0.01
170,000	Orange 5.625% 2034	217	0.04



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Paragon Treasury 2% 2036	91	0.02
103,000	Peabody Capital No 2 2.75% 2034	102	0.02
200,000	Realty Income REIT 1.75% 2033	179	0.03
200,000	Scottish Hydro Electric Transmission 2.25% 2035	183	0.03
200,000	Southern Housing 2.375% 2036	187	0.03
100,000	Stonewater Funding 1.625% 2036	88	0.02
200,000	Verizon Communications 3.375% 2036	206	0.04
100,000	WalMart 5.25% 2035	131	0.02
200,000	Western Power Distribution 5.75% 2032	250	0.04
200,000	Yorkshire Water Finance 1.75% 2032	184	0.03
between 15 and 25 years to maturity			
100,000	Affordable Housing Finance 2.893% 2043	113	0.02
100,000	America Movil 4.375% 2041	114	0.02
159,000	Aspire Defence Finance 4.674% 2040	164	0.03
100,000	Aster Treasury 4.5% 2043	127	0.02
200,000	AT&T 4.875% 2044	236	0.04
100,000	AT&T 7% 2040	144	0.02
200,000	BPHA Finance 4.816% 2044	264	0.05
100,000	Cadent Finance 2.625% 2038	90	0.02
50,000	Channel Link Enterprises Finance 6.341% 2046	53	0.01
100,000	Circle Anglia Social Housing 5.2% 2044	138	0.02
110,000	Connect Plus M25 Issuer 2.607% 2039	104	0.02
120,000	Direct Line Insurance FRN 2042	121	0.02
350,000	E.ON International Finance 5.875% 2037	463	0.08
200,000	EDF 5.5% 2041	249	0.04
100,000	Enel 5.75% 2037	130	0.02
100,000	Eversholt Funding 3.529% 2042	102	0.02
100,000	GlaxoSmithKline Capital 6.375% 2039	148	0.03
140,000	HSBC 6% 2040	169	0.03
110,000	Land Securities Capital Markets REIT 2.625% 2037	109	0.02
200,000	Morhomes 3.4% 2038	207	0.04
150,000	Motability Operations 2.375% 2039	143	0.02
100,000	Muenchener Re FRN 2042	101	0.02
100,000	Northumbrian Water Finance 5.125% 2042	132	0.02
110,000	RL Finance No 2 6.125% fixed to floating 2043	116	0.02
100,000	Severn Trent Utilities Finance 2% 2040	87	0.01

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Southern Water Services Finance 3% 2037	99	0.02
100,000	Sovereign Housing Capital 5.705% 2039	142	0.02
100,000	TC Dudgeon Ofto 3.158% 2038	98	0.02
80,000	Tesco Property Finance 3 5.744% 2040	91	0.02
300,000	Tesco Property Finance 4 5.8006% 2040	343	0.06
200,000	Thames Water Utilities Finance 5.125% 2037	247	0.04
50,000	Veolia Environment 6.125% 2037	70	0.01
100,000	Wheatley Capital 4.375% 2044	123	0.02
greater than 25 years to maturity			
100,000	Aviva 4% fixed to floating 2055	96	0.02
150,000	Aviva 4.375% fixed to floating 2049	155	0.03
200,000	Aviva 5.125% fixed to floating 2050	215	0.04
100,000	Blend Funding 3.459% 2047	112	0.02
100,000	Bromford Housing 3.125% 2048	108	0.02
200,000	EDF 5.125% 2050	248	0.04
50,000	Engie 5% 2060	71	0.01
100,000	Heathrow Funding 2.75% 2049	86	0.01
100,000	Hyde Housing Association 1.75% 2055	77	0.01
100,000	Legal & General 5.5% fixed to floating 2064	111	0.02
100,000	M&G 6.34% fixed to floating 2063	112	0.02
100,000	Northern Powergrid Northeast 1.875% 2062	75	0.01
100,000	Notting Hill Genesis 4.375% 2054	133	0.02
100,000	Optivo Finance 3.283% 2048	107	0.02
100,000	Ørsted 2.5% fixed to floating 3021	87	0.01
100,000	Peabody Capital No 2 4.625% 2053	137	0.02
100,000	RL Finance No 4 4.875% fixed to floating 2049	97	0.02
100,000	SSE FRN 2077	100	0.02
100,000	University of Cambridge 2.35% 2078	110	0.02
200,000	Vattenfall 2.5% fixed to floating 2083	181	0.03
120,000	Vodafone 3.375% 2049	115	0.02
Perpetual			
111,000	AXA 5.453% fixed to floating Perpetual	117	0.02
200,000	BP Capital Markets 4.25% fixed to floating Perpetual	192	0.03
100,000	Credit Agricole 7.5% fixed to floating Perpetual	108	0.02
100,000	EDF 5.875% fixed to floating Perpetual	97	0.02

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
200,000	Lloyds Banking 7.875% fixed to floating Perpetual	229	0.04
<b>Government Bonds (4.49%)</b>		<b>26,103</b>	<b>4.56</b>
less than 5 years to maturity			
96,000	European Bank for Reconstruction & Development 1.25% 2022	96	0.02
34,000	European Investment Bank 1.125% 2025	34	0.01
100,000	FMS Wertmanagement 1.125% 2023	100	0.02
41,000	KFW 1.125% 2025	41	0.01
100,000	Kommunekredit 0.375% 2024	97	0.02
59,000	Landwirtschaftliche Rentenbank 1.125% 2023	59	0.01
15,000	Nordic Investment Bank 1.125% 2025	15	-
103,000	Ontario Teachers' Finance Trust 1.125% 2026	101	0.02
578,000	UK (Govt of) 0.125% 2023	574	0.10
545,600	UK (Govt of) 0.125% 2024	536	0.09
755,600	UK (Govt of) 0.125% 2026	729	0.13
188,300	UK (Govt of) 0.25% 2025	184	0.03
781,900	UK (Govt of) 0.375% 2026	756	0.13
684,700	UK (Govt of) 0.625% 2025	676	0.12
429,000	UK (Govt of) 0.75% 2023	428	0.07
301,200	UK (Govt of) 1% 2024	301	0.05
558,400	UK (Govt of) 1.5% 2026	569	0.10
63,000	UK (Govt of) 2% 2025	65	0.01
320,000	UK (Govt of) 2.25% 2023	326	0.06
123,000	UK (Govt of) 2.75% 2024	128	0.02
277,500	UK (Govt of) 4% 2022	278	0.05
3,000	UK (Govt of) 5% 2025	3	-
between 5 and 10 years to maturity			
250,000	CPPIB Capital 1.25% 2027	246	0.04
438,000	UK (Govt of) 0.125% 2028	412	0.07
565,900	UK (Govt of) 0.25% 2031	509	0.09
579,800	UK (Govt of) 0.375% 2030	535	0.09
168,600	UK (Govt of) 0.5% 2029	160	0.03
619,600	UK (Govt of) 0.875% 2029	603	0.10
11,700	UK (Govt of) 1% 2032	11	-
581,400	UK (Govt of) 1.25% 2027	587	0.10

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
478,900	UK (Govt of) 1.625% 2028	494	0.09
429,100	UK (Govt of) 4.25% 2027	504	0.09
1,280,300	UK (Govt of) 4.75% 2030	1,644	0.29
300,000	UK (Govt of) 6% 2028	394	0.07
between 10 and 15 years to maturity			
1,069,900	UK (Govt of) 0.625% 2035	943	0.16
625,400	UK (Govt of) 0.875% 2033	587	0.10
205,500	UK (Govt of) 4.25% 2032	261	0.05
535,200	UK (Govt of) 4.5% 2034	714	0.12
between 15 and 25 years to maturity			
731,600	UK (Govt of) 0.875% 2046	620	0.11
134,900	UK (Govt of) 1.125% 2039	124	0.02
471,100	UK (Govt of) 1.25% 2041	438	0.08
947,700	UK (Govt of) 1.75% 2037	963	0.17
474,900	UK (Govt of) 3.25% 2044	614	0.11
409,100	UK (Govt of) 3.5% 2045	553	0.10
487,700	UK (Govt of) 4.25% 2039	682	0.12
368,561	UK (Govt of) 4.25% 2040	524	0.09
700,295	UK (Govt of) 4.25% 2046	1,070	0.19
12,238	UK (Govt of) 4.5% 2042	18	-
greater than 25 years to maturity			
250,000	CPPIB Capital 1.625% 2071	213	0.04
291,500	UK (Govt of) 0.5% 2061	207	0.04
30,000	UK (Govt of) 1.125% 2073	27	-
1,016,500	UK (Govt of) 1.25% 2051	931	0.16
356,927	UK (Govt of) 1.5% 2047	347	0.06
87,000	UK (Govt of) 1.5% 2053	86	0.01
63,500	UK (Govt of) 1.625% 2054	64	0.01
66,800	UK (Govt of) 1.625% 2071	72	0.01
421,900	UK (Govt of) 1.75% 2049	435	0.08
940,800	UK (Govt of) 1.75% 2057	991	0.17
365,263	UK (Govt of) 2.5% 2065	487	0.09
150,916	UK (Govt of) 3.5% 2068	254	0.04
328,904	UK (Govt of) 3.75% 2052	499	0.09

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
650	UK (Govt of) 4% 2060	1	-
292,600	UK (Govt of) 4.25% 2049	465	0.08
421,800	UK (Govt of) 4.25% 2055	718	0.13
<b>US Dollar Denominated Bonds (1.35%)</b>		<b>340</b>	<b>0.06</b>
<b>Corporate Bonds (0.01%)</b>		<b>340</b>	<b>0.06</b>
less than 5 years to maturity			
120,000	Charter Communications Operating 4.908% 2025	95	0.02
between 10 and 15 years to maturity			
200,000	Omega Healthcare Investors REIT 3.25% 2033	137	0.02
greater than 25 years to maturity			
150,000	Verizon Communications 3.55% 2051	108	0.02
<b>Government Bonds (1.34%)</b>		-	-
<b>Equities (58.18%)</b>		<b>357,632</b>	<b>62.55</b>
<b>Emerging Market Equities (0.16%)</b>		-	-
<b>Argentina (0.16%)</b>		<b>535</b>	<b>0.09</b>
637	MercadoLibre	535	0.09
<b>European Equities (15.91%)</b>		<b>86,500</b>	<b>15.13</b>
<b>Austria (0.25%)</b>		<b>1,930</b>	<b>0.34</b>
48,155	BAWAG	1,930	0.34
<b>Belgium (0.17%)</b>		<b>702</b>	<b>0.12</b>
22,840	Umicore	702	0.12
<b>Denmark (1.13%)</b>		<b>6,796</b>	<b>1.19</b>
9,536	DSV	1,311	0.23
39,487	Novo Nordisk 'B'	3,021	0.53

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
11,291	Ørsted	1,094	0.19
80,970	Tryg	1,370	0.24
<b>Finland (0.72%)</b>		<b>3,373</b>	<b>0.59</b>
58,403	Neste	1,722	0.30
198,220	Nordea Bank	1,651	0.29
<b>France (1.78%)</b>		<b>12,373</b>	<b>2.16</b>
17,260	Airbus	1,660	0.29
11,692	Amundi	609	0.10
64,546	Antin Infrastructure Partners	1,260	0.22
58,668	AXA	1,192	0.21
25,978	Danone	1,181	0.21
18,790	Schneider Electric	2,199	0.38
3,026	Teleperformance	840	0.15
27,907	Ubisoft Entertainment	1,130	0.20
97,931	Vivendi	927	0.16
35,784	Worldline	1,375	0.24
<b>Germany (2.34%)</b>		<b>16,142</b>	<b>2.82</b>
15,246	CTS Eventim	802	0.14
12,763	Delivery Hero	509	0.09
14,661	Deutsche Boerse	1,875	0.33
16,500	HelloFresh	673	0.12
3,995	Hypoport	1,251	0.22
47,568	Infineon Technologies	1,224	0.21
27,682	Jungheinrich (Preference)	754	0.13
36,534	Mercedes-Benz	2,156	0.38
12,637	Nemetschek	839	0.14
60,940	RWE	2,114	0.37
17,475	SAP	1,480	0.26
14,154	Siemens	1,503	0.26
19,939	Siemens Healthineers	962	0.17

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Ireland (0.99%)</b>		<b>4,691</b>	<b>0.82</b>
9,145	Flutter Entertainment	982	0.17
193,903	Grafton	2,100	0.37
9,077	ICON	1,609	0.28
<b>Israel (0.91%)</b>		<b>5,727</b>	<b>1.00</b>
7,778	CyberArk Software	986	0.17
15,620	Fiverr International	917	0.16
21,514	Kornit Digital	1,516	0.27
49,880	Maytronics	800	0.14
8,942	Nice ADR	1,508	0.26
<b>Italy (0.63%)</b>		<b>1,445</b>	<b>0.25</b>
261,720	Enel	1,445	0.25
<b>Luxembourg (0.35%)</b>		<b>-</b>	<b>-</b>
<b>Netherlands (2.41%)</b>		<b>13,817</b>	<b>2.42</b>
1,849	Adyen	2,886	0.51
10,057	ASML	5,040	0.88
24,357	BE Semiconductor Industries	1,552	0.27
20,040	Heineken	1,516	0.27
9,472	Koninklijke DSM	1,326	0.23
32,273	Prosus	1,497	0.26
<b>Norway (0.20%)</b>		<b>1,295</b>	<b>0.23</b>
77,754	Adevinta	622	0.11
31,462	Schibsted 'A'	673	0.12
<b>Poland (0.11%)</b>		<b>-</b>	<b>-</b>

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Spain (0.70%)</b>		<b>721</b>	<b>0.13</b>
21,180	Cellnex Telecom	721	0.13
<b>Sweden (0.73%)</b>		<b>4,877</b>	<b>0.85</b>
12,858	Evolution	1,116	0.19
18,401	Lundin Energy	506	0.09
186,417	Nordnet	2,395	0.42
59,415	Volvo 'B'	860	0.15
<b>Switzerland (2.49%)</b>		<b>12,611</b>	<b>2.21</b>
85,585	Coca-Cola HBC	1,629	0.29
946,478	Glencore	4,184	0.73
30,551	Nestle	2,973	0.52
11,746	PolyPeptide	771	0.14
7,334	SKAN	396	0.07
873	Straumann	1,034	0.18
7,013	Swatch (Bearer)	1,624	0.28
<b>Japanese Equities (0.14%)</b>		<b>1,009</b>	<b>0.18</b>
2,900	Keyence	1,009	0.18
<b>North American Equities (19.14%)</b>		<b>116,197</b>	<b>20.32</b>
<b>Bermuda (0.00%)</b>		<b>690</b>	<b>0.12</b>
74,824	Hiscox	690	0.12
<b>Canada (0.47%)</b>		<b>4,644</b>	<b>0.81</b>
49,481	AbCellera Biologics	320	0.06
22,345	Canadian National Railway (US listing)	2,065	0.36
37,377	Enbridge	1,202	0.21
25,349	Restaurant Brands International	1,057	0.18



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>United States (18.67%)</b>		<b>110,863</b>	<b>19.39</b>
29,493	AbbVie	3,248	0.57
7,861	Air Products and Chemicals	1,384	0.24
14,375	Akamai Technologies	1,160	0.20
3,558	Alphabet 'A'	7,160	1.25
2,952	Amazon.com	6,750	1.18
11,478	American Express	1,663	0.29
7,573	American Tower REIT	1,278	0.22
15,701	Analog Devices	1,876	0.33
50,615	Apple	6,228	1.09
14,730	Axon Enterprise	1,540	0.27
92,764	Baker Hughes	2,031	0.36
72,274	Bank of America	2,380	0.42
21,168	Baxter International	1,341	0.23
14,240	BioLife Solutions	249	0.04
89,288	Boston Scientific	2,939	0.51
4,810	Broadcom	2,107	0.37
4,611	Burlington Stores	776	0.14
3,554	Charter Communications 'A'	1,593	0.28
29,604	CMS Energy	1,412	0.25
43,628	Coca-Cola	2,023	0.35
63,504	Comcast 'A'	2,212	0.39
4,267	Costco Wholesale	1,652	0.29
30,700	Coursera	465	0.08
17,266	Dollar Tree	1,828	0.32
27,245	Emerson Electric	1,886	0.33
18,318	Fiserv	1,333	0.23
7,805	Goldman Sachs	1,984	0.35
72,956	Hanesbrands	840	0.15
12,603	Honeywell International	1,782	0.31
14,508	Horizon Therapeutics	985	0.17
140,618	Huntington Bancshares	1,627	0.28
5,250	Insulet	1,033	0.18
14,280	JB Hunt Transport Services	2,160	0.38
39,723	Marvell Technology	2,022	0.35
11,520	Mastercard 'A'	3,096	0.54

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
14,580	Meta Platforms	2,294	0.40
27,514	MetLife	1,385	0.24
39,498	Microsoft	8,803	1.54
3,223	Netflix	948	0.17
64,449	New Fortress Energy	1,323	0.23
24,499	NextEra Energy	1,428	0.25
10,735	NIKE 'B'	1,092	0.19
3,679	O'Reilly Automotive	1,779	0.31
12,749	PayPal	1,063	0.19
7,807	Peloton Interactive 'A'	169	0.03
12,550	Philip Morris International	945	0.17
16,911	Phillips 66	1,062	0.19
11,313	Ralph Lauren	1,113	0.20
14,989	RingCentral 'A'	1,462	0.26
31,826	Royalty Pharma 'A'	931	0.16
39,479	Schwab (Charles)	2,485	0.43
26,122	Shoals Technologies 'A'	308	0.05
34,852	TJX	1,716	0.30
11,073	UnitedHealth	3,927	0.69
18,845	Waste Connections	1,734	0.30
10,875	Workiva	853	0.15
<b>Pacific Basin Equities (0.75%)</b>		<b>2,704</b>	<b>0.47</b>
<b>Australia (0.09%)</b>		-	-
<b>China (0.30%)</b>		<b>1,751</b>	<b>0.31</b>
1,247	JD.com 'A'	33	0.01
32,500	Tencent	1,306	0.23
67,361	Wuxi Biologics (Cayman)	412	0.07
<b>New Zealand (0.11%)</b>		<b>490</b>	<b>0.08</b>
9,759	Xero	490	0.08
<b>Singapore (0.00%)</b>		<b>463</b>	<b>0.08</b>
4,274	Sea ADR	463	0.08

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Taiwan (0.25%)		-	-
UK Equities (22.08%)		150,687	26.36
Basic Materials (1.78%)		11,169	1.95
113,763	Anglo American	4,349	0.76
201,324	Bodycote	1,500	0.26
415,103	Centamin	412	0.07
75,002	Rio Tinto	4,343	0.76
29,009	Victrex	565	0.10
Consumer Discretionary (3.27%)		18,971	3.32
668,085	888	1,617	0.28
45,462	ASOS	888	0.16
37,497	Bellway	1,081	0.19
324,114	Cineworld	130	0.02
395,747	Countryside Partnerships	1,203	0.21
179,740	Crest Nicholson	554	0.10
55,178	Dunelm	661	0.12
200,587	Entain	3,377	0.59
156,076	FirstGroup	156	0.03
68,767	Go-Ahead	457	0.08
153,776	Howden Joinery	1,312	0.23
629,955	JD Sports Fashion	951	0.17
55,984	Jet2++	718	0.13
323,100	Moonpig	860	0.15
61,557	RELX	1,404	0.25
946,914	Stagecoach	814	0.14
575,685	Taylor Wimpey	865	0.15
101,566	Watches of Switzerland	1,229	0.20
42,697	WH Smith	694	0.12
Consumer Staples (2.89%)		19,711	3.45
153,893	British American Tobacco	5,018	0.88
184,799	Diageo	6,883	1.20

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
66,834	Hilton Food	716	0.13
46,450	Reckitt Benckiser	2,936	0.51
111,000	Unilever (Netherland listing)	4,158	0.73
<b>Energy (2.51%)</b>		<b>19,029</b>	<b>3.33</b>
1,491,271	BP	5,421	0.95
658,553	Capricorn Energy	1,462	0.25
218,692	Energean	2,268	0.40
286,709	John Wood	517	0.09
1,426,675	Savannah Energy++	377	0.07
455,647	Shell	8,984	1.57
<b>Financials (4.22%)</b>		<b>31,678</b>	<b>5.54</b>
224,572	Allfunds	1,920	0.34
300,043	Ashmore	756	0.13
1,362,637	Barclays	2,492	0.44
79,131	Bridgepoint	267	0.05
75,711	Close Brothers	886	0.14
172,154	HomeServe	1,159	0.20
1,119,366	HSBC	5,759	1.01
82,098	Intermediate Capital	1,407	0.25
750,000	Just	630	0.11
31,226	London Stock Exchange	2,052	0.36
319,188	OSB	1,596	0.28
150,118	Phoenix	928	0.16
235,684	Prudential	2,677	0.47
492,582	Standard Chartered	2,624	0.46
1,310,182	Standard Life Private Equity Trust	6,525	1.14
<b>Health Care (3.37%)</b>		<b>20,142</b>	<b>3.52</b>
110,085	AstraZeneca	9,972	1.74
998,243	ConvaTec	1,799	0.32
26,991	Genus	885	0.15
250,387	GlaxoSmithKline	3,869	0.68

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
761,340	Indivior	2,136	0.37
72,916	NMC Health**	-	-
58,476	Oxford Nanopore Technologies	268	0.05
252,500	Sensyne Health++	42	0.01
87,641	Smith & Nephew	1,171	0.20
<b> Industrials (1.91%) </b>		<b> 10,993 </b>	<b> 1.92 </b>
35,031	Ashtead	1,708	0.30
157,347	DS Smith	542	0.09
120,350	Electrocomponents	1,190	0.21
141,543	Euromoney Institutional Investor	1,282	0.22
387,162	Genuit	1,975	0.35
132,431	Inchcape	989	0.17
428,949	Melrose Industries	636	0.11
64,892	Mondi	1,019	0.18
34,332	Morgan Sindall	795	0.14
216,582	Vesuvius	857	0.15
<b> Real Estate (0.45%) </b>		<b> 1,990 </b>	<b> 0.35 </b>
66,663	Segro REIT	867	0.15
105,215	Unite REIT	1,123	0.20
<b> Technology (0.64%) </b>		<b> 5,412 </b>	<b> 0.95 </b>
679,102	Alphawave IP	1,269	0.22
151,363	Auto Trader	1,003	0.18
71,202	AVEVA	1,772	0.31
6,600	Endava ADR	655	0.11
45,813	Softcat	713	0.13
<b> Telecommunications (0.53%) </b>		<b> 6,064 </b>	<b> 1.06 </b>
431,713	Helios Towers	628	0.11
52,930	Telecom Plus	766	0.13
3,553,501	Vodafone	4,670	0.82

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Utilities (0.51%)</b>		<b>5,528</b>	<b>0.97</b>
125,750	Drax	887	0.16
167,909	National Grid	1,898	0.33
45,257	Severn Trent	1,301	0.23
84,622	SSE	1,442	0.25
<b>Collective Investment Schemes (24.32%)</b>		<b>124,820</b>	<b>21.83</b>
1,408,999	ASI (SLI) Global Government Bond Fund SICAV II Z Acc+	12,650	2.21
65,803,894	ASI (Standard Life) Japan Trust I Acc+	33,066	5.78
19,485,488	ASI (Standard Life) Pacific Basin Trust I Acc+	36,087	6.31
12,046,885	ASI Emerging Markets Income Equity Fund Acc+	12,770	2.24
1,376,621	ASI Global Government Bond Fund SICAV I Z Acc+	18,246	3.19
870,211	ASI Total Return Credit Fund SICAV II Z Acc+	12,001	2.10
<b>Derivatives (-0.07%)</b>		<b>1,372</b>	<b>0.24</b>
<b>Credit Default Swaps (0.06%)</b>		<b>(332)</b>	<b>(0.06)</b>
USD 12,182,216	Sell CDX Emerging Markets Series 36 20/12/2026 1%	(735)	(0.13)
USD 8,260,000	Sell CDX High Yield North American High Yield Series 37 20/12/2026 5%	403	0.07
<b>Forward Currency Contracts (0.02%)</b>		<b>(5)</b>	<b>-</b>
	Buy EUR 6,351 Sell GBP 5,379 06/04/2022	-	-
	Buy EUR 9,808 Sell GBP 8,244 06/04/2022	-	-
	Buy EUR 10,894 Sell GBP 9,197 06/04/2022	-	-
	Buy EUR 11,518 Sell GBP 9,755 06/04/2022	-	-
	Buy EUR 108,439 Sell GBP 90,504 06/04/2022	1	-
	Buy GBP 13,407 Sell EUR 16,029 06/04/2022	-	-
	Buy GBP 259,414 Sell EUR 310,465 06/04/2022	(1)	-
	Buy GBP 349,886 Sell EUR 418,742 06/04/2022	(1)	-
	Buy GBP 359,225 Sell USD 487,898 06/04/2022	(4)	-
	Buy USD 10,080 Sell GBP 7,437 06/04/2022	-	-
	Buy USD 10,886 Sell GBP 7,990 06/04/2022	-	-
	Buy USD 11,114 Sell GBP 8,201 06/04/2022	-	-

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Futures (-0.15%)		1,709	0.30
21	Long ICE 3 Month SONIA Index Futures 20/06/2023	(13)	-
62	Long MSCI Emerging Markets Index Future 18/03/2022	(100)	(0.02)
5	Long UK Treasury 4.25% Bond Future 07/06/2032	1	-
(2)	Short Euro-Buxl 30 Year Future 08/03/2022	33	0.01
(177)	Short Euro-Stoxx 50 Future 18/03/2022	356	0.06
(124)	Short S&P 500 E-mini Future 18/03/2022	1,447	0.25
(10)	Short UK Treasury 4.25% Bond Future 07/06/2032	(2)	-
(17)	Short US 5 Year Note (CBT) Future 30/06/2022	(11)	-
(1)	Short US Long Bond (CBT) Future 21/06/2022	(2)	-
Total investment assets and liabilities		538,368	94.16
Net other assets		33,406	5.84
<b>Total Net Assets</b>		<b>571,774</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 28 February 2021.

Prior year classifications for some sectors and countries have been updated to reflect current year classifications.

+ Managed by subsidiaries of abrdn plc.

\*\* AIM listed.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		13,629		59,703
Revenue	2	10,784		9,423	
Expenses	3	(5,819)		(5,352)	
Interest payable and similar charges	4	(15)		(19)	
Net revenue before taxation		4,950		4,052	
Taxation	5	(359)		(262)	
Net revenue after taxation			4,591		3,790
<b>Total return before distributions</b>			<b>18,220</b>		<b>63,493</b>
Distributions	6		(4,591)		(3,790)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>13,629</b>		<b>59,703</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		579,514		539,262
Amounts receivable on the issue of shares	6,805		7,196	
Amounts payable on the cancellation of shares	(32,675)		(30,377)	
		(25,870)		(23,181)
Change in net assets attributable to shareholders from investment activities (see above)		13,629		59,703
Retained distribution on accumulation shares		4,501		3,730
<b>Closing net assets attributable to shareholders</b>		<b>571,774</b>		<b>579,514</b>



# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			539,237		529,592
<b>Current assets:</b>					
Debtors	7	2,200		7,456	
Cash and bank balances	8	33,350		54,399	
			35,550		61,855
<b>Total assets</b>			<b>574,787</b>		<b>591,447</b>
<b>Liabilities:</b>					
Investment liabilities			(869)		(3,008)
Bank overdrafts	8	(511)		(490)	
Creditors	9	(1,615)		(8,424)	
Distribution payable		(18)		(11)	
			(2,144)		(8,925)
<b>Total liabilities</b>			<b>(3,013)</b>		<b>(11,933)</b>
<b>Net assets attributable to shareholders</b>			<b>571,774</b>		<b>579,514</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	14,922	55,977
Derivative contracts	(1,205)	3,129
Forward currency contracts	12	1,101
Other losses	(66)	(467)
Transaction charges	(34)	(37)
<b>Net capital gains</b>	<b>13,629</b>	<b>59,703</b>

## 2 Revenue

	2022 £'000	2021 £'000
ACD fee rebates on collective investment scheme holdings	586	591
Bank and margin interest	37	29
<b>Income from Overseas Collective Investment Schemes</b>		
Franked income	-	87
Unfranked income	665	1,304
<b>Income from UK Collective Investment Schemes</b>		
Franked income	854	1,005
Interest on debt securities	877	932
Overseas dividends	3,047	2,481
Overseas REIT	43	58
UK dividends	4,655	2,936
UK REIT	20	-
<b>Total revenue</b>	<b>10,784</b>	<b>9,423</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	5,701	5,218
Dealing charge	11	10
General administration charge*	22	-
Registration fees**	22	39
	<b>5,756</b>	<b>5,267</b>

# Notes to the Financial Statements

## Continued

	2022 £'000	2021 £'000
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	22	50
Safe custody fee	30	23
	<b>52</b>	<b>73</b>
<b>Other:</b>		
Audit fee**	7	12
Professional fees**	10	-
Expense cap adjustment in respect of prior year	(6)	-
	<b>11</b>	<b>12</b>
<b>Total expenses</b>	<b>5,819</b>	<b>5,352</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge.

The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £12,540 (2021: £12,433).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

## 4 Interest Payable and Similar Charges

	2022 £'000	2021 £'000
Derivative expense	15	14
Interest payable	-	5
<b>Total interest payable &amp; similar charges</b>	<b>15</b>	<b>19</b>

## 5 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	359	262
<b>Total taxation (note 5b)</b>	<b>359</b>	<b>262</b>

### **(b) Factors affecting current tax charge for the year**

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

	2022 £'000	2021 £'000
<b>Net revenue before taxation</b>	<b>4,950</b>	<b>4,052</b>
Corporation tax at 20% (2021: 20%)	990	810
Effects of:		
Revenue not subject to taxation	(1,711)	(1,301)
Overseas taxes	359	262
Overseas tax expensed	(1)	(2)

# Notes to the Financial Statements

## Continued

	2022 £'000	2021 £'000
Excess allowable expenses	722	493
<b>Total tax charge for year (note 5a)</b>	<b>359</b>	<b>262</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,681,000 (2021: £5,959,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 6 Distributions

	2022 £'000	2021 £'000
Interim distribution	3,023	2,659
Final distribution	1,523	1,103
	4,546	3,762
Add: Income deducted on cancellation of shares	59	41
Deduct: Income received on issue of shares	(14)	(13)
<b>Total distributions for the year</b>	<b>4,591</b>	<b>3,790</b>

Details of the distribution per share are set out in this fund's distribution tables.

## 7 Debtors

	2022 £'000	2021 £'000
Accrued revenue	1,157	900
Amounts receivable from the ACD for the issue of shares	65	2
Expenses reimbursement receivable from the ACD	4	-
Management fee rebate receivable	-	48
Overseas withholding tax recoverable	334	228
Sales awaiting settlement	640	6,278
<b>Total debtors</b>	<b>2,200</b>	<b>7,456</b>

# Notes to the Financial Statements

## Continued

### 8 Liquidity

	2022	2021
	£'000	£'000
<b>Cash and bank balances</b>		
Cash at bank	749	167
Cash at broker	-	3,115
Collateral cash pledged to counterparties <sup>~</sup>	-	51,117
Deposits with original maturity of less than 3 months	32,601	-
	<b>33,350</b>	<b>54,399</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	-	(490)
Overdraft at broker	(511)	-
	<b>(511)</b>	<b>(490)</b>
<b>Net liquidity</b>	<b>32,839</b>	<b>53,909</b>

<sup>~</sup> This reflects cash the fund retains beneficial ownership of however which is currently being used to manage bilateral counterparty exposure on out of the money derivative positions.

<sup>^</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

### 9 Creditors

	2022	2021
	£'000	£'000
Accrued expenses payable to ACD	423	428
Accrued expenses payable to the Depositary or associates of the Depositary	11	14
Amounts payable to the ACD for cancellation of shares	540	394
Other accrued expenses	6	17
Purchases awaiting settlement	635	7,571
<b>Total creditors</b>	<b>1,615</b>	<b>8,424</b>

### 10 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 9.

The management fee rebate received by the fund is from investments in other funds managed by abrdn plc. During the year £586,000 (2021: £591,000) has been recognised and is included in the total rebate amounts in note 2. The balance due to the fund at the year end in respect of this amounted to £Nil (2021: £48,000) and is included in the Management fee rebate receivable amount disclosed in note 7.

# Notes to the Financial Statements

## Continued

### 11 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bonds	60,411	35,557	51,699	43,943
Equities	114,509	93,700	121,310	107,509
Collective investment schemes	-	60,847	8,297	82,294
Corporate actions	188	2,016	119	2,842
<b>Trades in the year before transaction costs</b>	<b>175,108</b>	<b>192,120</b>	<b>181,425</b>	<b>236,588</b>
<b>Commissions</b>				
Equities	62	49	(62)	(52)
<b>Total commissions</b>	<b>62</b>	<b>49</b>	<b>(62)</b>	<b>(52)</b>
<b>Taxes</b>				
Equities	147	201	(7)	(3)
<b>Total taxes</b>	<b>147</b>	<b>201</b>	<b>(7)</b>	<b>(3)</b>
<b>Total transaction costs</b>	<b>209</b>	<b>250</b>	<b>(69)</b>	<b>(55)</b>
<b>Total net trades in the year after transaction costs</b>	<b>175,317</b>	<b>192,370</b>	<b>181,356</b>	<b>236,533</b>
Total transaction costs expressed as a percentage of asset type cost	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Commissions</b>				
Equities	0.05	0.05	0.05	0.05
<b>Taxes</b>				
Equities	0.13	0.21	0.01	-

# Notes to the Financial Statements

## Continued

	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.02	0.02
Taxes	0.03	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.12% (2021: 0.10%), this is representative of the average spread on the assets held during the year.

## 12 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	168,007,029	115,958	(7,847,362)	(227,851)	160,047,774
Institutional accumulation	12,884,951	187,845	(1,130,102)	69,145	12,011,839
Retail income	1,450,488	36,671	(105,947)	-	1,381,212
Institutional income	635,525	437,492	(54,379)	(2,633)	1,016,005
Retail CAT accumulation	127,722,152	1,956,277	(6,290,639)	(67,831)	123,319,959
Standard Life accumulation	2,618,765	160,026	(415,641)	-	2,363,150
Platform 1 accumulation	17,789,313	1,391,331	(2,118,068)	375,762	17,438,338
Platform 1 income	1,442,502	673,845	(286,971)	3,590	1,832,966

## 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	25,861	28,683	-	33,653	15,266	-
Equities	357,632	-	-	337,140	-	-
Collective Investment Schemes	-	124,820	-	-	140,949	-
Derivatives	1,837	404	-	336	2,248	-
<b>Total investment assets</b>	<b>385,330</b>	<b>153,907</b>	<b>-</b>	<b>371,129</b>	<b>158,463</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(128)	(741)	-	(1,218)	(1,790)	-
<b>Total investment liabilities</b>	<b>(128)</b>	<b>(741)</b>	<b>-</b>	<b>(1,218)</b>	<b>(1,790)</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Australian Dollar	490	372
Canadian Dollar	1,218	994
Danish Krone	6,922	6,665
Euro	54,963	50,523
Hong Kong Dollar	1,751	1,182
Israeli Shekel	800	656
Japanese Yen	1,009	695
Norwegian Krone	1,296	1,183
Polish Zloty	-	(8)
Swedish Krona	4,877	4,238
Swiss Franc	6,798	8,012
Taiwan Dollar	2	1,366
US Dollar	154,673	160,141
<b>Total</b>	<b>234,799</b>	<b>236,019</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £11,740,000 (2021: £11,801,000).

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.



# Notes to the Financial Statements

## Continued

The interest rate risk profile of the fund's investments at the year end consists of:

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	32,519	53,329	251,127	336,975
Australian Dollar	-	-	490	490
Canadian Dollar	-	-	1,218	1,218
Danish Krone	-	-	6,922	6,922
Euro	847	333	53,783	54,963
Hong Kong Dollar	-	-	1,751	1,751
Israeli Shekel	-	-	800	800
Japanese Yen	-	-	1,009	1,009
Norwegian Krone	-	-	1,296	1,296
Swedish Krona	-	-	4,877	4,877
Swiss Franc	-	-	6,798	6,798
Taiwan Dollar	-	-	2	2
US Dollar	15	340	154,318	154,673
<b>Total</b>	<b>33,381</b>	<b>54,002</b>	<b>484,391</b>	<b>571,774</b>

  

2021	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	53,897	40,638	248,960	343,495
Australian Dollar	14	126	232	372
Canadian Dollar	-	-	994	994
Danish Krone	-	-	6,665	6,665
Euro	21	265	50,237	50,523
Hong Kong Dollar	-	-	1,182	1,182
Israeli Shekel	-	-	656	656
Japanese Yen	-	-	695	695
Norwegian Krone	-	-	1,183	1,183
Polish Zloty	-	-	(8)	(8)
Swedish Krona	-	-	4,238	4,238
Swiss Franc	-	-	8,012	8,012
Taiwan Dollar	4	-	1,362	1,366
US Dollar	7,772	98	152,271	160,141
<b>Total</b>	<b>61,708</b>	<b>41,127</b>	<b>476,679</b>	<b>579,514</b>

# Notes to the Financial Statements

## Continued

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.01%	6.23%	4.76%

  

2021	Minimum	Maximum	Average
VaR 99% 1 Month	6.46%	14.76%	9.07%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 5.54%, £29,841,000 (2021: 6.64%, £34,965,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	54,118	9.47
Below investment grade securities	117	0.02
Unrated securities	309	0.05
<b>Total value of securities</b>	<b>54,544</b>	<b>9.54</b>

  

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	48,191	8.32
Below investment grade securities	427	0.06
Unrated securities	301	0.06
<b>Total value of securities</b>	<b>48,919</b>	<b>8.44</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

# Notes to the Financial Statements

## Continued

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	1,135	(5)	30,616	136
Futures	37,666	1,709	62,359	(882)
Swaps	15,235	(332)	34,563	322
<b>Total market exposure</b>	<b>54,036</b>	<b>1,372</b>	<b>127,538</b>	<b>(424)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following broker exposure.

	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>2022</b>					
<b>Broker or exchange exposure</b>					
Goldman Sachs	2,112	(511)	919	2,520	0.44
	<b>2,112</b>	<b>(511)</b>	<b>919</b>	<b>2,520</b>	<b>0.44</b>
<b>2021</b>					
<b>Broker or exchange exposure</b>					
Goldman Sachs	(224)	3,115	1,000	3,891	0.67
	<b>(224)</b>	<b>3,115</b>	<b>1,000</b>	<b>3,891</b>	<b>0.67</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following positions.

2022	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
<b>Counterparties</b>					
Barclays	(735)	-	-	522	(213)
Credit Agricole	-	1	-	-	1
NatWest Markets	-	(2)	-	-	(2)
Royal Bank of Canada	-	(4)	-	-	(4)
<b>Total</b>	<b>(735)</b>	<b>(5)</b>	<b>-</b>	<b>522</b>	<b>(218)</b>

Collateral positions for Swaps are aggregated, not at individual trade level.

The Prospectus outlines allowable collateral. There have been no changes in the year.

### Issuers

2022	Bond	Collateral Stock £'000
United Kingdom (Gov't of)		1,441
		<b>1,441</b>

2021	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
<b>Counterparties</b>					
Barclays	(336)	-	-	271	(65)
Citigroup	-	(281)	-	439	158
Goldman Sachs	-	2	-	-	2
HSBC	-	(29)	-	-	(29)
Morgan Stanley	-	35	-	-	35
State Street	-	409	(490)	-	(81)
<b>Total</b>	<b>(336)</b>	<b>136</b>	<b>(490)</b>	<b>710</b>	<b>20</b>

Collateral positions for Swaps are aggregated, not at individual trade level.

### Issuers

2021	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	1,710
		<b>1,710</b>

# Notes to the Financial Statements

## Continued

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2022</b>					
<b>Derivatives</b>					
Investment liabilities	-	(119)	(748)	(2)	(869)
<b>Non-derivatives</b>					
Other creditors	-	(1,615)	-	-	(1,615)
Bank overdrafts	(511)	-	-	-	(511)
Distribution payable	-	(18)	-	-	(18)
<b>Total financial liabilities</b>	<b>(511)</b>	<b>(1,752)</b>	<b>(748)</b>	<b>(2)</b>	<b>(3,013)</b>
<b>2021</b>					
<b>Derivatives</b>					
Investment liabilities	-	(1,528)	(1,480)	-	(3,008)
<b>Non-derivatives</b>					
Other creditors	-	(8,424)	-	-	(8,424)
Bank overdrafts	(490)	-	-	-	(490)
Distribution payable	-	(11)	-	-	(11)
<b>Total financial liabilities</b>	<b>(490)</b>	<b>(9,963)</b>	<b>(1,480)</b>	<b>-</b>	<b>(11,933)</b>

## 15 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 109.42p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 106.35p. This represents a change of (2.81)% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	0.9989	-	0.9989	0.8477
Group 2	0.5479	0.4510	0.9989	0.8477
<b>Institutional accumulation</b>				
Group 1	1.6316	-	1.6316	1.3748
Group 2	1.1237	0.5079	1.6316	1.3748
<b>Retail income</b>				
Group 1	0.6422	-	0.6422	0.5483
Group 2	0.3311	0.3111	0.6422	0.5483
<b>Institutional income</b>				
Group 1	0.9142	-	0.9142	0.7783
Group 2	0.6848	0.2294	0.9142	0.7783
<b>Retail CAT accumulation</b>				
Group 1	0.7912	-	0.7912	0.6678
Group 2	0.4598	0.3314	0.7912	0.6678
<b>Standard Life accumulation</b>				
Group 1	0.9079	-	0.9079	0.7299
Group 2	0.7005	0.2074	0.9079	0.7299
<b>Platform 1 accumulation</b>				
Group 1	0.7417	-	0.7417	0.6254
Group 2	0.5164	0.2253	0.7417	0.6254
<b>Platform 1 income</b>				
Group 1	0.6458	-	0.6458	0.5499
Group 2	0.3726	0.2732	0.6458	0.5499

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	0.4934	-	0.4934	0.3340
Group 2	0.3397	0.1537	0.4934	0.3340
<b>Institutional accumulation</b>				
Group 1	1.0661	-	1.0661	0.8381
Group 2	0.6149	0.4512	1.0661	0.8381
<b>Retail income</b>				
Group 1	0.3156	-	0.3156	0.2153
Group 2	0.2195	0.0961	0.3156	0.2153
<b>Institutional income</b>				
Group 1	0.5930	-	0.5930	0.4714
Group 2	0.2595	0.3335	0.5930	0.4714
<b>Retail CAT accumulation</b>				
Group 1	0.3960	-	0.3960	0.2676
Group 2	0.2816	0.1144	0.3960	0.2676
<b>Standard Life accumulation</b>				
Group 1	0.6853	-	0.6853	0.5690
Group 2	0.3811	0.3042	0.6853	0.5690
<b>Platform 1 accumulation</b>				
Group 1	0.4744	-	0.4744	0.3697
Group 2	0.2550	0.2194	0.4744	0.3697
<b>Platform 1 income</b>				
Group 1	0.4103	-	0.4103	0.3231
Group 2	0.2421	0.1682	0.4103	0.3231

## 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 Focused Equity Fund

For the year ended 28 February 2022

## Investment Objective

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

**Performance Target:** To achieve the return of the MSCI AC World 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.

**Performance Comparator:** The IA's Global Equity sector.

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

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 70% 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 abrdn) and money-market instruments, and cash.

### Management Process:

- The management team use their discretion (active management) to maintain a concentrated asset mix at country, sector and stock level.
- The fund looks to deliver a concentrated portfolio of the highest conviction investment ideas of the management team in companies of all sizes.
- 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 10%. Due to the active nature of the management process, 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

The fund returned -3.12% (Source: FactSet, Platform 1 Accumulation, net of fees) over the review period. This compares with a target benchmark return of 15.66% (Source: FactSet, MSCI AC World Net Total Return Index +3%).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

From a stock-specific perspective, InPost, the Polish e-commerce enablement platform, underperformed. The company announced results that showed weaker margins in France and the UK, as it invested to take advantage of its growth opportunity. However, many interpreted this as competitive pressures showing through. Ping An, one of China's largest insurance companies, detracted from performance. The company has struggled to meet new business targets as a result of reorganising its agent network. This has been more disruptive to business development than predicted and is taking longer than expected. Elsewhere, Vertiv Holdings, a cooling systems manufacturer for datacentres, dropped on disappointing earnings. The company pointed to inflationary and supply chain pressures. The business failed to pass on these higher input costs to its customers. However, to address these pressures, management has recently taken action that it expects will position the company to deliver a strong second half in 2022. We believe Vertiv is well positioned to bounce back as soon as normal economic activity resumes.

On the upside, the fund benefitted from its holding in S&P Global, the information services provider serving the financial services, education and business information markets. S&P Global continues to focus on disciplined acquisitions, investments and partnerships, and is trying to improve product delivery across multiple channels to fend off growing competition. The business has also managed to grow its earnings throughout the pandemic slowdown. Another positive was US consulting business Tetra Tech. The company reported strong revenues and margin performance and increased its full-year



# ASI Global Focused Equity Fund

## Continued

guidance. The firm experienced a strong recovery from its commercial clients and expects an acceleration in revenue growth, partly from the increased emphasis on federal budgets towards water infrastructure. Lastly, Charles Schwab outperformed, as the benefits of higher rates to its business started to be priced in. The company's net interest income outlook improved after a rise in the 10-year Treasury yield. Its results also showed deposit and asset growth, helped by the TD Ameritrade acquisition.

### Portfolio Activity and Review

We purchased Mercedes-Benz (formerly Daimler), as we see several catalysts that should drive earnings upgrades. We also bought CTS Eventim, an online ticketing platform, as it should benefit from the release of pent-up demand after the pandemic. We purchased Vertiv, a leading supplier of datacentre power management equipment. Elsewhere, we bought TMX Group, the Canadian stock exchange group and index provider. We initiated a position in Sony, where we see momentum building in its video gaming business. Other new holdings were established in AbbVie and TSMC. AbbVie should see rewards from both its promising pipeline of new drugs. TSMC, the semiconductor contract manufacturer, should profit from the structural demand shift for microchips. We initiated new positions in RingCentral, Tetra Tech, InPost and Charles Schwab. RingCentral, the US software company, provides communications technology for enterprises in a hybrid working environment. Tetra Tech is a US engineering consultant focused on water, climate and infrastructure projects. InPost is a European e-commerce enablement platform that has an opportunity to grow through increased use of automated parcel machines. US bank Charles Schwab's current valuation is not pricing in its earnings power and improving profitability. Other purchases included Waste Management, the largest integrated solid waste company in the US, and Austrian bank BAWAG, which helped increase the value exposure of the fund. Lastly, we bought Emerson Electric, the US multi-industrial company.

Sales involved steps to reduce the fund's exposure to China, which involved removing Alibaba, Ping An and Las Vegas Sands from the portfolio. Other sales included Heineken, CSL, Nice, Goldman Sachs, Fidelity National Information Services, Orpea and NXP Semiconductors, due to either higher conviction or higher upside potential elsewhere. Meanwhile, we sold Meta Platforms in favour of Alphabet due to the company's better competitive position and swapped United Health Group for AbbVie.

### Portfolio Outlook and Review

Russia's invasion of Ukraine has thrown previous assumptions into doubt. Market expectations for inflation and interest rate policy are being reworked as the fallout from the conflict is assessed. Clearly, the supply of oil and natural gas are disrupted, as are many other key products ranging from wheat to neon gas. Several market commentators are now discussing the possibility of stagflation – a period of high inflation accompanied by slow growth and even rising unemployment. We continue to focus on quality companies with clear competitive advantages, solid market share and healthy balance sheets, as we believe they are better placed to raise prices and manage inventory risk. Given the multiple macro dynamics at work, we would reiterate the importance of a consistent, bottom-up investment approach.

### Global Equity Team

March 2022

# ASI Global Focused Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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.
- 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 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 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.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	157.04	138.82	126.56
Return before operating charges*	(1.89)	20.31	14.24
Operating charges	(2.30)	(2.09)	(1.98)
Return after operating charges*	(4.19)	18.22	12.26
Distributions	-	-	(0.30)
Retained distributions on accumulation shares	-	-	0.30
Closing net asset value per share	152.85	157.04	138.82
* after direct transaction costs of:	0.15	0.23	0.16
<b>Performance</b>			
Return after charges	(2.67%)	13.12%	9.69%
<b>Other information</b>			
Closing net asset value (£'000)	13,590	15,144	14,316
Closing number of shares	8,890,887	9,643,785	10,312,272
Operating charges	1.39%	1.38%	1.38%
Direct transaction costs	0.09%	0.15%	0.11%
<b>Prices</b>			
Highest share price	177.7	168.3	155.6
Lowest share price	145.9	111.0	127.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	180.12	158.49	143.81
Return before operating charges*	(2.21)	23.20	16.17
Operating charges	(1.75)	(1.57)	(1.49)
Return after operating charges*	(3.96)	21.63	14.68
Distributions	(0.08)	(0.39)	(1.11)
Retained distributions on accumulation shares	0.08	0.39	1.11
Closing net asset value per share	176.16	180.12	158.49
* after direct transaction costs of:	0.17	0.26	0.18
<b>Performance</b>			
Return after charges	(2.20%)	13.65%	10.21%
<b>Other information</b>			
Closing net asset value (£'000)	13,118	16,628	17,281
Closing number of shares	7,447,036	9,231,583	10,903,310
Operating charges	0.92%	0.91%	0.91%
Direct transaction costs	0.09%	0.15%	0.11%
<b>Prices</b>			
Highest share price	204.5	192.9	177.6
Lowest share price	168.1	126.8	144.7

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.41	69.32	63.34
Return before operating charges*	(0.94)	10.13	7.12
Operating charges	(1.15)	(1.04)	(0.99)
Return after operating charges*	(2.09)	9.09	6.13
Distributions	-	-	(0.15)
Closing net asset value per share	76.32	78.41	69.32
* after direct transaction costs of:	0.08	0.11	0.08
<b>Performance</b>			
Return after charges	(2.67%)	13.11%	9.68%
<b>Other information</b>			
Closing net asset value (£'000)	888	948	937
Closing number of shares	1,163,843	1,209,617	1,351,971
Operating charges	1.39%	1.38%	1.38%
Direct transaction costs	0.09%	0.15%	0.11%
<b>Prices</b>			
Highest share price	88.71	84.02	77.87
Lowest share price	72.83	55.44	63.75

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	158.16	138.06	124.27
Return before operating charges*	(2.04)	20.27	13.95
Operating charges	(0.20)	(0.17)	(0.16)
Return after operating charges*	(2.24)	20.10	13.79
Distributions	(1.42)	(1.55)	(2.10)
Retained distributions on accumulation shares	1.42	1.55	2.10
Closing net asset value per share	155.92	158.16	138.06
* after direct transaction costs of:	0.15	0.23	0.15
<b>Performance</b>			
Return after charges	(1.42%)	14.56%	11.10%
<b>Other information</b>			
Closing net asset value (£'000)	3,442	3,535	3,250
Closing number of shares	2,207,854	2,234,776	2,354,170
Operating charges	0.12%	0.11%	0.11%
Direct transaction costs	0.09%	0.15%	0.11%
<b>Prices</b>			
Highest share price	180.6	169.2	154.7
Lowest share price	148.8	110.5	125.1

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	162.74	142.62	128.92
Return before operating charges*	(2.06)	20.92	14.45
Operating charges	(0.89)	(0.80)	(0.75)
Return after operating charges*	(2.95)	20.12	13.70
Distributions	(0.76)	(0.98)	(1.58)
Retained distributions on accumulation shares	0.76	0.98	1.58
Closing net asset value per share	159.79	162.74	142.62
* after direct transaction costs of:	0.16	0.23	0.16
<b>Performance</b>			
Return after charges	(1.81%)	14.11%	10.63%
<b>Other information</b>			
Closing net asset value (£'000)	47,310	57,618	55,587
Closing number of shares	29,606,756	35,405,429	38,975,168
Operating charges	0.52%	0.51%	0.51%
Direct transaction costs	0.09%	0.15%	0.11%
<b>Prices</b>			
Highest share price	185.3	174.2	159.8
Lowest share price	152.5	114.1	129.8

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	130.42	114.87	104.32
Return before operating charges*	(1.59)	16.81	11.75
Operating charges	(1.41)	(1.26)	(1.20)
Return after operating charges*	(3.00)	15.55	10.55
Distributions	-	(0.16)	(0.69)
Retained distributions on accumulation shares	-	0.16	0.69
Closing net asset value per share	127.42	130.42	114.87
* after direct transaction costs of:	0.13	0.19	0.13
<b>Performance</b>			
Return after charges	(2.30%)	13.54%	10.11%
<b>Other information</b>			
Closing net asset value (£'000)	17,346	22,694	26,241
Closing number of shares	13,613,086	17,401,269	22,844,638
Operating charges	1.02%	1.01%	1.01%
Direct transaction costs	0.09%	0.15%	0.11%
<b>Prices</b>			
Highest share price	147.9	139.7	128.7
Lowest share price	121.6	91.86	105.0

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

Institutional S accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.37	70.67	64.10
Return before operating charges*	(1.00)	10.36	7.20
Operating charges	(0.74)	(0.66)	(0.63)
Return after operating charges*	(1.74)	9.70	6.57
Distributions	(0.08)	(0.21)	(0.53)
Retained distributions on accumulation shares	0.08	0.21	0.53
Closing net asset value per share	78.63	80.37	70.67
* after direct transaction costs of:	0.08	0.12	0.08
<b>Performance</b>			
Return after charges	(2.16%)	13.73%	10.25%
<b>Other information</b>			
Closing net asset value (£'000)	2,132	2,650	2,771
Closing number of shares	2,711,872	3,297,248	3,920,882
Operating charges	0.87%	0.86%	0.86%
Direct transaction costs	0.09%	0.15%	0.11%
<b>Prices</b>			
Highest share price	91.26	86.05	79.21
Lowest share price	75.03	56.52	64.52

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (102.50%)</b>		<b>96,296</b>	<b>98.44</b>
Emerging Market Equities (4.58%)		-	-
Israel (4.58%)		-	-
<b>European Equities (28.20%)</b>		<b>20,503</b>	<b>20.96</b>
<b>Austria (0.00%)</b>		<b>2,799</b>	<b>2.86</b>
69,832	BAWAG	2,799	2.86
France (7.81%)		-	-
<b>Germany (9.09%)</b>		<b>11,876</b>	<b>12.14</b>
74,547	CTS Eventim	3,923	4.01
58,755	Mercedes-Benz	3,468	3.55
129,315	RWE	4,485	4.58
Ireland (3.12%)		-	-
Netherlands (4.46%)		-	-
<b>Poland (0.00%)</b>		<b>2,752</b>	<b>2.81</b>
595,931	InPost	2,752	2.81
<b>Spain (3.72%)</b>		<b>3,076</b>	<b>3.15</b>
90,426	Cellnex Telecom	3,076	3.15
<b>Japanese Equities (0.00%)</b>		<b>4,040</b>	<b>4.13</b>
53,000	Sony	4,040	4.13
<b>North American Equities (40.77%)</b>		<b>58,481</b>	<b>59.78</b>
<b>Canada (0.00%)</b>		<b>3,273</b>	<b>3.34</b>
43,725	TMX	3,273	3.34

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>United States (40.77%)</b>		<b>55,208</b>	<b>56.44</b>
44,845	AbbVie	4,938	5.05
2,319	Alphabet 'C'	4,663	4.77
1,327	Amazon.com	3,034	3.10
29,703	Analog Devices	3,549	3.63
136,476	Boston Scientific	4,492	4.59
62,717	Emerson Electric	4,342	4.44
14,551	Mastercard 'A'	3,911	4.00
48,078	Pegasystems	3,122	3.19
30,001	RingCentral 'A'	2,927	2.99
15,000	S&P Global	4,203	4.30
84,407	Schwab (Charles)	5,313	5.43
35,155	Tetra Tech	4,157	4.25
259,031	Vertiv	2,510	2.56
37,623	Waste Management	4,047	4.14
<b>Pacific Basin Equities (19.88%)</b>		<b>8,930</b>	<b>9.13</b>
<b>Australia (3.61%)</b>		-	-
<b>China (16.27%)</b>		<b>4,554</b>	<b>4.66</b>
5,288	JD.com 'A'	141	0.15
109,857	Tencent	4,413	4.51
20,362,000	Tianhe Chemicals**	-	-
<b>Hong Kong (0.00%)</b>		-	-
1,055,400	China Metal Recycling**	-	-
<b>Taiwan (0.00%)</b>		<b>4,376</b>	<b>4.47</b>
273,000	Taiwan Semiconductor Manufacturing	4,376	4.47
<b>UK Equities (9.07%)</b>		<b>4,342</b>	<b>4.44</b>
<b>Health Care (4.60%)</b>		<b>4,342</b>	<b>4.44</b>
47,933	AstraZeneca	4,342	4.44

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Industrials (4.47%)		-	-
Collective Investment Schemes (1.19%)		96	0.09
96	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	96	0.09
Total investment assets		96,392	98.53
Net other assets		1,434	1.47
<b>Total Net Assets</b>		<b>97,826</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 28 February 2021.

Prior year classifications for some sectors have been updated to reflect current year classifications.

+ Managed by subsidiaries of abrdn plc.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(1,127)		15,551
Revenue	2	1,226		1,482	
Expenses	3	(913)		(959)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		312		522	
Taxation	4	(105)		(69)	
Net revenue after taxation			207		453
<b>Total return before distributions</b>			<b>(920)</b>		<b>16,004</b>
Distributions	5		(298)		(493)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(1,218)</b>		<b>15,511</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>119,217</b>		<b>120,383</b>
Amounts receivable on the issue of shares	16,328		11,576	
Amounts payable on the cancellation of shares	(36,751)		(28,704)	
		(20,423)		(17,128)
Dilution adjustment		(16)		1
Change in net assets attributable to shareholders from investment activities (see above)		(1,218)		15,511
Retained distribution on accumulation shares		266		450
<b>Closing net assets attributable to shareholders</b>		<b>97,826</b>		<b>119,217</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			96,392		123,615
<b>Current assets:</b>					
Debtors	6	2,889		1,019	
Cash and bank balances	7	99		3	
			2,988		1,022
<b>Total assets</b>			<b>99,380</b>		<b>124,637</b>
<b>Liabilities:</b>					
Creditors	8	(1,554)		(5,420)	
			(1,554)		(5,420)
<b>Total liabilities</b>			<b>(1,554)</b>		<b>(5,420)</b>
<b>Net assets attributable to shareholders</b>			<b>97,826</b>		<b>119,217</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(1,101)	15,592
Forward currency contracts	-	13
Other losses	(17)	(44)
Transaction charges	(9)	(10)
<b>Net capital (losses)/gains</b>	<b>(1,127)</b>	<b>15,551</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	2	10
Overseas dividends	1,100	1,249
Overseas REIT	9	68
UK dividends	115	155
<b>Total revenue</b>	<b>1,226</b>	<b>1,482</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	790	830
Dealing charge	12	14
General administration charge*	37	-
Registration fees**	42	85
	<b>881</b>	<b>929</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	1	13
Safe custody fee	8	8
	<b>9</b>	<b>21</b>
<b>Other:</b>		
Audit fee**	5	9
Professional fees**	18	-
	<b>23</b>	<b>9</b>
<b>Total expenses</b>	<b>913</b>	<b>959</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Adjustments in respect of prior periods	-	(73)
Overseas taxes	105	142
<b>Total taxation (note 4b)</b>	<b>105</b>	<b>69</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: lower than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>312</b>	<b>522</b>
Corporation tax at 20% (2021: 20%)	62	104
Effects of:		
Revenue not subject to taxation	(243)	(280)
Overseas taxes	105	142
Overseas tax expensed	-	(2)
Excess allowable expenses	181	178
Adjustments in respect of prior periods	-	(73)
<b>Total tax charge for year (note 4a)</b>	<b>105</b>	<b>69</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,374,000 (2021: £2,193,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
Distribution	266	450
Add: Income deducted on cancellation of shares	40	67
Deduct: Income received on issue of shares	(8)	(24)
<b>Total distributions for the year</b>	<b>298</b>	<b>493</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	207	453
Shortfall transfer from capital to revenue	91	40
<b>Total distributions for the year</b>	<b>298</b>	<b>493</b>

Details of the distribution per share are set out in this fund's distribution table.



# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	127	109
Amounts receivable from the ACD for the issue of shares	-	167
Overseas withholding tax recoverable	54	55
Sales awaiting settlement	2,708	688
<b>Total debtors</b>	<b>2,889</b>	<b>1,019</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	99	3
	<b>99</b>	<b>3</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	96	1,418
<b>Net liquidity</b>	<b>195</b>	<b>1,421</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	59	73
Accrued expenses payable to the Depositary or associates of the Depositary	3	4
Amounts payable to the ACD for cancellation of shares	1,487	221
Other accrued expenses	5	9
Purchases awaiting settlement	-	5,113
<b>Total creditors</b>	<b>1,554</b>	<b>5,420</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	81,238	88,597	108,425	103,083
Corporate actions	2,289	969	-	-
<b>Trades in the year before transaction costs</b>	<b>83,527</b>	<b>89,566</b>	<b>108,425</b>	<b>103,083</b>
<b>Commissions</b>				
Equities	36	35	(45)	(42)
<b>Total commissions</b>	<b>36</b>	<b>35</b>	<b>(45)</b>	<b>(42)</b>
<b>Taxes</b>				
Equities	8	95	(17)	(11)
<b>Total taxes</b>	<b>8</b>	<b>95</b>	<b>(17)</b>	<b>(11)</b>
<b>Total transaction costs</b>	<b>44</b>	<b>130</b>	<b>(62)</b>	<b>(53)</b>
<b>Total net trades in the year after transaction costs</b>	<b>83,571</b>	<b>89,696</b>	<b>108,363</b>	<b>103,030</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.04	0.04	0.04
<b>Taxes</b>				
Equities	0.01	0.11	0.02	0.01
			<b>2022 %</b>	<b>2021 %</b>
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.07	0.06
Taxes			0.02	0.09

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.09% (2021: 0.11%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	9,643,785	7,378,923	(8,096,937)	(34,884)	8,890,887
Institutional accumulation	9,231,583	110,103	(1,876,489)	(18,161)	7,447,036
Retail income	1,209,617	17,424	(63,198)	-	1,163,843
Standard Life accumulation	2,234,776	132,983	(159,905)	-	2,207,854
Institutional regulated accumulation	35,405,429	850,303	(6,648,976)	-	29,606,756
Platform 1 accumulation	17,401,269	1,628,307	(5,483,523)	67,033	13,613,086
Institutional S accumulation	3,297,248	-	(585,376)	-	2,711,872

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	96,296	-	-	122,197	-	-
Collective Investment Schemes	-	96	-	-	1,418	-
<b>Total investment assets</b>	<b>96,296</b>	<b>96</b>	<b>-</b>	<b>122,197</b>	<b>1,418</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Australian Dollar	-	4,304
Canadian Dollar	3,404	-
Danish Krone	24	25
Euro	21,236	23,861
Hong Kong Dollar	4,554	15,401
Japanese Yen	4,040	-
Taiwan Dollar	4,444	-
US Dollar	57,013	68,747
<b>Total</b>	<b>94,715</b>	<b>112,338</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £4,736,000 (2021: £5,617,000).

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £4,820,000 (2021: £6,181,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £1,554,000 (2021: £5,420,000).

# Notes to the Financial Statements

## Continued

### 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 127.42p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 123.33p. This represents a change of (3.21)% from the year end value.

# Distribution Table

For the year ended 28 February 2022 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.0785	-	0.0785	0.3897
Group 2	-	0.0785	0.0785	0.3897
<b>Retail income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	1.4190	-	1.4190	1.5515
Group 2	0.9330	0.4860	1.4190	1.5515
<b>Institutional regulated accumulation</b>				
Group 1	0.7649	-	0.7649	0.9754
Group 2	0.3851	0.3798	0.7649	0.9754
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	0.1573
Group 2	-	-	-	0.1573
<b>Institutional S accumulation</b>				
Group 1	0.0783	-	0.0783	0.2124
Group 2	0.0783	-	0.0783	0.2124

## 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 Income Equity Fund

For the year ended 28 February 2022

## Investment Objective

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

**Performance Target:** To deliver a yield greater than that of the MSCI AC World Index over a rolling five year period (before charges) and achieve a return in excess of the MSCI AC World Index over a rolling five year period (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.

**Performance Comparator:** IA Global Equity Income sector average.

The ACD believes this is an appropriate target/comparator 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 recognised stock exchanges.
- The fund may also invest in other funds (including those managed by abrdn) and 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. Given the fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.
- 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 income nature of the management process, 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

The fund returned 10.72% over the review period (source: FactSet, Platform 1 Accumulation, gross of fees). This compares with a target benchmark return of 12.13% (Source: FactSet, MSCI AC World Index). The fund's Platform 1 Income yield was 2.38% over the last 12 months versus a target yield of 2.24% (MSCI AC World Index).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund benefitted from holding Blackstone Group, the US alternative asset manager, which outperformed after releasing results that pointed to an expected surge in money inflows, almost doubling last year's figure. Pharmaceutical drug developer AbbVie climbed as concerns about revenue decline from the expiry of its patented rheumatoid arthritis treatment Humira subsided. The company received good news when the US FDA approved several drugs for new treatments, such as psoriatic arthritis and eczema. Microsoft helped lift returns with goods results, sales growth and margin expansion. The company also made positive comments on its expectation for personal computing, which comfortably exceeded market forecasts.

# ASI Global Income Equity Fund

## Continued

Ping An, one of China's largest insurance companies, was a major detractor from performance. The company has struggled to meet new business targets as a result of reorganising its agent network, disrupting new business development. This has proved to be more disruptive to new business development than expected and is taking longer than anticipated. Fidelity National Information Services, one of the main players in the global payments industry, also weighed on returns. The stock sold off after news appeared that Fidelity had been in merger negotiations with another peer, Global Payments. The level of debt of the combined company worried investors. Elsewhere, Samsung Electronics weakened after it warned that customer supply chain disruptions may hit semiconductor demand. Potentially weaker memory chip prices worried investors. It has also suffered along with the broader Asia Pacific region from a resurgence of COVID-19, China's regulatory purge broadening and economic slowdown. Lastly, not owing Apple also weighed on relative performance. The company continued to deliver good results.

### Portfolio Activity and Review

We started a new position in luxury car brand Mercedes-Benz Group (formerly Daimler). The company is implementing positive change, as it focuses on a new fleet of electric vehicles and profitability. The auto industry is experiencing a rapid recovery from the COVID-19 shock, while valuations are undemanding. Elsewhere, we bought Analog Devices, as the company should see upside from synergies from recent deals and the strength of the communications division in particular, as well as the wider semiconductor cycle perhaps being stronger for longer.

We also purchased SSE, as we like the changes made to the business over the last 12 months and the clarity this has provided. We believe there is upside potential given its renewables and networks exposure, but also because the business is undervalued on a break-up basis. Further, we added Barratt Developments, as its solid balance sheet, land bank and environmental, social and governance credentials are all attractive and enhanced by a strong UK housing market. The company has an excellent yield, with the potential for special dividends to return in the medium term. We bought BE Semiconductor Industries, a Dutch semiconductor equipment maker. The business is an enabler of computational progress and stands to benefit from the increasing complexity of microchip production.

We also introduced TMX Group, the Canadian stock exchange group and index provider, to the fund. We believe investors are undervaluing the shift to a more stable, recurring-revenue model in its core index business, but especially concerning its energy trading platform

Trayport. We added Nordea Bank to the portfolio. The universal Nordic bank is a high-quality financial business with above-average growth and income prospects. Other significant purchases included Waste Management, Sony Corp and Linde.

Sales included Rio Tinto, Shenzhou International, RWE and AIA Group. We sold Rio Tinto on concerns of a sharp fall in the iron ore price, which was weakening on China economic growth worries. Shenzhou International had re-rated substantially, but we became worried about the likely continued downgrades from the adverse effects of COVID-19 in Vietnam – a manufacturing hub for the company. We sold AIA Group to take up the rights issue in the Denmark-based insurance company Tryg with respect to its merger with RSA's Danish business, where we see clearer upside in the medium term. We sold Dolby Labs. The company reported weaker-than-expected results and downwardly revised its expectation for second-quarter results. This followed several quarters of muted earnings guidance. Despite high profile customer wins, it did not translate into meaningful sales growth. Lastly, other major sales included Deutsche Boerse, AXA, Enel, Ping An, Vinci, Equinix and Trane Technologies.

### Portfolio Outlook and Strategy

Russia's invasion of Ukraine has thrown previous assumptions into doubt. Market expectations for inflation and interest rate policy are being reworked as the fallout from the conflict is assessed. Clearly, the supply of oil and natural gas are disrupted, as are many other key products ranging from wheat to neon gas. Several market commentators are now discussing the possibility of stagflation – a period of high inflation accompanied by slow growth and even rising unemployment. We continue to focus on quality companies with clear competitive advantages, solid market share and healthy balance sheets, as we believe they are better placed to raise prices and manage inventory risk. Given the multiple macro dynamics at work, we would reiterate the importance of a consistent, bottom-up investment approach.

### Global Equity Team

March 2022



# ASI Global Income Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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 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 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.
- 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.

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

	2022	2021	2020
Retail Founder accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	308.50	282.69	260.62
Return before operating charges*	39.73	28.85	25.11
Operating charges	(3.49)	(3.04)	(3.04)
Return after operating charges*	36.24	25.81	22.07
Distributions	(4.68)	(3.93)	(5.12)
Retained distributions on accumulation shares	4.68	3.93	5.12
Closing net asset value per share	344.74	308.50	282.69
* after direct transaction costs of:	0.24	0.33	0.30
<b>Performance</b>			
Return after charges	11.75%	9.13%	8.47%
<b>Other information</b>			
Closing net asset value (£'000)	85,451	82,551	80,911
Closing number of shares	24,787,319	26,758,460	28,622,225
Operating charges	1.02%	1.04%	1.04%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	366.7	325.3	315.9
Lowest share price	309.1	229.0	261.7

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional Founder accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	340.98	311.14	285.66
Return before operating charges*	43.93	31.85	27.47
Operating charges	(2.28)	(2.01)	(1.99)
Return after operating charges*	41.65	29.84	25.48
Distributions	(6.77)	(5.69)	(6.97)
Retained distributions on accumulation shares	6.77	5.69	6.97
Closing net asset value per share	382.63	340.98	311.14
* after direct transaction costs of:	0.26	0.37	0.33
<b>Performance</b>			
Return after charges	12.21%	9.59%	8.92%
<b>Other information</b>			
Closing net asset value (£'000)	6,020	6,210	6,193
Closing number of shares	1,573,358	1,821,125	1,990,333
Operating charges	0.60%	0.62%	0.62%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	406.8	359.4	347.7
Lowest share price	341.7	252.2	286.8

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail Founder income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	90.00	84.39	80.00
Return before operating charges*	11.57	8.54	7.75
Operating charges	(1.01)	(0.90)	(0.92)
Return after operating charges*	10.56	7.64	6.83
Distributions	(2.34)	(2.03)	(2.44)
Closing net asset value per share	98.22	90.00	84.39
* after direct transaction costs of:	0.07	0.10	0.09
<b>Performance</b>			
Return after charges	11.73%	9.05%	8.54%
<b>Other information</b>			
Closing net asset value (£'000)	1,498	1,272	1,228
Closing number of shares	1,524,877	1,413,076	1,455,530
Operating charges	1.02%	1.04%	1.04%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	104.9	95.39	94.90
Lowest share price	90.16	68.37	80.35

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional Founder income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	93.69	87.48	82.60
Return before operating charges*	12.05	8.88	7.98
Operating charges	(0.62)	(0.56)	(0.57)
Return after operating charges*	11.43	8.32	7.41
Distributions	(2.44)	(2.11)	(2.53)
Closing net asset value per share	102.68	93.69	87.48
* after direct transaction costs of:	0.07	0.10	0.10
<b>Performance</b>			
Return after charges	12.20%	9.51%	8.97%
<b>Other information</b>			
Closing net asset value (£'000)	314	273	224
Closing number of shares	305,593	291,485	256,062
Operating charges	0.60%	0.62%	0.62%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	109.6	99.24	98.38
Lowest share price	93.86	70.90	82.97

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2021	2020
	pence per share	pence per share
<b>Standard Life income<sup>A</sup></b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	88.47	83.30
Return before operating charges*	(10.48)	7.83
Operating charges	-	0.04
Return after operating charges*	(10.48)	7.79
Distributions	-	(2.62)
Redemption Value as at 27 March 2020	(77.99)	-
Closing net asset value per share	-	88.47
* after direct transaction costs of:	0.01	0.10
<b>Performance</b>		
Return after charges	(11.85%)	9.35%
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	1,066
Operating charges	0.04%	0.04%
Direct transaction costs	0.11%	0.10%
<b>Prices</b>		
Highest share price	91.95	99.48
Lowest share price	71.72	83.69

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup>Standard Life income share class was closed on 27 March 2020.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	104.38	94.77	86.59
Return before operating charges*	13.46	9.73	8.30
Operating charges	(0.12)	(0.12)	(0.12)
Return after operating charges*	13.34	9.61	8.18
Distributions	(2.66)	(2.23)	(2.60)
Retained distributions on accumulation shares	2.66	2.23	2.60
Closing net asset value per share	117.72	104.38	94.77
* after direct transaction costs of:	0.08	0.11	0.10
<b>Performance</b>			
Return after charges	12.78%	10.14%	9.45%
<b>Other information</b>			
Closing net asset value (£'000)	346	308	279
Closing number of shares	294,095	295,118	293,884
Operating charges	0.10%	0.12%	0.12%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	125.1	109.9	105.9
Lowest share price	104.6	76.83	86.96

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Retail accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	113.67	104.47	96.62
Return before operating charges*	14.64	10.64	9.30
Operating charges	(1.66)	(1.44)	(1.45)
Return after operating charges*	12.98	9.20	7.85
Distributions	(1.34)	(1.12)	(1.57)
Retained distributions on accumulation shares	1.34	1.12	1.57
Closing net asset value per share	126.65	113.67	104.47
* after direct transaction costs of:	0.09	0.12	0.11
<b>Performance</b>			
Return after charges	11.42%	8.81%	8.12%
<b>Other information</b>			
Closing net asset value (£'000)	8,856	8,732	8,080
Closing number of shares	6,992,869	7,681,275	7,734,247
Operating charges	1.32%	1.34%	1.34%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	134.8	119.9	116.8
Lowest share price	113.9	84.63	97.01

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	120.27	110.01	101.26
Return before operating charges*	15.49	11.25	9.73
Operating charges	(1.13)	(0.99)	(0.98)
Return after operating charges*	14.36	10.26	8.75
Distributions	(2.05)	(1.72)	(2.19)
Retained distributions on accumulation shares	2.05	1.72	2.19
Closing net asset value per share	134.63	120.27	110.01
* after direct transaction costs of:	0.09	0.13	0.12
<b>Performance</b>			
Return after charges	11.94%	9.33%	8.64%
<b>Other information</b>			
Closing net asset value (£'000)	3,299	4,109	3,466
Closing number of shares	2,450,271	3,416,901	3,150,437
Operating charges	0.85%	0.87%	0.87%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	143.2	126.8	122.9
Lowest share price	120.5	89.15	101.7

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	86.67	81.52	77.53
Return before operating charges*	11.13	8.23	7.49
Operating charges	(1.25)	(1.12)	(1.14)
Return after operating charges*	9.88	7.11	6.35
Distributions	(2.25)	(1.96)	(2.36)
Closing net asset value per share	94.30	86.67	81.52
* after direct transaction costs of:	0.07	0.10	0.09
<b>Performance</b>			
Return after charges	11.40%	8.72%	8.19%
<b>Other information</b>			
Closing net asset value (£'000)	253	236	254
Closing number of shares	267,706	272,593	311,947
Operating charges	1.32%	1.34%	1.34%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	100.8	91.89	91.69
Lowest share price	86.82	66.03	77.86

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

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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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	91.63	85.78	81.18
Return before operating charges*	11.78	8.67	7.86
Operating charges	(0.86)	(0.76)	(0.78)
Return after operating charges*	10.92	7.91	7.08
Distributions	(2.38)	(2.06)	(2.48)
Closing net asset value per share	100.17	91.63	85.78
* after direct transaction costs of:	0.07	0.10	0.09
<b>Performance</b>			
Return after charges	11.92%	9.22%	8.72%
<b>Other information</b>			
Closing net asset value (£'000)	344	342	407
Closing number of shares	343,640	373,580	474,151
Operating charges	0.85%	0.87%	0.87%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	107.0	97.09	96.45
Lowest share price	91.80	69.50	81.54

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	117.49	107.53	99.03
Return before operating charges*	15.12	10.98	9.52
Operating charges	(1.17)	(1.02)	(1.02)
Return after operating charges*	13.95	9.96	8.50
Distributions	(1.94)	(1.63)	(2.08)
Retained distributions on accumulation shares	1.94	1.63	2.08
Closing net asset value per share	131.44	117.49	107.53
* after direct transaction costs of:	0.09	0.13	0.11
<b>Performance</b>			
Return after charges	11.87%	9.26%	8.58%
<b>Other information</b>			
Closing net asset value (£'000)	10,691	10,971	11,934
Closing number of shares	8,133,168	9,337,380	11,098,428
Operating charges	0.90%	0.92%	0.92%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	139.8	123.9	120.2
Lowest share price	117.7	87.14	99.43

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	91.09	85.31	80.80
Return before operating charges*	11.72	8.63	7.80
Operating charges	(0.90)	(0.80)	(0.82)
Return after operating charges*	10.82	7.83	6.98
Distributions	(2.37)	(2.05)	(2.47)
Closing net asset value per share	99.54	91.09	85.31
* after direct transaction costs of:	0.07	0.10	0.09
<b>Performance</b>			
Return after charges	11.88%	9.18%	8.64%
<b>Other information</b>			
Closing net asset value (£'000)	2,431	2,756	3,007
Closing number of shares	2,442,771	3,025,863	3,524,922
Operating charges	0.90%	0.92%	0.92%
Direct transaction costs	0.07%	0.11%	0.10%
<b>Prices</b>			
Highest share price	106.3	96.53	95.95
Lowest share price	91.25	69.13	81.15

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.29%)</b>		<b>119,168</b>	<b>99.72</b>
<b>European Equities (27.56%)</b>		<b>28,592</b>	<b>23.92</b>
<b>Austria (2.03%)</b>		<b>2,532</b>	<b>2.12</b>
63,181	BAWAG	2,532	2.12
<b>Denmark (1.27%)</b>		<b>2,415</b>	<b>2.02</b>
142,760	Tryg	2,415	2.02
<b>Finland (0.00%)</b>		<b>2,180</b>	<b>1.82</b>
261,494	Nordea Bank (Swedish listing)	2,180	1.82
<b>France (5.97%)</b>		<b>4,761</b>	<b>3.98</b>
4,396	LVMH Moet Hennessy Louis Vuitton	2,428	2.03
19,940	Schneider Electric	2,333	1.95
<b>Germany (4.83%)</b>		<b>5,951</b>	<b>4.98</b>
38,716	Mercedes-Benz	2,285	1.91
66,435	RWE	2,304	1.93
34,247	Vonovia	1,362	1.14
<b>Ireland (2.59%)</b>		<b>1,668</b>	<b>1.40</b>
21,322	Medtronic	1,668	1.40
<b>Italy (2.79%)</b>		-	-
<b>Netherlands (3.43%)</b>		<b>3,910</b>	<b>3.27</b>
14,500	BE Semiconductor Industries	924	0.77
15,803	Heineken Holding	962	0.81
14,462	Koninklijke DSM	2,024	1.69

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Switzerland (4.65%)</b>		<b>5,175</b>	<b>4.33</b>
24,892	Nestle	2,422	2.03
8,041	Zurich Insurance	2,753	2.30
<b>Japanese Equities (2.94%)</b>		<b>5,469</b>	<b>4.58</b>
1,084	GLP J-REIT	1,203	1.01
98,200	KDDI	2,383	1.99
24,700	Sony	1,883	1.58
<b>North American Equities (44.27%)</b>		<b>64,591</b>	<b>54.05</b>
<b>Canada (0.00%)</b>		<b>3,244</b>	<b>2.71</b>
125,123	CI Financial	1,523	1.27
22,989	TMX	1,721	1.44
<b>United States (44.27%)</b>		<b>61,347</b>	<b>51.34</b>
39,321	AbbVie	4,330	3.62
9,581	American Tower REIT	1,617	1.35
19,351	Analog Devices	2,312	1.94
31,952	Baxter International	2,023	1.69
26,757	Blackstone	2,540	2.13
30,624	Bristol-Myers Squibb	1,567	1.31
68,545	Coca-Cola	3,179	2.66
14,958	Eli Lilly	2,784	2.33
37,506	Emerson Electric	2,597	2.17
24,413	Fidelity National Information Services	1,733	1.45
8,811	Goldman Sachs	2,240	1.88
27,572	Intercontinental Exchange	2,633	2.20
11,244	L3Harris Technologies	2,114	1.77
16,615	Lowe's	2,736	2.29
10,313	Mastercard 'A'	2,772	2.32
37,996	Microsoft	8,468	7.09
34,698	NextEra Energy	2,023	1.69
21,023	Procter & Gamble	2,442	2.04

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
6,705	Target	998	0.83
46,979	TJX	2,313	1.94
14,174	Union Pacific	2,598	2.18
8,315	UnitedHealth	2,949	2.47
22,110	Waste Management	2,379	1.99
<b>Pacific Basin Equities (19.06%)</b>		<b>9,691</b>	<b>8.11</b>
<b>China (7.14%)</b>		<b>1,658</b>	<b>1.39</b>
1,904	JD.com 'A'	51	0.04
40,000	Tencent	1,607	1.35
8,100,000	Tianhe Chemicals**	-	-
<b>Hong Kong (1.73%)</b>		-	-
<b>Indonesia (0.32%)</b>		-	-
<b>South Korea (4.44%)</b>		<b>3,647</b>	<b>3.05</b>
2,441	LG Chemical	853	0.71
68,192	Samsung Electronics (Preference)	2,794	2.34
<b>Taiwan (5.43%)</b>		<b>4,386</b>	<b>3.67</b>
273,605	Taiwan Semiconductor Manufacturing	4,386	3.67
<b>UK Equities (4.46%)</b>		<b>10,825</b>	<b>9.06</b>
<b>Basic Materials (1.67%)</b>		<b>2,422</b>	<b>2.03</b>
11,086	Linde	2,422	2.03
<b>Consumer Discretionary (0.00%)</b>		<b>2,465</b>	<b>2.06</b>
258,891	Barratt Developments	1,581	1.32
11,830	Games Workshop	884	0.74
<b>Health Care (2.79%)</b>		<b>3,990</b>	<b>3.34</b>
44,054	AstraZeneca	3,990	3.34



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Utilities (0.00%)		1,948	1.63
114,313	SSE	1,948	1.63
Total investment assets		119,168	99.72
Net other assets		335	0.28
<b>Total Net Assets</b>		<b>119,503</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 28 February 2021.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		11,943		9,009
Revenue	2	3,296		3,118	
Expenses	3	(1,236)		(1,178)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		2,060		1,939	
Taxation	4	(321)		(329)	
Net revenue after taxation			1,739		1,610
<b>Total return before distributions</b>			<b>13,682</b>		<b>10,619</b>
Distributions	5		(1,785)		(1,655)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>11,897</b>		<b>8,964</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>117,760</b>		<b>115,984</b>
Amounts receivable on the issue of shares	3,806		15,385	
Amounts payable on the cancellation of shares	(15,605)		(24,120)	
		(11,799)		(8,735)
Dilution adjustment		-		3
Change in net assets attributable to shareholders from investment activities (see above)		11,897		8,964
Retained distribution on accumulation shares		1,645		1,544
<b>Closing net assets attributable to shareholders</b>		<b>119,503</b>		<b>117,760</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			119,168		115,742
<b>Current assets:</b>					
Debtors	6	435		401	
Cash and bank balances		174		1,922	
			609		2,323
<b>Total assets</b>			<b>119,777</b>		<b>118,065</b>
<b>Liabilities:</b>					
Creditors	7	(255)		(281)	
Distribution payable		(19)		(24)	
			(274)		(305)
<b>Total liabilities</b>			<b>(274)</b>		<b>(305)</b>
<b>Net assets attributable to shareholders</b>			<b>119,503</b>		<b>117,760</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	12,005	9,031
Forward currency contracts	-	14
Other losses	(54)	(22)
Transaction charges	(8)	(14)
<b>Net capital gains</b>	<b>11,943</b>	<b>9,009</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	-	1
Overseas dividends	2,793	2,719
Overseas REIT	90	121
UK dividends	413	277
<b>Total revenue</b>	<b>3,296</b>	<b>3,118</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,187	1,117
Dealing charge	7	7
General administration charge*	10	-
Registration fees**	10	20
	<b>1,214</b>	<b>1,144</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	4	12
Safe custody fee	11	9
	<b>15</b>	<b>21</b>
<b>Other:</b>		
Audit fee**	5	9
Professional fees**	2	4
	<b>7</b>	<b>13</b>
<b>Total expenses</b>	<b>1,236</b>	<b>1,178</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	321	329
<b>Total taxation (note 4b)</b>	<b>321</b>	<b>329</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	2,060	1,939
Corporation tax at 20% (2021: 20%)	412	388
Effects of:		
Revenue not subject to taxation	(641)	(599)
Overseas taxes	321	329
Overseas tax expensed	(2)	(3)
Excess allowable expenses	231	214
<b>Total tax charge for year (note 4a)</b>	<b>321</b>	<b>329</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,767,000 (2021: £2,536,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
First interim distribution	664	447
Second interim distribution	276	702
Third interim distribution	629	210
Final distribution	194	301
	1,763	1,660
Add: Income deducted on cancellation of shares	33	29
Deduct: Income received on issue of shares	(11)	(34)
<b>Total distributions for the year</b>	<b>1,785</b>	<b>1,655</b>

# Notes to the Financial Statements

## Continued

	2022 £'000	2021 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,739	1,610
Expenses charged to capital	46	45
<b>Total distributions for the year</b>	<b>1,785</b>	<b>1,655</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and General administration charge. This policy only applies to the income classes.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

## 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	235	275
Overseas withholding tax recoverable	200	126
<b>Total debtors</b>	<b>435</b>	<b>401</b>

## 7 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	92	93
Accrued expenses payable to the Depositary or associates of the Depositary	2	4
Amounts payable to the ACD for cancellation of shares	156	175
Other accrued expenses	5	9
<b>Total creditors</b>	<b>255</b>	<b>281</b>

## 8 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 7.

# Notes to the Financial Statements

## Continued

### 9 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Trades in the year</b>				
Equities	34,056	74,170	43,958	82,299
Corporate actions	1,239	-	-	-
<b>Trades in the year before transaction costs</b>	<b>35,295</b>	<b>74,170</b>	<b>43,958</b>	<b>82,299</b>
<b>Commissions</b>				
Equities	19	33	(20)	(42)
<b>Total commissions</b>	<b>19</b>	<b>33</b>	<b>(20)</b>	<b>(42)</b>
<b>Taxes</b>				
Equities	27	46	(20)	(12)
<b>Total taxes</b>	<b>27</b>	<b>46</b>	<b>(20)</b>	<b>(12)</b>
<b>Total transaction costs</b>	<b>46</b>	<b>79</b>	<b>(40)</b>	<b>(54)</b>
<b>Total net trades in the year after transaction costs</b>	<b>35,341</b>	<b>74,249</b>	<b>43,918</b>	<b>82,245</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.06	0.05	0.05	0.05
<b>Taxes</b>				
Equities	0.08	0.06	0.05	0.01
			2022 %	2021 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.03	0.06
Taxes			0.04	0.05

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.07% (2021: 0.06%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 10 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail Founder accumulation	26,758,460	79,787	(1,778,295)	(272,633)	24,787,319
Institutional Founder accumulation	1,821,125	167,411	(426,685)	11,507	1,573,358
Retail Founder income	1,413,076	141,327	(9,022)	(20,504)	1,524,877
Institutional Founder income	291,485	6,823	(12,340)	19,625	305,593
Standard Life accumulation	295,118	8,395	(9,418)	-	294,095
Retail accumulation	7,681,275	1,726,373	(2,412,767)	(2,012)	6,992,869
Institutional accumulation	3,416,901	24,515	(1,031,050)	39,905	2,450,271
Retail income	272,593	9,790	(14,677)	-	267,706
Institutional income	373,580	965	(34,869)	3,964	343,640
Platform 1 accumulation	9,337,380	288,152	(2,135,471)	643,107	8,133,168
Platform 1 income	3,025,863	147,362	(726,467)	(3,987)	2,442,771

### 11 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	119,168	-	-	115,742	-	-
<b>Total investment assets</b>	<b>119,168</b>	<b>-</b>	<b>-</b>	<b>115,742</b>	<b>-</b>	<b>-</b>

### 12 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.



# Notes to the Financial Statements

## Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Canadian Dollar	3,254	-
Danish Krone	2,507	1,586
Euro	17,267	22,480
Hong Kong Dollar	1,658	10,439
Indonesian Rupiah	-	383
Japanese Yen	5,488	3,485
Singapore Dollar	20	19
South Korean Won	3,677	5,353
Swedish Krona	2,180	-
Swiss Franc	5,175	5,472
Taiwan Dollar	4,399	6,398
US Dollar	65,538	55,262
<b>Total</b>	<b>111,163</b>	<b>110,877</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £5,558,000 (2021: £5,544,000).

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £5,958,000 (2021: £5,787,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £274,000 (2021: £305,000).

# Notes to the Financial Statements

## Continued

### 13 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have risen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 131.44p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 133.82p. This represents a change of 1.81% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 May 2021

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Retail Founder accumulation</b>				
Group 1	1.7514	-	1.7514	1.0381
Group 2	1.0638	0.6876	1.7514	1.0381
<b>Institutional Founder accumulation</b>				
Group 1	2.3157	-	2.3157	1.4489
Group 2	1.3484	0.9673	2.3157	1.4489
<b>Retail Founder income</b>				
Group 1	0.7489	-	0.7489	0.5080
Group 2	0.7489	-	0.7489	0.5080
<b>Institutional Founder income</b>				
Group 1	0.7799	-	0.7799	0.5267
Group 2	0.4476	0.3323	0.7799	0.5267
<b>Standard Life accumulation</b>				
Group 1	0.8474	-	0.8474	0.5517
Group 2	0.0704	0.7770	0.8474	0.5517
<b>Retail accumulation</b>				
Group 1	0.5551	-	0.5551	0.3079
Group 2	0.3793	0.1758	0.5551	0.3079
<b>Institutional accumulation</b>				
Group 1	0.7384	-	0.7384	0.4474
Group 2	0.5139	0.2245	0.7384	0.4474
<b>Retail income</b>				
Group 1	0.7209	-	0.7209	0.4906
Group 2	0.3550	0.3659	0.7209	0.4906
<b>Institutional income</b>				
Group 1	0.7625	-	0.7625	0.5164
Group 2	0.1606	0.6019	0.7625	0.5164
<b>Platform 1 accumulation</b>				
Group 1	0.7046	-	0.7046	0.4246
Group 2	0.4963	0.2083	0.7046	0.4246
<b>Platform 1 income</b>				
Group 1	0.7580	-	0.7580	0.5136
Group 2	0.4628	0.2952	0.7580	0.5136

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 June 2021

Group 2 – shares purchased between 1 June 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail Founder accumulation</b>				
Group 1	0.7156	-	0.7156	1.6596
Group 2	0.6046	0.1110	0.7156	1.6596
<b>Institutional Founder accumulation</b>				
Group 1	1.1894	-	1.1894	2.1705
Group 2	0.3676	0.8218	1.1894	2.1705
<b>Retail Founder income</b>				
Group 1	0.4542	-	0.4542	0.7109
Group 2	0.4542	-	0.4542	0.7109
<b>Institutional Founder income</b>				
Group 1	0.4737	-	0.4737	0.7384
Group 2	0.3503	0.1234	0.4737	0.7384
<b>Standard Life accumulation</b>				
Group 1	0.5098	-	0.5098	0.7859
Group 2	0.0826	0.4272	0.5098	0.7859
<b>Retail accumulation</b>				
Group 1	0.1690	-	0.1690	0.5307
Group 2	0.1476	0.0214	0.1690	0.5307
<b>Institutional accumulation</b>				
Group 1	0.3359	-	0.3359	0.6951
Group 2	0.2565	0.0794	0.3359	0.6951
<b>Retail income</b>				
Group 1	0.4370	-	0.4370	0.6859
Group 2	0.2242	0.2128	0.4370	0.6859
<b>Institutional income</b>				
Group 1	0.4627	-	0.4627	0.7232
Group 2	0.2280	0.2347	0.4627	0.7232
<b>Platform 1 accumulation</b>				
Group 1	0.3116	-	0.3116	0.6652
Group 2	0.2362	0.0754	0.3116	0.6652
<b>Platform 1 income</b>				
Group 1	0.4600	-	0.4600	0.7188
Group 2	0.3648	0.0952	0.4600	0.7188

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Retail Founder accumulation</b>				
Group 1	1.7029	-	1.7029	0.4935
Group 2	0.9595	0.7434	1.7029	0.4935
<b>Institutional Founder accumulation</b>				
Group 1	2.2954	-	2.2954	0.8923
Group 2	2.0644	0.2310	2.2954	0.8923
<b>Retail Founder income</b>				
Group 1	0.7409	-	0.7409	0.3650
Group 2	0.7409	-	0.7409	0.3650
<b>Institutional Founder income</b>				
Group 1	0.7732	-	0.7732	0.3793
Group 2	0.1291	0.6441	0.7732	0.3793
<b>Standard Life accumulation</b>				
Group 1	0.8514	-	0.8514	0.3998
Group 2	0.7318	0.1196	0.8514	0.3998
<b>Retail accumulation</b>				
Group 1	0.5292	-	0.5292	0.0968
Group 2	0.0469	0.4823	0.5292	0.0968
<b>Institutional accumulation</b>				
Group 1	0.7222	-	0.7222	0.2415
Group 2	0.3901	0.3321	0.7222	0.2415
<b>Retail income</b>				
Group 1	0.7120	-	0.7120	0.3516
Group 2	0.2302	0.4818	0.7120	0.3516
<b>Institutional income</b>				
Group 1	0.7549	-	0.7549	0.3714
Group 2	0.1259	0.6290	0.7549	0.3714
<b>Platform 1 accumulation</b>				
Group 1	0.6887	-	0.6887	0.2219
Group 2	0.4099	0.2788	0.6887	0.2219
<b>Platform 1 income</b>				
Group 1	0.7503	-	0.7503	0.3693
Group 2	0.2083	0.5420	0.7503	0.3693

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail Founder accumulation</b>				
Group 1	0.5096	-	0.5096	0.7399
Group 2	0.3855	0.1241	0.5096	0.7399
<b>Institutional Founder accumulation</b>				
Group 1	0.9719	-	0.9719	1.1793
Group 2	0.7103	0.2616	0.9719	1.1793
<b>Retail Founder income</b>				
Group 1	0.3954	-	0.3954	0.4456
Group 2	0.3954	-	0.3954	0.4456
<b>Institutional Founder income</b>				
Group 1	0.4140	-	0.4140	0.4635
Group 2	0.1157	0.2983	0.4140	0.4635
<b>Standard Life accumulation</b>				
Group 1	0.4479	-	0.4479	0.4926
Group 2	0.3083	0.1396	0.4479	0.4926
<b>Retail accumulation</b>				
Group 1	0.0866	-	0.0866	0.1855
Group 2	0.0751	0.0115	0.0866	0.1855
<b>Institutional accumulation</b>				
Group 1	0.2568	-	0.2568	0.3395
Group 2	0.1674	0.0894	0.2568	0.3395
<b>Retail income</b>				
Group 1	0.3804	-	0.3804	0.4292
Group 2	0.1760	0.2044	0.3804	0.4292
<b>Institutional income</b>				
Group 1	0.4034	-	0.4034	0.4531
Group 2	0.1721	0.2313	0.4034	0.4531
<b>Platform 1 accumulation</b>				
Group 1	0.2345	-	0.2345	0.3174
Group 2	0.1456	0.0889	0.2345	0.3174
<b>Platform 1 income</b>				
Group 1	0.4009	-	0.4009	0.4508
Group 2	0.1821	0.2188	0.4009	0.4508

## 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 Smaller Companies Fund

For the year ended 28 February 2022

## Investment Objective

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

**Performance Target:** To achieve the return of the MSCI AC World Small Cap Index, 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.

**Performance Comparator:** IA Global Equity Sector Average.

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

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 70% in small-capitalisation equities and equity related securities of companies listed on global stock exchanges.
- Small capitalisation companies are defined as any stock included in the MSCI AC World Small Cap 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 on global stock exchanges.
- The fund may also invest in other funds (including those managed by abrdn) and 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 MSCI AC World Small Cap 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 MSCI AC World Small Cap 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

Over the period under review, the Fund returned -4.01% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of 7.92% for our performance target (Source: FactSet, MSCI AC World Small Cap Index +3%).

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated 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) or any other damages ([www.msci.com](http://www.msci.com)).

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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Chegg weighed on returns. The online provider of study guides has played down a legal challenge from a competitor on its use of content. Investors are also worried about slower subscriber growth. Disappointingly, Cerence, the virtual assistance for the transportation market, has lost several key personnel this year. This, as well as a downward revision to earnings, caused by weaker auto production and an unexpectedly slower ramp up of new products, led to a sharp drop in the share price. Lastly, Amedisys, the healthcare-at-home and hospice operator, also detracted from performance. The pandemic has proved to be challenging for the US company, with the average length-of-stay per patient falling and fewer new hospice admissions. The company gave lower earnings guidance, with margins strained from rising wage costs.

# ASI Global Smaller Companies Fund

## Continued

Future Plc continued to outperform. The UK digital media platform is both a key enabler and beneficiary of the secular shift away from paper-based media to digital platforms. Meanwhile, it continues to execute its strategy successfully to transform itself into a digital-focused business. The company is delivering impressive earnings growth and beating investor expectations, driving further upgrades to its forecast profit. Pool Corp, the US swimming pool distributor, delivered significantly higher sales for the quarter compared with the same quarter last year, as consumers continued to spend on home improvements. Pool Corp's backlog is healthy, leading management to raise earnings guidance for the full year. Elsewhere, Lattice Semiconductor similarly reported a stellar set of results and increased sales and earnings guidance, as the company is witnessing strong demand across its product range. Lattice's partnership with Lenovo is delivering better user experiences, with investors expecting further deals to materialise.

### Portfolio Activity and Review

Major purchases included Addtech, Shyft, Sleep Number, ARB, Fabrinet, Reply, Perficient, Deckers Outdoor, Altair, Fox Factory, Steadfast and CTS Eventim. Addtech is a Swedish industrial company specialising in technical products and solutions across automation, energy, industrial processes and power solution. Shyft is the market leader in speciality vehicle manufacturing in the US. Sleep Number is a manufacturer and retailer of mattresses, beds and associated merchandise in the US. Australian business ARB manufactures and distributes its own brand and third-party vehicle equipment. Fabrinet is a US-based optical components manufacturer that should benefit from the exponential growth in data demand. Reply is an IT solutions supplier. Perficient is a specialist digital transformation consultancy. Deckers Outdoor owns a number of footwear brands and successfully repositioned UGG. With its HOKA purchase, it has scope to expand internationally. Altair offers cloud-based design simulation tools. Fox Factory manufactures suspension systems for high-performance bikes and off-road vehicles. Steadfast is the largest player in the Australian intermediated insurance market. CTS Eventim is the European leader in event ticketing and live entertainment. Other purchases included sports product company Asics, Interroll Holding, a manufacturer of intralogistics equipment, Aspeed, a Taiwanese semiconductor chip designer, and Watches of Switzerland.

Selling included Envestnet, Chemed, Grace Technology, Douzone Bizon and Nihon M&A Center. Envestnet's scope for revenue growth and margin expansion looks limited. Chemed has lost strategic focus. Grace's operations have been negatively affected by the pandemic. Douzone Bizon, the Korean accounting software provider, was sold over concerns about a slowdown in customer growth. Nihon M&A Center is encountering a squeeze on its profit margin with an expensive valuation. Other sales included RWS, the UK specialist translation services, MarketAxess (fixed income trading platform), GMO Payment Gateway (payment services), Mani (surgical instruments), Dunelm (furniture retailer), Terminix (higher input costs and poor management execution), Chegg (lower guidance and concern about the Pearson litigation), Taiwan Union Technology (unpredictable Chinese government policy), Amedisys (negative earnings momentum), Dolby Labs (persistently muted earnings guidance), Cerence (management change), Maximus (weaker earnings growth) and TechnoPro (a disappointing meeting with management).

### Portfolio Outlook and Strategy

The invasion of Ukraine has thrown previous assumptions into doubt. Market expectations for inflation and interest rate policy are being reworked as the fallout from the conflict is assessed. Several market commentators are now discussing the possibility of stagflation. At the portfolio level, we continue to focus on quality companies with clear competitive advantages, solid market share and healthy balance sheets. In addition to these companies, we are also now looking at companies with high earnings visibility.

### Smaller Companies Equity Team

March 2022



# ASI Global Smaller Companies Fund

## Continued

### 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 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 28 February 2022.

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

- 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.
- 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 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.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	183.12	130.38	132.37
Return before operating charges*	(3.70)	55.10	0.09
Operating charges	(2.95)	(2.36)	(2.08)
Return after operating charges*	(6.65)	52.74	(1.99)
Closing net asset value per share	176.47	183.12	130.38
*after direct transaction costs of:	0.19	0.15	0.17
<b>Performance</b>			
Return after charges	(3.63%)	40.45%	(1.50%)
<b>Other information</b>			
Closing net asset value (£'000)	255,962	250,994	161,075
Closing number of shares	145,045,978	137,068,391	123,540,788
Operating charges	1.46%	1.47%	1.47%
Direct transaction costs	0.09%	0.09%	0.12%
<b>Prices</b>			
Highest share price	233.2	198.3	150.4
Lowest share price	165.2	104.4	129.9

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	194.72	137.92	139.30
Return before operating charges*	(4.05)	58.39	0.04
Operating charges	(2.03)	(1.59)	(1.42)
Return after operating charges*	(6.08)	56.80	(1.38)
Distributions	-	-	-
Closing net asset value per share	188.64	194.72	137.92
*after direct transaction costs of:	0.20	0.16	0.18
<b>Performance</b>			
Return after charges	(3.12%)	41.18%	(0.99%)
<b>Other information</b>			
Closing net asset value (£'000)	193,365	194,089	167,990
Closing number of shares	102,506,047	99,677,137	121,800,968
Operating charges	0.94%	0.95%	0.95%
Direct transaction costs	0.09%	0.09%	0.12%
<b>Prices</b>			
Highest share price	248.9	210.8	158.6
Lowest share price	176.6	110.4	137.1

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	210.70	147.98	148.17
Return before operating charges*	(4.62)	62.90	(0.03)
Operating charges	(0.22)	(0.18)	(0.16)
Return after operating charges*	(4.84)	62.72	(0.19)
Distributions	(1.32)	(0.96)	(1.20)
Retained distributions on accumulation shares	1.32	0.96	1.20
Closing net asset value per share	205.86	210.70	147.98
*after direct transaction costs of:	0.22	0.17	0.19
<b>Performance</b>			
Return after charges	(2.30%)	42.38%	(0.13%)
<b>Other information</b>			
Closing net asset value (£'000)	171,983	152,894	98,122
Closing number of shares	83,544,419	72,564,372	66,305,556
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	0.09%	0.09%	0.12%
<b>Prices</b>			
Highest share price	271.0	228.1	169.4
Lowest share price	192.7	118.5	145.9

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Platform 1 accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	186.74	132.40	133.84
Return before operating charges*	(3.88)	56.04	0.06
Operating charges	(2.15)	(1.70)	(1.50)
Return after operating charges*	(6.03)	54.34	(1.44)
Closing net asset value per share	180.71	186.74	132.40
*after direct transaction costs of:	0.19	0.15	0.17
<b>Performance</b>			
Return after charges	(3.23%)	41.04%	(1.08%)
<b>Other information</b>			
Closing net asset value (£'000)	290,300	312,036	230,572
Closing number of shares	160,647,107	167,099,232	174,147,951
Operating charges	1.04%	1.05%	1.05%
Direct transaction costs	0.09%	0.09%	0.12%
<b>Prices</b>			
Highest share price	238.5	202.2	152.4
Lowest share price	169.2	106.0	131.7

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

The return after charges figures are based on the accounting NAV, as the financial statements are based on a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	143.82	101.70	102.52
Return before operating charges*	(3.02)	43.09	0.04
Operating charges	(1.23)	(0.97)	(0.86)
Return after operating charges*	(4.25)	42.12	(0.82)
Distributions	-	-	(0.08)
Retained distributions on accumulation shares	-	-	0.08
Closing net asset value per share	139.57	143.82	101.70
*after direct transaction costs of:	0.15	0.12	0.13
<b>Performance</b>			
Return after charges	(2.96%)	41.42%	(0.80%)
<b>Other information</b>			
Closing net asset value (£'000)	609,150	587,365	434,886
Closing number of shares	436,462,886	408,399,954	427,630,496
Operating charges	0.77%	0.78%	0.78%
Direct transaction costs	0.09%	0.09%	0.12%
<b>Prices</b>			
Highest share price	184.1	155.7	116.8
Lowest share price	130.7	81.42	100.9

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (95.76%)</b>		<b>1,507,091</b>	<b>99.10</b>
<b>Emerging Market Equities (4.11%)</b>		<b>42,394</b>	<b>2.79</b>
<b>Israel (4.11%)</b>		<b>42,394</b>	<b>2.79</b>
601,741	Kornit Digital	42,394	2.79
<b>European Equities (18.70%)</b>		<b>392,775</b>	<b>25.83</b>
<b>Finland (1.43%)</b>		<b>25,993</b>	<b>1.71</b>
1,187,873	Kesko 'B'	25,993	1.71
<b>France (1.61%)</b>		<b>16,078</b>	<b>1.06</b>
57,886	Teleperformance	16,078	1.06
<b>Germany (2.85%)</b>		<b>83,466</b>	<b>5.49</b>
669,897	CTS Eventim	35,251	2.32
1,167,284	Jungheinrich (Preference)	31,777	2.09
247,558	Nemetschek	16,438	1.08
<b>Ireland (2.38%)</b>		<b>39,069</b>	<b>2.57</b>
1,619,788	Keywords Studios++	39,069	2.57
<b>Italy (4.89%)</b>		<b>101,237</b>	<b>6.66</b>
2,932,699	FinecoBank Banca Fineco	36,641	2.41
965,327	Interpump	39,160	2.58
208,691	Reply	25,436	1.67
<b>Netherlands (2.49%)</b>		<b>20,932</b>	<b>1.38</b>
760,502	Corbion	20,932	1.38

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Poland (1.23%)</b>		<b>15,700</b>	<b>1.03</b>
298,536	Dino Polska	15,700	1.03
<b>Spain (1.82%)</b>		<b>40,971</b>	<b>2.69</b>
2,046,099	CIE Automotive	40,971	2.69
<b>Sweden (0.00%)</b>		<b>34,589</b>	<b>2.27</b>
2,789,971	AddTech 'B'	34,589	2.27
<b>Switzerland (0.00%)</b>		<b>14,740</b>	<b>0.97</b>
5,321	Interroll	14,740	0.97
<b>Japanese Equities (8.36%)</b>		<b>60,347</b>	<b>3.97</b>
1,120,100	Asics	16,576	1.09
1,075,400	JMDC	43,771	2.88
<b>North American Equities (44.63%)</b>		<b>671,483</b>	<b>44.15</b>
<b>United States (44.63%)</b>		<b>671,483</b>	<b>44.15</b>
549,624	Altair Engineering 'A'	27,175	1.79
475,041	Axon Enterprise	49,655	3.27
99,558	Deckers Outdoor	21,399	1.41
562,355	Floor & Decor 'A'	40,068	2.64
316,554	Fox Factory	27,844	1.83
194,110	Generac	45,671	3.00
129,277	Insulet	25,445	1.67
1,009,325	Lattice Semiconductor	47,106	3.10
311,715	Paylocity	49,321	3.24
534,318	Perficient	40,499	2.66
144,309	Pool	49,302	3.24



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,600,167	Shyft	48,181	3.17
376,007	SiteOne Landscape Supply	48,321	3.18
327,194	Sleep Number	15,995	1.05
839,332	TechTarget	49,031	3.22
654,062	Trex	44,755	2.94
909,216	YETI	41,715	2.74
<b>Pacific Basin Equities (10.18%)</b>		<b>200,696</b>	<b>13.20</b>
<b>Australia (3.17%)</b>		<b>102,204</b>	<b>6.72</b>
7,470,575	ALS	47,473	3.12
1,463,156	ARB	32,444	2.13
8,958,386	Steadfast	22,287	1.47
<b>South Korea (1.22%)</b>		-	-
<b>Taiwan (5.79%)</b>		<b>67,407</b>	<b>4.43</b>
314,000	ASPEED Technology	22,622	1.49
4,044,229	Sinbon Electronics	28,868	1.90
417,236	Voltronic Power Technology	15,917	1.04
<b>Thailand (0.00%)</b>		<b>31,085</b>	<b>2.05</b>
416,545	Fabrinet	31,085	2.05
<b>UK Equities (9.78%)</b>		<b>139,396</b>	<b>9.16</b>
<b>Consumer Discretionary (3.66%)</b>		<b>66,032</b>	<b>4.34</b>
1,618,831	Future	42,964	2.82
1,906,470	Watches of Switzerland	23,068	1.52
<b>Financials (0.00%)</b>		<b>41,944</b>	<b>2.76</b>
2,447,835	Intermediate Capital	41,944	2.76

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (2.95%)		-	-
Industrials (1.63%)		-	-
Technology (1.54%)		31,420	2.06
2,086,329	Kainos	31,420	2.06
Collective Investment Schemes (4.31%)		27,810	1.83
27,810	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	27,810	1.83
Total investment assets		1,534,901	100.93
Net other liabilities		(14,141)	(0.93)
<b>Total Net Assets</b>		<b>1,520,760</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 28 February 2021.

+ Managed by subsidiaries of abrdn plc.

\*\* AIM listed.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(56,309)		413,830
Revenue	2	11,945		8,491	
Expenses	3	(15,236)		(11,398)	
Interest payable and similar charges		(9)		(8)	
Net expense before taxation		(3,300)		(2,915)	
Taxation	4	(729)		(663)	
Net expense after taxation			(4,029)		(3,578)
<b>Total return before distributions</b>			<b>(60,338)</b>		<b>410,252</b>
Distributions	5		(1,048)		(602)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(61,386)</b>		<b>409,650</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,497,378</b>		<b>1,092,645</b>
Amounts receivable on the issue of shares	254,111		195,234	
Amounts payable on the cancellation of shares	(170,393)		(200,844)	
		83,718		(5,610)
Dilution adjustment		(51)		-
Change in net assets attributable to shareholders from investment activities (see above)		(61,386)		409,650
Retained distribution on accumulation shares		1,101		693
<b>Closing net assets attributable to shareholders</b>		<b>1,520,760</b>		<b>1,497,378</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			1,534,901		1,498,478
<b>Current assets:</b>					
Debtors	6	7,650		4,600	
Cash and bank balances	7	6,010		1,177	
			13,660		5,777
<b>Total assets</b>			<b>1,548,561</b>		<b>1,504,255</b>
<b>Liabilities:</b>					
Bank overdrafts	7	-		(5)	
Creditors	8	(27,801)		(6,872)	
			(27,801)		(6,877)
<b>Total liabilities</b>			<b>(27,801)</b>		<b>(6,877)</b>
<b>Net assets attributable to shareholders</b>			<b>1,520,760</b>		<b>1,497,378</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(56,002)	414,229
Other losses	(283)	(374)
Transaction charges	(24)	(25)
<b>Net capital (losses)/gains</b>	<b>(56,309)</b>	<b>413,830</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	67	100
Overseas dividends	9,896	7,771
UK dividends	1,982	620
<b>Total revenue</b>	<b>11,945</b>	<b>8,491</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	13,534	10,032
Dealing charge	372	284
General administration charge*	593	-
Registration fees**	549	847
	<b>15,048</b>	<b>11,163</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	43	93
Safe custody fee	134	123
	<b>177</b>	<b>216</b>
<b>Other:</b>		
Audit fee**	5	9
Professional fees**	6	10
	<b>11</b>	<b>19</b>
<b>Total expenses</b>	<b>15,236</b>	<b>11,398</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	729	663
<b>Total taxation (note 4b)</b>	<b>729</b>	<b>663</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net expense before taxation</b>	<b>(3,300)</b>	<b>(2,915)</b>
Corporation tax at 20% (2021: 20%)	(660)	(583)
Effects of:		
Revenue not subject to taxation	(2,375)	(1,678)
Overseas taxes	729	663
Excess allowable expenses	3,035	2,261
<b>Total tax charge for year (note 4a)</b>	<b>729</b>	<b>663</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £13,562,000 (2021: £10,527,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
Distribution	1,101	693
Add: Income deducted on cancellation of shares	39	24
Deduct: Income received on issue of shares	(92)	(115)
<b>Total distributions for the year</b>	<b>1,048</b>	<b>602</b>
<b>Movement between net expense and distributions</b>		
Net expense after taxation	(4,029)	(3,578)
Shortfall transfer from capital to revenue	5,077	4,180
<b>Total distributions for the year</b>	<b>1,048</b>	<b>602</b>

Details of the distribution per share are set out in this fund's distribution table.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	466	335
Amounts receivable from the ACD for the issue of shares	134	2,360
Overseas withholding tax recoverable	700	481
Sales awaiting settlement	6,350	1,424
<b>Total debtors</b>	<b>7,650</b>	<b>4,600</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	6,010	1,177
	<b>6,010</b>	<b>1,177</b>
<b>Bank overdrafts</b>		
Overdraft at bank	-	(5)
	<b>-</b>	<b>(5)</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	27,810	64,534
<b>Net liquidity</b>	<b>33,820</b>	<b>65,706</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	1,047	1,062
Accrued expenses payable to the Depositary or associates of the Depositary	24	33
Amounts payable to the ACD for cancellation of shares	17,381	801
Other accrued expenses	5	9
Purchases awaiting settlement	9,344	4,967
<b>Total creditors</b>	<b>27,801</b>	<b>6,872</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

# Notes to the Financial Statements

## Continued

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	772,313	573,546	644,721	613,601
Corporate actions	-	21	-	-
<b>Trades in the year before transaction costs</b>	<b>772,313</b>	<b>573,567</b>	<b>644,721</b>	<b>613,601</b>
<b>Commissions</b>				
Equities	412	360	(350)	(330)
<b>Total commissions</b>	<b>412</b>	<b>360</b>	<b>(350)</b>	<b>(330)</b>
<b>Taxes</b>				
Equities	615	296	(195)	(179)
<b>Total taxes</b>	<b>615</b>	<b>296</b>	<b>(195)</b>	<b>(179)</b>
<b>Total transaction costs</b>	<b>1,027</b>	<b>656</b>	<b>(545)</b>	<b>(509)</b>
<b>Total net trades in the year after transaction costs</b>	<b>773,340</b>	<b>574,223</b>	<b>644,176</b>	<b>613,092</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.06	0.05	0.05
<b>Taxes</b>				
Equities	0.08	0.05	0.03	0.03
<b>Total transaction costs expressed as a percentage of net asset value</b>			<b>2022 %</b>	<b>2021 %</b>
Commissions			0.04	0.05
Taxes			0.05	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.33% (2021: 0.32%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.



# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	137,068,391	38,541,280	(29,213,517)	(1,350,176)	145,045,978
Institutional accumulation	99,677,137	12,557,925	(23,116,121)	13,387,106	102,506,047
Standard Life accumulation	72,564,372	15,076,512	(4,097,210)	745	83,544,419
Platform 1 accumulation	167,099,232	21,867,510	(16,822,631)	(11,497,004)	160,647,107
Institutional S accumulation	408,399,954	42,654,718	(13,102,308)	(1,489,478)	436,462,886

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	1,507,091	-	-	1,433,944	-	-
Collective Investment Schemes	-	27,810	-	-	64,534	-
<b>Total investment assets</b>	<b>1,507,091</b>	<b>27,810</b>	<b>-</b>	<b>1,433,944</b>	<b>64,534</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

# Notes to the Financial Statements

## Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Australian Dollar	102,456	48,790
Euro	290,240	227,243
Japanese Yen	60,499	125,422
Polish Zloty	15,700	18,381
South Korean Won	-	18,405
Swedish Krona	34,589	-
Swiss Franc	14,740	-
Taiwan Dollar	62,943	86,782
US Dollar	751,790	725,340
<b>Total</b>	<b>1,332,957</b>	<b>1,250,363</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £66,648,000 (2021: £62,518,000).

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £76,745,000 (2021: £74,924,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £27,801,000 (2021: £6,877,000).

## 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 180.71p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 157.37p. This represents a change of (12.92)% from the year end value.

# Distribution Table

For the year ended 28 February 2022 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	1.3174	-	1.3174	0.9556
Group 2	0.7185	0.5989	1.3174	0.9556
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional S accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

## 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 High Yield Bond Fund

For the year ended 28 February 2022

## 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 GBP/Euro Fixed & Floating High Yield Non Financial 3% Constrained (HGD to GBP) plus 0.8% 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 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, including sub-sovereigns and the following types: investment grade, inflation-linked, convertible, asset backed and mortgage backed.
- The fund may also invest in other funds (including those managed by abrdn) and 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) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, ICE BofAML GBP/Euro Fixed&Floating High Yield Non Financial 3% Constrained (HGD to GBP) 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 2.5%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the ICE BofAML GBP/Euro Fixed&Floating High Yield Non Financial 3% Constrained (HGD to GBP) 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 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").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

Over the period under review, the fund returned -0.2% (after charges). (Source: Factset, Platform 1 Accumulation Shares.) This compared to a return of -1.46% for the fund's benchmark (Source: Factset, ICE Boal GBP/Euro Fixed & Floating High Yield Non Financial 3% Constrained (hedged to GBP)).

The performance target of the fund is to achieve the return of the benchmark plus 0.8% per annum over rolling three year periods (before charges). For the period under review, the fund achieved the benchmark return plus 2.24% (before charges).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Fund performance benefitted from a combination of favourable portfolio positioning and individual credit selection. Through a significant overweight in B-rated credits (and selective CCC's) versus an underweight in BB-rated bonds, the fund was positioned to be short duration but long carry. This reflected our view that the ongoing economic recovery was supportive to credit risk but that there could be increased market volatility as investors navigated more hawkish central banks and ongoing concerns around cost inflation.

# ASI High Yield Bond Fund

## Continued

Despite the Ukraine-related sell off experienced in February, B and CCC rated bonds still outperformed during the period. BB's were negatively impacted by their higher sensitivity to the increase in government bond yields. The fund had no exposure to Russian or Ukrainian bonds. During 2021, we had taken profit on a number of subordinated bank positions and further moderated risk through the reduction in our CCC weighting. This helped to dampen the impact of the market sell off due to the conflict.

The top performer over the period was our off-benchmark position in EnQuest, the North Sea oil company. We added to the position in early 2021 at attractive prices with the expectation that oil would perform well in a higher inflation environment. COVID-19 recovery sectors were the best performers during the period, as lockdown restrictions continued to ease. We selectively increased our exposure to retail, leisure and gaming bonds, which included buying senior secured bonds in UK retailer Matalan after they sold off. The subsequent rally of these bonds made Matalan one of the best performing positions.

The hybrid bonds of French nuclear energy company EDF sold off during the period after the government imposed a limit on the electricity tariff and the company announced a higher-than-expected level of maintenance-related outages. The company guided to a combined negative earnings impact in 2022 of €16 billion. The fund had no exposure to EDF.

The position in Telecom Italia was fully exited early during the period, which added to relative performance. Having initially sold off due to weaker operational performance and guidance downgrades, bonds experienced further weakness on news that private equity investor KKR was bidding for the company. This led to concerns that any buyout would burden the business with additional debt.

The biggest detractor to performance was our off-benchmark holding in Italian Bank Monte Dei Paschi Di Siena. The gains achieved from our other off-benchmark bank bonds more than offset this negative performance. Japanese technology investor Softbank also weighed on returns, as its bonds fell due to the Chinese government's crackdown on technology companies, such as Alibaba, which is held within its Chinese exposure. Lastly, the fund's lack of exposure to German airline Lufthansa hurt performance.

## Portfolio Activity and Review

In the primary markets, we took advantage of the record levels of new deals during 2020 to add a number of new names to the portfolio. This included healthcare sector bonds like Advanza, Kedrion, Gruenthal, Organon and Cerba, as well as retailers Very Group, Home Shopping Network, B&M and BUT. We also purchased the bonds of the footwear brands Golden Goose and Birkenstock. These holdings enhanced the fund's overall yield. Elsewhere, we participated in a new issue from French telecoms company Iliad. This was a new entrant to the European high-yield market, with bonds being issued to fund the company being taken private. We also participated in an issue by Graanul, which produces sustainable wood pellets for use in the power generation sector. This poses an alternative to the use of coal and fits well with the increased focus on carbon footprint and sustainability.

We had expected the auto sector to start recovering from the supply-chain issues it had been experiencing and ahead of this we reduced the underweight to the sector. In the secondary market, we bought Schaeffler, the German auto parts supplier, as a potential rising star candidate. We also added bonds in Faurecia, ZFF and Jaguar Land Rover.

On the sell side, we took profits in strongly performing off-benchmark bank bonds, such as Virgin Money, CaixaBank, Intesa Sanpaolo, UBI, Bankia and Standard Chartered. Historically, subordinated financials can be more susceptible to stock-market volatility, and we prudently reduced this risk ahead of 2022.

In line with our investment strategy, we also further reduced our exposure to more duration-sensitive bonds, including TMT companies Virgin Media, Ziggo, Telecom Italia and Netflix, as well as real estate company Medical Properties Trust. Corporate hybrids can underperform during duration-related weakness, and we significantly reduced our holdings through the sale of Telefonica, BP, BT, Solvay and Firmenich. Due to the reduced analyst conviction for Monte Dei Paschi tier two bonds, we fully exited the position in the second half of the review period.

# ASI High Yield Bond Fund

## Continued

### Portfolio Outlook & Strategy

The war in Ukraine is creating high geopolitical and economic uncertainty, challenging Europe's energy security. Sanctions hurt Europe as well as Russia, with higher commodity prices and reduced trade on Europe's eastern frontier. While the situation remains fluid, our central macroeconomic scenario looks to have been priced in by investors. This assumes that Russian sanctions remain at their current levels, the US Federal Reserve (Fed) continues raising rates until policy is tight, and the Chinese authorities deliver moderate additional easing. Under this scenario, growth would be weaker, but above trend, and inflation would go higher in the near term.

The downside scenarios include a prolonged conflict triggering further supply disruptions and loss of confidence, leading to a more extended period of weaker growth and higher inflation. If the Fed overtightens to contain inflation pressures, then this could lead to a recession. These scenarios are not currently priced into markets.

We have maintained our short-duration, long-carry positioning within the fund. This helps to protect against government yield moves and provides an additional spread buffer to cope with volatility. We have reduced exposure to credits that will be impacted by more prolonged cost inflation pressures and continue to run with our off-benchmark commodity producers –Enquest, Ithaca Energy and First Quantum – that will benefit in this environment.

In recognition that the downside risks have increased, we have continued to moderate our risk exposure within the fund. We meaningfully reduced exposure to CCC-rated bonds and other subordinated debt. The fund generated a good level of outperformance versus the benchmark during the volatile first two months of 2022.

### Euro HY and Global Leverage Loans

March 2022

# ASI High Yield Bond Fund

## Continued

### 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 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 28 February 2022.

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 fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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 invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- 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 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	148.90	139.42	133.58
Return before operating charges*	0.91	10.91	7.29
Operating charges	(1.55)	(1.43)	(1.45)
Return after operating charges*	(0.64)	9.48	5.84
Distributions	(5.95)	(5.50)	(3.91)
Retained distributions on accumulation shares	5.95	5.50	3.91
Closing net asset value per share	148.26	148.90	139.42
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.43%)	6.80%	4.37%
<b>Other information</b>			
Closing net asset value (£'000)	75,787	82,772	84,701
Closing number of shares	51,115,944	55,591,054	60,751,437
Operating charges	1.02%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	154.7	150.3	143.5
Lowest share price	148.7	114.7	133.9

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	159.44	148.83	142.12
Return before operating charges*	0.97	11.66	7.75
Operating charges	(1.14)	(1.05)	(1.04)
Return after operating charges*	(0.17)	10.61	6.71
Distributions	(6.90)	(6.35)	(4.68)
Retained distributions on accumulation shares	6.90	6.35	4.68
Closing net asset value per share	159.27	159.44	148.83
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.11%)	7.13%	4.72%
<b>Other information</b>			
Closing net asset value (£'000)	18,980	19,044	19,561
Closing number of shares	11,916,458	11,944,126	13,143,275
Operating charges	0.70%	0.71%	0.71%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	166.0	160.9	153.2
Lowest share price	159.4	122.4	142.4

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# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	49.96	48.62	47.93
Return before operating charges*	0.35	3.72	2.59
Operating charges	(0.51)	(0.49)	(0.50)
Return after operating charges*	(0.16)	3.23	2.09
Distributions	(1.97)	(1.89)	(1.40)
Closing net asset value per share	47.83	49.96	48.62
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.32%)	6.64%	4.36%
<b>Other information</b>			
Closing net asset value (£'000)	38,541	43,698	45,947
Closing number of shares	80,577,576	87,461,123	94,494,741
Operating charges	1.02%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.08	50.90	50.42
Lowest share price	48.43	40.00	47.89

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# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	49.98	48.64	47.95
Return before operating charges*	0.34	3.72	2.60
Operating charges	(0.35)	(0.34)	(0.35)
Return after operating charges*	(0.01)	3.38	2.25
Distributions	(2.13)	(2.04)	(1.56)
Closing net asset value per share	47.84	49.98	48.64
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.02%)	6.95%	4.69%
<b>Other information</b>			
Closing net asset value (£'000)	15,329	24,031	30,034
Closing number of shares	32,040,555	48,085,185	61,753,084
Operating charges	0.70%	0.71%	0.71%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.13	50.95	50.48
Lowest share price	48.48	40.02	47.90

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	50.85	49.49	48.81
Return before operating charges*	0.35	3.79	2.66
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	0.34	3.78	2.65
Distributions	(2.52)	(2.42)	(1.97)
Closing net asset value per share	48.67	50.85	49.49
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.67%	7.64%	5.43%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,996	1,996	1,996
Operating charges	0.02%	0.03%	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	52.11	51.92	51.44
Lowest share price	49.40	40.75	48.78

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# Comparative Tables

## Continued

	2022	2021	2020
	pence per share	pence per share	pence per share
<b>Standard Life accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	131.04	121.59	115.41
Return before operating charges*	0.78	9.58	6.31
Operating charges	(0.13)	(0.13)	(0.13)
Return after operating charges*	0.65	9.45	6.18
Distributions	(6.50)	(5.94)	(4.53)
Retained distributions on accumulation shares	6.50	5.94	4.53
Closing net asset value per share	131.69	131.04	121.59
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.50%	7.77%	5.35%
<b>Other information</b>			
Closing net asset value (£'000)	70,784	83,423	85,208
Closing number of shares	53,750,211	63,661,792	70,080,607
Operating charges	0.10%	0.11%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	137.1	132.2	125.1
Lowest share price	131.0	100.1	115.7

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# Comparative Tables

## Continued

Institutional regulated accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	234.32	218.07	207.61
Return before operating charges*	1.42	17.14	11.34
Operating charges	(0.96)	(0.89)	(0.88)
Return after operating charges*	0.46	16.25	10.46
Distributions	(10.88)	(9.97)	(7.49)
Retained distributions on accumulation shares	10.88	9.97	7.49
Closing net asset value per share	234.78	234.32	218.07
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.20%	7.45%	5.04%
<b>Other information</b>			
Closing net asset value (£'000)	30,837	33,674	34,869
Closing number of shares	13,134,196	14,370,684	15,989,980
Operating charges	0.40%	0.41%	0.41%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	244.5	236.5	224.4
Lowest share price	234.2	179.4	208.1

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	83.71	78.17	74.68
Return before operating charges*	0.51	6.13	4.08
Operating charges	(0.64)	(0.59)	(0.59)
Return after operating charges*	(0.13)	5.54	3.49
Distributions	(3.58)	(3.29)	(2.42)
Retained distributions on accumulation shares	3.58	3.29	2.42
Closing net asset value per share	83.58	83.71	78.17
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.16%)	7.09%	4.67%
<b>Other information</b>			
Closing net asset value (£'000)	24,489	27,472	27,729
Closing number of shares	29,300,833	32,818,970	35,470,314
Operating charges	0.75%	0.76%	0.76%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	87.11	84.49	80.46
Lowest share price	83.67	64.31	74.84

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	58.99	57.41	56.59
Return before operating charges*	0.42	4.39	3.07
Operating charges	(0.45)	(0.43)	(0.44)
Return after operating charges*	(0.03)	3.96	2.63
Distributions	(2.48)	(2.38)	(1.81)
Closing net asset value per share	56.48	58.99	57.41
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.05%)	6.90%	4.65%
<b>Other information</b>			
Closing net asset value (£'000)	29,787	33,362	36,162
Closing number of shares	52,743,553	56,549,779	62,987,253
Operating charges	0.75%	0.76%	0.76%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	60.36	60.14	59.57
Lowest share price	57.22	47.24	56.54

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# Comparative Tables

## Continued

Institutional S accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	72.97	67.97	64.53
Return before operating charges*	0.60	5.40	3.84
Operating charges	(0.44)	(0.40)	(0.40)
Return after operating charges*	0.16	5.00	3.44
Distributions	(3.37)	(3.07)	(2.49)
Retained distributions on accumulation shares	3.37	3.07	2.49
Closing net asset value per share	73.13	72.97	67.97
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.22%	7.36%	5.33%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,531	1,531	1,531
Operating charges	0.58%	0.59%	0.59%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	76.14	73.65	69.95
Lowest share price	72.94	55.92	64.66

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# Comparative Tables

## Continued

Institutional S income	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.92	52.50	51.87
Return before operating charges*	0.42	4.05	2.92
Operating charges	(0.31)	(0.31)	(0.31)
Return after operating charges*	0.11	3.74	2.61
Distributions	(2.41)	(2.32)	(1.98)
Closing net asset value per share	51.62	53.92	52.50
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.20%	7.12%	5.03%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,893	1,893	1,893
Operating charges	0.58%	0.59%	0.59%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	55.21	55.00	54.50
Lowest share price	52.34	43.20	51.71

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# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (96.90%)</b>		<b>288,457</b>	<b>94.72</b>
<b>Euro Denominated Bonds (69.70%)</b>		<b>217,968</b>	<b>71.57</b>
<b>Corporate Bonds (69.70%)</b>		<b>217,968</b>	<b>71.57</b>
less than 5 years to maturity			
1,607,000	Adient Global 3.5% 2024	1,331	0.44
1,800,000	ADLER 3.25% 2025	1,305	0.43
900,000	ADLER Real Estate 1.875% 2023	708	0.23
800,000	ADLER Real Estate 3% 2026	604	0.20
3,165,000	Aggreko 5.25% 2026	2,598	0.85
1,700,000	Altice France 5.875% 2027	1,458	0.48
3,158,000	Banff Merger Sub 8.375% 2026	2,669	0.88
2,515,000	Carnival 10.125% 2026	2,335	0.77
2,350,000	Casino Guichard Perrachon 6.625% 2026	1,785	0.59
2,830,000	CeramTec BondCo 5.25% 2025	2,388	0.78
2,449,000	Cirsa Finance International 6.25% 2023	1,739	0.57
915,000	Cirsa Finance International FRN 2025	740	0.24
2,138,000	Cogent Communications 4.375% 2024	1,782	0.59
1,800,000	Colfax 3.25% 2025	1,489	0.49
3,101,000	CT Investment 5.5% 2026	2,490	0.82
2,974,000	Cullinan Holdco 4.625% 2026	2,334	0.77
1,700,000	DDM Debt 9% 2026	1,405	0.46
2,785,000	Diocle FRN 2026	1,588	0.52
1,500,000	eG Global Finance 4.375% 2025	1,199	0.39
2,300,000	eG Global Finance 6.25% 2025	1,891	0.62
1,000,000	Faurecia 3.125% 2026	822	0.27
2,321,000	Gamma Bidco 6.25% 2025	1,935	0.64
1,998,000	Garfunkelux Holdco 3 6.75% 2025	1,678	0.55
1,391,000	Gruenenthal 3.625% 2026	1,130	0.37
1,721,000	House of Finance 4.375% 2026	1,395	0.46
335,000	HSE Finance 5.625% 2026	271	0.09
813,000	HSE Finance FRN 2026	678	0.22
3,550,000	HT Troplast 9.25% 2025	3,024	0.99
880,000	IHO Verwaltungs 3.625% 2025	730	0.24
2,571,000	Iliad 5.125% 2026	2,140	0.70
1,683,000	INEOS Finance 3.375% 2026	1,384	0.46
3,900,000	INEOS Quattro Finance 1 3.75% 2026	3,067	1.01

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,500,000	INEOS Styrolution 2.25% 2027	1,149	0.38
5,484,000	International Game Technology 3.5% 2026	4,552	1.50
1,580,000	Intrum 3.5% 2026	1,251	0.41
1,903,000	Intrum 4.875% 2025	1,590	0.52
1,829,000	Jaguar Land Rover Automotive 6.875% 2026	1,623	0.53
3,561,000	Kedrion 3.375% 2026	2,922	0.96
1,661,000	Kleopatra 2 6.5% 2026	1,133	0.37
706,000	Kleopatra Finco 4.25% 2026	528	0.17
2,287,148	LHMC Finco 2 7.25% 2025	1,830	0.60
1,853,000	Lincoln Financing 3.625% 2024	1,548	0.51
2,300,000	Loxam 3.75% 2026	1,869	0.61
5,575,000	Matterhorn Telecom 3.125% 2026	4,415	1.45
2,160,000	Monitchem HoldCo 3 5.25% 2025	1,793	0.59
1,500,000	Monitchem HoldCo 3 FRN 2025	1,244	0.41
1,212,000	Motion Finco 7% 2025	1,040	0.34
2,377,000	Nassa Topco 2.875% 2024	1,993	0.65
3,309,000	Nidda Healthcare 3.5% 2024	2,567	0.84
2,550,000	Novafives 5% 2025	1,776	0.58
2,025,000	Petroleos Mexicanos 5.125% 2023	1,737	0.57
1,000,000	Petroleos Mexicanos 5.5% 2025	878	0.29
2,800,000	Picard 3.875% 2026	2,263	0.74
2,745,000	PrestigeBidCo 6.25% 2023	2,291	0.75
1,022,000	Rolls-Royce 4.625% 2026	886	0.29
855,000	Samvardhana Motherson Automotive Systems 1.8% 2024	698	0.23
1,000,000	Sazka 3.875% 2027	801	0.26
1,245,000	Sazka 4.125% 2024	1,039	0.34
1,886,000	Sherwood Financing 4.5% 2026	1,501	0.49
1,960,000	Sigma Holdco 5.75% 2026	1,376	0.45
3,775,000	Summer BC HoldCo 5.75% 2026	3,176	1.04
3,500,000	Summer BidCo 9% 2025 (Issue 2019)	3,066	1.01
1,162,677	Summer BidCo 9% 2025 (Issue 2020)	997	0.33
3,906,000	Techem Verwaltungsgesellschaft 674 6% 2026	2,884	0.95
1,195,000	Techem Verwaltungsgesellschaft 675 2% 2025	955	0.31
1,973,000	Tele Columbus 3.875% 2025	1,544	0.51
730,000	Teva Pharmaceutical Finance Netherlands II 4.5% 2025	608	0.20
7,672,000	Teva Pharmaceutical Finance Netherlands II 6% 2025	6,638	2.18
1,935,000	Unilabs Subholding 5.75% 2025	1,614	0.53

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,269,000	United 4.875% 2024	1,060	0.35
1,850,000	Verisure 3.25% 2027	1,449	0.48
2,219,000	Verisure 3.5% 2023	1,855	0.61
2,934,000	Victoria 3.625% 2026	2,349	0.77
1,200,000	ZF Europe Finance 2% 2026	941	0.31
900,000	ZF Finance 3% 2025	744	0.24
between 5 and 10 years to maturity			
4,960,000	Altice Finco 4.75% 2028	3,662	1.20
1,195,000	Altice France 3.375% 2028	909	0.30
7,390,000	Altice France 8% 2027	6,402	2.10
899,395	ARD Finance 5% 2027	716	0.24
1,225,000	Atlantia 1.875% 2028	956	0.31
4,347,000	Autostrade per l'Italia 2% 2028	3,468	1.14
2,712,000	BK LC Lux Finco 1 5.25% 2029	2,207	0.73
1,435,000	Chrome Bidco 3.5% 2028	1,115	0.37
1,910,000	Chrome Holdco 5% 2029	1,461	0.48
1,820,000	Cidron Aida Finco 5% 2028	1,399	0.46
2,065,000	Dufry One 3.375% 2028	1,604	0.53
1,069,000	Encore Capital FRN 2028	893	0.29
1,000,000	Faurecia 2.375% 2027	777	0.26
1,769,000	Faurecia 3.75% 2028	1,461	0.48
2,002,000	Golden Goose FRN 2027	1,625	0.53
867,000	Graphic Packaging International 2.625% 2029	671	0.22
898,000	Gruenthal 4.125% 2028	714	0.23
925,000	IHO Verwaltungs 3.875% 2027	766	0.25
1,253,000	IMA Industria Macchine Automatiche 3.75% 2028	981	0.32
1,107,000	IMA Industria Macchine Automatiche FRN 2028	914	0.30
730,000	Jaguar Land Rover Automotive 4.5% 2028	579	0.19
2,335,000	Leather 2 FRN 2028	1,922	0.63
1,344,000	Mobilux Finance 4.25% 2028	1,057	0.35
2,094,000	Motion Bondco 4.5% 2027	1,613	0.53
2,108,000	Nobel Bidco 3.125% 2028	1,589	0.52
958,000	Nomad Foods Bondco 2.5% 2028	737	0.24
982,000	Novelis Sheet Ingot 3.375% 2029	771	0.25
3,863,000	Organon 2.875% 2028	3,020	0.99
1,255,000	Paprec 3.5% 2028	978	0.32

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
6,699,000	Petroleos Mexicanos 4.75% 2029	5,228	1.72
3,960,000	Schaeffler 2.875% 2027	3,325	1.09
1,700,000	Schaeffler 3.375% 2028	1,441	0.47
3,300,000	SoftBank 5% 2028	2,661	0.87
618,000	SoftBank 5.25% 2027	507	0.17
1,722,000	TK Elevator Holdco 6.625% 2028	1,292	0.42
1,774,000	TK Elevator Midco 4.375% 2027	1,477	0.48
748,000	TK Elevator Midco FRN 2027	623	0.21
1,095,000	United 5.25% 2030	856	0.28
3,705,000	UPCB Finance VII 3.625% 2029	2,990	0.98
2,535,000	Verisure Midholding 5.25% 2029	1,994	0.66
1,400,000	ZF Europe Finance 2.5% 2027	1,081	0.35
1,500,000	ZF Finance 2% 2027	1,152	0.38
1,970,000	Ziggo Bond 3.375% 2030	1,466	0.48
greater than 25 years to maturity			
2,376,000	Vodafone 2.625% fixed to floating 2080	1,908	0.63
Perpetual			
3,000,000	Aareal Bank FRN Perpetual	2,493	0.82
2,600,000	Abanca Corp Bancaria 6% fixed to floating Perpetual	2,151	0.71
1,300,000	Abertis Infraestructuras Finance 3.248% fixed to floating Perpetual	1,046	0.34
763,000	Banco BPM 6.125% fixed to floating Perpetual	634	0.21
1,200,000	Banco Santander 4.375% fixed to floating Perpetual	963	0.32
2,177,000	LeasePlan 7.375% fixed to floating Perpetual	1,942	0.64
2,686,696	Stichting 6.5% Perpetual	2,710	0.89
1,800,000	Telefonica Europe 3.875% fixed to floating Perpetual	1,501	0.49
1,500,000	UniCredit 6.625% fixed to floating Perpetual	1,295	0.43
<b>Sterling Denominated Bonds (21.65%)</b>		<b>55,811</b>	<b>18.33</b>
<b>Corporate Bonds (21.65%)</b>		<b>55,811</b>	<b>18.33</b>
less than 5 years to maturity			
854,000	AA Bond 6.5% 2026	845	0.28
3,129,000	Arqiva Broadcast Finance 6.75% 2023	3,130	1.03
1,625,000	Bellis Acquisition 3.25% 2026	1,478	0.49
2,195,000	Bellis Acquisition 4.5% 2026	2,077	0.68

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,694,000	Bellis Finco 4% 2027	1,503	0.49
1,627,000	Encore Capital 5.375% 2026	1,628	0.53
3,539,000	Garfunkelux Holdco 3 7.75% 2025	3,548	1.16
480,000	Jaguar Land Rover Automotive 3.875% 2023	478	0.16
1,051,000	Jerrold Finco 4.875% 2026	1,022	0.34
1,983,000	Jerrold Finco 5.25% 2027	1,928	0.63
844,000	Kane Bidco 6.5% 2027	832	0.27
3,040,000	Mitchells & Butlers Finance 5.965% 2023	367	0.12
2,312,000	Premier Foods Finance 3.5% 2026	2,151	0.71
810,000	Punch Finance 6.125% 2026	789	0.26
3,664,000	Sherwood Financing 6% 2026	3,473	1.14
3,279,000	TalkTalk Telecom 3.875% 2025	2,867	0.94
4,099,000	Thames Water Kemble Finance 4.625% 2026	4,008	1.32
3,210,000	Very 6.5% 2026	3,067	1.01
959,000	Wheel Bidco 6.75% 2026	901	0.30
between 5 and 10 years to maturity			
1,306,000	B&M European Value Retail 4% 2028	1,234	0.41
2,370,000	Cidron Aida Finco 6.25% 2028	2,171	0.71
1,696,000	Constellation Automotive Financing 4.875% 2027	1,555	0.51
2,330,000	Pinewood Finance 3.625% 2027	2,196	0.72
3,623,000	Rolls-Royce 5.75% 2027	3,781	1.24
4,520,000	Virgin Media Vendor Financing Notes III 4.875% 2028	4,232	1.39
Perpetual			
1,000,000	Barclays 7.25% fixed to floating Perpetual	1,018	0.33
2,500,000	Deutsche Bank 7.125% fixed to floating Perpetual	2,518	0.83
1,038,000	National Express 4.25% fixed to floating Perpetual	1,014	0.33
<b>US Dollar Denominated Bonds (5.55%)</b>		<b>14,678</b>	<b>4.82</b>
<b>Corporate Bonds (5.55%)</b>		<b>14,678</b>	<b>4.82</b>
less than 5 years to maturity			
2,200,000	Adams Homes 7.5% 2025	1,669	0.55
4,631,257	EnQuest 7% 2023	3,318	1.09
1,800,000	First Quantum Minerals 7.25% 2023	1,345	0.44
2,200,000	First Quantum Minerals 7.5% 2025	1,675	0.55

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,352,000	Ford Motor 9% 2025	1,168	0.38
1,910,000	Ithaca Energy North Sea 9% 2026	1,433	0.47
Perpetual			
2,009,000	General Motors Financial 5.75% fixed to floating Perpetual	1,496	0.49
3,550,000	SoftBank 6% fixed to floating Perpetual	2,574	0.85
<b>Equities (0.00%)</b>		-	-
<b>UK Equities (0.00%)</b>		-	-
<b>Basic Materials (0.00%)</b>		-	-
32,987,896,738	Luxfer*	-	-
<b>Collective Investment Schemes (1.20%)</b>		<b>10,977</b>	<b>3.60</b>
10,977	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	10,977	3.60
<b>Derivatives (0.13%)</b>		<b>(406)</b>	<b>(0.13)</b>
<b>Forward Currency Contracts (0.13%)</b>		<b>(406)</b>	<b>(0.13)</b>
	Buy EUR 824,075 Sell GBP 688,750 24/03/2022	2	-
	Buy EUR 4,287,661 Sell GBP 3,585,724 24/03/2022	6	-
	Buy GBP 686,535 Sell EUR 822,509 24/03/2022	(3)	-
	Buy GBP 1,609,779 Sell EUR 1,924,786 24/03/2022	(3)	-
	Buy GBP 222,530,478 Sell EUR 265,894,397 24/03/2022	(231)	(0.07)
	Buy GBP 14,788,540 Sell USD 20,083,976 24/03/2022	(177)	(0.06)
	Buy USD 205,435 Sell GBP 153,545 24/03/2022	-	-
Total investment assets and liabilities		299,028	98.19
Net other assets		5,509	1.81
<b>Total Net Assets</b>		<b>304,537</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 28 February 2021.

+ Managed by subsidiaries of abrdn plc.

\* Suspended.



# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(13,435)		7,846
Revenue	2	16,323		17,080	
Expenses	3	(2,154)		(2,224)	
Interest payable and similar charges		(44)		(21)	
Net revenue before taxation		14,125		14,835	
Taxation	4	(13)		(7)	
Net revenue after taxation			14,112		14,828
<b>Total return before distributions</b>			<b>677</b>		<b>22,674</b>
Distributions	5		(14,112)		(14,828)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(13,435)</b>		<b>7,846</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>347,479</b>		<b>364,214</b>
Amounts receivable on the issue of shares	11,284		9,786	
Amounts payable on the cancellation of shares	(51,067)		(45,089)	
		(39,783)		(35,303)
Dilution adjustment		82		145
Change in net assets attributable to shareholders from investment activities (see above)		(13,435)		7,846
Retained distribution on accumulation shares		10,191		10,575
Unclaimed distributions		3		2
<b>Closing net assets attributable to shareholders</b>		<b>304,537</b>		<b>347,479</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			299,442		341,335
<b>Current assets:</b>					
Debtors	6	3,777		4,702	
Cash and bank balances	7	3,884		6,601	
			7,661		11,303
<b>Total assets</b>			<b>307,103</b>		<b>352,638</b>
<b>Liabilities:</b>					
Investment liabilities			(414)		(13)
Bank overdrafts	7	-		(3,056)	
Creditors	8	(1,285)		(1,103)	
Distribution payable		(867)		(987)	
			(2,152)		(5,146)
<b>Total liabilities</b>			<b>(2,566)</b>		<b>(5,159)</b>
<b>Net assets attributable to shareholders</b>			<b>304,537</b>		<b>347,479</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(22,485)	8,321
Derivative contracts	(15)	-
Forward currency contracts	9,413	(350)
Other losses	(335)	(107)
Transaction charges	(13)	(18)
<b>Net capital (losses)/gains</b>	<b>(13,435)</b>	<b>7,846</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	14	23
Interest on debt securities	16,309	17,057
<b>Total revenue</b>	<b>16,323</b>	<b>17,080</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,912	1,948
Dealing charge	30	29
General administration charge*	79	-
Registration fees**	86	176
	<b>2,107</b>	<b>2,153</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	19	37
Safe custody fee	21	22
	<b>40</b>	<b>59</b>
<b>Other:</b>		
Audit fee**	7	12
	<b>7</b>	<b>12</b>
<b>Total expenses</b>	<b>2,154</b>	<b>2,224</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £12,540 (2021: £12,433).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Corporation tax	3	1
Double taxation relief	(3)	(1)
Overseas taxes	13	7
<b>Total taxation (note 4b)</b>	<b>13</b>	<b>7</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

	2022 £'000	2021 £'000
<b>Net revenue before taxation</b>	<b>14,125</b>	<b>14,835</b>
Corporation tax at 20% (2021: 20%)	2,825	2,967
Effects of:		
Overseas taxes	13	7
Double taxation relief	(3)	(1)
Distributions treated as tax deductible	(2,822)	(2,966)
<b>Total tax charge for year (note 4a)</b>	<b>13</b>	<b>7</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

### 5 Distributions

	2022 £'000	2021 £'000
First interim distribution	3,920	3,356
Second interim distribution	3,245	3,798
Third interim distribution	3,445	3,927
Final distribution	3,289	3,543
	13,899	14,624
Add: Income deducted on cancellation of shares	271	259
Deduct: Income received on issue of shares	(58)	(55)
<b>Total distributions for the year</b>	<b>14,112</b>	<b>14,828</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022	2021
	£'000	£'000
Accrued revenue	3,767	4,121
Amounts receivable from the ACD for the issue of shares	10	581
<b>Total debtors</b>	<b>3,777</b>	<b>4,702</b>

### 7 Liquidity

	2022	2021
	£'000	£'000
<b>Cash and bank balances</b>		
Cash at bank	3,584	5,687
Cash at broker	-	10
Collateral cash pledged to counterparties <sup>+</sup>	300	904
	<b>3,884</b>	<b>6,601</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>△</sup>	-	(3,056)
	<b>-</b>	<b>(3,056)</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	-	2,152
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	10,977	2,026
<b>Net liquidity</b>	<b>14,861</b>	<b>7,723</b>

<sup>+</sup> This reflects cash the fund retains beneficial ownership of however which is currently being used to manage bilateral counterparty exposure on out of the money derivative positions.

<sup>△</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022	2021
	£'000	£'000
Accrued expenses payable to ACD	169	187
Accrued expenses payable to the Depositary or associates of the Depositary	5	9
Amounts payable to the ACD for cancellation of shares	348	149
Other accrued expenses	6	12
Purchases awaiting settlement	757	746
<b>Total creditors</b>	<b>1,285</b>	<b>1,103</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
Bonds	136,164	196,032	162,523	215,405
Trades in the year before transaction costs	136,164	196,032	162,523	215,405
Total net trades in the year after transaction costs	136,164	196,032	162,523	215,405

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 1.05% (2021: 0.95%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	55,591,054	251,473	(4,576,937)	(149,646)	51,115,944
Institutional accumulation	11,944,126	1,116,317	(1,193,331)	49,346	11,916,458
Retail income	87,461,123	270,269	(6,725,204)	(428,612)	80,577,576
Institutional income	48,085,185	1,286,172	(17,478,950)	148,148	32,040,555
Standard Life income	1,996	-	-	-	1,996
Standard Life accumulation	63,661,792	314,896	(10,226,477)	-	53,750,211
Institutional regulated accumulation	14,370,684	884,304	(2,120,792)	-	13,134,196
Platform 1 accumulation	32,818,970	3,504,833	(7,194,861)	171,891	29,300,833
Platform 1 income	56,549,779	4,620,865	(8,664,450)	237,359	52,743,553
Institutional S accumulation	1,531	-	-	-	1,531
Institutional S income	1,893	-	-	-	1,893

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	-	288,457	-	-	336,708	-
Collective Investment Schemes	-	10,977	-	-	4,178	-
Derivatives	-	8	-	-	449	-
<b>Total investment assets</b>	-	<b>299,442</b>	-	-	<b>341,335</b>	-
<b>Fair value of investment liabilities</b>						
Derivatives	-	(414)	-	-	(13)	-
<b>Total investment liabilities</b>	-	<b>(414)</b>	-	-	<b>(13)</b>	-

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2022</b>				
<b>Currency</b>				
UK Sterling	11,370	55,811	234,693	301,874
Euro	15,019	205,248	(218,856)	1,411
US Dollar	1,192	14,678	(14,618)	1,252
<b>Total</b>	<b>27,581</b>	<b>275,737</b>	<b>1,219</b>	<b>304,537</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2021</b>				
<b>Currency</b>				
UK Sterling	2,085	75,231	270,033	347,349
Euro	13,779	233,987	(247,945)	(179)
US Dollar	2,792	16,557	(19,040)	309
<b>Total</b>	<b>18,656</b>	<b>325,775</b>	<b>3,048</b>	<b>347,479</b>

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.



# Notes to the Financial Statements

## Continued

### VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	3.09%	5.81%	4.34%

  

2021	Minimum	Maximum	Average
VaR 99% 1 Month	1.45%	4.49%	3.76%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 4.00%, £11,971,000 (2021: 3.35%, £11,640,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3–5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2022	Market value £'000	Percentage of total net assets %
Below investment grade securities	281,103	92.30
Unrated securities	7,354	2.42
<b>Total value of securities</b>	<b>288,457</b>	<b>94.72</b>

  

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	7,914	2.28
Below investment grade securities	319,778	92.03
Unrated securities	9,016	2.59
<b>Total value of securities</b>	<b>336,708</b>	<b>96.90</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

#### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following exposures:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	244,464	(406)	286,605	436
<b>Total market exposure</b>	<b>244,464</b>	<b>(406)</b>	<b>286,605</b>	<b>436</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had no broker exposure.

2021	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	-	10	-	10	-
	-	<b>10</b>	-	<b>10</b>	-

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

At the balance sheet date the fund had the following positions.

2022	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
<b>Counterparties</b>				
Credit Agricole	2	-	-	2
Lloyds Bank	(3)	-	-	(3)
Royal Bank of Canada	(408)	300	-	(108)
State Street	6	-	-	6
UBS	(3)	-	-	(3)
<b>Total</b>	<b>(406)</b>	<b>300</b>	<b>-</b>	<b>(106)</b>

# Notes to the Financial Statements

## Continued

The Prospectus outlines allowable collateral. There have been no changes in the year.

2021	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
<b>Counterparties</b>				
BNP Paribas	159	(1,512)	-	(1,353)
Citigroup	14	-	-	14
Lloyds Bank	(9)	-	-	(9)
Morgan Stanley	1	-	-	1
Royal Bank of Canada	(3)	-	-	(3)
UBS	274	(1,544)	-	(1,270)
<b>Total</b>	<b>436</b>	<b>(3,056)</b>	<b>-</b>	<b>(2,620)</b>

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £2,566,000 (2021: £5,159,000).

## 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 83.58p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 80.84p. This represents a change of (3.28)% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## First interim interest distribution

Group 1 - shares purchased prior to 1 March 2021

Group 2 - shares purchased between 1 March 2021 and 31 May 2021

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Retail accumulation</b>				
Group 1	1.5947	-	1.5947	1.2143
Group 2	0.7778	0.8169	1.5947	1.2143
<b>Institutional accumulation</b>				
Group 1	1.8386	-	1.8386	1.4031
Group 2	0.9616	0.8770	1.8386	1.4031
<b>Retail income</b>				
Group 1	0.5352	-	0.5352	0.4218
Group 2	0.2738	0.2614	0.5352	0.4218
<b>Institutional income</b>				
Group 1	0.5770	-	0.5770	0.4588
Group 2	0.3410	0.2360	0.5770	0.4588
<b>Standard Life income</b>				
Group 1	0.6772	-	0.6772	0.5429
Group 2	0.6772	-	0.6772	0.5429
<b>Standard Life accumulation</b>				
Group 1	1.7128	-	1.7128	1.3180
Group 2	1.2325	0.4803	1.7128	1.3180
<b>Institutional regulated accumulation</b>				
Group 1	2.8823	-	2.8823	2.2097
Group 2	1.6448	1.2375	2.8823	2.2097
<b>Platform 1 accumulation</b>				
Group 1	0.9545	-	0.9545	0.7277
Group 2	0.4567	0.4978	0.9545	0.7277
<b>Platform 1 income</b>				
Group 1	0.6727	-	0.6727	0.5345
Group 2	0.1451	0.5276	0.6727	0.5345
<b>Institutional S accumulation</b>				
Group 1	0.8963	-	0.8963	0.6716
Group 2	0.8963	-	0.8963	0.6716
<b>Institutional S income</b>				
Group 1	0.6518	-	0.6518	0.5192
Group 2	0.6518	-	0.6518	0.5192

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 June 2021

Group 2 – shares purchased between 1 June 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	1.3803	-	1.3803	1.4083
Group 2	0.7390	0.6413	1.3803	1.4083
<b>Institutional accumulation</b>				
Group 1	1.6097	-	1.6097	1.6244
Group 2	1.3443	0.2654	1.6097	1.6244
<b>Retail income</b>				
Group 1	0.4584	-	0.4584	0.4866
Group 2	0.1591	0.2993	0.4584	0.4866
<b>Institutional income</b>				
Group 1	0.4996	-	0.4996	0.5256
Group 2	0.2963	0.2033	0.4996	0.5256
<b>Standard Life income</b>				
Group 1	0.5995	-	0.5995	0.6201
Group 2	0.5995	-	0.5995	0.6201
<b>Standard Life accumulation</b>				
Group 1	1.5369	-	1.5369	1.5135
Group 2	0.5546	0.9823	1.5369	1.5135
<b>Institutional regulated accumulation</b>				
Group 1	2.5545	-	2.5545	2.5472
Group 2	1.5956	0.9589	2.5545	2.5472
<b>Platform 1 accumulation</b>				
Group 1	0.8357	-	0.8357	0.8434
Group 2	0.6252	0.2105	0.8357	0.8434
<b>Platform 1 income</b>				
Group 1	0.5825	-	0.5825	0.6133
Group 2	0.1253	0.4572	0.5825	0.6133
<b>Institutional S accumulation</b>				
Group 1	0.7964	-	0.7964	0.7833
Group 2	0.7964	-	0.7964	0.7833
<b>Institutional S income</b>				
Group 1	0.5705	-	0.5705	0.5969
Group 2	0.5705	-	0.5705	0.5969

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Retail accumulation</b>				
Group 1	1.5094	-	1.5094	1.4928
Group 2	0.6498	0.8596	1.5094	1.4928
<b>Institutional accumulation</b>				
Group 1	1.7512	-	1.7512	1.7179
Group 2	0.7313	1.0199	1.7512	1.7179
<b>Retail income</b>				
Group 1	0.4967	-	0.4967	0.5111
Group 2	0.1562	0.3405	0.4967	0.5111
<b>Institutional income</b>				
Group 1	0.5376	-	0.5376	0.5500
Group 2	0.2998	0.2378	0.5376	0.5500
<b>Standard Life income</b>				
Group 1	0.6331	-	0.6331	0.6501
Group 2	0.6331	-	0.6331	0.6501
<b>Standard Life accumulation</b>				
Group 1	1.6476	-	1.6476	1.5945
Group 2	1.0152	0.6324	1.6476	1.5945
<b>Institutional regulated accumulation</b>				
Group 1	2.7595	-	2.7595	2.6893
Group 2	1.4491	1.3104	2.7595	2.6893
<b>Platform 1 accumulation</b>				
Group 1	0.9084	-	0.9084	0.8928
Group 2	0.5173	0.3911	0.9084	0.8928
<b>Platform 1 income</b>				
Group 1	0.6272	-	0.6272	0.6423
Group 2	0.3357	0.2915	0.6272	0.6423
<b>Institutional S accumulation</b>				
Group 1	0.8532	-	0.8532	0.8284
Group 2	0.8532	-	0.8532	0.8284
<b>Institutional S income</b>				
Group 1	0.6069	-	0.6069	0.6265
Group 2	0.6069	-	0.6069	0.6265

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	1.4619	-	1.4619	1.3805
Group 2	0.7123	0.7496	1.4619	1.3805
<b>Institutional accumulation</b>				
Group 1	1.6984	-	1.6984	1.6029
Group 2	1.2926	0.4058	1.6984	1.6029
<b>Retail income</b>				
Group 1	0.4763	-	0.4763	0.4674
Group 2	0.1653	0.3110	0.4763	0.4674
<b>Institutional income</b>				
Group 1	0.5161	-	0.5161	0.5070
Group 2	0.3476	0.1685	0.5161	0.5070
<b>Standard Life income</b>				
Group 1	0.6101	-	0.6101	0.6045
Group 2	0.6101	-	0.6101	0.6045
<b>Standard Life accumulation</b>				
Group 1	1.6038	-	1.6038	1.5097
Group 2	1.5887	0.0151	1.6038	1.5097
<b>Institutional regulated accumulation</b>				
Group 1	2.6824	-	2.6824	2.5280
Group 2	1.0103	1.6721	2.6824	2.5280
<b>Platform 1 accumulation</b>				
Group 1	0.8808	-	0.8808	0.8308
Group 2	0.6707	0.2101	0.8808	0.8308
<b>Platform 1 income</b>				
Group 1	0.6017	-	0.6017	0.5920
Group 2	0.3093	0.2924	0.6017	0.5920
<b>Institutional S accumulation</b>				
Group 1	0.8225	-	0.8225	0.7827
Group 2	0.8225	-	0.8225	0.7827
<b>Institutional S income</b>				
Group 1	0.5821	-	0.5821	0.5800
Group 2	0.5821	-	0.5821	0.5800

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## 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 Investment Grade Corporate Bond Fund

For the year ended 28 February 2022

## 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 plus 0.8% 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 invest in investment grade bonds issued anywhere in the world by governments and corporations, including sub-sovereigns 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.
- At the point of investment all bonds shall be investment grade with a credit rating of "BBB-" or higher from at least one major rating agency such as Standard & Poor's, Moody's or Fitch.
- The fund may also invest in other funds (including those managed by abrdn) and 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) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the iBoxx Sterling Collateralized & Corporates 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 2.5%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the iBoxx Sterling Collateralized & Corporates 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 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").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

Over the period under review, the fund returned -4.28%.

(Source: FactSet, Platform 1 Accumulation, net of fees)

This compared to a return of -3.73% for our performance target. (Source: FactSet, the iBoxx Sterling Collateralized & Corporates Index +0.8%).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Stock selection was the main contributor to returns. A number of the top performing positions were COVID-19 recovery names which benefited from an easing of lockdown restrictions. This included top performer Metrocentre as well as Hammerson and British Land. Towards the end of the period, with mounting Russia-Ukraine tensions, the fund benefitted from zero exposure to Gazprom.

On the negative side, the biggest detractor was data centre operator Digital Realty. Utilities holdings were among the fund's detractors, including SSE and EDF. The long-dated bonds of British American Tobacco also dragged on returns.

# ASI Investment Grade Corporate Bond Fund

## Continued

### Portfolio Activity and Review

Primary market activity was relatively limited towards the end of the period; we bought the dual issue bonds of Prologis – the warehouse real estate company. In the secondary market, we bought BP's corporate hybrids, which are well priced and offer good potential for upside from rising oil prices. In banks, we bought the 2031 bonds of Virgin Money and the 2035 bonds of Lloyds, switching out of Lloyds' 2025, 2029 and 2049 bonds.

We selectively sold some higher risk holdings, such as the corporate hybrids of Volkswagen. With interest rate hike expectations hurting longer maturity bonds, we sold long-dated holdings in AXA, Vodafone and Orsted.

### Portfolio Outlook and Strategy

The war in Ukraine creates high uncertainties on the political and economic front. The western world is being challenged by the geopolitical conflict, which will result in higher defence spending and a rethinking of Europe's dependency on Russian oil and gas. The imposed sanctions will hurt Russia but also the rest of Europe via higher energy prices, higher non-energy commodity prices and reduced trade with Russia and Ukraine. The situation remains fluid and we expect growth to be lower, inflation to be higher and trade of goods and commodities to be severely affected – more so in Europe than the US.

The Russia-Ukraine conflict makes the global central banks' jobs more difficult as energy price rises will exacerbate inflationary pressures, but also challenge the growth outlook and financial stability. Equity markets have fallen, credit spreads have widened and interest rates have gone up materially, which has already resulted in a tightening of financial conditions. On balance, we think that the US Federal Reserve will raise rates in mid-March, but perhaps at a more measured pace than originally thought.

### Sterling IG Aggregate Team

March 2022

# ASI Investment Grade Corporate Bond Fund

## Continued

### 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 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 28 February 2022.

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 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 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.
- 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.

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

<b>Retail accumulation</b>	<b>2022</b> pence per share	<b>2021</b> pence per share	<b>2020</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	169.34	167.96	152.05
Return before operating charges*	(5.76)	3.11	17.57
Operating charges	(1.75)	(1.73)	(1.66)
Return after operating charges*	(7.51)	1.38	15.91
Distributions	(3.48)	(3.66)	(3.80)
Retained distributions on accumulation shares	3.48	3.66	3.80
Closing net asset value per share	161.83	169.34	167.96
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.43%)	0.82%	10.46%
<b>Other information</b>			
Closing net asset value (£'000)	73,353	83,590	89,958
Closing number of shares	45,326,446	49,363,628	53,558,016
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	177.1	178.1	170.4
Lowest share price	162.1	147.7	152.8

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	184.45	182.19	164.22
Return before operating charges*	(6.31)	3.37	19.03
Operating charges	(1.12)	(1.11)	(1.06)
Return after operating charges*	(7.43)	2.26	17.97
Distributions	(4.59)	(4.75)	(4.86)
Retained distributions on accumulation shares	4.59	4.75	(4.86)
Closing net asset value per share	177.02	184.45	182.19
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.03%)	1.24%	10.94%
<b>Other information</b>			
Closing net asset value (£'000)	89,216	85,564	119,649
Closing number of shares	50,398,363	46,389,715	65,672,711
Operating charges	0.60%	0.60%	0.60%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	193.3	193.9	184.8
Lowest share price	177.3	160.2	165.0

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.06	65.93	61.09
Return before operating charges*	(2.14)	1.22	7.02
Operating charges	(0.67)	(0.67)	(0.66)
Return after operating charges*	(2.81)	0.55	6.36
Distributions	(1.33)	(1.42)	(1.52)
Closing net asset value per share	60.92	65.06	65.93
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.32%)	0.83%	10.41%
<b>Other information</b>			
Closing net asset value (£'000)	21,822	25,529	28,038
Closing number of shares	35,821,496	39,242,377	42,524,164
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	67.69	68.78	67.26
Lowest share price	61.34	57.98	61.37

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	64.81	65.68	60.85
Return before operating charges*	(2.13)	1.23	6.99
Operating charges	(0.39)	(0.40)	(0.38)
Return after operating charges*	(2.52)	0.83	6.61
Distributions	(1.60)	(1.70)	(1.78)
Closing net asset value per share	60.69	64.81	65.68
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.89%)	1.26%	10.86%
<b>Other information</b>			
Closing net asset value (£'000)	38,200	45,285	39,668
Closing number of shares	62,947,170	69,873,813	60,391,408
Operating charges	0.60%	0.60%	0.60%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	67.49	68.55	67.07
Lowest share price	61.17	57.78	61.14

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

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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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	52.74	53.46	49.52
Return before operating charges*	(1.74)	0.98	5.71
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	(1.75)	0.97	5.70
Distributions	(1.61)	(1.69)	(1.76)
Closing net asset value per share	49.38	52.74	53.46
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.32%)	1.81%	11.51%
<b>Other information</b>			
Closing net asset value (£'000)	3,073	3,874	27,023
Closing number of shares	6,224,214	7,346,033	50,549,524
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	54.97	55.82	54.66
Lowest share price	49.84	47.04	49.76

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Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	101.67	99.94	89.64
Return before operating charges*	(3.50)	1.83	10.40
Operating charges	(0.10)	(0.10)	(0.10)
Return after operating charges*	(3.60)	1.73	10.30
Distributions	(3.05)	(3.12)	(3.14)
Retained distributions on accumulation shares	3.05	3.12	3.14
Closing net asset value per share	98.07	101.67	99.94
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.54%)	1.73%	11.49%
<b>Other information</b>			
Closing net asset value (£'000)	255	232	225
Closing number of shares	259,555	227,827	224,825
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	106.8	106.8	101.4
Lowest share price	98.19	87.93	90.06

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	172.91	170.45	153.33
Return before operating charges*	(5.94)	3.15	17.78
Operating charges	(0.70)	(0.69)	(0.66)
Return after operating charges*	(6.64)	2.46	17.12
Distributions	(4.66)	(4.79)	(4.87)
Retained distributions on accumulation shares	4.66	4.79	4.87
Closing net asset value per share	166.27	172.91	170.45
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.84%)	1.44%	11.17%
<b>Other information</b>			
Closing net asset value (£'000)	489	608	698
Closing number of shares	293,918	351,633	409,611
Operating charges	0.40%	0.40%	0.40%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	181.3	181.7	172.9
Lowest share price	166.5	149.9	154.1

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Standard Life B accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	102.01	100.16	89.74
Return before operating charges*	(3.53)	1.85	10.42
Operating charges	-	-	-
Return after operating charges*	(3.53)	1.85	10.42
Distributions	(3.16)	(3.23)	(3.24)
Retained distributions on accumulation shares	3.16	3.23	3.24
Closing net asset value per share	98.48	102.01	100.16
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.46%)	1.85%	11.61%
<b>Other information</b>			
Closing net asset value (£'000)	1,935	2,054	2,356
Closing number of shares	1,965,053	2,013,187	2,352,768
Operating charges	-	-	-
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	107.2	107.1	101.6
Lowest share price	98.61	88.12	90.16

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	77.49	76.57	69.06
Return before operating charges*	(2.65)	1.42	7.99
Operating charges	(0.51)	(0.50)	(0.48)
Return after operating charges*	(3.16)	0.92	7.51
Distributions	(1.89)	(1.96)	(2.00)
Retained distributions on accumulation shares	1.89	1.96	2.00
Closing net asset value per share	74.33	77.49	76.57
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.08%)	1.20%	10.87%
<b>Other information</b>			
Closing net asset value (£'000)	15,806	20,325	39,583
Closing number of shares	21,265,586	26,231,061	51,692,408
Operating charges	0.65%	0.65%	0.65%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	81.17	81.46	77.68
Lowest share price	74.44	67.35	69.38

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	60.14	60.95	56.47
Return before operating charges*	(1.99)	1.13	6.49
Operating charges	(0.39)	(0.40)	(0.39)
Return after operating charges*	(2.38)	0.73	6.10
Distributions	(1.45)	(1.54)	(1.62)
Closing net asset value per share	56.31	60.14	60.95
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.96%)	1.20%	10.80%
<b>Other information</b>			
Closing net asset value (£'000)	10,097	12,279	13,802
Closing number of shares	17,930,870	20,417,853	22,644,353
Operating charges	0.65%	0.65%	0.65%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	62.62	63.60	62.23
Lowest share price	56.75	53.61	56.73

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# Comparative Tables

## Continued

Institutional S accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	71.13	70.14	63.07
Return before operating charges*	(2.44)	1.29	7.37
Operating charges	(0.31)	(0.30)	(0.30)
Return after operating charges*	(2.75)	0.99	7.07
Distributions	(1.93)	(1.95)	(2.01)
Retained distributions on accumulation shares	1.93	1.95	2.01
Closing net asset value per share	68.38	71.13	70.14
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.87%)	1.41%	11.21%
<b>Other information</b>			
Closing net asset value (£'000)	17	61	173
Closing number of shares	25,008	85,386	246,097
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	74.58	74.76	71.15
Lowest share price	68.47	61.70	63.37

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S income	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.26	57.02	52.89
Return before operating charges*	(1.85)	1.06	6.11
Operating charges	(0.24)	(0.25)	(0.24)
Return after operating charges*	(2.09)	0.81	5.87
Distributions	(1.49)	(1.57)	(1.74)
Closing net asset value per share	52.68	56.26	57.02
*after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.71%)	1.42%	11.10%
<b>Other information</b>			
Closing net asset value (£'000)	39,954	58,401	70,381
Closing number of shares	75,845,024	103,806,361	123,432,174
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	58.60	59.51	58.24
Lowest share price	53.12	50.16	53.14

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# Portfolio Statement

As at 28 February 2022

Investment	Market value £'000	Percentage of total net assets
<b>Bonds (97.98%)</b>	<b>287,986</b>	<b>97.88</b>
<b>Euro Denominated Bonds (1.36%)</b>	<b>3,768</b>	<b>1.28</b>
<b>Corporate Bonds (1.36%)</b>	<b>3,768</b>	<b>1.28</b>
less than 5 years to maturity		
1,300,000 Cromwell EREIT 2.125% 2025	1,079	0.37
between 5 and 10 years to maturity		
1,889,000 Digital Intrepid REIT 0.625% 2031	1,347	0.46
greater than 25 years to maturity		
1,600,000 Channel Link Enterprises Finance FRN 2050	1,342	0.45
<b>Sterling Denominated Bonds (95.20%)</b>	<b>278,355</b>	<b>94.61</b>
<b>Corporate Bonds (92.70%)</b>	<b>274,268</b>	<b>93.22</b>
less than 5 years to maturity		
920,000 AA Bond 2.75% 2023	916	0.31
1,213,000 ABP Finance 6.25% 2026	1,417	0.48
1,100,000 Banco Santander 1.375% 2024	1,078	0.37
1,500,000 Banco Santander 1.5% 2026	1,435	0.49
1,000,000 Bank of America 2.3% 2025	1,003	0.34
733,000 Barclays 1.7% fixed to floating 2026	707	0.24
2,052,000 Barclays 3.125% 2024	2,084	0.71
1,400,000 Barclays 3.25% 2027	1,428	0.49
665,000 Barclays Bank 5.75% 2026	747	0.25
1,000,000 BAT International Finance 4% 2026	1,034	0.35
1,000,000 CaixaBank 1.5% fixed to floating 2026	955	0.32
1,174,000 Citigroup 1.75% 2026	1,137	0.39
1,000,000 Commonwealth Bank of Australia 3% 2026	1,061	0.36
1,562,000 CPUK Finance 3.588% 2025	1,622	0.55
1,100,000 Credit Agricole 7.375% 2023	1,193	0.41
2,200,000 Deutsche Bank 2.625% 2024	2,193	0.75
1,300,000 Eversholt Funding 6.359% 2025	1,498	0.51
500,000 FCE Bank 2.727% 2022	501	0.17
701,000 FirstGroup 6.875% 2024	774	0.26
1,488,000 Hammerson REIT 3.5% 2025	1,467	0.50



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,162,000	Hammerson REIT 6% 2026	1,236	0.42
1,000,000	Heathrow Funding 6.75% 2026	1,183	0.40
546,000	HSBC 2.256% fixed to floating 2026	537	0.18
1,200,000	Landesbank Baden-Wuerttemberg 1.125% 2025	1,149	0.39
1,758,000	Lloyds Bank 7.625% 2025	2,006	0.68
1,627,000	Lloyds Bank Corporate Markets 1.75% 2024	1,612	0.55
1,300,000	Lloyds Banking 2.25% 2024	1,295	0.44
3,150,000	Metrocentre Finance REIT 8.75% 2023	1,786	0.61
624,000	MPT Operating Partnership REIT 2.5% 2026	603	0.20
1,239,000	Pacific National Finance 5% 2023	1,285	0.44
1,200,000	Petroleos Mexicanos 3.75% 2025	1,136	0.39
2,700,000	Santander UK 3.625% 2026	2,802	0.95
1,400,000	Societe Generale 1.875% 2024	1,377	0.47
922,000	Virgin Money UK 3.125% fixed to floating 2025	930	0.32
700,000	Virgin Money UK 4% fixed to floating 2026	722	0.25
1,400,000	Volkswagen Financial Services 1.875% 2024	1,376	0.47
1,600,000	Volkswagen International Finance 3.375% 2026	1,653	0.56
1,286,000	Western Power Distribution 3.625% 2023	1,318	0.45
1,751,000	Westfield Stratford City Finance No 2 1.642% 2026	1,716	0.58
between 5 and 10 years to maturity			
555,000	Anglian Water Osprey Financing 2% 2028	525	0.18
1,100,000	Anglian Water Services Financing 2.625% 2027	1,130	0.38
2,215,000	Annington Funding 3.184% 2029	2,235	0.76
1,000,000	APT Pipelines 3.125% 2031	981	0.33
1,000,000	APT Pipelines 3.5% 2030	1,020	0.35
1,200,000	Arqiva Financing 5.34% 2030	1,407	0.48
555,000	Assura Financing REIT 1.5% 2030	513	0.17
841,000	Assura Financing REIT 3% 2028	874	0.30
800,000	AT&T 4.375% 2029	882	0.30
1,200,000	AT&T 5.5% 2027	1,375	0.47
2,727,000	Athene Global Funding 1.75% 2027	2,575	0.87
2,400,000	Bank of America 7% 2028	3,017	1.03
700,000	Bazalgette Finance 2.375% 2027	713	0.24
857,000	Berkeley 2.5% 2031	771	0.26
2,500,000	BNP Paribas 1.25% 2031	2,143	0.73
1,100,000	BNP Paribas 2% fixed to floating 2031	1,039	0.35

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
800,000	BPCE 5.25% 2029	898	0.31
829,000	CK Hutchison Telecom Finance 2% 2027	793	0.27
1,575,000	Cooperatieve Rabobank 4.625% 2029	1,718	0.58
1,250,000	CPUK Finance 3.69% 2028	1,326	0.45
780,000	Credit Suisse 2.125% fixed to floating 2029	733	0.25
2,784,000	Credit Suisse 2.25% fixed to floating 2028	2,677	0.91
1,574,000	Danske Bank 2.25% fixed to floating 2028	1,536	0.52
2,200,000	Deutsche Bank 1.875% fixed to floating 2028	2,055	0.70
915,000	Digital Stout REIT 3.3% 2029	937	0.32
1,304,000	E.ON International Finance 6.25% 2030	1,643	0.56
1,070,000	General Motors Financial 1.55% 2027	1,007	0.34
1,109,000	Grainger 3% 2030	1,073	0.36
900,000	Great Rolling Stock 6.5% 2031	856	0.29
300,000	Hammerson REIT 7.25% 2028	341	0.12
1,940,000	Heathrow Funding 2.625% 2028	1,859	0.63
1,394,000	HSBC 1.75% fixed to floating 2027	1,333	0.45
1,072,000	HSBC 2.625% 2028	1,058	0.36
1,492,000	HSBC 3% fixed to floating 2030	1,487	0.51
2,515,000	HSBC Bank 5.375% fixed to floating 2030	2,728	0.93
792,000	Land Securities Capital Markets REIT 2.399% 2029	799	0.27
1,000,000	Lloyds Bank 6% 2029	1,275	0.43
633,000	Lloyds Banking 1.985% fixed to floating 2031	596	0.20
700,000	Meadowhall Finance 4.986% 2032	469	0.16
1,018,000	Morgan Stanley 2.625% 2027	1,023	0.35
1,769,000	MPT Operating Partnership REIT 3.692% 2028	1,766	0.60
1,187,000	National Australia Bank 1.699% fixed to floating 2031	1,111	0.38
1,168,000	Nats (En Route) 1.375% 2031	1,111	0.38
1,070,000	NatWest 2.057% fixed to floating 2028	1,029	0.35
927,000	NatWest 3.622% fixed to floating 2030	932	0.32
413,000	NewRiver REIT 3.5% 2028	399	0.14
982,000	Pension Insurance 5.625% 2030	1,075	0.37
727,000	Prologis International Funding II 2.75% 2032	727	0.25
1,200,000	Shaftesbury Carnaby REIT 2.487% 2031	1,135	0.39
600,000	Shaftesbury Chinatown 2.348% 2027	588	0.20
889,000	Southern Water Services Finance 1.625% 2027	855	0.29
1,300,000	Telefonica Emisiones 5.445% 2029	1,533	0.52
999,000	Telereal Secured Finance 4.01% 2031	673	0.23

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
303,000	Telereal Securitisation 1.3657% 2031	265	0.09
1,961,000	Telereal Securitisation 4.9741% 2027	1,048	0.36
500,000	Telereal Securitisation FRN 2031	477	0.16
1,100,000	Thames Water Utilities Finance 3.5% 2028	1,157	0.39
1,000,000	Thames Water Utilities Finance FRN 2030	1,018	0.35
1,607,000	Time Warner Cable 5.75% 2031	1,876	0.64
2,015,000	UBS 1.875% fixed to floating 2029	1,917	0.65
600,000	Unite REIT 3.5% 2028	626	0.21
1,734,000	Verizon Communications 1.125% 2028	1,583	0.54
1,288,000	Virgin Money UK 2.625% fixed to floating 2031	1,230	0.42
980,000	Virgin Money UK 7.875% fixed to floating 2028	1,058	0.36
2,200,000	Volkswagen Financial Services 1.375% 2028	2,015	0.68
2,000,000	Welltower REIT 4.8% 2028	2,249	0.76
2,500,000	Workspace REIT 2.25% 2028	2,368	0.80
between 10 and 15 years to maturity			
1,027,000	Annington Funding 2.308% 2032	941	0.32
823,000	Arqiva Financing 4.882% 2032	673	0.23
1,130,000	Aviva 6.125% fixed to floating 2036	1,257	0.43
1,000,000	Banco Santander 2.25% fixed to floating 2032	936	0.32
1,500,000	Barclays 3.25% 2033	1,504	0.51
199,000	BAT International Finance 6% 2034	217	0.07
1,100,000	BPCE 2.5% fixed to floating 2032	1,043	0.35
700,000	Broadgate Financing 4.821% 2033	853	0.29
2,675,000	Broadgate Financing 5.098% 2033	2,707	0.92
660,000	Canary Wharf Finance II 5.952% 2035	867	0.29
1,035,000	Canary Wharf Finance II 6.455% 2033	193	0.07
700,000	Centrica 7% 2033	951	0.32
912,000	DWR Cymru Financing UK 2.375% 2034	854	0.29
1,036,000	E.ON International Finance 6.375% 2032	1,362	0.46
466,000	Eastern Power Networks 2.125% 2033	439	0.15
500,000	Gatwick Funding 4.625% 2034	547	0.19
400,000	Gatwick Funding 5.75% 2037	490	0.17
2,700,000	GlaxoSmithKline Capital 5.25% 2033	3,435	1.17
1,000,000	Greene King Finance FRN 2033	655	0.22
798,000	HSBC Bank 5.375% 2033	952	0.32
800,000	Lloyds Banking 2.707% fixed to floating 2035	737	0.25

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
743,000	London & Quadrant Housing Trust 4.625% 2033	894	0.30
700,000	Metropolitan Housing Trust 1.875% 2036	621	0.21
718,000	Notting Hill Genesis 3.75% 2032	796	0.27
1,500,000	Octagon Healthcare Funding 5.333% 2035	1,411	0.48
800,000	Optivo Finance 2.857% 2035	812	0.28
800,000	Orange 5.625% 2034	1,019	0.35
1,471,000	Paragon Treasury 2% 2036	1,341	0.46
818,000	Pension Insurance 3.625% 2032	757	0.26
340,000	Quadrant Housing Finance 7.93% 2033	373	0.13
1,231,000	Realty Income REIT 1.75% 2033	1,103	0.37
872,000	Scottish Hydro Electric Transmission 2.25% 2035	798	0.27
625,000	South Eastern Power Networks 1.75% 2034	557	0.19
810,000	Southern Housing 2.375% 2036	759	0.26
418,000	Telereal Securitisation 1.9632% fixed to floating 2033	402	0.14
355,000	Thames Water Utilities Finance 4.375% 2034	400	0.14
1,500,000	Verizon Communications 3.125% 2035	1,501	0.51
1,800,000	WalMart 5.625% 2034	2,396	0.81
2,387,000	Western Power Distribution 5.75% 2032	2,981	1.01
971,000	Yorkshire Water Finance 1.75% 2032	894	0.30
between 15 and 25 years to maturity			
800,000	America Movil 4.375% 2041	915	0.31
1,645,000	Aspire Defence Finance 4.674% 2040	1,697	0.58
1,975,000	AT&T 4.25% 2043	2,150	0.73
500,000	AT&T 4.875% 2044	590	0.20
1,300,000	AT&T 7% 2040	1,870	0.64
500,000	BAT International Finance 5.75% 2040	523	0.18
700,000	BPHA Finance 4.816% 2044	924	0.31
1,000,000	Cadent Finance 2.625% 2038	900	0.31
884,000	Channel Link Enterprises Finance 6.341% 2046	943	0.32
800,000	Citigroup 6.8% 2038	1,212	0.41
1,100,000	Connect Plus M25 Issuer 2.607% 2039	1,036	0.35
1,000,000	Direct Line Insurance FRN 2042	1,010	0.34
1,550,000	E.ON International Finance 6.125% 2039	2,130	0.72
500,000	E.ON International Finance 6.75% 2039	724	0.25
1,500,000	EDF 5.5% 2041	1,870	0.64
1,300,000	Enel 5.75% 2037	1,692	0.57
1,353,000	Eversholt Funding 2.742% 2040	1,254	0.43

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,554,000	Eversholt Funding 3.529% 2042	1,592	0.54
550,000	Futures Treasury 3.375% 2044	605	0.21
1,000,000	GlaxoSmithKline Capital 6.375% 2039	1,478	0.50
1,953,000	Heathrow Funding 4.625% 2046	2,293	0.78
2,200,000	HSBC 6% 2040	2,660	0.90
500,000	Land Securities Capital Markets REIT 2.625% 2037	496	0.17
800,000	London & Quadrant Housing Trust 5.486% 2042	1,118	0.38
1,602,000	Morhomes 3.4% 2038	1,654	0.56
1,736,000	Motability Operations 2.375% 2039	1,653	0.56
1,140,000	Northumbrian Water Finance 5.125% 2042	1,502	0.51
542,000	Ørsted 5.75% 2040	778	0.26
532,000	Prologis International Funding II 3% 2042	526	0.18
2,057,000	QBE Insurance FRN 2042	2,069	0.70
1,200,000	RL Finance No 2 6.125% fixed to floating 2043	1,263	0.43
1,275,000	RMPA Services 5.337% 2038	1,105	0.38
653,000	Severn Trent Utilities Finance 2% 2040	567	0.19
1,959,000	Southern Water Services Finance 3% 2037	1,932	0.66
900,000	SSE 6.25% 2038	1,236	0.42
900,000	TC Dudgeon Ofto 3.158% 2038	883	0.30
3,500,000	Tesco Property Finance 4 5.8006% 2040	4,007	1.36
1,300,000	Thames Water Utilities Finance 5.5% 2041	1,708	0.58
709,000	United Utilities Water Finance 1.875% 2042	605	0.21
551,000	Wheatley Capital 4.375% 2044	680	0.23
750,000	Yorkshire Housing Finance 4.125% 2044	900	0.31
greater than 25 years to maturity			
451,000	AA Bond 5.5% 2050	480	0.16
655,000	Aviva 4% fixed to floating 2055	632	0.21
1,300,000	Aviva 4.375% fixed to floating 2049	1,342	0.46
1,700,000	Aviva 5.125% fixed to floating 2050	1,825	0.62
443,000	AXA 5.625% fixed to floating 2054	492	0.17
374,000	BAT International Finance 4% 2055	289	0.10
511,000	Blend Funding 2.922% 2054	517	0.18
1,110,000	Blend Funding 3.459% 2047	1,243	0.42
550,000	Bromford Housing 3.125% 2048	592	0.20
700,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	680	0.23
605,000	Clarion Funding 1.875% 2051	489	0.17
750,000	EDF 5.125% 2050	930	0.32

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,000,000	EDF 6% 2114	1,331	0.45
1,800,000	Finsbury Square 2018-2 FRN 2068	597	0.20
1,053,000	Gatwick Funding 2.875% 2049	896	0.30
700,000	Gatwick Funding 3.25% 2048	640	0.22
750,000	Hyde Housing Association 1.75% 2055	578	0.20
1,486,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	1,212	0.41
429,000	Incommunities Treasury 3.25% 2049	472	0.16
400,000	Legal & General 5.5% fixed to floating 2064	443	0.15
2,400,000	M&G 5.56% fixed to floating 2055	2,551	0.87
404,000	M&G 5.625% fixed to floating 2051	437	0.15
850,000	Northern Powergrid Northeast 1.875% 2062	641	0.22
1,007,000	Notting Hill Genesis 4.375% 2054	1,334	0.45
500,000	Optivo Finance 3.283% 2048	537	0.18
1,196,000	Ørsted 2.5% fixed to floating 3021	1,044	0.35
626,000	Paragon Mortgages No 25 FRN 2050 'C'	625	0.21
1,143,000	Peabody Capital No 2 4.625% 2053	1,570	0.53
1,161,000	Penarian Housing Finance 3.212% 2052	1,214	0.41
1,684,000	RL Finance No 4 4.875% fixed to floating 2049	1,638	0.56
434,000	Sovereign Housing Capital 2.375% 2048	406	0.14
820,000	SSE FRN 2077	821	0.28
500,000	University of Cambridge 2.35% 2078	551	0.19
600,000	University of Cambridge 3.75% 2052	800	0.27
890,000	Vattenfall 2.5% fixed to floating 2083	806	0.27
900,000	Vodafone 3% 2056	788	0.27
500,000	Vodafone 3.375% 2049	481	0.16
887,000	Wellcome Trust 2.517% 2118	853	0.29
653,000	Wrekin Housing 2.5% 2048	617	0.21
<b>Perpetual</b>			
1,400,000	Assicurazioni Generali 6.269% fixed to floating Perpetual	1,470	0.50
1,310,000	Aviva FRN Perpetual	1,321	0.45
598,000	AXA 5.453% fixed to floating Perpetual	631	0.21
2,300,000	BP Capital Markets 4.25% fixed to floating Perpetual	2,209	0.75
1,481,000	Credit Agricole 7.5% fixed to floating Perpetual	1,592	0.54
700,000	EDF 5.875% fixed to floating Perpetual	681	0.23
500,000	EDF 6% fixed to floating Perpetual	495	0.17
700,000	HSBC Bank Capital Funding Sterling 1 5.844% fixed to floating Perpetual	891	0.30
754,000	Lloyds Banking 7.625% fixed to floating Perpetual	775	0.26

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
678,000	Nationwide Building Society 5.75% fixed to floating Perpetual	676	0.23
773,000	SSE 3.74% fixed to floating Perpetual	742	0.25
<b>Government Bonds (2.50%)</b>		<b>4,087</b>	<b>1.39</b>
between 10 and 15 years to maturity			
450,000	UK (Govt of) 4.5% 2034	600	0.20
between 15 and 25 years to maturity			
2,320,000	UK (Govt of) 4.5% 2042	3,487	1.19
<b>US Dollar Denominated Bonds (1.42%)</b>		<b>5,863</b>	<b>1.99</b>
<b>Corporate Bonds (1.42%)</b>		<b>5,863</b>	<b>1.99</b>
between 10 and 15 years to maturity			
1,772,000	Omega Healthcare Investors REIT 3.25% 2033	1,210	0.41
Perpetual			
1,900,000	Australia & New Zealand Banking FRN Perpetual	1,168	0.40
2,575,000	BNP Paribas 4.5% fixed to floating Perpetual	1,744	0.59
1,900,000	Standard Chartered 7.014% fixed to floating Perpetual	1,741	0.59
<b>Collective Investment Schemes (1.22%)</b>		<b>3,753</b>	<b>1.28</b>
3,753	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	3,753	1.28
<b>Derivatives (0.08%)</b>		<b>87</b>	<b>0.03</b>
<b>Forward Currency Contracts (0.07%)</b>		<b>6</b>	<b>-</b>
	Buy EUR 112,242 Sell GBP 95,189 04/05/2022	(1)	-
	Buy GBP 3,924,226 Sell EUR 4,702,797 04/05/2022	(22)	(0.01)
	Buy GBP 6,499,945 Sell USD 8,688,434 04/05/2022	25	0.01
	Buy USD 175,699 Sell GBP 129,524 04/05/2022	1	-
	Buy USD 191,008 Sell GBP 140,849 04/05/2022	2	-
	Buy USD 198,392 Sell GBP 146,432 04/05/2022	1	-
	Buy USD 166,227 Sell GBP 123,993 09/05/2022	-	-

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Futures (0.01%)		81	0.03
96	Long UK Treasury 4.25% Bond Future 07/06/2032	5	-
(16)	Short Euro Bund Future 08/03/2022	100	0.03
(11)	Short US 10 Year Note (CBT) Future 21/06/2022	(8)	-
(9)	Short US Long Bond (CBT) Future 21/06/2022	(16)	-
Total investment assets and liabilities		291,826	99.19
Net other assets		2,391	0.81
<b>Total Net Assets</b>		<b>294,217</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 28 February 2021.

+ Managed by subsidiaries of abrdn plc.



# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(20,009)		(5,050)
Revenue	2	10,055		12,572	
Expenses	3	(2,308)		(2,645)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		7,746		9,926	
Taxation	4	-		-	
Net revenue after taxation			7,746		9,926
<b>Total return before distributions</b>			<b>(12,263)</b>		<b>4,876</b>
Distributions	5		(7,746)		(9,926)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(20,009)</b>		<b>(5,050)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>337,802</b>		<b>431,554</b>
Amounts receivable on the issue of shares	20,643		15,128	
Amounts payable on the cancellation of shares	(48,789)		(109,476)	
		(28,146)		(94,348)
Dilution adjustment		70		179
Change in net assets attributable to shareholders from investment activities (see above)		(20,009)		(5,050)
Retained distribution on accumulation shares		4,497		5,465
Unclaimed distributions		3		2
<b>Closing net assets attributable to shareholders</b>		<b>294,217</b>		<b>337,802</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			291,873		335,420
<b>Current assets:</b>					
Debtors	6	3,987		7,654	
Cash and bank balances	7	273		163	
			4,260		7,817
<b>Total assets</b>			<b>296,133</b>		<b>343,237</b>
<b>Liabilities:</b>					
Investment liabilities			(47)		(36)
Bank overdrafts	7	-		(240)	
Creditors	8	(1,144)		(4,253)	
Distribution payable		(725)		(906)	
			(1,869)		(5,399)
<b>Total liabilities</b>			<b>(1,916)</b>		<b>(5,435)</b>
<b>Net assets attributable to shareholders</b>			<b>294,217</b>		<b>337,802</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	(19,767)	(4,946)
Derivative contracts	(202)	(206)
Forward currency contracts	(145)	160
Other gains/(losses)	111	(50)
Transaction charges	(6)	(8)
<b>Net capital losses</b>	<b>(20,009)</b>	<b>(5,050)</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	3	6
Interest on debt securities	10,052	12,566
<b>Total revenue</b>	<b>10,055</b>	<b>12,572</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,055	2,317
Dealing charge	30	40
General administration charge*	85	-
Registration fees**	91	209
	<b>2,261</b>	<b>2,566</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	19	41
Safe custody fee	22	26
	<b>41</b>	<b>67</b>
<b>Other:</b>		
Audit fee**	6	12
	<b>6</b>	<b>12</b>
<b>Total expenses</b>	<b>2,308</b>	<b>2,645</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £12,540 (2021: £12,433).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Total taxation (note 4b)	-	-

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>7,746</b>	<b>9,926</b>
Corporation tax at 20% (2021: 20%)	1,549	1,985
Effects of:		
Distributions treated as tax deductible	(1,549)	(1,985)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

### 5 Distributions

	2022 £'000	2021 £'000
First interim distribution	2,010	2,626
Second interim distribution	1,889	2,491
Third interim distribution	1,978	2,373
Final distribution	1,804	2,008
	7,681	9,498
Add: Income deducted on cancellation of shares	137	524
Deduct: Income received on issue of shares	(72)	(96)
<b>Total distributions for the year</b>	<b>7,746</b>	<b>9,926</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	3,936	4,419
Amounts receivable from the ACD for the issue of shares	51	38
Sales awaiting settlement	-	3,197
<b>Total debtors</b>	<b>3,987</b>	<b>7,654</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	67	71
Cash at broker	206	92
	<b>273</b>	<b>163</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>Δ</sup>	-	(240)
	<b>-</b>	<b>(240)</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	-	120
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	3,753	4,023
<b>Net liquidity</b>	<b>4,026</b>	<b>4,066</b>

<sup>Δ</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	163	197
Accrued expenses payable to the Depositary or associates of the Depositary	5	8
Amounts payable to the ACD for cancellation of shares	224	3,315
Other accrued expenses	6	12
Purchases awaiting settlement	746	721
<b>Total creditors</b>	<b>1,144</b>	<b>4,253</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

# Notes to the Financial Statements

## Continued

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Bonds	73,802	73,893	95,422	160,738
<b>Trades in the year before transaction costs</b>	<b>73,802</b>	<b>73,893</b>	<b>95,422</b>	<b>160,738</b>
<b>Total net trades in the year after transaction costs</b>	<b>73,802</b>	<b>73,893</b>	<b>95,422</b>	<b>160,738</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.75% (2021: 0.89%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

## 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	49,363,628	328,686	(4,208,500)	(157,368)	45,326,446
Institutional accumulation	46,389,715	7,023,190	(3,099,788)	85,246	50,398,363
Retail income	39,242,377	112,775	(3,425,887)	(107,769)	35,821,496
Institutional income	69,873,813	6,962,554	(14,131,136)	241,939	62,947,170
Standard Life income	7,346,033	-	(1,121,819)	-	6,224,214
Standard Life accumulation	227,827	39,843	(8,115)	-	259,555
Institutional regulated accumulation	351,633	-	(57,715)	-	293,918
Standard Life B accumulation	2,013,187	-	(48,134)	-	1,965,053
Platform 1 accumulation	26,231,061	1,364,170	(6,469,756)	140,111	21,265,586
Platform 1 income	20,417,853	755,736	(3,154,874)	(87,845)	17,930,870
Institutional S accumulation	85,386	-	(60,378)	-	25,008
Institutional S income	103,806,361	1,327,104	(29,228,218)	(60,223)	75,845,024

# Notes to the Financial Statements

## Continued

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	4,087	283,899	-	8,451	322,529	-
Collective Investment Schemes	-	3,753	-	-	4,143	-
Derivatives	105	29	-	57	240	-
<b>Total investment assets</b>	<b>4,192</b>	<b>287,681</b>	<b>-</b>	<b>8,508</b>	<b>326,912</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(24)	(23)	-	(32)	(4)	-
<b>Total investment liabilities</b>	<b>(24)</b>	<b>(23)</b>	<b>-</b>	<b>(32)</b>	<b>(4)</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

# Notes to the Financial Statements

## Continued

The interest rate risk profile of the fund's investments at the year end consists of:

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	12,556	269,762	11,868	294,186
Euro	1,339	2,426	(3,735)	30
US Dollar	1,234	4,695	(5,928)	1
<b>Total</b>	<b>15,129</b>	<b>276,883</b>	<b>2,205</b>	<b>294,217</b>

2021	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	8,520	317,072	12,139	337,731
Euro	1	4,596	(4,577)	20
US Dollar	1,261	3,596	(4,806)	51
<b>Total</b>	<b>9,782</b>	<b>325,264</b>	<b>2,756</b>	<b>337,802</b>

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.10%	6.59%	5.23%
2021	Minimum	Maximum	Average
VaR 99% 1 Month	2.72%	4.97%	4.37%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 4.27%, £12,460,000 (2021: 3.93%, £13,276,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.



# Notes to the Financial Statements

## Continued

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

	Market value £'000	Percentage of total net assets %
<b>2022</b>		
Investment grade securities	270,076	91.79
Below investment grade securities	13,325	4.53
Unrated securities	4,585	1.56
<b>Total value of securities</b>	<b>287,986</b>	<b>97.88</b>
	Market value £'000	Percentage of total net assets %
<b>2021</b>		
Investment grade securities	310,828	92.01
Below investment grade securities	14,622	4.33
Unrated securities	5,530	1.64
<b>Total value of securities</b>	<b>330,980</b>	<b>97.98</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

#### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	11,060	6	13,133	236
Futures	16,149	81	1,379	26
<b>Total market exposure</b>	<b>27,209</b>	<b>87</b>	<b>14,512</b>	<b>262</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

#### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following broker exposure.

# Notes to the Financial Statements

## Continued

2022 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	81	206	-	287	0.10
	<b>81</b>	<b>206</b>	<b>-</b>	<b>287</b>	<b>0.10</b>

2021 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	26	92	-	118	0.03
	<b>26</b>	<b>92</b>	<b>-</b>	<b>118</b>	<b>0.03</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

At the balance sheet date the fund had the following positions.

2022 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
BNP Paribas	2	-	-	2
Citigroup	3	-	-	3
Deutsche Bank	1	-	-	1
Lloyds Bank	1	-	-	1
Standard Chartered	(1)	-	-	(1)
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>

The Prospectus outlines allowable collateral. There have been no changes in the year.

2021 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Citigroup	(4)	-	-	(4)
Goldman Sachs	7	-	-	7
Morgan Stanley	4	-	-	4
NatWest Markets	100	(120)	-	(20)
Standard Chartered	1	-	-	1
UBS	128	(120)	-	8
<b>Total</b>	<b>236</b>	<b>(240)</b>	<b>-</b>	<b>(4)</b>

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £1,916,000 (2021: £5,435,000).

# Notes to the Financial Statements

## Continued

### 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 74.33p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 71.68p. This represents a change of (3.56)% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 May 2021

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Retail accumulation</b>				
Group 1	0.8741	-	0.8741	0.9413
Group 2	0.3874	0.4867	0.8741	0.9413
<b>Institutional accumulation</b>				
Group 1	1.1492	-	1.1492	1.2065
Group 2	0.3880	0.7612	1.1492	1.2065
<b>Retail income</b>				
Group 1	0.3359	-	0.3359	0.3689
Group 2	0.2211	0.1148	0.3359	0.3689
<b>Institutional income</b>				
Group 1	0.4043	-	0.4043	0.4350
Group 2	0.3417	0.0626	0.4043	0.4350
<b>Standard Life income</b>				
Group 1	0.4071	-	0.4071	0.4299
Group 2	0.4071	-	0.4071	0.4299
<b>Standard Life accumulation</b>				
Group 1	0.7638	-	0.7638	0.7839
Group 2	0.2952	0.4686	0.7638	0.7839
<b>Institutional regulated accumulation</b>				
Group 1	1.1664	-	1.1664	1.2120
Group 2	1.1664	-	1.1664	1.2120
<b>Standard Life B accumulation</b>				
Group 1	0.7929	-	0.7929	0.8108
Group 2	0.7929	-	0.7929	0.8108
<b>Platform 1 accumulation</b>				
Group 1	0.4735	-	0.4735	0.4980
Group 2	0.1930	0.2805	0.4735	0.4980
<b>Platform 1 income</b>				
Group 1	0.3674	-	0.3674	0.3961
Group 2	0.1535	0.2139	0.3674	0.3961
<b>Institutional S accumulation</b>				
Group 1	0.4742	-	0.4742	0.4938
Group 2	0.4742	-	0.4742	0.4938
<b>Institutional S income</b>				
Group 1	0.3754	-	0.3754	0.4013
Group 2	0.2061	0.1693	0.3754	0.4013

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 June 2021

Group 2 – shares purchased between 1 June 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	0.8336	-	0.8336	0.9397
Group 2	0.4092	0.4244	0.8336	0.9397
<b>Institutional accumulation</b>				
Group 1	1.1109	-	1.1109	1.2160
Group 2	0.4126	0.6983	1.1109	1.2160
<b>Retail income</b>				
Group 1	0.3186	-	0.3186	0.3667
Group 2	0.1060	0.2126	0.3186	0.3667
<b>Institutional income</b>				
Group 1	0.3878	-	0.3878	0.4354
Group 2	0.2505	0.1373	0.3878	0.4354
<b>Standard Life income</b>				
Group 1	0.3961	-	0.3961	0.4332
Group 2	0.3961	-	0.3961	0.4332
<b>Standard Life accumulation</b>				
Group 1	0.7460	-	0.7460	0.7955
Group 2	0.4835	0.2625	0.7460	0.7955
<b>Institutional regulated accumulation</b>				
Group 1	1.1347	-	1.1347	1.2254
Group 2	1.1347	-	1.1347	1.2254
<b>Standard Life B accumulation</b>				
Group 1	0.7759	-	0.7759	0.8230
Group 2	0.7759	-	0.7759	0.8230
<b>Platform 1 accumulation</b>				
Group 1	0.4568	-	0.4568	0.5012
Group 2	0.2609	0.1959	0.4568	0.5012
<b>Platform 1 income</b>				
Group 1	0.3523	-	0.3523	0.3962
Group 2	0.1212	0.2311	0.3523	0.3962
<b>Institutional S accumulation</b>				
Group 1	0.4597	-	0.4597	0.4989
Group 2	0.4597	-	0.4597	0.4989
<b>Institutional S income</b>				
Group 1	0.3617	-	0.3617	0.4026
Group 2	0.2003	0.1614	0.3617	0.4026

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Retail accumulation</b>				
Group 1	0.9130	-	0.9130	0.9107
Group 2	0.4010	0.5120	0.9130	0.9107
<b>Institutional accumulation</b>				
Group 1	1.1946	-	1.1946	1.1858
Group 2	0.8034	0.3912	1.1946	1.1858
<b>Retail income</b>				
Group 1	0.3474	-	0.3474	0.3537
Group 2	0.1874	0.1600	0.3474	0.3537
<b>Institutional income</b>				
Group 1	0.4148	-	0.4148	0.4219
Group 2	0.2718	0.1430	0.4148	0.4219
<b>Standard Life income</b>				
Group 1	0.4151	-	0.4151	0.4220
Group 2	0.4151	-	0.4151	0.4220
<b>Standard Life accumulation</b>				
Group 1	0.7909	-	0.7909	0.7805
Group 2	0.3427	0.4482	0.7909	0.7805
<b>Institutional regulated accumulation</b>				
Group 1	1.2116	-	1.2116	1.1996
Group 2	1.2116	-	1.2116	1.1996
<b>Standard Life B accumulation</b>				
Group 1	0.8169	-	0.8169	0.8097
Group 2	0.8169	-	0.8169	0.8097
<b>Platform 1 accumulation</b>				
Group 1	0.4918	-	0.4918	0.4898
Group 2	0.3013	0.1905	0.4918	0.4898
<b>Platform 1 income</b>				
Group 1	0.3774	-	0.3774	0.3840
Group 2	0.1077	0.2697	0.3774	0.3840
<b>Institutional S accumulation</b>				
Group 1	0.4921	-	0.4921	0.4892
Group 2	0.4921	-	0.4921	0.4892
<b>Institutional S income</b>				
Group 1	0.3855	-	0.3855	0.3909
Group 2	0.1294	0.2561	0.3855	0.3909

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	0.8586	-	0.8586	0.8656
Group 2	0.4925	0.3661	0.8586	0.8656
<b>Institutional accumulation</b>				
Group 1	1.1307	-	1.1307	1.1408
Group 2	0.8061	0.3246	1.1307	1.1408
<b>Retail income</b>				
Group 1	0.3251	-	0.3251	0.3342
Group 2	0.2855	0.0396	0.3251	0.3342
<b>Institutional income</b>				
Group 1	0.3902	-	0.3902	0.4027
Group 2	0.1815	0.2087	0.3902	0.4027
<b>Standard Life income</b>				
Group 1	0.3921	-	0.3921	0.4070
Group 2	0.3921	-	0.3921	0.4070
<b>Standard Life accumulation</b>				
Group 1	0.7525	-	0.7525	0.7578
Group 2	0.4643	0.2882	0.7525	0.7578
<b>Institutional regulated accumulation</b>				
Group 1	1.1474	-	1.1474	1.1565
Group 2	1.1474	-	1.1474	1.1565
<b>Standard Life B accumulation</b>				
Group 1	0.7776	-	0.7776	0.7861
Group 2	0.7776	-	0.7776	0.7861
<b>Platform 1 accumulation</b>				
Group 1	0.4656	-	0.4656	0.4694
Group 2	0.1606	0.3050	0.4656	0.4694
<b>Platform 1 income</b>				
Group 1	0.3547	-	0.3547	0.3663
Group 2	0.2108	0.1439	0.3547	0.3663
<b>Institutional S accumulation</b>				
Group 1	0.5009	-	0.5009	0.4700
Group 2	0.5009	-	0.5009	0.4700
<b>Institutional S income</b>				
Group 1	0.3628	-	0.3628	0.3746
Group 2	0.1902	0.1726	0.3628	0.3746

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## 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 Growth Equity Fund (closed)

For the year ended 28 February 2022

## Investment Objective (prior to closure)

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.

**Performance Comparator:** IA Japan Equity Sector Average.

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

## 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 abrdn) and 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 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI Japan 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

In the period from 1 March 2021 to 30 November 2021, the fund returned 4.93%. (Source: Factset, Platform 1 Accumulation Shares, net of fees). This compared to a return of 7.53% for our performance target (Source: Factset, MSCI Japan Index plus 3% per annum over rolling three-year periods. Prior: MSCI Japan Index plus 4%). The fund was closed on 13 December 2021.

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Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

In the period to closure, the fund's top performer was Misumi Group, a manufacturer of precision components used in factory automation processes. Shares of the company rose, as investors foresaw sustained growth from the company's capability in supplying its products to customers in a short lead-time, and improved margins after strong results. Eyewear lens and glass components manufacturer Hoya also performed well, with strong sales on the back of ongoing data centre investments and demand for cutting edge semiconductors. Elsewhere, factory automation solutions provider Keyence outperformed due to high demand on the company's value-added solutions for manufacturers.

# ASI Japanese Growth Equity Fund (closed)

## Continued

On the downside, the biggest detractor was Nabtesco. The reduction gears maker fell on concerns over a weaker outlook for hydraulic equipment used in construction machinery. Asahi Group also fell, as the brewer's domestic business suffered from prolonged COVID-19-related restrictions in Japan. Elsewhere, machine tools supplier Amada performed poorly as management has shared concerns on the order outlook amid supply chain constraints.

### Portfolio Activity

Early in the period, we introduced positions in Open House and Freee. Open House builds affordable detached housing in the greater Tokyo area and focuses on land plots that are too small or challenging for peers to develop. Freee is a pioneer in providing cloud-based accounting software to Japan's small and medium-sized enterprises. The fund was liquidated in late 2021 and all remaining holdings were sold.

### Portfolio Outlook and Strategy

This fund was closed on 13 December 2021 and assets were returned to investors.

#### Asia Pacific Equity Team

March 2022

# ASI Japanese Growth Equity Fund (closed)

## Continued

### 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 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 13 December 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

Retail accumulation <sup>A</sup>	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	119.25	95.75	91.72
Return before operating charges*	9.50	25.02	5.37
Operating charges	(1.39)	(1.52)	(1.34)
Return after operating charges*	8.11	23.50	4.03
Distributions	-	-	(0.22)
Retained distributions on accumulation shares	-	-	0.22
Redemption value as at 13 December 2021	(127.36)	-	-
Closing net asset value per share	-	119.25	95.75
* after direct transaction costs of:	0.06	0.09	0.09
<b>Performance</b>			
Return after charges	6.80%	24.54%	4.39%
<b>Other information</b>			
Closing net asset value (£'000)	-	10,354	6,733
Closing number of shares	-	8,682,622	7,031,655
Operating charges	1.42%	1.33%	1.33%
Direct transaction costs	0.05%	0.08%	0.09%
<b>Prices</b>			
Highest share price	138.9	131.9	107.5
Lowest share price	112.7	80.43	91.26

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail accumulation share class was closed on 13 December 2021.

# Comparative Tables

## Continued

Institutional accumulation <sup>A</sup>	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	141.54	113.10	107.87
Return before operating charges*	11.31	29.57	6.24
Operating charges	(1.11)	(1.13)	(1.01)
Return after operating charges*	10.20	28.44	5.23
Distributions	-	(0.35)	(0.81)
Retained distributions on accumulation shares	-	0.35	0.81
Redemption value as at 13 December 2021	(151.74)	-	-
Closing net asset value per share	-	141.54	113.10
* after direct transaction costs of:	0.07	0.11	0.10
<b>Performance</b>			
Return after charges	7.21%	25.15%	4.85%
<b>Other information</b>			
Closing net asset value (£'000)	-	2,122	42,265
Closing number of shares	-	1,499,595	37,368,488
Operating charges	0.95%	0.86%	0.87%
Direct transaction costs	0.05%	0.08%	0.09%
<b>Prices</b>			
Highest share price	165.3	156.5	127.0
Lowest share price	133.9	95.02	107.3

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail accumulation share class was closed on 13 December 2021.

# Comparative Tables

## Continued

Standard Life accumulation <sup>A</sup>	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	93.95	74.52	70.52
Return before operating charges*	7.53	19.53	4.09
Operating charges	(0.16)	(0.10)	(0.09)
Return after operating charges*	7.37	19.43	4.00
Distributions	-	(0.90)	(1.12)
Retained distributions on accumulation shares	-	0.90	1.12
Redemption value as at 13 December 2021	(101.32)	-	-
Closing net asset value per share	-	93.95	74.52
* after direct transaction costs of:	0.05	0.07	0.07
<b>Performance</b>			
Return after charges	7.84%	26.07%	5.67%
<b>Other information</b>			
Closing net asset value (£'000)	-	203,339	163,969
Closing number of shares	-	216,427,566	220,045,928
Operating charges	0.20%	0.11%	0.11%
Direct transaction costs	0.05%	0.08%	0.09%
<b>Prices</b>			
Highest share price	110.2	103.8	83.62
Lowest share price	89.01	62.63	70.20

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail accumulation share class was closed on 13 December 2021.

# Comparative Tables

## Continued

Platform 1 accumulation <sup>A</sup>	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	128.93	103.08	98.35
Return before operating charges*	10.34	26.97	5.72
Operating charges	(1.09)	(1.12)	(0.99)
Return after operating charges*	9.25	25.85	4.73
Distributions	-	(0.26)	(0.68)
Retained distributions on accumulation shares	-	0.26	0.68
Redemption value as at 13 December 2021	(138.18)	-	-
Closing net asset value per share	-	128.93	103.08
* after direct transaction costs of:	0.07	0.10	0.09
<b>Performance</b>			
Return after charges	7.17%	25.08%	4.81%
<b>Other information</b>			
Closing net asset value (£'000)	-	930	626
Closing number of shares	-	721,038	607,430
Operating charges	1.00%	0.91%	0.92%
Direct transaction costs	0.05%	0.08%	0.09%
<b>Prices</b>			
Highest share price	150.6	142.6	115.7
Lowest share price	122.0	86.61	97.87

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail accumulation share class was closed on 13 December 2021.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Japanese Equities	(99.01%)	-	-
Communication Services	(2.77%)	-	-
Consumer Discretionary	(19.64%)	-	-
Consumer Staples	(7.14%)	-	-
Financials	(9.47%)	-	-
Health Care	(11.43%)	-	-
Industrials	(21.09%)	-	-
Information Technology	(15.48%)	-	-
Materials	(8.89%)	-	-
Real Estate	(3.10%)	-	-
Derivatives	(0.00%)	-	-
Forward Currency Contracts	(0.00%)	-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The percentage figures in brackets show the comparative holding as at 28 February 2021.



# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		1,769		55,056
Revenue	2	267		3,115	
Expenses	3	(132)		(666)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		134		2,448	
Taxation	4	(27)		(313)	
Net revenue after taxation			107		2,135
<b>Total return before distribution</b>			<b>1,876</b>		<b>57,191</b>
Distributions	5		(107)		(2,154)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,769</b>		<b>55,037</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>216,745</b>		<b>213,593</b>
Amounts receivable on the issue of shares	8,224		20,941	
Amounts payable on the cancellation of shares	(29,175)		(74,832)	
Amounts payable on inspecie transfers	(197,582)		-	
		(218,533)		(53,891)
Dilution adjustment		17		55
Change in net assets attributable to shareholders from investment activities (see above)		1,769		55,037
Retained distribution on accumulation shares		-		1,951
Residual payment due in respect of fund closure		2		-
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>216,745</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		214,597
<b>Current assets:</b>					
Debtors	6	-		940	
Cash and bank balances	7	1		2,754	
			1		3,694
<b>Total assets</b>			<b>1</b>		<b>218,291</b>
<b>Liabilities:</b>					
Creditors	8	(1)		(1,546)	
			(1)		(1,546)
<b>Total liabilities</b>			<b>(1)</b>		<b>(1,546)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>216,745</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	1,903	55,318
Other losses	(112)	(244)
Transaction charges	(22)	(18)
<b>Net capital gains</b>	<b>1,769</b>	<b>55,056</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	-	1
Overseas dividends	267	3,114
<b>Total revenue</b>	<b>267</b>	<b>3,115</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	115	416
Dealing charge	1	1
General administration charge*	3	-
Registration fees**	8	188
	127	605
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	(1)	26
Safe custody fee	2	25
	1	51
<b>Other:</b>		
Audit fee**	4	9
Professional fees**	-	1
	4	10
<b>Total expenses</b>	<b>132</b>	<b>666</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge.

The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	27	313
<b>Total taxation (note 4b)</b>	<b>27</b>	<b>313</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is equal to (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>134</b>	<b>2,448</b>
Corporation tax at 20% (2021: 20%)	27	490
Effects of:		
Revenue not subject to taxation	(54)	(623)
Overseas taxes	27	313
Excess allowable expenses	27	133
<b>Total tax charge for year (note 4a)</b>	<b>27</b>	<b>313</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,063,000 (2021: £2,036,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
Distribution	-	1,951
Add: Income deducted on cancellation of shares	142	240
Deduct: Income received on issue of shares	(35)	(37)
<b>Total distributions for the year</b>	<b>107</b>	<b>2,154</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	107	2,135
Shortfall transfer from capital to revenue	-	19
<b>Total distributions for the year</b>	<b>107</b>	<b>2,154</b>

Details of the distribution per share are set out in this fund's distribution table.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	-	91
Amounts receivable from the ACD for the issue of shares	-	63
Sales awaiting settlement	-	786
<b>Total debtors</b>	<b>-</b>	<b>940</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	1	2,205
Deposits with original maturity of less than 3 months	-	549
<b>Net liquidity</b>	<b>1</b>	<b>2,754</b>

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	1	28
Accrued expenses payable to the Depositary or associates of the Depositary	-	11
Amounts payable to the ACD for cancellation of shares	-	22
Other accrued expenses	-	9
Purchases awaiting settlement	-	1,476
<b>Total creditors</b>	<b>1</b>	<b>1,546</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Trades in the year</b>				
Equities	12,943	309,435	32,510	359,122
In specie transactions	-	-	196,943	-
<b>Trades in the year before transaction costs</b>	<b>12,943</b>	<b>309,435</b>	<b>229,453</b>	<b>359,122</b>
<b>Commissions</b>				
Equities	3	93	(7)	(106)
<b>Total commissions</b>	<b>3</b>	<b>93</b>	<b>(7)</b>	<b>(106)</b>
<b>Total transaction costs</b>	<b>3</b>	<b>93</b>	<b>(7)</b>	<b>(106)</b>
<b>Total net trades in the year after transaction costs</b>	<b>12,946</b>	<b>309,528</b>	<b>229,446</b>	<b>359,016</b>

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.02	0.03	0.02	0.03

	2022 %	2021 %
	<b>Total transaction costs expressed as a percentage of net asset value</b>	
Commissions	0.05	0.08

The average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) in the prior year was 0.31%, this is representative of the average spread on the assets held during the year. The fund closed on 13 December 2021.

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	8,682,622	1,300,937	(9,977,700)	(5,859)	-
Institutional accumulation	1,499,595	222,504	(1,722,099)	-	-
Standard Life accumulation	216,427,566	18,032	(216,445,598)	-	-
Platform 1 accumulation	721,038	4,645,117	(5,371,563)	5,408	-

# Notes to the Financial Statements

## Continued

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	-	-	-	214,597	-	-
<b>Total investment assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214,597</b>	<b>-</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The fund closed on 13 December 2021 and held no investments at 28 February 2022.

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

	Net foreign currency exposure 2022 £'000	Net foreign currency exposure 2021 £'000
Currency		
Japanese Yen	-	216,200
<b>Total</b>	<b>-</b>	<b>216,200</b>

At 28 February 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £Nil (2021: £10,810,000).

#### Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Authorised Corporate Director continuously reviews interest rates and inflation expectations.

A one per cent increase in the value of the fund's floating rate financial assets would have the effect of increasing the return and net assets as at year end date by £Nil (2021: £28,000). A one per cent decrease would have an equal and opposite effect.

# Notes to the Financial Statements

## Continued

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Financial assets liabilities not carrying interest £'000	Total £'000
<b>2022</b>			
<b>Currency</b>			
UK Sterling	1	(1)	-
<b>Total</b>	<b>1</b>	<b>(1)</b>	<b>-</b>
<b>2021</b>			
<b>Currency</b>			
Japanese Yen	2,201	213,999	216,200
UK Sterling	553	(8)	545
<b>Total</b>	<b>2,754</b>	<b>213,991</b>	<b>216,745</b>

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £Nil (2021: £10,730,000).

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2022		2021	
	Market expo- sure £'000	Market value £'000	Market expo- sure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	-	-	6	-
<b>Total market exposure</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £1,000 (2021: £1,546,000).



# Distribution Table

For the year ended 28 February 2022 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation*</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation*</b>				
Group 1	-	-	-	0.3518
Group 2	-	-	-	0.3518
<b>Standard Life accumulation*</b>				
Group 1	-	-	-	0.8981
Group 2	-	-	-	0.8981
<b>Platform 1 accumulation*</b>				
Group 1	-	-	-	0.2613
Group 2	-	-	-	0.2613

## 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 Growth Equity Fund closed on 13 December 2021.

# ASI Short Duration Credit Fund

For the year ended 28 February 2022

## Investment Objective

To generate income and some growth over the short term (1 to 3 years) by investing in Sterling-denominated corporate bonds.

Performance Target: To achieve the return of the Bloomberg Sterling Corporate and Collateralised Index (Hedged to 2 year duration) 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, including 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 abrdn) and 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) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the Bloomberg Sterling Corporate and Collateralised Index (Hedged to 2 year duration) 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%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the Bloomberg Sterling Corporate and Collateralised Index (Hedged to 2 year duration) 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 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").
- In particular, the fund will use derivatives to reduce the fund's exposure to interest rate risk to a level consistent with that of the Bloomberg Sterling Corporate and Collateralised Index (Hedged to 2 year duration).
- In addition the fund may use derivative instruments to manage expected changes in inflation, currencies or credit worthiness of corporations or governments.
- The fund may also invest in other funds which may use derivatives extensively although these investments shall be in line with fund's overall risk profile.

## Performance Review

Over the period under review, the fund returned -0.13%. (Source: FactSet, Platform 1 Accumulation, net of fees.) This compared to a return of 0.09% for our performance target. (Source: FactSet, the Bloomberg Sterling Corporate and Collateralised Index (Hedged to 2-year duration) +1%.)

Source: Bloomberg. For illustrative purposes only. No assumptions regarding future performance should be made.

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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Stock selection was the main contributor to returns. A number of the top performing positions were COVID-19 recovery names which benefited from an easing of lockdown restrictions. This included top performer Metrocentre as well as Hammerson and NewRiver. Moreover, an off-benchmark position in Dignity Finance was beneficial. Its bonds were supported by the possibility of its crematorium business being sold, which could trigger an early repayment of the bonds at a premium.

On the negative side, the long-dated bonds of British American Tobacco dragged on returns. Utilities holdings were among the fund's detractors, including SSE, Enel and Orsted. While bank holdings overall were positive, overweight positions in HSBC and Citigroup underperformed.

# ASI Short Duration Credit Fund

## Continued

### Portfolio Activity and Review

In the primary market, towards the end of the period, we bought the 2028 bonds of Volkswagen. We also bought the new 2027 bonds of Realty Income Group, a commercial property group with holdings in the US, UK and Spain. In banking holdings, we bought Santander's 2029 new issue in pounds.

In the secondary market, late in the period, we bought Rabobank and NatWest. We also bought BP's corporate hybrids, which are well priced and offer good potential for upside from rising oil prices. These purchases were funded by selling UK housing company Annington, German property lender Deutsche Pfandbriefbank and Barclays.

### Portfolio Outlook and Strategy

The war in Ukraine creates high uncertainties on the political and economic front. The western world is being challenged by the geopolitical conflict, which will result in higher defence spending and a rethinking of Europe's dependency on Russian oil and gas. The imposed sanctions will hurt Russia but also the rest of Europe via higher energy prices, higher non-energy commodity prices and reduced trade with Russia and Ukraine. The situation remains fluid and we expect growth to be lower, inflation to be higher and trade of goods and commodities to be severely affected – more so in Europe than the US.

The Russia-Ukraine conflict makes the global central banks' jobs more difficult as energy price rises will exacerbate inflationary pressures, but also challenge the growth outlook and financial stability. Equity markets have fallen, credit spreads have widened and interest rates have gone up materially, which has already resulted in a tightening of financial conditions. On balance, we think that the US Federal Reserve will raise rates in mid-March, but perhaps at a more measured pace than originally thought.

On 13 April 2022 the ACD informed shareholders that it intends to close ASI Short Duration Credit Fund on 22 June 2022 and cancel all of the shares in issue on that date.

### Sterling IG Aggregate Team

March 2022

# ASI Short Duration Credit Fund

## Continued

### 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 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 28 February 2022.

The fund is rated as 3 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 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 invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- 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 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 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	95.82	92.63	88.33
Return before operating charges*	0.52	4.18	5.25
Operating charges	(1.03)	(0.99)	(0.95)
Return after operating charges*	(0.51)	3.19	4.30
Distributions	(2.00)	(2.30)	(1.54)
Retained distributions on accumulation shares	2.00	2.30	1.54
Closing net asset value per share	95.31	95.82	92.63
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.53%)	3.44%	4.87%
<b>Other information</b>			
Closing net asset value (£'000)	9,624	9,821	10,769
Closing number of shares	10,097,869	10,249,415	11,625,001
Operating charges	1.05%	1.07%	1.04%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	98.91	96.95	93.75
Lowest share price	95.44	84.20	88.66

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	102.45	98.63	93.66
Return before operating charges*	0.54	4.45	5.57
Operating charges	(0.66)	(0.63)	(0.60)
Return after operating charges*	(0.12)	3.82	4.97
Distributions	(2.59)	(2.86)	(2.01)
Retained distributions on accumulation shares	2.59	2.86	2.01
Closing net asset value per share	102.33	102.45	98.63
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.12%)	3.87%	5.31%
<b>Other information</b>			
Closing net asset value (£'000)	3,300	5,421	15,153
Closing number of shares	3,224,666	5,291,386	15,362,975
Operating charges	0.63%	0.65%	0.62%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	106.1	103.6	99.84
Lowest share price	102.2	89.67	94.02

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	55.38	54.86	53.20
Return before operating charges*	0.32	2.45	3.15
Operating charges	(0.59)	(0.58)	(0.57)
Return after operating charges*	(0.27)	1.87	2.58
Distributions	(1.15)	(1.35)	(0.92)
Closing net asset value per share	53.96	55.38	54.86
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.49%)	3.41%	4.85%
<b>Other information</b>			
Closing net asset value (£'000)	2,247	2,478	3,139
Closing number of shares	4,164,574	4,474,701	5,721,585
Operating charges	1.05%	1.07%	1.04%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	56.82	56.39	55.76
Lowest share price	54.30	49.88	53.41

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	55.30	54.79	53.14
Return before operating charges*	0.33	2.44	3.14
Operating charges	(0.36)	(0.35)	(0.34)
Return after operating charges*	(0.03)	2.09	2.80
Distributions	(1.38)	(1.58)	(1.15)
Closing net asset value per share	53.89	55.30	54.79
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.05%)	3.81%	5.27%
<b>Other information</b>			
Closing net asset value (£'000)	2,174	3,395	8,906
Closing number of shares	4,034,969	6,138,791	16,254,024
Operating charges	0.63%	0.65%	0.62%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	56.80	56.34	55.74
Lowest share price	54.27	49.83	53.34

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Standard Life income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	32.32	32.02	31.12
Return before operating charges*	0.24	1.44	1.82
Operating charges	(0.02)	(0.02)	(0.01)
Return after operating charges*	0.22	1.42	1.81
Distributions	(1.03)	(1.12)	(0.91)
Closing net asset value per share	31.51	32.32	32.02
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.68%	4.43%	5.82%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	3,149	3,149	3,149
Operating charges	0.05%	0.07%	0.04%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	33.26	32.97	32.62
Lowest share price	31.78	29.13	31.22

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	105.74	101.29	95.71
Return before operating charges*	0.56	4.60	5.70
Operating charges	(0.15)	(0.15)	(0.12)
Return after operating charges*	0.41	4.45	5.58
Distributions	(3.21)	(3.45)	(2.59)
Retained distributions on accumulation shares	3.21	3.45	2.59
Closing net asset value per share	106.15	105.74	101.29
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.39%	4.39%	5.83%
<b>Other information</b>			
Closing net asset value (£'000)	77	77	63
Closing number of shares	72,847	72,381	62,330
Operating charges	0.13%	0.15%	0.12%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	109.8	106.9	102.5
Lowest share price	105.6	92.12	96.07

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Platform 1 accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	70.36	67.77	64.39
Return before operating charges*	0.38	3.06	3.83
Operating charges	(0.49)	(0.47)	(0.45)
Return after operating charges*	(0.11)	2.59	3.38
Distributions	(1.74)	(1.93)	(1.37)
Retained distributions on accumulation shares	1.74	1.93	1.37
Closing net asset value per share	70.25	70.36	67.77
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.16%)	3.82%	5.25%
<b>Other information</b>			
Closing net asset value (£'000)	6,189	10,208	21,351
Closing number of shares	8,809,939	14,507,064	31,503,882
Operating charges	0.68%	0.70%	0.67%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	72.82	71.16	68.60
Lowest share price	70.22	61.62	64.63

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.15	56.61	54.90
Return before operating charges*	0.33	2.53	3.25
Operating charges	(0.40)	(0.39)	(0.38)
Return after operating charges*	(0.07)	2.14	2.87
Distributions	(1.40)	(1.60)	(1.16)
Closing net asset value per share	55.68	57.15	56.61
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.12%)	3.78%	5.23%
<b>Other information</b>			
Closing net asset value (£'000)	7,467	7,672	12,039
Closing number of shares	13,409,190	13,425,221	21,266,423
Operating charges	0.68%	0.70%	0.67%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	58.69	58.22	57.59
Lowest share price	56.08	51.48	55.11

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

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Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (89.00%)</b>		<b>27,278</b>	<b>87.77</b>
<b>Euro Denominated Bonds (2.49%)</b>		<b>748</b>	<b>2.41</b>
<b>Corporate Bonds (2.49%)</b>		<b>748</b>	<b>2.41</b>
greater than 25 years to maturity			
300,000	Channel Link Enterprises Finance FRN 2050	252	0.81
Perpetual			
400,000	Areal Bank FRN Perpetual	332	1.07
200,000	CaixaBank 5.25% fixed to floating Perpetual	164	0.53
<b>Sterling Denominated Bonds (86.51%)</b>		<b>26,530</b>	<b>85.36</b>
<b>Corporate Bonds (86.51%)</b>		<b>26,380</b>	<b>84.88</b>
less than 5 years to maturity			
150,000	AA Bond 2.75% 2023	149	0.48
210,000	ABP Finance 6.25% 2026	245	0.79
190,000	Arqiva Broadcast Finance 6.75% 2023	190	0.61
200,000	Banco Santander 1.5% 2026	191	0.61
300,000	Banco Santander 2.75% 2023	302	0.97
330,000	Barclays 3.125% 2024	335	1.08
190,000	Barclays 3.25% 2027	194	0.62
100,000	CaixaBank 1.5% fixed to floating 2026	96	0.31
190,000	Citigroup 5.875% 2024	204	0.66
139,000	CPUK Finance 3.588% 2025	144	0.46
400,000	Deutsche Bank 2.625% 2024	399	1.28
165,000	FirstGroup 6.875% 2024	182	0.59
131,000	Hammerson REIT 3.5% 2025	129	0.42
357,000	Heathrow Funding 6.75% 2026	422	1.36
183,000	HSBC 2.256% fixed to floating 2026	180	0.58
270,000	Imperial Brands Finance 5.5% 2026	297	0.96
130,000	Lloyds Bank 7.625% 2025	148	0.48
274,000	Lloyds Bank Corporate Markets 1.75% 2024	271	0.87
480,000	Metrocentre Finance REIT 8.75% 2023	272	0.88
720,000	Mitchells & Butlers Finance 5.965% 2023	87	0.28
109,000	MPT Operating Partnership REIT 2.55% 2023	109	0.35

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
392,000	NatWest 2.875% fixed to floating 2026	395	1.27
150,000	Petroleos Mexicanos 3.75% 2025	142	0.46
100,000	Realty Income 1.875% 2027	98	0.31
270,000	Santander UK 3.625% 2026	280	0.90
250,000	Thames Water Utilities Finance 2.375% 2023	249	0.80
400,000	Volkswagen International Finance 3.375% 2026	413	1.33
290,000	Westfield Stratford City Finance No 2 1.642% 2026	284	0.91
between 5 and 10 years to maturity			
240,000	Anglian Water Services Financing 2.625% 2027	246	0.79
260,000	Anheuser-Busch InBev 2.25% 2029	257	0.83
170,000	Annington Funding 3.184% 2029	172	0.55
160,000	Assura Financing REIT 3% 2028	166	0.54
299,000	Athene Global Funding 1.75% 2027	282	0.91
200,000	Bank of America 7% 2028	251	0.81
190,000	BAT International Finance 2.25% 2028	174	0.56
200,000	CK Hutchison Telecom Finance 2% 2027	191	0.62
200,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	194	0.62
290,000	Cooperatieve Rabobank 4.625% 2029	316	1.02
200,000	Deutsche Bank 1.875% fixed to floating 2028	187	0.60
210,000	Digital Stout REIT 3.3% 2029	215	0.69
150,000	Great Rolling Stock 6.5% 2031	143	0.46
110,000	Hammerson REIT 7.25% 2028	125	0.40
100,000	Heathrow Funding 2.625% 2028	96	0.31
280,000	HSBC 3% fixed to floating 2030	279	0.90
100,000	HSBC 6.75% 2028	119	0.38
182,000	HSBC Bank 5.375% fixed to floating 2030	197	0.64
200,000	ING 1.125% fixed to floating 2028	184	0.59
330,000	London & Quadrant Housing Trust 2.25% 2029	329	1.06
100,000	Meadowhall Finance 4.986% 2032	67	0.22
190,000	MPT Operating Partnership REIT 3.692% 2028	190	0.61
100,000	NatWest 2.105% fixed to floating 2031	95	0.30
118,000	NatWest 3.622% fixed to floating 2030	119	0.38
168,000	NewRiver REIT 3.5% 2028	162	0.52
189,000	Pension Insurance 5.625% 2030	207	0.67
109,000	Santander UK 2.421% fixed to floating 2029	106	0.34

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Southern Water Services Finance 1.625% 2027	96	0.31
240,000	Telereal Secured Finance 4.01% 2031	162	0.52
463,000	Thames Water Utilities Finance 3.5% 2028	487	1.57
137,000	Thames Water Utilities Finance FRN 2030	140	0.45
275,000	Unite REIT 3.5% 2028	287	0.92
337,000	Verizon Communications 1.875% 2030	315	1.01
484,000	Virgin Money UK 7.875% fixed to floating 2028	522	1.68
100,000	Volkswagen Financial Services 2.125% 2028	96	0.31
220,000	Welltower REIT 4.8% 2028	247	0.79
333,000	Western Power Distribution 1.75% 2031	306	0.98
182,000	Workspace REIT 2.25% 2028	172	0.55
between 10 and 15 years to maturity			
200,000	Barclays 3.25% 2033	201	0.65
100,000	BPCE 2.5% fixed to floating 2032	95	0.31
300,000	Broadgate Financing 5.098% 2033	304	0.98
150,000	Centrica 7% 2033	204	0.66
102,000	DWR Cymru Financing UK 2.375% 2034	95	0.31
420,000	E.ON International Finance 6.375% 2032	552	1.78
130,000	Eversholt Funding 6.697% 2035	148	0.48
152,000	Gatwick Funding 4.625% 2034	166	0.53
150,000	Great Rolling Stock 6.875% 2035	114	0.37
100,000	Greene King Finance FRN 2033	66	0.21
100,000	HSBC Bank 5.375% 2033	119	0.38
105,000	Lloyds Banking 2.707% fixed to floating 2035	97	0.31
190,000	London & Quadrant Housing Trust 4.625% 2033	229	0.74
150,000	Metropolitan Housing Trust 1.875% 2036	133	0.43
100,000	Orange 5.625% 2034	127	0.41
104,000	Pension Insurance 3.625% 2032	96	0.31
382,000	Scottish Hydro Electric Transmission 2.25% 2035	350	1.13
195,000	Western Power Distribution 5.75% 2032	244	0.78
between 15 and 25 years to maturity			
100,000	Aspire Defence Finance 4.674% 2040	103	0.33
420,000	AT&T 4.875% 2044	496	1.60
130,000	BAT International Finance 5.75% 2040	136	0.44

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
190,000	Cadent Finance 2.625% 2038	171	0.55
184,000	Citigroup 7.375% 2039	296	0.95
175,000	Direct Line Insurance FRN 2042	177	0.57
100,000	E.ON International Finance 6.125% 2039	137	0.44
100,000	EDF 5.5% 2041	125	0.40
90,000	Enel 5.75% 2037	117	0.38
230,000	Enel Finance International 5.75% 2040	307	0.99
230,000	Eversholt Funding 3.529% 2042	236	0.76
197,000	Gatwick Funding 6.5% 2041	264	0.85
150,000	Heathrow Funding 5.875% 2041	197	0.63
240,000	HSBC 6% 2040	290	0.93
200,000	QBE Insurance FRN 2042	201	0.65
190,000	RL Finance No 2 6.125% fixed to floating 2043	200	0.64
400,000	RMAC 2018-1 FRN 2046	251	0.81
246,000	RMPA Services 5.337% 2038	213	0.69
284,000	Southern Water Services Finance 3% 2037	280	0.90
200,000	Tesco Property Finance 3 5.744% 2040	226	0.73
270,000	Tesco Property Finance 4 5.8006% 2040	309	0.99
110,000	Wheatley Capital 4.375% 2044	136	0.44
greater than 25 years to maturity			
121,000	AA Bond 5.5% 2050	129	0.41
100,000	Aviva 4% fixed to floating 2055	96	0.31
250,000	Aviva 5.125% fixed to floating 2050	268	0.86
100,000	AXA 5.625% fixed to floating 2054	111	0.36
270,000	Blend Funding 3.459% 2047	302	0.97
100,000	Dignity Finance 4.6956% 2049	104	0.33
247,000	Legal & General 3.75% fixed to floating 2049	241	0.78
250,000	M&G 5.56% fixed to floating 2055	266	0.86
164,000	M&G 5.625% fixed to floating 2051	177	0.57
150,000	NGG Finance 5.625% fixed to floating 2073	154	0.49
125,000	Ørsted 2.5% fixed to floating 3021	109	0.35
368,000	Paragon Mortgages No 25 FRN 2050 'A'	255	0.82
220,000	Penarian Housing Finance 3.212% 2052	230	0.74
196,000	RL Finance No 4 4.875% fixed to floating 2049	191	0.61
140,000	SSE FRN 2077	140	0.45



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Vattenfall 2.5% fixed to floating 2083	91	0.29
227,000	Vodafone 3.375% 2049	218	0.70
Perpetual			
90,000	Aviva FRN Perpetual	91	0.29
221,000	AXA 6.6862% fixed to floating Perpetual	245	0.79
150,000	BP Capital Markets 4.25% fixed to floating Perpetual	144	0.46
200,000	Lloyds Banking 7.625% fixed to floating Perpetual	206	0.66
100,000	National Express 4.25% fixed to floating Perpetual	98	0.31
<b>Government Bonds (0.00%)</b>		<b>150</b>	<b>0.48</b>
between 15 and 25 years to maturity			
100,000	UK (Govt of) 4.5% 2042	150	0.48
<b>Collective Investment Schemes (5.49%)</b>		<b>2,098</b>	<b>6.75</b>
152,104	ASI Total Return Credit Fund SICAV II Z Acc+	2,098	6.75
<b>Derivatives (1.70%)</b>		<b>1,342</b>	<b>4.32</b>
<b>Forward Currency Contracts (0.01%)</b>		-	-
Buy GBP 780,280 Sell EUR 928,979 20/05/2022		-	-
<b>Interest Rate Swaps (1.69%)</b>		<b>1,342</b>	<b>4.32</b>
GBP 10,500,000	Pay fixed 0.0525% receive floating GBP-SONIA 04/06/2025	525	1.69
GBP 2,500,000	Pay fixed 0.115% receive floating GBP-SONIA 09/06/2025	119	0.38
GBP 3,100,000	Pay fixed 0.226% receive floating GBP-SONIA 03/12/2029	278	0.89
GBP 2,500,000	Pay fixed 0.326% receive floating GBP-SONIA 26/11/2034	315	1.01
GBP 1,900,000	Pay fixed 0.436% receive floating GBP-SONIA 24/11/2042	311	1.00
GBP 1,500,000	Pay fixed 0.452% receive floating GBP-SONIA 23/11/2044	257	0.83
GBP 1,000,000	Pay fixed 0.549% receive floating GBP-SONIA 24/01/2030	67	0.22
GBP 2,500,000	Pay floating GBP-SONIA receive fixed 0.0525% 04/06/2025	(124)	(0.40)
GBP 2,000,000	Pay floating GBP-SONIA receive fixed 0.0525% 04/06/2025	(100)	(0.32)
GBP 700,000	Pay floating GBP-SONIA receive fixed 0.226% 03/12/2029	(63)	(0.20)

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
GBP 500,000	Pay floating GBP-SONIA receive fixed 0.226% 03/12/2029	(45)	(0.14)
GBP 500,000	Pay floating GBP-SONIA receive fixed 0.326% 26/11/2034	(63)	(0.20)
GBP 2,000,000	Pay floating GBP-SONIA receive fixed 0.549% 24/01/2030	(134)	(0.43)
GBP 270,000	Pay floating GBP-SONIA receive fixed 0.5688% 03/12/2022	(1)	(0.01)
Total investment assets and liabilities		30,718	98.84
Net other assets		361	1.16
<b>Total Net Assets</b>		<b>31,079</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 28 February 2021.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(775)		(491)
Revenue	2	1,084		1,953	
Expenses	3	(272)		(370)	
Interest payable and similar charges	4	(12)		(245)	
Net revenue before taxation		800		1,338	
Taxation	5	-		-	
Net revenue after taxation			800		1,338
<b>Total return before distributions</b>			<b>25</b>		<b>847</b>
Distributions	6		(800)		(1,338)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(775)</b>		<b>(491)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>39,073</b>		<b>71,421</b>
Amounts receivable on the issue of shares	3,842		2,922	
Amounts payable on the cancellation of shares	(11,546)		(35,671)	
		(7,704)		(32,749)
Dilution adjustment		18		72
Change in net assets attributable to shareholders from investment activities (see above)		(775)		(491)
Retained distribution on accumulation shares		467		819
Unclaimed distributions		-		1
<b>Closing net assets attributable to shareholders</b>		<b>31,079</b>		<b>39,073</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			31,248		37,666
<b>Current assets:</b>					
Debtors	7	529		593	
Cash and bank balances	8	598		1,321	
			1,127		1,914
<b>Total assets</b>			<b>32,375</b>		<b>39,580</b>
<b>Liabilities:</b>					
Investment liabilities			(530)		(80)
Bank overdrafts	8	(540)		-	
Creditors	9	(159)		(326)	
Distribution payable		(67)		(101)	
			(766)		(427)
<b>Total liabilities</b>			<b>(1,296)</b>		<b>(507)</b>
<b>Net assets attributable to shareholders</b>			<b>31,079</b>		<b>39,073</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	(1,643)	(1,107)
Derivative contracts	839	650
Forward currency contracts	35	(40)
Other (losses)/gains	(2)	13
Transaction charges	(4)	(7)
<b>Net capital losses</b>	<b>(775)</b>	<b>(491)</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	-	4
<b>Income from Overseas Collective Investment Schemes</b>		
Unfranked income	90	520
Interest on debt securities	994	1,429
<b>Total revenue</b>	<b>1,084</b>	<b>1,953</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	235	307
Dealing charge	8	12
General administration charge*	8	-
Registration fees**	10	30
	<b>261</b>	<b>349</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	2	6
Safe custody fee	2	3
	<b>4</b>	<b>9</b>

# Notes to the Financial Statements

## Continued

	2022 £'000	2021 £'000
<b>Other:</b>		
Audit fee**	7	12
	7	12
<b>Total expenses</b>	<b>272</b>	<b>370</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge.

The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £12,540 (2021: £12,433).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

## 4 Interest Payable and Similar Charges

	2022 £'000	2021 £'000
Derivative expense	12	244
Interest payable	-	1
<b>Total interest payable &amp; similar charges</b>	<b>12</b>	<b>245</b>

## 5 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
<b>Total taxation (note 5b)</b>	<b>-</b>	<b>-</b>

### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>800</b>	<b>1,338</b>
Corporation tax at 20% (2021: 20%)	160	268
Effects of:		
Distributions treated as tax deductible	(160)	(268)
<b>Total tax charge for year (note 5a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

# Notes to the Financial Statements

## Continued

### 6 Distributions

	2022 £'000	2021 £'000
First interim distribution	176	168
Second interim distribution	246	610
Third interim distribution	184	166
Final distribution	169	286
	775	1,230
Add: Income deducted on cancellation of shares	36	118
Deduct: Income received on issue of shares	(11)	(10)
<b>Total distributions for the year</b>	<b>800</b>	<b>1,338</b>

Details of the distribution per share are set out in this fund's distribution tables.

### 7 Debtors

	2022 £'000	2021 £'000
Accrued revenue	435	559
Amounts receivable from the ACD for the issue of shares	94	34
<b>Total debtors</b>	<b>529</b>	<b>593</b>

### 8 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	13	10
Cash at broker	-	536
Deposits with original maturity of less than 3 months	585	775
	<b>598</b>	<b>1,321</b>
<b>Bank overdrafts</b>		
Overdraft at broker	(540)	-
	<b>(540)</b>	<b>-</b>
<b>Net liquidity</b>	<b>58</b>	<b>1,321</b>

# Notes to the Financial Statements

## Continued

### 9 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	23	27
Accrued expenses payable to the Depositary or associates of the Depositary	1	2
Amounts payable to the ACD for cancellation of shares	34	285
Other accrued expenses	6	12
Purchases awaiting settlement	95	-
<b>Total creditors</b>	<b>159</b>	<b>326</b>

### 10 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 9.

### 11 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds and collective investment schemes during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Trades in the year</b>				
Bonds	2,803	4,611	8,605	33,230
Collective investment schemes	-	-	-	2,485
<b>Trades in the year before transaction costs</b>	<b>2,803</b>	<b>4,611</b>	<b>8,605</b>	<b>35,715</b>
<b>Total net trades in the year after transaction costs</b>	<b>2,803</b>	<b>4,611</b>	<b>8,605</b>	<b>35,715</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.64% (2021: 0.79%), this is representative of the average spread on the assets held during the year.



# Notes to the Financial Statements

## Continued

### 12 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	10,249,415	1,049,191	(1,198,703)	(2,034)	10,097,869
Institutional accumulation	5,291,386	60,142	(2,140,996)	14,134	3,224,666
Retail income	4,474,701	160,044	(443,837)	(26,334)	4,164,574
Institutional income	6,138,791	6,875	(2,221,104)	110,407	4,034,969
Standard Life income	3,149	-	-	-	3,149
Standard Life accumulation	72,381	466	-	-	72,847
Platform 1 accumulation	14,507,064	1,825,813	(7,505,105)	(17,833)	8,809,939
Platform 1 income	13,425,221	2,330,930	(2,265,595)	(81,366)	13,409,190

### 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	150	27,128	-	-	34,776	-
Collective Investment Schemes	-	2,098	-	-	2,146	-
Derivatives	-	1,872	-	-	744	-
<b>Total investment assets</b>	<b>150</b>	<b>31,098</b>	<b>-</b>	<b>-</b>	<b>37,666</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	-	(530)	-	-	(80)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>(530)</b>	<b>-</b>	<b>-</b>	<b>(80)</b>	<b>-</b>

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements.

This is consistent with the exposure during the prior year.

# Notes to the Financial Statements

## Continued

### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	2,704	25,209	3,160	31,073
Euro	594	164	(759)	(1)
US Dollar	7	-	-	7
<b>Total</b>	<b>3,305</b>	<b>25,373</b>	<b>2,401</b>	<b>31,079</b>

2021	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	2,802	35,110	1,157	39,069
Euro	10	974	(987)	(3)
US Dollar	7	-	-	7
<b>Total</b>	<b>2,819</b>	<b>36,084</b>	<b>170</b>	<b>39,073</b>

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	2.39%	5.18%	3.70%
<b>2021</b>			
	Minimum	Maximum	Average
VaR 99% 1 Month	1.05%	3.58%	3.01%

# Notes to the Financial Statements

## Continued

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 2.45%, £753,000 (2021: 2.74%, £1,071,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

	Market value £'000	Percentage of total net assets %
<b>2022</b>		
Investment grade securities	25,281	81.34
Below investment grade securities	1,725	5.55
Unrated securities	272	0.88
<b>Total value of securities</b>	<b>27,278</b>	<b>87.77</b>
<b>2021</b>		
Investment grade securities	32,132	82.24
Below investment grade securities	2,644	6.77
Unrated securities	-	-
<b>Total value of securities</b>	<b>34,776</b>	<b>89.00</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

#### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	780	-	1,012	4
Swaps	31,470	1,342	28,000	660
<b>Total market exposure</b>	<b>32,250</b>	<b>1,342</b>	<b>29,012</b>	<b>664</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the broker is not solvent the market exposure can be transferred. Exposure is reduced by

# Notes to the Financial Statements

## Continued

the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following broker exposure.

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	1,342	(540)	112	914	2.94
	<b>1,342</b>	<b>(540)</b>	<b>112</b>	<b>914</b>	<b>2.94</b>

2021	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	660	536	-	1,196	3.06
	<b>660</b>	<b>536</b>	<b>-</b>	<b>1,196</b>	<b>3.06</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

At the balance sheet date the fund had the following positions.

The Prospectus outlines allowable collateral. There have been no changes in the year.

### Issuers

2022	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	112
		<b>112</b>

2021	Collateral (held)/pledged			Net exposure £'000
	Forwards £'000	Cash £'000	Stock £'000	
<b>Counterparties</b>				
UBS	4	-	-	4
<b>Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

# Notes to the Financial Statements

## Continued

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(1)	(225)	(304)	(530)
<b>Non-derivatives</b>					
Other creditors	-	(159)	-	-	(159)
Bank overdrafts	(540)	-	-	-	(540)
Distribution payable	-	(67)	-	-	(67)
<b>Total financial liabilities</b>	<b>(540)</b>	<b>(227)</b>	<b>(225)</b>	<b>(304)</b>	<b>(1,296)</b>

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	-	(30)	(50)	(80)
<b>Non-derivatives</b>					
Other creditors	-	(326)	-	-	(326)
Distribution payable	-	(101)	-	-	(101)
<b>Total financial liabilities</b>	<b>-</b>	<b>(427)</b>	<b>(30)</b>	<b>(50)</b>	<b>(507)</b>

## 15 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 70.25p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 68.87p. This represents a change of (1.97)% from the year end value.

On 13 April 2022 the ACD informed shareholders that it intends to close the fund on 22 June 2022 and cancel all of the shares in issue on that date.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 May 2021

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Retail accumulation</b>				
Group 1	0.4147	-	0.4147	0.2187
Group 2	0.1536	0.2611	0.4147	0.2187
<b>Institutional accumulation</b>				
Group 1	0.5537	-	0.5537	0.3282
Group 2	0.1696	0.3841	0.5537	0.3282
<b>Retail income</b>				
Group 1	0.2396	-	0.2396	0.1264
Group 2	0.1562	0.0834	0.2396	0.1264
<b>Institutional income</b>				
Group 1	0.2988	-	0.2988	0.1827
Group 2	0.1783	0.1205	0.2988	0.1827
<b>Standard Life income</b>				
Group 1	0.2331	-	0.2331	0.1492
Group 2	0.2331	-	0.2331	0.1492
<b>Standard Life accumulation</b>				
Group 1	0.7056	-	0.7056	0.4591
Group 2	0.7056	-	0.7056	0.4591
<b>Platform 1 accumulation</b>				
Group 1	0.3716	-	0.3716	0.2170
Group 2	0.2211	0.1505	0.3716	0.2170
<b>Platform 1 income</b>				
Group 1	0.3012	-	0.3012	0.1814
Group 2	0.1671	0.1341	0.3012	0.1814

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 June 2021

Group 2 – shares purchased between 1 June 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	0.6442	-	0.6442	1.1389
Group 2	0.2976	0.3466	0.6442	1.1389
<b>Institutional accumulation</b>				
Group 1	0.8031	-	0.8031	1.3185
Group 2	0.4013	0.4018	0.8031	1.3185
<b>Retail income</b>				
Group 1	0.3708	-	0.3708	0.6729
Group 2	0.2771	0.0937	0.3708	0.6729
<b>Institutional income</b>				
Group 1	0.4310	-	0.4310	0.7299
Group 2	0.0885	0.3425	0.4310	0.7299
<b>Standard Life income</b>				
Group 1	0.3020	-	0.3020	0.4814
Group 2	0.3020	-	0.3020	0.4814
<b>Standard Life accumulation</b>				
Group 1	0.9655	-	0.9655	1.4840
Group 2	0.9655	-	0.9655	1.4840
<b>Platform 1 accumulation</b>				
Group 1	0.5428	-	0.5428	0.8973
Group 2	0.3101	0.2327	0.5428	0.8973
<b>Platform 1 income</b>				
Group 1	0.4367	-	0.4367	0.7470
Group 2	0.2242	0.2125	0.4367	0.7470

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Retail accumulation</b>				
Group 1	0.4839	-	0.4839	0.3037
Group 2	0.2751	0.2088	0.4839	0.3037
<b>Institutional accumulation</b>				
Group 1	0.6316	-	0.6316	0.4316
Group 2	0.2740	0.3576	0.6316	0.4316
<b>Retail income</b>				
Group 1	0.2771	-	0.2771	0.1779
Group 2	0.1968	0.0803	0.2771	0.1779
<b>Institutional income</b>				
Group 1	0.3360	-	0.3360	0.2356
Group 2	0.1261	0.2099	0.3360	0.2356
<b>Standard Life income</b>				
Group 1	0.2486	-	0.2486	0.1857
Group 2	0.2486	-	0.2486	0.1857
<b>Standard Life accumulation</b>				
Group 1	0.7879	-	0.7879	0.5716
Group 2	0.4904	0.2975	0.7879	0.5716
<b>Platform 1 accumulation</b>				
Group 1	0.4245	-	0.4245	0.2883
Group 2	0.2664	0.1581	0.4245	0.2883
<b>Platform 1 income</b>				
Group 1	0.3394	-	0.3394	0.2359
Group 2	0.1968	0.1426	0.3394	0.2359



# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	0.4582	-	0.4582	0.6338
Group 2	0.2708	0.1874	0.4582	0.6338
<b>Institutional accumulation</b>				
Group 1	0.6014	-	0.6014	0.7865
Group 2	0.2970	0.3044	0.6014	0.7865
<b>Retail income</b>				
Group 1	0.2609	-	0.2609	0.3694
Group 2	0.0567	0.2042	0.2609	0.3694
<b>Institutional income</b>				
Group 1	0.3183	-	0.3183	0.4276
Group 2	0.0933	0.2250	0.3183	0.4276
<b>Standard Life income</b>				
Group 1	0.2419	-	0.2419	0.3020
Group 2	0.2419	-	0.2419	0.3020
<b>Standard Life accumulation</b>				
Group 1	0.7557	-	0.7557	0.9400
Group 2	0.7557	-	0.7557	0.9400
<b>Platform 1 accumulation</b>				
Group 1	0.4025	-	0.4025	0.5323
Group 2	0.1877	0.2148	0.4025	0.5323
<b>Platform 1 income</b>				
Group 1	0.3220	-	0.3220	0.4342
Group 2	0.1158	0.2062	0.3220	0.4342

## 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 Ethical Equity Fund

For the year ended 28 February 2022

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares) which meet the ethical criteria set out in the investment manager's Ethical Investment Policy.

**Performance Target:** To achieve the return of the FTSE All-Share Index, plus 2% 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 abrdn), money-market instruments, and cash.
- All investments will comply with the Ethical Investment Policy. The fund uses negative criteria to avoid investing in companies that operate to a degree in certain areas, including but not limited to those deriving revenue from animal testing, weaponry, pornography and gambling services. In addition to excluding such companies which operate in certain industries and activities, the fund will seek to include companies whose business activities are regarded as making a positive contribution in terms of preserving the environment or improving the quality and safety of human life. In making an assessment of whether business activities make a positive contribution, the investment manager will make reference to the UN Global Compact to define the areas where the fund seeks to invest in companies with positive business practices and services. The areas include human rights, labour rights, environmental safeguards and combating bribery and corruption. Please refer to the Ethical Investment Policy for further detail.

### 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 identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- 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 12%. Due to the ethical 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

Over the period under review, the fund returned -2.46% (Source: FactSet, Platform 1 Accumulation net of fees). This compared with a return of 18.0% in the performance target (Source: FactSet, the FTSE All-Share Index +2%).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

# ASI UK Ethical Equity Fund

## Continued

### Portfolio Activity and Review

Both stock selection and sector allocation were negative for performance, with particular weakness from the fund's overweight allocation and stock picking in the consumer discretionary and technology sectors. Furthermore at a sector level, a lack of exposure due to the fund's ethical screen to the mining sector weighed on returns. On a stock level, the biggest detractor to performance was an underweight position in Royal Dutch Shell, which benefited from the significant rise in the crude oil price, but we cannot own due to our fossil fuel screen. Other detractors included Schneider Electric, which was affected by the rotation away from the software sector as growth stocks came under pressure on valuation, reflecting weakening investor sentiment to this part of the market. Elsewhere, clothing retail names ASOS, the online fashion retailer, and lifestyle brand Joules were both affected by challenges in their supply chains and issues around delivery freight costs. This led both stocks to revise their profit expectations. Countryside Partnerships weighed on returns as the company informed the market that trading was worse than market expectations due to a combination of planning delays and poor financial guidance. This further resulted in the departure of the CEO and the chair announcing a review of the business.

On the positive side, stock selection decisions in the utilities sector and allocation in the financial sector helped offset some of the negative performance. Alternative asset manager Sanne was acquired by private equity firm Apex, which added to performance. Howden Joinery also helped performance as the kitchen manufacturer delivered strong trading, increased its depot and manufacturing expansion plans and announced a significant share buyback scheme; all of which was taken well by the market. Drax performed well due to pressure on the oil price and gas price from the Russia/Ukraine conflict. In addition, with the debate around security of energy supply, this has boosted companies with exposure to alternative energy sources such as renewables like biomass. Not holding Ocado also added to returns.

Over the period, we started new positions in construction company Morgan Sindall and London Stock Exchange (LSE). The former has a conservative management team and the opportunity for a good level of earnings upgrades if the company can reach its medium-term margin targets. We turned more positive on LSE following a derating of its shares on higher cost guidance after the transformational Refinitiv deal. We are positive about the growth potential and believe this is not captured in the valuation as the company is trading at a discount to its information services peers. Elsewhere, we bought shares in Drax, which provides attractive exposure to a variety of

ESG-friendly energy generation businesses, and Capital and Counties, as we see value in the underlying asset once there is a return of international travel. Other buys included banking group Lloyds and homeware retailer Dunelm, plus the fund participated in the initial public offerings of Moonpig and Trustpilot.

Following share-price weakness, we topped up our existing positions in transport company Go-Ahead, as we believe the market is underestimating the return to normality in bus travel, and retailer ASOS. We also participated in Hollywood Bowl's placing to fund the acceleration in new centre rollouts, a cost-saving capex programme and strengthening of the balance sheet. We are positive about the long-term opportunity for the business model and self-funded capex.

In terms of sales, Cineworld's shares performed well on the potential unlocking of consumer-related activities and we took the opportunity to sell the cinema operator due to ongoing governance concerns. Following the good performance of IWG's share price, we feel its valuation is more than pricing in sustained recovery and successful refranchising strategy, hence we sold our position as we remain more cautious on the delivery of this. We also sold our holdings in construction company John Laing, after it received a bid from private equity firm KKR, and Trainline, following the publication of the Williams-Shapps rail review (which put into question Trainline's current operating model and its future ticketing revenues).

### Portfolio Outlook and Strategy

The global geopolitical situation looks increasingly uncertain as a result of the recent Russian invasion of Ukraine. This adds to ongoing uncertainties resulting from the pandemic. While Omicron remains present, it is hoped that the world can gradually recover and finally emerge from the pandemic this year.

Overall, markets remain sensitive to headline inflation numbers and interest-rate changes. Supply-chain pressures, although easing in many areas, continue to disrupt operations. We believe companies with clear competitive advantages, solid market share and healthy balance sheets are best placed to manage these pressures. They should achieve this by either raising prices or with better inventory support. Companies with high debt appear vulnerable to rising interest rates.

We expect investor concerns will turn to the growth outlook as we move through the year, particularly concerning the impact of higher interest rates. As always, our focus is on companies that can grow independently of the macroeconomic environment.

# ASI UK Ethical Equity Fund

## Continued

Taking these factors into account, we would reiterate the importance of a bottom-up investment approach focused on quality, growth and momentum characteristics.

Company engagement remains the key to our ability to identify the quality-growth-momentum businesses we like to back.

While we remain mindful of the macroeconomic backdrop and risks the fund is exposed to, we remain focused on bottom-up stock picking. We will continue to apply our experience and examine prospects on a company-by-company basis over the fund's three- to five-year investment horizon. The focus is on finding businesses within the acceptable universe defined by the fund's ethical policy, that are well positioned for growth, and have resilient earnings streams and underappreciated business models.

### **UK Equity Team**

March 2022

# ASI UK Ethical Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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.
- 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.

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

<b>Retail accumulation</b>	<b>2022</b> pence per share	<b>2021</b> pence per share	<b>2020</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	186.53	182.33	167.61
Return before operating charges*	0.28	6.35	17.15
Operating charges	(2.73)	(2.15)	(2.43)
Return after operating charges*	(2.45)	4.20	14.72
Distributions	(1.44)	(0.20)	(2.52)
Retained distributions on accumulation shares	1.44	0.20	2.52
Closing net asset value per share	184.08	186.53	182.33
*after direct transaction costs of:	0.22	0.18	0.20
<b>Performance</b>			
Return after charges	(1.31%)	2.30%	8.78%
<b>Other information</b>			
Closing net asset value (£'000)	59,987	61,560	62,052
Closing number of shares	32,588,173	33,002,021	34,032,028
Operating charges	1.31%	1.32%	1.32%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	228.3	193.5	208.3
Lowest share price	179.1	113.2	167.6

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	212.62	206.87	189.30
Return before operating charges*	0.19	7.31	19.34
Operating charges	(2.00)	(1.56)	(1.77)
Return after operating charges*	(1.81)	5.75	17.57
Distributions	(2.76)	(1.09)	(3.83)
Retained distributions on accumulation shares	2.76	1.09	3.83
Closing net asset value per share	210.81	212.62	206.87
*after direct transaction costs of:	0.25	0.21	0.23
<b>Performance</b>			
Return after charges	(0.85%)	2.78%	9.28%
<b>Other information</b>			
Closing net asset value (£'000)	60,422	68,088	83,358
Closing number of shares	28,662,269	32,022,521	40,294,906
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	260.8	220.5	236.4
Lowest share price	205.2	128.5	189.3

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	66.48	65.00	60.62
Return before operating charges*	0.04	2.31	6.18
Operating charges	(0.62)	(0.49)	(0.57)
Return after operating charges*	(0.58)	1.82	5.61
Distributions	(0.86)	(0.34)	(1.23)
Closing net asset value per share	65.04	66.48	65.00
*after direct transaction costs of:	0.08	0.06	0.07
<b>Performance</b>			
Return after charges	(0.87%)	2.80%	9.25%
<b>Other information</b>			
Closing net asset value (£'000)	12,345	14,400	14,295
Closing number of shares	18,980,666	21,661,886	21,991,384
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	81.55	69.29	75.69
Lowest share price	64.14	40.37	60.63

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	242.90	234.55	213.03
Return before operating charges*	0.02	8.56	21.75
Operating charges	(0.25)	(0.21)	(0.23)
Return after operating charges*	(0.23)	8.35	21.52
Distributions	(5.20)	(2.83)	(6.09)
Retained distributions on accumulation shares	5.20	2.83	6.09
Closing net asset value per share	242.67	242.90	234.55
*after direct transaction costs of:	0.29	0.23	0.26
<b>Performance</b>			
Return after charges	(0.09%)	3.56%	10.10%
<b>Other information</b>			
Closing net asset value (£'000)	7,332	416	463
Closing number of shares	3,021,285	171,091	197,532
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	299.2	251.8	268.0
Lowest share price	236.1	145.8	213.1

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	143.93	139.40	126.98
Return before operating charges*	0.05	5.03	12.98
Operating charges	(0.63)	(0.50)	(0.56)
Return after operating charges*	(0.58)	4.53	12.42
Distributions	(2.60)	(1.30)	(3.20)
Retained distributions on accumulation shares	2.60	1.30	3.20
Closing net asset value per share	143.35	143.93	139.40
*after direct transaction costs of:	0.17	0.14	0.15
<b>Performance</b>			
Return after charges	(0.40%)	3.25%	9.78%
<b>Other information</b>			
Closing net asset value (£'000)	26,790	31,068	30,513
Closing number of shares	18,688,260	21,584,989	21,888,956
Operating charges	0.39%	0.40%	0.40%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	177.0	149.2	159.2
Lowest share price	139.5	86.63	127.0

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Platform 1 accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	117.12	114.00	104.38
Return before operating charges*	0.12	4.04	10.65
Operating charges	(1.17)	(0.92)	(1.03)
Return after operating charges*	(1.05)	3.12	9.62
Distributions	(1.45)	(0.55)	(2.05)
Retained distributions on accumulation shares	1.45	0.55	2.05
Closing net asset value per share	116.07	117.12	114.00
*after direct transaction costs of:	0.14	0.11	0.13
<b>Performance</b>			
Return after charges	(0.90%)	2.74%	9.22%
<b>Other information</b>			
Closing net asset value (£'000)	115,256	127,606	131,284
Closing number of shares	99,302,469	108,952,164	115,159,888
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	143.7	121.5	130.3
Lowest share price	113.0	70.82	104.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	66.46	65.00	60.61
Return before operating charges*	0.06	2.29	6.18
Operating charges	(0.66)	(0.52)	(0.60)
Return after operating charges*	(0.60)	1.77	5.58
Distributions	(0.83)	(0.31)	(1.19)
Closing net asset value per share	65.03	66.46	65.00
*after direct transaction costs of:	0.08	0.06	0.07
<b>Performance</b>			
Return after charges	(0.90%)	2.72%	9.21%
<b>Other information</b>			
Closing net asset value (£'000)	7,355	9,726	9,415
Closing number of shares	11,310,100	14,634,140	14,485,612
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	81.52	69.25	75.64
Lowest share price	64.10	40.36	60.62

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional A accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	68.57	67.23	61.99
Return before operating charges*	0.13	2.24	6.32
Operating charges	(1.22)	(0.90)	(1.08)
Return after operating charges*	(1.09)	1.34	5.24
Distributions	(0.31)	-	(0.74)
Retained distributions on accumulation shares	0.31	-	0.74
Closing net asset value per share	67.48	68.57	67.23
*after direct transaction costs of:	0.08	0.06	0.07
<b>Performance</b>			
Return after charges	(1.59%)	1.99%	8.45%
<b>Other information</b>			
Closing net asset value (£'000)	16	16	110
Closing number of shares	23,500	23,500	163,747
Operating charges	1.59%	1.60%	1.60%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	83.80	71.13	76.84
Lowest share price	65.67	41.75	61.96

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (99.72%)</b>		<b>281,233</b>	<b>97.14</b>
<b>Basic Materials (1.86%)</b>		<b>5,659</b>	<b>1.96</b>
759,638	Bodycote	5,659	1.96
<b>Consumer Discretionary (23.99%)</b>		<b>63,501</b>	<b>21.93</b>
113,150	ASOS	2,210	0.76
293,494	Bellway	8,461	2.92
1,567,551	Countryside Partnerships	4,765	1.65
1,037,437	Crest Nicholson	3,199	1.10
217,579	CVS++	3,651	1.26
196,740	Dunelm	2,357	0.81
417,057	Go-Ahead	2,771	0.96
1,481,918	Hollywood Bowl	3,334	1.15
1,488,668	Howden Joinery	12,698	4.39
1,903,578	Hyve	1,293	0.45
2,055,049	Joules++	1,184	0.41
80,288	Keywords Studios++	1,937	0.67
900,590	Marks & Spencer	1,574	0.54
1,224,294	Moonpig	3,259	1.12
504,767	Redrow	2,913	1.01
269,240	RELX	6,139	2.12
60,061	Whitbread	1,756	0.61
<b>Consumer Staples (4.87%)</b>		<b>8,185</b>	<b>2.83</b>
108,932	Coca-Cola HBC	2,074	0.72
237,418	Greggs	6,111	2.11
<b>Financials (17.45%)</b>		<b>52,323</b>	<b>18.07</b>
1,076,454	Ashmore	2,711	0.94
647,115	Chesnara	1,809	0.62
300,290	Close Brothers	3,513	1.21
33,617	HomeServe	226	0.08
286,702	Intermediate Capital	4,913	1.70

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
542,072	JTC	4,239	1.46
14,725,811	Lloyds Banking	7,132	2.46
60,662	London Stock Exchange	3,987	1.38
147,992	Molten Ventures	1,015	0.35
1,420,828	OSB	7,104	2.45
520,421	Prudential	5,912	2.04
974,982	Quilter	1,264	0.44
1,595,651	Standard Chartered	8,498	2.94
<b>Health Care (0.00%)</b>		<b>2,876</b>	<b>0.99</b>
1,239,566	Spire Healthcare	2,876	0.99
<b>Industrials (26.15%)</b>		<b>67,718</b>	<b>23.39</b>
69,981	Ashtead	3,412	1.18
2,464,464	Coats	1,508	0.52
154,371	Diploma	4,125	1.42
1,387,597	DS Smith	4,780	1.65
432,414	Electrocomponents	4,277	1.48
321,433	Euromoney Institutional Investor	2,912	1.01
298,216	FDM	2,544	0.88
1,534,208	Genuit	7,824	2.70
600,781	Grafton	6,506	2.25
176,167	IMI	2,576	0.89
419,068	Marshalls	2,676	0.92
723,557	Midwich++	4,110	1.42
336,361	Mondi	5,284	1.83
128,028	Morgan Sindall	2,964	1.02
679,575	Porvair	4,465	1.54
654,289	Robert Walters	4,161	1.44
907,993	Vesuvius	3,594	1.24
<b>Real Estate (4.65%)</b>		<b>21,651</b>	<b>7.48</b>
324,498	British Land REIT	1,718	0.59
1,013,283	Capital & Counties Properties REIT	1,682	0.58

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,860,637	Grainger	5,240	1.81
467,536	Rightmove	3,144	1.09
3,731,410	Sirius Real Estate	4,679	1.62
347,226	Unite REIT	3,707	1.28
191,598	Workspace REIT	1,481	0.51
<b>Technology (14.28%)</b>		<b>36,497</b>	<b>12.61</b>
838,748	Alphawave IP	1,568	0.54
583,372	Auto Trader	3,867	1.34
302,665	AVEVA	7,533	2.60
483,112	Blanco Technology++	1,015	0.35
181,523	DiscoverIE	1,456	0.50
156,458	EMIS++	1,921	0.66
396,703	GB++	2,243	0.78
250,713	Instem++	1,692	0.58
648,770	Kainos	9,770	3.38
293,475	Softcat	4,569	1.58
580,182	Trustpilot	863	0.30
<b>Telecommunications (3.43%)</b>		<b>10,332</b>	<b>3.57</b>
371,202	Gamma Communications++	5,472	1.89
3,698,377	Vodafone	4,860	1.68
<b>Utilities (3.04%)</b>		<b>12,491</b>	<b>4.31</b>
571,728	Drax	4,034	1.39
312,533	National Grid	3,533	1.22
288,987	SSE	4,924	1.70
Total investment assets		281,233	97.14
Net other assets		8,270	2.86
<b>Total Net Assets</b>		<b>289,503</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 28 February 2021. Prior year classifications for some sectors have been updated to reflect current year classifications. ++ AIM listed.



# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(6,500)		6,673
Revenue	2	7,029		4,223	
Expenses	3	(3,133)		(2,669)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		3,893		1,553	
Taxation	4	13		(9)	
Net revenue after taxation			3,906		1,544
<b>Total return before distributions</b>			<b>(2,594)</b>		<b>8,217</b>
Distributions	5		(3,906)		(1,544)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(6,500)</b>		<b>6,673</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>312,880</b>		<b>331,490</b>
Amounts receivable on the issue of shares	53,144		39,807	
Amounts payable on the cancellation of shares	(73,441)		(66,431)	
		(20,297)		(26,624)
Dilution adjustment		75		39
Change in net assets attributable to shareholders from investment activities (see above)		(6,500)		6,673
Retained distribution on accumulation shares		3,345		1,302
<b>Closing net assets attributable to shareholders</b>		<b>289,503</b>		<b>312,880</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			281,233		312,019
<b>Current assets:</b>					
Debtors	6	2,040		1,552	
Cash and bank balances		7,678		3,818	
			9,718		5,370
<b>Total assets</b>			<b>290,951</b>		<b>317,389</b>
<b>Liabilities:</b>					
Creditors	7	(1,191)		(4,388)	
Distribution payable		(257)		(121)	
			(1,448)		(4,509)
<b>Total liabilities</b>			<b>(1,448)</b>		<b>(4,509)</b>
<b>Net assets attributable to shareholders</b>			<b>289,503</b>		<b>312,880</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(6,488)	6,678
Other losses	(7)	-
Transaction charges	(5)	(5)
<b>Net capital (losses)/gains</b>	<b>(6,500)</b>	<b>6,673</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	5	4
UK dividends	6,902	4,219
UK REIT	122	-
<b>Total revenue</b>	<b>7,029</b>	<b>4,223</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,796	2,367
Dealing charge	77	64
General administration charge*	113	-
Registration fees**	114	189
	<b>3,100</b>	<b>2,620</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	19	33
Safe custody fees*	9	7
	<b>28</b>	<b>40</b>
<b>Other:</b>		
Audit fee**	5	9
	<b>5</b>	<b>9</b>
<b>Total expenses</b>	<b>3,133</b>	<b>2,669</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge.

The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	(13)	9
<b>Total taxation (note 4b)</b>	<b>(13)</b>	<b>9</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>3,893</b>	<b>1,553</b>
Corporation tax at 20% (2021: 20%)	779	311
Effects of:		
Revenue not subject to taxation	(1,380)	(844)
Overseas taxes	(13)	9
Excess allowable expenses	601	533
<b>Total tax charge for year (note 4a)</b>	<b>(13)</b>	<b>9</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £7,198,000 (2021: £6,597,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions

	2022 £'000	2021 £'000
Distribution	3,602	1,423
Add: Income deducted on cancellation of shares	686	239
Deduct: Income received on issue of shares	(382)	(118)
<b>Total distributions for the year</b>	<b>3,906</b>	<b>1,544</b>

Details of the distribution per share are set out in this fund's distribution table.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	321	48
Amounts receivable from the ACD for the issue of shares	81	431
Overseas withholding tax recoverable	67	70
Sales awaiting settlement	1,571	1,003
<b>Total debtors</b>	<b>2,040</b>	<b>1,552</b>

### 7 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	209	220
Accrued expenses payable to the Depositary or associates of the Depositary	2	4
Amounts payable to the ACD for cancellation of shares	975	2,522
Other accrued expenses	5	9
Purchases awaiting settlement	-	1,633
<b>Total creditors</b>	<b>1,191</b>	<b>4,388</b>

### 8 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 7.

# Notes to the Financial Statements

## Continued

### 9 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Trades in the year</b>				
Equities	69,575	65,206	94,246	91,526
Corporate actions	-	5,499	-	-
<b>Trades in the year before transaction costs</b>	<b>69,575</b>	<b>70,705</b>	<b>94,246</b>	<b>91,526</b>
<b>Commissions</b>				
Equities	37	38	(55)	(56)
<b>Total commissions</b>	<b>37</b>	<b>38</b>	<b>(55)</b>	<b>(56)</b>
<b>Taxes</b>				
Equities	280	231	-	-
<b>Total taxes</b>	<b>280</b>	<b>231</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>317</b>	<b>269</b>	<b>(55)</b>	<b>(56)</b>
<b>Total net trades in the year after transaction costs</b>	<b>69,892</b>	<b>70,974</b>	<b>94,191</b>	<b>91,470</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.06	0.06	0.06
<b>Taxes</b>				
Equities	0.40	0.35	-	-
<b>Total transaction costs expressed as a percentage of net asset value</b>			<b>2022 %</b>	<b>2021 %</b>
Commissions			0.03	0.03
Taxes			0.08	0.08

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.38% (2021: 0.37%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 10 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	33,002,021	2,769,001	(2,862,820)	(320,029)	32,588,173
Institutional accumulation	32,022,521	3,097,927	(6,486,506)	28,327	28,662,269
Institutional income	21,661,886	4,682,579	(7,363,799)	-	18,980,666
Standard Life accumulation	171,091	6,264,377	(3,414,183)	-	3,021,285
Institutional regulated accumulation	21,584,989	2,421,347	(5,318,076)	-	18,688,260
Platform 1 accumulation	108,952,164	10,991,734	(21,098,310)	456,881	99,302,469
Platform 1 income	14,634,140	2,145,525	(5,469,565)	-	11,310,100
Institutional A accumulation	23,500	-	-	-	23,500

### 11 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	281,233	-	-	312,019	-	-
Total investment assets	281,233	-	-	312,019	-	-

### 12 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

# Notes to the Financial Statements

## Continued

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £14,062,000 (2021: £15,601,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £1,448,000 (2021: £4,509,000).

## 13 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 116.07p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 106.40p. This represents a change of (8.33)% from the year end value.



# Distribution Table

For the year ended 28 February 2022 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	1.4380	-	1.4380	0.1967
Group 2	0.3640	1.0740	1.4380	0.1967
<b>Institutional accumulation</b>				
Group 1	2.7580	-	2.7580	1.0937
Group 2	1.1121	1.6459	2.7580	1.0937
<b>Institutional income</b>				
Group 1	0.8624	-	0.8624	0.3440
Group 2	0.5106	0.3518	0.8624	0.3440
<b>Standard Life accumulation</b>				
Group 1	5.2027	-	5.2027	2.8253
Group 2	2.6563	2.5464	5.2027	2.8253
<b>Institutional regulated accumulation</b>				
Group 1	2.5954	-	2.5954	1.3014
Group 2	1.0259	1.5695	2.5954	1.3014
<b>Platform 1 accumulation</b>				
Group 1	1.4535	-	1.4535	0.5518
Group 2	0.6842	0.7693	1.4535	0.5518
<b>Platform 1 income</b>				
Group 1	0.8250	-	0.8250	0.3145
Group 2	0.4400	0.3850	0.8250	0.3145
<b>Institutional A accumulation</b>				
Group 1	0.3144	-	0.3144	-
Group 2	0.3144	-	0.3144	-

## 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 Government Bond Fund

For the year ended 28 February 2022

## 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.

Performance Comparator: IA UK Gilt Sector Average.

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

## Investment Policy

### Portfolio Securities:

- The fund will invest 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 abrdn) and money-market instruments, and cash.

### Management Process:

- The management team use their discretion (active management) to identify investments after analysing global economic and market conditions (for example, interest rates and inflation) in addition to analysing of individual bonds and derivatives.
- 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 1.5%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the FTSE Actuaries UK Conventional Gilts All Stocks Index over the longer 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").

- 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

Over the period under review, the fund returned -4.16%. (Source: FactSet, Platform 1 Accumulation Shares.) This compared to a return of -2.51% for our performance target (Source: FactSet, FTSE Actuaries UK Conventional Gilts All Stocks Index +0.5%).

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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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund underperformed its benchmark over the period. Positive strategies included duration and curve positioning, as the flattening exposure in the US curve proved particularly beneficial. The fund benefited from trading UK duration from the long and short side over the period, although our curve-steepening exposure suffered in the second half of the year. Short-inflation positions suffered as UK inflation markets continued to price short-term dynamics aggressively through the curve. While the performance for the year was disappointing, the fund continues to perform well versus its benchmark over the longer term.

## Portfolio Activity and Review

Having reduced duration exposure earlier in the year, we looked to re-enter more protective duration strategies as yield levels became more attractive into the middle of the period. These included flattening strategies, particularly in the US and Australia, where curves had aggressively steepened. In the UK, we maintained a short-duration bias for most of the period, which was offset by long-duration exposure in German bonds. Curve trading in the UK was generally positive, as the portfolio looked to play major supply events on a tactical basis while maintaining a soft steepening bias for the majority of the period. We reduced duration towards the beginning of 2021, although scaled this exposure back significantly over the summer, as lower liquidity levels and consensus positioning in bearish-rates trades looked vulnerable. This indeed proved to be the

# ASI UK Government Bond Fund

## Continued

case, as rates rallied into the end of the review period. The fund re-entered into short exposure in the middle of the review period, as we believed rates were vulnerable to a modest repricing higher into the year-end.

In the second half of the review period, core positioning in inflation strategies started to suffer as investor expectations for the path of inflation took a dramatic turn higher, and we took the decision to remove half of the fund's position in short-UK Retail Price Index (RPI) bonds. Performance for this strategy was particularly disappointing for the period as a whole, and was our largest detractor from overall relative profits and losses. The fund added to short-duration exposure heading into the end of the year, which suffered after the emergence of the Omicron variant, although tactical trading helped to offset losses. UK curve positioning also performed negatively during this time, as a combination of reduced issuance due to better-than-expected government accounts twinned with a refusal from the Monetary Policy Committee to halt the significant quantitative-easing programme saw a sizeable bid for long-end bonds, hurting performance. The portfolio maintained a short-duration bias into the start of the year, although as bond yields began to rise this was scaled back.

Duration and curve strategies were generally positive over the review period, however this was more than offset by our inflation exposure, which had been a core post-Brexit theme in our funds.

### Portfolio Outlook and Strategy

The sands are shifting under central banks, as the economic narrative flipped from ensuring a recovery to significant and genuine concerns of overheating. It has forced a sharp rethink in policy. This has significant ramifications for the economic outlook and all asset market valuations over the next 12 months. 2022 will be the first significant test for both equity and bond markets, as inflation in most developed markets has reached multi-decade highs with confidence waning that we will return smoothly to a more normal level in the short term. Central banks can no longer claim refuge under the disinflationary narrative that surrounded discussion over the past few years and interest rate markets have begun to more accurately reflect the likely path for future policy from the Bank of England (BoE), the US Federal Reserve (Fed) and their global peers. Multiple years of extraordinary monetary policy support is a very difficult thing to extricate a market from, so we believe the road ahead could be volatile. We are about to enter a scenario where central banks are almost forced to maintain a more hawkish disposition than they did post-global financial crisis. The inability of central banks to come to the rescue of equity markets could be a chastening experience for investors.

What does this mean for government bonds? Clearly, with central banks reducing purchases, ceasing purchases altogether or even reducing the size of their balance sheet, the backdrop is a challenging one. We expect the UK to continue to raise interest rates and the Fed to begin its hiking cycle towards the middle of the year. Front-end rates in the US look particularly vulnerable to a further repricing as the Fed continues to catch up with the economic narrative. Fiscal policy is nowhere near as positive as it has been. However, the Biden administration is still spending and continues to push for more. We also expect other major central banks to shift into tighter policy mode and begin hiking rates, apart from the European Central Bank, who we believe are ultimately trapped by the fragilities of peripheral nations and therefore forced to keep yields supported. Investors have already priced some degree of tightening across interest-rate markets, although there is further to go. At the same time, our over-arching view remains that global debt levels necessitate lower yields than was the case for previous cycles. This means that as central banks begin to tighten policy, there is a more pronounced effect on financial conditions and risk market valuations than previously. This curtails the extent to which policy rates can rise in our view. We view 2022 as a year of higher front-end rates across most markets, with more marginal weakness further out in the curve.

The general flattening seen towards the end of the 2021 is expected to continue, with longer-dated bonds, particularly in the US, more insulated from the rapidly changing policy stance of central banks. Indeed, US longer-dated yields are already attractive in our view, as they provide both an attractive risk hedge and at 2%, sit roughly in line with our estimate for the neutral rate in the US. While central banks may try to reduce the size of balance sheets, we doubt they will make significant progress in this cycle. Modest balance-sheet reduction is not enough to disrupt consistent demand from pension funds, insurance companies and investors looking for safe havens with equities at all-time highs across most major markets. The outlier to our overall flattening bias remains the UK, where net supply dynamics are about to significantly change. The end of the fiscal year in April will see a major shift in supply for UK investors, as the BoE begin reducing the size of the balance sheet. The gilt market remains unique, as we expect longer-dated bonds to struggle versus the other areas of the curve.

### Rates Team

March 2022

# ASI UK Government Bond Fund

## Continued

### 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 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 28 February 2022.

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 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 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.59	84.78	76.20
Return before operating charges*	(2.74)	(3.39)	9.32
Operating charges	(0.62)	(0.80)	(0.74)
Return after operating charges*	(3.36)	(4.19)	8.58
Distributions	-	-	(0.26)
Retained distributions on accumulation shares	-	-	0.26
Closing net asset value per share	77.23	80.59	84.78
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.17%)	(4.94%)	11.26%
<b>Other information</b>			
Closing net asset value (£'000)	3,648	4,317	4,738
Closing number of shares	4,723,296	5,357,064	5,588,325
Operating charges	0.77%	0.92%	0.92%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	84.78	90.53	85.13
Lowest share price	76.55	80.37	76.30

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	86.06	90.15	80.30
Return before operating charges*	(2.95)	(3.63)	10.27
Operating charges	(0.30)	(0.46)	(0.42)
Return after operating charges*	(3.25)	(4.09)	9.85
Distributions	(0.32)	(0.23)	(0.64)
Retained distributions on accumulation shares	0.32	0.23	0.64
Closing net asset value per share	82.81	86.06	90.15
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.78%)	(4.54%)	12.27%
<b>Other information</b>			
Closing net asset value (£'000)	8,924	10,261	6,192
Closing number of shares	10,776,474	11,923,647	6,869,080
Operating charges	0.35%	0.50%	0.50%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	90.83	96.28	90.31
Lowest share price	82.07	85.76	80.40

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	50.89	53.54	48.25
Return before operating charges*	(1.73)	(2.15)	5.92
Operating charges	(0.39)	(0.50)	(0.47)
Return after operating charges*	(2.12)	(2.65)	5.45
Distributions	-	-	(0.16)
Closing net asset value per share	48.77	50.89	53.54
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.17%)	(4.95%)	11.30%
<b>Other information</b>			
Closing net asset value (£'000)	921	1,084	1,171
Closing number of shares	1,887,894	2,129,270	2,186,212
Operating charges	0.77%	0.92%	0.92%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	53.54	57.17	53.82
Lowest share price	48.34	50.75	48.31

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	51.07	53.63	48.26
Return before operating charges*	(1.75)	(2.16)	5.99
Operating charges	(0.18)	(0.27)	(0.26)
Return after operating charges*	(1.93)	(2.43)	5.73
Distributions	(0.19)	(0.13)	(0.36)
Closing net asset value per share	48.95	51.07	53.63
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.78%)	(4.53%)	11.87%
<b>Other information</b>			
Closing net asset value (£'000)	12,086	12,976	14,363
Closing number of shares	24,689,207	25,409,824	26,782,044
Operating charges	0.35%	0.50%	0.50%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	53.82	57.28	53.91
Lowest share price	48.63	50.96	48.32

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

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Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.54	98.69	88.10
Return before operating charges*	(3.25)	(4.00)	10.75
Operating charges	(0.11)	(0.15)	(0.16)
Return after operating charges*	(3.36)	(4.15)	10.59
Distributions	(0.58)	(0.61)	(1.00)
Retained distributions on accumulation shares	0.58	0.61	1.00
Closing net asset value per share	91.18	94.54	98.69
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.55%)	(4.21%)	12.02%
<b>Other information</b>			
Closing net asset value (£'000)	38,729	1,764	1,823
Closing number of shares	42,474,459	1,866,009	1,847,546
Operating charges	0.12%	0.15%	0.18%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	99.96	105.4	98.84
Lowest share price	90.36	93.89	88.21

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	63.44	66.49	59.29
Return before operating charges*	(2.17)	(2.67)	7.55
Operating charges	(0.26)	(0.38)	(0.35)
Return after operating charges*	(2.43)	(3.05)	7.20
Distributions	(0.21)	(0.13)	(0.43)
Retained distributions on accumulation shares	0.21	0.13	0.43
Closing net asset value per share	61.01	63.44	66.49
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.83%)	(4.59%)	12.14%
<b>Other information</b>			
Closing net asset value (£'000)	3,957	5,268	5,364
Closing number of shares	6,486,285	8,303,948	8,067,530
Operating charges	0.40%	0.55%	0.55%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	66.93	71.00	66.63
Lowest share price	60.47	63.24	59.36

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	59.09	62.05	55.63
Return before operating charges*	(2.02)	(2.48)	7.15
Operating charges	(0.24)	(0.35)	(0.33)
Return after operating charges*	(2.26)	(2.83)	6.82
Distributions	(0.19)	(0.13)	(0.40)
Closing net asset value per share	56.64	59.09	62.05
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.82%)	(4.56%)	12.26%
<b>Other information</b>			
Closing net asset value (£'000)	942	1,130	1,207
Closing number of shares	1,663,060	1,911,619	1,944,573
Operating charges	0.40%	0.55%	0.55%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	62.27	66.27	62.38
Lowest share price	56.26	58.95	55.70

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (98.88%)</b>		<b>68,714</b>	<b>99.29</b>
<b>Australian Dollar Denominated Bonds (0.43%)</b>		-	-
<b>Government Bonds (0.43%)</b>		-	-
<b>Euro Denominated Bonds (0.00%)</b>		<b>497</b>	<b>0.72</b>
<b>Government Bonds (0.00%)</b>		<b>497</b>	<b>0.72</b>
greater than 25 years to maturity			
639,268	European Union 0.7% 2051	497	0.72
<b>Sterling Denominated Bonds (98.45%)</b>		<b>68,217</b>	<b>98.57</b>
<b>Corporate Bonds (2.28%)</b>		<b>985</b>	<b>1.42</b>
less than 5 years to maturity			
389,000	BNG Bank 1.625% 2025	391	0.56
380,000	Network Rail Infrastructure Finance 4.75% 2024	404	0.58
200,000	PRS Finance 1.75% 2026	190	0.28
<b>Government Bonds (96.17%)</b>		<b>67,232</b>	<b>97.15</b>
less than 5 years to maturity			
138,000	European Bank for Reconstruction & Development 1.25% 2022	138	0.20
87,000	European Investment Bank 1.125% 2025	86	0.12
200,000	FMS Wertmanagement 1.125% 2023	200	0.29
107,000	KFW 1.125% 2025	106	0.15
131,000	Kommunekredit 0.375% 2024	127	0.18
85,000	Landwirtschaftliche Rentenbank 1.125% 2023	85	0.12
38,000	Nordic Investment Bank 1.125% 2025	38	0.06
270,000	Ontario Teachers' Finance Trust 1.125% 2026	265	0.38
1,351,000	UK (Govt of) 0.125% 2023	1,342	1.94
1,645,500	UK (Govt of) 0.125% 2024	1,616	2.34
265,100	UK (Govt of) 0.25% 2025	258	0.37
904,100	UK (Govt of) 0.375% 2026	874	1.26
1,136,900	UK (Govt of) 0.5% 2022	1,137	1.64
2,527,500	UK (Govt of) 0.625% 2025	2,494	3.60
1,376,116	UK (Govt of) 0.75% 2023	1,372	1.98
633,128	UK (Govt of) 1.5% 2026	646	0.93
587,000	UK (Govt of) 1.75% 2022	591	0.85

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
382,281	UK (Govt of) 2% 2025	395	0.57
445,000	UK (Govt of) 2.25% 2023	453	0.65
70,000	UK (Govt of) 2.75% 2024	73	0.11
3,634,000	UK (Govt of) 4% 2022	3,634	5.25
between 5 and 10 years to maturity			
393,000	CPPIB Capital 1.25% 2027	387	0.56
216,000	PRS Finance 2% 2029	219	0.32
1,262,700	UK (Govt of) 0.125% 2028	1,189	1.72
1,695,100	UK (Govt of) 0.25% 2031	1,524	2.20
1,899,000	UK (Govt of) 0.375% 2030	1,753	2.53
318,500	UK (Govt of) 0.5% 2029	303	0.44
1,535,200	UK (Govt of) 0.875% 2029	1,493	2.16
1,528,300	UK (Govt of) 1.25% 2027	1,542	2.23
1,582,800	UK (Govt of) 1.625% 2028	1,632	2.36
1,151,800	UK (Govt of) 4.25% 2027	1,353	1.96
3,462,800	UK (Govt of) 4.75% 2030	4,448	6.43
748,183	UK (Govt of) 6% 2028	983	1.42
between 10 and 15 years to maturity			
2,795,000	UK (Govt of) 0.625% 2035	2,462	3.56
1,633,900	UK (Govt of) 0.875% 2033	1,533	2.22
373,200	UK (Govt of) 4.25% 2032	473	0.68
1,319,600	UK (Govt of) 4.5% 2034	1,760	2.54
between 15 and 25 years to maturity			
1,924,900	UK (Govt of) 0.875% 2046	1,630	2.36
352,400	UK (Govt of) 1.125% 2039	325	0.47
1,256,000	UK (Govt of) 1.25% 2041	1,168	1.69
2,453,600	UK (Govt of) 1.75% 2037	2,493	3.60
1,061,100	UK (Govt of) 3.25% 2044	1,373	1.98
1,071,900	UK (Govt of) 3.5% 2045	1,450	2.10
882,500	UK (Govt of) 4.25% 2039	1,235	1.78
997,714	UK (Govt of) 4.25% 2040	1,418	2.05
1,628,800	UK (Govt of) 4.25% 2046	2,489	3.60
32,985	UK (Govt of) 4.5% 2042	50	0.07
56,100	UK (Govt of) 4.75% 2038	82	0.12

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
greater than 25 years to maturity			
521,000	CPPIB Capital 1.625% 2071	443	0.64
762,600	UK (Govt of) 0.5% 2061	540	0.78
123,500	UK (Govt of) 0.625% 2050	96	0.14
79,000	UK (Govt of) 1.125% 2073	72	0.10
2,770,100	UK (Govt of) 1.25% 2051	2,536	3.66
935,928	UK (Govt of) 1.5% 2047	910	1.32
228,900	UK (Govt of) 1.5% 2053	225	0.33
208,200	UK (Govt of) 1.625% 2054	211	0.31
266,000	UK (Govt of) 1.625% 2071	287	0.42
1,115,900	UK (Govt of) 1.75% 2049	1,150	1.66
2,455,100	UK (Govt of) 1.75% 2057	2,587	3.74
874,078	UK (Govt of) 2.5% 2065	1,165	1.68
475,341	UK (Govt of) 3.5% 2068	801	1.16
878,187	UK (Govt of) 3.75% 2052	1,333	1.93
17,400	UK (Govt of) 4% 2060	30	0.04
767,700	UK (Govt of) 4.25% 2049	1,219	1.76
546,600	UK (Govt of) 4.25% 2055	930	1.34
<b>Collective Investment Schemes (0.08%)</b>		<b>300</b>	<b>0.43</b>
300	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	300	0.43
<b>Derivatives (-0.41%)</b>		<b>(525)</b>	<b>(0.76)</b>
<b>Forward Currency Contracts (0.01%)</b>		<b>(1)</b>	<b>-</b>
	Buy EUR 19,619 Sell GBP 16,491 07/04/2022	-	-
	Buy EUR 21,790 Sell GBP 18,398 07/04/2022	-	-
	Buy EUR 23,035 Sell GBP 19,510 07/04/2022	-	-
	Buy GBP 25,229 Sell EUR 30,159 07/04/2022	-	-
	Buy GBP 519,718 Sell EUR 620,992 07/04/2022	(1)	-
<b>Futures (0.23%)</b>		<b>33</b>	<b>0.05</b>
(4)	Short Euro-Buxl 30 Year Future 08/03/2022	66	0.10
(30)	Short UK Treasury 4.25% Bond Future 07/06/2032	(5)	(0.01)
(44)	Short US 5 Year Note (CBT) Future 30/06/2022	(28)	(0.04)

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Inflation Swaps (0.02%)</b>		<b>(280)</b>	<b>(0.40)</b>
GBP 1,230,000	Pay floating UKRPI receive fixed 3.305% 15/02/2025	(119)	(0.17)
GBP 152,000	Pay floating UKRPI receive fixed 3.433% 15/02/2030	(24)	(0.04)
GBP 320,000	Pay floating UKRPI receive fixed 3.53% 15/12/2025	(37)	(0.05)
GBP 341,000	Pay floating UKRPI receive fixed 3.717% 15/06/2031	(50)	(0.07)
GBP 381,000	Pay floating UKRPI receive fixed 3.7848% 02/08/2031	(50)	(0.07)
<b>Interest Rate Swaps (-0.67%)</b>		<b>(277)</b>	<b>(0.41)</b>
EUR 739,000	Pay fixed 0.04833% receive floating EURIBOR 18/09/2055	126	0.18
EUR 956,500	Pay fixed 0.15% receive floating EURIBOR 18/09/2035	77	0.11
EUR 956,500	Pay fixed 0.15% receive floating EURIBOR 18/09/2035	77	0.11
EUR 727,000	Pay fixed 0.3102% receive floating EURIBOR 18/09/2055	83	0.12
GBP 2,420,000	Pay fixed 0.592% receive floating GBP-SONIA 14/07/2025	53	0.08
GBP 2,342,500	Pay fixed 1.2125% receive floating GBP-SONIA 20/01/2027	11	0.02
GBP 2,342,500	Pay fixed 1.2475% receive floating GBP-SONIA 20/01/2027	9	0.01
GBP 2,342,500	Pay fixed 1.258% receive floating GBP-SONIA 20/01/2027	9	0.01
GBP 2,280,000	Pay fixed 1.4% receive floating GBP-SONIA 20/01/2025	17	0.04
EUR 270,000	Pay floating EURIBOR receive fixed 0.04833% 18/09/2055	(46)	(0.07)
EUR 270,000	Pay floating EURIBOR receive fixed 0.04833% 18/09/2055	(46)	(0.07)
EUR 2,215,000	Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(179)	(0.26)
EUR 2,094,000	Pay floating EURIBOR receive fixed 0.3425% 18/09/2035	(137)	(0.20)
GBP 4,540,000	Pay floating GBP-SONIA receive fixed 0.4965% 14/07/2025	(108)	(0.16)
GBP 4,840,000	Pay floating GBP-SONIA receive fixed 0.592% 14/07/2025	(106)	(0.15)
GBP 1,444,000	Pay floating GBP-SONIA receive fixed 0.923% 31/01/2024	(17)	(0.03)
GBP 317,000	Pay floating GBP-SONIA receive fixed 0.936% 22/04/2024	(4)	(0.01)
GBP 2,342,500	Pay floating GBP-SONIA receive fixed 1.2125% 20/01/2027	(10)	(0.02)
GBP 2,280,000	Pay floating GBP-SONIA receive fixed 1.4% 20/01/2025	(17)	(0.03)
GBP 2,280,000	Pay floating GBP-SONIA receive fixed 1.4175% 20/01/2025	(17)	(0.02)
GBP 2,280,000	Pay floating GBP-SONIA receive fixed 1.42% 19/01/2025	(16)	(0.02)
GBP 5,399,500	Pay floating GBP-SONIA receive fixed 1.5933% 01/02/2024	(15)	(0.02)
GBP 5,399,500	Pay floating GBP-SONIA receive fixed 1.6088% 01/02/2024	(14)	(0.02)
GBP 3,600,000	Pay floating GBP-SONIA receive fixed 1.6883% 03/02/2024	(7)	(0.01)

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Total investment assets and liabilities		68,489	98.96
Net other assets		718	1.04
<b>Total Net Assets</b>		<b>69,207</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 28 February 2021.

+ Managed by subsidiaries of abrdn plc.



# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(4,405)		(1,799)
Revenue	2	419		299	
Expenses	3	(166)		(220)	
Net revenue before taxation		253		79	
Taxation	4	-		-	
Net revenue after taxation			253		79
<b>Total return before distributions</b>			<b>(4,152)</b>		<b>(1,720)</b>
Distributions	5		(256)		(90)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(4,408)</b>		<b>(1,810)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>36,800</b>		<b>34,858</b>
Amounts receivable on the issue of shares	43,872		12,843	
Amounts payable on the cancellation of shares	(7,366)		(9,146)	
		36,506		3,697
Dilution adjustment		19		4
Change in net assets attributable to shareholders from investment activities (see above)		(4,408)		(1,810)
Retained distribution on accumulation shares		290		51
<b>Closing net assets attributable to shareholders</b>		<b>69,207</b>		<b>36,800</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			69,542		36,709
<b>Current assets:</b>					
Debtors	6	773		982	
Cash and bank balances	7	658		321	
			1,431		1,303
<b>Total assets</b>			<b>70,973</b>		<b>38,012</b>
<b>Liabilities:</b>					
Investment liabilities			(1,053)		(441)
Creditors	8	(682)		(760)	
Distribution payable		(31)		(11)	
			(713)		(771)
<b>Total liabilities</b>			<b>(1,766)</b>		<b>(1,212)</b>
<b>Net assets attributable to shareholders</b>			<b>69,207</b>		<b>36,800</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	(3,977)	(1,887)
Derivative contracts	(424)	62
Forward currency contracts	4	30
Other gains	2	2
Subsidised fees taken from the capital account*	1	-
Transaction charges	(11)	(6)
<b>Net capital losses</b>	<b>(4,405)</b>	<b>(1,799)</b>

\* Subsidised fees are paid by the ACD.

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	1	2
Derivative revenue	4	-
Interest on debt securities	414	297
<b>Total revenue</b>	<b>419</b>	<b>299</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	110	186
Dealing charge	3	3
General administration charge*	27	-
Registration fees**	15	28
	<b>155</b>	<b>217</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	2	5
Safe custody fee	2	1
	<b>4</b>	<b>6</b>

# Notes to the Financial Statements

## Continued

	2022 £'000	2021 £'000
<b>Other:</b>		
Audit fee**	7	12
Subsidised fees***	(7)	(15)
Expense cap adjustment in respect of prior year	7	-
	7	(3)
<b>Total expenses</b>	<b>166</b>	<b>220</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £12,540 (2021: £12,433).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

\*\*\* Subsidised fees are paid by the ACD.

## 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Total taxation (note 4b)	-	-

### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>253</b>	<b>79</b>
Corporation tax at 20% (2021: 20%)	51	16
Effects of:		
Distributions treated as tax deductible	(51)	(16)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

# Notes to the Financial Statements

## Continued

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
Interim distribution	145	60
Final distribution	196	27
	341	87
Add: Income deducted on cancellation of shares	6	7
Deduct: Income received on issue of shares	(91)	(4)
<b>Total distributions for the year</b>	<b>256</b>	<b>90</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	253	79
Shortfall transfer from capital to revenue	3	11
<b>Total distributions for the year</b>	<b>256</b>	<b>90</b>

Details of the distribution per share are set out in this fund's distribution tables.

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	307	175
Amounts receivable from the ACD for the issue of shares	2	540
Expenses reimbursement receivable from the ACD	4	14
Sales awaiting settlement	460	253
<b>Total debtors</b>	<b>773</b>	<b>982</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	2	76
Cash at broker	656	245
	658	321
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	300	31
<b>Net liquidity</b>	<b>958</b>	<b>352</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

# Notes to the Financial Statements

## Continued

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	11	16
Accrued expenses payable to the Depositary or associates of the Depositary	3	2
Amounts payable to the ACD for cancellation of shares	201	125
Other accrued expenses	6	19
Purchases awaiting settlement	461	598
<b>Total creditors</b>	<b>682</b>	<b>760</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

Amounts receivable from Aberdeen Standard Fund Managers Limited in respect of subsidised fees are disclosed in notes 1 and 3 and any amounts due at the year end in note 6 and 8.

### 10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Bonds	124,750	55,936	87,988	51,744
<b>Trades in the year before transaction costs</b>	<b>124,750</b>	<b>55,936</b>	<b>87,988</b>	<b>51,744</b>
<b>Total net trades in the year after transaction costs</b>	<b>124,750</b>	<b>55,936</b>	<b>87,988</b>	<b>51,744</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.10% (2021: 0.13%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	5,357,064	83,854	(715,681)	(1,941)	4,723,296
Institutional accumulation	11,923,647	566,108	(1,707,326)	(5,955)	10,776,474
Retail income	2,129,270	18,599	(259,975)	-	1,887,894
Institutional income	25,409,824	5,257,116	(5,977,733)	-	24,689,207
Standard Life accumulation	1,866,009	41,007,940	(399,490)	-	42,474,459
Platform 1 accumulation	8,303,948	429,769	(2,257,975)	10,543	6,486,285
Platform 1 income	1,911,619	137,604	(386,163)	-	1,663,060

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	66,843	1,871	-	35,198	1,191	-
Collective Investment Schemes	-	300	-	-	31	-
Derivatives	66	462	-	89	200	-
<b>Total investment assets</b>	<b>66,909</b>	<b>2,633</b>	<b>-</b>	<b>35,287</b>	<b>1,422</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(33)	(1,020)	-	(5)	(436)	-
<b>Total investment liabilities</b>	<b>(33)</b>	<b>(1,020)</b>	<b>-</b>	<b>(5)</b>	<b>(436)</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

# Notes to the Financial Statements

## Continued

### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	446	68,217	597	69,260
Euro	(45)	497	(477)	(25)
US Dollar	-	-	(28)	(28)
<b>Total</b>	<b>401</b>	<b>68,714</b>	<b>92</b>	<b>69,207</b>

2021	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	97	36,229	377	36,703
Australian Dollar	-	161	(150)	11
Canadian Dollar	4	-	25	29
Swedish Krona	4	-	-	4
US Dollar	8	-	45	53
<b>Total</b>	<b>113</b>	<b>36,390</b>	<b>297</b>	<b>36,800</b>

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.79%	5.54%	5.09%



# Notes to the Financial Statements

## Continued

2021	Minimum	Maximum	Average
VaR 99% 1 Month	5.06%	6.74%	6.01%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 4.99%, £3,420,000 (2021: 5.34%, £1,965,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	68,714	99.29
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>68,714</b>	<b>99.29</b>

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	36,389	98.88
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>36,389</b>	<b>98.88</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	575	(1)	343	3
Futures	8,233	33	6,626	84
Swaps	55,762	(557)	102,310	(239)
<b>Total market exposure</b>	<b>64,570</b>	<b>(525)</b>	<b>109,279</b>	<b>(152)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

# Notes to the Financial Statements

## Continued

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depository. At the year end the fund had the following broker exposure.

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	(524)	656	384	516	0.75
	<b>(524)</b>	<b>656</b>	<b>384</b>	<b>516</b>	<b>0.75</b>

  

2021	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	(147)	245	469	567	1.54
	<b>(147)</b>	<b>245</b>	<b>469</b>	<b>567</b>	<b>1.54</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

At the balance sheet date the fund had the following positions.

2022	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
<b>Counterparties</b>				
Credit Agricole	(1)	-	-	(1)
<b>Total</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>

Collateral positions for Swaps are aggregated, not at individual trade level.

The Prospectus outlines allowable collateral. There have been no changes in the year.

Issuers	Collateral Stock £'000
<b>2022</b>	<b>Type</b>
United Kingdom (Gov't of)	Bond
	384
	<b>384</b>

2021	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
<b>Counterparties</b>					
Barclays	(8)	-	-	-	(8)
Goldman Sachs	-	3	-	-	3
<b>Total</b>	<b>(8)</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>(5)</b>

Collateral positions for Swaps are aggregated, not at individual trade level.

# Notes to the Financial Statements

## Continued

Issuers 2021	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	469
		<b>469</b>

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(29)	(487)	(537)	(1,053)
<b>Non-derivatives</b>					
Other creditors	(682)	-	-	-	(682)
Distribution payable	-	(31)	-	-	(31)
<b>Total financial liabilities</b>	<b>(682)</b>	<b>(60)</b>	<b>(487)</b>	<b>(537)</b>	<b>(1,766)</b>

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(5)	(104)	(332)	(441)
<b>Non-derivatives</b>					
Other creditors	(760)	-	-	-	(760)
Distribution payable	-	(11)	-	-	(11)
<b>Total financial liabilities</b>	<b>(760)</b>	<b>(16)</b>	<b>(104)</b>	<b>(332)</b>	<b>(1,212)</b>

## 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 61.01p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 58.54p. This represents a change of (4.05)% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## Interim interest distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.1233	-	0.1233	0.1565
Group 2	0.0607	0.0626	0.1233	0.1565
<b>Retail income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional income</b>				
Group 1	0.0732	-	0.0732	0.0930
Group 2	0.0463	0.0269	0.0732	0.0930
<b>Standard Life accumulation</b>				
Group 1	0.2617	-	0.2617	0.3469
Group 2	0.0451	0.2166	0.2617	0.3469
<b>Platform 1 accumulation</b>				
Group 1	0.0750	-	0.0750	0.0980
Group 2	0.0415	0.0335	0.0750	0.0980
<b>Platform 1 income</b>				
Group 1	0.0699	-	0.0699	0.0914
Group 2	0.0665	0.0034	0.0699	0.0914

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.2009	-	0.2009	0.0700
Group 2	0.0696	0.1313	0.2009	0.0700
<b>Retail income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional income</b>				
Group 1	0.1190	-	0.1190	0.0415
Group 2	0.0574	0.0616	0.1190	0.0415
<b>Standard Life accumulation</b>				
Group 1	0.3155	-	0.3155	0.2660
Group 2	0.1446	0.1709	0.3155	0.2660
<b>Platform 1 accumulation</b>				
Group 1	0.1321	-	0.1321	0.0351
Group 2	0.0746	0.0575	0.1321	0.0351
<b>Platform 1 income</b>				
Group 1	0.1230	-	0.1230	0.0339
Group 2	0.0512	0.0718	0.1230	0.0339

## 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 Growth Equity Fund

For the year ended 28 February 2022

## 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.

**Performance Comparator:** IA UK All Companies Equity Sector Average.

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

## 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 abrdn) and 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 identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- 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 8%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the FTSE All-Share Index over the longer 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 year ended 28 February 2022, the value of ASI UK Growth Equity Fund Platform 1 Accumulation increased by 5.03% compared to an increase of 18.98% in the performance target, the FTSE All-Share Index +3%.

Source: FactSet, 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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

## Portfolio Activity and Review

Stock selection was negative for performance, with particularly poor performance in the consumer discretionary, industrials and financials sectors. An overweight exposure to the technology sector also dragged on returns. On a stock-specific basis, an off-benchmark position in online retailer ASOS weighed on returns due to cost pressures. Investment management company Ashmore, which specialises in emerging market debt, also detracted from returns. Its fall was linked to weakening market sentiment around the emerging market debt asset class, amid higher bond yields. Countryside shares underperformed, reflecting the wind-down of its housebuilding business. This led to forecasts being reset for the business as it evolves into a standalone partnerships business. It also announced a very disappointing trading update in January, with project delays caused by operational issues leading to the departure of the CEO. Combined with gathering headwinds to the broader housebuilding sector from cladding costs and rising interest rates, the impact on

# ASI UK Growth Equity Fund

## Continued

the share price was significantly negative. Elsewhere, information technology consulting company Aveva, merchant banking group Close Brothers and London Stock Exchange also detracted from performance. The latter's shares de-rated after it lifted the estimated cost for the integration with Refinitiv, which heightened concerns over the growth prospects of the combined entity. We used this weakness to add to our position, as we see long-term strategic value that is not captured at the current reduced valuation. The leading animal genetics company Genus, a high-quality growth company, also hurt returns after its shares de-rated as interest-rate expectations and therefore implied discount rates used by the stock market increased.

On the upside, the fund's overweight exposure to energy and healthcare companies was attributive. Pharmaceutical company Indivior, which is involved in tackling the US opioid issue, was one of the standout performers in 2021. It has continued to show strong prescription trends for its Sublocade product. Energy company Royal Dutch Shell benefited from significant appreciation in the oil price over the period under review, while resource company Thungela Resources rose strongly on favourable moves in commodity prices, reflecting global energy shortages. A lack of exposure to gambling company Flutter Entertainment also added to returns. Its shares were weak due to fears about UK regulation tightening, as well as the broader de-rating of highly valued US-listed peers in the market rotation. Other contributors included an underweight to consumer goods company Unilever, which was weak over the period.

We started a new position in Electrocomponents, the maker of industrial and electronic products. The company has embraced digitisation and increased its product range to grow and diversify its customer base, both by sector and geographically. The company has a strong balance sheet and financially disciplined management. We also introduced Howdens, the kitchen manufacturer and supplier, to the fund. The company's pricing strength and efficiency in sourcing and manufacturing allows it to deliver a premium return on cash, higher margins and cash flow than its peer group. Additionally, Howdens has a range of self-help initiatives that should enable it to take more market share. These include new depot formats, digital investment and an extended range of ancillary kitchen items, all of which underpin its market share and revenue growth potential. Other new additions to the fund included beverage company Diageo and Hiscox, the buy-rated non-life insurer, which has positive recovery potential and was at the low end of its historic range.

In the pharmaceuticals sector, we sold our position in GlaxoSmithKline and added to AstraZeneca. Both stocks have been weak recently but we have more conviction in AstraZeneca's research and development. We sold British American Tobacco, as we are concerned about regulatory risk and the degree of investment required to advance its next generation product portfolio. We sold our position in John Laing, after it was acquired by private equity investor KKR for cash at a valuation significantly above the share price. We also sold BAE Systems, BP, RELX and National Grid.

## Portfolio Outlook and Strategy

The global geopolitical situation looks increasingly uncertain as a result of the recent Russian invasion of Ukraine. This adds to ongoing uncertainties resulting from the pandemic. While Omicron remains present, it is hoped that the world can gradually recover and finally emerge from the pandemic this year.

Overall, markets remain sensitive to headline inflation numbers and interest-rate changes. Supply-chain pressures, although easing in many areas, continue to disrupt operations. We expect investor concerns will turn to the growth outlook as we move through the year, particularly concerning the impact of higher interest rates.

Company engagement remains the key to our ability to identify businesses we like to back. Our positioning is driven by individual stocks and we will continue to analyse companies carefully. The fund will focus on bottom-up analysis and reflect the analysts' view of both the sector and their highest-conviction ideas with a style agnostic approach.

## UK Equity Team

March 2022

# ASI UK Growth Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	331.11	318.17	334.26
Return before operating charges*	25.33	16.95	(11.50)
Operating charges	(4.70)	(4.01)	(4.59)
Return after operating charges*	20.63	12.94	(16.09)
Distributions	(6.81)	(5.04)	(9.19)
Retained distributions on accumulation shares	6.81	5.04	9.19
Closing net asset value per share	351.74	331.11	318.17
* after direct transaction costs of:	0.87	0.31	0.16
<b>Performance</b>			
Return after charges	6.23%	4.07%	(4.81%)
<b>Other information</b>			
Closing net asset value (£'000)	77,989	77,899	79,274
Closing number of shares	22,172,596	23,526,842	24,915,909
Operating charges	1.32%	1.33%	1.32%
Direct transaction costs	0.25%	0.10%	0.05%
<b>Prices</b>			
Highest share price	372.0	343.3	367.1
Lowest share price	335.5	234.8	318.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	392.97	375.84	393.04
Return before operating charges*	30.04	20.10	(13.72)
Operating charges	(3.59)	(2.97)	(3.48)
Return after operating charges*	26.45	17.13	(17.20)
Distributions	(10.09)	(7.64)	(12.75)
Retained distributions on accumulation shares	10.09	7.64	12.75
Closing net asset value per share	419.42	392.97	375.84
* after direct transaction costs of:	1.04	0.36	0.19
<b>Performance</b>			
Return after charges	6.73%	4.56%	(4.38%)
<b>Other information</b>			
Closing net asset value (£'000)	9,526	10,093	77,629
Closing number of shares	2,271,186	2,568,320	20,655,021
Operating charges	0.85%	0.86%	0.85%
Direct transaction costs	0.25%	0.10%	0.05%
<b>Prices</b>			
Highest share price	442.6	407.1	433.4
Lowest share price	398.1	277.4	376.1

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2021	2020
	pence per share	pence per share
<b>Standard Life income<sup>A</sup></b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	60.71	65.84
Return before operating charges*	(10.41)	(2.39)
Operating charges	-	(0.02)
Return after operating charges*	(10.41)	(2.41)
Redemption value as at 27 March 2020	(50.30)	(2.72)
Closing net asset value per share	-	60.71
* after direct transaction costs of:	-	0.03
<b>Performance</b>		
Return after charges	(17.15%)	(3.66%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	1,485
Operating charges	0.02%	0.02%
Direct transaction costs	0.10%	0.05%
<b>Prices</b>		
Highest share price	62.85	73.08
Lowest share price	44.74	60.63

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> The Standard Life income share class was closed on 27 March 2020.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	130.92	124.27	128.99
Return before operating charges*	10.00	6.78	(4.58)
Operating charges	(0.14)	(0.13)	(0.14)
Return after operating charges*	9.86	6.65	(4.72)
Distributions	(4.43)	(3.42)	(5.21)
Retained distributions on accumulation shares	4.43	3.42	5.21
Closing net asset value per share	140.78	130.92	124.27
* after direct transaction costs of:	0.35	0.12	0.06
<b>Performance</b>			
Return after charges	7.53%	5.35%	(3.66%)
<b>Other information</b>			
Closing net asset value (£'000)	1,732	1,582	1,513
Closing number of shares	1,230,495	1,208,395	1,217,187
Operating charges	0.10%	0.11%	0.10%
Direct transaction costs	0.25%	0.10%	0.05%
<b>Prices</b>			
Highest share price	148.0	135.5	143.2
Lowest share price	132.6	91.75	124.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation <sup>A</sup>	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	119.67	126.13
Return before operating charges*	(20.33)	(5.93)
Operating charges	(0.03)	(0.53)
Return after operating charges*	(20.36)	(6.46)
Distributions	-	(4.88)
Retained distributions on accumulation shares	-	4.88
Redemption value as at 27 March 2020	(99.31)	-
Closing net asset value per share	-	119.67
* after direct transaction costs of:	0.01	0.06
<b>Performance</b>		
Return after charges	(17.01%)	(5.12%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	790
Operating charges	0.40%	0.40%
Direct transaction costs	0.10%	0.05%
<b>Prices</b>		
Highest share price	124.1	137.9
Lowest share price	88.34	119.8

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional regulated accumulation share class was closed on 27 March 2020.

# Comparative Tables

## Continued

Platform 1 accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	79.61	76.18	79.70
Return before operating charges*	6.08	4.09	(2.77)
Operating charges	(0.77)	(0.66)	(0.75)
Return after operating charges*	5.31	3.43	(3.52)
Distributions	(2.00)	(1.51)	(2.54)
Retained distributions on accumulation shares	2.00	1.51	2.54
Closing net asset value per share	84.92	79.61	76.18
* after direct transaction costs of:	0.21	0.08	0.04
<b>Performance</b>			
Return after charges	6.67%	4.50%	(4.42%)
<b>Other information</b>			
Closing net asset value (£'000)	8,145	8,349	8,489
Closing number of shares	9,590,969	10,488,269	11,143,484
Operating charges	0.90%	0.91%	0.90%
Direct transaction costs	0.25%	0.10%	0.05%
<b>Prices</b>			
Highest share price	89.63	82.48	87.86
Lowest share price	80.65	56.22	76.23

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (98.71%)</b>		<b>96,910</b>	<b>99.50</b>
<b>Basic Materials (11.86%)</b>		<b>11,091</b>	<b>11.39</b>
86,309	Anglo American	3,299	3.39
159,556	Bodycote	1,189	1.22
878,605	Centamin	871	0.90
705,170	Glencore	3,118	3.20
45,147	Rio Tinto	2,614	2.68
<b>Consumer Discretionary (12.74%)</b>		<b>11,954</b>	<b>12.27</b>
71,775	ASOS	1,402	1.44
58,420	Bellway	1,684	1.73
341,932	Cineworld	137	0.14
464,539	Countryside Partnerships	1,412	1.45
116,153	Entain	1,955	2.01
93,156	Go-Ahead	619	0.63
171,239	Howden Joinery	1,461	1.50
81,190	Jet2++	1,042	1.07
858,076	Marston's	668	0.69
256,479	Moonpig	683	0.70
558,165	Rank	891	0.91
<b>Consumer Staples (11.27%)</b>		<b>11,861</b>	<b>12.18</b>
71,392	Coca-Cola HBC	1,359	1.40
151,325	Diageo	5,636	5.79
446,515	Greencore	596	0.61
72,140	Hilton Food	773	0.79
55,336	Reckitt Benckiser	3,497	3.59
<b>Energy (10.62%)</b>		<b>12,262</b>	<b>12.59</b>
229,192	Energiean	2,377	2.44
2,048,780	Savannah Energy++	541	0.56
436,203	Shell	8,601	8.83
110,407	Thungela Resources	743	0.76

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Financials (20.95%)</b>		<b>19,433</b>	<b>19.95</b>
521,857	Ashmore	1,314	1.35
1,616,697	Barclays	2,956	3.03
182,019	Bridgepoint	615	0.63
144,927	Close Brothers	1,696	1.74
101,347	Hiscox	934	0.96
179,999	HSBC	926	0.95
25,580	Intermediate Capital	438	0.45
30,344	London Stock Exchange	1,994	2.05
412,879	OSB	2,064	2.12
130,972	Phoenix	810	0.83
182,387	Prudential	2,072	2.13
537,830	Standard Chartered	2,865	2.94
402,356	Virgin Money UK	749	0.77
<b>Health Care (13.42%)</b>		<b>12,373</b>	<b>12.70</b>
87,450	AstraZeneca	7,921	8.13
955,821	ConvaTec	1,722	1.77
29,788	Genus	976	1.00
625,055	Indivior	1,754	1.80
<b>Industrials (6.94%)</b>		<b>8,034</b>	<b>8.25</b>
1,591,876	Coats	974	1.00
115,629	Electrocomponents	1,144	1.18
101,289	Euromoney Institutional Investor	918	0.94
60,670	FDM	518	0.53
254,808	Genuit	1,300	1.34
35,993	Halma	867	0.89
110,460	Mondi	1,735	1.78
146,066	Vesuvius	578	0.59
<b>Real Estate (0.93%)</b>		<b>1,005</b>	<b>1.03</b>
94,179	Unite REIT	1,005	1.03



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Technology (3.67%)</b>		<b>3,453</b>	<b>3.55</b>
181,820	Auto Trader	1,205	1.24
59,655	AVEVA	1,485	1.53
50,628	Kainos	763	0.78
<b>Telecommunications (2.95%)</b>		<b>3,199</b>	<b>3.28</b>
2,433,864	Vodafone	3,199	3.28
<b>Utilities (3.36%)</b>		<b>2,245</b>	<b>2.31</b>
151,194	Drax	1,067	1.10
40,964	Severn Trent	1,178	1.21
<b>Collective Investment Schemes (1.18%)</b>		<b>377</b>	<b>0.39</b>
377	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc <sup>+</sup>	377	0.39
Total investment assets		97,287	99.89
Net other assets		105	0.11
<b>Total Net Assets</b>		<b>97,392</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 28 February 2021.

Prior year classifications for some sectors have been updated to reflect current year classifications.

<sup>+</sup> Managed by subsidiaries of abrdn plc.

<sup>++</sup> AIM listed.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		4,225		(3,357)
Revenue	2	3,313		3,814	
Expenses	3	(1,234)		(1,373)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		2,079		2,440	
Taxation	4	(8)		(9)	
Net revenue after taxation			2,071		2,431
<b>Total return before distributions</b>			<b>6,296</b>		<b>(926)</b>
Distributions	5		(2,071)		(2,431)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>4,225</b>		<b>(3,357)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>97,923</b>		<b>166,907</b>
Amounts receivable on the issue of shares	1,731		2,376	
Amounts payable on the cancellation of shares	(8,472)		(69,587)	
		(6,741)		(67,211)
Dilution adjustment		-		3
Change in net assets attributable to shareholders from investment activities (see above)		4,225		(3,357)
Retained distribution on accumulation shares		1,985		1,581
<b>Closing net assets attributable to shareholders</b>		<b>97,392</b>		<b>97,923</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			97,287		97,820
<b>Current assets:</b>					
Debtors	6	312		310	
Cash and bank balances	7	1		1	
			313		311
<b>Total assets</b>			<b>97,600</b>		<b>98,131</b>
<b>Liabilities:</b>					
Creditors	8	(208)		(208)	
			(208)		(208)
<b>Total liabilities</b>			<b>(208)</b>		<b>(208)</b>
<b>Net assets attributable to shareholders</b>			<b>97,392</b>		<b>97,923</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2022 £'000	2021 £'000
Non-derivative securities	4,229	(3,348)
Other losses	-	(1)
Transaction charges	(4)	(8)
<b>Net capital gains/(losses)</b>	<b>4,225</b>	<b>(3,357)</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	1	3
Overseas dividends	122	134
UK dividends	3,172	3,677
UK REIT	18	-
<b>Total revenue</b>	<b>3,313</b>	<b>3,814</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,199	1,304
Dealing charge	4	4
General administration charge*	8	-
Registration fees**	9	39
	<b>1,220</b>	<b>1,347</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	6	14
Safe custody fee	3	3
	<b>9</b>	<b>17</b>
<b>Other:</b>		
Audit fee**	5	9
	<b>5</b>	<b>9</b>
<b>Total expenses</b>	<b>1,234</b>	<b>1,373</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	8	9
<b>Total taxation (note 4b)</b>	<b>8</b>	<b>9</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>2,079</b>	<b>2,440</b>
Corporation tax at 20% (2021: 20%)	416	488
Effects of:		
Revenue not subject to taxation	(659)	(762)
Overseas taxes	8	9
Excess allowable expenses	243	274
<b>Total tax charge for year (note 4a)</b>	<b>8</b>	<b>9</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £12,865,000 (2021: £12,622,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions

	2022 £'000	2021 £'000
Distribution	1,985	1,581
Add: Income deducted on cancellation of shares	111	879
Deduct: Income received on issue of shares	(25)	(29)
<b>Total distributions for the year</b>	<b>2,071</b>	<b>2,431</b>

Details of the distribution per share are set out in this fund's distribution table.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	290	285
Amounts receivable from the ACD for the issue of shares	3	10
Overseas withholding tax recoverable	19	15
<b>Total debtors</b>	<b>312</b>	<b>310</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	1	1
	<b>1</b>	<b>1</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	377	1,153
<b>Net liquidity</b>	<b>378</b>	<b>1,154</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	90	90
Accrued expenses payable to the Depositary or associates of the Depositary	1	2
Amounts payable to the ACD for cancellation of shares	112	58
Other accrued expenses	5	9
Purchases awaiting settlement	-	49
<b>Total creditors</b>	<b>208</b>	<b>208</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	46,581	19,532	50,815	86,410
Corporate actions	-	906	-	134
<b>Trades in the year before transaction costs</b>	<b>46,581</b>	<b>20,438</b>	<b>50,815</b>	<b>86,544</b>
<b>Commissions</b>				
Equities	28	11	(29)	(36)
<b>Total commissions</b>	<b>28</b>	<b>11</b>	<b>(29)</b>	<b>(36)</b>
<b>Taxes</b>				
Equities	191	78	-	(1)
<b>Total taxes</b>	<b>191</b>	<b>78</b>	<b>-</b>	<b>(1)</b>
<b>Total transaction costs</b>	<b>219</b>	<b>89</b>	<b>(29)</b>	<b>(37)</b>
<b>Total net trades in the year after transaction costs</b>	<b>46,800</b>	<b>20,527</b>	<b>50,786</b>	<b>86,507</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.06	0.06	0.06	0.04
<b>Taxes</b>				
Equities	0.41	0.40	-	-
<b>Total transaction costs expressed as a percentage of net asset value</b>			<b>2022 %</b>	<b>2021 %</b>
Commissions			0.06	0.04
Taxes			0.19	0.06

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.12% (2021: 0.08%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	23,526,842	337,163	(1,641,698)	(49,711)	22,172,596
Institutional accumulation	2,568,320	71,248	(350,760)	(17,622)	2,271,186
Standard Life accumulation	1,208,395	23,984	(1,884)	-	1,230,495
Platform 1 accumulation	10,488,269	262,120	(1,452,421)	293,001	9,590,969

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	96,910	-	-	96,667	-	-
Collective Investment Schemes	-	377	-	-	1,153	-
<b>Total investment assets</b>	<b>96,910</b>	<b>377</b>	<b>-</b>	<b>96,667</b>	<b>1,153</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.



# Notes to the Financial Statements

## Continued

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £4,864,000 (2021: £4,891,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £208,000 (2021: £208,000).

## 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have risen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 84.92p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 85.34p. This represents a change of 0.50% from the year end value.

# Distribution Table

For the year ended 28 February 2022 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	6.8078	-	6.8078	5.0366
Group 2	3.3280	3.4798	6.8078	5.0366
<b>Institutional accumulation</b>				
Group 1	10.0866	-	10.0866	7.6403
Group 2	5.5354	4.5512	10.0866	7.6403
<b>Standard Life accumulation</b>				
Group 1	4.4339	-	4.4339	3.4241
Group 2	3.0516	1.3823	4.4339	3.4241
<b>Platform 1 accumulation</b>				
Group 1	2.0000	-	2.0000	1.5122
Group 2	0.9073	1.0927	2.0000	1.5122

## 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 High Alpha Equity Fund

For the year ended 28 February 2022

## 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 350 Index plus 4% 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.

Performance Comparator: IA UK All Companies Equity Sector Average.

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

## 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 abrdn) and 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, with 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 identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the FTSE 350 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 FTSE 350 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 year ended 28 February 2022, the value of ASI UK High Alpha Equity Fund Platform 1 Accumulation increased by 4.1% compared to an increase of 20.2% in the performance target, the FTSE 350 Index +4%.

Source: FactSet, 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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

## Portfolio Activity and Review

The fund's stock selection within the consumer discretionary, industrials and financials sectors was particularly negative for performance, while an overweight position in the technology sector also weighed on returns. On a stock-specific basis, shares in ASOS were the biggest negative contributor. The stock suffered from general pressure on retail businesses as new variations of Covid-19 continued to reign in demand. The company was also hurt by rising cost pressures, amid supply-chain disruptions. Specialist investment management company Ashmore was also weak as sentiment towards emerging market debt, the asset class it invests in, turned negative. Countryside shares underperformed after it was hit with a profit warning in January. The company reported a very disappointing trading update, with project delays caused by operational issues leading to the departure of the CEO. Combined with gathering headwinds to the broader housebuilding sector from cladding costs and rising interest rates, the impact on the share price was significantly negative. Information technology consulting company Aveva was another poor performer over the period, as it suffered from stock-specific operational

# ASI UK High Alpha Equity Fund

## Continued

issues, but also saw the multiple fall as expectations for higher interest rates drove down the discount rates applied to durable cash flow businesses.

Conversely, an overweight position and good stock selection in the energy sector was attributive. On a stock level, pharmaceutical company Indivior, which is involved in tackling the US opioid issue, was one of the standout performers in 2021. It has continued to show strong prescription trends for its Sublocade product. Energy company Royal Dutch Shell benefited from significant appreciation in the oil price over the period under review. An off-benchmark position in resource company Thungela Resources also rose strongly on favourable moves in commodity prices, reflecting global energy shortages. A lack of exposure to gambling company Flutter Entertainment also added to returns. Its shares were weak due to fears about UK regulation tightening, as well as the broader de-rating of highly valued US-listed peers in the market rotation. Other contributors included an underweight position in consumer goods company Unilever, which was weak over the period.

In terms of activity, we started a new position in Electrocomponents, the maker of industrial and electronic products. The company has embraced digitisation and increased its product range to grow and diversify its customer base, both by sector and geographically. The company has a strong balance sheet and financially disciplined management. We also introduced Howdens, the kitchen manufacturer and supplier, to the fund. The company's pricing strength and efficiency in sourcing and manufacturing allows it to deliver a premium return on cash, higher margins and cash flow than its peer group. Additionally, Howdens has a range of self-help initiatives that should enable it to take more market share. These include new depot formats, digital investment and an extended range of ancillary kitchen items, all of which underpin its market share and revenue growth potential. We also initiated positions in Hiscox and Savannah Energy, among others.

In terms of sales, we sold British American Tobacco in the first half of the period, as we were concerned about regulatory risk and the degree of investment required to advance its next generation product portfolio. We sold our position in John Laing after it was acquired by private equity investor KKR for cash at a valuation significantly above the share price. We also sold our holdings in Persimmon, BP, Unilever and Abcam.

## Portfolio Outlook and Strategy

The global geopolitical situation looks increasingly uncertain as a result of the recent Russian invasion of Ukraine. This adds to ongoing uncertainties resulting from the pandemic. While Omicron remains present, it is hoped that the world can gradually recover and finally emerge from the pandemic this year.

Overall, markets remain sensitive to headline inflation numbers and interest-rate changes. Supply-chain pressures, although easing in many areas, continue to disrupt operations. We expect investor concerns will turn to the growth outlook as we move through the year, particularly concerning the impact of higher interest rates.

Company engagement remains the key to our ability to identify the businesses we like to back. Our positioning is driven by individual stocks and we will continue to analyse companies carefully. The fund will focus on bottom-up analysis and reflect the analysts' view of both the sector and their highest-conviction stocks with a style agnostic approach.

### UK Equity Team

March 2022

# ASI UK High Alpha Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	206.74	191.73	210.53
Return before operating charges*	13.42	17.41	(15.95)
Operating charges	(2.91)	(2.40)	(2.85)
Return after operating charges*	10.51	15.01	(18.80)
Distributions	(6.76)	(4.40)	(7.37)
Retained distributions on accumulation shares	6.76	4.40	7.37
Closing net asset value per share	217.25	206.74	191.73
* after direct transaction costs of:	0.61	0.39	0.65
<b>Performance</b>			
Return after charges	5.08%	7.83%	(8.93%)
<b>Other information</b>			
Closing net asset value (£'000)	64,899	65,957	64,672
Closing number of shares	29,873,307	31,903,636	33,730,227
Operating charges	1.32%	1.33%	1.33%
Direct transaction costs	0.27%	0.22%	0.31%
<b>Prices</b>			
Highest share price	230.2	213.3	226.2
Lowest share price	209.5	132.4	191.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	213.20	196.77	215.02
Return before operating charges*	13.83	18.03	(16.38)
Operating charges	(1.94)	(1.60)	(1.87)
Return after operating charges*	11.89	16.43	(18.25)
Distributions	(6.99)	(4.53)	(7.54)
Retained distributions on accumulation shares	6.99	4.53	7.54
Closing net asset value per share	225.09	213.20	196.77
* after direct transaction costs of:	0.63	0.40	0.67
<b>Performance</b>			
Return after charges	5.58%	8.35%	(8.49%)
<b>Other information</b>			
Closing net asset value (£'000)	3,151	3,264	3,485
Closing number of shares	1,399,667	1,530,873	1,771,084
Operating charges	0.85%	0.86%	0.86%
Direct transaction costs	0.27%	0.22%	0.31%
<b>Prices</b>			
Highest share price	238.0	219.8	231.9
Lowest share price	216.1	135.9	196.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	86.59	82.24	93.60
Return before operating charges*	5.65	7.24	(6.88)
Operating charges	(1.20)	(1.02)	(1.24)
Return after operating charges*	4.45	6.22	(8.12)
Distributions	(2.80)	(1.87)	(3.24)
Closing net asset value per share	88.24	86.59	82.24
* after direct transaction costs of:	0.25	0.17	0.28
<b>Performance</b>			
Return after charges	5.14%	7.56%	(8.68%)
<b>Other information</b>			
Closing net asset value (£'000)	7,560	7,854	7,888
Closing number of shares	8,567,579	9,069,973	9,591,179
Operating charges	1.32%	1.33%	1.33%
Direct transaction costs	0.27%	0.22%	0.31%
<b>Prices</b>			
Highest share price	94.82	89.79	98.05
Lowest share price	86.44	56.75	82.07

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	63.72	60.23	68.23
Return before operating charges*	4.16	5.34	(5.06)
Operating charges	(0.57)	(0.48)	(0.58)
Return after operating charges*	3.59	4.86	(5.64)
Distributions	(2.07)	(1.37)	(2.36)
Closing net asset value per share	65.24	63.72	60.23
* after direct transaction costs of:	0.18	0.12	0.21
<b>Performance</b>			
Return after charges	5.63%	8.07%	(8.27%)
<b>Other information</b>			
Closing net asset value (£'000)	371	371	372
Closing number of shares	568,594	582,208	618,174
Operating charges	0.85%	0.86%	0.86%
Direct transaction costs	0.27%	0.22%	0.31%
<b>Prices</b>			
Highest share price	69.94	66.03	71.52
Lowest share price	63.91	41.58	60.10

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2021	2020
	pence per share	pence per share
<b>Standard Life income<sup>A</sup></b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	98.11	110.14
Return before operating charges*	(20.89)	(8.20)
Operating charges	-	(0.03)
Return after operating charges*	(20.89)	(8.23)
Distributions	-	(3.80)
Redemption Value as at 27 March 2020	(77.22)	-
Closing net asset value per share	-	98.11
* after direct transaction costs of:	0.01	0.34
<b>Performance</b>		
Return after charges	(21.29%)	(7.47%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	949
Operating charges	0.03%	0.03%
Direct transaction costs	0.22%	0.31%
<b>Prices</b>		
Highest share price	101.2	116.1
Lowest share price	67.76	97.90

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup>Standard Life income was closed on 27 March 2020.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	257.03	235.50	255.43
Return before operating charges*	16.66	21.77	(19.65)
Operating charges	(0.28)	(0.24)	(0.28)
Return after operating charges*	16.38	21.53	(19.93)
Distributions	(8.45)	(5.44)	(8.98)
Retained distributions on accumulation shares	8.45	5.44	8.98
Closing net asset value per share	273.41	257.03	235.50
* after direct transaction costs of:	0.76	0.46	0.80
<b>Performance</b>			
Return after charges	6.37%	9.14%	(7.80%)
<b>Other information</b>			
Closing net asset value (£'000)	105	93	403
Closing number of shares	38,442	36,122	171,291
Operating charges	0.10%	0.11%	0.11%
Direct transaction costs	0.27%	0.22%	0.31%
<b>Prices</b>			
Highest share price	288.0	264.8	277.3
Lowest share price	260.7	162.7	235.1

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	96.35	88.99	97.31
Return before operating charges*	6.25	8.12	(7.43)
Operating charges	(0.93)	(0.76)	(0.89)
Return after operating charges*	5.32	7.36	(8.32)
Distributions	(3.16)	(2.05)	(3.41)
Retained distributions on accumulation shares	3.16	2.05	3.41
Closing net asset value per share	101.67	96.35	88.99
* after direct transaction costs of:	0.28	0.18	0.30
<b>Performance</b>			
Return after charges	5.52%	8.27%	(8.55%)
<b>Other information</b>			
Closing net asset value (£'000)	6,044	5,970	6,563
Closing number of shares	5,944,535	6,196,941	7,375,136
Operating charges	0.90%	0.91%	0.91%
Direct transaction costs	0.27%	0.22%	0.31%
<b>Prices</b>			
Highest share price	107.5	99.37	104.9
Lowest share price	97.66	61.45	88.83

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	73.54	69.55	78.83
Return before operating charges*	4.80	6.17	(5.84)
Operating charges	(0.70)	(0.59)	(0.71)
Return after operating charges*	4.10	5.58	(6.55)
Distributions	(2.38)	(1.59)	(2.73)
Closing net asset value per share	75.26	73.54	69.55
* after direct transaction costs of:	0.21	0.14	0.24
<b>Performance</b>			
Return after charges	5.58%	8.02%	(8.31%)
<b>Other information</b>			
Closing net asset value (£'000)	1,111	1,167	1,428
Closing number of shares	1,476,192	1,586,393	2,052,670
Operating charges	0.90%	0.91%	0.91%
Direct transaction costs	0.27%	0.22%	0.31%
<b>Prices</b>			
Highest share price	80.70	76.21	82.62
Lowest share price	73.72	48.01	69.40

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (98.89%)</b>		<b>82,963</b>	<b>99.67</b>
<b>Basic Materials (10.47%)</b>		<b>9,328</b>	<b>11.21</b>
71,393	Anglo American	2,729	3.28
125,084	Bodycote	932	1.12
785,570	Centamin	779	0.94
601,420	Glencore	2,659	3.19
38,505	Rio Tinto	2,229	2.68
<b>Consumer Discretionary (13.83%)</b>		<b>10,373</b>	<b>12.46</b>
61,404	ASOS	1,199	1.44
54,169	Bellway	1,562	1.88
267,072	Cineworld	107	0.13
395,911	Countryside Partnerships	1,204	1.45
104,728	Entain	1,763	2.12
83,338	Go-Ahead	554	0.66
146,297	Howden Joinery	1,248	1.50
70,213	Jet2++	901	1.08
625,780	Marston's	488	0.58
219,192	Moonpig	584	0.70
478,251	Rank	763	0.92
<b>Consumer Staples (14.44%)</b>		<b>10,423</b>	<b>12.52</b>
71,959	Coca-Cola HBC	1,370	1.65
131,694	Diageo	4,905	5.89
370,546	Greencore	495	0.59
61,500	Hilton Food	659	0.79
47,378	Reckitt Benckiser	2,994	3.60
<b>Energy (11.41%)</b>		<b>10,737</b>	<b>12.90</b>
219,907	Energiean	2,280	2.74
1,747,348	Savannah Energy++	461	0.55
373,177	Shell	7,358	8.84
94,695	Thungela Resources	638	0.77

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Financials (16.52%)</b>		<b>16,324</b>	<b>19.61</b>
447,605	Ashmore	1,127	1.35
1,386,666	Barclays	2,536	3.05
155,354	Bridgepoint	525	0.63
124,306	Close Brothers	1,454	1.75
86,436	Hiscox	797	0.96
154,388	HSBC	794	0.95
22,134	Intermediate Capital	379	0.46
26,100	London Stock Exchange	1,715	2.06
353,781	OSB	1,769	2.12
187,716	Prudential	2,132	2.56
461,325	Standard Chartered	2,457	2.95
343,158	Virgin Money UK	639	0.77
<b>Health Care (12.68%)</b>		<b>10,587</b>	<b>12.72</b>
74,876	AstraZeneca	6,782	8.15
815,052	ConvaTec	1,469	1.76
25,579	Genus	839	1.01
533,387	Indivior	1,497	1.80
46,936	NMC Health**	-	-
<b>Industrials (11.60%)</b>		<b>6,849</b>	<b>8.23</b>
1,340,164	Coats	820	0.99
98,617	Electrocomponents	975	1.17
85,431	Euromoney Institutional Investor	774	0.93
51,782	FDM	442	0.53
219,946	Genuit	1,122	1.35
30,839	Halma	743	0.89
94,109	Mondi	1,478	1.78
125,033	Vesuvius	495	0.59

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Real Estate (2.09%)</b>		<b>861</b>	<b>1.03</b>
80,637	Unite REIT	861	1.03
<b>Technology (2.59%)</b>		<b>2,813</b>	<b>3.38</b>
137,664	Auto Trader	912	1.10
50,196	AVEVA	1,249	1.50
43,315	Kainos	652	0.78
<b>Telecommunications (2.03%)</b>		<b>2,744</b>	<b>3.30</b>
2,087,563	Vodafone	2,744	3.30
<b>Utilities (1.23%)</b>		<b>1,924</b>	<b>2.31</b>
129,553	Drax	914	1.10
35,134	Severn Trent	1,010	1.21
<b>Collective Investment Schemes (1.18%)</b>		<b>162</b>	<b>0.19</b>
161	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	162	0.19
Total investment assets		83,125	99.86
Net other assets		116	0.14
<b>Total Net Assets</b>		<b>83,241</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 28 February 2021.

Prior year classifications for some sectors have been updated to reflect current year classifications.

\* Managed by subsidiaries of abrdn plc.

\*\* AIM listed.

\*\* Delisted.



# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		2,856		4,952
Revenue	2	2,704		1,911	
Expenses	3	(1,098)		(973)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		1,606		937	
Taxation	4	-		(3)	
Net revenue after taxation			1,606		934
<b>Total return before distributions</b>			<b>4,462</b>		<b>5,886</b>
Distributions	5		(2,691)		(1,887)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,771</b>		<b>3,999</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>84,676</b>		<b>84,812</b>
Amounts receivable on the issue of shares	1,206		806	
Amounts payable on the cancellation of shares	(6,793)		(6,603)	
		(5,587)		(5,797)
Change in net assets attributable to shareholders from investment activities (see above)		1,771		3,999
Retained distribution on accumulation shares		2,380		1,661
Unclaimed distributions		1		1
<b>Closing net assets attributable to shareholders</b>		<b>83,241</b>		<b>84,676</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			83,125		84,735
<b>Current assets:</b>					
Debtors	6	268		298	
Cash and bank balances	7	2		1	
			270		299
<b>Total assets</b>			<b>83,395</b>		<b>85,034</b>
<b>Liabilities:</b>					
Creditors	8	(119)		(312)	
Distribution payable		(35)		(46)	
			(154)		(358)
<b>Total liabilities</b>			<b>(154)</b>		<b>(358)</b>
<b>Net assets attributable to shareholders</b>			<b>83,241</b>		<b>84,676</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	2,861	4,957
Other losses	-	(1)
Transaction charges	(5)	(4)
<b>Net capital gains</b>	<b>2,856</b>	<b>4,952</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	1	3
Overseas dividends	3	9
UK dividends	2,671	1,899
UK REIT	29	-
<b>Total revenue</b>	<b>2,704</b>	<b>1,911</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,072	942
Dealing charge	4	3
General administration charge*	4	-
Registration fees**	5	8
	<b>1,085</b>	<b>953</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	6	9
Safe custody fee	2	2
	<b>8</b>	<b>11</b>
<b>Other:</b>		
Audit fee**	5	9
	<b>5</b>	<b>9</b>
<b>Total expenses</b>	<b>1,098</b>	<b>973</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	-	3
<b>Total taxation (note 4b)</b>	<b>-</b>	<b>3</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>1,606</b>	<b>937</b>
Corporation tax at 20% (2021: 20%)	321	187
Effects of:		
Revenue not subject to taxation	(534)	(382)
Overseas taxes	-	4
Excess allowable expenses	213	194
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>3</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,034,000 (2021: £3,821,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
First interim distribution	809	569
Second interim distribution	994	513
Third interim distribution	551	373
Final distribution	321	416
	2,675	1,871
Add: Income deducted on cancellation of shares	24	19
Deduct: Income received on issue of shares	(8)	(3)
<b>Total distributions for the year</b>	<b>2,691</b>	<b>1,887</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,606	934
Expenses charged to capital	1,085	953
<b>Total distributions for the year</b>	<b>2,691</b>	<b>1,887</b>

# Notes to the Financial Statements

## Continued

Expenses taken to capital include the ACD, Registration, Dealing expenses and General administration charge.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

## 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	249	278
Overseas withholding tax recoverable	19	20
<b>Total debtors</b>	<b>268</b>	<b>298</b>

## 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	2	1
	<b>2</b>	<b>1</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	162	999
<b>Net liquidity</b>	<b>164</b>	<b>1,000</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	84	85
Accrued expenses payable to the Depositary or associates of the Depositary	1	1
Amounts payable to the ACD for cancellation of shares	29	174
Other accrued expenses	5	9
Purchases awaiting settlement	-	43
<b>Total creditors</b>	<b>119</b>	<b>312</b>

## 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

# Notes to the Financial Statements

## Continued

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	44,693	30,437	48,566	35,269
Corporate actions	-	283	-	-
<b>Trades in the year before transaction costs</b>	<b>44,693</b>	<b>30,720</b>	<b>48,566</b>	<b>35,269</b>
<b>Commissions</b>				
Equities	24	17	(28)	(22)
<b>Total commissions</b>	<b>24</b>	<b>17</b>	<b>(28)</b>	<b>(22)</b>
<b>Taxes</b>				
Equities	187	127	-	-
<b>Total taxes</b>	<b>187</b>	<b>127</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>211</b>	<b>144</b>	<b>(28)</b>	<b>(22)</b>
<b>Total net trades in the year after transaction costs</b>	<b>44,904</b>	<b>30,864</b>	<b>48,538</b>	<b>35,247</b>
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.06	0.06	0.06
<b>Taxes</b>				
Equities	0.42	0.42	-	-
			<b>2022 %</b>	<b>2021 %</b>
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.06	0.05
Taxes			0.21	0.17

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.12% (2021: 0.15%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	31,903,636	106,808	(2,027,867)	(109,270)	29,873,307
Institutional accumulation	1,530,873	9,207	(151,410)	10,997	1,399,667
Retail income	9,069,973	29,709	(513,034)	(19,069)	8,567,579
Institutional income	582,208	50,260	(63,874)	-	568,594
Standard Life accumulation	36,122	5,322	(3,002)	-	38,442
Platform 1 accumulation	6,196,941	812,964	(1,275,181)	209,811	5,944,535
Platform 1 income	1,586,393	51,356	(184,009)	22,452	1,476,192

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	82,963	-	-	83,736	-	-
Collective Investment Schemes	-	162	-	-	999	-
<b>Total investment assets</b>	<b>82,963</b>	<b>162</b>	<b>-</b>	<b>83,736</b>	<b>999</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

# Notes to the Financial Statements

## Continued

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £4,156,000 (2021: £4,237,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £154,000 (2021: £358,000).

## 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have risen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 101.67p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 102.01p. This represents a change of 0.33% from the year end value.



# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 May 2021

	Revenue	Equalisation	Distribution paid 30/07/21	Distribution paid 31/07/20
<b>Retail accumulation</b>				
Group 1	1.9882	-	1.9882	1.3038
Group 2	0.7239	1.2643	1.9882	1.3038
<b>Institutional accumulation</b>				
Group 1	2.0513	-	2.0513	1.3386
Group 2	0.6758	1.3755	2.0513	1.3386
<b>Retail income</b>				
Group 1	0.8327	-	0.8327	0.5591
Group 2	0.3161	0.5166	0.8327	0.5591
<b>Institutional income</b>				
Group 1	0.6130	-	0.6130	0.4096
Group 2	0.2827	0.3303	0.6130	0.4096
<b>Standard Life accumulation</b>				
Group 1	2.4731	-	2.4731	1.6027
Group 2	1.1147	1.3584	2.4731	1.6027
<b>Platform 1 accumulation</b>				
Group 1	0.9269	-	0.9269	0.6054
Group 2	0.1920	0.7349	0.9269	0.6054
<b>Platform 1 income</b>				
Group 1	0.7075	-	0.7075	0.4730
Group 2	0.2000	0.5075	0.7075	0.4730

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 June 2021

Group 2 – shares purchased between 1 June 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	2.5152	-	2.5152	1.1967
Group 2	1.9021	0.6131	2.5152	1.1967
<b>Institutional accumulation</b>				
Group 1	2.5988	-	2.5988	1.2305
Group 2	2.0221	0.5767	2.5988	1.2305
<b>Retail income</b>				
Group 1	1.0441	-	1.0441	0.5096
Group 2	0.3205	0.7236	1.0441	0.5096
<b>Institutional income</b>				
Group 1	0.7698	-	0.7698	0.3740
Group 2	0.5123	0.2575	0.7698	0.3740
<b>Standard Life accumulation</b>				
Group 1	3.1425	-	3.1425	1.4744
Group 2	2.5604	0.5821	3.1425	1.4744
<b>Platform 1 accumulation</b>				
Group 1	1.1743	-	1.1743	0.5563
Group 2	0.8878	0.2865	1.1743	0.5563
<b>Platform 1 income</b>				
Group 1	0.8883	-	0.8883	0.4317
Group 2	0.5731	0.3152	0.8883	0.4317

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Retail accumulation</b>				
Group 1	1.4215	-	1.4215	0.8899
Group 2	0.8381	0.5834	1.4215	0.8899
<b>Institutional accumulation</b>				
Group 1	1.4703	-	1.4703	0.9162
Group 2	0.8887	0.5816	1.4703	0.9162
<b>Retail income</b>				
Group 1	0.5836	-	0.5836	0.3763
Group 2	0.1354	0.4482	0.5836	0.3763
<b>Institutional income</b>				
Group 1	0.4306	-	0.4306	0.2764
Group 2	0.1979	0.2327	0.4306	0.2764
<b>Standard Life accumulation</b>				
Group 1	1.7806	-	1.7806	1.1017
Group 2	1.2554	0.5252	1.7806	1.1017
<b>Platform 1 accumulation</b>				
Group 1	0.6642	-	0.6642	0.4141
Group 2	0.2935	0.3707	0.6642	0.4141
<b>Platform 1 income</b>				
Group 1	0.4968	-	0.4968	0.3191
Group 2	0.2094	0.2874	0.4968	0.3191

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	0.8381	-	0.8381	1.0143
Group 2	0.6080	0.2301	0.8381	1.0143
<b>Institutional accumulation</b>				
Group 1	0.8679	-	0.8679	1.0454
Group 2	0.6914	0.1765	0.8679	1.0454
<b>Retail income</b>				
Group 1	0.3417	-	0.3417	0.4269
Group 2	0.2760	0.0657	0.3417	0.4269
<b>Institutional income</b>				
Group 1	0.2525	-	0.2525	0.3141
Group 2	0.1944	0.0581	0.2525	0.3141
<b>Standard Life accumulation</b>				
Group 1	1.0536	-	1.0536	1.2584
Group 2	0.9068	0.1468	1.0536	1.2584
<b>Platform 1 accumulation</b>				
Group 1	0.3921	-	0.3921	0.4726
Group 2	0.2720	0.1201	0.3921	0.4726
<b>Platform 1 income</b>				
Group 1	0.2914	-	0.2914	0.3626
Group 2	0.2254	0.0660	0.2914	0.3626

## 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 High Income Equity Fund

For the year ended 28 February 2022

## Investment Objective

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

**Performance Target:** To deliver a yield greater than that of the FTSE 350 Index over a rolling five year period (before charges) and achieve a return in excess of the FTSE 350 Index over a rolling five year period (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.

**Performance Comparator:** IA UK Equity Income sector average.

The ACD believes that this is an appropriate target/comparator for the fund based on the investment policy of the fund.

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 70% in equities and equity related securities of companies incorporated or domiciled in the UK or having significant operations and/or exposure to the UK.
- The fund may also invest in other funds (including those managed by abrdn) and 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 identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.

The fund aims to generate a high income relative to its benchmark index, in line with the performance target of a yield greater than that of the FTSE 350 Index over a rolling five year period (before charges).

- In seeking to achieve the Performance Target, the FTSE 350 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 income nature of the management process, the fund's performance profile may deviate significantly from that of the FTSE 350 Index.

### Derivatives and Techniques:

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth at proportionate risk (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 year ended 28 February 2022, the value of ASI UK High Income Equity Fund Platform 1 Accumulation increased by 14.07% compared to an increase of 15.30% in the performance target, the FTSE 350 Index. Meanwhile, the Platform 1 Income's yield was 4.07% over the period, versus a yield target of 3.81% (FTSE 350 Index).

Source: FactSet, 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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

## Portfolio Activity and Review

On a stock-specific basis, Cineworld was one of the top individual detractors from returns. The company suffered during the COVID-19 restrictions that forced the closure of its cinemas, and its share price has been unable to recover. The business is grappling with high debt at a time when it is struggling to generate much revenue. Cineworld also lost a litigation case in Canada around its abandoned transaction with Cineplex in 2021. Investment management company Ashmore, which specialises in emerging markets, also detracted from returns. Its fall was linked to weakening market sentiment around the emerging market debt asset class, amid higher bond yields. Off-benchmark holdings in public transport company Go-Ahead and insurer Conduit also underperformed, as did overweight positions in Synthomer and banking group Close Brothers. Countryside shares

# ASI UK High Income Equity Fund

## Continued

also underperformed, reflecting the wind-down of its housebuilding business. This led to forecasts being reset for the business as it evolves into a standalone partnerships business. It also announced a very disappointing trading update in January, with project delays caused by operational issues leading to the departure of the CEO. Combined with gathering headwinds to the broader housebuilding sector from cladding costs and rising interest rates, the impact on the share price was significantly negative.

On the other side, overweight positions in British American Tobacco, which reported strong annual profits and announced a £2 billion share buyback scheme, and Vivo Energy were positive for performance. Vivo accepted a takeover offer from energy and commodity company Vitol worth US\$2.3 billion in November 2021, which boosted the share price. A lack of exposure to London Stock Exchange and gambling company Flutter Entertainment also added to returns. The former's shares de-rated after it lifted the estimated cost for the integration with Refinitiv, which heightened concerns over the growth prospects of the combined entity. The latter's shares were weak due to fears about UK regulation tightening, as well as the broader de-rating of highly valued US-listed peers in the market rotation. Elsewhere, Unilever, BP and Kosmos Energy were also additive to returns.

In terms of activity, we bought shares in private equity investor Bridgepoint. The company has a highly regarded management team and a strong record in private markets where it has developed positive client relationships and niche capabilities. The industry provides opportunities for growth through future fundraises and new strategy launches, and we believe the company has the potential for improvement. Further, it has strong environmental, social and governance (ESG) credentials; its responsible investment approach focuses on the systematic integration of ESG into the investment process and training for investment teams. We introduced a position in Hiscox, the buy-rated non-life insurer with positive recovery potential, which is at the low end of its historic range.

Elsewhere, we also initiated a position in Howden Joinery, consumer goods company Unilever and Ashtead. We bought pharmaceutical company AstraZeneca following share-price weakness. The company has suffered from a number of challenges. First, the efficacy of its COVID-19 vaccine disappointed investors. Second was mixed data from trials of a new asthma drug and the final issue was a three-month delay to US approval of its anaemia treatment. Despite this, we remain confident in the company; it had clearly stated its intention to sell its COVID-19 vaccine at cost during the pandemic and its development drug pipeline is strong.

In terms of sales, we sold John Laing, following a recommended takeover offer, outsourcing business Equiniti, and workspace provider IWG. We also sold gold mining company Centamin, which was a top buy in the first half of the period, and Vivo Energy after strong performance.

## Portfolio Outlook and Strategy

The global geopolitical situation looks increasingly uncertain as a result of the recent Russian invasion of Ukraine. This adds to ongoing uncertainties resulting from the pandemic. While Omicron remains present, it is hoped that the world can gradually recover and finally emerge from the pandemic this year.

Overall, markets remain sensitive to headline inflation numbers and interest-rate changes. Supply-chain pressures, although easing in many areas, continue to disrupt operations. We believe companies with clear competitive advantages, solid market share and healthy balance sheets are best placed to manage these pressures. They should achieve this by either raising prices or with better inventory support. Companies with high debt appear vulnerable to rising interest rates.

We expect investor concerns will turn to the growth outlook as we move through the year, particularly concerning the impact of higher interest rates. As always, our focus is on companies that can grow independently of the macroeconomic environment.

Taking these factors into account, we would reiterate the importance of a bottom-up investment approach focused on quality, growth and momentum characteristics. Company engagement remains the key to our ability to identify the quality-growth-momentum businesses we like to back.

Our positioning is driven by individual stocks. We will continue to analyse companies carefully and pay attention to balance sheet health to ensure our holdings can survive any bumps in the road. The fund will focus on bottom-up analysis and hold the highest-conviction ideas from the analyst in each sector where there is an income angle.

## UK Equity Team

March 2022

# ASI UK High Income Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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.
- 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 shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	225.42	217.14	240.77
Return before operating charges*	38.02	10.90	(20.43)
Operating charges	(3.26)	(2.62)	(3.20)
Return after operating charges*	34.76	8.28	(23.63)
Distributions	(10.21)	(7.26)	(11.47)
Retained distributions on accumulation shares	10.21	7.26	11.47
Closing net asset value per share	260.18	225.42	217.14
* after direct transaction costs of:	0.18	0.18	0.29
<b>Performance</b>			
Return after charges	15.42%	3.81%	(9.81%)
<b>Other information</b>			
Closing net asset value (£'000)	76,878	72,288	76,370
Closing number of shares	29,548,360	32,068,080	35,171,435
Operating charges	1.31%	1.32%	1.32%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	268.0	232.4	257.4
Lowest share price	228.3	152.3	213.9

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	256.04	245.43	270.94
Return before operating charges*	43.25	12.51	(23.18)
Operating charges	(2.38)	(1.90)	(2.33)
Return after operating charges*	40.87	10.61	(25.51)
Distributions	(11.62)	(8.22)	(12.93)
Retained distributions on accumulation shares	11.62	8.22	12.93
Closing net asset value per share	296.91	256.04	245.43
* after direct transaction costs of:	0.20	0.20	0.33
<b>Performance</b>			
Return after charges	15.96%	4.32%	(9.42%)
<b>Other information</b>			
Closing net asset value (£'000)	189,161	185,507	200,020
Closing number of shares	63,709,836	72,453,189	81,498,648
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	305.8	263.7	290.9
Lowest share price	259.4	172.2	241.8

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	66.52	66.39	77.48
Return before operating charges*	11.12	3.12	(6.43)
Operating charges	(0.95)	(0.79)	(1.01)
Return after operating charges*	10.17	2.33	(7.44)
Distributions	(2.98)	(2.20)	(3.65)
Closing net asset value per share	73.71	66.52	66.39
* after direct transaction costs of:	0.05	0.05	0.09
<b>Performance</b>			
Return after charges	15.29%	3.51%	(9.60%)
<b>Other information</b>			
Closing net asset value (£'000)	16,914	16,395	17,585
Closing number of shares	22,946,296	24,648,172	26,487,631
Operating charges	1.31%	1.32%	1.32%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	77.06	69.42	80.26
Lowest share price	67.38	46.49	65.30

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	75.59	75.07	87.20
Return before operating charges*	12.67	3.58	(7.27)
Operating charges	(0.69)	(0.57)	(0.74)
Return after operating charges*	11.98	3.01	(8.01)
Distributions	(3.40)	(2.49)	(4.12)
Closing net asset value per share	84.17	75.59	75.07
* after direct transaction costs of:	0.06	0.06	0.10
<b>Performance</b>			
Return after charges	15.85%	4.01%	(9.19%)
<b>Other information</b>			
Closing net asset value (£'000)	7,500	8,801	14,199
Closing number of shares	8,910,268	11,643,206	18,914,828
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	87.97	78.83	90.70
Lowest share price	76.57	52.58	73.84

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.09	55.25	63.64
Return before operating charges*	9.43	2.69	(5.37)
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	9.42	2.68	(5.38)
Distributions	(2.53)	(1.84)	(3.01)
Closing net asset value per share	62.98	56.09	55.25
* after direct transaction costs of:	0.04	0.04	0.08
<b>Performance</b>			
Return after charges	16.79%	4.85%	(8.45%)
<b>Other information</b>			
Closing net asset value (£'000)	6,501	8,444	22,607
Closing number of shares	10,323,201	15,053,727	40,917,269
Operating charges	0.01%	0.02%	0.02%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	65.79	58.42	66.69
Lowest share price	56.82	38.72	54.35

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	154.08	146.62	160.62
Return before operating charges*	26.09	7.59	(13.84)
Operating charges	(0.15)	(0.13)	(0.16)
Return after operating charges*	25.94	7.46	(14.00)
Distributions	(7.01)	(4.93)	(7.96)
Retained distributions on accumulation shares	7.01	4.93	7.96
Closing net asset value per share	180.02	154.08	146.62
* after direct transaction costs of:	0.12	0.12	0.20
<b>Performance</b>			
Return after charges	16.84%	5.09%	(8.72%)
<b>Other information</b>			
Closing net asset value (£'000)	487	405	382
Closing number of shares	270,398	262,623	260,801
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	185.3	158.6	173.6
Lowest share price	156.1	102.9	144.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	286.22	273.16	300.14
Return before operating charges*	48.42	14.06	(25.77)
Operating charges	(1.24)	(1.00)	(1.21)
Return after operating charges*	47.18	13.06	(26.98)
Distributions	(13.01)	(9.17)	(14.35)
Retained distributions on accumulation shares	13.01	9.17	14.35
Closing net asset value per share	333.40	286.22	273.16
* after direct transaction costs of:	0.23	0.22	0.37
<b>Performance</b>			
Return after charges	16.48%	4.78%	(8.99%)
<b>Other information</b>			
Closing net asset value (£'000)	25,810	24,642	26,699
Closing number of shares	7,741,428	8,609,648	9,774,080
Operating charges	0.39%	0.40%	0.40%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	343.3	294.6	323.5
Lowest share price	289.9	191.7	269.1

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	81.62	78.29	86.47
Return before operating charges*	13.78	3.97	(7.40)
Operating charges	(0.80)	(0.64)	(0.78)
Return after operating charges*	12.98	3.33	(8.18)
Distributions	(3.70)	(2.62)	(4.13)
Retained distributions on accumulation shares	3.70	2.62	4.13
Closing net asset value per share	94.60	81.62	78.29
* after direct transaction costs of:	0.06	0.06	0.11
<b>Performance</b>			
Return after charges	15.90%	4.25%	(9.46%)
<b>Other information</b>			
Closing net asset value (£'000)	19,236	19,173	21,961
Closing number of shares	20,333,390	23,490,451	28,050,994
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	97.42	84.08	92.80
Lowest share price	82.68	54.92	77.12

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.50	56.16	65.27
Return before operating charges*	9.47	2.66	(5.45)
Operating charges	(0.55)	(0.46)	(0.58)
Return after operating charges*	8.92	2.20	(6.03)
Distributions	(2.54)	(1.86)	(3.08)
Closing net asset value per share	62.88	56.50	56.16
* after direct transaction costs of:	0.04	0.04	0.08
<b>Performance</b>			
Return after charges	15.79%	3.92%	(9.24%)
<b>Other information</b>			
Closing net asset value (£'000)	16,020	16,377	19,542
Closing number of shares	25,475,588	28,984,599	34,798,700
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	65.72	58.93	67.86
Lowest share price	57.24	39.34	55.24

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

Institutional S accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	62.12	59.48	65.48
Return before operating charges*	10.52	3.07	(5.47)
Operating charges	(0.53)	(0.43)	(0.53)
Return after operating charges*	9.99	2.64	(6.00)
Distributions	(2.82)	(2.00)	(3.14)
Retained distributions on accumulation shares	2.82	2.00	3.14
Closing net asset value per share	72.11	62.12	59.48
* after direct transaction costs of:	0.05	0.05	0.08
<b>Performance</b>			
Return after charges	16.08%	4.44%	(9.16%)
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,602	1,602	1,602
Operating charges	0.77%	0.78%	0.78%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	74.25	63.98	70.48
Lowest share price	62.92	41.73	58.60

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S income	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.74	45.36	51.57
Return before operating charges*	7.67	2.21	(3.31)
Operating charges	(0.38)	(0.32)	(0.41)
Return after operating charges*	7.29	1.89	(3.72)
Distributions	(2.06)	(1.51)	(2.49)
Closing net asset value per share	50.97	45.74	45.36
* after direct transaction costs of:	0.04	0.04	0.06
<b>Performance</b>			
Return after charges	15.94%	4.17%	(7.21%)
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	2,004	2,004	2,004
Operating charges	0.77%	0.78%	0.78%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	53.27	47.70	54.80
Lowest share price	46.34	31.78	44.62

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional A income	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	42.07	42.11	49.29
Return before operating charges*	7.04	1.96	(4.08)
Operating charges	(0.73)	(0.61)	(0.78)
Return after operating charges*	6.31	1.35	(4.86)
Distributions	(1.89)	(1.39)	(2.32)
Closing net asset value per share	46.49	42.07	42.11
* after direct transaction costs of:	0.03	0.03	0.06
<b>Performance</b>			
Return after charges	15.00%	3.21%	(9.86%)
<b>Other information</b>			
Closing net asset value (£'000)	32	62	62
Closing number of shares	69,573	148,037	148,037
Operating charges	1.59%	1.60%	1.60%
Direct transaction costs	0.07%	0.09%	0.12%
<b>Prices</b>			
Highest share price	48.61	43.92	50.93
Lowest share price	42.62	29.49	41.42

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (99.47%)</b>		<b>357,002</b>	<b>99.57</b>
<b>Basic Materials (11.28%)</b>		<b>36,664</b>	<b>10.23</b>
230,955	Anglo American	8,828	2.46
413,558	Bodycote	3,081	0.86
2,294,389	Glencore	10,144	2.83
215,006	Rio Tinto	12,449	3.47
754,310	Synthomer	2,162	0.61
<b>Consumer Discretionary (11.88%)</b>		<b>31,844</b>	<b>8.88</b>
96,429	Bellway	2,780	0.78
2,446,576	Cineworld	981	0.27
586,882	Countryside Partnerships	1,784	0.50
708,426	Entain	11,926	3.33
250,484	Go-Ahead	1,664	0.46
685,378	Halfords	1,904	0.53
330,181	Howden Joinery	2,816	0.79
692,738	Moonpig	1,844	0.51
119,296	Persimmon	2,877	0.80
2,047,600	Rank	3,268	0.91
<b>Consumer Staples (8.88%)</b>		<b>42,133</b>	<b>11.75</b>
639,197	British American Tobacco	20,844	5.81
186,142	Coca-Cola HBC	3,543	0.99
177,054	Diageo	6,594	1.84
470,325	Imperial Brands	7,706	2.15
91,981	Unilever	3,446	0.96
<b>Energy (16.23%)</b>		<b>71,873</b>	<b>20.05</b>
5,424,445	BP	19,718	5.50
8,679,176	Diversified Energy	10,224	2.85
1,091,581	Energean	11,320	3.16
903,556	John Wood	1,630	0.46

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
998,173	Kosmos Energy	3,494	0.97
28,856,242	Savannah Energy++	7,618	2.13
906,214	Shell	17,869	4.98
<b>Financials (22.37%)</b>		<b>79,671</b>	<b>22.22</b>
775,531	Ashmore	1,953	0.55
6,398,897	Barclays	11,701	3.26
771,124	Bridgepoint	2,606	0.73
197,941	Close Brothers	2,316	0.65
675,184	Conduit	2,738	0.76
926,146	Direct Line Insurance	2,741	0.76
352,064	Hiscox	3,245	0.90
1,477,094	HSBC	7,600	2.12
166,184	Intermediate Capital	2,848	0.79
1,778,770	Legal & General	4,929	1.38
2,830,721	M&G	5,823	1.62
2,538,664	Man	4,898	1.37
1,496,098	NatWest	3,435	0.96
574,645	OSB	2,873	0.80
1,109,365	Phoenix	6,860	1.91
554,468	Prudential	6,299	1.76
1,277,940	Standard Chartered	6,806	1.90
<b>Health Care (11.47%)</b>		<b>40,799</b>	<b>11.38</b>
280,800	AstraZeneca	25,435	7.09
1,520,510	ConvaTec	2,740	0.77
716,369	GlaxoSmithKline	11,069	3.09
380,570	Hutchmed China++	1,555	0.43
163,962	NMC Health**	-	-
<b>Industrials (7.98%)</b>		<b>20,180</b>	<b>5.63</b>
82,932	Ashtead	4,043	1.13
504,871	BAE Systems	3,632	1.01
731,292	Genuit	3,730	1.04

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
366,581	Inchcape	2,737	0.76
254,704	Mondi	4,001	1.12
514,739	Vesuvius	2,037	0.57
<b>Real Estate (1.37%)</b>		<b>2,313</b>	<b>0.64</b>
216,628	Unite REIT	2,313	0.64
<b>Technology (0.65%)</b>		<b>4,606</b>	<b>1.28</b>
97,987	AVEVA	2,439	0.68
139,158	Softcat	2,167	0.60
<b>Telecommunications (2.77%)</b>		<b>10,494</b>	<b>2.93</b>
7,985,296	Vodafone	10,494	2.93
<b>Utilities (4.59%)</b>		<b>16,425</b>	<b>4.58</b>
846,081	National Grid	9,566	2.67
402,544	SSE	6,859	1.91
<b>Collective Investment Schemes (0.74%)</b>		<b>987</b>	<b>0.28</b>
987	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	987	0.28
Total investment assets		357,989	99.85
Net other assets		552	0.15
<b>Total Net Assets</b>		<b>358,541</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 28 February 2021.

Prior year classifications for some sectors have been updated to reflect current year classifications.

+ Managed by subsidiaries of abrdn plc.

\*\* AIM listed.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		42,035		4,299
Revenue	2	15,502		12,986	
Expenses	3	(3,347)		(3,097)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		12,155		9,888	
Taxation	4	(324)		(261)	
Net revenue after taxation			11,831		9,627
<b>Total return before distributions</b>			<b>53,866</b>		<b>13,926</b>
Distributions	5		(15,144)		(12,669)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>38,722</b>		<b>1,257</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>352,096</b>		<b>399,429</b>
Amounts receivable on the issue of shares	3,095		17,005	
Amounts payable on the cancellation of shares	(48,111)		(75,940)	
		(45,016)		(58,935)
Dilution adjustment		-		49
Change in net assets attributable to shareholders from investment activities (see above)		38,722		1,257
Retained distribution on accumulation shares		12,733		10,290
Unclaimed distributions		6		6
<b>Closing net assets attributable to shareholders</b>		<b>358,541</b>		<b>352,096</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			357,989		352,849
<b>Current assets:</b>					
Debtors	6	1,661		1,557	
Cash and bank balances	7	4		4	
			1,665		1,561
<b>Total assets</b>			<b>359,654</b>		<b>354,410</b>
<b>Liabilities:</b>					
Creditors	8	(420)		(1,688)	
Distribution payable		(693)		(626)	
			(1,113)		(2,314)
<b>Total liabilities</b>			<b>(1,113)</b>		<b>(2,314)</b>
<b>Net assets attributable to shareholders</b>			<b>358,541</b>		<b>352,096</b>



# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	42,042	4,306
Other losses	(4)	(2)
Transaction charges	(3)	(5)
<b>Net capital gains</b>	<b>42,035</b>	<b>4,299</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	3	13
Overseas dividends	1,209	1,022
UK dividends	14,177	11,895
UK REIT	113	56
<b>Total revenue</b>	<b>15,502</b>	<b>12,986</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	3,084	2,825
Dealing charge	18	17
General administration charge*	104	-
Registration fees**	107	200
	<b>3,313</b>	<b>3,042</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	20	37
Safe custody fee	9	8
	<b>29</b>	<b>45</b>
<b>Other:</b>		
Audit fee**	5	10
	<b>5</b>	<b>10</b>
<b>Total expenses</b>	<b>3,347</b>	<b>3,097</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	324	261
<b>Total taxation (note 4b)</b>	<b>324</b>	<b>261</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>12,155</b>	<b>9,888</b>
Corporation tax at 20% (2021: 20%)	2,431	1,978
Effects of:		
Revenue not subject to taxation	(3,077)	(2,584)
Overseas taxes	324	261
Excess allowable expenses	646	606
<b>Total tax charge for year (note 4a)</b>	<b>324</b>	<b>261</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £18,791,000 (2021: £18,145,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
Interim distribution	9,487	7,670
Final distribution	5,219	4,354
	14,706	12,024
Add: Income deducted on cancellation of shares	476	780
Deduct: Income received on issue of shares	(38)	(135)
<b>Total distributions for the year</b>	<b>15,144</b>	<b>12,669</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	11,831	9,627
Expenses charged to capital	3,313	3,042
<b>Total distributions for the year</b>	<b>15,144</b>	<b>12,669</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and General administration charge.

# Notes to the Financial Statements

## Continued

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

## 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	1,472	1,339
Amounts receivable from the ACD for the issue of shares	100	40
Overseas withholding tax recoverable	89	91
Sales awaiting settlement	-	87
<b>Total debtors</b>	<b>1,661</b>	<b>1,557</b>

## 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	4	4
	<b>4</b>	<b>4</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	987	2,595
<b>Net liquidity</b>	<b>991</b>	<b>2,599</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	275	266
Accrued expenses payable to the Depositary or associates of the Depositary	2	5
Amounts payable to the ACD for cancellation of shares	138	1,398
Other accrued expenses	5	9
Purchases awaiting settlement	-	10
<b>Total creditors</b>	<b>420</b>	<b>1,688</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022	2021*	2022	2021*
Trades in the year	£'000	£'000	£'000	£'000
Equities	48,974	51,687	84,528	103,981
<b>Trades in the year before transaction costs</b>	<b>48,974</b>	<b>51,687</b>	<b>84,528</b>	<b>103,981</b>
<b>Commissions</b>				
Equities	27	28	(57)	(72)
<b>Total commissions</b>	<b>27</b>	<b>28</b>	<b>(57)</b>	<b>(72)</b>
<b>Taxes</b>				
Equities	177	204	-	-
<b>Total taxes</b>	<b>177</b>	<b>204</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>204</b>	<b>232</b>	<b>(57)</b>	<b>(72)</b>
<b>Total net trades in the year after transaction costs</b>	<b>49,178</b>	<b>51,919</b>	<b>84,471</b>	<b>103,909</b>
	Purchases		Sales	
	2022	2021	2022	2021
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.05	0.07	0.07
<b>Taxes</b>				
Equities	0.36	0.39	-	-

# Notes to the Financial Statements

## Continued

	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.02	0.03
Taxes	0.05	0.06

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.10% (2021: 0.14%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

## 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	32,068,080	112,273	(2,507,407)	(124,586)	29,548,360
Institutional accumulation	72,453,189	163,558	(8,955,332)	48,421	63,709,836
Retail income	24,648,172	129,379	(1,736,566)	(94,689)	22,946,296
Institutional income	11,643,206	128,400	(2,866,789)	5,451	8,910,268
Standard Life income	15,053,727	-	(4,730,526)	-	10,323,201
Standard Life accumulation	262,623	27,022	(19,247)	-	270,398
Institutional regulated accumulation	8,609,648	417,953	(1,286,173)	-	7,741,428
Platform 1 accumulation	23,490,451	159,491	(3,492,222)	175,670	20,333,390
Platform 1 income	28,984,599	1,052,267	(4,687,134)	125,856	25,475,588
Institutional S accumulation	1,602	-	-	-	1,602
Institutional S income	2,004	-	-	-	2,004
Institutional A income	148,037	-	(78,464)	-	69,573

## 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
<b>Fair value of investment assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Equities	357,002	-	-	350,254	-	-
Collective Investment Schemes	-	987	-	-	2,595	-
<b>Total investment assets</b>	<b>357,002</b>	<b>987</b>	<b>-</b>	<b>350,254</b>	<b>2,595</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £17,899,000 (2021: £17,642,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £1,113,000 (2021: £2,314,000).

### 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have risen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 94.60p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 97.60p. This represents a change of 3.17% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	6.4245	-	6.4245	4.4695
Group 2	3.6224	2.8021	6.4245	4.4695
<b>Institutional accumulation</b>				
Group 1	7.3057	-	7.3057	5.0583
Group 2	4.1531	3.1526	7.3057	5.0583
<b>Retail income</b>				
Group 1	1.8957	-	1.8957	1.3660
Group 2	1.0239	0.8718	1.8957	1.3660
<b>Institutional income</b>				
Group 1	2.1569	-	2.1569	1.5469
Group 2	1.6453	0.5116	2.1569	1.5469
<b>Standard Life income</b>				
Group 1	1.6037	-	1.6037	1.1407
Group 2	1.6037	-	1.6037	1.1407
<b>Standard Life accumulation</b>				
Group 1	4.4045	-	4.4045	3.0278
Group 2	2.6665	1.7380	4.4045	3.0278
<b>Institutional regulated accumulation</b>				
Group 1	8.1760	-	8.1760	5.6362
Group 2	4.1592	4.0168	8.1760	5.6362
<b>Platform 1 accumulation</b>				
Group 1	2.3287	-	2.3287	1.6133
Group 2	1.4498	0.8789	2.3287	1.6133
<b>Platform 1 income</b>				
Group 1	1.6121	-	1.6121	1.1568
Group 2	0.9795	0.6326	1.6121	1.1568
<b>Institutional S accumulation</b>				
Group 1	1.7774	-	1.7774	1.2307
Group 2	1.7774	-	1.7774	1.2307

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Institutional S income</b>				
Group 1	1.3101	-	1.3101	0.9328
Group 2	1.3101	-	1.3101	0.9328
<b>Institutional A income</b>				
Group 1	1.1989	-	1.1989	0.8662
Group 2	1.1989	-	1.1989	0.8662



# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	3.7841	-	3.7841	2.7857
Group 2	1.2190	2.5651	3.7841	2.7857
<b>Institutional accumulation</b>				
Group 1	4.3129	-	4.3129	3.1601
Group 2	1.8211	2.4918	4.3129	3.1601
<b>Retail income</b>				
Group 1	1.0880	-	1.0880	0.8322
Group 2	0.4933	0.5947	1.0880	0.8322
<b>Institutional income</b>				
Group 1	1.2408	-	1.2408	0.9447
Group 2	0.5653	0.6755	1.2408	0.9447
<b>Standard Life income</b>				
Group 1	0.9263	-	0.9263	0.6996
Group 2	0.9263	-	0.9263	0.6996
<b>Standard Life accumulation</b>				
Group 1	2.6098	-	2.6098	1.8987
Group 2	1.6223	0.9875	2.6098	1.8987
<b>Institutional regulated accumulation</b>				
Group 1	4.8371	-	4.8371	3.5292
Group 2	1.8561	2.9810	4.8371	3.5292
<b>Platform 1 accumulation</b>				
Group 1	1.3743	-	1.3743	1.0076
Group 2	0.5403	0.8340	1.3743	1.0076
<b>Platform 1 income</b>				
Group 1	0.9271	-	0.9271	0.7062
Group 2	0.4405	0.4866	0.9271	0.7062
<b>Institutional S accumulation</b>				
Group 1	1.0466	-	1.0466	0.7726
Group 2	1.0466	-	1.0466	0.7726

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Institutional S income</b>				
Group 1	0.7536	-	0.7536	0.5769
Group 2	0.7536	-	0.7536	0.5769
<b>Institutional A income</b>				
Group 1	0.6868	-	0.6868	0.5270
Group 2	0.6868	-	0.6868	0.5270

## 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 Opportunities Equity Fund

For the year ended 28 February 2022

## Investment Objective

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

Performance Target: To achieve the return of the FTSE All-Share ex FTSE 100 ex Investment Trusts Index, 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.

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 smaller and 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.
- Smaller and mid-capitalisation companies are defined as any stock not included in the FTSE 100 Index.
- The fund may invest up to 30% in larger capitalisation companies listed, incorporated or domiciled in the UK.
- The fund may also invest in other funds (including those managed by abrdn) and 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 exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the Performance Target, the FTSE All-Share ex FTSE 100 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 FTSE All-Share ex FTSE 100 ex Investment Trusts 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 year ended 28 February 2022, the value of ASI UK Opportunities Equity Fund Platform 1 Accumulation decreased by -2.44% compared to an increase of 6.54% in the performance target, the FTSE All-Share Index ex FTSE 100 ex Investment Trusts Index +3%.

Source: FactSet, 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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

## Portfolio Activity and Review

On a stock-specific basis, our off-benchmark holding in RWS, the UK specialist translation service, was among the top detractors over the 12 months. The company announced the surprise departure of its CEO early in the period and struggled to recover thereafter. Off-benchmark positions in bathroom-related ecommerce company Victorian Plumbing and video game developer Team17 also weighed on returns. The latter gave up gains after performing well during COVID-19 lockdowns and suffered during the rotation towards recovery stocks in expectation of a sharp economic recovery. Despite this, Team 17 recently announced an excellent set of results. Canada-based chip designer Alphawave underperformed due to concerns about the company's close links to certain key customers and the structure of its Chinese joint venture. These structures had previously

# ASI UK Opportunities Equity Fund

## Continued

been well disclosed by the company and we do not believe anything untoward has been revealed. Meanwhile, chemicals company Synthomer and Trustpilot, the online product and service review platform, have seen share-price declines in the second half of the period. A lack of exposure to Morrisons, which did well following news of a potential private equity buyout, and aerospace company Meggitt hurt relative returns.

Conversely, an off-benchmark holding in Impax Asset Management was the biggest contributor to returns. The sustainable investment manager added value as it continued to see strong inflows into its funds as well as positive fund performance. The firm announced a significant increase in assets under management. The UK digital media platform Future also contributed to performance. It is both a key enabler and beneficiary of the secular shift away from paper-based media to digital platforms. The company is delivering impressive earnings growth and beating investor expectations, driving further upgrades to its forecast profit. Other contributors included storage provider Safestore, following positive demand trends, Liontrust Asset Management and market research company YouGov.

In terms of activity, we took part in the initial public offering (IPO) of Trustpilot, the review platform. We believe the business can continue to invest and internationalise, building a global leading position. This is a founder-led business, which we think strongly combines quality and growth, with a strong brand reputation. We also participated in the IPO of Alphawave, a quality growth-momentum business. The intellectual property business model is attractive, and with the maturity of revenue streams over coming years, the visibility will improve as the mix of royalties and licenses shifts. We bought discoverIE Group, which manufactures specialised electronic components, and fund administrator JTC. The latter recently responded well to a deal to buy SALI Fund Services. SALI gives JTC exposure to the fast-growing insurance-dedicated fund market. SALI is a higher growth and significantly higher-margin asset, which supports JTC's earnings potential. Following a good meeting with management, we also purchased a new holding in Synthomer. We believe this is a good long-term growth story where management is being very cautious on its guidance.

Conversely, we sold Avon Protection after its second profit warning. The outlook remains uncertain, and the profit warnings have brought to light the challenges around the quality in the firm's long-term contracts and how the business is affected by external issues, such as testing, customer decisions and supply chain dynamics. We believe it will not be the last profit warning we see in the market where supply-chain dynamics are at least partially

to blame. We sold our small position in Porvair, in favour of more mid-cap names. Property business Assura was sold as we have higher-conviction ideas elsewhere. Moreover, we sold First Derivatives over growth concerns and management execution and Trainline, due to regulatory issues and the trajectory of its recovery after the pandemic. We also sold Sanne after a bid from US private equity Apex Group, following a bidding war with Cinven.

## Portfolio Outlook and Strategy

The global geopolitical situation looks increasingly uncertain as a result of the recent Russian invasion of Ukraine. This adds to ongoing uncertainties resulting from the pandemic. While Omicron remains present, it is hoped that the world can gradually recover and finally emerge from the pandemic this year.

Overall, markets remain sensitive to headline inflation numbers and interest-rate changes. Supply-chain pressures, although easing in many areas, continue to disrupt operations. We believe companies with clear competitive advantages, solid market share and healthy balance sheets are best placed to manage these pressures. They should achieve this by either raising prices or with better inventory support. Companies with high debt appear vulnerable to rising interest rates.

We expect investor concerns will turn to the growth outlook as we move through the year, particularly concerning the impact of higher interest rates. As always, our focus is on companies that can grow independently of the macroeconomic environment.

Taking these factors into account, we would reiterate the importance of a bottom-up investment approach focused on quality, growth and momentum characteristics. Company engagement remains the key to our ability to identify the quality-growth-momentum businesses we like to back.

## Smaller Companies Equity Team

March 2022

# ASI UK Opportunities Equity Fund

## Continued

### 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 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 28 February 2022.

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

- 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.
- 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.

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

	2022	2021	2020
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	284.55	254.37	226.57
Return before operating charges*	0.57	33.59	31.21
Operating charges	(4.30)	(3.41)	(3.41)
Return after operating charges*	(3.73)	30.18	27.80
Distributions	(0.14)	-	(1.32)
Retained distributions on accumulation shares	0.14	-	1.32
Closing net asset value per share	280.82	284.55	254.37
* after direct transaction costs of:	0.21	0.37	0.33
<b>Performance</b>			
Return after charges	(1.31%)	11.86%	12.27%
<b>Other information</b>			
Closing net asset value (£'000)	21,645	24,424	22,801
Closing number of shares	7,708,045	8,582,980	8,963,652
Operating charges	1.31%	1.33%	1.33%
Direct transaction costs	0.07%	0.14%	0.13%
<b>Prices</b>			
Highest share price	368.5	296.5	287.3
Lowest share price	269.4	167.1	228.0

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	324.81	289.00	256.25
Return before operating charges*	0.42	38.32	35.26
Operating charges	(3.16)	(2.51)	(2.51)
Return after operating charges*	(2.74)	35.81	32.75
Distributions	(1.92)	(0.44)	(2.87)
Retained distributions on accumulation shares	1.92	0.44	2.87
Closing net asset value per share	322.07	324.81	289.00
* after direct transaction costs of:	0.24	0.42	0.38
<b>Performance</b>			
Return after charges	(0.84%)	12.39%	12.78%
<b>Other information</b>			
Closing net asset value (£'000)	33,500	28,418	23,755
Closing number of shares	10,401,389	8,749,147	8,219,447
Operating charges	0.84%	0.86%	0.86%
Direct transaction costs	0.07%	0.14%	0.13%
<b>Prices</b>			
Highest share price	421.7	338.4	326.4
Lowest share price	308.9	189.9	257.9

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	258.69	231.25	207.12
Return before operating charges*	0.53	30.54	27.27
Operating charges	(3.91)	(3.10)	(3.09)
Return after operating charges*	(3.38)	27.44	24.18
Distributions	(0.12)	-	(0.05)
Closing net asset value per share	255.19	258.69	231.25
* after direct transaction costs of:	0.19	0.33	0.30
<b>Performance</b>			
Return after charges	(1.31%)	11.87%	11.67%
<b>Other information</b>			
Closing net asset value (£'000)	450	503	525
Closing number of shares	176,436	194,508	227,095
Operating charges	1.31%	1.33%	1.33%
Direct transaction costs	0.07%	0.14%	0.13%
<b>Prices</b>			
Highest share price	334.9	269.6	261.3
Lowest share price	244.8	151.9	208.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	265.49	236.52	211.88
Return before operating charges*	0.50	31.35	29.06
Operating charges	(2.58)	(2.04)	(2.05)
Return after operating charges*	(2.08)	29.31	27.01
Distributions	(1.57)	(0.34)	(2.37)
Closing net asset value per share	261.84	265.49	236.52
* after direct transaction costs of:	0.20	0.34	0.31
<b>Performance</b>			
Return after charges	(0.78%)	12.39%	12.75%
<b>Other information</b>			
Closing net asset value (£'000)	936	965	1,623
Closing number of shares	357,340	363,605	686,291
Operating charges	0.84%	0.86%	0.86%
Direct transaction costs	0.07%	0.14%	0.13%
<b>Prices</b>			
Highest share price	343.8	276.7	267.8
Lowest share price	251.9	155.4	213.2

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2021	2020
	pence per share	pence per share
<b>Standard Life income<sup>A</sup></b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	103.89	93.10
Return before operating charges*	(22.82)	12.74
Operating charges	-	(0.03)
Return after operating charges*	(22.82)	12.71
Distributions	-	(1.92)
Redemption value as at 29 March 2020	(81.07)	-
Closing net asset value per share	-	103.89
* after direct transaction costs of:	0.01	0.14
<b>Performance</b>		
Return after charges	(21.97%)	13.65%
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	1,004
Operating charges	0.03%	0.03%
Direct transaction costs	0.14%	0.13%
<b>Prices</b>		
Highest share price	107.2	118.1
Lowest share price	68.30	93.71

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup>Standard Life income share class closed on 27 March 2020.

# Comparative Tables

## Continued

	2022	2021	2020
	pence per share	pence per share	pence per share
<b>Standard Life accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	361.32	319.08	280.79
Return before operating charges*	0.04	42.58	38.64
Operating charges	(0.39)	(0.34)	(0.35)
Return after operating charges*	(0.35)	42.24	38.29
Distributions	(5.28)	(2.90)	(5.55)
Retained distributions on accumulation shares	5.28	2.90	5.55
Closing net asset value per share	360.97	361.32	319.08
* after direct transaction costs of:	0.27	0.46	0.41
<b>Performance</b>			
Return after charges	(0.10%)	13.24%	13.64%
<b>Other information</b>			
Closing net asset value (£'000)	704	613	591
Closing number of shares	195,141	169,677	185,252
Operating charges	0.09%	0.11%	0.11%
Direct transaction costs	0.07%	0.14%	0.13%
<b>Prices</b>			
Highest share price	470.9	376.4	360.3
Lowest share price	346.2	209.8	282.6

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	232.95	206.34	182.11
Return before operating charges*	0.13	27.46	25.07
Operating charges	(1.06)	(0.85)	(0.84)
Return after operating charges*	(0.93)	26.61	24.23
Distributions	(2.59)	(1.24)	(2.97)
Retained distributions on accumulation shares	2.59	1.24	2.97
Closing net asset value per share	232.02	232.95	206.34
* after direct transaction costs of:	0.18	0.30	0.27
<b>Performance</b>			
Return after charges	(0.40%)	12.90%	13.31%
<b>Other information</b>			
Closing net asset value (£'000)	67,575	72,947	70,123
Closing number of shares	29,124,226	31,314,321	33,984,158
Operating charges	0.39%	0.41%	0.41%
Direct transaction costs	0.07%	0.14%	0.13%
<b>Prices</b>			
Highest share price	303.1	242.7	233.0
Lowest share price	222.5	135.6	183.3

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Platform 1 accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	131.05	116.66	103.49
Return before operating charges*	0.18	15.46	14.24
Operating charges	(1.35)	(1.07)	(1.07)
Return after operating charges*	(1.17)	14.39	13.17
Distributions	(0.70)	(0.11)	(1.10)
Retained distributions on accumulation shares	0.70	0.11	1.10
Closing net asset value per share	129.88	131.05	116.66
* after direct transaction costs of:	0.10	0.17	0.15
<b>Performance</b>			
Return after charges	(0.89%)	12.33%	12.73%
<b>Other information</b>			
Closing net asset value (£'000)	24,924	25,323	25,136
Closing number of shares	19,189,650	19,322,973	21,546,558
Operating charges	0.89%	0.91%	0.91%
Direct transaction costs	0.07%	0.14%	0.13%
<b>Prices</b>			
Highest share price	170.1	136.5	131.8
Lowest share price	124.6	76.65	104.1

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	123.47	110.01	98.56
Return before operating charges*	0.23	14.56	13.51
Operating charges	(1.27)	(1.00)	(1.01)
Return after operating charges*	(1.04)	13.56	12.50
Distributions	(0.66)	(0.10)	(1.05)
Closing net asset value per share	121.77	123.47	110.01
* after direct transaction costs of:	0.09	0.16	0.14
<b>Performance</b>			
Return after charges	(0.84%)	12.33%	12.68%
<b>Other information</b>			
Closing net asset value (£'000)	913	1,076	1,086
Closing number of shares	749,440	871,488	986,959
Operating charges	0.89%	0.91%	0.91%
Direct transaction costs	0.07%	0.14%	0.13%
<b>Prices</b>			
Highest share price	159.9	128.6	124.5
Lowest share price	117.1	72.28	99.19

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (97.63%)</b>		<b>146,005</b>	<b>96.92</b>
<b>Basic Materials (1.24%)</b>		<b>4,978</b>	<b>3.31</b>
183,903	Hill & Smith	2,589	1.72
833,588	Synthomer	2,389	1.59
<b>Consumer Discretionary (27.54%)</b>		<b>41,856</b>	<b>27.78</b>
131,439	CVS++	2,206	1.46
379,158	Dr. Martens	1,075	0.71
200,820	Dunelm	2,406	1.60
151,520	Focusrite++	1,614	1.07
194,328	Future	5,157	3.42
42,496	Games Workshop	3,174	2.11
285,794	GlobalData++	3,730	2.48
580,912	Halfords	1,614	1.07
1,122,234	Hollywood Bowl	2,525	1.68
1,950,870	JD Sports Fashion	2,945	1.95
159,139	Jet2++	2,042	1.36
199,251	Keywords Studios++	4,806	3.19
9,870,319	Phorm**	-	-
615,978	Team17++	3,413	2.27
199,807	Watches of Switzerland	2,418	1.60
206,861	YouGov++	2,731	1.81
<b>Consumer Staples (8.44%)</b>		<b>12,636</b>	<b>8.39</b>
89,511	Cranswick	3,145	2.09
86,167	Greggs	2,218	1.47
326,232	Hilton Food	3,497	2.32
831,660	Hotel Chocolat++	3,776	2.51
<b>Financials (13.91%)</b>		<b>19,624</b>	<b>13.03</b>
791,391	AJ Bell	2,444	1.62
507,488	Impax Asset Management++	4,933	3.28
168,608	Intermediate Capital	2,889	1.92

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
452,948	JTC	3,542	2.35
189,445	Liontrust Asset Management	2,864	1.90
430,257	Molten Ventures	2,952	1.96
<b>Health Care (5.83%)</b>		<b>5,106</b>	<b>3.39</b>
110,611	Craneware++	2,002	1.33
47,177	Dechra Pharmaceuticals	1,942	1.29
35,455	Genus	1,162	0.77
83,710	NMC Health**	-	-
<b>Industrials (17.62%)</b>		<b>19,225</b>	<b>12.76</b>
707,204	Alpha Financial Markets Consulting++	2,602	1.73
959,701	Chemring	2,965	1.97
77,089	Diploma	2,060	1.37
130,238	FDM	1,111	0.74
439,707	Genuit	2,242	1.49
525,433	Marshalls	3,355	2.22
381,010	Midwich++	2,164	1.43
592,786	RWS++	2,726	1.81
<b>Real Estate (4.33%)</b>		<b>6,269</b>	<b>4.16</b>
243,229	Safestore REIT	3,094	2.05
2,532,206	Sirius Real Estate	3,175	2.11
<b>Technology (14.72%)</b>		<b>31,653</b>	<b>21.01</b>
621,951	Alphawave IP	1,162	0.77
430,999	Auction Technology	4,125	2.74
415,805	Auto Trader	2,756	1.83
604,626	Big Technologies++	1,354	0.90
1,013,216	Bytes Technology	4,663	3.09
169,020	Computacenter	4,607	3.06
394,343	DiscoverIE	3,163	2.10
482,381	GB++	2,728	1.81



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
384,054	Kainos	5,784	3.84
881,161	Trustpilot	1,311	0.87
<b>Telecommunications (4.00%)</b>		<b>4,658</b>	<b>3.09</b>
212,581	Gamma Communications++	3,133	2.08
628,185	Spirent Communications	1,525	1.01
<b>Collective Investment Schemes (2.19%)</b>		<b>5,217</b>	<b>3.46</b>
5,217	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	5,217	3.46
Total investment assets		151,222	100.38
Net other liabilities		(575)	(0.38)
<b>Total Net Assets</b>		<b>150,647</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 28 February 2021.

Prior year classifications for some sectors have been updated to reflect current year classifications.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(2,384)		15,898
Revenue	2	2,383		1,404	
Expenses	3	(1,254)		(1,006)	
Net revenue before taxation		1,129		398	
Taxation	4	11		-	
Net revenue after taxation			1,140		398
<b>Total return before distributions</b>			<b>(1,244)</b>		<b>16,296</b>
Distributions	5		(1,140)		(472)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(2,384)</b>		<b>15,824</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>154,269</b>		<b>145,641</b>
Amounts receivable on the issue of shares	26,944		15,267	
Amounts payable on the cancellation of shares	(29,303)		(22,926)	
		(2,359)		(7,659)
Change in net assets attributable to shareholders from investment activities (see above)		(2,384)		15,824
Retained distribution on accumulation shares		1,121		463
<b>Closing net assets attributable to shareholders</b>		<b>150,647</b>		<b>154,269</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			151,222		153,997
<b>Current assets:</b>					
Debtors	6	1,084		478	
Cash and bank balances	7	29		31	
			1,113		509
<b>Total assets</b>			<b>152,335</b>		<b>154,506</b>
<b>Liabilities:</b>					
Creditors	8	(1,683)		(237)	
Distribution payable		(5)		-	
			(1,688)		(237)
<b>Total liabilities</b>			<b>(1,688)</b>		<b>(237)</b>
<b>Net assets attributable to shareholders</b>			<b>150,647</b>		<b>154,269</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(2,379)	15,902
Other losses	(1)	-
Transaction charges	(4)	(4)
<b>Net capital (losses)/gains</b>	<b>(2,384)</b>	<b>15,898</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	5	12
UK dividends	2,320	1,347
UK REIT	58	45
<b>Total revenue</b>	<b>2,383</b>	<b>1,404</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,099	869
Dealing charge	15	12
General administration charge*	61	-
Registration fees**	59	95
	<b>1,234</b>	<b>976</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	10	17
Safe custody fee	5	4
	<b>15</b>	<b>21</b>
<b>Other:</b>		
Audit fee**	5	9
	<b>5</b>	<b>9</b>
<b>Total expenses</b>	<b>1,254</b>	<b>1,006</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge.

The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	(11)	-
<b>Total taxation (note 4b)</b>	<b>(11)</b>	<b>-</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>1,129</b>	<b>398</b>
Corporation tax at 20% (2021: 20%)	226	80
Effects of:		
Revenue not subject to taxation	(464)	(269)
Overseas taxes	(11)	-
Excess allowable expenses	238	189
<b>Total tax charge for year (note 4a)</b>	<b>(11)</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £5,174,000 (2021: £4,936,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
Interim distribution	575	279
Final distribution	557	186
	1,132	465
Add: Income deducted on cancellation of shares	49	11
Deduct: Income received on issue of shares	(41)	(4)
<b>Total distributions for the year</b>	<b>1,140</b>	<b>472</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,140	398
Shortfall transfer from capital to revenue	-	74
<b>Total distributions for the year</b>	<b>1,140</b>	<b>472</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	162	58
Amounts receivable from the ACD for the issue of shares	314	187
Sales awaiting settlement	608	233
<b>Total debtors</b>	<b>1,084</b>	<b>478</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	29	31
	<b>29</b>	<b>31</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	5,217	3,385
<b>Net liquidity</b>	<b>5,246</b>	<b>3,416</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	85	85
Accrued expenses payable to the Depositary or associates of the Depositary	2	3
Amounts payable to the ACD for cancellation of shares	718	140
Other accrued expenses	5	9
Purchases awaiting settlement	873	-
<b>Total creditors</b>	<b>1,683</b>	<b>237</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	39,477	41,422	41,820	48,053
<b>Trades in the year before transaction costs</b>	<b>39,477</b>	<b>41,422</b>	<b>41,820</b>	<b>48,053</b>
<b>Commissions</b>				
Equities	17	23	(25)	(37)
<b>Total commissions</b>	<b>17</b>	<b>23</b>	<b>(25)</b>	<b>(37)</b>
<b>Taxes</b>				
Equities	73	141	-	-
<b>Total taxes</b>	<b>73</b>	<b>141</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>90</b>	<b>164</b>	<b>(25)</b>	<b>(37)</b>
<b>Total net trades in the year after transaction costs</b>	<b>39,567</b>	<b>41,586</b>	<b>41,795</b>	<b>48,016</b>

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.05	0.06	0.08
<b>Taxes</b>				
Equities	0.19	0.34	-	-

	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.03	0.04
Taxes	0.04	0.10

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.78% (2021: 0.66%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	8,582,980	804,500	(1,592,455)	(86,980)	7,708,045
Institutional accumulation	8,749,147	2,530,070	(913,686)	35,858	10,401,389
Retail income	194,508	15,158	(23,582)	(9,648)	176,436
Institutional income	363,605	175	(6,440)	-	357,340
Standard Life accumulation	169,677	30,223	(6,061)	1,302	195,141
Institutional regulated accumulation	31,314,321	2,362,363	(4,552,458)	-	29,124,226
Platform 1 accumulation	19,322,973	5,291,750	(5,520,945)	95,872	19,189,650
Platform 1 income	871,488	125,939	(268,166)	20,179	749,440

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	146,005	-	-	150,612	-	-
Collective Investment Schemes	-	5,217	-	-	3,385	-
<b>Total investment assets</b>	<b>146,005</b>	<b>5,217</b>	<b>-</b>	<b>150,612</b>	<b>3,385</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.



# Notes to the Financial Statements

## Continued

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £7,561,000 (2021: £7,700,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £1,688,000 (2021: £237,000).

## 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 129.88p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 113.67p. This represents a change of (12.48)% from the year end value.

# Distribution Tables

For the year ended 28 February 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>Retail accumulation</b>				
Group 1	0.0874	-	0.0874	-
Group 2	0.0117	0.0757	0.0874	-
<b>Institutional accumulation</b>				
Group 1	0.9703	-	0.9703	0.3625
Group 2	0.4808	0.4895	0.9703	0.3625
<b>Retail income</b>				
Group 1	0.0804	-	0.0804	-
Group 2	-	0.0804	0.0804	-
<b>Institutional income</b>				
Group 1	0.7930	-	0.7930	0.2821
Group 2	0.4010	0.3920	0.7930	0.2821
<b>Standard Life accumulation</b>				
Group 1	2.6270	-	2.6270	1.5016
Group 2	1.2886	1.3384	2.6270	1.5016
<b>Institutional regulated accumulation</b>				
Group 1	1.2941	-	1.2941	0.6810
Group 2	0.5710	0.7231	1.2941	0.6810
<b>Platform 1 accumulation</b>				
Group 1	0.3540	-	0.3540	0.1135
Group 2	0.1106	0.2434	0.3540	0.1135
<b>Platform 1 income</b>				
Group 1	0.3336	-	0.3336	0.1043
Group 2	0.0759	0.2577	0.3336	0.1043

# Distribution Tables

For the year ended 28 February 2022 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	0.0501	-	0.0501	-
Group 2	-	0.0501	0.0501	-
<b>Institutional accumulation</b>				
Group 1	0.9492	-	0.9492	0.0812
Group 2	0.3912	0.5580	0.9492	0.0812
<b>Retail income</b>				
Group 1	0.0435	-	0.0435	-
Group 2	-	0.0435	0.0435	-
<b>Institutional income</b>				
Group 1	0.7739	-	0.7739	0.0620
Group 2	0.3801	0.3938	0.7739	0.0620
<b>Standard Life accumulation</b>				
Group 1	2.6537	-	2.6537	1.3994
Group 2	1.4874	1.1663	2.6537	1.3994
<b>Institutional regulated accumulation</b>				
Group 1	1.2975	-	1.2975	0.5636
Group 2	0.6455	0.6520	1.2975	0.5636
<b>Platform 1 accumulation</b>				
Group 1	0.3445	-	0.3445	-
Group 2	0.2146	0.1299	0.3445	-
<b>Platform 1 income</b>				
Group 1	0.3239	-	0.3239	-
Group 2	0.2513	0.0726	0.3239	-

## 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 Recovery Equity Fund (closed)

For the year ended 28 February 2022

ASI UK Recovery Equity Fund is no longer open to investors, having redeemed all shares on 22 October 2020. It is the intention of the ACD to terminate the fund at a later date once the residual assets and liabilities are settled. As a result the financial statements for this fund has not been prepared on a going concern basis. At the time of the share cancellation, all realisable securities were sold. One security which was not immediately realisable due to being delisted, continues to be held at the current balance sheet date. Should an opportunity to sell it for value arise, it will be sold, otherwise abrdn will, in conjunction with the Depositary, pursue any possible residual value from it until all such opportunities have been reasonably exhausted.

# Comparative Tables

<b>Retail accumulation<sup>A</sup></b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	147.12	222.63
Return before operating charges*	(39.79)	(72.94)
Operating charges	(0.96)	(2.57)
Return after operating charges*	(40.75)	(75.51)
Distributions	-	(3.63)
Retained distributions on accumulation shares	-	3.63
Redemption value as at 22 October 2020	(106.37)	-
Closing net asset value per share	-	147.12
* after direct transaction costs of:	0.36	0.28
<b>Performance</b>		
Return after charges	(27.70%)	(33.92%)
<b>Other information</b>		
Closing net asset value (£'000)	-	4,024
Closing number of shares	-	2,734,853
Operating charges	1.40%	1.38%
Direct transaction costs	0.53%	0.15%
<b>Prices</b>		
Highest share price	148.9	227.3
Lowest share price	84.83	147.2

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail accumulation share class closed on 22 October 2020.

# Comparative Tables

## Continued

Institutional accumulation <sup>A</sup>	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	158.28	238.51
Return before operating charges*	(42.67)	(78.41)
Operating charges	(0.69)	(1.82)
Return after operating charges*	(43.36)	(80.23)
Distributions	-	(4.82)
Retained distributions on accumulation shares	-	4.82
Redemption value as at 22 October 2020	(114.92)	-
Closing net asset value per share	-	158.28
* after direct transaction costs of:	0.39	0.30
<b>Performance</b>		
Return after charges	(27.39%)	(33.64%)
<b>Other information</b>		
Closing net asset value (£'000)	-	70,930
Closing number of shares	-	44,811,501
Operating charges	0.93%	0.91%
Direct transaction costs	0.53%	0.15%
<b>Prices</b>		
Highest share price	160.2	243.6
Lowest share price	91.27	158.4

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional accumulation share class closed on 22 October 2020.

# Comparative Tables

## Continued

	2021	2020
	pence per share	pence per share
<b>Standard Life income<sup>A</sup></b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	133.22	207.42
Return before operating charges*	(37.03)	(68.45)
Operating charges	(0.03)	(0.06)
Return after operating charges*	(37.06)	(68.51)
Distributions	-	(5.69)
Redemption value as at 30 September 2020	(96.16)	-
Closing net asset value per share	-	133.22
* after direct transaction costs of:	0.30	0.26
<b>Performance</b>		
Return after charges	(27.82%)	(33.03%)
<b>Other information</b>		
Closing net asset value (£'000)	-	5,075
Closing number of shares	-	3,809,752
Operating charges	0.05%	0.03%
Direct transaction costs	0.53%	0.15%
<b>Prices</b>		
Highest share price	134.7	211.1
Lowest share price	76.74	133.2

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Standard Life income share class closed on 30 September 2020.

# Comparative Tables

## Continued

Standard Life accumulation <sup>A</sup>	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	172.93	258.43
Return before operating charges*	(48.24)	(85.26)
Operating charges	(0.10)	(0.24)
Return after operating charges*	(48.34)	(85.50)
Distributions	-	(6.97)
Retained distributions on accumulation shares	-	6.97
Redemption value as at 22 October 2020	(124.59)	-
Closing net asset value per share	-	172.93
* after direct transaction costs of:	0.42	0.32
<b>Performance</b>		
Return after charges	(27.95%)	(33.08%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1,225
Closing number of shares	-	708,452
Operating charges	0.13%	0.11%
Direct transaction costs	0.53%	0.15%
<b>Prices</b>		
Highest share price	175.0	263.9
Lowest share price	99.76	173.1

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional accumulation share class closed on 22 October 2020.



# Comparative Tables

## Continued

Platform 1 accumulation <sup>A</sup>	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	78.87	118.95
Return before operating charges*	(21.49)	(39.07)
Operating charges	(0.38)	(1.01)
Return after operating charges*	(21.87)	(40.08)
Distributions	-	(2.31)
Retained distributions on accumulation shares	-	2.31
Redemption value as at 22 October 2020	(57.00)	-
Closing net asset value per share	-	78.87
* after direct transaction costs of:	0.19	0.15
<b>Performance</b>		
Return after charges	(27.73%)	(33.69%)
<b>Other information</b>		
Closing net asset value (£'000)	-	2,829
Closing number of shares	-	3,587,531
Operating charges	1.03%	1.01%
Direct transaction costs	0.53%	0.15%
<b>Prices</b>		
Highest share price	79.81	121.5
Lowest share price	45.48	78.92

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Platform 1 accumulation share class closed on 22 October 2020.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (0.00%)		-	-
UK Equities (0.00%)		-	-
Energy (0.00%)		-	-
7,840,618	Utilitywise**	-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The security is classified as an unapproved investment in accordance with the Financial Conduct Authority Regulations.

The percentage figures in brackets show the comparative holding as at 28 February 2021.

\*\* Delisted.

Prior year classifications for some sectors have been updated to reflect current year classifications.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		-		(21,574)
Revenue	2	3		735	
Expenses	3	1		(292)	
Net revenue before taxation		4		443	
Taxation	4	3		(127)	
Net revenue after taxation			7		316
<b>Total return before distribution</b>			<b>7</b>		<b>(21,258)</b>
Distributions	5		-		(316)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>7</b>		<b>(21,574)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		<b>84,083</b>
Amounts receivable on the issue of shares	-		1,957	
Amounts payable on the cancellation of shares	-		(64,536)	
				(62,579)
Dilution adjustment		-		70
Change in net assets attributable to shareholders from investment activities (see above)		7		(21,574)
Change in residual payment due in respect of fund closure		(7)		-
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>-</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		-
<b>Current assets:</b>					
Cash and bank balances		7		7	
			7		
<b>Total assets</b>			7	7	
<b>Liabilities:</b>					
Creditors	6	(7)		(7)	
			(7)	(7)	
<b>Total liabilities</b>			(7)	(7)	
<b>Net assets attributable to shareholders</b>			-	-	

# Notes to the Financial Statements

## 1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	-	(21,568)
Transaction charges	-	(6)
<b>Net capital losses</b>	<b>-</b>	<b>(21,574)</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	-	8
Overseas dividends	-	329
UK dividends	-	398
Underwriting commission	3	-
<b>Total revenue</b>	<b>3</b>	<b>735</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	-	257
Dealing charge	-	1
Registration fees	-	23
	<b>-</b>	<b>281</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	-	4
Safe custody fee	-	1
	<b>-</b>	<b>5</b>
<b>Other:</b>		
Audit fee	(1)	6
	<b>(1)</b>	<b>6</b>
<b>Total expenses</b>	<b>(1)</b>	<b>292</b>

Irrecoverable VAT is included in the above expenses where relevant.  
The audit fee for the year, including VAT, was £2,400 (2021: £5,400). The audit fees for 2022 will be paid by the ACD.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	(3)	127
<b>Total taxation (note 4b)</b>	<b>(3)</b>	<b>127</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>4</b>	<b>443</b>
Corporation tax at 20% (2021: 20%)	1	89
Effects of:		
Revenue not subject to taxation	-	(146)
Overseas taxes	(3)	127
Excess allowable expenses	(1)	57
<b>Total tax charge for year (note 4a)</b>	<b>(3)</b>	<b>127</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £905,000 (2021: £906,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
Add: Income deducted on cancellation of shares	-	318
Deduct: Income received on issue of shares	-	(2)
<b>Total distributions for the year</b>	<b>-</b>	<b>316</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	7	316
Transfer to capital	(7)	-
<b>Total distributions for the year</b>	<b>-</b>	<b>316</b>

# Notes to the Financial Statements

## Continued

### 6 Creditors

	2022 £'000	2021 £'000
Amounts payable on termination	7	1
Other accrued expenses	-	6
<b>Total creditors</b>	<b>7</b>	<b>7</b>

### 7 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due to Aberdeen Standard Fund Managers Limited at the end of the accounting year in respect of the termination of the fund are disclosed in note 6.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 6.

### 8 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	-	29,491	-	92,742
Corporate actions	-	705	-	-
<b>Trades in the year before transaction costs</b>	<b>-</b>	<b>30,196</b>	<b>-</b>	<b>92,742</b>
<b>Commissions</b>				
Equities	-	15	-	(62)
<b>Total commissions</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>(62)</b>
<b>Taxes</b>				
Equities	-	95	-	-
<b>Total taxes</b>	<b>-</b>	<b>95</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>-</b>	<b>110</b>	<b>-</b>	<b>(62)</b>
<b>Total net trades in the year after transaction costs</b>	<b>-</b>	<b>30,306</b>	<b>-</b>	<b>92,680</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	-	0.05	-	0.07
<b>Taxes</b>				
Equities	-	0.32	-	-
			<b>2022 %</b>	<b>2021 %</b>
<b>Commissions</b>			-	0.15
<b>Taxes</b>			-	0.19

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.

## 9 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

The fund closed on 22 October 2020.

### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Authorised Corporate Director continuously reviews interest rates and inflation expectations.

A one per cent increase in the value of the fund's floating rate financial assets would have the effect of increasing the return and net assets as at year end date by £Nil (2021: £Nil). A one per cent decrease would have an equal and opposite effect.



# Notes to the Financial Statements

## Continued

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Financial assets liabilities not carrying interest £'000	Total £'000
2022			
Currency			
UK Sterling	7	(7)	-
Total	7	(7)	-
2021			
Currency			
UK Sterling	7	(7)	-
Total	7	(7)	-

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on the termination of the fund which is expected to be completed within one to five years, 2022 £7,000 (2021: £7,000).

# ASI UK Smaller Companies Fund

For the year ended 28 February 2022

## Investment Objective

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

**Performance Target:** To achieve the return of the Numis Smaller Companies Plus AIM ex Investment Companies Index 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.

**Performance Comparator:** IA UK Smaller Companies Sector Average.

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

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 60% in small-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.
- Small capitalisation companies are defined as any stock having a market cap less than the 10th percentile stock of the overall UK equity market.
- The fund may also invest up to 40% 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 abrdn) and 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 exhibit 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 ex 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, should not exceed

10%. Due to the active nature of the Investment process, the fund's performance profile may deviate significantly from that of the Numis Smaller Companies Plus AIM ex Investment Companies 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

Over the period under review, the fund returned 4.02% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of 4.11% for our performance target (Source: FactSet, the Numis Smaller Companies Plus AIM ex Investment Companies Index +3%).

Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdn\*\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdn\*\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates. \*\*abrdn means the relevant member of abrdn group, being abrdn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

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.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Future Plc continued to outperform. The UK digital media platform is both a key enabler and beneficiary of the secular shift away from paper-based media to digital platforms. Meanwhile, it continues to execute its strategy successfully to transform itself into a digital-focused business. The company is delivering impressive earnings growth and beating investor expectations, driving further upgrades to its forecast profit. Meanwhile, self-storage property business Safestore Holdings gained after a positive trading update. The business is achieving attractive occupancy rates, storage-rate growth and profit margin expansion. Elsewhere, Watches of Switzerland outperformed after its shares responded to the expectation that first-half results for 2022 are set to be

# ASI UK Smaller Companies Fund

## Continued

strong, as a result of accelerating US luxury demand and a better brand mix.

By contrast, online electrical goods retailer AO World weighed on returns after it issued a profit warning (see Activity). Management pointed to UK supply chain delays and increased competition in Germany. Electrical power surge specialist XP Power also weighed on returns. Concerns surfaced around supply chain shortages, particularly in semiconductors, a lengthening sales cycle and input cost inflation. A number of our high-quality growth businesses took a breather with no stock-specific news. This included fraud prevention solutions business GB Group. Reporting has been encouraging and we remain confident about the long-term prospects of these holdings.

### Portfolio Activity and Review

We took part in the listings of Trustpilot, LBG Media and Big Technologies. Trustpilot, the review platform, can continue to invest and internationalise, building a global leading position. LBG media is the multi-brand, multi-channel digital publisher including LADbible. The company monetises content by selling advertising. Big Technologies is a leader in the electronic monitoring of people, primarily in the criminal justice system. We also supported capital raising by Auction Technology Group, Craneware and Hotel Chocolat. We purchased Mortgage Advice Bureau, which operates a fast growing network of mortgage intermediaries. Elsewhere, we bought Draper Esprit, a leading player in the venture capital industry. We started a new position in Marlowe by participating in the company's exercise to raise capital for its acquisition of Optima Health. The deal makes Marlowe the UK leader in the technology-enabled corporate health and wellbeing market. We bought Clipper Logistics, which has a highly differentiated business model. The company focuses on delivering the value-added components of logistics and advising customers on carrier selection for haulage. Other purchases included Kin and Carta, Alpha Financial Markets and Baltic Classified Group.

In terms of sales, we exited Ricardo and Workspace Group, as both businesses have struggled in delivering earnings momentum for some time. We sold Avon Protection after its second profit warning. Elsewhere, we sold Frontier Developments, after game title delays, and James Fisher & Sons, due to concerns about its balance and outlook. Moreover, we sold First Derivatives over growth concerns and management execution, and Trainline, due to regulatory issues and the trajectory of its recovery after the pandemic. Sales also included exiting AO World on concerns of increased competition in Germany and after it posted another set of disappointing results. We also sold

Victorian Plumbing after its second profit warning. With a weak looking sales trajectory, a margin squeeze and a lack of ability to guide on earnings, we decided to move on. Other disposals included bid targets Stock Spirits, Sanne and Sumo.

### Portfolio Outlook and Strategy

Top-down, macroeconomic effects have driven the rotation away from quality-growth stocks rather than stock-specific issues. Higher inflation, interest rate rises, political tensions and supply chain challenges have heightened investor uncertainty. Notwithstanding this, we have been encouraged by the strong earnings reported by holdings in the Trust. These confirm that the sell-off in our quality-growth companies is inconsistent with the underlying trading and fundamentals of these businesses. It is encouraging that the Matrix scores (our proprietary screening tool) across the Trust have remained strong, supported by the underlying earnings strength and continued quality characteristics.

The market rotation has driven the valuation differential between value and quality-growth companies to compress. Many cyclical-value stocks will also face stiff headwinds, including the possibility of further pandemic restrictions, inflationary pressures, rising interest rates, falling consumer disposable incomes and continued supply chain disruptions.

The heightened and saddening crisis in Ukraine drove a sell-off in markets late in the month and into March. With no end in sight, the levels of uncertainty in the market remain elevated and may do so for some time. With economic growth becoming scarcer due to increasing headwinds, such as inflation being higher than expected, risks of a slowdown or recession later this year are increasing.

In such a challenging environment, we believe quality-growth businesses should prove more robust, resilient and reliable. We hold companies with strong market positions and pricing power, with a better ability to pass on higher costs and protect margins. Such companies will have opportunities to gain market share. Historically, we have performed relatively well during market downturns.

Though difficult to predict when this macro-driven value rally will end, we continue to look through the top-down macroeconomic 'noise' by remaining focused on company reporting and fundamentals.

### Smaller Companies Equity Team

March 2022

# ASI UK Smaller Companies Fund

## Continued

### 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 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 28 February 2022.

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

- 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.
- 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

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

<b>Retail accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	942.34	834.27	691.47
Return before operating charges*	60.37	119.66	153.73
Operating charges	(14.84)	(11.59)	(10.93)
Return after operating charges*	45.53	108.07	142.80
Distributions	-	-	(4.33)
Retained distributions on accumulation shares	-	-	4.33
Closing net asset value per share	987.87	942.34	834.27
* after direct transaction costs of:	0.48	1.01	0.57
<b>Performance</b>			
Return after charges	4.83%	12.95%	20.65%
<b>Other information</b>			
Closing net asset value (£'000)	203,338	205,710	203,105
Closing number of shares	20,583,445	21,829,704	24,345,386
Operating charges	1.36%	1.36%	1.36%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	1,224	975.9	939.8
Lowest share price	927.0	578.3	696.9

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	1,125.80	991.96	818.38
Return before operating charges*	71.52	142.84	182.10
Operating charges	(11.58)	(9.00)	(8.52)
Return after operating charges*	59.94	133.84	173.58
Distributions	(2.74)	(2.33)	(9.61)
Retained distributions on accumulation shares	2.74	2.33	9.61
Closing net asset value per share	1,185.74	1,125.80	991.96
* after direct transaction costs of:	0.58	1.20	0.68
<b>Performance</b>			
Return after charges	5.32%	13.49%	21.21%
<b>Other information</b>			
Closing net asset value (£'000)	377,312	450,520	462,710
Closing number of shares	31,820,746	40,017,854	46,646,052
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	1,466	1,165	1,117
Lowest share price	1,108	687.8	825.0

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	87.08	77.88	65.76
Return before operating charges*	5.57	11.17	14.61
Operating charges	(1.37)	(1.08)	(1.05)
Return after operating charges*	4.20	10.09	13.56
Distributions	(1.10)	(0.89)	(1.44)
Closing net asset value per share	90.18	87.08	77.88
* after direct transaction costs of:	0.04	0.09	0.05
<b>Performance</b>			
Return after charges	4.82%	12.96%	20.62%
<b>Other information</b>			
Closing net asset value (£'000)	9,899	8,834	7,632
Closing number of shares	10,977,178	10,144,661	9,799,345
Operating charges	1.36%	1.36%	1.36%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	113.1	91.11	89.38
Lowest share price	85.66	53.99	66.28

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	116.86	104.01	87.41
Return before operating charges*	7.39	14.98	19.43
Operating charges	(1.20)	(0.95)	(0.91)
Return after operating charges*	6.19	14.03	18.52
Distributions	(1.48)	(1.18)	(1.92)
Closing net asset value per share	121.57	116.86	104.01
* after direct transaction costs of:	0.06	0.13	0.07
<b>Performance</b>			
Return after charges	5.30%	13.49%	21.19%
<b>Other information</b>			
Closing net asset value (£'000)	24,299	34,052	28,035
Closing number of shares	19,987,193	29,140,230	26,953,580
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	152.1	122.2	119.3
Lowest share price	115.0	72.12	88.12

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

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Highest and Lowest prices are based on official published daily NAVs.



# Comparative Tables

## Continued

	2022	2021	2020
Standard Life income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	272.23	240.21	200.09
Return before operating charges*	16.99	34.70	44.44
Operating charges	(0.02)	(0.02)	(0.02)
Return after operating charges*	16.97	34.68	44.42
Distributions	(3.44)	(2.66)	(4.30)
Closing net asset value per share	285.76	272.23	240.21
* after direct transaction costs of:	0.14	0.29	0.17
<b>Performance</b>			
Return after charges	6.23%	14.44%	22.20%
<b>Other information</b>			
Closing net asset value (£'000)	3,261	4,797	7,960
Closing number of shares	1,141,211	1,761,982	3,313,918
Operating charges	0.01%	0.01%	0.01%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	356.0	284.2	275.4
Lowest share price	267.9	166.6	201.7

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2022	2021	2020
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	405.90	354.88	290.54
Return before operating charges*	25.46	51.35	64.64
Operating charges	(0.41)	(0.33)	(0.30)
Return after operating charges*	25.05	51.02	64.34
Distributions	(4.79)	(3.70)	(6.03)
Retained distributions on accumulation shares	4.79	3.70	6.03
Closing net asset value per share	430.95	405.90	354.88
* after direct transaction costs of:	0.21	0.43	0.24
<b>Performance</b>			
Return after charges	6.17%	14.38%	22.14%
<b>Other information</b>			
Closing net asset value (£'000)	10,029	9,193	7,562
Closing number of shares	2,327,231	2,264,767	2,130,880
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	530.7	419.6	399.6
Lowest share price	399.4	246.2	292.9

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	574.26	504.01	414.14
Return before operating charges*	36.27	72.78	92.24
Operating charges	(3.26)	(2.53)	(2.37)
Return after operating charges*	33.01	70.25	89.87
Distributions	(4.09)	(3.27)	(6.81)
Retained distributions on accumulation shares	4.09	3.27	6.81
Closing net asset value per share	607.27	574.26	504.01
* after direct transaction costs of:	0.29	0.61	0.34
<b>Performance</b>			
Return after charges	5.75%	13.94%	21.70%
<b>Other information</b>			
Closing net asset value (£'000)	417,080	405,199	391,204
Closing number of shares	68,680,935	70,559,683	77,618,554
Operating charges	0.49%	0.49%	0.49%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	749.3	594.0	567.6
Lowest share price	565.0	349.6	417.5

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

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	166.34	146.72	121.17
Return before operating charges*	10.59	21.12	26.95
Operating charges	(1.91)	(1.50)	(1.40)
Return after operating charges*	8.68	19.62	25.55
Distributions	(0.21)	(0.20)	(1.28)
Retained distributions on accumulation shares	0.21	0.20	1.28
Closing net asset value per share	175.02	166.34	146.72
* after direct transaction costs of:	0.09	0.18	0.10
<b>Performance</b>			
Return after charges	5.22%	13.37%	21.09%
<b>Other information</b>			
Closing net asset value (£'000)	333,850	349,254	259,463
Closing number of shares	190,747,032	209,965,532	176,840,627
Operating charges	0.99%	0.99%	0.99%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	216.5	172.2	165.3
Lowest share price	163.6	101.7	122.1

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	122.54	107.85	88.86
Return before operating charges*	7.77	15.54	19.79
Operating charges	(1.09)	(0.85)	(0.80)
Return after operating charges*	6.68	14.69	18.99
Distributions	(0.47)	(0.39)	(1.17)
Retained distributions on accumulation shares	0.47	0.39	1.17
Closing net asset value per share	129.22	122.54	107.85
* after direct transaction costs of:	0.06	0.13	0.07
<b>Performance</b>			
Return after charges	5.45%	13.62%	21.37%
<b>Other information</b>			
Closing net asset value (£'000)	361,680	351,526	334,764
Closing number of shares	279,887,734	286,862,653	310,394,422
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	159.6	126.8	121.5
Lowest share price	120.6	74.79	89.57

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S income	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	107.24	95.34	80.00
Return before operating charges*	6.79	13.74	17.82
Operating charges	(0.96)	(0.75)	(0.72)
Return after operating charges*	5.83	12.99	17.10
Distributions	(1.36)	(1.09)	(1.76)
Closing net asset value per share	111.71	107.24	95.34
* after direct transaction costs of:	0.05	0.12	0.07
<b>Performance</b>			
Return after charges	5.44%	13.62%	21.38%
<b>Other information</b>			
Closing net asset value (£'000)	42,537	40,251	40,854
Closing number of shares	38,078,452	37,535,312	42,851,892
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	139.7	112.1	109.4
Lowest share price	105.5	66.11	80.65

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Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional A accumulation	2022 pence per share	2021 pence per share	2020 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.89	84.29	70.10
Return before operating charges*	6.11	12.04	15.58
Operating charges	(1.84)	(1.44)	(1.39)
Return after operating charges*	4.27	10.60	14.19
Distributions	-	-	(0.17)
Retained distributions on accumulation shares	-	-	0.17
Closing net asset value per share	99.16	94.89	84.29
* after direct transaction costs of:	0.05	0.10	0.06
<b>Performance</b>			
Return after charges	4.50%	12.58%	20.24%
<b>Other information</b>			
Closing net asset value (£'000)	278	387	441
Closing number of shares	279,870	407,510	523,704
Operating charges	1.69%	1.69%	1.69%
Direct transaction costs	0.04%	0.12%	0.07%
<b>Prices</b>			
Highest share price	123.1	98.32	94.97
Lowest share price	93.34	58.42	70.65

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# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (95.73%)</b>		<b>1,697,129</b>	<b>95.15</b>
<b>UK Equities (95.73%)</b>		<b>1,697,129</b>	<b>95.15</b>
<b>Basic Materials (2.88%)</b>		<b>51,153</b>	<b>2.87</b>
2,363,113	Hill & Smith	33,273	1.87
1,828,184	Treant	17,880	1.00
<b>Consumer Discretionary (29.49%)</b>		<b>494,264</b>	<b>27.71</b>
871,375	4imprint	23,571	1.32
1,341,287	CVS++	22,507	1.26
3,651,859	Focusrite++	38,892	2.18
2,659,874	Future	70,593	3.96
86,279	Games Workshop	6,445	0.36
975,000	Gear4Music++	4,670	0.26
3,189,860	GlobalData++	41,628	2.33
7,582,043	Hollywood Bowl	17,060	0.96
4,162,272	Inspecc++	15,317	0.86
1,106,258	Jet2++	14,193	0.80
8,897,144	LBG Media	17,527	0.98
6,145,576	Moonpig	16,360	0.92
5,276,773	Motorpoint	15,250	0.85
3,259,837	Next Fifteen Communications++	40,096	2.25
6,773,541	Team17++	37,525	2.10
5,628,964	Watches of Switzerland	68,110	3.82
3,372,712	YouGov++	44,520	2.50
<b>Consumer Staples (6.36%)</b>		<b>108,497</b>	<b>6.08</b>
852,801	Cranswick	29,967	1.68
5,272,991	Hilton Food	56,526	3.17
4,846,786	Hotel Chocolat++	22,004	1.23
<b>Financials (12.45%)</b>		<b>251,502</b>	<b>14.10</b>
5,820,839	AJ Bell	17,975	1.01
879,569	Brooks Macdonald++	20,362	1.14



# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
5,713,869	Impax Asset Management++	55,539	3.11
2,518,468	IntegraFin	10,880	0.61
5,868,946	JTC	45,895	2.57
2,755,374	Liontrust Asset Management	41,661	2.34
1,359,870	Mattioli Woods++	10,777	0.61
2,218,398	Molten Ventures	15,218	0.85
2,899,160	Mortgage Advice Bureau++	33,195	1.86
<b>Health Care (2.91%)</b>		<b>55,273</b>	<b>3.10</b>
965,606	Craneware++	17,478	0.98
3,230,302	Ergomed++	37,795	2.12
<b>Industrials (16.00%)</b>		<b>256,307</b>	<b>14.37</b>
1,000,000	Alpha Financial Markets Consulting++	3,680	0.21
12,224,620	Boku++	16,137	0.90
6,110,149	Clipper Logistics	54,380	3.05
512,287	Diploma	13,688	0.77
2,703,659	Marlowe++	22,603	1.27
4,568,054	Marshalls	29,167	1.64
5,071,268	Midwich++	28,805	1.61
5,082,294	Strix++	12,401	0.69
3,010,338	Volution	14,871	0.83
1,397,345	XP Power	60,575	3.40
<b>Real Estate (5.02%)</b>		<b>104,979</b>	<b>5.89</b>
4,189,329	Safestore REIT	53,288	2.99
41,220,879	Sirius Real Estate	51,691	2.90
<b>Technology (15.53%)</b>		<b>283,021</b>	<b>15.87</b>
2,617,750	Auction Technology	25,052	1.40
2,992,839	Baltic Classifieds	4,624	0.26
9,680,000	Big Technologies++	21,683	1.22
13,128,284	Bytes Technology	60,416	3.39

# Portfolio Statement

As at 28 February 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
5,549,571	DiscoverIE	44,508	2.50
3,594,960	GB++	20,330	1.14
1,138,677	Gooch & Housego++	11,444	0.64
4,899,858	Kainos	73,792	4.14
5,000,000	Kin & Carta	12,900	0.72
5,559,329	Trustpilot	8,272	0.46
<b>Telecommunications (5.09%)</b>		<b>92,133</b>	<b>5.16</b>
3,492,338	Gamma Communications++	51,477	2.88
2,807,753	Telecom Plus	40,656	2.28
<b>Collective Investment Schemes (3.22%)</b>		<b>88,298</b>	<b>4.95</b>
88,298	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	88,298	4.95
Total investment assets		1,785,427	100.10
Net other liabilities		(1,864)	(0.10)
<b>Total Net Assets</b>		<b>1,783,563</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 28 February 2021.

Prior year classifications for some sectors have been updated to reflect current year classifications.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		104,404		227,133
Revenue	2	22,476		19,698	
Expenses	3	(17,116)		(14,819)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		5,359		4,879	
Taxation	4	-		-	
Net revenue after taxation			5,359		4,879
<b>Total return before distributions</b>			<b>109,763</b>		<b>232,012</b>
Distributions	5		(6,725)		(6,020)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>103,038</b>		<b>225,992</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,859,723</b>		<b>1,743,730</b>
Amounts receivable on the issue of shares	96,338		210,540	
Amounts payable on the cancellation of shares	(281,048)		(325,650)	
		(184,710)		(115,110)
Dilution adjustment		-		255
Change in net assets attributable to shareholders from investment activities (see above)		103,038		225,992
Retained distribution on accumulation shares		5,512		4,856
<b>Closing net assets attributable to shareholders</b>		<b>1,783,563</b>		<b>1,859,723</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			1,785,427		1,840,285
<b>Current assets:</b>					
Debtors	6	3,597		26,355	
Cash and bank balances	7	12		11	
			3,609		26,366
<b>Total assets</b>			<b>1,789,036</b>		<b>1,866,651</b>
<b>Liabilities:</b>					
Creditors	8	(4,498)		(6,038)	
Distribution payable		(975)		(890)	
			(5,473)		(6,928)
<b>Total liabilities</b>			<b>(5,473)</b>		<b>(6,928)</b>
<b>Net assets attributable to shareholders</b>			<b>1,783,563</b>		<b>1,859,723</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	104,412	227,137
Other gains	-	7
Transaction charges	(8)	(11)
<b>Net capital gains</b>	<b>104,404</b>	<b>227,133</b>

## 2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	106	247
Overseas dividends	260	-
UK dividends	21,264	16,512
UK REIT	846	2,939
<b>Total revenue</b>	<b>22,476</b>	<b>19,698</b>

## 3 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	15,233	13,154
Dealing charge	324	261
General administration charge*	728	-
Registration fees**	714	1,239
	<b>16,999</b>	<b>14,654</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	63	114
Safe custody fee	49	42
	<b>112</b>	<b>156</b>
<b>Other:</b>		
Audit fee**	5	9
	<b>5</b>	<b>9</b>
<b>Total expenses</b>	<b>17,116</b>	<b>14,819</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £9,480 (2021: £9,415).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2022 £'000	2021 £'000
<b>(a) Analysis of charge in year</b>		
Total taxation (note 4b)	-	-

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	5,359	4,879
Corporation tax at 20% (2021: 20%)	1,072	976
Effects of:		
Revenue not subject to taxation	(4,305)	(3,303)
Excess allowable expenses	3,233	2,327
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £28,890,000 (2021: £25,657,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
Distribution	6,487	5,746
Add: Income deducted on cancellation of shares	486	506
Deduct: Income received on issue of shares	(248)	(232)
<b>Total distributions for the year</b>	<b>6,725</b>	<b>6,020</b>

#### Movement between net revenue and distributions

Net revenue after taxation	5,359	4,879
Expenses charged to capital	766	670
Shortfall transfer from capital to revenue	600	471
<b>Total distributions for the year</b>	<b>6,725</b>	<b>6,020</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and General administration charge. This policy only applies to the income classes.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution table.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	1,206	672
Amounts receivable from the ACD for the issue of shares	641	963
Sales awaiting settlement	1,750	24,720
<b>Total debtors</b>	<b>3,597</b>	<b>26,355</b>

### 7 Liquidity

	2022 £'000	2021 £'000
<b>Cash and bank balances</b>		
Cash at bank	12	11
	<b>12</b>	<b>11</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	88,298	59,968
<b>Net liquidity</b>	<b>88,310</b>	<b>59,979</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	1,172	1,211
Accrued expenses payable to the Depositary or associates of the Depositary	9	28
Amounts payable to the ACD for cancellation of shares	3,312	4,790
Other accrued expenses	5	9
<b>Total creditors</b>	<b>4,498</b>	<b>6,038</b>

### 9 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of expenses, are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021* £'000	2022 £'000	2021* £'000
<b>Trades in the year</b>				
Equities	295,732	522,947	484,231	563,574
<b>Trades in the year before transaction costs</b>	<b>295,732</b>	<b>522,947</b>	<b>484,231</b>	<b>563,574</b>
<b>Commissions</b>				
Equities	170	418	(324)	(326)
<b>Total commissions</b>	<b>170</b>	<b>418</b>	<b>(324)</b>	<b>(326)</b>
<b>Taxes</b>				
Equities	404	1,333	(1)	-
<b>Total taxes</b>	<b>404</b>	<b>1,333</b>	<b>(1)</b>	<b>-</b>
<b>Total transaction costs</b>	<b>574</b>	<b>1,751</b>	<b>(325)</b>	<b>(326)</b>
<b>Total net trades in the year after transaction costs</b>	<b>296,306</b>	<b>524,698</b>	<b>483,906</b>	<b>563,248</b>

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.06	0.08	0.07	0.06
<b>Taxes</b>				
Equities	0.14	0.25	-	-

	2022 %	2021 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.02	0.04
Taxes	0.02	0.08

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 1.00% (2021: 1.00%), this is representative of the average spread on the assets held during the year.

\* Liquidity funds have been removed from purchases and sales disclosed in the prior year financial statements for consistency with the current year presentation.



# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
Retail accumulation	21,829,704	213,430	(1,241,872)	(217,817)	20,583,445
Institutional accumulation	40,017,854	231,382	(8,469,049)	40,559	31,820,746
Retail income	10,144,661	2,056,809	(1,106,688)	(117,604)	10,977,178
Institutional income	29,140,230	5,989,337	(15,273,037)	130,663	19,987,193
Standard Life income	1,761,982	-	(620,771)	-	1,141,211
Standard Life accumulation	2,264,767	257,990	(199,013)	3,487	2,327,231
Institutional regulated accumulation	70,559,683	3,297,752	(5,176,500)	-	68,680,935
Platform 1 accumulation	209,965,532	11,465,538	(32,500,263)	1,816,225	190,747,032
Institutional S accumulation	286,862,653	18,850,628	(24,648,999)	(1,176,548)	279,887,734
Institutional S income	37,535,312	4,994,626	(4,404,354)	(47,132)	38,078,452
Institutional A accumulation	407,510	-	(127,640)	-	279,870

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	1,697,129	-	-	1,780,317	-	-
Collective Investment Schemes	-	88,298	-	-	59,968	-
<b>Total investment assets</b>	<b>1,697,129</b>	<b>88,298</b>	<b>-</b>	<b>1,780,317</b>	<b>59,968</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £89,271,000 (2021: £92,014,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £5,473,000 (2021: £6,928,000).

### 14 Subsequent Events

Investments in financial markets are affected by many factors, many of which have shifted following the military offensive Russia launched against Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the year end, primarily due to the global market volatility created by the geopolitical event and the longer term uncertainty this brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class 'Platform 1 Accumulation' was 175.02p. The Net Asset Value of share class 'Platform 1 Accumulation' as at 12 noon on 16 May 2022 was 153.70p. This represents a change of (12.18)% from the year end value.

# Distribution Table

For the year ended 28 February 2022 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2021

Group 2 – shares purchased between 1 March 2021 and 28 February 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	2.7403	-	2.7403	2.3345
Group 2	1.5073	1.2330	2.7403	2.3345
<b>Retail income</b>				
Group 1	1.1027	-	1.1027	0.8850
Group 2	0.6270	0.4757	1.1027	0.8850
<b>Institutional income</b>				
Group 1	1.4831	-	1.4831	1.1847
Group 2	0.7840	0.6991	1.4831	1.1847
<b>Standard Life income</b>				
Group 1	3.4448	-	3.4448	2.6641
Group 2	3.4448	-	3.4448	2.6641
<b>Standard Life accumulation</b>				
Group 1	4.7919	-	4.7919	3.7008
Group 2	3.5137	1.2782	4.7919	3.7008
<b>Institutional regulated accumulation</b>				
Group 1	4.0869	-	4.0869	3.2659
Group 2	1.8909	2.1960	4.0869	3.2659
<b>Platform 1 accumulation</b>				
Group 1	0.2113	-	0.2113	0.2009
Group 2	0.0752	0.1361	0.2113	0.2009
<b>Institutional S accumulation</b>				
Group 1	0.4712	-	0.4712	0.3875
Group 2	0.2240	0.2472	0.4712	0.3875
<b>Institutional S income</b>				
Group 1	1.3618	-	1.3618	1.0867
Group 2	0.7309	0.6309	1.3618	1.0867
<b>Institutional A accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

## 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.

# Global Emerging Markets Equity Unconstrained Fund (closed)

**For the year ended 28 February 2022**

Global Emerging Markets Equity Unconstrained Fund is no longer open to investors, having redeemed all shares on 14 January 2016. It is the intention of the ACD to terminate the fund at a later date once the residual assets and liabilities are settled. As a result the financial statements for this fund has not been prepared on a going concern basis. At the time of the share cancellation, all realisable securities were sold. One security which was not immediately realisable due to being delisted, continues to be held at the current balance sheet date. Should an opportunity to sell it for value arise, it will be sold, otherwise abrdn will, in conjunction with the Depositary, pursue any possible residual value from it until all such opportunities have been reasonably exhausted.

# Portfolio Statement

As at 28 February 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Pacific Basin Equities (0.00%)		-	-
China (0.00%)		-	-
5,196,000	Tianhe Chemicals**	-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The security is classified as an unapproved investment in accordance with the Financial Conduct Authority Regulations.  
The percentage figures in brackets show the comparative holding as at 28 February 2021.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses		-		-	
Net revenue before taxation		-		-	
Taxation	1	-		-	
Net revenue after taxation			-		-
<b>Total return before distributions</b>			-		-
Distributions			-		-
<b>Change in net assets attributable to shareholders from investment activities</b>			-		-

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2022

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		-
Amounts receivable on the issue of shares	-		-	
Amounts payable on the cancellation of shares	-		-	
Dilution adjustment		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
Change in residual payment due in respect of fund closure		-		-
<b>Closing net assets attributable to shareholders</b>		-		-

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		-
<b>Current assets:</b>					
Cash and bank balances		1		1	
			1		1
<b>Total assets</b>			<b>1</b>		<b>1</b>
<b>Liabilities:</b>					
Creditors	2	(1)		(1)	
			(1)		(1)
<b>Total liabilities</b>			<b>(1)</b>		<b>(1)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Taxation

### Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £51,000 (2021: £51,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 2 Creditors

	2022 £'000	2021 £'000
Amounts payable on termination	1	1
<b>Total creditors</b>	<b>1</b>	<b>1</b>

## 3 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD).

There were no transactions with Aberdeen Standard Fund Managers Limited in the current or prior year.

Any amounts due to Aberdeen Standard Fund Managers Limited at the end of the accounting year in respect of the termination of the fund are disclosed in note 2.

## 4 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

The fund closed on 14 January 2016.

### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Authorised Corporate Director continuously reviews interest rates and inflation expectations.

A one per cent increase in the value of the fund's floating rate financial assets would have the effect of increasing the return and net assets as at year end date by £Nil (2021: £Nil). A one per cent decrease would have an equal and opposite effect.



# Notes to the Financial Statements

## Continued

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Financial assets liabilities not carrying interest £'000	Total £'000
2022			
Currency			
UK Sterling	1	(1)	-
Total	1	(1)	-
2021			
Currency			
UK Sterling	1	(1)	-
Total	1	(1)	-

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2022 (2021: Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on the termination of the fund which is expected to be completed within one to five years, 2022 £1,000 (2021: £1,000).

# Remuneration

## abrdn Remuneration Policy

The abrdn plc Remuneration Policy applies with effect from 1 January 2021. The purpose of the abrdn plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of abrdn. It has been approved by the abrdn plc Remuneration Committee and is subject to the Remuneration Committee's annual review. The Policy applies to employees of the abrdn group of companies ("abrdn").

The Remuneration Committee of abrdn plc adopted a UCITS V Remuneration Policy to ensure that the requirements of the Undertakings for Collective Investment Transferrable Securities V Directive (UCITS V) are fully adhered to by the group. This policy is available on request.

### Remuneration Principles

abrdn applies Group wide principles for remuneration policies, procedures and practices ensuring that remuneration design and the basis for awards will be clear, transparent and fair, in line with business strategy, objectives, culture, values and long term interests of abrdn. Remuneration policies, procedures and practices should be consistent with and promote good conduct which includes sound and effective risk management and not encourage risk taking that exceeds the level of tolerated risk of abrdn. Total variable remuneration will be funded through pre-agreed distribution metrics. Where abrdn's financial performance is subdued or negative, total variable remuneration should generally be contracted, taking into account both current remuneration and reductions in pay-outs of amounts previously granted and having regard for abrdn's long term economic viability.

In addition to applying the abrdn wide principles above, the following principles are also applied when determining remuneration for employees:

- a) Remuneration should be competitive and reflect both financial, non-financial and personal performance;
- b) Our remuneration design will align the interests of employees, shareholders and importantly our clients/customers;
- c) Our remuneration structure will reward delivery of results over appropriate time horizons and will include deferred variable compensation at an appropriate level for the employee's role;
- d) We will provide an appropriate level of fixed remuneration to balance risk and reward.

### Governance and Regulatory Compliance

The Remuneration Committee is made up of independent non-executive directors and makes recommendations to the Board of abrdn plc (the "Board") to assist it with its remuneration related duties. The Chief People Officer of abrdn is responsible for ensuring the implementation of the Policy in consultation with the Remuneration Committee as well as other members of the Executive Team ("Executive Body") (as defined by the Board), if appropriate.

### Financial and non-financial criteria

Variable remuneration is based on a rounded assessment of Group, Divisional and individual performance. When assessing individual performance, financial as well as non-financial criteria are taken into account. Individual performance is based on the individual's appraisal, which includes an employee's compliance with controls and applicable company standards including the Group's Code of Ethics, including Treating Customers Fairly and Conduct Risk.

### Conflicts of interest

The Conflicts of Interest Policy is designed to avoid conflicts of interest between abrdn and its clients. This Policy prohibits any employee from being involved in decisions on their own remuneration. Furthermore, all employees are required to adhere to abrdn's Global Code of Conduct, which encompasses conflicts of interest.

The Policy should, at all times, adhere to local legislation, regulations or other provisions. In circumstances or in jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter will prevail.

# Remuneration

## Continued

### Remuneration Framework

Employee remuneration is composed principally of fixed and variable elements of reward as follows:

- a) Fixed reward (fixed remuneration: salary (and cash allowances, if appropriate); and Benefits (including pension).
- b) Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements) and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

- a) Fixed and variable components of total remuneration are appropriately balanced and
- b) The fixed component is a sufficiently high proportion of total remuneration to allow abrdn to operate a fully flexible policy on variable remuneration components, including paying no variable remuneration component.

<b>Fixed Remuneration</b>	Base salary provides a core reward for undertaking the role, where appropriate, and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration.
<b>Benefits</b>	Benefits are made up of: core benefits, which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees and which may require contribution through salary sacrifice or other arrangements. Extra voluntary benefits are designed to support the health and wellbeing of employees through enabling individual selection based on lifestyle choices. abrdn will ensure that the core and voluntary employee benefits policies are in line with relevant market practice, its views on managing its business risk objectives, culture and values and long-term interests and local requirements.
<b>Pension</b>	abrdn's pension policies (which consist of defined contribution plans and legacy defined benefit plans) are in line with legislative requirements, governance structures and market practice, and reflect abrdn's long-term views on risk and financial volatility, its business objectives, culture and values and long-term interests and local requirements. In certain circumstances, abrdn may offer a cash allowance in lieu of any pension arrangement.
<b>Annual Performance Bonus Awards</b>	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Eligibility criteria for an annual bonus are set out in the rules of the relevant bonus plan and/or contract of employment, as appropriate. The bonus plan in place is designed to reward performance in line with the business strategy, objectives, culture and values, long term interests and risk appetite of abrdn. All Executive Directors are awarded bonuses under a abrdn bonus plan as detailed in the Directors' Remuneration Report.
<b>Other variable Pay Plans</b>	Selected employees may participate in other variable pay plans, for example, performance fee share arrangements, where it is appropriate for their role or business unit. These plans operate under the overarching remuneration principles that apply across the group and, where appropriate, are also subject to specific principles governing incentives and are compliant with the requirements of any applicable regulatory standards.

### Clawback/Malus

A clawback/malus principle applies to the variable pay plan. This enables the Remuneration Committee to seek to recoup the deferred amount of any unvested variable pay, in the exceptional event of misstatement or misleading representation of performance; a significant failure of risk management and control; or serious misconduct by an individual.

### Guaranteed Variable Remuneration

Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of service.

### UCITS V Identified Staff

Staff considered UCITS V Identified Staff are those categories of staff whose professional activities have a material impact on the decision making profiles of the Management Company or the UCITS Funds that the Management Company manages.

UCITS V identified staff will include; Senior Management; Decision makers, Staff engaged in control functions; and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and decision makers, and whose professional activities have a material impact on the risk profiles of the Company or the Funds that the Company manages.

# Remuneration

## Continued

### Control Functions

abrdn adheres to the principles and guidelines of regulations that apply to abrdn in defining control functions. control functions include, but are not necessarily limited to, Risk, Compliance, Internal Audit and Actuarial functions or roles.

abrdn will ensure that, as appropriate, senior employees engaged in a control function:

- a) Are independent from the Business Units they oversee;
- b) Have appropriate authority, and
- c) Their remuneration is directly overseen by the Remuneration Committee.

This is achieved by the main control functions being outside the business, and a material proportion of their annual incentives being subject to a scorecard based on the performance of the control function. Performance against the scorecard is reviewed by the relevant independent governing committee (either Risk & Capital Committee, or Audit Committee). abrdn's People Function reviews the remuneration of employees in control functions and benchmarks with the external market to ensure that it is market competitive and adequately reflects employees' skills and experience.

### Personal Hedging

UCITS V Identified Staff are not permitted to undermine the risk alignment effects of the UCITS V Remuneration Code. Personal hedging strategies; or remuneration-related insurance; or liability-related insurance is not permissible on remuneration.

The table below provides an overview of the following:

- Aggregate total remuneration paid by Aberdeen Standard Fund Managers Limited to its entire staff; and
- Aggregate total remuneration paid by Aberdeen Standard Fund Managers Limited to its UCITS 'Identified Staff'.

The 'Identified Staff' of Aberdeen Standard Fund Managers Limited, are those employees who could have a material impact on the risk profile of Aberdeen Standard Fund Managers Limited or the UCITS Funds it manages. This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from 1 January 2021 to 31 December 2021 inclusive.

	Headcount	Total Remuneration £'000
<b>Aberdeen Standard Fund Managers Limited<sup>1</sup></b>	<b>1,150</b>	<b>166,147</b>
of which		
Fixed remuneration		128,662
Variable remuneration		37,485
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>165</b>	<b>50,818</b>
of which		
Senior Management <sup>3</sup>	61	25,011
Other 'Identified Staff'	104	25,807

<sup>1</sup> As there are a number of individuals indirectly and directly employed by Aberdeen Standard Fund Managers Limited this figure represents an apportioned amount of abrdn's total remuneration fixed and variable pay, apportioned to the Management Company on an AUM basis, plus any carried interest paid. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.

<sup>2</sup> The Identified Staff disclosure relates to UCITS MRTs and represents total compensation of those staff of the Management Company who are fully or partly involved in the activities of the Management Company

<sup>3</sup> Senior management are defined in this table as Management Company Directors and members of the abrdn plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

# Further Information

## Constitution

Aberdeen Standard OEIC II was incorporated on 22 May 1998, under the FCA Regulations. The Company is an open-ended investment company (OEIC) with variable capital under regulation 14 (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 and Prices

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the Aberdeen Standard OEIC II, daily prices, together with the latest Annual (and if issued later the interim) Report and Accounts for any funds, are available to download at [abrdn.com](http://abrdn.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, 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, abrdn, PO Box 12233, Chelmsford CM99 2EE, who will initiate our formal complaints procedure. If you prefer, you may call the Complaints Team on 0345 113 6966 or email [complaints@abrdn.com](mailto:complaints@abrdn.com) in the first instance.

Alternatively if you have a complaint about the Company or funds you can contact the Depositary directly. A leaflet detailing our complaints procedure is available on request. We will endeavour to respond 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](mailto: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](http://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.

## Important Information

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