

# Aberdeen Investment Funds ICVC

Interim Long Report (unaudited)  
For the period 1 August 2018 to 31 January 2019



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# Report of the Authorised Corporate Director

Aberdeen Investment Funds ICVC ('the Company') is an open-ended investment company with variable capital. The Company is registered and authorised in the United Kingdom by the Financial Conduct Authority (the 'FCA') and has UCITS status. The Company is structured as an umbrella scheme for the purposes of the Collective Investment Schemes Sourcebook (COLL) and consists of a number of separate sub-funds.

## Appointments

### Authorised Corporate Director

Aberdeen Standard Fund Managers Limited

### Head Office

10 Queens Terrace  
Aberdeen  
AB10 1XL

### Registered Office

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

### Depository

Citibank Europe plc, acting through its UK Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

### Legal Advisers

Eversheds LLP  
One Wood Street  
London  
EC2V 7WS

### Auditors

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

### Registrar

DST Financial Services Europe Limited  
DST House  
St. Nicholas Lane  
Basildon  
Essex  
SS16 5FS

(the register of shareholders can be inspected at this address)

### Note:

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

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

Financial details and Fund Managers' reviews of the individual sub-funds for the period ended 31 January 2019 are given in the following pages of this report.

Each sub-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 sub-funds added to the umbrella of Aberdeen Investment Funds ICVC (with consent of the FCA and the Depositary) in the future.

The sub-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 sub-fund appears on the Aberdeen website at [aberdeenstandard.com](http://aberdeenstandard.com).

The sub-funds are segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-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 sub-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.

#### Developments and prospectus updates since 31 July 2018

- Performance and dilution figures were refreshed, as appropriate;
- The list of directors for Aberdeen Standard Fund Managers Limited (formerly known as Aberdeen Fund Managers Limited) was updated;
- The sub-custodians list was refreshed;
- The risk warnings regarding investing in Mainland China were updated;
- On 12 November 2018 the Depositary changed from BNP Paribas Securities Services, London branch to Citibank Europe plc, acting through its UK Branch. The prospectus was updated to reflect the change of Depositary and Custodian together with various changes to fund accounting and associated functions;
- Sixty five new M share classes were launched between 26 November 2018 and 30 November 2018;
- On 14 September 2018 the following share classes were closed: Aberdeen Japan Equity Fund Z Acc and Aberdeen UK Equity Income Fund Z Acc;
- On 10 December 2018 changes were made throughout the Prospectus to reflect the change in the name of the ACD from Aberdeen Fund Managers Limited to Aberdeen Standard Fund Managers Limited;
- The list of funds managed by the ACD was updated;
- The "Sale" and "Redemption" sections of the Prospectus were updated to reflect the change in settlement periods from T+4 to T+3;
- A section relating to "Mandatory Conversions" was added which gives the ACD the power to require that shares in a particular share class be converted to another share class;
- On 10 December 2018 the sections relating to shareholdings were updated for Class A, Class I and Class K Shares:
  - Class A Shares – minimum subsequent investment changes from £100 to £50
  - Class I Shares - minimum investment changes from £500,000 to £1,000,000, minimum subsequent investment changes from £10,000 to £50,000 and minimum holding changes to £50,000 Class I Shares will only be available to institutional investors;
  - Class K Shares - minimum investment changes from £25,000,000 to £150,000,000, minimum subsequent investment changes from £10,000 to £150,000,000. The minimum holding changes from £25,000,000 to £150,000,000.
- The definition of government and public securities was updated;
- A note stating that annual general meetings are no longer held was added;
- The deferred redemption wording was amended;
- The table under the heading "Current Charges" was updated to reflect the reduction in the retail share class annual management charge on 1 December 2018.;
- Timely settlement wording was added;
- The wording relating to accounting for profit was updated;
- Wording relating to the recategorisation of the Company as the relevant COLL requirements are no longer applicable was updated;

- References to Data Protection Act 1998 were removed;
- The change of stock lending agent to Securities Finance Trust Company was reflected;
- The change of Aberdeen Asset Management Asia Limited's name to Aberdeen Standard Investment (Asia) Limited was updated;
- A risk warning was included in the sub-fund profile of the Sterling Short Term Government Bond Fund;
- The dilution policy wording was updated;
- AN EEA State definition was added;
- Contact address, phone number and fax number were updated for ASFML.

### Review

Financial markets faced a tough period in the six months under review. Initially, the positive start to the period saw the US S&P 500 index chalk up its longest bull run ever. Sentiment was buoyed by upbeat economic and earnings growth, along with a strengthening US dollar. But this gave way to a global sell-off in October. By the end of 2018, all the gains accumulated during the year had but evaporated. At the period end, global equities retrenched, with most markets ending up in negative territory.

Investors were forced to take a long hard look at valuations, especially in light of deteriorating economic fundamentals. Markets became worried that the world economy was cooling down a little too fast. By the third quarter, Japan and Germany had contracted, while China's slower-than-expected growth added to the jitters.

The US Federal Reserve's (Fed) decision to press ahead and raise interest rates for a fourth time in December despite these niggling concerns did little to help allay investors' fears. Consequently, the Fed's move sent the high-flying US S&P 500 index spiralling into bear-market territory. In Europe, the October sell-off was also followed by a steady decline by all the major indices. In Asia, markets suffered a similar fate, as did those in the broader emerging markets. Meanwhile, Latin American markets had to contend with another layer of risks from the outcomes of presidential elections, particularly in Brazil and Mexico.

In January, however, the Fed finally relented with its normalisation and global markets rebounded. Fed Chairman Jay Powell admitted that "the case for raising rates has weakened somewhat." Investors cheered his more dovish policy tone. Sentiment also grew more upbeat as the US and China appeared to make some headway in trade talks. Meanwhile, Germany and Japan managed to avert falling into technical recession in the fourth quarter. However, France became embroiled in violent anti-government riots that forced President Macron to abandon his planned fuel tax hike, and the Brexit impasse continued to dominate UK politics, with Prime Minister Theresa May suffering successive parliamentary defeats.

### Outlook

While the about-face by the Fed and other major central banks has helped markets rebound, the need to crash gears and put monetary policy in reverse to help the faltering global economy should leave investors somewhat worried. Persistent issues remain, from the still-unresolved trade war between the two largest economies in the world, to the UK staring at the countdown to the Brexit deadline with no coherent plan in hand. There are also sector-specific risks. Tech firms are grappling with softening demand, while rising costs could greater pressure consumer and materials-sector stocks. On the political front, investors will be keeping an eye on progress made by the new administrations in Mexico and Brazil, as well as on the upcoming elections in India, Indonesia and South Africa later in the year.

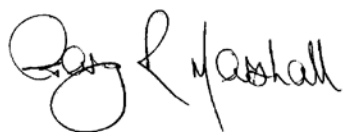
Nevertheless, it is in such uncertain and unpredictable times that long-term investors are able to capitalise on mispricing opportunities. Last year's sell-off had driven share prices down to attractive levels. When markets overreact, there will be chances for the vigilant investor to pick good quality companies that have been unduly punished. We have already done this for some of the funds during the sell-off and will continue to seek out other opportunities.

## 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  
Aberdeen Fund Managers Limited  
26 March 2019



**Gary Marshall**  
Director  
Aberdeen Fund Managers Limited  
26 March 2019

# Notes to the financial statements of Aberdeen Investment Funds ICVC

## 1. Accounting policies

### (a) Basis of accounting

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

The financial statements have been prepared on a going concern basis.

### (b) Revenue recognition

Revenue is included in the Statement of Total Return on the following bases:

Dividends receivable from quoted equity and non equity shares are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend before the period end. Dividends on unquoted stocks are credited to revenue 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. In addition, precompte associated with dividends from French companies is treated as a tax credit rather than a repayment of withholding tax.

Dividends from Real Estate Investment Trusts are recognised as distributable revenue when the securities are quoted ex-dividend.

Interest is accrued on a day-to-day basis. In the case of debt securities issued at discount or premium to maturity value, the total revenue arising on such securities, taking into account the amortisation of such discount or premium on an effective interest rate basis, is spread over the life of the security.

Accumulation of revenue relating to accumulation units or shares held in underlying funds is recognised as revenue and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of investment.

Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. This revenue forms part of any distribution. In the case of enhanced scrip dividends, the amount by which such dividends exceed the cash dividends is treated as capital and does not form part of the distribution.

Special dividends are treated as revenue unless there is sufficient evidence that they should be treated as a repayment of capital.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the sub-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.

If any revenue receivable at the balance sheet date is not expected to be received for a significant period after the accounting period end, a provision reflecting the timing of the receipt for the relevant amount will be made.

### (c) Treatment of expenses (including Authorised Corporate Director 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. Except for the Annual Management Charge (AMC) for the following Funds Aberdeen Diversified Income Fund, Aberdeen Emerging Markets Bond Fund, Aberdeen European High Yield Bond Fund, Aberdeen European Property Share Fund, Aberdeen UK Equity Income Fund, Aberdeen World Equity Income Fund and Aberdeen World Opportunistic Bond Fund which is taken from capital. In addition the Operating, Administrative and Servicing Expenses for the Aberdeen Diversified Income Fund are taken from capital.

Where the Fund invests in an open-ended collective investments which is operated or managed by the Authorised Corporate Director or an associate of the Authorised Corporate Director, no additional annual management charge will be incurred by the Fund on such an investment.

Rebates are applied where Authorised Corporate Director fees are incurred by the underlying investments. The rebates will be accrued daily and payment requested monthly. Where it is the policy of the underlying investment to charge its management fees to capital in determining its distribution, the Fund recognises such management rebates as capital on an accruals basis. Otherwise the rebate is recognised as revenue on an accruals basis and forms part of the distribution.

With the exception of the Authorised Corporate Director's AMC and Operating, Administrative and Servicing Expenses which are directly attributable to individual share classes, all revenue and expenses are allocated to share classes prorate to the value of the net assets of the relevant share class on the day that the revenue or expense is incurred.

Expenses relating to the purchases of investments are charged to the cost of investment and expenses relating to the sales of investments are netted off against the proceeds on sales.

**(d) Distribution policy**

The distribution policy of each sub-fund is to distribute all available revenue, after deduction of expenses properly chargeable against revenue.

However as the investment objective of the Aberdeen Diversified Income Fund, Aberdeen Emerging Markets Bond Fund, Aberdeen European High Yield Bond Fund, Aberdeen European Property Share Fund, Aberdeen UK Equity Income Fund, Aberdeen World Equity Income Fund and Aberdeen World Opportunistic Bond Fund concentrates on the generation of revenue as a higher priority than capital growth, the Authorised Corporate Director and the Depositary have agreed that 100% of the Authorised Corporate Director's AMC is to be taken to capital for the purpose of calculating the distribution, as permitted by the regulations. The distribution currently payable reflects this treatment together with any associated tax effect.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. For derivative investments, where positions are undertaken to enhance capital return, the gains and losses are taken to capital, otherwise where they generate revenue, the amounts are included as revenue or expense and affect distributions.

**(e) Basis of valuation of investments**

The valuation point is close of business on 31 January 2019. Listed investments are valued at fair value which is the bid price.

Unlisted, unapproved, illiquid or suspended securities are valued at the Authorised Corporate Directors's best estimate of the amount that would be received from an immediate transfer at arm's length.

Where applicable, investment valuations exclude any element of accrued revenue.

In the case of certain investments, valuations reflect the quoted premium to local market prices which such investments may command.

Authorised unit trusts are valued at the cancellation prices for trusts managed by the Authorised Corporate Director and at the bid prices for other trusts. OEIC sub-funds are valued at the quoted price.

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-funds disclosed in the Balance sheet and Portfolio statement of the individual sub-funds.

**(f) Derivatives**

Open forward currency exchange contracts are valued using forward rates of exchange applicable at the balance sheet date for the remaining period until maturity. All unrealised gains and losses are recognised in the Statement of Total Return. Currently forward positions are not collateralised.

Future contracts are valued at the exchange quoted price at close of business on 31 January 2019. Initial margin deposits are made in cash upon entering into future contracts. During the year the future contract is open, changes in the value of contract are recognised as unrealised gains and losses by marking to market on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are made or received, depending upon whether unrealised losses or gains are incurred. Variation margin payments are recorded in the futures margin account in the Balance sheet and related movements on unrealised results are recorded in the Statement of Total Return. When the contract is closed, the Sub-fund records a realised gain or loss equal to the difference between the proceeds from ( or cost ) the closing transaction and the opening transaction.

Some of the sub-funds may enter into swap agreements such as credit default swaps, interest rate swaps, swaptions, overnight index swaps and inflation linked swaps. Gains or losses resulting from swap contracts are recognised in the Statement of Total Return. Swaps are valued at fair value determined at close of business on 31 January 2019 using external independent third party supplied prices as determined in good faith, pursuant to procedures established by the Authorised Corporate Director.

Some of the sub-funds may enter into write /sell or purchase agreements of put and call options. Gains or losses resulting from option contracts are recognised in the Statement of Total Return. Options are valued at the exchange price at close of business 31 January 2019.

**(g) Exchange rates**

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at close of business on 31 January 2019.

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



**(h) Dilution adjustment**

In certain circumstances (as detailed in the Prospectus) the ACD may apply a dilution adjustment on the creation or cancellation of shares, which is applied to the capital of the relevant sub-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.

**(i) Taxation**

The charge for taxation is based on the results for the year. In general, the tax accounting treatment follows that of the principal amount, regarding the allocation between revenue and capital.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences. 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. Provision of deferred tax assets are only made to the extent the timing difference is expected to be of future benefit.

**(j) Stocklending**

Stock lending revenue is treated as revenue on an accruals basis and is disclosed in the notes to the Financial Statements net of security lending agent fees payable to BNP Paribas Security Services. The value of the collateral must always exceed the value of the stock on loan. The accepted collateral include cash, equities, certain types of bonds and money market instruments as agreed with the Depositary.

**(k) Remuneration**

The Manager has approved and adopted a UCITS V Remuneration Policy Statement in conjunction with the remuneration policy of the Aberdeen Asset Management group of companies ("Aberdeen" or "Aberdeen Group"). In accordance with the European Securities and Markets Authority (ESMA) Guidelines, the UCITS V Remuneration requirements comes into effect on 1 January 2017 following the first full performance period, accordingly there is no remuneration disclosures for this accounting period.

## Cross Holding Table as at 31 January 2019

|                      |                               | Holding Fund                           |                    |   |                    |  |                    |
|----------------------|-------------------------------|--|--------------------|---|--------------------|--|--------------------|
|                      |                               | Aberdeen European High Yield Bond Fund |                    | Aberdeen European Smaller Companies Equity Fund |                    | Aberdeen Sterling Government Bond Fund |                    |
|                      |                               | Number of Units                        | Market Value £'000 | Number of Units                                 | Market Value £'000 | Number of Units                        | Market Value £'000 |
| <b>Investor Fund</b> | Aberdeen Corporate Bond Fund  | 18,547,883                             | 21,366             | -   | -                  | -                                      | -                  |
|                      | Aberdeen European Equity Fund | -                                      | -                  | -   | -                  | -                                      | -                  |
|                      | Aberdeen Multi-Asset Fund     | -                                      | -                  | -   | -                  | 17,191,364                             | 18,611             |

|                      |   | Holding Fund                 |                    |   |                    |
|----------------------|---|------------------------------|--------------------|---|--------------------|
|                      |   | Aberdeen Strategic Bond Fund |                    | Aberdeen UK Smaller Companies Equity Fund |                    |
|                      |   | Number of Units              | Market Value £'000 | Number of Units                           | Market Value £'000 |
| <b>Investor Fund</b> | Aberdeen Corporate Bond Fund                        |                              | 15,058,570         | 24,238                                    | -                  |
|                      | Aberdeen Sterling Opportunistic Corporate Bond Fund |                              | 14,692,146         | 23,648                                    | -                  |
|                      | Aberdeen UK Equity Fund                             |                              | -                  | -   | -                  |

No other such cross-holdings, between other sub-funds in the Aberdeen Investment Funds ICVC, were held as at 31 January 2019.

## Cross Holding Table as at 31 January 2018

|                      |                               | Holding Fund                           |                    |   |                    |  |                    |
|----------------------|-------------------------------|--|--------------------|---|--------------------|--|--------------------|
|                      |                               | Aberdeen European High Yield Bond Fund |                    | Aberdeen European Smaller Companies Equity Fund |                    | Aberdeen Sterling Government Bond Fund |                    |
|                      |                               | Number of Units                        | Market Value £'000 | Number of Units                                 | Market Value £'000 | Number of Units                        | Market Value £'000 |
| <b>Investor Fund</b> | Aberdeen Corporate Bond Fund  | 21,227,531                             | 24,938             | -   | -                  | -                                      | -                  |
|                      | Aberdeen European Equity Fund | -                                      | -                  | 106,741   | 2,005              | -                                      | -                  |
|                      | Aberdeen Multi-Asset Fund     | -                                      | -                  | -   | -                  | 12,026,586                             | 12,546             |

|                      |   | Holding Fund                 |                    |   |                    |
|----------------------|---|------------------------------|--------------------|---|--------------------|
|                      |   | Aberdeen Strategic Bond Fund |                    | Aberdeen UK Smaller Companies Equity Fund |                    |
|                      |   | Number of Units              | Market Value £'000 | Number of Units                           | Market Value £'000 |
| <b>Investor Fund</b> | Aberdeen Corporate Bond Fund                        |                              | 20,086,700         | 32,723                                    | -                  |
|                      | Aberdeen Sterling Opportunistic Corporate Bond Fund |                              | 14,692,146         | 23,935                                    | -                  |
|                      | Aberdeen UK Equity Fund                             |                              | -                  | -   | 371,926            |

No other such cross-holdings, between other sub-funds in the Aberdeen Investment Funds ICVC, were held as at 31 January 2018.

# Aberdeen Asia Pacific and Japan Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The objective of the Fund is to achieve capital growth by investing in countries of the Asia Pacific region, including Japan.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Asia Pacific and Japan Equity Fund - A Accumulation Shares decreased by 4.97% compared to a decrease of 5.32% in the benchmark, the MSCI AC Asia Pacific Index.

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

The MSCI information may only be used for your internal use, may not be reproduced or 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) 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.

## Market review

Asian equities declined in the six months under review. Through late 2018, heightened trade tensions, slowing global growth, and rising political risks hampered markets. The US Federal Reserve's (Fed) policy tightening also dampened risk appetite, as it raised rates for a fourth time. But a solid rally in January mitigated losses. Sentiment rebounded as the US and China appeared to make headway in trade talks, and the Fed adopted a more dovish stance. Worries about a slowing economy weighed on China, while fresh troubles in the financial sector and mixed corporate earnings dampened Indian shares. Japan was also weak, hurt by a strengthening yen and economic worries. Its third-quarter growth shrank by more than expected, as natural disasters depressed economic activity. In contrast, Indonesia and the Philippines were resilient as the US dollar stabilised. Both markets also gained from lower oil prices, amid forecasts of softer demand and worries over a supply glut.

## Portfolio review

The Fund outperformed the benchmark, driven by positive asset allocation. Our higher exposure to Indonesia was a key driver, as the improving macro conditions boosted domestic stockmarkets. In this environment, financials did well, including Bank Central Asia. The lender continued to post good results on the back of healthy loan growth, while asset quality remained sound. Conglomerate Astra International also gained from the rupiah's recovery. Elsewhere in Southeast Asia, the position in the Aberdeen New Thai Investment Trust also buoyed relative performance.

Our choice of holdings in China served us well. Developer and mall operator China Resources Land rose on healthy underlying

fundamentals. Its earnings were buoyed by steady returns from its portfolio of investment properties, reaffirming our investment case. Our technology-sector positions also helped, notably not holding popular internet giants, Baidu and Alibaba. That said, the position in the Aberdeen Standard SICAV I – China A Share Equity Fund capped our gains in the mainland, as it tracked the market lower. Overall, despite short-term challenges, we think China's long-term prospects remain compelling. Rising urbanisation and wealthier middle class remain structural positives. Meanwhile, the lighter exposure to Taiwan was also positive. The tech-heavy market was pressured by anxiety over a slowdown in the semiconductor and consumer electronics subsectors.

Conversely, Japan was the biggest detractor from the fund's performance, due to negative stock selection. Sysmex declined, as lower-than-expected sales of instruments and reagents weighed on its earnings. Nevertheless, growing healthcare needs should sustain growth for its lucrative reagents business. Another detractor was Renesas Electronics, due to worries of higher inventories. Although inventory adjustments may continue to pressure its short-term outlook, we believe the company's medium-term prospects appear sound, given its wide technological moat and market-leading technology. Yahoo Japan also dragged, as ongoing investments hurt its earnings, while its upgraded profit forecasts remained below market expectations. That said, it is still well-positioned to capture opportunities in online advertising.

That said, our underweight exposure to Japan mitigated the losses, while our healthcare holdings were also among the top contributors. Chugai Pharmaceutical rallied on robust exports of its rheumatoid arthritis drug, and positive expectations for its haemophilia treatment, Hemlibra. Shionogi & Co was bolstered by healthy earnings, early US approval for its flu drug, and positive trial data for its upcoming HIV treatment.

On the whole, we remain confident about the long-term outlook for our Japanese holdings, despite the near-term challenges. We favour companies with a dominant industry position, sustainable earnings and pricing power. Therefore, we took advantage of volatility to introduce three new holdings. Stanley Electric is among the world's largest automotive lighting manufacturers, and is poised to gain from growing demand for energy-efficient solutions. Its in-house LED-manufacturing capability should also drive cost-savings. Shimano is a cycling and fishing equipment maker with a technological edge and reputation for quality. It is entrenched as a supplier in the bicycle industry, while its fishing-tackle business has also grown steadily. Tokio Marine is Japan's oldest insurance firm. Its lower-cost base reinforces the cash-generative domestic business, which, in turn, has underpinned its expansion abroad. The overseas business has become a key earnings driver, and is important for diversifying risks. We also like its capital discipline.

Elsewhere, we also introduced two Australian names, Cochlear and Woodside Petroleum. We think both new holdings offer appealing long-term prospects. Cochlear is the leading maker of

hearing-implants globally. It possesses significant intellectual property, has a well-established distribution network and an embedded relationship with surgeons. We also like its clear strategies to target the adult segment and gain traction in the US market. Woodside Petroleum, meanwhile, is a liquefied natural gas (LNG) producer that has an attractive growth profile, with several key projects in the pipeline. While we have a longstanding underweight to the energy sector due to its cyclical nature, we are positive about the outlook for LNG, given the growing demand for cleaner fuel sources.

Against this, we exited AmorePacific, a Korean cosmetics group with exposure to China. Our investment thesis that it would benefit from the consumption potential of the mainland's growing middle classes failed to play out. Revenues and margins remained soft, despite better tourism numbers and sales from travel-retail channels. We still see execution risks, and felt that things could get worse, given its eroding competitive advantage in Korea and tougher competition in China.

### Outlook

The outlook still appears volatile for Asian markets, given ongoing macro-political concerns. While there appears to be some progress on US-China trade talks, deeper tensions remain. China's growth slowdown may also have ripple effects on regional economies. Politics is another worry, as elections in key markets could worsen policy uncertainty. There are also sector-specific risks. Tech firms are grappling with softening demand, while rising costs could pressure consumer and material stocks. That said, the Fed's dovish shift will help shore up sentiment. Many of our holdings are still posting decent earnings growth, despite more muted forecasts. The 2018 selloff has also driven share prices down to more attractive levels. However, we remain cautious, staying true to our quality-focused approach. We are regularly reviewing the investment case for all our holdings, assessing whether their structural growth drivers are still intact. Hence, our portfolios invest in companies that have clear economic moats, pricing power, and steady cash flows. This gives us confidence despite market fluctuations.

**Asia Pacific Equity Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Emerging Markets: Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries and this may mean your money is at greater risk.
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- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 30,127          | 40,153       | 45,158       | 46,647       |
| Closing number of shares                  | 13,250,822      | 16,718,059   | 19,563,631   | 23,932,171   |
| Closing net asset value per share (pence) | 227.36          | 240.18       | 230.82       | 194.91       |
| Change in net asset value per share       | (5.34%)         | 4.06%        | 18.42%       | 12.44%       |
| Operating charges                         | 1.79%           | 1.93%        | 1.95%        | 1.95%        |

| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 79,648          | 88,615       | 96,091       | 90,439       |
| Closing number of shares                  | 52,388,795      | 55,357,612   | 62,931,565   | 70,672,353   |
| Closing net asset value per share (pence) | 152.03          | 160.08       | 152.69       | 127.97       |
| Change in net asset value per share       | (5.03%)         | 4.84%        | 19.32%       | 13.28%       |
| Operating charges                         | 1.13%           | 1.18%        | 1.20%        | 1.20%        |

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

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

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

## Portfolio Statement

As at 31 January 2019

| Holding                                | Investment            | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|-----------------------|-----------------------|--------------------------------------|
| <b>Equities (89.84%)</b>               |                       | <b>99,984</b>         | <b>91.09</b>                         |
| <b>Japanese Equities (23.76%)</b>      |                       | <b>25,904</b>         | <b>23.60</b>                         |
| 144,900                                | Amada                 | 1,104                 | 1.01                                 |
| 34,900                                 | Chugai Pharmaceutical | 1,565                 | 1.42                                 |
| 12,900                                 | Daikin Industries     | 1,060                 | 0.96                                 |
| 35,200                                 | Denso                 | 1,226                 | 1.12                                 |
| 11,700                                 | FANUC                 | 1,500                 | 1.37                                 |
| 177,400                                | Japan Exchange Group  | 2,367                 | 2.16                                 |
| 79,200                                 | Japan Tobacco         | 1,521                 | 1.39                                 |
| 6,600                                  | Keyence               | 2,569                 | 2.34                                 |
| 53,600                                 | Makita                | 1,440                 | 1.31                                 |
| 32,300                                 | Nippon Paint          | 820                   | 0.75                                 |
| 214,100                                | Renesas Electronics   | 933                   | 0.85                                 |
| 56,700                                 | Seven & I             | 1,876                 | 1.71                                 |
| 4,900                                  | Shimano               | 520                   | 0.47                                 |
| 37,000                                 | Shin-Etsu Chemical    | 2,370                 | 2.16                                 |
| 26,000                                 | Shionogi              | 1,213                 | 1.10                                 |
| 21,500                                 | Stanley Electric      | 473                   | 0.43                                 |
| 42,200                                 | Sysmex                | 1,782                 | 1.62                                 |
| 14,700                                 | Tokio Marine          | 545                   | 0.50                                 |
| 500,200                                | Yahoo Japan           | 1,020                 | 0.93                                 |
| <b>North America Equities (1.68%)</b>  |                       | <b>2,350</b>          | <b>2.14</b>                          |
| <b>United States (1.68%)</b>           |                       | <b>2,350</b>          | <b>2.14</b>                          |
| 32,466                                 | Huazhu Group          | 783                   | 0.71                                 |
| 56,500                                 | Yum China             | 1,567                 | 1.43                                 |
| <b>Pacific Basin Equities (51.96%)</b> |                       | <b>58,644</b>         | <b>53.43</b>                         |
| <b>Australia (1.71%)</b>               |                       | <b>5,198</b>          | <b>4.74</b>                          |
| 61,663                                 | Aristocrat Leisure    | 840                   | 0.77                                 |
| 91,044                                 | BHP                   | 1,539                 | 1.40                                 |
| 8,917                                  | Cochlear              | 952                   | 0.87                                 |
| 12,021                                 | CSL                   | 1,297                 | 1.18                                 |
| 30,000                                 | Woodside Petroleum    | 570                   | 0.52                                 |

|                           |                                |  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---------------------------|--------------------------------|--|-----------------------|--------------------------------------|
| Holding                   | Investment                     |  |                       |                                      |
| <b>China (7.47%)</b>      |                                |  | <b>9,162</b>          | <b>8.35</b>                          |
| 226,000                   | Anhui Conch Cement             |  | 927                   | 0.84                                 |
| 14,196                    | Autohome ADR                   |  | 781                   | 0.71                                 |
| 286,500                   | Ping An Insurance              |  | 2,107                 | 1.92                                 |
| 67,200                    | Sunny Optical Technology       |  | 502                   | 0.46                                 |
| 114,600                   | Tencent                        |  | 3,839                 | 3.50                                 |
| 154,000                   | WuXi Biologics                 |  | 1,006                 | 0.92                                 |
| <b>Hong Kong (11.54%)</b> |                                |  | <b>10,886</b>         | <b>9.92</b>                          |
| 402,400                   | AIA                            |  | 2,746                 | 2.50                                 |
| 62,000                    | ASM Pacific Technology         |  | 505                   | 0.46                                 |
| 90,000                    | China Mobile                   |  | 717                   | 0.65                                 |
| 562,000                   | China Resources Land           |  | 1,661                 | 1.51                                 |
| 24,000                    | Hang Lung Group                |  | 53                    | 0.05                                 |
| 361,000                   | Hang Lung Properties           |  | 597                   | 0.55                                 |
| 49,428                    | Hong Kong Exchanges & Clearing |  | 1,167                 | 1.06                                 |
| 77,939                    | Jardine Strategic Holdings     |  | 2,266                 | 2.07                                 |
| 452,500                   | Swire Pacific 'B'              |  | 613                   | 0.56                                 |
| 190,100                   | Swire Properties               |  | 561                   | 0.51                                 |
| <b>India (5.87%)</b>      |                                |  | <b>7,441</b>          | <b>6.78</b>                          |
| 77,690                    | Grasim Industries              |  | 598                   | 0.55                                 |
| 41,100                    | Hindustan Unilever             |  | 772                   | 0.70                                 |
| 96,041                    | Housing Development Finance    |  | 1,970                 | 1.79                                 |
| 365,500                   | ITC                            |  | 1,087                 | 0.99                                 |
| 91,690                    | Kotak Mahindra Bank            |  | 1,230                 | 1.12                                 |
| 71,112                    | Tata Consultancy Services      |  | 1,524                 | 1.39                                 |
| 6,914                     | UltraTech Cement               |  | 260                   | 0.24                                 |
| <b>Indonesia (3.79%)</b>  |                                |  | <b>4,376</b>          | <b>3.99</b>                          |
| 2,361,600                 | Astra International            |  | 1,082                 | 0.99                                 |
| 1,878,500                 | Bank Central Asia              |  | 2,877                 | 2.62                                 |
| 153,500                   | Unilever Indonesia             |  | 417                   | 0.38                                 |
| <b>Malaysia (0.80%)</b>   |                                |  | <b>837</b>            | <b>0.76</b>                          |
| 182,047                   | Public Bank                    |  | 837                   | 0.76                                 |



| Holding                        | Investment                          | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--------------------------------|-------------------------------------|-----------------------|--------------------------------------|
| <b>Philippines (2.30%)</b>     |                                     | <b>1,839</b>          | <b>1.68</b>                          |
| 41,960                         | Ayala                               | 565                   | 0.52                                 |
| 499,300                        | Ayala Land                          | 323                   | 0.29                                 |
| 717,691                        | Bank of the Philippine Islands      | 951                   | 0.87                                 |
| <b>Singapore (6.86%)</b>       |                                     | <b>7,061</b>          | <b>6.43</b>                          |
| 248,000                        | City Developments                   | 1,289                 | 1.17                                 |
| 107,133                        | DBS                                 | 1,449                 | 1.32                                 |
| 321,200                        | Keppel                              | 1,106                 | 1.01                                 |
| 250,116                        | Oversea-Chinese Banking             | 1,626                 | 1.48                                 |
| 446,600                        | Singapore Telecommunications        | 760                   | 0.69                                 |
| 58,370                         | United Overseas Bank                | 831                   | 0.76                                 |
| <b>South Korea (6.12%)</b>     |                                     | <b>6,774</b>          | <b>6.16</b>                          |
| 4,518                          | AmorePacific (Pref)                 | 313                   | 0.28                                 |
| 7,271                          | LG Chemical                         | 1,826                 | 1.66                                 |
| 10,145                         | Naver                               | 943                   | 0.86                                 |
| 144,312                        | Samsung Electronics (Pref)          | 3,692                 | 3.36                                 |
| <b>Taiwan (4.37%)</b>          |                                     | <b>4,221</b>          | <b>3.85</b>                          |
| 445,107                        | Taiwan Mobile                       | 1,201                 | 1.10                                 |
| 553,504                        | Taiwan Semiconductors Manufacturing | 3,020                 | 2.75                                 |
| <b>Thailand (1.13%)</b>        |                                     | <b>849</b>            | <b>0.77</b>                          |
| 693,000                        | Bangkok Dusit Medical Services      | 396                   | 0.36                                 |
| 39,900                         | Siam Cement                         | 453                   | 0.41                                 |
| <b>UK Equities (12.44%)</b>    |                                     | <b>13,086</b>         | <b>11.92</b>                         |
| <b>Basic Materials (2.82%)</b> |                                     | <b>1,650</b>          | <b>1.50</b>                          |
| 39,410                         | Rio Tinto                           | 1,650                 | 1.50                                 |

| Holding                                      | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
| <b>Financials (9.62%)</b>                    |  | <b>11,436</b>         | <b>10.42</b>                         |
| 772,036                                      | Aberdeen New Thai Investment Trust <sup>+</sup>                    | 4,339                 | 3.95                                 |
| 480,000                                      | Aberdeen Standard Asia Focus <sup>+</sup>                          | 4,920                 | 4.48                                 |
| 197,881                                      | HSBC   | 1,278                 | 1.17                                 |
| 146,584                                      | Standard Chartered   | 899                   | 0.82                                 |
| <b>Collective Investment Schemes (8.95%)</b> |  | <b>7,997</b>          | <b>7.28</b>                          |
| 577,177                                      | Aberdeen Standard SICAV I - China A Share Equity Fund <sup>+</sup> | 5,965                 | 5.43                                 |
| 133,833                                      | Aberdeen Standard SICAV I - Indian Equity Fund <sup>+</sup>        | 2,032                 | 1.85                                 |
| <b>Total investment assets</b>               |  | <b>107,981</b>        | <b>98.37</b>                         |
| Net other assets                             |  | 1,794                 | 1.63                                 |
| <b>Total Net Assets</b>                      |  | <b>109,775</b>        | <b>100.00</b>                        |

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital (losses)/gains  |                 | (6,589)        |                 | 8,633        |
| Revenue   | 1,036           |                | 1,192           |              |
| Expenses  | (746)           |                | (1,002)         |              |
| Net revenue before taxation   | 290             |                | 190             |              |
| Taxation  | (118)           |                | (74)            |              |
| Net revenue after taxation  |                 | 172            |                 | 116          |
| <b>Total return before distributions</b>  |                 | <b>(6,417)</b> |                 | <b>8,749</b> |
| Distributions   |                 | (12)           |                 | (21)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(6,429)</b> |                 | <b>8,728</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>128,768</b> |                 | <b>141,249</b> |
| Amounts receivable on the issue of shares  | 2,128           |                | 581             |                |
| Amounts payable on the cancellation of shares  | (14,692)        |                | (10,722)        |                |
|  |                 | (12,564)       |                 | (10,141)       |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (6,429)        |                 | 8,728          |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>109,775</b> |                 | <b>139,836</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 107,981        |              | 127,205        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 143             |                | 1,452        |                |
| Cash and bank balances                         | 2,015           |                | 1,278        |                |
|  |                 | 2,158          |              | 2,730          |
| Total assets                                   |                 | 110,139        |              | 129,935        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Creditors                                      | (364)           |                | (1,167)      |                |
|  |                 | (364)          |              | (1,167)        |
| Total liabilities                              |                 | (364)          |              | (1,167)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>109,775</b> |              | <b>128,768</b> |

# Aberdeen Asia Pacific Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The objective of the Fund is to achieve capital growth by investing in the countries of the Asia Pacific region excluding Japan.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Asia Pacific Equity Fund - A Accumulation Shares decreased by 3.35% compared to a decrease of 4.84% in the benchmark, the MSCI AC Asia Pacific ex Japan Index.

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

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

## Market review

Asian equities declined in the six months under review. Through late 2018, heightened trade tensions, slowing global growth, and rising political risks hampered markets. The US Federal Reserve's (Fed) policy tightening also dampened risk appetite, as it raised rates for a fourth time. But a solid rally in January mitigated losses. Sentiment rebounded as the US and China appeared to make headway in trade talks, and the Fed adopted a more dovish stance. Worries about a slowing economy weighed on mainland markets, while fresh troubles in the financial sector dampened Indian shares. In contrast, Indonesia and the Philippines were resilient as the US dollar weakened. Both markets also gained from lower oil prices, amid forecasts of softer demand and worries over a supply glut.

## Portfolio review

The Fund outperformed the benchmark, driven by positive asset allocation. Our higher exposure to Indonesia was a key driver, as the improving macro conditions boosted domestic markets. In this environment, financials did well, including Bank Central Asia. The lender continued to post good results on the back of healthy loan growth, while asset quality remained sound. Conglomerate Astra International also gained from the rupiah's recovery. Several other Southeast Asian positions also made positive contributions. Philippine developer Ayala Land rose on sustained residential demand, while a brighter outlook for petrochemicals and cement supported Siam Cement.

Our choice of holdings in China served us well. Developer and mall operator China Resources Land was resilient on healthy underlying fundamentals. Returns from its investment property portfolio also buoyed its earnings, which reaffirmed our investment case. Our technology-sector positions also helped, notably not holding popular internet giants, Baidu and Alibaba. But the position in the Aberdeen Standard SICAV I – China A Share Equity Fund capped our gains in the mainland, as it tracked the market lower. Despite short-term challenges, we think China's long-term prospects remain compelling. Rising urbanisation and a wealthier middle class remain structural positives. Meanwhile, the lighter exposure to Taiwan was also positive. The tech-heavy market was pressured by anxiety over a slowdown in the semiconductor and consumer electronics subsectors.

In contrast, India was a major detractor. Grasim Industries pulled back on worries that fundraising plans from its telco affiliate may strain its balance sheet. However, its valuations are attractive, and management indicated that the outlook for cement are improving thanks to better volumes and higher prices. Motorcycle-maker Hero Motocorp also dragged on concerns that rising fuel prices, higher interest rates and a potential pullback in financing from non-bank financial companies could lead to slower auto sales growth.

In portfolio activity, we introduced two Australian names over the period, Cochlear and Woodside Petroleum. We think both new holdings offer appealing long-term prospects. Cochlear is the leading maker of hearing-implants globally. It possesses significant intellectual property, has a well-established distribution network and an embedded relationship with surgeons. We also like its clear strategies to target the adult segment and gain traction in the US market. Woodside Petroleum, meanwhile, is a liquefied natural gas (LNG) producer that has an attractive growth profile, with several key projects in the pipeline. While we have a longstanding underweight to the energy sector due to its cyclicality, we are positive about the outlook for LNG, given the growing demand for cleaner fuel sources.

Elsewhere, we initiated Central Pattana, Thailand's largest mall developer, which also has interests in office and residential developments. Management has been adroit in diversifying its assets and expanding abroad. We also see room for margins to improve, boosted by retail growth and rental reversions.

Against this, we exited AmorePacific, a Korean cosmetics group with exposure to China. Our investment thesis that it would benefit from the consumption potential of the mainland's growing middle classes failed to play out. Revenues and margins remained soft, despite better tourism numbers and improving sales from travel-retail channels. Its business in China also appeared to be stalling, reflecting its limited exposure to the luxury segment. We still see significant execution risks, and felt that things could get worse, given its eroding competitive advantage in Korea and intensifying competition in China.

### Outlook

The outlook still appears volatile for Asian markets, given ongoing macro-political concerns. While there appears to be some progress on US-China trade talks, deeper tensions remain. China's growth slowdown may also have ripple effects on regional economies. Politics is another worry, as elections in key markets could worsen policy uncertainty. There are also sector-specific risks. Tech firms are grappling with softening demand, while rising costs could pressure consumer and material stocks. That said, the Fed's dovish shift will help shore up sentiment. Many of our holdings are still posting decent earnings growth, despite more muted forecasts. The 2018 selloff has also driven share prices down to more attractive levels. However, we remain cautious, staying true to our quality-focused approach. We are regularly reviewing the investment case for all our holdings, assessing whether their structural growth drivers are still intact. Hence, our portfolios invest in companies that have clear economic moats, pricing power, and steady cash flows. This gives us confidence despite market fluctuations.

**Asia Pacific Equity Team**  
February 2019

### Risk and reward profile

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| Typically lower rewards, lower risk |   |   |   | Typically higher rewards, higher risk |   |   |
|-------------------------------------|---|---|---|---------------------------------------|---|---|
| ←                                   |   |   |   | →                                     |   |   |
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Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
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## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 274,672         | 295,801      | 322,674      | 319,315      |
| Closing number of shares                  | 105,209,903     | 108,993,397  | 123,279,877  | 148,918,951  |
| Closing net asset value per share (pence) | 261.07          | 271.39       | 261.74       | 214.42       |
| Change in net asset value per share       | (3.80%)         | 3.69%        | 22.07%       | 9.40%        |
| Operating charges                         | 1.86%           | 0.02%        | 0.06%        | 0.08%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 20,987          | 21,970       | 23,477       | 20,940       |
| Closing number of shares                  | 8,944,237       | 9,006,661    | 9,930,082    | 10,766,265   |
| Closing net asset value per share (pence) | 234.64          | 243.93       | 236.42       | 194.49       |
| Change in net asset value per share       | (3.81%)         | 3.18%        | 21.56%       | 8.43%        |
| Operating charges                         | 1.85%           | 1.96%        | 1.95%        | 1.95%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 348,393         | 539,646      | 809,196      | 809,692      |
| Closing number of shares                  | 122,577,740     | 183,247,520  | 287,055,830  | 353,259,550  |
| Closing net asset value per share (pence) | 284.22          | 294.49       | 281.89       | 229.21       |
| Change in net asset value per share       | (3.49%)         | 4.47%        | 22.98%       | 10.22%       |
| Operating charges                         | 1.21%           | 1.21%        | 1.20%        | 1.20%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 23,822          | 26,136       | 56,584       | 48,177       |
| Closing number of shares                  | 17,733,121      | 18,774,844   | 41,940,775   | 43,436,149   |
| Closing net asset value per share (pence) | 134.33          | 139.20       | 134.91       | 110.91       |
| Change in net asset value per share       | (3.50%)         | 3.18%        | 21.64%       | 8.55%        |
| Operating charges                         | 1.21%           | 1.21%        | 1.20%        | 1.20%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 103.43          |              |              |              |
| Change in net asset value per share       | 3.43%           |              |              |              |
| Operating charges                         | 0.22%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 103.43          |              |              |              |
| Change in net asset value per share       | 3.43%           |              |              |              |
| Operating charges                         | 0.22%           |              |              |              |



| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 88,194          | 91,054       | 91,365       | 83,368       |
| Closing number of shares                  | 27,706,987      | 27,747,781   | 29,379,181   | 33,300,481   |
| Closing net asset value per share (pence) | 318.31          | 328.15       | 310.99       | 250.35       |
| Change in net asset value per share       | (3.00%)         | 5.52%        | 24.22%       | 11.33%       |
| Operating charges                         | 0.21%           | 0.21%        | 0.20%        | 0.20%        |

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

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

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

<sup>A</sup> M share classes launched on 29 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                | Investment                        | Bid-Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|-----------------------------------|---------------------------|--------------------------------------|
| <b>Equities (91.43%)</b>               |                                   | <b>690,722</b>            | <b>91.36</b>                         |
| <b>North America Equities (1.85%)</b>  |                                   | -                         | -                                    |
| <b>United States (1.85%)</b>           |                                   | -                         | -                                    |
| <b>Pacific Basin Equities (81.26%)</b> |                                   | <b>630,673</b>            | <b>83.42</b>                         |
| <b>Australia (1.98%)</b>               |                                   | <b>45,279</b>             | <b>5.99</b>                          |
| 474,084                                | Aristocrat Leisure                | 6,459                     | 0.85                                 |
| 914,800                                | BHP                               | 15,460                    | 2.05                                 |
| 57,500                                 | Cochlear                          | 6,139                     | 0.81                                 |
| 126,279                                | CSL                               | 13,628                    | 1.80                                 |
| 189,000                                | Woodside Petroleum                | 3,593                     | 0.48                                 |
| <b>China (10.86%)</b>                  |                                   | <b>97,117</b>             | <b>12.86</b>                         |
| 1,937,000                              | Anhui Conch Cement                | 7,947                     | 1.05                                 |
| 127,044                                | Autohome (ADR)                    | 6,990                     | 0.93                                 |
| 225,868                                | Huazhu Group                      | 5,445                     | 0.72                                 |
| 2,452,000                              | Ping An Insurance <sup>∞</sup>    | 18,030                    | 2.39                                 |
| 353,800                                | Sunny Optical Technology          | 2,641                     | 0.35                                 |
| 1,136,600                              | Tencent                           | 38,078                    | 5.04                                 |
| 1,044,500                              | WuXi Biologics                    | 6,821                     | 0.90                                 |
| 402,500                                | Yum China                         | 11,165                    | 1.48                                 |
| <b>Hong Kong (15.62%)</b>              |                                   | <b>123,267</b>            | <b>16.30</b>                         |
| 3,610,000                              | AIA                               | 24,639                    | 3.26                                 |
| 882,100                                | ASM Pacific Technology            | 7,187                     | 0.95                                 |
| 1,137,100                              | China Mobile                      | 9,061                     | 1.20                                 |
| 4,998,000                              | China Resources Land              | 14,769                    | 1.95                                 |
| 2,124,000                              | Hang Lung Group                   | 4,723                     | 0.62                                 |
| 2,035,220                              | Hang Lung Properties <sup>∞</sup> | 3,364                     | 0.45                                 |
| 668,606                                | Hong Kong Exchanges & Clearing    | 15,779                    | 2.09                                 |
| 1,013,752                              | Jardine Strategic Holdings        | 29,477                    | 3.90                                 |
| 6,273,700                              | Swire Pacific                     | 8,497                     | 1.12                                 |
| 1,956,218                              | Swire Properties                  | 5,771                     | 0.76                                 |

| Holding                    | Investment                     | Bid-Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------|--------------------------------|---------------------------|--------------------------------------|
| <b>India (12.04%)</b>      |                                | <b>87,165</b>             | <b>11.53</b>                         |
| 1,530,552                  | Grasim Industries              | 11,777                    | 1.56                                 |
| 283,000                    | HDFC Bank                      | 6,270                     | 0.83                                 |
| 223,107                    | Hero MotoCorp                  | 6,255                     | 0.83                                 |
| 207,445                    | Hindustan Unilever             | 3,896                     | 0.51                                 |
| 1,052,305                  | Housing Development Finance    | 21,580                    | 2.85                                 |
| 4,731,161                  | ITC                            | 14,072                    | 1.86                                 |
| 747,500                    | Kotak Mahindra Bank            | 10,032                    | 1.33                                 |
| 619,916                    | Tata Consultancy Services      | 13,283                    | 1.76                                 |
| <b>Indonesia (3.84%)</b>   |                                | <b>36,014</b>             | <b>4.76</b>                          |
| 19,446,500                 | Astra International            | 8,914                     | 1.18                                 |
| 14,348,400                 | Bank Central Asia              | 21,975                    | 2.90                                 |
| 1,885,721                  | Unilever Indonesia             | 5,125                     | 0.68                                 |
| <b>Malaysia (0.98%)</b>    |                                | <b>7,489</b>              | <b>0.99</b>                          |
| 1,628,495                  | Public Bank                    | 7,489                     | 0.99                                 |
| <b>Philippines (3.89%)</b> |                                | <b>28,505</b>             | <b>3.77</b>                          |
| 22,799,340                 | Ayala Land                     | 14,768                    | 1.95                                 |
| 10,370,892                 | Bank of the Philippine Islands | 13,737                    | 1.82                                 |
| <b>Singapore (10.98%)</b>  |                                | <b>72,686</b>             | <b>9.61</b>                          |
| 2,759,000                  | City Developments              | 14,335                    | 1.90                                 |
| 1,100,055                  | DBS                            | 14,876                    | 1.97                                 |
| 3,161,300                  | Keppel                         | 10,884                    | 1.44                                 |
| 2,863,010                  | Oversea-Chinese Banking        | 18,614                    | 2.46                                 |
| 3,931,979                  | Singapore Telecommunications   | 6,691                     | 0.88                                 |
| 511,635                    | United Overseas Bank           | 7,286                     | 0.96                                 |
| <b>South Korea (9.86%)</b> |                                | <b>67,312</b>             | <b>8.90</b>                          |
| 23,926                     | AmorePacific (Pref)            | 1,659                     | 0.22                                 |
| 53,239                     | E-Mart                         | 6,984                     | 0.92                                 |
| 50,300                     | LG Chemical                    | 12,630                    | 1.67                                 |
| 69,745                     | Naver                          | 6,480                     | 0.86                                 |
| 1,546,041                  | Samsung Electronics (Pref)     | 39,559                    | 5.23                                 |

| Holding                                      | Investment   | Bid-Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|---------------------------|--------------------------------------|
| <b>Sri Lanka (1.08%)</b>                     |  | <b>8,065</b>              | <b>1.07</b>                          |
| 5,438,669                                    | DFCC Bank  | 1,854                     | 0.25                                 |
| 9,403,083                                    | John Keells  | 6,211                     | 0.82                                 |
| <b>Taiwan (5.60%)</b>                        |  | <b>36,207</b>             | <b>4.79</b>                          |
| 2,830,305                                    | Taiwan Mobile  | 7,634                     | 1.01                                 |
| 5,236,827                                    | Taiwan Semiconductors Manufacturing                    | 28,573                    | 3.78                                 |
| <b>Thailand (2.51%)</b>                      |  | <b>21,567</b>             | <b>2.85</b>                          |
| 9,261,900                                    | Bangkok Dusit Medical Services                         | 5,296                     | 0.70                                 |
| 2,161,000                                    | Central Pattana  | 4,194                     | 0.55                                 |
| 1,065,100                                    | Siam Cement  | 12,077                    | 1.60                                 |
| <b>UK Equities (10.34%)</b>                  |  | <b>60,049</b>             | <b>7.94</b>                          |
| <b>Basic Materials (2.38%)</b>               |  | <b>16,145</b>             | <b>2.13</b>                          |
| 385,600                                      | Rio Tinto  | 16,145                    | 2.13                                 |
| <b>Financials (7.96%)</b>                    |  | <b>43,904</b>             | <b>5.81</b>                          |
| 1,786,130                                    | Aberdeen New Thai Investment Trust*                    | 10,038                    | 1.33                                 |
| 1,203,400                                    | Aberdeen Standard Asia Focus*                          | 12,335                    | 1.63                                 |
| 2,190,510                                    | HSBC   | 14,145                    | 1.87                                 |
| 1,203,355                                    | Standard Chartered                                     | 7,386                     | 0.98                                 |
| <b>Collective Investment Schemes (6.96%)</b> |  | <b>43,728</b>             | <b>5.78</b>                          |
| 4,231,370                                    | Aberdeen Standard SICAV I - China A Share Equity Fund* | 43,728                    | 5.78                                 |
| <b>Total investment assets</b>               |  | <b>734,450</b>            | <b>97.14</b>                         |
| Net other assets                             |  | 21,618                    | 2.86                                 |
| <b>Total Net Assets</b>                      |  | <b>756,068</b>            | <b>100.00</b>                        |

\* Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |               |
|---|-----------------|-----------------|-----------------|---------------|
|   | £'000           | £'000           | £'000           | £'000         |
| Income:   |                 |                 |                 |               |
| Net capital (losses)/gains  |                 | (32,107)        |                 | 66,053        |
| Revenue   | 6,728           |                 | 13,046          |               |
| Expenses  | (5,180)         |                 | (8,642)         |               |
| Interest payable and similar charges  | (1)             |                 | 0               |               |
| Net revenue before taxation   | 1,547           |                 | 4,404           |               |
| Taxation  | (380)           |                 | (653)           |               |
| Net revenue after taxation  |                 | 1,167           |                 | 3,751         |
| <b>Total return before distributions</b>  |                 | <b>(30,940)</b> |                 | <b>69,804</b> |
| Distributions   |                 | (145)           |                 | (339)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(31,085)</b> |                 | <b>69,465</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                  |
|--|-----------------|----------------|-----------------|------------------|
|  | £'000           | £'000          | £'000           | £'000            |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>974,607</b> |                 | <b>1,303,296</b> |
| Amounts receivable on the issue of shares  | 40,305          |                | 5,266           |                  |
| Amounts payable on the cancellation of shares  | (228,401)       |                | (96,465)        |                  |
|  |                 | (188,096)      |                 | (91,199)         |
| Dilution adjustment  |                 | 642            |                 |                  |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (31,085)       |                 | 69,465           |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>756,068</b> |                 | <b>1,281,562</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 734,450        |              | 958,897        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 4,512           |                | 10,555       |                |
| Cash and bank balances                         | 19,297          |                | 11,168       |                |
|  |                 | 23,809         |              | 21,723         |
| Total assets                                   |                 | 758,259        |              | 980,620        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | –              |              | (1,178)        |
| Creditors                                      | (2,191)         |                | (4,400)      |                |
| Distribution payable                           | –               |                | (435)        |                |
|  |                 | (2,191)        |              | (4,835)        |
| Total liabilities                              |                 | (2,191)        |              | (6,013)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>756,068</b> |              | <b>974,607</b> |

# Aberdeen Corporate Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in Investment grade corporate Debt and debt-related securities denominated in (or hedged back to) Sterling.

The Fund may also invest in other transferable securities, including Investment grade and sub-Investment grade Debt and debt-related securities denominated in any currency, including those issued by governments, public bodies and supra-national issuers, as well as money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Corporate Bond Fund - A Accumulation Shares increased by 0.41% compared to an increase of 1.27% in the benchmark, the Markit iBoxx Sterling Collateralized & Corporate Index.

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

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

## Market review

After suffering volatility and weakness in previous months, corporate bond markets were materially calmer over the summer of 2018, months. Spreads tightened modestly in both investment grade and high yield markets, supported by fundamental data and lower-than-expected levels of new issuance. Government bond yields rose were on a rising trend, however, however, led by US Treasuries as higher inflation and tighter monetary policy were priced in. Developed markets materially outperformed emerging markets which were particularly affected by the aforementioned weakness in Turkey and Argentina. Towards the end of the quarter the sterling market investment grade market lagged other markets as Brexit concerns increased.

The final three months of 2018 were challenging for risk assets globally with stocks and commodities falling and credit spreads widening as a deteriorating global economic outlook was priced into the market. Trade tensions between the US and China and the ongoing challenges of Brexit added to the worries for investors. As we moved into the new year, corporate bond markets were more stable, recovering significantly from the weakness of late 2018. Rhetoric around trade tensions was calmer. The US Federal Reserve adopted a materially more dovish tone, appearing to have paused its interest rate-hiking cycle for the time being at least. Although headline data remains soft in many developed market economies the impression that central banks are likely to continue to influence has provided material support. The technical backdrop also improved, as new bond supply failed to meet expectations. Lower quality credit, which had underperformed in late 2018, recovered in this environment.

## Portfolio review

Most of the Fund's underperformance over the six-month review period came within the final three months when risk assets globally sold off. Exposure to the higher-beta financial sector was negative; banks in particular performed poorly. Although the fund's allocation to high yield corporate bonds was pared back in 2018, holdings in the asset class were also moderately detrimental. Interest rate exposure and holdings in higher quality debt boosted returns as a result of their safe-haven status. At the stock level, holdings which underperformed included UK insurer Direct Line and funeral home operator Dignity Finance. Floating rate notes underperformed as government bond yields fell.

Avoiding bonds issued by UK-domiciled roadside assistance groups RAC and AA were beneficial; both underperformed. US conglomerate was also weak through most of the period having issued a series of profit warnings and credit ratings downgrades. The fund was short of this issuer and benefited as a result although a recovery late in the period caused a recovery in spread levels.

## Outlook

The sell-off in the last three months of 2018 left much of the corporate bond universe looking relatively cheap, albeit spreads re-traced some of their underperformance in January. This reflects a slightly calmer macroeconomic background globally. While the asset class still offers good value, it is prudent to reduce risk. The twin threads of a global economic slowdown and – closer to home – the risks around Brexit mean that volatility may persist in 2019. This is likely to provide opportunities to add value within the fund.

## Sterling IG and Aggregate Team

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 3 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).



## Comparative tables

| <b>A Accumulation shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
|---|------------------------|---------------------|---------------------|---------------------|
| Closing net asset value (£'000)           | 2,931                  | 3,080               | 3,530               | 3,570               |
| Closing number of shares                  | 1,805,698              | 1,903,778           | 2,161,853           | 2,239,859           |
| Closing net asset value per share (pence) | 162.28                 | 161.79              | 163.28              | 159.37              |
| Change in net asset value per share       | 0.30%                  | -0.91%              | 2.45%               | 9.65%               |
| Operating charges                         | 1.08%                  | 1.10%               | 1.13%               | 1.13%               |
| <b>A Income shares</b>                    | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 368,878                | 373,680             | 416,957             | 460,739             |
| Closing number of shares                  | 328,656,011            | 330,316,081         | 357,655,935         | 395,422,015         |
| Closing net asset value per share (pence) | 112.24                 | 113.13              | 116.58              | 116.52              |
| Change in net asset value per share       | (0.79%)                | (2.96%)             | 0.05%               | 7.07%               |
| Operating charges                         | 1.07%                  | 1.10%               | 1.13%               | 1.13%               |
| <b>I Accumulation shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 11,725                 | 12,385              | 16,336              | 16,718              |
| Closing number of shares                  | 6,233,054              | 6,619,886           | 8,695,942           | 9,160,166           |
| Closing net asset value per share (pence) | 188.11                 | 187.08              | 187.86              | 182.51              |
| Change in net asset value per share       | 0.55%                  | -0.42%              | 2.93%               | 10.10%              |
| Operating charges                         | 0.59%                  | 0.60%               | 0.63%               | 0.63%               |
| <b>I Income shares</b>                    | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 12,558                 | 12,588              | 14,053              | 15,897              |
| Closing number of shares                  | 10,836,496             | 10,776,801          | 11,674,462          | 13,213,064          |
| Closing net asset value per share (pence) | 115.89                 | 116.80              | 120.38              | 120.32              |
| Change in net asset value per share       | (0.78%)                | (2.97%)             | 0.05%               | 7.09%               |
| Operating charges                         | 0.59%                  | 0.60%               | 0.63%               | 0.63%               |
| <b>I Gross Accumulation shares</b>        | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 1,087                  | 1,228               | 1,163               | 13,723              |
| Closing number of shares                  | 505,790                | 574,378             | 541,678             | 6,589,678           |
| Closing net asset value per share (pence) | 214.91                 | 213.74              | 214.62              | 208.26              |
| Change in net asset value per share       | 0.55%                  | (0.41%)             | 3.05%               | 10.87%              |
| Operating charges                         | 0.59%                  | 0.60%               | 0.63%               | 0.63%               |
| <b>M Accumulation shares<sup>A</sup></b>  | <b>31 January 2019</b> |                     |                     |                     |
| Closing net asset value (£'000)           | -                      |                     |                     |                     |
| Closing number of shares                  | 100                    |                     |                     |                     |
| Closing net asset value per share (pence) | 101.83                 |                     |                     |                     |
| Change in net asset value per share       | -                      |                     |                     |                     |
| Operating charges                         | 0.00%                  |                     |                     |                     |
| <b>M Income shares<sup>A</sup></b>        | <b>31 January 2019</b> |                     |                     |                     |
| Closing net asset value (£'000)           | -                      |                     |                     |                     |
| Closing number of shares                  | 100                    |                     |                     |                     |
| Closing net asset value per share (pence) | 101.27                 |                     |                     |                     |
| Change in net asset value per share       | -                      |                     |                     |                     |
| Operating charges                         | 0.00%                  |                     |                     |                     |

| <b>P Income shares</b>                    | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
|---|------------------------|---------------------|---------------------|---------------------|
| Closing net asset value (£'000)           | 100,107                | 95,371              | 72,326              | 37,151              |
| Closing number of shares                  | 91,569,390             | 86,553,128          | 63,692,503          | 32,732,759          |
| Closing net asset value per share (pence) | 109.32                 | 110.19              | 113.55              | 113.50              |
| Change in net asset value per share       | (0.79%)                | (2.96%)             | 0.04%               | 7.09%               |
| Operating charges                         | 0.34%                  | 0.35%               | 0.38%               | 0.38%               |
| <b>P Gross Income shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 4,042                  | 3,982               | 2,648               | 1,679               |
| Closing number of shares                  | 3,588,699              | 3,507,607           | 2,263,307           | 1,435,407           |
| Closing net asset value per share (pence) | 112.64                 | 113.53              | 117.00              | 116.95              |
| Change in net asset value per share       | (0.78%)                | (2.97%)             | 0.04%               | 7.08%               |
| Operating charges                         | 0.34%                  | 0.35%               | 0.38%               | 0.38%               |
| <b>Q Income shares</b>                    | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 752,464                | 806,074             | 922,233             | 841,846             |
| Closing number of shares                  | 688,384,485            | 731,639,990         | 812,251,213         | 741,819,490         |
| Closing net asset value per share (pence) | 109.31                 | 110.17              | 113.54              | 113.48              |
| Change in net asset value per share       | (0.78%)                | (2.97%)             | 0.05%               | 7.07%               |
| Operating charges                         | 0.27%                  | 0.26%               | 0.28%               | 0.28%               |
| <b>Q Gross Income shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 33,650                 | 37,922              | 48,965              | 44,308              |
| Closing number of shares                  | 29,872,247             | 33,399,891          | 41,845,091          | 37,879,987          |
| Closing net asset value per share (pence) | 112.65                 | 113.54              | 117.02              | 116.97              |
| Change in net asset value per share       | (0.78%)                | (2.97%)             | 0.04%               | 7.09%               |
| Operating charges                         | 0.27%                  | 0.26%               | 0.28%               | 0.28%               |
| <b>Z Accumulation shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 324,220                | 320,755             | 250,552             | 312,345             |
| Closing number of shares                  | 155,680,634            | 155,249,358         | 121,373,858         | 156,495,828         |
| Closing net asset value per share (pence) | 208.26                 | 206.61              | 206.43              | 199.59              |
| Change in net asset value per share       | 0.80%                  | 0.09%               | 3.43%               | 10.53%              |
| Operating charges                         | 0.09%                  | 0.10%               | 0.13%               | 0.13%               |

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

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

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

<sup>a</sup> M share classes launched 26 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                    | Investment  | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Bonds (94.18%)</b>                      |   | <b>1,525,155</b>      | <b>94.63</b>                         |
| <b>Euro Denominated Bonds (1.90%)</b>      |   | <b>38,197</b>         | <b>2.37</b>                          |
| <b>Corporate Bonds (1.90%)</b>             |   | <b>38,197</b>         | <b>2.37</b>                          |
| less than 5 years to maturity              |   |                       |                                      |
| 12,850,000                                 | Lehman Brothers 4.625% 2019                       | -                     | -                                    |
| 7,007,000                                  | Teksid Aluminum Luxembourg SARL 11.375% 2019      | -                     | -                                    |
| between 5 and 10 years to maturity         |   |                       |                                      |
| 10,000,000                                 | Smith (DS) 1.375% 2024                            | 8,467                 | 0.52                                 |
| between 10 and 15 years to maturity        |   |                       |                                      |
| 5,700,000                                  | Bayer 2.125% 2029                                 | 4,936                 | 0.31                                 |
| greater than 25 years to maturity          |   |                       |                                      |
| 5,000,000                                  | AIG 4.875% 2067                                   | 3,339                 | 0.21                                 |
| Perpetual                                  |   |                       |                                      |
| 13,790,000                                 | NatWest FRN Perpetual                             | 11,634                | 0.72                                 |
| 7,200,000                                  | Telefonica 3.875% Perpetual                       | 5,844                 | 0.36                                 |
| 4,900,000                                  | Volkswagen International Finance 3.875% Perpetual | 3,977                 | 0.25                                 |
| <b>Sterling Denominated Bonds (90.97%)</b> |   | <b>1,442,860</b>      | <b>89.52</b>                         |
| <b>Corporate Bonds (89.39%)</b>            |   | <b>1,361,592</b>      | <b>84.48</b>                         |
| less than 5 years to maturity              |   |                       |                                      |
| 5,200,000                                  | Autolink Concessionaires M6 8.39% 2022            | 2,054                 | 0.13                                 |
| 2,540,000                                  | Bank of Nova Scotia 1.25% 2022                    | 2,508                 | 0.16                                 |
| 17,230,000                                 | Barclays 2.375% 2023                              | 16,840                | 1.03                                 |
| 2,180,000                                  | City Greenwich Lewisham Rail Link 9.375% 2020     | 334                   | 0.02                                 |
| 12,600,000                                 | Commonwealth Bank of Australia 1.125% 2021        | 12,486                | 0.77                                 |
| 3,400,000                                  | Deutsche Bank 1.75% 2021                          | 3,257                 | 0.20                                 |
| 5,247,000                                  | Enel 6.25% 2019                                   | 5,331                 | 0.33                                 |
| 8,000,000                                  | FCA Capital Ireland 1.625% 2021                   | 7,732                 | 0.48                                 |

| Holding                            | Investment                                       | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|--|-----------------------|--------------------------------------|
| 12,560,000                         | Fidelity National Information Services 1.7% 2022 | 12,368                | 0.77                                 |
| 1,500,000                          | FirstGroup 5.25% 2022                            | 1,595                 | 0.10                                 |
| 5,952,000                          | FirstGroup 8.75% 2021                            | 6,671                 | 0.41                                 |
| 3,736,000                          | GE Capital 4.375% 2019                           | 3,760                 | 0.23                                 |
| 15,000,000                         | GKN 5.375% 2022                                  | 15,890                | 0.99                                 |
| 4,650,000                          | Heathrow Funding 9.2% 2021                       | 5,381                 | 0.33                                 |
| 6,610,000                          | Intu (SGS) Finance 4.125% 2023                   | 6,439                 | 0.40                                 |
| 4,000,000                          | Lloyds Bank 9.625% 2023                          | 5,080                 | 0.32                                 |
| 3,900,000                          | London Power Networks 5.125% 2023                | 4,410                 | 0.27                                 |
| 9,900,000                          | MetLife Global Funding I 1.125% 2021             | 9,776                 | 0.61                                 |
| 5,869,000                          | Natixis 5.875% 2020                              | 6,143                 | 0.38                                 |
| 5,000,000                          | Northern Powergrid 7.25% 2022                    | 6,016                 | 0.37                                 |
| 4,702,000                          | PCL Funding II FRN 2022                          | 4,671                 | 0.29                                 |
| 6,873,000                          | PCL Funding III FRN 2023                         | 6,778                 | 0.42                                 |
| 11,126,000                         | Phoenix Group 4.125% 2022                        | 11,256                | 0.70                                 |
| 2,798,000                          | Principality Building Society 2.375% 2023        | 2,725                 | 0.17                                 |
| 4,778,000                          | Provident Financial 7% 2023                      | 4,718                 | 0.29                                 |
| 2,455,000                          | Scania 1.875% 2022                               | 2,410                 | 0.15                                 |
| 2,889,000                          | Scottish Widows 5.5% 2023                        | 3,187                 | 0.20                                 |
| 4,540,000                          | Severn Trent 1.625% 2022                         | 4,512                 | 0.28                                 |
| 5,651,000                          | Swedbank 1.25% 2021                              | 5,576                 | 0.35                                 |
| 4,800,000                          | Thames Water 7.75% 2019                          | 4,818                 | 0.30                                 |
| between 5 and 10 years to maturity |  |                       |                                      |
| 3,230,000                          | Aroundtown 3.25% 2027                            | 3,145                 | 0.19                                 |
| 3,350,000                          | Assura Financing 3% 2028                         | 3,367                 | 0.21                                 |
| 12,000,000                         | Bank of America 2.3% 2025                        | 11,930                | 0.74                                 |
| 4,000,000                          | Bank of America 7% 2028                          | 5,414                 | 0.34                                 |
| 14,303,000                         | BP 2.03% 2025                                    | 14,293                | 0.89                                 |
| 5,175,000                          | BP 2.274% 2026                                   | 5,186                 | 0.32                                 |
| 6,630,000                          | British American Tobacco 4% 2026                 | 6,994                 | 0.43                                 |
| 5,740,000                          | BUPA 2% 2024                                     | 5,675                 | 0.35                                 |
| 6,140,000                          | CPUK 3.69% 2028                                  | 6,302                 | 0.39                                 |
| 6,200,000                          | Credit Suisse FRN 2025                           | 5,941                 | 0.37                                 |
| 3,693,000                          | CYBG 4% 2026                                     | 3,542                 | 0.22                                 |
| 9,234,000                          | CYBG 5% 2026                                     | 9,051                 | 0.56                                 |
| 6,000,000                          | Daily Mail & General Trust 6.375% 2027           | 6,813                 | 0.42                                 |
| 1,100,000                          | EDF 6.25% 2028                                   | 1,421                 | 0.09                                 |
| 294,000                            | Enel 5.625% 2024                                 | 335                   | 0.02                                 |
| 3,864,000                          | Experian 2.125% 2024                             | 3,890                 | 0.24                                 |
| 8,436,000                          | Gatwick 6.125% 2026                              | 10,364                | 0.64                                 |

| Holding                             | Investment                                  | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|---|-----------------------|--------------------------------------|
| 12,632,000                          | General Motors Financial 2.25% 2024         | 11,980                | 0.74                                 |
| 5,000,000                           | Heathrow Finance 5.75% 2025                 | 5,169                 | 0.32                                 |
| 11,162,000                          | HSBC 2.256% 2026                            | 10,768                | 0.67                                 |
| 6,014,000                           | Imperial Brands 5.5% 2026                   | 6,900                 | 0.43                                 |
| 4,000,000                           | InterContinental Hotels 2.125% 2026         | 3,752                 | 0.23                                 |
| 10,185,000                          | InterContinental Hotels 3.75% 2025          | 10,638                | 0.66                                 |
| 5,148,000                           | IPIC GMTN 6.875% 2026                       | 6,671                 | 0.41                                 |
| 1,337,000                           | LCR Finance 4.5% 2028                       | 1,688                 | 0.10                                 |
| 3,590,000                           | London & Quadrant Housing Trust 2.625% 2028 | 3,585                 | 0.22                                 |
| 6,512,000                           | NewRiver REIT 3.5% 2028                     | 6,225                 | 0.39                                 |
| 10,162,000                          | NIE Finance 6.375% 2026                     | 12,869                | 0.80                                 |
| 5,268,000                           | Northern Gas Networks 4.875% 2027           | 6,258                 | 0.39                                 |
| 5,294,000                           | Northumbrian Water 2.375% 2027              | 5,190                 | 0.32                                 |
| 8,237,000                           | Paragon FRN 2026                            | 8,525                 | 0.53                                 |
| 2,050,000                           | Rabobank 5.25% 2027                         | 2,348                 | 0.15                                 |
| 989,000                             | RL Finance Bonds No 3 6.125% 2028           | 1,100                 | 0.07                                 |
| 4,200,000                           | Saint-Gobain 5.625% 2024                    | 4,916                 | 0.31                                 |
| 5,449,000                           | Santander UK Group 3.625% 2026              | 5,581                 | 0.35                                 |
| 5,000,000                           | Severn Trent 6.125% 2024                    | 5,924                 | 0.37                                 |
| 1,940,000                           | SP Distribution 5.875% 2026                 | 2,387                 | 0.15                                 |
| 9,701,000                           | Stagecoach Group 4% 2025                    | 9,941                 | 0.62                                 |
| 3,640,000                           | Thames Water 2.875% 2027                    | 3,490                 | 0.22                                 |
| 5,200,000                           | Thames Water 6.75% 2028                     | 6,874                 | 0.43                                 |
| 7,000,000                           | Total Capital International 1.25% 2024      | 6,865                 | 0.43                                 |
| 3,659,000                           | Tritax Big Box REIT 2.625% 2026             | 3,599                 | 0.22                                 |
| 6,066,000                           | Unite Group 3.5% 2028                       | 6,129                 | 0.38                                 |
| 2,992,000                           | Vicinity Centres 3.375% 2026                | 3,108                 | 0.19                                 |
| 5,010,000                           | Virgin Media 5% 2027                        | 4,849                 | 0.30                                 |
| 3,923,000                           | Welltower 4.8% 2028                         | 4,422                 | 0.27                                 |
| 1,990,000                           | Western Power 3.875% 2024                   | 2,156                 | 0.13                                 |
| 1,250,000                           | Western Power 5.875% 2027                   | 1,539                 | 0.10                                 |
| 1,988,000                           | Western Power 6% 2025                       | 2,399                 | 0.15                                 |
| between 10 and 15 years to maturity |   |                       |                                      |
| 2,289,000                           | Abbey National 3.875% 2029                  | 2,564                 | 0.16                                 |
| 4,985,000                           | America Movil 4.948% 2033                   | 6,123                 | 0.38                                 |
| 325,000                             | America Movil 5.75% 2030                    | 417                   | 0.03                                 |
| 2,700,000                           | Anglian Water 6.293% 2030                   | 3,636                 | 0.23                                 |
| 4,770,000                           | Apple 3.05% 2029                            | 5,124                 | 0.32                                 |
| 8,756,000                           | APT Pipelines 3.5% 2030                     | 9,063                 | 0.56                                 |
| 5,000,000                           | AT&T 4.375% 2029                            | 5,417                 | 0.34                                 |

| Holding                             | Investment                                    | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|---|-----------------------|--------------------------------------|
| 6,790,000                           | AT&T 5.2% 2033                                | 7,957                 | 0.49                                 |
| 10,000,000                          | Barclays 3.25% 2033                           | 9,194                 | 0.57                                 |
| 8,590,000                           | BL Superstore 5.27% 2030                      | 2,067                 | 0.13                                 |
| 5,179,000                           | British Land 2.375% 2029                      | 4,939                 | 0.31                                 |
| 10,340,000                          | Canary Wharf Finance 6.455% 2033              | 2,767                 | 0.17                                 |
| 3,344,000                           | CRH 4.125% 2029                               | 3,707                 | 0.23                                 |
| 3,258,000                           | Digital Stout 3.75% 2030                      | 3,280                 | 0.20                                 |
| 3,000,000                           | EDF 5.875% fixed to floating 2031             | 3,888                 | 0.24                                 |
| 10,200,000                          | Great Rolling Stock 6.5% 2031                 | 11,090                | 0.69                                 |
| 2,678,000                           | Greene King FRN 2033                          | 1,974                 | 0.12                                 |
| 3,589,000                           | Heathrow Funding 6.45% fixed to floating 2033 | 4,993                 | 0.31                                 |
| 1,089,000                           | Land Securities 2.375% 2029                   | 1,100                 | 0.07                                 |
| 1,955,000                           | Longstone Finance 4.896% 2031                 | 2,207                 | 0.14                                 |
| 13,880,000                          | Meadowhall Finance 4.986% 2032                | 12,350                | 0.77                                 |
| 5,050,000                           | Meadowhall Finance 4.988% 2032                | 4,364                 | 0.27                                 |
| 1,930,000                           | Notting Hill Genesis 2.875% 2029              | 1,931                 | 0.12                                 |
| 3,500,000                           | Orange 3.25% 2032                             | 3,586                 | 0.22                                 |
| 4,251,000                           | Pension Insurance 5.625% 2030                 | 4,188                 | 0.26                                 |
| 2,500,000                           | Porterbrook Rail 4.625% 2029                  | 2,768                 | 0.17                                 |
| 7,220,000                           | Premiertel 6.175% 2032                        | 7,629                 | 0.47                                 |
| 9,473,000                           | Quadgas Finance 3.375% 2029                   | 9,422                 | 0.58                                 |
| 5,000,000                           | Rabobank 4.625% 2029                          | 5,516                 | 0.34                                 |
| 9,450,000                           | RWE 6.25% 2030                                | 12,367                | 0.77                                 |
| 2,000,000                           | Santander UK 5.25% 2029                       | 2,547                 | 0.16                                 |
| -                                   | Severn Trent 2.75% 2031                       | -                     | -                                    |
| 4,752,000                           | Severn Trent 6.25% 2029                       | 6,259                 | 0.39                                 |
| 2,280,000                           | Smith (DS) 2.875% 2029                        | 2,169                 | 0.13                                 |
| 1,887,000                           | South Eastern Power Networks 5.625% 2030      | 2,401                 | 0.15                                 |
| 3,225,000                           | Southern Gas Networks 4.875% 2029             | 3,853                 | 0.24                                 |
| 4,688,000                           | Telereal Securitisation 5.3887% 2031          | 3,329                 | 0.21                                 |
| 4,840,000                           | Thames Water 5.75% 2030                       | 5,281                 | 0.33                                 |
| 1,000,000                           | Time Warner Cable 5.75% 2031                  | 1,156                 | 0.07                                 |
| 2,720,000                           | Trafford Centre 7.03% 2029                    | 1,837                 | 0.11                                 |
| 4,640,000                           | Tritax Big Box REIT 3.125% 2031               | 4,545                 | 0.28                                 |
| 7,950,000                           | Western Power 5.75% 2032                      | 10,313                | 0.64                                 |
| 4,179,000                           | Westfield America Management 2.625% 2029      | 4,094                 | 0.25                                 |
| between 15 and 25 years to maturity |   |                       |                                      |
| 12,950,000                          | Alba 2006-2 FRN 2038                          | 5,011                 | 0.31                                 |
| 5,111,000                           | America Movil 4.375% 2041                     | 6,021                 | 0.37                                 |
| 10,353,000                          | Anheuser-Busch InBev 2.85% 2037               | 9,525                 | 0.59                                 |

| Holding    | Investment                                | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|------------|---|-----------------------|--------------------------------------|
| 6,590,000  | Annington Funding 3.685% 2034             | 6,612                 | 0.41                                 |
| 5,328,000  | Aspire Defence 4.674% 2040 'A'            | 5,923                 | 0.37                                 |
| 4,023,000  | Aspire Defence 4.674% 2040 'B'            | 4,506                 | 0.28                                 |
| 6,000,000  | AT&T 7% 2040                              | 8,585                 | 0.53                                 |
| 11,000,000 | Aviva 6.125% 2036                         | 12,216                | 0.76                                 |
| 9,012,000  | Aviva 6.625% fixed to floating 2041       | 9,794                 | 0.61                                 |
| 3,820,000  | British American Tobacco 5.75% 2040       | 4,731                 | 0.29                                 |
| 3,918,000  | British American Tobacco 6% 2034          | 4,878                 | 0.30                                 |
| 8,120,000  | Broadgate Financing 5.098% 2035           | 8,792                 | 0.55                                 |
| 1,922,000  | Citigroup 6.8% 2038                       | 2,949                 | 0.18                                 |
| 3,960,000  | Citigroup 7.375% 2039                     | 6,455                 | 0.40                                 |
| 1,788,000  | Community Finance Company I 5.017% 2034   | 2,326                 | 0.14                                 |
| 5,242,000  | Connect Plus 2.607% 2039                  | 5,288                 | 0.33                                 |
| 9,050,000  | E.ON Finance 6.75% 2039                   | 13,483                | 0.84                                 |
| 3,475,000  | Eastern Power Networks 6.25% 2036         | 4,956                 | 0.31                                 |
| 4,000,000  | EDF 5.5% 2037                             | 5,062                 | 0.31                                 |
| 7,800,000  | EDF 5.5% 2041                             | 10,058                | 0.62                                 |
| 8,550,000  | EDF 6.125% 2034                           | 11,499                | 0.71                                 |
| 7,000,000  | Enel 5.75% 2037                           | 8,469                 | 0.53                                 |
| 4,000,000  | Enel 5.75% 2040                           | 4,905                 | 0.30                                 |
| 3,450,000  | Eversholt 3.529% 2042                     | 3,304                 | 0.21                                 |
| 5,000,000  | Gatwick 3.125% 2039                       | 4,894                 | 0.30                                 |
| 1,320,000  | GE Capital 8% 2039                        | 1,864                 | 0.12                                 |
| 8,090,000  | GlaxoSmithKline 5.25% 2042                | 11,228                | 0.70                                 |
| 1,105,000  | Greene King 5.702% fixed to floating 2034 | 985                   | 0.06                                 |
| 8,900,000  | HSBC 6% 2040                              | 11,233                | 0.70                                 |
| 4,400,000  | HSBC 7% 2038                              | 6,138                 | 0.38                                 |
| 6,500,000  | Innogy 4.75% 2034                         | 7,666                 | 0.48                                 |
| 7,100,000  | London & Quadrant Housing Trust 5.5% 2040 | 9,583                 | 0.59                                 |
| 1,500,000  | National Grid 2.625% 2038                 | 1,393                 | 0.09                                 |
| 2,000,000  | Peabody Capital 5.25% 2043                | 2,669                 | 0.17                                 |
| 6,940,000  | Prudential FRN 2039                       | 7,153                 | 0.44                                 |
| 9,000,000  | RMPA Services 5.337% 2038                 | 8,771                 | 0.54                                 |
| 2,450,000  | RWE 6.125% 2039                           | 3,439                 | 0.21                                 |
| 3,500,000  | Scottish Power UK 6.375% 2041             | 5,063                 | 0.31                                 |
| 2,900,000  | Scottish Widows 7% 2043                   | 3,630                 | 0.23                                 |
| 7,680,000  | Segro 2.875% 2037                         | 7,253                 | 0.45                                 |
| 3,760,000  | SLM Student Loan Trust 5.45% 2038         | 3,222                 | 0.20                                 |
| 3,150,000  | Southern Gas Networks 3.1% 2036           | 3,154                 | 0.20                                 |
| 2,425,000  | Southern Gas Networks 6.375% 2040         | 3,597                 | 0.22                                 |
| 2,500,000  | Southern Water 4.5% 2038                  | 2,708                 | 0.17                                 |
| 5,500,000  | Standard Chartered 5.125% 2034            | 6,234                 | 0.39                                 |

| Holding                           | Investment  | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|---|-----------------------|--------------------------------------|
| 6,610,000                         | Standard Life Aberdeen FRN 2042                       | 7,270                 | 0.45                                 |
| 2,189,000                         | TC Dudgeon Ofco 3.158% 2038                           | 2,268                 | 0.14                                 |
| 7,720,000                         | Tesco 5.744% 2040                                     | 8,762                 | 0.54                                 |
| 5,800,000                         | Thames Water 4.375% 2034                              | 6,556                 | 0.41                                 |
| 4,037,000                         | THFC Funding No 1 5.125% 2035                         | 5,106                 | 0.32                                 |
| 2,917,000                         | Time Warner Cable 5.25% 2042                          | 3,218                 | 0.20                                 |
| 1,795,000                         | UPP Bond 1 Issuer 4.9023% 2040                        | 2,045                 | 0.13                                 |
| 6,043,000                         | Verizon Communications 3.375% 2036                    | 6,144                 | 0.38                                 |
| greater than 25 years to maturity |   |                       |                                      |
| 4,050,000                         | American International FRN 2067                       | 3,578                 | 0.22                                 |
| 6,870,000                         | Annington Funding 3.935% 2047                         | 6,940                 | 0.43                                 |
| 3,068,000                         | AT&T 4.875% 2044                                      | 3,477                 | 0.22                                 |
| 3,950,000                         | Aviva 5.125% 2050                                     | 4,018                 | 0.25                                 |
| 1,500,000                         | Aviva FRN 2049  | 1,456                 | 0.09                                 |
| 7,269,000                         | BHP Billiton 6.5% 2077                                | 8,103                 | 0.50                                 |
| 1,500,000                         | Blend Funding 3.459% 2047                             | 1,545                 | 0.10                                 |
| 3,647,000                         | British American Tobacco 2.25% 2052                   | 2,406                 | 0.15                                 |
| 1,960,000                         | Bromford Housing 3.125% 2048                          | 1,959                 | 0.12                                 |
| 8,320,000                         | Cadent Finance 2.75% 2046                             | 7,600                 | 0.47                                 |
| 3,668,000                         | Catalyst Housing 3.125% 2047                          | 3,629                 | 0.23                                 |
| 2,940,000                         | Channel Link 3.043% 2050                              | 2,893                 | 0.18                                 |
| 930,000                           | Channel Link 3.848% 2050                              | 966                   | 0.06                                 |
| 4,248,000                         | Circle Anglia 5.2% 2044                               | 5,746                 | 0.36                                 |
| 5,380,000                         | Clarion Housing 3.125% 2048                           | 5,322                 | 0.33                                 |
| 3,650,000                         | EDF 5.125% 2050                                       | 4,594                 | 0.29                                 |
| 4,000,000                         | EDF 6% 2114   | 5,440                 | 0.34                                 |
| 4,200,000                         | Engie 5% 2060   | 6,172                 | 0.38                                 |
| 4,200,000                         | Heathrow Funding 2.75% 2049                           | 3,780                 | 0.23                                 |
| 6,980,000                         | Income Contingent Student Loans 2 2007-2009 2.5% 2058 | 6,158                 | 0.38                                 |
| 4,885,000                         | Land Securities 2.75% 2057                            | 4,664                 | 0.29                                 |
| 2,000,000                         | London & Quadrant Housing Trust 2.75% 2057            | 1,756                 | 0.11                                 |
| 5,000,000                         | Midland Heart Capital 5.087% 2044                     | 6,502                 | 0.40                                 |
| 9,800,000                         | NGG 5.625% fixed to floating 2073                     | 10,486                | 0.65                                 |
| 3,000,000                         | Notting Hill Housing Trust 3.25% 2048                 | 2,890                 | 0.18                                 |
| 3,250,000                         | Notting Hill Housing Trust 4.375% 2054                | 3,888                 | 0.24                                 |
| 2,134,000                         | Optivo Finance 3.283% 2048                            | 2,162                 | 0.13                                 |
| 2,850,000                         | Orange 5.375% 2050                                    | 3,909                 | 0.24                                 |
| 5,000,000                         | Orbit Capital 3.5% 2045                               | 5,173                 | 0.32                                 |
| 11,549,000                        | Paragon 1.43044% 2050                                 | 11,294                | 0.70                                 |
| 3,000,000                         | Paragon 3.625% 2047                                   | 3,152                 | 0.20                                 |



| Holding    | Investment                                  | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|------------|---|-----------------------|--------------------------------------|
| 2,790,000  | Peabody Capital 3.25% 2048                  | 2,766                 | 0.17                                 |
| 1,394,000  | Precise Mortgage Funding 2015-1 FRN 2048    | 214                   | 0.01                                 |
| 5,000,000  | Precise Mortgage Funding 2017-1B A FRN 2054 | 4,490                 | 0.28                                 |
| 2,890,000  | Precise Mortgage Funding 2018-1B FRN 2054   | 2,584                 | 0.16                                 |
| 9,250,000  | Precise Mortgage Funding 2018-2B FRN 2055   | 8,341                 | 0.52                                 |
| 1,200,000  | Prudential 5% 2055                          | 1,259                 | 0.08                                 |
| 5,067,000  | Prudential 5.625% FRN 2051                  | 5,285                 | 0.33                                 |
| 6,995,000  | Prudential 5.7% fixed to floating 2063      | 8,088                 | 0.50                                 |
| 2,500,000  | Rabobank 5.375% 2060                        | 3,916                 | 0.24                                 |
| 7,505,000  | RMAC 1.54306% 2046                          | 6,753                 | 0.42                                 |
| 2,600,000  | RSA Insurance FRN 2045                      | 2,777                 | 0.17                                 |
| 2,840,000  | Swan Housing Capital 3.625% 2048            | 2,926                 | 0.18                                 |
| 2,510,000  | Thames Water 7.738% 2058                    | 4,572                 | 0.28                                 |
| 6,160,000  | Tolkien Funding Sukuk 1.43283% 2052         | 5,417                 | 0.34                                 |
| 3,950,000  | United Parcel Service 5.125% 2050           | 5,774                 | 0.36                                 |
| 2,130,000  | University of Cambridge 2.35% 2078          | 2,043                 | 0.13                                 |
| 2,500,000  | University of Oxford 2.544% 2117            | 2,363                 | 0.15                                 |
| 4,000,000  | University of Southampton 2.25% 2057        | 3,556                 | 0.22                                 |
| 2,219,000  | Vodafone 3% 2056                            | 1,837                 | 0.11                                 |
| 3,929,000  | Vodafone 3% 2056                            | 3,253                 | 0.20                                 |
| 4,773,000  | Vodafone 3.375% 2049                        | 4,307                 | 0.27                                 |
| 3,850,000  | Wellcome Trust 2.517% 2118                  | 3,658                 | 0.23                                 |
| 3,800,000  | WM Treasury 2 3.25% 2048                    | 3,782                 | 0.23                                 |
| Perpetual  |   |                       |                                      |
| 3,200,000  | Aviva 6.125% fixed to floating Perpetual    | 3,381                 | 0.21                                 |
| 12,693,000 | Axa 5.453% fixed to floating Perpetual      | 13,245                | 0.82                                 |
| 5,109,000  | AXA 6.6862% fixed to floating Perpetual     | 5,727                 | 0.36                                 |
| 4,800,000  | Cheltenham & Gloucester 11.75% Perpetual    | 9,808                 | 0.61                                 |
| 8,928,000  | Dignity 4.6956% Perpetual                   | 7,941                 | 0.49                                 |
| 7,000,000  | Direct Line 4.75% Perpetual                 | 5,681                 | 0.35                                 |
| 5,404,000  | HSBC 5.875% fixed to floating Perpetual     | 5,361                 | 0.33                                 |
| 4,400,000  | Lloyds Bank 13% fixed to floating Perpetual | 7,230                 | 0.45                                 |
| 14,453,000 | National Westminster Bank FRN Perpetual     | 16,142                | 1.00                                 |
| 3,422,000  | Orange 5.75% fixed to floating Perpetual    | 3,635                 | 0.23                                 |
| 2,500,000  | Santander UK 10.0625% Perpetual             | 3,970                 | 0.25                                 |
| 21,000,000 | SSE 3.875% fixed to floating Perpetual      | 20,976                | 1.30                                 |

| Holding                                    | Investment                                 | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
| <b>Government Bonds (1.58%)</b>            |  | <b>81,268</b>         | <b>5.04</b>                          |
| less than 5 years to maturity              |  |                       |                                      |
| 15,000,000                                 | UK (Govt of) 1.75% 2022                    | 15,494                | 0.96                                 |
| between 5 and 10 years to maturity         |  |                       |                                      |
| 5,000,000                                  | LCR Finance 4.5% 2028                      | 6,314                 | 0.39                                 |
| 8,000,000                                  | UK (Govt of) 1.5% 2026                     | 8,270                 | 0.51                                 |
| 12,376,000                                 | UK (Govt of) 2% 2025                       | 13,193                | 0.82                                 |
| between 10 and 15 years to maturity        |  |                       |                                      |
| 1,182,000                                  | Transport for London 4.5% 2031             | 1,402                 | 0.09                                 |
| between 15 and 25 years to maturity        |  |                       |                                      |
| 14,800,000                                 | UK (Govt of) 4.5% 2034                     | 20,877                | 1.30                                 |
| 9,515,000                                  | UK (Govt of) 4.5% 2042                     | 14,731                | 0.91                                 |
| greater than 25 years to maturity          |  |                       |                                      |
| 1,000,000                                  | Mexico (United Mexican States) 5.625% 2114 | 987                   | 0.06                                 |
| <b>US Dollar Denominated Bonds (1.31%)</b> |  | <b>44,098</b>         | <b>2.74</b>                          |
| <b>Corporate Bonds (1.31%)</b>             |  | <b>44,098</b>         | <b>2.74</b>                          |
| less than 5 years to maturity              |  |                       |                                      |
| 5,731,000                                  | UBS 2.45% 2020                             | 4,299                 | 0.27                                 |
| between 5 and 10 years to maturity         |  |                       |                                      |
| 5,000,000                                  | Energy Transfer Partners 4.2% 2027         | 3,655                 | 0.23                                 |
| 5,348,000                                  | Energy Transfer Partners 4.95% 2028        | 4,117                 | 0.25                                 |
| greater than 25 years to maturity          |  |                       |                                      |
| 5,063,000                                  | BHP Billiton Finance FRN 2075              | 4,195                 | 0.26                                 |
| 7,800,000                                  | NatWest Markets 7.125% 2093                | 8,035                 | 0.50                                 |
| 6,751,000                                  | Vodafone 6.25% 2078                        | 4,905                 | 0.30                                 |

| Holding  | Investment  | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| Perpetual                                      |   |                       |                                      |
| 6,400,000                                      | Australia & New Zealand Banking FRN Perpetual     | 3,331                 | 0.21                                 |
| 7,700,000                                      | HBOS Capital Funding 6.85% Perpetual              | 5,896                 | 0.37                                 |
| 7,586,000                                      | Societe Generale FRN Perpetual                    | 5,665                 | 0.35                                 |
| <b>Equities (0.34%)</b>                        |   | <b>4,672</b>          | <b>0.29</b>                          |
| <b>UK Equities (0.34%)</b>                     |   | <b>4,672</b>          | <b>0.29</b>                          |
| <b>Financials (0.34%)</b>                      |   | <b>4,672</b>          | <b>0.29</b>                          |
| 3,350,000                                      | National Westminster Bank                         | 4,672                 | 0.29                                 |
| <b>Collective Investment Schemes (3.22%)</b>   |   | <b>45,604</b>         | <b>2.83</b>                          |
| 18,547,883                                     | Aberdeen European High Yield Bond Fund†           | 21,366                | 1.33                                 |
| 15,058,570                                     | Aberdeen Strategic Bond Fund†                     | 24,238                | 1.50                                 |
| <b>Derivatives (-0.05%)</b>                    |   | <b>1,447</b>          | <b>0.09</b>                          |
| <b>Credit Default Swaps (0.00%)</b>            |   | <b>(386)</b>          | <b>(0.02)</b>                        |
| EUR 15,000,000                                 | Buy GKN 1.0% 20/09/2022                           | 89                    | 0.01                                 |
| EUR 10,000,000                                 | Sell Heathrow Funding 1.0% 20/12/2028             | (475)                 | (0.03)                               |
| <b>Forward Currency Contracts (-0.05%)</b>     |   | <b>2,049</b>          | <b>0.12</b>                          |
|  | Buy GBP 41,948,663 Sell EUR 47,063,000 14/03/2019 | 838                   | 0.05                                 |
|  | Buy GBP 47,386,878 Sell USD 60,872,000 14/03/2019 | 1,211                 | 0.07                                 |
| <b>Futures (0.00%)</b>                         |   | <b>(216)</b>          | <b>(0.01)</b>                        |
| 200  | Long Gilt Future 27/03/2019                       | 165                   | 0.01                                 |
| (67)   | Short Euro Bond Future 07/03/2019                 | (201)                 | (0.01)                               |
| (49)   | Short US 10 Year Ultra Future 20/03/2019          | (180)                 | (0.01)                               |
| <b>Total investment assets and liabilities</b> |   | <b>1,576,878</b>      | <b>97.84</b>                         |
| Net other assets                               |   | 34,784                | 2.16                                 |
| <b>Total Net Assets</b>                        |   | <b>1,611,662</b>      | <b>100.00</b>                        |

† Managed by subsidiaries of Standard Life Aberdeen plc.  
Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |                |
|---|-----------------|-----------------|-----------------|----------------|
|   | £'000           | £'000           | £'000           | £'000          |
| Income:   |                 |                 |                 |                |
| Net capital losses  |                 | (13,033)        |                 | (8,128)        |
| Revenue   | 26,696          |                 | 28,587          |                |
| Expenses  | (3,525)         |                 | (4,068)         |                |
| Net revenue before taxation   | 23,171          |                 | 24,519          |                |
| Taxation  | -               |                 | -               |                |
| Net revenue after taxation  |                 | 23,171          |                 | 24,519         |
| <b>Total return before distributions</b>  |                 | <b>10,138</b>   |                 | <b>16,391</b>  |
| Distributions   |                 | (23,171)        |                 | (24,519)       |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(13,033)</b> |                 | <b>(8,128)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                  | 31 January 2018 |                  |
|--|-----------------|------------------|-----------------|------------------|
|  | £'000           | £'000            | £'000           | £'000            |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>1,667,065</b> |                 | <b>1,748,781</b> |
| Amounts receivable on the issue of shares  | 25,737          |                  | 187,705         |                  |
| Amounts payable on the cancellation of shares  | (73,409)        |                  | (91,842)        |                  |
|  |                 | (47,672)         |                 | 95,863           |
| Dilution adjustment  |                 | -                |                 | 291              |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (13,033)         |                 | (8,128)          |
| Retained distribution on accumulation shares   |                 | 5,298            |                 | 4,672            |
| Unclaimed distributions  |                 | 4                |                 | 5                |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>1,611,662</b> |                 | <b>1,841,484</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                  | 31 July 2018 |                  |
|--|-----------------|------------------|--------------|------------------|
|  | £'000           | £'000            | £'000        | £'000            |
| <b>Assets:</b>                                 |                 |                  |              |                  |
| Fixed assets:                                  |                 |                  |              |                  |
| Investment assets                              |                 | 1,577,734        |              | 1,629,536        |
| Current assets:                                |                 |                  |              |                  |
| Debtors  | 32,156          |                  | 36,698       |                  |
| Cash and bank balances                         | 23,488          |                  | 56,009       |                  |
|  |                 | 55,644           |              | 92,707           |
| Total assets                                   |                 | 1,633,378        |              | 1,722,243        |
| <b>Liabilities:</b>                            |                 |                  |              |                  |
| Investment liabilities                         |                 | (856)            |              | (1,048)          |
| Creditors                                      | (12,185)        |                  | (45,047)     |                  |
| Distribution payable                           | (8,675)         |                  | (9,083)      |                  |
|  |                 | (20,860)         |              | (54,130)         |
| Total liabilities                              |                 | (21,716)         |              | (55,178)         |
| <b>Net assets attributable to shareholders</b> |                 | <b>1,611,662</b> |              | <b>1,667,065</b> |

## Distribution table

For the three months ended 31 October 2018

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 October 2018

|                                    | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 0.8892                                | -                                       | 0.8892*                                      | 0.9111                                       |
| Group 2                            | 0.5033                                | 0.3858                                  | 0.8892*                                      | 0.9111                                       |
| <b>A Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.6217                                | -                                       | 0.6217**                                     | 0.6505                                       |
| Group 2                            | 0.2354                                | 0.3863                                  | 0.6217**                                     | 0.6505                                       |
| <b>I Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.2646                                | -                                       | 1.2646*                                      | 1.2867                                       |
| Group 2                            | 0.4796                                | 0.7850                                  | 1.2646*                                      | 1.2867                                       |
| <b>I Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.7895                                | -                                       | 0.7895**                                     | 0.8245                                       |
| Group 2                            | 0.2721                                | 0.5174                                  | 0.7895**                                     | 0.8245                                       |
| <b>I Gross Accumulation shares</b> |                                       |   |  |  |
| Group 1                            | 1.4441                                | -                                       | 1.4441*                                      | 1.4703                                       |
| Group 2                            | 0.8412                                | 0.6029                                  | 1.4441*                                      | 1.4703                                       |
| <b>P Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.8151                                | -                                       | 0.8151**                                     | 0.8510                                       |
| Group 2                            | 0.2720                                | 0.5431                                  | 0.8151**                                     | 0.8510                                       |
| <b>P Gross Income shares</b>       |                                       |   |  |  |
| Group 1                            | 0.8400                                | -                                       | 0.8400**                                     | 0.8768                                       |
| Group 2                            | 0.2322                                | 0.6078                                  | 0.8400**                                     | 0.8768                                       |
| <b>Q Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.8345                                | -                                       | 0.8345**                                     | 0.8792                                       |
| Group 2                            | 0.3288                                | 0.5057                                  | 0.8345**                                     | 0.8792                                       |
| <b>Q Gross Income shares</b>       |                                       |   |  |  |
| Group 1                            | 0.8600                                | -                                       | 0.8600**                                     | 0.9067                                       |
| Group 2                            | 0.5969                                | 0.2632                                  | 0.8600**                                     | 0.9067                                       |

|                                    | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>Z Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.6588                                | -                                       | 1.6588*                                      | 1.6762                                       |
| Group 2                            | -                                     | -                                       | -  | 1.6762                                       |
| <b>Z Income shares<sup>A</sup></b> |                                       |   |  |  |
| Group 1                            | -                                     | -                                       | -  | 0.8981                                       |
| Group 2                            | -                                     | -                                       | -  | 0.8981                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 31 January 2019.

<sup>A</sup> Z Income shreclass closed on 11 May 2018.

### For the three months ended 31 January 2019

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 31 January 2019

|                                    | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution<br>payable<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 0.8781                                | -                                       | 0.8781*  | 0.8121                                       |
| Group 2                            | 0.4322                                | 0.4459                                  | 0.8781*  | 0.8121                                       |
| <b>A Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.6106                                | -                                       | 0.6106**   | 0.5766                                       |
| Group 2                            | 0.4222                                | 0.1884                                  | 0.6106**   | 0.5766                                       |
| <b>I Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.2355                                | -                                       | 1.2355*  | 1.1757                                       |
| Group 2                            | 0.6238                                | 0.6117                                  | 1.2355*  | 1.1757                                       |
| <b>I Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.7661                                | -                                       | 0.7661**   | 0.7482                                       |
| Group 2                            | 0.5333                                | 0.2328                                  | 0.7661**   | 0.7482                                       |
| <b>I Gross Accumulation shares</b> |                                       |   |  |  |
| Group 1                            | 1.4113                                | -                                       | 1.4113*  | 1.3434                                       |
| Group 2                            | 0.2443                                | 1.1670                                  | 1.4113*  | 1.3434                                       |
| <b>P Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.7916                                | -                                       | 0.7916**   | 0.7783                                       |
| Group 2                            | 0.5537                                | 0.2379                                  | 0.7916**   | 0.7783                                       |
| <b>P Gross Income shares</b>       |                                       |   |  |  |
| Group 1                            | 0.8156                                | -                                       | 0.8156**   | 0.8018                                       |
| Group 2                            | 0.5388                                | 0.2768                                  | 0.8156**   | 0.8018                                       |

|                                    | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution<br>payable<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>Q Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.8108                                | -                                       | 0.8108**   | 0.8071                                       |
| Group 2                            | 0.4465                                | 0.3643                                  | 0.8108**   | 0.8071                                       |
| <b>Q Gross Income shares</b>       |                                       |   |  |  |
| Group 1                            | 0.8355                                | -                                       | 0.8355**   | 0.8318                                       |
| Group 2                            | 0.3161                                | 0.5194                                  | 0.8355**   | 0.8318                                       |
| <b>Z Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.6258                                | -                                       | 1.6258*  | 1.5598                                       |
| Group 2                            | 0.1804                                | 1.4454                                  | 1.6258*  | 1.5598                                       |
| <b>Z Income shares<sup>A</sup></b> |                                       |   |  |  |
| Group 1                            | -                                     | -                                       | -  | 0.8364                                       |
| Group 2                            | -                                     | -                                       | -  | 0.8364                                       |
| <b>M Accumulation shares</b>       |                                       |   |  |  |
| Group 1 <sup>B</sup>               | 0.5600                                | -                                       | 0.5600*  |  |
| Group 2 <sup>C</sup>               | -                                     | -                                       | -  |  |
| <b>M Income shares</b>             |                                       |   |  |  |
| Group 1 <sup>B</sup>               | 0.5600                                | -                                       | 0.5600**   |  |
| Group 2 <sup>C</sup>               | -                                     | -                                       | -  |  |

\* Distribution accumulated on 31 January 2019

\*\* Distribution payable on 30 April 2019

<sup>A</sup> Z Income shreclass closed on 11 May 2018.

<sup>B</sup> shares created for initial seeding of the shareclass prior to 26 November 2018.

<sup>C</sup> shares purchased between 26 November 2018 and 31 January 2019.



# Aberdeen Diversified Income Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund's investment objective is to provide income combined with long term capital growth. It will aim to achieve this by investing in a globally diversified portfolio of assets. The majority of the Fund will be exposed to Equity and Equity-Related securities, Investment grade and sub-Investment grade Debt and debt-related securities issued by governments, government-related bodies, and corporations. The remainder of the Fund may be exposed to cash, cash equivalents, deposits, money market instruments and alternative assets including property and infrastructure. The Fund's holdings may include exposure to emerging markets. The Fund may not include exposure to all of the stated asset classes at any point in time.

The Fund is multi-asset in nature and the Investment Adviser has the flexibility to amend the allocation between different asset classes in line with its view on markets in order to achieve the Fund's objective.

The Fund will mainly gain exposure to the asset classes through direct investment, although exposure to alternative asset classes will be obtained indirectly. When investing indirectly the Fund will gain exposure through investment in collective investment schemes, exchange traded funds (ETFs) and derivatives. When investing indirectly through collective investment schemes, the Fund will mainly invest in products managed by the Investment Adviser and/or its associated group companies where such products are available. The Fund may also invest in collective investment schemes managed by third party managers.

The Fund may use financial derivative instruments for investment purposes and/or efficient portfolio management (including hedging) The Fund may use derivative instruments to create short and / or long positions in currencies other than the base currency.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Diversified Income Fund – A Accumulation Shares decreased by 2.84%.

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

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

## Market review

The review period was marked by a sell-off in risk assets towards the end of calendar 2018, as fears of further US interest rate hikes, a global growth slowdown and building China-US trade tensions dominated investor sentiment.

As a result, global equities sustained losses over the period. However, the asset class rebounded in January as more dovish comments from the US Federal Reserve and signs of an easing in trade tensions buoyed confidence.

Local-currency emerging-market bonds were resilient. At the start of the review period, emerging-market currencies fell on aggregate against their developed-market peers, driven by domestic headwinds in several high-yielding markets. But sentiment subsequently recovered, even as other asset classes continued to experience heightened volatility.

In insurance-linked securities, CATCo Reinsurance Opportunities Fund announced higher-than-expected loss reserves for 2018 events, most notably the Californian wildfires. It also reported increases to loss reserves for 2017 events.

## Portfolio review

The main detractors over the period were listed-equity and insurance-linked securities. Positive contributions from emerging-market bonds and infrastructure mitigated the losses.

We initiated a position in Euro Stoxx 50 Dividend Futures at the end of October. The sell-off in equity markets led to relatively aggressive declines in dividend futures that resulted in attractive pricing. The purchase was funded by a reduction in our infrastructure exposure, where we had taken profits on some holdings that were trading at significant premiums to net asset value.

We have been working closely with the global REITs team to identify suitable global property investments to add to the portfolio. This resulted in the addition of Alstria, a German REIT specialising in the office sector; and Kojamo, a Finnish residential landlord focusing on the Helsinki metropolitan area.

In asset-backed securities, we introduced Neuberger Berman CLO Income Fund after reducing our exposure to Fair Oaks Dynamic Credit Fund. Both funds invest in mezzanine collateralised loan obligations (CLO) but the former specialises in sub-investment grade tranches which we felt were particularly attractive.

In absolute return, we reduced our exposure to the alternative risk premia strategy. Volatile market conditions during 2018 resulted in the increased correlation between this strategy and other asset classes to which we have exposure. From a portfolio perspective, we felt it was prudent to reduce our allocation.

## Outlook

Our central view is that the recent market volatility is set to continue. We think the outlook for traditional asset classes, including developed government bonds, corporate bonds and equities, is largely unchanged. We are therefore comfortable with our relatively modest exposure to equities.

Within credit markets, we have some concerns that rising interest rates could prove challenging for weaker corporates and lead to a further re-evaluation of the appropriate levels of spread. We therefore have negligible direct exposure to corporate credit and will await more attractive levels to re-invest.

We continue to view local-currency emerging-market bonds as the most appealing of the larger and more liquid asset classes, primarily due to compelling yields on offer relative to developed markets. This is supported by inexpensive currency valuations and decent underlying fundamentals. We are encouraged by the relative resilience and independence of returns exhibited by the asset class in 2018, while being mindful that this may not hold true in all potential scenarios.

Asset-backed securities is the other area in credit markets that looks compelling. While this gives us exposure to mortgages and other forms of securitised debt, we are cognisant of the significant indirect exposure to corporate loans through CLO positions. In general, we view the spreads on offer from mezzanine CLO bonds as attractive levels of compensation for this risk. Nevertheless, we are monitoring the situation carefully.

**Diversified Multi-Asset Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
  - Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
  - Derivatives: This Fund can use derivatives in order to meet its investment objective. The use of derivatives may result in greater fluctuations in the value of the Fund, and may increase the magnitude of any losses.
  - Emerging Markets: Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries and this may mean your money is at greater risk.
  - Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
  - REITs: The Fund may invest in real estate investment trusts (REITs) which themselves invest directly in real estate. Under adverse market or economic conditions, such assets may become difficult to buy or sell or experience a drop in value.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 30,032          | 32,553       | 35,918       | 39,777       |
| Closing number of shares                  | 14,028,442      | 14,757,240   | 16,455,806   | 19,847,205   |
| Closing net asset value per share (pence) | 214.08          | 220.59       | 218.27       | 200.41       |
| Change in net asset value per share       | (2.94%)         | 1.06%        | 8.91%        | 5.81%        |
| Operating charges                         | 1.29%           | 1.43%        | 1.39%        | 1.42%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 1,200           | 1,412        | 1,422        | 1,615        |
| Closing number of shares                  | 991,183         | 1,107,277    | 1,069,386    | 1,261,366    |
| Closing net asset value per share (pence) | 121.03          | 127.56       | 132.93       | 128.03       |
| Change in net asset value per share       | (5.12%)         | -4.04%       | 3.83%        | 2.42%        |
| Operating charges                         | 1.28%           | 1.43%        | 1.39%        | 1.42%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 35,869          | 38,504       | 39,039       | 39,190       |
| Closing number of shares                  | 26,422,979      | 27,592,838   | 28,421,025   | 31,234,851   |
| Closing net asset value per share (pence) | 135.75          | 139.54       | 137.36       | 125.47       |
| Change in net asset value per share       | (2.72%)         | 1.59%        | 9.48%        | 6.31%        |
| Operating charges                         | 0.70%           | 0.78%        | 0.74%        | 0.77%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 41,991          | 33,239       | 25,039       | 10,863       |
| Closing number of shares                  | 39,372,764      | 29,639,530   | 21,563,241   | 9,776,999    |
| Closing net asset value per share (pence) | 106.65          | 112.14       | 116.12       | 111.11       |
| Change in net asset value per share       | (4.90%)         | (3.43%)      | 4.51%        | 1.20%        |
| Operating charges                         | 0.71%           | 0.78%        | 0.74%        | 0.77%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 100.85          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.82%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 99.60           |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.82%           |              |              |              |

| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 6,015           | 6,795        | 6,863        | 6,514        |
| Closing number of shares                  | 2,665,572       | 2,935,857    | 3,026,857    | 3,160,357    |
| Closing net asset value per share (pence) | 225.65          | 231.46       | 226.75       | 206.12       |
| Change in net asset value per share       | (2.51%)         | 2.08%        | 10.01%       | 6.83%        |
| Operating charges                         | 0.11%           | 0.18%        | 0.14%        | 0.17%        |

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

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

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

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

## Portfolio Statement

As at 31 January 2019

| Holding   | Investment                         | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|---|------------------------------------|---------------------------|--------------------------------------|
| <b>Bonds (24.98%)</b>                           |                                    | <b>32,969</b>             | <b>28.66</b>                         |
| <b>Argentine Peso Denominated Bonds (0.70%)</b> |                                    | <b>841</b>                | <b>0.73</b>                          |
| <b>Government Bonds (0.70%)</b>                 |                                    | <b>841</b>                | <b>0.73</b>                          |
| less than 5 years to maturity                   |                                    |                           |                                      |
| 35,000,000                                      | Argentina (Republic of) FRN 2020   | 841                       | 0.73                                 |
| <b>Brazilian Real Denominated Bonds (2.77%)</b> |                                    | <b>4,003</b>              | <b>3.48</b>                          |
| <b>Government Bonds (2.77%)</b>                 |                                    | <b>4,003</b>              | <b>3.48</b>                          |
| less than 5 years to maturity                   |                                    |                           |                                      |
| 330,000   | Notas do Tesouro Nacional 6% 2023  | 239                       | 0.21                                 |
| 4,500,000                                       | Nota Do Tesouro 10% 2021           | 994                       | 0.86                                 |
| between 5 and 10 years to maturity              |                                    |                           |                                      |
| 9,447,000                                       | Nota Do Tesouro 10% 2025           | 2,116                     | 1.84                                 |
| 1,880,000                                       | Nota Do Tesouro 10% 2027           | 422                       | 0.37                                 |
| 1,030,000                                       | Notas do Tesouro Nacional 10% 2029 | 232                       | 0.20                                 |
| <b>Chilean Peso Denominated Bonds (0.58%)</b>   |                                    | <b>771</b>                | <b>0.67</b>                          |
| <b>Government Bonds (0.58%)</b>                 |                                    | <b>771</b>                | <b>0.67</b>                          |
| between 5 and 10 years to maturity              |                                    |                           |                                      |
| 650,000,000                                     | Chile (Republic of) 4.5% 2026      | 771                       | 0.67                                 |
| <b>Colombian Peso Denominated Bonds (1.38%)</b> |                                    | <b>2,571</b>              | <b>2.24</b>                          |
| <b>Government Bonds (1.38%)</b>                 |                                    | <b>2,571</b>              | <b>2.24</b>                          |
| between 5 and 10 years to maturity              |                                    |                           |                                      |
| 2,850,000,000                                   | Colombia (Republic of) 6% 2028     | 666                       | 0.58                                 |
| 4,010,000,000                                   | Colombia (Republic of) 7.5% 2026   | 1,042                     | 0.91                                 |
| 320,000,000                                     | Colombia (Republic of) 10% 2024    | 92                        | 0.08                                 |

| Holding  | Investment                         | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|------------------------------------|------------------------------|--------------------------------------|
| between 10 and 15 years to maturity                |                                    |                              |                                      |
| 3,160,300,000                                      | Colombia (Republic of) 7% 2032     | 771                          | 0.67                                 |
| <b>Dominican Peso Denominated Bonds (0.50%)</b>    |                                    | <b>612</b>                   | <b>0.53</b>                          |
| <b>Government Bonds (0.50%)</b>                    |                                    | <b>612</b>                   | <b>0.53</b>                          |
| less than 5 years to maturity                      |                                    |                              |                                      |
| 8,000,000  | Dominican (Republic of) 8.9% 2023  | 116                          | 0.10                                 |
| between 5 and 10 years to maturity                 |                                    |                              |                                      |
| 31,200,000   | Dominican (Republic of) 11.5% 2024 | 496                          | 0.43                                 |
| <b>Egyptian Pound Denominated Bonds (0.56%)</b>    |                                    | <b>624</b>                   | <b>0.54</b>                          |
| <b>Government bonds (0.56%)</b>                    |                                    | <b>624</b>                   | <b>0.54</b>                          |
| less than 5 years to maturity                      |                                    |                              |                                      |
| 6,950,000  | Egypt (Arab Republic of) 0% 2019   | 290                          | 0.25                                 |
| 8,250,000  | Egypt (Arab Republic of) 0% 2019   | 334                          | 0.29                                 |
| <b>Ghanaian Cedi Denominated Bonds (0.51%)</b>     |                                    | <b>300</b>                   | <b>0.26</b>                          |
| <b>Government bonds (0.51%)</b>                    |                                    | <b>300</b>                   | <b>0.26</b>                          |
| less than 5 years to maturity                      |                                    |                              |                                      |
| 1,800,000  | Ghana (Republic of) 24.75% 2021    | 300                          | 0.26                                 |
| <b>Indian Rupee Denominated Bonds (2.00%)</b>      |                                    | <b>581</b>                   | <b>0.51</b>                          |
| <b>Government Bonds (2.00%)</b>                    |                                    | <b>581</b>                   | <b>0.51</b>                          |
| between 5 and 10 years to maturity                 |                                    |                              |                                      |
| 57,200,000   | Gujarat (State of) 7.2% 2027       | 581                          | 0.51                                 |
| <b>Indonesian Rupiah Denominated Bonds (2.57%)</b> |                                    | <b>3,177</b>                 | <b>2.77</b>                          |
| <b>Government Bonds (2.57%)</b>                    |                                    | <b>3,177</b>                 | <b>2.77</b>                          |

| Holding  | Investment                          | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|-------------------------------------|------------------------------|--------------------------------------|
| less than 5 years to maturity                      |                                     |                              |                                      |
| 3,100,000,000                                      | Indonesia (Republic of) 5.625% 2023 | 156                          | 0.14                                 |
| 1,013,000,000                                      | Indonesia (Republic of) 7% 2022     | 54                           | 0.05                                 |
| 5,020,000,000                                      | Indonesia (Republic of) 7.875% 2019 | 274                          | 0.24                                 |
| 1,670,000,000                                      | Indonesia (Republic of) 8.25% 2021  | 92                           | 0.08                                 |
| between 5 and 10 years to maturity                 |                                     |                              |                                      |
| 12,100,000,000                                     | Indonesia (Republic of) 6.125% 2028 | 575                          | 0.50                                 |
| 10,960,000,000                                     | Indonesia (Republic of) 7% 2027     | 557                          | 0.48                                 |
| between 10 and 15 years to maturity                |                                     |                              |                                      |
| 12,800,000,000                                     | Indonesia (Republic of) 9% 2029     | 733                          | 0.64                                 |
| between 15 and 25 years to maturity                |                                     |                              |                                      |
| 1,759,000,000                                      | Indonesia (Republic of) 8.25% 2036  | 94                           | 0.08                                 |
| 6,173,000,000                                      | Indonesia (Republic of) 8.375% 2034 | 332                          | 0.29                                 |
| 5,750,000,000                                      | Indonesia (Republic of) 8.375% 2039 | 310                          | 0.27                                 |
| <b>Malaysian Ringgit Denominated Bonds (1.45%)</b> |                                     | <b>1,683</b>                 | <b>1.46</b>                          |
| <b>Government Bonds (1.45%)</b>                    |                                     | <b>1,683</b>                 | <b>1.46</b>                          |
| less than 5 years to maturity                      |                                     |                              |                                      |
| 4,600,000  | Malaysia (Govt of) 4.048% 2021      | 864                          | 0.75                                 |
| 1,400,000  | Malaysia (Govt of) 4.378% 2019      | 262                          | 0.23                                 |
| between 10 and 15 years to maturity                |                                     |                              |                                      |
| 1,310,000  | Malaysia (Govt of) 4.232% 2031      | 241                          | 0.21                                 |
| 1,670,000  | Malaysia (Govt of) 4.498% 2030      | 316                          | 0.27                                 |
| <b>Mexican Peso Denominated Bonds (0.10%)</b>      |                                     | <b>4,341</b>                 | <b>3.77</b>                          |
| <b>Corporate bonds (0.10%)</b>                     |                                     | <b>94</b>                    | <b>0.08</b>                          |
| between 5 and 10 years to maturity                 |                                     |                              |                                      |
| 2,980,000  | Petroleos Mexicanos 7.19% 2024      | 94                           | 0.08                                 |



| Holding  | Investment                                | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|------------------------------|--------------------------------------|
| <b>Government Bonds (2.87%)</b>                  |   | <b>4,247</b>                 | <b>3.69</b>                          |
| less than 5 years to maturity                    |   |                              |                                      |
| 39,070,000                                       | Mexico (United Mexican States) 6.5% 2022  | 1,482                        | 1.29                                 |
| 6,231,600  | Mexico (United Mexican States) 8% 2020    | 248                          | 0.22                                 |
| between 5 and 10 years to maturity               |   |                              |                                      |
| 31,100,000                                       | Mexico (United Mexican States) 10% 2024   | 1,344                        | 1.17                                 |
| between 15 and 25 years to maturity              |   |                              |                                      |
| 8,760,000  | Mexico (United Mexican States) 7.75% 2042 | 315                          | 0.27                                 |
| 22,000,000                                       | Mexico (United Mexican States) 8.5% 2038  | 858                          | 0.74                                 |
| <b>Peruvian Sol Denominated Bonds (1.04%)</b>    |   | <b>1,823</b>                 | <b>1.58</b>                          |
| <b>Government Bonds (1.04%)</b>                  |   | <b>1,823</b>                 | <b>1.58</b>                          |
| between 10 and 15 years to maturity              |   |                              |                                      |
| 4,563,000  | Peru (Republic of) 6.15% 2032             | 1,064                        | 0.92                                 |
| 3,050,000  | Peru (Republic of) 6.95% 2031             | 759                          | 0.66                                 |
| <b>Philippine Peso Denominated Bonds (0.00%)</b> |   | <b>505</b>                   | <b>0.44</b>                          |
| <b>Government Bonds (0.00%)</b>                  |   | <b>505</b>                   | <b>0.44</b>                          |
| between 5 and 10 years to maturity               |   |                              |                                      |
| 35,600,000                                       | Philippines (Republic of) 5.75% 2025      | 505                          | 0.44                                 |
| <b>Polish Zloty Denominated Bonds (1.42%)</b>    |   | <b>2,218</b>                 | <b>1.93</b>                          |
| <b>Government Bonds (1.42%)</b>                  |   | <b>2,218</b>                 | <b>1.93</b>                          |
| less than 5 years to maturity                    |   |                              |                                      |
| 3,040,000  | Poland (Republic of) 1.5% 2020            | 623                          | 0.54                                 |
| 6,070,000  | Poland (Republic of) 5.75% 2021           | 1,380                        | 1.20                                 |
| between 10 and 15 years to maturity              |   |                              |                                      |
| 830,000  | Poland (Republic of) 5.75% 2029           | 215                          | 0.19                                 |

| Holding   | Investment                            | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|---|---------------------------------------|---------------------------|--------------------------------------|
| <b>Russian Ruble Denominated Bonds (2.45%)</b>      |                                       | <b>2,076</b>              | <b>1.80</b>                          |
| <b>Government Bonds (2.45%)</b>                     |                                       | <b>2,076</b>              | <b>1.80</b>                          |
| less than 5 years to maturity                       |                                       |                           |                                      |
| 54,400,000  | Russia (Govt of) 6.4% 2020            | 621                       | 0.54                                 |
| 22,260,000  | Russia (Govt of) 7.5% 2019            | 258                       | 0.22                                 |
| between 5 and 10 years to maturity                  |                                       |                           |                                      |
| 92,000,000  | Russia (Govt of) 7.05% 2028           | 1,007                     | 0.87                                 |
| between 10 and 15 years to maturity                 |                                       |                           |                                      |
| 16,840,000  | Russia (Govt of) 7.7% 2033            | 190                       | 0.17                                 |
| <b>South African Rand Denominated Bonds (2.62%)</b> |                                       | <b>2,259</b>              | <b>1.96</b>                          |
| <b>Government Bonds (2.62%)</b>                     |                                       | <b>2,259</b>              | <b>1.96</b>                          |
| between 5 and 10 years to maturity                  |                                       |                           |                                      |
| 6,670,000   | South Africa (Republic of) 10.5% 2026 | 423                       | 0.37                                 |
| between 10 and 15 years to maturity                 |                                       |                           |                                      |
| 13,800,000  | South Africa (Republic of) 8% 2030    | 731                       | 0.63                                 |
| between 15 and 25 years to maturity                 |                                       |                           |                                      |
| 11,240,000  | South Africa (Republic of) 6.25% 2036 | 472                       | 0.41                                 |
| greater than 25 years to maturity                   |                                       |                           |                                      |
| 12,050,000  | South Africa (Republic of) 8.75% 2044 | 633                       | 0.55                                 |
| <b>Sterling Denominated Bonds (0.00%)</b>           |                                       | <b>2,062</b>              | <b>1.80</b>                          |
| <b>Corporate Bonds (0.00%)</b>                      |                                       | <b>2,062</b>              | <b>1.80</b>                          |
| less than 5 years to maturity                       |                                       |                           |                                      |
| 100,000   | Delamare Cards MTN Issuer FRN 2022    | 99                        | 0.09                                 |
| 155,000   | Newday Funding 2018 FRN 2026          | 155                       | 0.13                                 |

| Holding   | Investment                                | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|---|---|---------------------------|--------------------------------------|
| between 5 and 10 years to maturity              |   |                           |                                      |
| 248,000   | Silver Arrow UK 2018-1 FRN 2024           | 193                       | 0.17                                 |
| 311,000   | Turbo Finance FRN 2026                    | 308                       | 0.27                                 |
| 220,000   | Newday Funding 2017 FRN 2025              | 218                       | 0.19                                 |
| greater than 25 years to maturity               |   |                           |                                      |
| 319,000   | Paragon FRN 2050                          | 312                       | 0.27                                 |
| 180,000   | Finsbury Square 2018-1 FRN 2065           | 171                       | 0.15                                 |
| 321,000   | Precise Mortgage Funding 2018-2B FRN 2055 | 289                       | 0.25                                 |
| 183,000   | RMAC No 2 FRN 2046                        | 181                       | 0.16                                 |
| 137,000   | Finsbury Square 2018-2 FRN 2068           | 136                       | 0.12                                 |
| <b>Turkish Lira Denominated Bonds (1.03%)</b>   |   | <b>2,185</b>              | <b>1.90</b>                          |
| <b>Government Bonds (0.43%)</b>                 |   | <b>2,185</b>              | <b>1.90</b>                          |
| less than 5 years to maturity                   |   |                           |                                      |
| 710,000   | Turkey (Republic of) 3% 2023              | 187                       | 0.16                                 |
| 2,530,000                                       | Turkey (Republic of) 8.5% 2019            | 353                       | 0.31                                 |
| 1,940,000                                       | Turkey (Republic of) 10.7% 2021           | 253                       | 0.22                                 |
| 2,505,000                                       | Turkey (Republic of) 10.7% 2022           | 319                       | 0.28                                 |
| between 5 and 10 years to maturity              |   |                           |                                      |
| 5,350,000                                       | Turkey (Republic of) 10.4% 2024           | 650                       | 0.56                                 |
| 3,400,000                                       | Turkey (Republic of) 10.6% 2026           | 423                       | 0.37                                 |
| <b>Uruguayan Peso Denominated Bonds (0.43%)</b> |   | <b>337</b>                | <b>0.29</b>                          |
| <b>Government Bonds (0.43%)</b>                 |   | <b>337</b>                | <b>0.29</b>                          |
| less than 5 years to maturity                   |   |                           |                                      |
| 3,600,000                                       | Uruguay (Republic of) 9.875% 2022         | 84                        | 0.07                                 |
| between 5 and 10 years to maturity              |   |                           |                                      |
| 5,914,000                                       | Uruguay (Republic of) 4.375% 2028         | 253                       | 0.22                                 |
| <b>Equities (61.15%)</b>                        |   | <b>58,732</b>             | <b>51.01</b>                         |

| Holding                                 | Investment                                   | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|---|--|---------------------------|--------------------------------------|
| <b>Emerging Market Equities (0.16%)</b> |  | <b>484</b>                | <b>0.42</b>                          |
| <b>Brazil (0.16%)</b>                   |  | <b>441</b>                | <b>0.38</b>                          |
| 7,800                                   | Banco BTG Pactual                            | 48                        | 0.04                                 |
| 3,130                                   | Cia de Gas de Sao Paulo 'A' (Pref)           | 53                        | 0.05                                 |
| 6,100                                   | Estácio                                      | 40                        | 0.03                                 |
| 91,010                                  | Itaúsa                                       | 256                       | 0.22                                 |
| 2,133                                   | PPLA Participations                          | 1                         | -                                    |
| 13,100                                  | Qualicorp Consultoria e Corretora de Seguros | 43                        | 0.04                                 |
| <b>Russia (0.00%)</b>                   |  | <b>43</b>                 | <b>0.04</b>                          |
| 8,649                                   | Evrz   | 43                        | 0.04                                 |
| <b>European Equities (3.90%)</b>        |  | <b>4,574</b>              | <b>3.97</b>                          |
| <b>Austria (0.04%)</b>                  |  | <b>37</b>                 | <b>0.03</b>                          |
| 6,403                                   | Telekom Austria                              | 37                        | 0.03                                 |
| <b>Belgium (0.04%)</b>                  |  | <b>45</b>                 | <b>0.04</b>                          |
| 689                                     | UCB  | 45                        | 0.04                                 |
| <b>Czech Republic (0.07%)</b>           |  | <b>73</b>                 | <b>0.06</b>                          |
| 14,869                                  | Moneta Money Bank                            | 38                        | 0.03                                 |
| 4,268                                   | O2 Telefonica                                | 35                        | 0.03                                 |
| <b>Denmark (0.06%)</b>                  |  | <b>42</b>                 | <b>0.04</b>                          |
| 1,258                                   | Lundbeck                                     | 42                        | 0.04                                 |
| <b>Finland (0.25%)</b>                  |  | <b>803</b>                | <b>0.70</b>                          |
| 67,000                                  | Kojamo                                       | 524                       | 0.46                                 |
| 12,688                                  | UPM-Kymmene                                  | 279                       | 0.24                                 |
| <b>France (0.09%)</b>                   |  | <b>234</b>                | <b>0.20</b>                          |
| 571                                     | Atos   | 40                        | 0.03                                 |
| 349                                     | Ipsen  | 33                        | 0.03                                 |
| 1,173                                   | Unibail-Rodamco                              | 161                       | 0.14                                 |

| Holding                    | Investment                 | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------|----------------------------|------------------------------|--------------------------------------|
| <b>Germany (0.48%)</b>     |                            | <b>1,088</b>                 | <b>0.95</b>                          |
| 50,000                     | Alstria Office REIT        | 574                          | 0.50                                 |
| 3,901                      | Covestro                   | 164                          | 0.14                                 |
| 4,081                      | Deutsche Lufthansa         | 78                           | 0.07                                 |
| 26,829                     | E.ON                       | 227                          | 0.20                                 |
| 3,494                      | METRO                      | 45                           | 0.04                                 |
| <b>Greece (0.04%)</b>      |                            | <b>41</b>                    | <b>0.04</b>                          |
| 2,162                      | Motor Oil                  | 41                           | 0.04                                 |
| <b>Hungary (0.08%)</b>     |                            | <b>107</b>                   | <b>0.09</b>                          |
| 33,371                     | Magyar Telekom             | 43                           | 0.04                                 |
| 7,032                      | MOL Hungarian Oil & Gas    | 64                           | 0.05                                 |
| <b>Ireland (0.45%)</b>     |                            | <b>585</b>                   | <b>0.51</b>                          |
| 553,165                    | Greencoat Renewables       | 507                          | 0.44                                 |
| 2,216                      | Perrigo                    | 78                           | 0.07                                 |
| <b>Italy (0.09%)</b>       |                            | <b>37</b>                    | <b>0.03</b>                          |
| 26,603                     | A2A                        | 37                           | 0.03                                 |
| <b>Luxembourg (1.01%)</b>  |                            | -                            | -                                    |
| <b>Netherlands (0.47%)</b> |                            | <b>491</b>                   | <b>0.42</b>                          |
| 860                        | Gemalto                    | 38                           | 0.03                                 |
| 18,819                     | Koninklijke Ahold Delhaize | 378                          | 0.33                                 |
| 2,035                      | Signify                    | 38                           | 0.03                                 |
| 771                        | Wolters Kluwer             | 37                           | 0.03                                 |
| <b>Norway (0.10%)</b>      |                            | -                            | -                                    |
| <b>Poland (0.11%)</b>      |                            | -                            | -                                    |
| <b>Spain (0.31%)</b>       |                            | <b>482</b>                   | <b>0.42</b>                          |
| 663                        | Amadeus                    | 37                           | 0.03                                 |

| Holding                          | Investment                   | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------------|------------------------------|---------------------------|--------------------------------------|
| 1,034                            | Corp Financiera Alba         | 39                        | 0.03                                 |
| 3,933                            | Enagas                       | 87                        | 0.08                                 |
| 6,660                            | Endesa                       | 127                       | 0.11                                 |
| 6,631                            | Mediaset Espana Comunicacion | 35                        | 0.03                                 |
| 8,963                            | Red Electrica                | 157                       | 0.14                                 |
| <b>Switzerland (0.21%)</b>       |                              | <b>509</b>                | <b>0.44</b>                          |
| 375                              | ACE                          | 38                        | 0.03                                 |
| 386                              | Partners                     | 202                       | 0.17                                 |
| 1,113                            | Roche                        | 225                       | 0.20                                 |
| 311                              | Sonova                       | 44                        | 0.04                                 |
| <b>Japanese Equities (3.08%)</b> |                              | <b>4,284</b>              | <b>3.69</b>                          |
| 3,000                            | Alfresa Holdings             | 63                        | 0.05                                 |
| 1,900                            | Aoyama Trading               | 36                        | 0.03                                 |
| 30,600                           | Astellas Pharmaceuticals     | 344                       | 0.30                                 |
| 2,700                            | Brother Industries           | 34                        | 0.03                                 |
| 2,600                            | Capcom                       | 42                        | 0.04                                 |
| 14,600                           | Chubu Electric Power         | 175                       | 0.15                                 |
| 2,500                            | Dainippon Sumitomo Pharma    | 44                        | 0.04                                 |
| 700                              | Daito Trust Construction     | 74                        | 0.06                                 |
| 600                              | Familymart                   | 53                        | 0.05                                 |
| 1,400                            | Fujifilm                     | 46                        | 0.04                                 |
| 1,200                            | Fujitsu                      | 61                        | 0.05                                 |
| 3,900                            | Haseko                       | 33                        | 0.03                                 |
| 1,600                            | Hitachi                      | 38                        | 0.03                                 |
| 1,100                            | Hoya                         | 48                        | 0.04                                 |
| 26,900                           | ITOCHU                       | 374                       | 0.32                                 |
| 7,900                            | JXTG Holdings                | 33                        | 0.03                                 |
| 10,100                           | Kajima                       | 109                       | 0.09                                 |
| 1,000                            | Kaken Pharmaceutical         | 36                        | 0.03                                 |
| 3,100                            | Kansai Electric Power        | 36                        | 0.03                                 |
| 2,700                            | Kirin Holdings               | 49                        | 0.04                                 |
| 4,900                            | K's Holdings                 | 37                        | 0.03                                 |
| 1,400                            | Kyudenko                     | 38                        | 0.03                                 |
| 33,000                           | Marubeni                     | 195                       | 0.17                                 |
| 1,400                            | Matsumotokiyoshi Holdings    | 33                        | 0.03                                 |
| 2,500                            | MediPal Holdings             | 44                        | 0.04                                 |
| 2,200                            | Megmilk Snow Brand           | 44                        | 0.04                                 |
| 6,500                            | Mitsubishi Chemical          | 42                        | 0.04                                 |

| Holding                                | Investment                                | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|------------------------------|--------------------------------------|
| 3,200                                  | Mitsubishi Gas Chemical                   | 38                           | 0.03                                 |
| 1,800                                  | Mitsubishi Shokuhin                       | 36                           | 0.03                                 |
| 29,700                                 | Mitsui                                    | 367                          | 0.32                                 |
| 3,300                                  | Nikon                                     | 43                           | 0.04                                 |
| 11,300                                 | Nippon Telegraph & Telephone              | 369                          | 0.32                                 |
| 19,900                                 | NTT DOCOMO                                | 362                          | 0.31                                 |
| 900                                    | Sawai Pharmaceutical                      | 35                           | 0.03                                 |
| 2,400                                  | SG Holdings                               | 49                           | 0.04                                 |
| 800                                    | Shionogi                                  | 37                           | 0.03                                 |
| 1,400                                  | Showa Denko                               | 36                           | 0.03                                 |
| 21,700                                 | Sojitz                                    | 63                           | 0.05                                 |
| 26,800                                 | Sumitomo                                  | 314                          | 0.27                                 |
| 1,300                                  | Suntory Beverage & Food                   | 44                           | 0.04                                 |
| 1,400                                  | Suzuken                                   | 56                           | 0.05                                 |
| 4,400                                  | Taisei                                    | 157                          | 0.14                                 |
| 2,100                                  | Tokuyama                                  | 37                           | 0.03                                 |
| 3,300                                  | Tosoh                                     | 35                           | 0.03                                 |
| 12,000                                 | Yamada Denki                              | 45                           | 0.04                                 |
| <b>Middle East Equities (0.26%)</b>    |   | <b>259</b>                   | <b>0.24</b>                          |
| <b>Israel (0.07%)</b>                  |   | <b>41</b>                    | <b>0.04</b>                          |
| 110,392                                | Oil Refineries                            | 41                           | 0.04                                 |
| <b>Turkey (0.19%)</b>                  |   | <b>218</b>                   | <b>0.20</b>                          |
| 174,620                                | Emlak Konut Gayrimenkul Yatirim Ortakligi | 41                           | 0.04                                 |
| 34,214                                 | Eregli Demir ve Celik Fabrikalari         | 43                           | 0.04                                 |
| 10,453                                 | TAV Havalimanlari Holding                 | 43                           | 0.04                                 |
| 13,099                                 | Tekfen Holding                            | 47                           | 0.04                                 |
| 14,343                                 | Tofas Turk Otomobil Fabrikasi             | 44                           | 0.04                                 |
| <b>North America Equities (17.16%)</b> |   | <b>13,225</b>                | <b>11.49</b>                         |
| <b>Bermuda (1.11%)</b>                 |   | <b>2,395</b>                 | <b>2.08</b>                          |
| 1,289,440                              | Blue Capital Alternative Income Fund*     | 526                          | 0.46                                 |
| 49,901                                 | Blue Capital Reinsurance                  | 257                          | 0.22                                 |
| 2,290,098                              | CATCo Reinsurance Opportunities Fund      | 348                          | 0.30                                 |
| 3,675,000                              | CATCo Reinsurance Opportunities Fund 'C'  | 1,118                        | 0.97                                 |
| 878                                    | Everest Re                                | 146                          | 0.13                                 |

| Holding                       | Investment  | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------|---|------------------------------|--------------------------------------|
| <b>Canada (0.10%)</b>         |   | <b>156</b>                   | <b>0.13</b>                          |
| 4,756                         | CI Financial  | 49                           | 0.04                                 |
| 96                            | Fairfax Financial                                     | 34                           | 0.03                                 |
| 672                           | George Weston   | 37                           | 0.03                                 |
| 3,024                         | Hydro One   | 36                           | 0.03                                 |
| <b>Mexico (0.08%)</b>         |   | <b>120</b>                   | <b>0.11</b>                          |
| 37,300                        | Alfa  | 36                           | 0.03                                 |
| 40,600                        | Concentradora Fibra Danhos                            | 44                           | 0.04                                 |
| 67,100                        | Nemak   | 40                           | 0.04                                 |
| <b>United States (15.87%)</b> |   | <b>10,554</b>                | <b>9.17</b>                          |
| 1,160                         | Aflac   | 42                           | 0.04                                 |
| 2,799                         | Allergan  | 306                          | 0.27                                 |
| 246                           | Alliance Data Systems                                 | 33                           | 0.03                                 |
| 775                           | Allstate  | 52                           | 0.05                                 |
| 2,961                         | Ally Financial  | 59                           | 0.05                                 |
| 25,695                        | Annaly Capital Management                             | 204                          | 0.18                                 |
| 4,591                         | AT&T  | 105                          | 0.09                                 |
| 5,705                         | Best Buy  | 257                          | 0.22                                 |
| 151                           | Biogen  | 38                           | 0.03                                 |
| 932                           | Cardinal Health                                       | 35                           | 0.03                                 |
| 521                           | Cboe Global Markets                                   | 37                           | 0.03                                 |
| 10,402                        | CenterPoint Energy                                    | 244                          | 0.21                                 |
| 418                           | Chevron   | 36                           | 0.03                                 |
| 392                           | Cigna   | 60                           | 0.05                                 |
| 1,120                         | Cincinnati Financial                                  | 69                           | 0.06                                 |
| 2,543                         | CME   | 352                          | 0.31                                 |
| 1,103                         | CNA Financial   | 38                           | 0.03                                 |
| 5,788                         | Consolidated Edison                                   | 342                          | 0.30                                 |
| 6,508                         | CVS Health  | 324                          | 0.28                                 |
| 543                           | Dollar General  | 48                           | 0.04                                 |
| 1,582                         | DXC Technology  | 77                           | 0.07                                 |
| 9,194                         | Exelon  | 334                          | 0.29                                 |
| 4,644                         | FirstEnergy   | 137                          | 0.12                                 |
| 2,530                         | Foot Locker   | 108                          | 0.09                                 |
| 834                           | Gilead Sciences                                       | 44                           | 0.04                                 |
| 3,657                         | Goldman Sachs i-Select III Series Warrants 20/03/2019 | 2,841                        | 2.47                                 |
| 3,663                         | H&R Block   | 66                           | 0.06                                 |



| Holding | Investment                 | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|---------|----------------------------|------------------------------|--------------------------------------|
| 2,072   | HollyFrontier              | 89                           | 0.08                                 |
| 19,568  | HP                         | 328                          | 0.29                                 |
| 252     | Intuit                     | 41                           | 0.04                                 |
| 2,416   | Juniper Networks           | 48                           | 0.04                                 |
| 3,373   | Kohl's                     | 176                          | 0.15                                 |
| 8,051   | Kroger                     | 173                          | 0.15                                 |
| 1,169   | Lam Research               | 151                          | 0.13                                 |
| 2,602   | LyondellBasell             | 172                          | 0.15                                 |
| 6,268   | Macy's                     | 125                          | 0.11                                 |
| 5,690   | Marathon Petroleum         | 287                          | 0.25                                 |
| 369     | McKesson                   | 36                           | 0.03                                 |
| 1,482   | Mylan                      | 34                           | 0.03                                 |
| 585     | Nasdaq                     | 39                           | 0.03                                 |
| 3,759   | Netapp                     | 182                          | 0.16                                 |
| 938     | Nordstrom                  | 33                           | 0.03                                 |
| 2,398   | Old Republic International | 37                           | 0.03                                 |
| 3,443   | Park Hotels & Resorts      | 79                           | 0.07                                 |
| 1,045   | Pfizer                     | 34                           | 0.03                                 |
| 507     | Phillips 66                | 37                           | 0.03                                 |
| 835     | Progressive                | 43                           | 0.04                                 |
| 448     | Ralph Lauren               | 40                           | 0.03                                 |
| 1,289   | Robert Half International  | 63                           | 0.05                                 |
| 931     | Ross Stores                | 65                           | 0.06                                 |
| 2,512   | Santander Consumer USA     | 36                           | 0.03                                 |
| 2,616   | Seagate Technology         | 88                           | 0.08                                 |
| 956     | Southwest Airlines         | 41                           | 0.04                                 |
| 1,412   | Steel Dynamics             | 39                           | 0.03                                 |
| 1,738   | Synchrony Financial        | 40                           | 0.03                                 |
| 3,911   | Sysco                      | 190                          | 0.17                                 |
| 4,453   | T Rowe Price               | 316                          | 0.27                                 |
| 6,126   | Target                     | 340                          | 0.30                                 |
| 1,032   | TJX                        | 39                           | 0.03                                 |
| 579     | Torchmark                  | 37                           | 0.03                                 |
| 4,764   | Valero Energy              | 318                          | 0.28                                 |
| 175     | W.W. Grainger              | 39                           | 0.03                                 |
| 5,890   | Walgreens Boots Alliance   | 324                          | 0.28                                 |
| 953     | Wal-Mart                   | 70                           | 0.06                                 |
| 1,075   | Western Digital            | 37                           | 0.03                                 |

| Holding                               | Investment                    | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|---------------------------------------|-------------------------------|------------------------------|--------------------------------------|
| <b>Pacific Basin Equities (2.69%)</b> |                               | <b>2,716</b>                 | <b>2.36</b>                          |
| <b>Australia (0.26%)</b>              |                               | <b>344</b>                   | <b>0.30</b>                          |
| 13,325                                | AGL Energy                    | 158                          | 0.14                                 |
| 3,224                                 | Ansell                        | 41                           | 0.03                                 |
| 28,553                                | Medibank Private              | 41                           | 0.04                                 |
| 24,316                                | Metcash                       | 33                           | 0.03                                 |
| 10,931                                | Qantas Airways                | 33                           | 0.03                                 |
| 2,990                                 | Sonic Healthcare              | 38                           | 0.03                                 |
| <b>China (0.00%)</b>                  |                               | <b>38</b>                    | <b>0.03</b>                          |
| 36,000                                | Tingyi                        | 38                           | 0.03                                 |
| <b>Hong Kong (0.80%)</b>              |                               | <b>837</b>                   | <b>0.73</b>                          |
| 53,500                                | CK Asset Holdings             | 341                          | 0.30                                 |
| 38,000                                | CLP                           | 334                          | 0.29                                 |
| 195,900                               | Hutchison Port Holdings Trust | 37                           | 0.03                                 |
| 15,898                                | I-CABLE Communications        | -                            | -                                    |
| 15,500                                | Kerry Properties              | 49                           | 0.04                                 |
| 31,000                                | Lifestyle International       | 35                           | 0.03                                 |
| 90,000                                | PCCW                          | 41                           | 0.04                                 |
| <b>Malaysia (0.04%)</b>               |                               | <b>4</b>                     | <b>-</b>                             |
| 9,700                                 | Berjaya Sports Toto           | 4                            | -                                    |
| <b>New Zealand (0.04%)</b>            |                               | <b>40</b>                    | <b>0.03</b>                          |
| 27,195                                | Air New Zealand               | 40                           | 0.03                                 |
| <b>Singapore (0.17%)</b>              |                               | <b>43</b>                    | <b>0.04</b>                          |
| 36,900                                | M1                            | 43                           | 0.04                                 |
| <b>South Korea (0.41%)</b>            |                               | <b>551</b>                   | <b>0.48</b>                          |
| 2,617                                 | Cheil Worldwide               | 42                           | 0.04                                 |
| 543                                   | Daelim Industrial             | 39                           | 0.03                                 |
| 1,205                                 | GS Engineering                | 39                           | 0.03                                 |
| 5,892                                 | Kia Motors                    | 146                          | 0.13                                 |

| Holding                          | Investment                     | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------------|--------------------------------|------------------------------|--------------------------------------|
| 1,003                            | Korea Gas                      | 37                           | 0.03                                 |
| 3,775                            | LG Uplus                       | 39                           | 0.03                                 |
| 1,326                            | LOTTE Fine Chemical            | 41                           | 0.04                                 |
| 1,750                            | Samsung Electronics            | 55                           | 0.05                                 |
| 285                              | Samsung SDS                    | 44                           | 0.04                                 |
| 390                              | SK Telecom                     | 69                           | 0.06                                 |
| <b>Taiwan (0.51%)</b>            |                                | <b>347</b>                   | <b>0.30</b>                          |
| 67,000                           | China Motor                    | 39                           | 0.03                                 |
| 27,000                           | Feng Hsin Steel                | 39                           | 0.03                                 |
| 5,000                            | Globalwafers                   | 36                           | 0.03                                 |
| 12,000                           | Novatek Microelectronics       | 47                           | 0.04                                 |
| 54,000                           | Oriental Union Chemical        | 35                           | 0.03                                 |
| 40,000                           | Uni-President Enterprises      | 71                           | 0.06                                 |
| 142,000                          | United Microelectronics        | 40                           | 0.04                                 |
| 7,000                            | Yulon Nissan Motor             | 40                           | 0.04                                 |
| <b>Thailand (0.46%)</b>          |                                | <b>512</b>                   | <b>0.45</b>                          |
| 62,400                           | Bangkok Dusit Medical Services | 36                           | 0.03                                 |
| 6,900                            | Electricity Generating         | 44                           | 0.04                                 |
| 20,100                           | Glow Energy                    | 45                           | 0.04                                 |
| 261,400                          | PTT (Alien Market)             | 308                          | 0.27                                 |
| 30,300                           | Ratchaburi Electricity         | 41                           | 0.04                                 |
| 21,700                           | Thai Oil                       | 38                           | 0.03                                 |
| <b>UK Equities (33.90%)</b>      |                                | <b>33,190</b>                | <b>28.84</b>                         |
| <b>Basic Materials (0.29%)</b>   |                                | -                            | -                                    |
| <b>Consumer Goods (0.26%)</b>    |                                | <b>318</b>                   | <b>0.28</b>                          |
| 6,320                            | Persimmon                      | 150                          | 0.13                                 |
| 8,545                            | Tate & Lyle                    | 59                           | 0.05                                 |
| 66,148                           | Taylor Wimpey                  | 109                          | 0.10                                 |
| <b>Consumer services (0.12%)</b> |                                | <b>256</b>                   | <b>0.22</b>                          |
| 21,134                           | IAG                            | 136                          | 0.12                                 |
| 28,042                           | Sainsbury (J)                  | 80                           | 0.07                                 |
| 17,812                           | Tesco                          | 40                           | 0.03                                 |

| Holding                    | Investment                                   | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------|--|---------------------------|--------------------------------------|
| <b>Financials (31.62%)</b> |  | <b>30,792</b>             | <b>26.75</b>                         |
| 203,674                    | 3i Infrastructure                            | 540                       | 0.47                                 |
| 1,783,498                  | Aberdeen Diversified Income and Growth Trust | 2,060                     | 1.79                                 |
| 2,633,923                  | BioPharma Credit                             | 2,102                     | 1.83                                 |
| 737,000                    | Blackstone GSO Loan Financing                | 482                       | 0.42                                 |
| 117,000                    | Burford Capital                              | 2,146                     | 1.86                                 |
| 1,552,969                  | Civitas Social Housing                       | 1,599                     | 1.39                                 |
| 25,124                     | Direct Line                                  | 85                        | 0.07                                 |
| 1,184,101                  | Fair Oaks Income                             | 756                       | 0.66                                 |
| 497,696                    | Funding Circle SME Income Fund               | 427                       | 0.37                                 |
| 831,524                    | GCP Asset Backed Income Fund                 | 865                       | 0.75                                 |
| 1,108,797                  | GCP Student Living                           | 1,668                     | 1.45                                 |
| 1,701,917                  | HICL Infrastructure                          | 2,823                     | 2.45                                 |
| 1,458,964                  | International Public Partnerships            | 2,247                     | 1.95                                 |
| 3,412                      | Janus Henderson                              | 57                        | 0.05                                 |
| 520,099                    | John Laing Environmental                     | 564                       | 0.49                                 |
| 629,825                    | John Laing Group                             | 2,235                     | 1.94                                 |
| 535,000                    | Marble Point Loan                            | 329                       | 0.29                                 |
| 327,929                    | P2P Global Investments                       | 2,709                     | 2.35                                 |
| 1,378,353                  | PRS REIT                                     | 1,344                     | 1.17                                 |
| 32,253                     | Quilter                                      | 40                        | 0.03                                 |
| 680,275                    | Renewables Infrastructure Group              | 801                       | 0.70                                 |
| 929,000                    | Residential Secure Income                    | 847                       | 0.74                                 |
| 558,715                    | SQN Asset Finance Income Fund                | 527                       | 0.46                                 |
| 610,582                    | SQN Asset Finance Income Fund 'C'            | 580                       | 0.50                                 |
| 855,000                    | Target Healthcare REIT                       | 962                       | 0.84                                 |
| 801,130                    | Triple Point Social Housing REIT             | 833                       | 0.72                                 |
| 313,600                    | Tufton Oceanic Assets                        | 243                       | 0.21                                 |
| 615,898                    | TwentyFour Income Fund                       | 687                       | 0.60                                 |
| 25,679                     | Unite  | 234                       | 0.20                                 |
| <b>Health Care (0.00%)</b> |  | <b>36</b>                 | <b>0.03</b>                          |
| 25,270                     | ConvaTec                                     | 36                        | 0.03                                 |
| <b>Industrials (1.20%)</b> |  | <b>1,311</b>              | <b>1.14</b>                          |
| 296,541                    | Doric Nimrod Air Three                       | 304                       | 0.26                                 |
| 319,403                    | Doric Nimrod Air Two                         | 690                       | 0.60                                 |
| 357,006                    | DP Aircraft I                                | 271                       | 0.24                                 |
| 16,960                     | Royal Mail                                   | 46                        | 0.04                                 |

| Holding                                      | Investment  | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|------------------------------|--------------------------------------|
| <b>Telecommunications (0.27%)</b>            |   | <b>319</b>                   | <b>0.28</b>                          |
| 229,938                                      | Vodafone  | 319                          | 0.28                                 |
| <b>Utilities (0.14%)</b>                     |   | <b>158</b>                   | <b>0.14</b>                          |
| 115,496                                      | Centrica  | 158                          | 0.14                                 |
| <b>Collective Investment Schemes (9.19%)</b> |   | <b>9,978</b>                 | <b>8.67</b>                          |
| 2,378  | Alpha UCITS SICAV - Fair Oaks Dynamic Credit Fund | 2,312                        | 2.01                                 |
| 3,412,196                                    | MI Twentyfour Asset Backed Opportunities Fund     | 3,459                        | 3.01                                 |
| 110,000                                      | Neuberger Berman CLO Income Fund                  | 1,048                        | 0.91                                 |
| 31,084                                       | Prytania Diversified Asset-Backed Securities Fund | 3,159                        | 2.74                                 |
| <b>Derivatives (-0.46%)</b>                  |   | <b>1,098</b>                 | <b>0.95</b>                          |
| <b>Forward Currency Contracts (-0.50%)</b>   |   | <b>980</b>                   | <b>0.85</b>                          |
|  | Buy AUD 100,000 Sell GBP 55,691 14/03/2019        | -                            | -                                    |
|  | Buy AUD 528,000 Sell GBP 297,664 14/03/2019       | (5)                          | -                                    |
|  | Buy CAD 330,000 Sell GBP 192,007 14/03/2019       | (1)                          | -                                    |
|  | Buy EUR 56,000 Sell GBP 50,335 14/03/2019         | (1)                          | -                                    |
|  | Buy EUR 72,000 Sell GBP 64,420 14/03/2019         | (2)                          | -                                    |
|  | Buy EUR 173,000 Sell GBP 156,209 14/03/2019       | (5)                          | -                                    |
|  | Buy GBP 97,987 Sell AUD 172,000 14/03/2019        | 3                            | -                                    |
|  | Buy GBP 256,453 Sell AUD 462,000 14/03/2019       | 1                            | -                                    |
|  | Buy GBP 6,785,919 Sell AUD 11,891,000 14/03/2019  | 205                          | 0.18                                 |
|  | Buy GBP 6,254,144 Sell CAD 10,658,000 14/03/2019  | 92                           | 0.08                                 |
|  | Buy GBP 96,827 Sell EUR 108,000 14/03/2019        | 2                            | -                                    |
|  | Buy GBP 235,316 Sell EUR 269,000 14/03/2019       | -                            | -                                    |
|  | Buy GBP 321,431 Sell EUR 363,000 14/03/2019       | 4                            | -                                    |
|  | Buy GBP 4,257,883 Sell EUR 4,777,000 14/03/2019   | 85                           | 0.07                                 |
|  | Buy GBP 69,712 Sell JPY 9,973,000 14/03/2019      | -                            | -                                    |
|  | Buy GBP 138,793 Sell JPY 19,382,000 14/03/2019    | 3                            | -                                    |
|  | Buy GBP 441,556 Sell JPY 63,218,000 14/03/2019    | (1)                          | -                                    |
|  | Buy GBP 3,642,386 Sell JPY 525,345,000 14/03/2019 | (32)                         | (0.03)                               |
|  | Buy GBP 235,279 Sell NOK 2,595,000 14/03/2019     | 1                            | -                                    |
|  | Buy GBP 6,209,777 Sell NOK 68,209,000 14/03/2019  | 55                           | 0.05                                 |
|  | Buy GBP 320,340 Sell NZD 613,000 14/03/2019       | (3)                          | -                                    |
|  | Buy GBP 6,413,136 Sell NZD 11,963,000 14/03/2019  | 113                          | 0.10                                 |
|  | Buy GBP 224,928 Sell SEK 2,612,000 14/03/2019     | 5                            | -                                    |

| Holding  | Investment   | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|------------------------------|--------------------------------------|
|  | Buy GBP 6,357,136 Sell SEK 73,437,000 14/03/2019         | 179                          | 0.16                                 |
|  | Buy GBP 44,055 Sell USD 56,000 14/03/2019                | 2                            | -                                    |
|  | Buy GBP 61,081 Sell USD 80,000 14/03/2019                | -                            | -                                    |
|  | Buy GBP 61,745 Sell USD 79,000 14/03/2019                | 2                            | -                                    |
|  | Buy GBP 163,778 Sell USD 215,000 14/03/2019              | 1                            | -                                    |
|  | Buy GBP 204,406 Sell USD 269,000 14/03/2019              | -                            | -                                    |
|  | Buy GBP 344,777 Sell USD 438,000 14/03/2019              | 13                           | 0.01                                 |
|  | Buy GBP 509,849 Sell USD 661,000 14/03/2019              | 8                            | 0.01                                 |
|  | Buy GBP 907,898 Sell USD 1,195,000 14/03/2019            | 1                            | -                                    |
|  | Buy GBP 18,265,184 Sell USD 23,463,000 14/03/2019        | 467                          | 0.41                                 |
|  | Buy JPY 63,217,772 Sell GBP 440,972 04/02/2019           | 1                            | -                                    |
|  | Buy NOK 2,793,000 Sell GBP 256,379 14/03/2019            | (4)                          | -                                    |
|  | Buy NZD 774,000 Sell GBP 416,380 14/03/2019              | (9)                          | (0.01)                               |
|  | Buy SEK 4,553,000 Sell GBP 396,165 14/03/2019            | (13)                         | (0.01)                               |
|  | Buy USD 73,000 Sell GBP 56,607 14/03/2019                | (1)                          | -                                    |
|  | Buy USD 138,000 Sell GBP 109,575 14/03/2019              | (5)                          | -                                    |
|  | Buy USD 182,000 Sell GBP 142,073 14/03/2019              | (4)                          | -                                    |
|  | Buy USD 189,000 Sell GBP 147,729 14/03/2019              | (4)                          | -                                    |
|  | Buy USD 193,000 Sell GBP 152,714 14/03/2019              | (6)                          | (0.02)                               |
|  | Buy USD 277,000 Sell GBP 218,327 14/03/2019              | (8)                          | (0.01)                               |
|  | Buy USD 413,000 Sell GBP 319,602 14/03/2019              | (6)                          | (0.01)                               |
|  | Buy USD 787,000 Sell GBP 617,385 14/03/2019              | (20)                         | (0.02)                               |
|  | Buy USD 1,117,000 Sell GBP 887,079 14/03/2019            | (40)                         | (0.03)                               |
|  | Buy USD 2,994,000 Sell GBP 2,364,422 14/03/2019          | (93)                         | (0.08)                               |
| <b>Futures (0.04%)</b>                         |  | <b>118</b>                   | <b>0.10</b>                          |
| 130  | Long Dividend Index Future 20/12/2019                    | 32                           | 0.03                                 |
| 106  | Long Dividend Index Future 18/12/2020                    | 46                           | 0.04                                 |
| 83   | Long Dividend Index Future 17/12/2021                    | 33                           | 0.03                                 |
| 22   | Long E-mini MSCI Emerging Market Index Future 15/03/2019 | 24                           | 0.02                                 |
| 32   | Long Euro Stoxx 50 Index Future 15/03/2019               | 15                           | 0.01                                 |
| 13   | Long FTSE 100 Future 15/03/2019                          | 4                            | -                                    |
| 9  | Long S&P 500 Index E-mini Future 15/03/2019              | 17                           | 0.01                                 |
| (22)   | Short SPI 200 Future 21/03/2019                          | (39)                         | (0.03)                               |
| (16)   | Short Topix Index Future 07/03/2019                      | (14)                         | (0.01)                               |
| <b>Total investment assets and liabilities</b> |  | <b>102,777</b>               | <b>89.29</b>                         |
| Net other assets                               |  | 12,330                       | 10.71                                |
| <b>Total Net Assets</b>                        |  | <b>115,107</b>               | <b>100.00</b>                        |

\* Unapproved/unquoted security.  
Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |                |
|---|-----------------|----------------|-----------------|----------------|
|   | £'000           | £'000          | £'000           | £'000          |
| Income:   |                 |                |                 |                |
| Net capital losses  |                 | (5,496)        |                 | (899)          |
| Revenue   | 3,123           |                | 2,597           |                |
| Expenses  | (461)           |                | (491)           |                |
| Interest payable and similar charges  | (2)             |                | -               |                |
| Net revenue before taxation   | 2,660           |                | 2,106           |                |
| Taxation  | (306)           |                | (245)           |                |
| Net revenue after taxation  |                 | 2,354          |                 | 1,861          |
| <b>Total return before distributions</b>  |                 | <b>(3,142)</b> |                 | <b>962</b>     |
| Distributions   |                 | (2,441)        |                 | (2,434)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(5,583)</b> |                 | <b>(1,472)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>112,503</b> |                 | <b>108,281</b> |
| Amounts receivable on the issue of shares  | 12,988          |                | 6,095           |                |
| Amounts payable on the cancellation of shares  | (6,497)         |                | (6,992)         |                |
|  |                 | 6,491          |                 | (897)          |
| Dilution adjustment  |                 | 35             |                 | -              |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (5,583)        |                 | (1,472)        |
| Retained distribution on accumulation shares   |                 | 1,661          |                 | 1,819          |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>115,107</b> |                 | <b>107,731</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 103,093        |              | 107,475        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 8,831           |                | 3,238        |                |
| Cash and bank balances                         | 9,437           |                | 7,011        |                |
|  |                 | 18,268         |              | 10,249         |
| Total assets                                   |                 | 121,361        |              | 117,724        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | (316)          |              | (759)          |
| Creditors                                      | (5,438)         |                | (4,093)      |                |
| Bank overdrafts                                | (337)           |                | (45)         |                |
| Distribution payable                           | (163)           |                | (324)        |                |
|  |                 | (5,938)        |              | (4,462)        |
| Total liabilities                              |                 | (6,254)        |              | (5,221)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>115,107</b> |              | <b>112,503</b> |



**Distribution table****For the month ended 31 August 2018**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 August 2018

|                              | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8210                                | -                                       | 0.8210*                                      | 0.8233                                       |
| Group 2                      | 0.4174                                | 0.4036                                  | 0.8210*                                      | 0.8233                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4748                                | -                                       | 0.4748**                                     | 0.5014                                       |
| Group 2                      | 0.1726                                | 0.3022                                  | 0.4748**                                     | 0.5014                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5196                                | -                                       | 0.5196*                                      | 0.5184                                       |
| Group 2                      | 0.2596                                | 0.2601                                  | 0.5196*                                      | 0.5184                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4176                                | -                                       | 0.4176**                                     | 0.4382                                       |
| Group 2                      | 0.1860                                | 0.2316                                  | 0.4176**                                     | 0.4382                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8622                                | -                                       | 0.8622*                                      | 0.8561                                       |
| Group 2                      | 0.4114                                | 0.4508                                  | 0.8622*                                      | 0.8561                                       |

\* Distribution accumulated on 31 August 2018.

\*\* Distribution paid on 30 September 2018.

**For the month ended 30 September 2018**

Group 1 - shares purchased prior to 1 September 2018

Group 2 - shares purchased between 1 September 2018 and 30 September 2018

|                              | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8226                                | -                                       | 0.8226*                                      | 0.8209                                       |
| Group 2                      | 0.3178                                | 0.5049                                  | 0.8226*                                      | 0.8209                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4739                                | -                                       | 0.4739**                                     | 0.4981                                       |
| Group 2                      | 0.3184                                | 0.1555                                  | 0.4739**                                     | 0.4981                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5208                                | -                                       | 0.5208*                                      | 0.5170                                       |
| Group 2                      | 0.2014                                | 0.3195                                  | 0.5208*                                      | 0.5170                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4170                                | -                                       | 0.4170**                                     | 0.4354                                       |
| Group 2                      | 0.1158                                | 0.3012                                  | 0.4170**                                     | 0.4354                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8646                                | -                                       | 0.8646*                                      | 0.8542                                       |
| Group 2                      | 0.4956                                | 0.3690                                  | 0.8646*                                      | 0.8542                                       |

\* Distribution accumulated on 30 September 2018.

\*\* Distribution paid on 31 October 2018.

**For the month ended 31 October 2018**

Group 1 - shares purchased prior to 1 October 2018

Group 2 - shares purchased between 1 October 2018 and 31 October 2018

|                              | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8084                                | -                                       | 0.8084*                                      | 2.2985                                       |
| Group 2                      | -                                     | -                                       | 0.0000*                                      | 2.2985                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4639                                | -                                       | 0.4639**                                     | 1.4683                                       |
| Group 2                      | 0.1824                                | 0.2815                                  | 0.4639**                                     | 1.4683                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5121                                | -                                       | 0.5121*                                      | 1.4409                                       |
| Group 2                      | 0.1278                                | 0.3843                                  | 0.5121*                                      | 1.4409                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4084                                | -                                       | 0.4084**                                     | 1.2759                                       |
| Group 2                      | 0.1338                                | 0.2746                                  | 0.4084**                                     | 1.2759                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8503                                | -                                       | 0.8503*                                      | 2.3699                                       |
| Group 2                      | 0.4434                                | 0.4069                                  | 0.8503*                                      | 2.3699                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 30 November 2018.

**For the month ended 30 November 2018**

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 30 November 2018

|                              | Net Income<br>-<br>pence per share | Equalisation<br>-<br>pence per share | Distribution paid<br>-<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------|------------------------------------|--------------------------------------|---|--|
| <b>A Accumulation shares</b> |                                    |                                      |   |  |
| Group 1                      | 0.7994                             | -                                    | 0.7994*                                   | 0.7621                                       |
| Group 2                      | 0.2083                             | 0.5911                               | 0.7994*                                   | 0.7621                                       |
| <b>A Income shares</b>       |                                    |                                      |   |  |
| Group 1                      | 0.4570                             | -                                    | 0.4570**                                  | 0.4814                                       |
| Group 2                      | 0.2285                             | 0.2285                               | 0.4570**                                  | 0.4814                                       |
| <b>I Accumulation shares</b> |                                    |                                      |   |  |
| Group 1                      | 0.5066                             | -                                    | 0.5066*                                   | 0.4779                                       |
| Group 2                      | 0.2170                             | 0.2896                               | 0.5066*                                   | 0.4779                                       |
| <b>I Income shares</b>       |                                    |                                      |   |  |
| Group 1                      | 0.4025                             | -                                    | 0.4025**                                  | 0.4185                                       |
| Group 2                      | 0.0785                             | 0.3240                               | 0.4025**                                  | 0.4185                                       |
| <b>M Accumulation shares</b> |                                    |                                      |   |  |
| Group 1                      | 0.3763                             | -                                    | 0.3763*                                   | -  |
| Group 2                      | -                                  | -                                    | -   | -  |
| <b>M Income shares</b>       |                                    |                                      |   |  |
| Group 1 <sup>A</sup>         | 0.3763                             | -                                    | 0.3763**                                  | -  |
| Group 2 <sup>B</sup>         | -                                  | -                                    | -   | -  |
| <b>Z Accumulation shares</b> |                                    |                                      |   |  |
| Group 1 <sup>A</sup>         | 0.8414                             | -                                    | 0.8414*                                   | 0.7864                                       |
| Group 2 <sup>B</sup>         | 0.5613                             | 0.2801                               | 0.8414*                                   | 0.7864                                       |

\* Distribution accumulated on 30 November 2018.

\*\* Distribution paid on 31 December 2018.

<sup>A</sup> shares created for initial seeding of the share class prior to 26 November 2018.<sup>B</sup> shares purchased between 26 November 2018 and 30 November 2018.

**For the month ended 31 December 2018**

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 31 December 2018

|                              | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7810                                | -                                       | 0.7810*                                      | 0.7767                                       |
| Group 2                      | 0.0170                                | 0.7640                                  | 0.7810*                                      | 0.7767                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4448                                | -                                       | 0.4448**                                     | 0.4888                                       |
| Group 2                      | 0.0989                                | 0.3459                                  | 0.4448**                                     | 0.4888                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5000                                | -                                       | 0.5000*                                      | 0.4873                                       |
| Group 2                      | 0.0781                                | 0.4219                                  | 0.5000*                                      | 0.4873                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3919                                | -                                       | 0.3919**                                     | 0.4251                                       |
| Group 2                      | 0.1363                                | 0.2556                                  | 0.3919**                                     | 0.4251                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.3678                                | -                                       | 0.3678*                                      | -  |
| Group 2                      | -                                     | -                                       | -  | -  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3662                                | -                                       | 0.3662**                                     | -  |
| Group 2                      | -                                     | -                                       | -  | -  |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8226                                | -                                       | 0.8226*                                      | 0.8022                                       |
| Group 2                      | 0.4147                                | 0.4079                                  | 0.8226*                                      | 0.8022                                       |

\* Distribution accumulated on 31 December 2018.

\*\* Distribution paid on 31 January 2019.

**For the month ended 31 January 2019**

Group 1 - shares purchased prior to 1 January 2019

Group 2 - shares purchased between 1 January 2019 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8038                                | -                                       | 0.8038*                                      | 0.7775                                       |
| Group 2                      | -                                     | 0.8038                                  | 0.8038*                                      | 0.7775                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4561                                | -                                       | 0.4561**                                     | 0.4874                                       |
| Group 2                      | -                                     | 0.4561                                  | 0.4561**                                     | 0.4874                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5097                                | -                                       | 0.5097*                                      | 0.4880                                       |
| Group 2                      | -                                     | 0.5097                                  | 0.5097*                                      | 0.4880                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4019                                | -                                       | 0.4019**                                     | 0.4241                                       |
| Group 2                      | -                                     | 0.4019                                  | 0.4019**                                     | 0.4241                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8472                                | -                                       | 0.8472*                                      | 0.8037                                       |
| Group 2                      | -                                     | 0.8472                                  | 0.8472*                                      | 0.8037                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.3787                                | -                                       | 0.3787*                                      | -  |
| Group 2                      | -                                     | -                                       | -  | -  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3753                                | -                                       | 0.3753**                                     | -  |
| Group 2                      | -                                     | -                                       | -  | -  |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 28 February 2019.

# Aberdeen Eastern European Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

To achieve long term capital growth primarily in companies of developing European countries, although the Fund may also invest in companies of other European countries. The Fund may invest in investment trusts and collective investments schemes which themselves concentrate on investments in such countries, as well as securities of companies which, whilst listed on established stock exchanges worldwide, conduct a significant proportion of their business in these countries. The ACD's policy is not to generally employ derivatives in equity portfolios, although the Fund may use derivatives for efficient portfolio management and hedging.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Eastern European Equity Fund - A Accumulation Shares increased by 0.05% compared to an increase of 3.73% in the benchmark, the MSCI EM Europe 10/40 Index.

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

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

## Market review

Eastern European equity markets weathered considerable volatility to post gains over the review period. Uncertainty around global growth, US-China trade tensions, the Federal Reserve's hawkish stance and volatility in emerging market currencies initially spooked investors. In order to support their respective currencies against the strengthening US dollar, a number of eastern European economies raised policy rates. This was received well by the markets. Risk appetite also revived after the Fed, in its recent meeting, signalled a pause and flexibility in its balance-sheet reduction programme. Russia and Turkey lead the region higher.

The oil price rose during the review period, providing much excitement for the Russian market. Investor concerns were also put to rest after the central bank took measures to build the current account and insulate itself against possible future sanctions. Subsequently, Russia issued a seven-year euro-denominated bond for the first time in five years.

Turkey's stock market fell and economic growth contracted due to its currency crisis and high inflation. A sell-off in the lira, one of the worst performing within emerging markets, resulted in the central bank raising interest rates to 24%. Investors reacted positively to the rate hikes and the government's measures to support the lira, resulting in the market bouncing back in the second half of the year.

Elsewhere, Poland was buoyed by rising consumer demand, GDP growth and positive macroeconomic trends.

## Portfolio review

The Fund underperformed the benchmark during the review period. This was mainly due to our underweight to the energy sector, especially in Russia. Our lack of exposure to the broader market, namely lower quality companies such as Gazprom and Tatneft, proved a drag. Conversely, the market volatility gave us the opportunity to introduce two companies based on our bottom-up analysis. We initiated Rosneft on increased conviction in our investment case and an attractive valuation. We also added Turkish oil refiner Tupras. It has a robust outlook for diesel demand and potential margin expansion among complex refiners. The stock also mitigated losses along with natural gas producer Novatek.

In addition, the overweight to consumer staples and healthcare also proved costly. Spirits producer Beluga hampered performance as investors turned cautious towards its outlook. Retailers Lenta and Magnit also fell as the competitive environment remained challenging. We reduced our position in both. In addition, DP Eurasia felt the pressure of investors' concern over a slowdown in its expansion plans. However, given the defensive nature of demand for takeaway pizza, the low capital-expenditure and high cash generation, we remain comfortable with our exposure for the long-term and added to our position. In Poland, Dino Polska and Jeronimo Martins fell as wage inflation hurt margins and the market reacted to concerns over the introduction of the Sunday trading ban.

Similarly, our hospital names suffered on stock-specific concerns; Russia's MD Medical was weak on lower demand and a challenging operating environment. Likewise, Turkey's MLP Care continued to consolidate the private health industry, but was weighed down by the lira's slide that aggravated its US dollar debts. However, we continue to see long term value in these names, with excessive selling pressure largely a function of stock liquidity.

Mitigating the drag on performance was the information technology sector – Russian software company Luxoft advanced significantly on news that DXC Technology may acquire it. We exited the stock after its shares rose near to the buyout price. Belarussian IT company EPAM also performed well on continued solid operational performance. In addition, not holding the Greek banks capped losses as political uncertainties and the ailing banking sector muted investor appetite.

In other key portfolio activity, we initiated a position in Furlis, on robust sales outlook and increasing strength of its balance sheet. Being the franchisee for both IKEA and Intersport in Greece, it should benefit from the country's nascent recovery in consumer confidence. We also added X5 to our portfolio as the preferred Russian food retailer.

In addition to Luxoft, we exited Orbis following the tender offer from Accor.

### Outlook

Eastern European economies remain challenged by the possibility of further US sanctions against Russia, spill-over from the trade war and fluctuating oil prices. While we do not underplay the risks, we feel recent concerns have been overdone and expect sentiment and our higher-quality holdings to recover. In Russia, proactive measures taken by the government to redistribute spending more towards infrastructure, healthcare and education and central bank's initiatives to support the rouble, could help offset the negatives. Turkey's growth remains a concern, but its domestic-oriented companies are now some of the cheapest across emerging markets; while in Poland, elections due later in the year is stirring up some uncertainty, even as the consumption-driven economy is poised for growth. Globally, the effect from the Trump tax cuts and fiscal stimulus is fading, while the Fed's more dovish stance should result in the US dollar easing further.

At the corporate level, our holdings are businesses with healthy fundamentals, wide economic moats, and run by experienced management. With their solid balance sheets, they have been able to support improving returns to shareholders and their earnings forecasts remain positive, despite the short-term volatility. Overall, we believe that the portfolio is well-positioned to withstand future challenges and capture the medium to long-term opportunities.

**Global Emerging Markets Equity Team**

February 2019



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Emerging Markets: Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries and this may mean your money is at greater risk.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 3,763           | 3,991        | 4,741        | 5,293        |
| Closing number of shares                  | 1,344,333       | 1,414,432    | 1,610,325    | 2,101,405    |
| Closing net asset value per share (pence) | 279.94          | 282.16       | 294.41       | 251.88       |
| Change in net asset value per share       | (0.79%)         | (4.16%)      | 16.89%       | 17.60%       |
| Operating charges                         | 1.59%           | 1.80%        | 1.88%        | 2.00%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 12,072          | 12,949       | 15,256       | 13,826       |
| Closing number of shares                  | 4,037,065       | 4,310,370    | 4,903,650    | 5,233,397    |
| Closing net asset value per share (pence) | 299.03          | 300.42       | 311.13       | 264.19       |
| Change in net asset value per share       | (0.46%)         | (3.44%)      | 17.77%       | 18.50%       |
| Operating charges                         | 0.94%           | 1.05%        | 1.13%        | 1.25%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 108.42          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 1.21%           |              |              |              |

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

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

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

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

## Portfolio Statement

As at 31 January 2019

| Holding                                  | Investment         | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--------------------|-----------------------|--------------------------------------|
| <b>Equities (97.44%)</b>                 |                    | <b>15,558</b>         | <b>98.25</b>                         |
| <b>Emerging Market Equities (46.92%)</b> |                    | <b>7,541</b>          | <b>47.62</b>                         |
| <b>Russia (46.92%)</b>                   |                    | <b>7,541</b>          | <b>47.62</b>                         |
| 35,468                                   | Beluga             | 182                   | 1.15                                 |
| 136,120                                  | Lenta              | 343                   | 2.17                                 |
| 25,071                                   | LUKOIL             | 1,526                 | 9.64                                 |
| 3,230                                    | Magnit             | 155                   | 0.98                                 |
| 120,362                                  | MD Medical         | 421                   | 2.66                                 |
| 91,970                                   | Mobile TeleSystems | 278                   | 1.75                                 |
| 190,200                                  | Moscow Exchange    | 206                   | 1.30                                 |
| 101,510                                  | Novatek            | 1,349                 | 8.52                                 |
| 25,370                                   | Novolipetsk Steel  | 449                   | 2.83                                 |
| 60,680                                   | Rosneft Oil        | 290                   | 1.83                                 |
| 565,130                                  | Sberbank of Russia | 1,425                 | 9.00                                 |
| 7,650                                    | X5 Retail Group    | 153                   | 0.97                                 |
| 29,908                                   | Yandex             | 764                   | 4.82                                 |
| <b>European Equities (31.19%)</b>        |                    | <b>4,985</b>          | <b>31.48</b>                         |
| <b>Cyprus (0.00%)</b>                    |                    | <b>74</b>             | <b>0.47</b>                          |
| 42,090                                   | Global Ports       | 74                    | 0.47                                 |
| <b>Czech Republic (2.43%)</b>            |                    | <b>395</b>            | <b>2.49</b>                          |
| 12,820                                   | Komerční Banka     | 395                   | 2.49                                 |
| <b>Greece (4.16%)</b>                    |                    | <b>698</b>            | <b>4.41</b>                          |
| 41,300                                   | Fourlis            | 156                   | 0.99                                 |
| 12,540                                   | JUMBO              | 154                   | 0.97                                 |
| 62,254                                   | Sarantis           | 388                   | 2.45                                 |
| <b>Hungary (2.27%)</b>                   |                    | <b>326</b>            | <b>2.06</b>                          |
| 20,100                                   | Richter Gedeon     | 326                   | 2.06                                 |
| <b>Netherlands (1.72%)</b>               |                    | <b>267</b>            | <b>1.69</b>                          |
| 210,320                                  | DP Eurasia         | 267                   | 1.69                                 |

| Holding                               | Investment                      | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|---------------------------------------|---------------------------------|-----------------------|--------------------------------------|
| <b>Poland (9.44%)</b>                 |                                 | <b>1,645</b>          | <b>10.39</b>                         |
| 13,613                                | Bank Polska Kasa Opieki         | 308                   | 1.95                                 |
| 5,670                                 | CD Projekt                      | 221                   | 1.39                                 |
| 27,925                                | Dino Polska                     | 573                   | 3.62                                 |
| 7,140                                 | Santander Bank Polska           | 543                   | 3.43                                 |
| <b>Portugal (2.66%)</b>               |                                 | <b>430</b>            | <b>2.71</b>                          |
| 39,830                                | Jeronimo Martins                | 430                   | 2.71                                 |
| <b>Romania (3.35%)</b>                |                                 | <b>337</b>            | <b>2.13</b>                          |
| 183,457                               | BRD-Groupe Societe Generale     | 337                   | 2.13                                 |
| <b>Slovenia (1.35%)</b>               |                                 | <b>220</b>            | <b>1.39</b>                          |
| 4,391                                 | KRKA                            | 220                   | 1.39                                 |
| <b>Switzerland (3.81%)</b>            |                                 | <b>593</b>            | <b>3.74</b>                          |
| 23,180                                | Coca-Cola HBC                   | 593                   | 3.74                                 |
| <b>Middle East Equities (8.93%)</b>   |                                 | <b>1,604</b>          | <b>10.13</b>                         |
| <b>Turkey (8.93%)</b>                 |                                 | <b>1,604</b>          | <b>10.13</b>                         |
| 67,966                                | AvivaSA Emeklilik ve            | 80                    | 0.51                                 |
| 16,991                                | BIM Birllesik Magazalar         | 225                   | 1.42                                 |
| 115,469                               | Cimsa Cimento Sanayi VE Ticaret | 138                   | 0.87                                 |
| 38,661                                | Coca-Cola İçecek                | 187                   | 1.18                                 |
| 206,000                               | Enerjisa Enerji                 | 169                   | 1.07                                 |
| 24,513                                | Logo Yazilim Sanayi Ve Ticaret  | 117                   | 0.74                                 |
| 82,832                                | MLP Saglik Hizmetleri           | 160                   | 1.01                                 |
| 151,539                               | Sok Marketler Ticaret           | 243                   | 1.53                                 |
| 13,950                                | Tupras                          | 285                   | 1.80                                 |
| <b>North America Equities (5.84%)</b> |                                 | <b>429</b>            | <b>2.71</b>                          |
| <b>United States (5.84%)</b>          |                                 | <b>429</b>            | <b>2.71</b>                          |
| 3,990                                 | EPAM Systems                    | 429                   | 2.71                                 |

| Holding                        | Investment      | Market value<br>£'000 | Percentage<br>of total<br>net assets |
|--------------------------------|-----------------|-----------------------|--------------------------------------|
| <b>UK Equities (4.56%)</b>     |                 | <b>999</b>            | <b>6.31</b>                          |
| <b>Financials (2.30%)</b>      |                 | <b>379</b>            | <b>2.39</b>                          |
| 12,500                         | Bank of Georgia | 191                   | 1.21                                 |
| 17,280                         | Georgia Capital | 188                   | 1.18                                 |
| <b>Industrials (1.03%)</b>     |                 | <b>343</b>            | <b>2.17</b>                          |
| 45,610                         | Globaltrans     | 343                   | 2.17                                 |
| <b>Technology (1.23%)</b>      |                 | <b>277</b>            | <b>1.75</b>                          |
| 14,850                         | Mail Ru         | 277                   | 1.75                                 |
| <b>Total investment assets</b> |                 | <b>15,558</b>         | <b>98.25</b>                         |
| Net other assets               |                 | 277                   | 1.75                                 |
| <b>Total Net Assets</b>        |                 | <b>15,835</b>         | <b>100.00</b>                        |

Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |              | 31 January 2018 |            |
|---|-----------------|--------------|-----------------|------------|
|   | £'000           | £'000        | £'000           | £'000      |
| Income:   |                 |              |                 |            |
| Net capital (losses)/gains  |                 | (143)        |                 | 1,007      |
| Revenue   | 101             |              | 146             |            |
| Expenses  | (84)            |              | (136)           |            |
| Net revenue before taxation   | 17              |              | 10              |            |
| Taxation  | (17)            |              | (25)            |            |
| Net expense after taxation  |                 | -            |                 | (15)       |
| <b>Total return</b>   |                 | <b>(143)</b> |                 | <b>992</b> |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(143)</b> |                 | <b>992</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |               |
|--|-----------------|---------------|-----------------|---------------|
|  | £'000           | £'000         | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>16,940</b> |                 | <b>19,997</b> |
| Amounts receivable on the issue of shares  | 313             |               | 1,951           |               |
| Amounts payable on the cancellation of shares  | (1,275)         |               | (1,015)         |               |
|  |                 | (962)         |                 | 936           |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (143)         |                 | 992           |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>15,835</b> |                 | <b>21,925</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 15,558        |              | 16,506        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 144             |               | 79           |               |
| Cash and bank balances                         | 639             |               | 412          |               |
|  |                 | 783           |              | 491           |
| Total assets                                   |                 | 16,341        |              | 16,997        |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Creditors                                      | (506)           |               | (57)         |               |
|  |                 | (506)         |              | (57)          |
| Total liabilities                              |                 | (506)         |              | (57)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>15,835</b> |              | <b>16,940</b> |

# Aberdeen Emerging Markets Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The investment objective is to provide an attractive level of income and long-term capital return.

The investment policy is to invest primarily in fixed interest securities which are issued by corporations with their registered office in, and/or government related bodies domiciled in an emerging market country. The Fund may also invest in other transferable securities, money market instruments, cash, near cash, deposits, shares in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates) and derivatives.

The Fund may use financial derivatives instruments for investment purposes and/or efficient portfolio management. The Fund may use derivative instruments to create short and/or long positions in currencies other than the base currency.

Note: For the purposes of this Fund, emerging market means any country that is included in the MSCI Emerging Markets Index or composite thereof (or any successor index or index substituted at the ACD's discretion,) or any country classified by the World Bank as a low to upper middle income country.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of the Aberdeen Emerging Markets Bond Fund - A Accumulation Shares decreased by 0.20% compared to an increase of 1.76% in the benchmark, the JPM EMBI Global Diversified (Hedged GBP 100%) Index.

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

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

## Market review

Emerging market (EM) debt delivered mixed performance over the period. Markets initially weakened during August (typically a stable month) before turning positive in September. Increased financial support for Argentina, monetary policy tightening in Turkey and a new North American Free Trade Agreement (NAFTA) between the US, Mexico and Canada helped to restore investor confidence. EM debt then traded lower in October and November. A stronger US dollar and compression in US Treasury yields led to underperformance. However, EM received some respite going into the G20 summit at the end of November, with dovish statements from the US Federal Reserve (Fed). At the summit, a welcome trade truce between the US and China emerged, giving the two countries more time to settle their differences.

Markets continued to gain into the year end, with a US Treasury rally and dollar depreciation following a US government shutdown providing a boost for EM debt. In January, we witnessed the type of rally not seen in many years. The EM hard currency index recorded its largest return since 2009 as risk-on sentiment took hold. A more dovish outlook from the Fed, positive signaling in the US/China trade negotiations and an oil price rally converged into a perfect

environment. The yield on the US 10-year Treasury note rallied by a further six basis points to 2.63%. This was the lowest month-end level since December 2017. The US dollar depreciated against most major currencies, which was a further positive for EM debt.

## Portfolio review

Local currency exposure in Brazil was the key contributor to performance as was security selection and a local currency position in Indonesia. An underweight position in Costa Rica and off-benchmark exposure to Bahrain was also beneficial. On the other side, the Fund's overweight positions in Zambia and Ghana detracted from the Fund, while security selection and currency exposure in Russia was also negative for performance.

During the period, we initiated a new position in Costa Rica and increased US dollar exposure in Tunisia and Oman. We also added a small position in Pakistan. On the other side, we reduced holdings in Russia, Egypt, Argentina, Ghana and Kenya. We also exited Zambia. In terms of new issues, we participated in the inaugural Eurobond of Papua New Guinea and bought a five year bond from the Development Bank of Mongolia. In local markets, we initiated a position in Mexico on an unhedged basis and exited our exposure to Russian rouble bonds. Finally, we topped up our position in Argentine index-linked bonds and completed our purchase of Indonesian securities.

## Outlook

The question on most investors' lips is how long this rally can continue. It feels like the conditions remain favourable for risk-on sentiment. Valuations are still attractive despite the strong performance in January, while fundamentals are also strong. On the hard currency side, the main index provider, JP Morgan, will begin a phased addition of high-income Gulf Cooperation Council countries to its EMBI Global/Diversified indices. The new additions are Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates. Eventually, they will have a total weight of over 11%. We expect the new issuance pipeline to pick up in February, as a number of countries have mandated for new deals. These include Egypt, Saudi Arabia and Kenya. These deals will demonstrate continued appetite for emerging market risk.

## Global Emerging Market Debt Team

February 2019



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Emerging Markets: Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries and this may mean your money is at greater risk.
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- Derivatives: This Fund can use derivatives in order to meet its investment objective. The use of derivatives may result in greater fluctuations in the value of the Fund, and may increase the magnitude of any losses.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 1,841           | 2,131        | 2,945        | 2,817        |
| Closing number of shares                  | 1,383,120       | 1,605,413    | 2,142,373    | 2,171,893    |
| Closing net asset value per share (pence) | 133.08          | 132.73       | 137.46       | 129.69       |
| Change in net asset value per share       | 0.26%           | (3.44%)      | 5.99%        | 9.07%        |
| Operating charges                         | 1.55%           | 1.66%        | 1.65%        | 1.66%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 1,560           | 1,398        | 729          | 797          |
| Closing number of shares                  | 1,779,582       | 1,542,961    | 733,519      | 802,294      |
| Closing net asset value per share (pence) | 87.66           | 90.57        | 99.43        | 99.38        |
| Change in net asset value per share       | (3.21%)         | (8.91%)      | 0.05%        | 2.64%        |
| Operating charges                         | 1.55%           | 1.66%        | 1.65%        | 1.66%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 29,381          | 37,222       | 46,499       | 34,135       |
| Closing number of shares                  | 25,545,249      | 32,555,263   | 39,541,223   | 30,921,795   |
| Closing net asset value per share (pence) | 115.01          | 114.34       | 117.60       | 110.39       |
| Change in net asset value per share       | 0.59%           | (2.77%)      | 6.53%        | 9.61%        |
| Operating charges                         | 0.90%           | 0.98%        | 1.15%        | 1.16%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 17,976          | 7,318        | 7,509        | 17,338       |
| Closing number of shares                  | 22,006,853      | 8,700,773    | 8,188,073    | 19,011,830   |
| Closing net asset value per share (pence) | 81.69           | 84.11        | 91.71        | 91.20        |
| Change in net asset value per share       | (2.88%)         | (8.29%)      | 0.56%        | 3.17%        |
| Operating charges                         | 0.90%           | 0.98%        | 1.15%        | 1.16%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 105.44          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.95%           |              |              |              |
| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 65,380          | 63,949       | 28,328       | 28,151       |
| Closing number of shares                  | 45,565,721      | 45,002,909   | 19,541,162   | 20,893,998   |
| Closing net asset value per share (pence) | 143.49          | 142.10       | 144.97       | 134.73       |
| Change in net asset value per share       | 0.98%           | (1.98%)      | 7.60%        | 10.72%       |
| Operating charges                         | 0.15%           | 0.16%        | 0.15%        | 0.16%        |

| M Income shares <sup>A</sup>              | 31 January 2019 |
|---|-----------------|
| Closing net asset value (£'000)           | -               |
| Closing number of shares                  | 100             |
| Closing net asset value per share (pence) | 104.00          |
| Change in net asset value per share       | -               |
| Operating charges                         | 0.95%           |

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

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

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

<sup>A</sup> M share classes launched on 26 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding  | Investment                            | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---------------------------------------|-----------------------|--------------------------------------|
| <b>Bonds (92.41%)</b>                              |                                       | <b>100,704</b>        | <b>86.71</b>                         |
| <b>Argentine Peso Denominated Bonds (6.30%)</b>    |                                       | <b>1,853</b>          | <b>1.59</b>                          |
| <b>Government Bonds (6.30%)</b>                    |                                       | <b>1,853</b>          | <b>1.59</b>                          |
| less than 5 years to maturity                      |                                       |                       |                                      |
| 4,100,000  | Argentina (Republic of) 18.2% 2021    | 74                    | 0.06                                 |
| 74,083,841   | Argentina (Republic of) FRN 2020      | 1,779                 | 1.53                                 |
| <b>Brazilian Real Denominated Bonds (5.16%)</b>    |                                       | <b>3,613</b>          | <b>3.11</b>                          |
| <b>Government Bonds (5.16%)</b>                    |                                       | <b>3,613</b>          | <b>3.11</b>                          |
| less than 5 years to maturity                      |                                       |                       |                                      |
| 14,400,000   | Brazil (Republic of) 10% 2023         | 3,215                 | 2.77                                 |
| greater than 25 years to maturity                  |                                       |                       |                                      |
| 470,000  | Brazil (Republic of) 6% 2050          | 398                   | 0.34                                 |
| <b>Euro Denominated Bonds (2.83%)</b>              |                                       | <b>5,409</b>          | <b>4.65</b>                          |
| <b>Government Bonds (2.83%)</b>                    |                                       | <b>5,409</b>          | <b>4.65</b>                          |
| less than 5 years to maturity                      |                                       |                       |                                      |
| 1,475,000  | Banque Centrale de Tunisie 6.75% 2023 | 1,255                 | 1.08                                 |
| between 5 and 10 years to maturity                 |                                       |                       |                                      |
| 617,000  | Albania (Republic of) 3.5% 2025       | 543                   | 0.47                                 |
| 1,260,000  | Senegal (Republic of) 4.75% 2028      | 1,050                 | 0.90                                 |
| between 10 and 15 years to maturity                |                                       |                       |                                      |
| 370,000  | Argentina (Republic of) 7.82% 2033    | 397                   | 0.34                                 |
| 1,430,000  | Egypt (Arab Republic of) 5.625% 2030  | 1,127                 | 0.97                                 |
| 1,280,000  | Ivory Coast (Govt of) 5.25% 2030      | 1,037                 | 0.89                                 |
| <b>Indonesian Rupiah Denominated Bonds (3.66%)</b> |                                       | <b>1,136</b>          | <b>0.98</b>                          |
| <b>Government Bonds (3.66%)</b>                    |                                       | <b>1,136</b>          | <b>0.98</b>                          |

| Holding                                       | Investment                                | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---|---|-----------------------|--------------------------------------|
| between 15 and 25 years to maturity           |   |                       |                                      |
| 3,789,000,000                                 | Indonesia (Republic of) 7.5% 2038         | 188                   | 0.16                                 |
| 17,574,000,000                                | Indonesia (Republic of) 8.375% 2039       | 948                   | 0.82                                 |
| <b>Mexican Peso Denominated Bonds (0.00%)</b> |   | <b>2,246</b>          | <b>1.93</b>                          |
| <b>Government Bonds (0.00%)</b>               |   | <b>2,246</b>          | <b>1.93</b>                          |
| between 5 and 10 years to maturity            |   |                       |                                      |
| 33,700,000                                    | Mexico (United Mexican States) 5.75% 2026 | 1,165                 | 1.00                                 |
| between 15 and 25 years to maturity           |   |                       |                                      |
| 27,700,000                                    | Mexico (United Mexican States) 8.5% 2038  | 1,081                 | 0.93                                 |
| <b>Peruvian Sol Denominated Bonds (1.23%)</b> |   | <b>1,334</b>          | <b>60.93</b>                         |
| <b>Government Bonds (1.23%)</b>               |   | <b>1,334</b>          | <b>1.14</b>                          |
| between 10 and 15 years to maturity           |   |                       |                                      |
| 920,000                                       | Peru (Republic of) 6.15% 2032             | 215                   | 0.18                                 |
| 4,500,000                                     | Peru (Republic of) 6.95% 2031             | 1,119                 | 0.96                                 |
| <b>US Dollar Denominated Bonds (73.23%)</b>   |   | <b>85,113</b>         | <b>73.31</b>                         |
| <b>Corporate Bonds (21.47%)</b>               |   | <b>26,866</b>         | <b>23.13</b>                         |
| less than 5 years to maturity                 |   |                       |                                      |
| 212,000                                       | Agile 8.5% 2021                           | 169                   | 0.15                                 |
| 700,000                                       | BBVA Bancomer 6.75% 2022                  | 567                   | 0.49                                 |
| 477,000                                       | China National Chemical 4.625% 2023       | 372                   | 0.32                                 |
| 715,000                                       | Country Garden Holdings 8% 2024           | 550                   | 0.47                                 |
| 680,000                                       | EP PetroEcuador FRN 8.01613% 2019         | 82                    | 0.07                                 |
| 1,205,000                                     | Georgian Oil and Gas 6.75% 2021           | 931                   | 0.80                                 |
| 1,510,000                                     | Georgian Railway 7.75% 2022               | 1,209                 | 1.04                                 |
| 379,000                                       | Global Bank 4.5% 2021                     | 286                   | 0.25                                 |
| 770,000                                       | GPN Capital 4.375% 2022                   | 581                   | 0.50                                 |
| 700,000                                       | GTLK Europe 5.95% 2021                    | 535                   | 0.46                                 |
| 380,000                                       | IHS Netherlands 9.5% 2021                 | 298                   | 0.26                                 |
| 360,000                                       | Liquid Telecommunications 8.5% 2022       | 279                   | 0.24                                 |
| 530,000                                       | OAS Investments 8.25% 2019                | 1                     | -                                    |

| Holding                             | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|--|-----------------------|--------------------------------------|
| 269,877                             | Petroamazonas 4.625% 2020                            | 197                   | 0.17                                 |
| 1,140,000                           | Petroamazonas 4.625% 2020                            | 848                   | 0.73                                 |
| 850,000                             | Petroleos Mexicanos FRN 2022                         | 651                   | 0.56                                 |
| 604,000                             | SPARC EM SPC Panama Metro Line 2 FRN 2022            | 361                   | 0.31                                 |
| 635,000                             | State Bank of India 4.5% 2023                        | 491                   | 0.42                                 |
| 310,000                             | United Bank for Africa 7.75% 2022                    | 239                   | 0.21                                 |
| 1,070,000                           | Ziraat Bankasi 5.125% 2023                           | 738                   | 0.64                                 |
| between 5 and 10 years to maturity  |  |                       |                                      |
| 325,000                             | ALdar Sukuk 4.75% 2025                               | 249                   | 0.22                                 |
| 780,000                             | Bancolombia 4.875% 2027                              | 588                   | 0.51                                 |
| 1,750,000                           | Central Bank of Tunisia 5.75% 2025                   | 1,164                 | 1.00                                 |
| 810,000                             | Gohl Capital 4.25% 2027                              | 590                   | 0.51                                 |
| 1,400,000                           | ICD Sukuk 5% 2027                                    | 1,057                 | 0.91                                 |
| 820,000                             | Latam Airlines 2015-1 Pass Through Trust A 4.2% 2027 | 510                   | 0.44                                 |
| 601,000                             | Metinvest 8.5% 2026                                  | 434                   | 0.37                                 |
| 770,000                             | MTN Mauritius Investments 6.5% 2026                  | 592                   | 0.51                                 |
| 803,000                             | Nexa Resources 5.375% 2027                           | 604                   | 0.52                                 |
| 433,000                             | Oil and Gas Holding Company 7.625% 2024              | 350                   | 0.30                                 |
| 2,871,770                           | Petroleos de Venezuela 6% 2026                       | 491                   | 0.42                                 |
| 580,000                             | Petroleos Mexicanos 6.5% 2027                        | 422                   | 0.36                                 |
| 301,000                             | Sasol Financing 5.875% 2024                          | 236                   | 0.20                                 |
| 764,000                             | Tengizchevroil Finance International 4% 2026         | 560                   | 0.48                                 |
| 650,000                             | Thai Oil 4.625% 2028                                 | 511                   | 0.44                                 |
| 438,000                             | TNB Global 4.851% 2028                               | 343                   | 0.29                                 |
| 400,000                             | Vedanta Resources 6.125% 2024                        | 278                   | 0.24                                 |
| 720,000                             | Zahidi 4.5% 2028                                     | 483                   | 0.42                                 |
| between 10 and 15 years to maturity |  |                       |                                      |
| 329,000                             | Abu Dhabi National Energy 4.875% 2030                | 260                   | 0.22                                 |
| 710,000                             | Empresa Electrica Angamos 4.875% 2029                | 488                   | 0.42                                 |
| between 15 and 25 years to maturity |  |                       |                                      |
| 140,000                             | DP World 6.85% 2037                                  | 125                   | 0.11                                 |
| 1,640,000                           | Pertamina Persero 6% 2042                            | 1,316                 | 1.13                                 |
| 1,020,000                           | Pertamina Persero 6.5% 2041                          | 863                   | 0.74                                 |
| 1,740,000                           | Petroleos Mexicanos 6.5% 2041                        | 1,156                 | 1.00                                 |

| Holding                            | Investment                                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|--|-----------------------|--------------------------------------|
| greater than 25 years to maturity  |  |                       |                                      |
| 398,000                            | Abu Dhabi Crude Oil Pipeline 4.6% 2047           | 307                   | 0.26                                 |
| 930,000                            | OCP 6.875% 2044                                  | 752                   | 0.65                                 |
| 1,330,000                          | Perusahaan Listrik Negara 6.25% 2049             | 1,095                 | 0.94                                 |
| 1,700,000                          | Petroleos Mexicanos 6.75% 2047                   | 1,126                 | 0.97                                 |
| Perpetual                          |  |                       |                                      |
| 750,000                            | MAF Global Securities FRN Perpetual              | 531                   | 0.46                                 |
| <b>Government Bonds (51.76%)</b>   |  | <b>58,247</b>         | <b>50.18</b>                         |
| less than 5 years to maturity      |  |                       |                                      |
| 716,000                            | Argentina (Republic of) 5.625% 2022              | 495                   | 0.43                                 |
| 930,000                            | Costa Rica (Republic of) 4.25% 2023              | 654                   | 0.56                                 |
| 1,640,000                          | Dominican Republic (Mesteno) 8.5% 2020           | 255                   | 0.22                                 |
| 1,330,000                          | Ecuador (Republic of) 10.75% 2022                | 1,066                 | 0.92                                 |
| 1,370,000                          | Ecuador (Republic of) 8.75% 2023                 | 1,029                 | 0.89                                 |
| 430,000                            | Georgia (Republic of) 6.875% 2021                | 347                   | 0.30                                 |
| 2,000,000                          | Indonesia (Republic of) 5.875% 2024              | 1,663                 | 1.43                                 |
| 900,000                            | Lebanon (Republic of) 6% 2023                    | 606                   | 0.52                                 |
| 2,347,000                          | Lebanon (Republic of) 6.1% 2022                  | 1,577                 | 1.36                                 |
| 310,000                            | Morocco (Govt of) 4.25% 2022                     | 238                   | 0.21                                 |
| 663,000                            | Perusahaan Penerbit SBSN Indonesia III 3.4% 2022 | 501                   | 0.43                                 |
| 641,000                            | Qatar (Govt of) 3.875% 2023                      | 497                   | 0.43                                 |
| 1,430,000                          | Rwanda (Republic of) 6.625% 2023                 | 1,099                 | 0.95                                 |
| 650,000                            | Senegal (Republic of) 8.75% 2021                 | 534                   | 0.46                                 |
| 1,570,000                          | Serbia (Republic of) 7.25% 2021                  | 1,298                 | 1.12                                 |
| 670,000                            | South Africa (Republic of) 5.875% 2022           | 535                   | 0.46                                 |
| 1,150,000                          | South Africa (Republic of) 4.665% 2024           | 879                   | 0.76                                 |
| 530,000                            | Sri Lanka (Republic of) 5.75% 2023               | 390                   | 0.34                                 |
| 860,000                            | Tanzania (United Republic of) FRN 2020           | 222                   | 0.19                                 |
| 671,000                            | Ukraine (Republic of) 7.75% 2020                 | 505                   | 0.43                                 |
| 1,100,000                          | Ukraine (Republic of) 7.75% 2021                 | 822                   | 0.71                                 |
| between 5 and 10 years to maturity |  |                       |                                      |
| 540,000                            | Angola (Republic of) 9.5% 2025                   | 459                   | 0.39                                 |
| 4,320,000                          | Argentina (Republic of) 7.5% 2026                | 2,911                 | 2.51                                 |
| 539,000                            | Armenia (Republic of) 7.15% 2025                 | 444                   | 0.38                                 |

| Holding                             | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|---|-----------------------|--------------------------------------|
| 1,420,000                           | Bahamas (Commonwealth of) 6% 2028                 | 1,102                 | 0.95                                 |
| 300,000                             | Bahrain (Kingdom of) 7% 2028                      | 236                   | 0.20                                 |
| 1,393,000                           | Dominican (Republic of) 5.875% 2024               | 1,098                 | 0.95                                 |
| 690,000                             | Dominican (Republic of) 5.95% 2027                | 541                   | 0.47                                 |
| 530,000                             | Ecuador (Republic of) 8.875% 2027                 | 376                   | 0.32                                 |
| 420,000                             | Ecuador (Republic of) 9.65% 2026                  | 312                   | 0.27                                 |
| 2,270,000                           | El Salvador (Republic of) 5.875% 2025             | 1,638                 | 1.41                                 |
| 930,000                             | El Salvador (Republic of) 6.375% 2027             | 677                   | 0.58                                 |
| 2,150,000                           | Ghana (Republic of) 6.375% 2024                   | 1,566                 | 1.35                                 |
| 200,000                             | Ghana (Republic of) 8.125% 2026                   | 154                   | 0.13                                 |
| 240,000                             | Indonesia (Republic of) 3.875% 2024               | 181                   | 0.16                                 |
| 910,000                             | Indonesia (Republic of) 4.1% 2028                 | 692                   | 0.60                                 |
| 682,000                             | Ivory Coast (Govt of) 6.375% 2028                 | 497                   | 0.43                                 |
| 428,000                             | Namibia (Republic of) 5.25% 2025                  | 312                   | 0.27                                 |
| 925,000                             | Nigeria (Republic of) 7.625% 2025                 | 726                   | 0.63                                 |
| 1,300,000                           | Oman Sovereign Sukuk 5.932% 2025                  | 962                   | 0.83                                 |
| 1,418,000                           | Papua New Guinea (Govt of) 8.375% 2028            | 1,153                 | 0.99                                 |
| 860,000                             | Perusahaan Penerbit SBSN Indonesia III 4.35% 2024 | 665                   | 0.57                                 |
| 5,695,000                           | Petróleos de Venezuela 6% 2024                    | 985                   | 0.85                                 |
| 795,000                             | Saudi Arabia (Kingdom of) 3.625% 2028             | 584                   | 0.50                                 |
| 739,000                             | Sharjah Sukuk Program 4.226% 2028                 | 564                   | 0.49                                 |
| 1,440,000                           | Turkey (Republic of) 4.875% 2026                  | 995                   | 0.86                                 |
| 1,150,000                           | Turkey (Republic of) 5.75% 2024                   | 861                   | 0.74                                 |
| 1,000,000                           | Turkey (Republic of) 6% 2027                      | 732                   | 0.63                                 |
| 950,000                             | Turkey (Republic of) 7.375% 2025                  | 755                   | 0.65                                 |
| 1,800,000                           | Ukraine (Republic of) 7.75% 2024                  | 1,281                 | 1.10                                 |
| 704,000                             | Ukraine (Republic of) 7.75% 2025                  | 492                   | 0.42                                 |
| 800,000                             | Ukraine (Republic of) 7.75% 2027                  | 549                   | 0.47                                 |
| 1,955,000                           | Venezuela (Republic of) 9.25% 2028                | 468                   | 0.40                                 |
| between 10 and 15 years to maturity |   |                       |                                      |
| 500,000                             | Argentina (Republic of) 8.28% 2033                | 469                   | 0.40                                 |
| 400,000                             | Bahrain (Kingdom of) 6.75% 2029                   | 309                   | 0.27                                 |
| 543,000                             | Cote D'Ivoire FRN 2032                            | 345                   | 0.30                                 |
| 821,000                             | Ecuador (Republic of) 10.75% 2029                 | 634                   | 0.55                                 |
| 600,000                             | Ghana (Republic of) 10.75% 2030                   | 537                   | 0.46                                 |
| 1,290,000                           | Nigeria (Republic of) 7.875% 2032                 | 979                   | 0.84                                 |
| 925,000                             | Saudi Arabia (Kingdom of) 4.375% 2029             | 716                   | 0.62                                 |



| Holding                                      | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
| between 15 and 25 years to maturity          |  |                       |                                      |
| 1,290,000                                    | Belize (Govt of) 4.9375% 2034                                    | 539                   | 0.46                                 |
| 200,000                                      | Indonesia (Republic of) 6.625% 2037                              | 184                   | 0.16                                 |
| 1,280,000                                    | Mexico (United Mexican States) 6.05% 2040                        | 1,064                 | 0.92                                 |
| greater than 25 years to maturity            |  |                       |                                      |
| 710,000                                      | Angola (Republic of) 9.375% 2048                                 | 570                   | 0.49                                 |
| 221,000                                      | Costa Rica (Republic of) 7% 2044                                 | 150                   | 0.13                                 |
| 803,000                                      | Costa Rica (Republic of) 7.158% 2045                             | 552                   | 0.48                                 |
| 1,943,000                                    | Dominican (Republic of) 6.85% 2045                               | 1,534                 | 1.32                                 |
| 1,340,000                                    | Dominican (Republic of) 7.45% 2044                               | 1,119                 | 0.96                                 |
| 1,000,000                                    | Egypt (Arab Republic of) 7.903% 2048                             | 700                   | 0.60                                 |
| 1,204,000                                    | Egypt (Arab Republic of) 8.5% 2047                               | 883                   | 0.76                                 |
| 1,020,000                                    | Ghana (Republic of) 8.627% 2049                                  | 723                   | 0.62                                 |
| 580,000                                      | Mexico (United Mexican States) 5.55% 2045                        | 465                   | 0.40                                 |
| 1,420,000                                    | Nigeria (Republic of) 7.625% 2047                                | 1,018                 | 0.88                                 |
| 200,000                                      | Nigeria (Republic of) 7.625% 2047                                | 143                   | 0.12                                 |
| 1,350,000                                    | Oman (Govt of) 6.75% 2048  | 875                   | 0.75                                 |
| 850,000                                      | Paraguay (Republic of) 6.1% 2044                                 | 704                   | 0.61                                 |
| 700,000                                      | Qatar (Govt of) 5.103% 2048                                      | 571                   | 0.49                                 |
| 1,970,000                                    | Saudi Arabia (Kingdom of) 5% 2049                                | 1,485                 | 1.28                                 |
| 1,030,000                                    | Uruguay (Republic of) 5.1% 2050                                  | 799                   | 0.69                                 |
| <b>Collective Investment Schemes (2.77%)</b> |  | <b>3,273</b>          | <b>2.82</b>                          |
| 108,000                                      | Aberdeen Standard SICAV I - China Onshore Bond Fund <sup>+</sup> | 1,108                 | 0.96                                 |
| 242,000                                      | Aberdeen Standard SICAV I - Indian Bond Fund <sup>+</sup>        | 2,165                 | 1.86                                 |
| <b>Derivatives (-0.54%)</b>                  |  | <b>3,287</b>          | <b>2.83</b>                          |
| <b>Forward Currency Contracts (-0.54%)</b>   |  | <b>3,287</b>          | <b>2.83</b>                          |
|  | Buy GBP 96,333 Sell EUR 107,000 11/04/2019                       | 3                     | -                                    |
|  | Buy GBP 99,546 Sell EUR 111,000 11/04/2019                       | 3                     | -                                    |
|  | Buy GBP 139,086 Sell EUR 159,000 11/04/2019                      | -                     | -                                    |
|  | Buy GBP 164,182 Sell EUR 189,000 11/04/2019                      | (1)                   | -                                    |
|  | Buy GBP 5,053,029 Sell EUR 5,595,000 11/04/2019                  | 160                   | 0.14                                 |
|  | Buy GBP 222,883 Sell USD 285,000 11/04/2019                      | 7                     | 0.01                                 |
|  | Buy GBP 1,549,901 Sell USD 2,000,000 11/04/2019                  | 35                    | 0.03                                 |
|  | Buy GBP 2,053,896 Sell USD 2,647,000 11/04/2019                  | 49                    | 0.04                                 |

| Holding  | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
|  | Buy GBP 5,454,300 Sell USD 7,000,000 11/04/2019   | 153                   | 0.13                                 |
|  | Buy GBP 16,821,819 Sell USD 21,415,000 11/04/2019 | 603                   | 0.52                                 |
|  | Buy GBP 16,822,241 Sell USD 21,415,000 11/04/2019 | 604                   | 0.52                                 |
|  | Buy GBP 16,823,797 Sell USD 21,415,000 11/04/2019 | 605                   | 0.52                                 |
|  | Buy GBP 16,824,849 Sell USD 21,415,000 11/04/2019 | 606                   | 0.52                                 |
|  | Buy GBP 16,825,070 Sell USD 21,415,000 11/04/2019 | 606                   | 0.52                                 |
|  | Buy GBP 1,049,377 Sell ZAR 19,083,000 11/04/2019  | (31)                  | (0.03)                               |
|  | Buy RUB 25,257,000 Sell USD 377,139 21/02/2019    | 6                     | 0.01                                 |
|  | Buy RUB 62,305,000 Sell USD 916,519 21/02/2019    | 25                    | 0.02                                 |
|  | Buy USD 4,344,609 Sell BRL 16,503,000 21/02/2019  | (137)                 | (0.12)                               |
|  | Buy USD 1,288,817 Sell RUB 87,562,000 21/02/2019  | (35)                  | (0.03)                               |
|  | Buy ZAR 19,083,000 Sell GBP 1,053,999 11/04/2019  | 26                    | 0.03                                 |
| <b>Total investment assets and liabilities</b> |   | <b>107,264</b>        | <b>92.36</b>                         |
| Net other assets                               |   | 8,874                 | 7.64                                 |
| <b>Total Net Assets</b>                        |   | <b>116,138</b>        | <b>100.00</b>                        |

\*Managed by subsidiaries of Standard Life Aberdeen Ltd.  
 Currently forward positions are not collateralised.  
 Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital (losses)/gains  |                 | (2,593)        |                 | 190          |
| Revenue   | 3,809           |                | 2,740           |              |
| Expenses  | (252)           |                | (347)           |              |
| Net revenue before taxation   | 3,557           |                | 2,393           |              |
| Taxation  | (9)             |                | (3)             |              |
| Net revenue after taxation  |                 | 3,548          |                 | 2,390        |
| <b>Total return before distributions</b>  |                 | <b>955</b>     |                 | <b>2,580</b> |
| Distributions   |                 | (3,683)        |                 | (2,642)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(2,728)</b> |                 | <b>(62)</b>  |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | 112,018        |                 | 86,010         |
| Amounts receivable on the issue of shares  | 13,468          |                | 30,317          |                |
| Amounts payable on the cancellation of shares  | (9,979)         |                | (4,365)         |                |
|  |                 | 3,489          |                 | 25,952         |
| Dilution adjustment  |                 | 42             |                 | 78             |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (2,728)        |                 | (62)           |
| Retained distribution on accumulation shares   |                 | 3,317          |                 | 2,498          |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>116,138</b> |                 | <b>114,476</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 107,468        |              | 106,728        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 1,900           |                | 3,023        |                |
| Cash and bank balances                         | 9,022           |                | 4,779        |                |
|  |                 | 10,922         |              | 7,802          |
| Total assets                                   |                 | 118,390        |              | 114,530        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | (204)          |              | (715)          |
| Creditors                                      | (1,660)         |                | (1,747)      |                |
| Bank overdrafts                                | (260)           |                | -            |                |
| Distribution payable                           | (128)           |                | (50)         |                |
|  |                 | (2,048)        |              | (1,797)        |
| Total liabilities                              |                 | (2,252)        |              | (2,512)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>116,138</b> |              | <b>112,018</b> |

**Distribution table****For the month ended 31 August 2018**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 August 2018

|                              | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6747                                | -                                       | 0.6747*                                      | 0.7403                                       |
| Group 2                      | 0.2536                                | 0.4212                                  | 0.6747*                                      | 0.7403                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4604                                | -                                       | 0.4604**                                     | 0.5355                                       |
| Group 2                      | 0.0097                                | 0.4507                                  | 0.4604**                                     | 0.5355                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5815                                | -                                       | 0.5815*                                      | 0.6335                                       |
| Group 2                      | 0.2440                                | 0.3375                                  | 0.5815*                                      | 0.6335                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4278                                | -                                       | 0.4278**                                     | 0.4940                                       |
| Group 2                      | 0.1559                                | 0.2719                                  | 0.4278**                                     | 0.4940                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7229                                | -                                       | 0.7229*                                      | 0.7812                                       |
| Group 2                      | 0.1522                                | 0.5706                                  | 0.7229*                                      | 0.7812                                       |

\* Distribution accumulated on 31 August 2018.

\*\* Distribution paid on 30 September 2018.

**For the month ended 30 September 2018**

Group 1 - shares purchased prior to 1 September 2018

Group 2 - shares purchased between 1 September 2018 and 30 September 2018

|                              | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6216                                | -                                       | 0.6216*                                      | 0.6016                                       |
| Group 2                      | 0.2734                                | 0.3482                                  | 0.6216*                                      | 0.6016                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4219                                | -                                       | 0.4219**                                     | 0.4329                                       |
| Group 2                      | 0.2423                                | 0.1796                                  | 0.4219**                                     | 0.4329                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5362                                | -                                       | 0.5362*                                      | 0.5150                                       |
| Group 2                      | 0.2714                                | 0.2648                                  | 0.5362*                                      | 0.5150                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3923                                | -                                       | 0.3923**                                     | 0.3995                                       |
| Group 2                      | 0.1959                                | 0.1964                                  | 0.3923**                                     | 0.3995                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6664                                | -                                       | 0.6664*                                      | 0.6355                                       |
| Group 2                      | 0.2185                                | 0.4480                                  | 0.6664*                                      | 0.6355                                       |

\* Distribution accumulated on 30 September 2018.

\*\* Distribution paid on 31 October 2018.

**For the month ended 31 October 2018**

Group 1 - shares purchased prior to 1 October 2018

Group 2 - shares purchased between 1 October 2018 and 31 October 2018

|                              | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7920                                | -                                       | 0.7920*                                      | 0.7214                                       |
| Group 2                      | 0.3954                                | 0.3967                                  | 0.7920*                                      | 0.7214                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.5351                                | -                                       | 0.5351**                                     | 0.5169                                       |
| Group 2                      | 0.1051                                | 0.4300                                  | 0.5351**                                     | 0.5169                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6833                                | -                                       | 0.6833*                                      | 0.6178                                       |
| Group 2                      | 0.4002                                | 0.2832                                  | 0.6833*                                      | 0.6178                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4977                                | -                                       | 0.4977**                                     | 0.4772                                       |
| Group 2                      | 0.1759                                | 0.3218                                  | 0.4977**                                     | 0.4772                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8505                                | -                                       | 0.8505*                                      | 0.7632                                       |
| Group 2                      | 0.5501                                | 0.3003                                  | 0.8505*                                      | 0.7632                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 30 November 2018.

**For the month ended 30 November 2018**

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 30 November 2018

|                              | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7177                                | -                                       | 0.7177*                                      | 0.6699                                       |
| Group 2                      | 0.4374                                | 0.2803                                  | 0.7177*                                      | 0.6699                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4848                                | -                                       | 0.4848**                                     | 0.4775                                       |
| Group 2                      | 0.1961                                | 0.2887                                  | 0.4848**                                     | 0.4775                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6199                                | -                                       | 0.6199*                                      | 0.5740                                       |
| Group 2                      | 0.3094                                | 0.3105                                  | 0.6199*                                      | 0.5740                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4489                                | -                                       | 0.4489**                                     | 0.4411                                       |
| Group 2                      | 0.2585                                | 0.1904                                  | 0.4489**                                     | 0.4411                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.1140                                | -                                       | 0.1140*                                      |  |
| Group 2 <sup>B</sup>         | -                                     | -                                       | -  |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.1140                                | -                                       | 0.1140**                                     |  |
| Group 2 <sup>B</sup>         | -                                     | -                                       | -  |  |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7723                                | -                                       | 0.7723*                                      | 0.7116                                       |
| Group 2                      | 0.4793                                | 0.2930                                  | 0.7723*                                      | 0.7116                                       |

\* Distribution accumulated on 30 November 2018.

\*\* Distribution paid on 31 December 2018.

<sup>A</sup> Shares created for initial seeding of the share class prior to 26 November 2018.<sup>B</sup> Shares purchased between 26 November 2018 and 30 November 2018.



**For the month ended 31 December 2018**

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 31 December 2018

|                              | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8796                                | -                                       | 0.8796*                                      | 0.3450                                       |
| Group 2                      | 0.6277                                | 0.2519                                  | 0.8796*                                      | 0.3450                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.5876                                | -                                       | 0.5876**                                     | 0.2447                                       |
| Group 2                      | 0.3108                                | 0.2768                                  | 0.5876**                                     | 0.2447                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7598                                | -                                       | 0.7598*                                      | 0.2957                                       |
| Group 2                      | 0.3385                                | 0.4213                                  | 0.7598*                                      | 0.2957                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.5476                                | -                                       | 0.5476**                                     | 0.2261                                       |
| Group 2                      | 0.0903                                | 0.4573                                  | 0.5476**                                     | 0.2261                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6365                                | -                                       | 0.6365*                                      |  |
| Group 2                      | -                                     | -                                       | -  |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.6365                                | -                                       | 0.6365**                                     |  |
| Group 2                      | -                                     | -                                       | -  |  |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.9470                                | -                                       | 0.9470*                                      | 0.3657                                       |
| Group 2                      | 0.6385                                | 0.3085                                  | 0.9470*                                      | 0.3657                                       |

\* Distribution accumulated on 31 December 2018.

\*\* Distribution paid on 31 January 2019.

**For the month ended 31 January 2019**

Group 1 - shares purchased prior to 1 January 2019

Group 2 - shares purchased between 1 January 2019 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8632                                | -                                       | 0.8632*                                      | 0.7413                                       |
| Group 2                      | 0.1670                                | 0.6962                                  | 0.8632*                                      | 0.7413                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.5724                                | -                                       | 0.5724**                                     | 0.5245                                       |
| Group 2                      | 0.3826                                | 0.1898                                  | 0.5724**                                     | 0.5245                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7457                                | -                                       | 0.7457*                                      | 0.6357                                       |
| Group 2                      | 0.2515                                | 0.4942                                  | 0.7457*                                      | 0.6357                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.5333                                | -                                       | 0.5333**                                     | 0.4850                                       |
| Group 2                      | 0.2428                                | 0.2905                                  | 0.5333**                                     | 0.4850                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6365                                | -                                       | 0.6365*                                      |  |
| Group 2                      | -                                     | -                                       | -  |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.6365                                | -                                       | 0.6365**                                     |  |
| Group 2                      | -                                     | -                                       | -  |  |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.9299                                | -                                       | 0.9299*                                      | 0.7870                                       |
| Group 2                      | 0.0925                                | 0.8374                                  | 0.9299*                                      | 0.7870                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 28 February 2019.

# Aberdeen Emerging Markets Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide long term capital growth from direct or indirect investment in emerging stock markets worldwide or companies with significant activities in emerging markets.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Emerging Markets Equity Fund - A Accumulation Shares decrease by 1.32% compared to a decrease of 2.73% in the benchmark, the MSCI Emerging Markets Index.

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

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

## Market review

Emerging market equities were volatile in the six months under review, with steep losses in October amid trade worries and faltering global growth. Heightened political risks, such as elections in Brazil and Mexico, the UK's Brexit misstep and Italy's budget stand-off, also unnerved investors. Nevertheless, optimism about potential headway in the US-China trade negotiations lifted sentiment. The US Federal Reserve's dovish policy stance after four rate hikes in 2018 provided a fillip.

The tech-heavy Taiwanese market bore the brunt of the sell-off, hampered by fears of supply chain disruption and lacklustre demand for smart phones. Chinese stocks retreated, as deleveraging measures implemented in 2017 took a toll on the domestic economy. In response, Beijing eased lending conditions and lowered taxes to support consumption and the private sector. Meanwhile in Mexico, President Lopez Obrador cancelled the construction of the new Mexico City airport, fuelling concerns about further populist policies in the offing.

In contrast, Russian equities bucked the downtrend, supported by the central bank's pre-emptive move to hike rates amid benign inflation to mitigate tighter US sanctions. Together with its ample foreign exchange reserves augmented by oil revenues, this offered shelter from the wider emerging-market woes. Brazilian stocks rallied in anticipation of Jair Bolsonaro's election win and his pledge for pension reform. Elsewhere, fuel-importing countries, including Indonesia and the Philippines, got some respite after oil prices pulled back, following a good run earlier in the year.

## Portfolio review

The Fund outperformed its benchmark, driven by positive asset allocation.

From a country perspective, our positioning in Indonesia, Brazil and China added the most to relative performance. Indonesia posted solid returns, supported by the central bank's tightening policy stance that stabilised the rupiah. In a rising-rate environment, Bank Central Asia fared well: it consistently reported good results on the back of solid loan growth. Improving macro conditions also favoured conglomerate Astra International.

Likewise, the overweight to Brazil aided performance, with holdings Banco Bradesco, Lojas Renner and Multiplan benefiting from the upbeat sentiment following the presidential election. The lack of exposure to Petrobras and Itau Unibanco Holdings capped gains as a result. Meanwhile, Vale detracted – its shares plunged after its tailings dam at its Feijao iron ore mine collapsed and caused significant casualties. We have been engaging with the miner extensively on its risk-management framework and were encouraged by its responsiveness, which included a commitment to accelerate the decommissioning of over ten upstream dams.

The underweight to China proved beneficial, as the market sold off on trade uncertainty and slowing domestic growth. Our choice of holdings there added to performance. China Resources Land rose on robust results and expectations that Beijing's stimulus would boost the property sector. Ping An Insurance posted good earnings, underpinned by growth in customer numbers and products held per client. Although insurance companies face tighter regulations, Ping An is well-positioned, with a competent management that has clear strategies on ensuring the business is competitive. Not holding domestic search engine operator Baidu and internet giant Alibaba also helped, as they retreated in tandem with the technology sell-off.

Conversely, India was a major detractor. The market lagged the broader asset class, hampered by stubborn inflation and the rupee's weakness. Concerns over a liquidity crunch and higher credit risk weighed on Housing Development Finance Corp and Kotak Mahindra Bank after the default of Infrastructure Leasing & Financial Services. That said, both holdings are well-capitalised and should benefit from reduced competition from non-banking financial companies. Meanwhile, Grasim Industries was hurt by oversupply in the chemicals industry and a weaker cement outlook. However, based on our recent meeting with management, the cement sector is improving on the back of better volumes and potential price hikes. The industrial conglomerate is trading at an attractive valuation.

At the sectoral level, stock selection in consumer hurt performance. In South Africa, Massmart's earnings reflected a sluggish consumer environment. Hope remains that the upcoming general election can prove a catalyst for the much-needed economic reform. Elsewhere, Magnit's margins were pressured, as its pricing power stayed weak and it struggled to add more store space. We exited the Russian retailer during the period.

In other key portfolio activity, we also divested Standard Chartered. The lender's outlook remains difficult, characterised by weak credit growth and burdensome regulatory pressures, and its profitability has been increasingly challenged.

Against this, we initiated leading property and blue-collar job portal 58.com, a company in the Tencent's eco-system with bright profit-growth potential. We are encouraged by its willingness to reduce exposure to loss-making Zhuan Zhuan. We introduced Tenaris, which will be a beneficiary of the recovering capex cycle for the oil industry with significant operating leverage.

### Outlook

While we do not underplay the risks, we feel last year's emerging-market concerns were overdone and expect improving sentiment to drive a share price recovery. The fading effects from the Trump tax cuts and the Fed's slowdown in its tightening pace should give central banks in emerging markets more breathing room. Despite a temporary US-China trade rapprochement, we think there will be prolonged tension and will continue to monitor developments. Meanwhile, China's policy easing measures should prop up domestic consumption to stabilise growth. Politics will also be a key driver, with investors keeping a close eye on progress by the new administrations in Mexico and Brazil, as well as elections in markets such as India, Indonesia and South Africa. At the corporate level, our holdings are businesses with healthy fundamentals, wide economic moats, and run by experienced management. With their solid balance sheets, they have been able to support improving returns to shareholders and their earnings forecasts remain positive, despite the short-term volatility.

Overall, we believe that the portfolio is well-positioned to withstand future challenges and capture the medium to long-term opportunities in emerging markets.

**Global Emerging Markets Equity Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Emerging Markets: Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries and this may mean your money is at greater risk.
- Chinese Domestic Securities Market: The Fund may invest directly or indirectly in Chinese domestic securities markets via various channels, which involves additional risks as further described in the Fund's Prospectus.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 361,018         | 402,727      | 515,045      | 540,136      |
| Closing number of shares                  | 52,733,331      | 58,152,690   | 71,003,778   | 86,685,353   |
| Closing net asset value per share (pence) | 684.61          | 692.53       | 725.38       | 623.10       |
| Change in net asset value per share       | (1.14%)         | (4.53%)      | 16.41%       | 19.80%       |
| Operating charges                         | 1.87%           | 1.98%        | 2.00%        | 2.02%        |

| G Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 |
|---|-----------------|--------------|--------------|
| Closing net asset value (£'000)           | 35,729          | 53,387       | 63,116       |
| Closing number of shares                  | 35,094,648      | 52,004,873   | 59,148,373   |
| Closing net asset value per share (pence) | 101.81          | 102.66       | 106.71       |
| Change in net asset value per share       | (0.83%)         | (3.80%)      | -            |
| Operating charges                         | 1.21%           | 1.23%        | 1.25%        |

| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 577,638         | 640,258      | 1,095,471    | 950,816      |
| Closing number of shares                  | 76,354,552      | 83,936,171   | 138,144,500  | 140,635,285  |
| Closing net asset value per share (pence) | 756.52          | 762.79       | 792.99       | 676.09       |
| Change in net asset value per share       | (0.82%)         | (3.81%)      | 17.29%       | 20.71%       |
| Operating charges                         | 1.21%           | 1.23%        | 1.25%        | 1.27%        |

| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 1,966           | 1,507        | 6,799        | 6,785        |
| Closing number of shares                  | 275,209         | 209,266      | 899,227      | 1,041,641    |
| Closing net asset value per share (pence) | 714.49          | 720.30       | 756.11       | 651.36       |
| Change in net asset value per share       | (0.81%)         | (4.74%)      | 16.08%       | 19.40%       |
| Operating charges                         | 1.21%           | 1.23%        | 1.25%        | 1.27%        |

| M Accumulation shares <sup>B</sup>        | 31 January 2019 |
|---|-----------------|
| Closing net asset value (£'000)           | -               |
| Closing number of shares                  | 100             |
| Closing net asset value per share (pence) | 104.94          |
| Change in net asset value per share       | -               |
| Operating charges                         | 0.23%           |

| M Income shares <sup>B</sup>              | 31 January 2019 |
|---|-----------------|
| Closing net asset value (£'000)           | -               |
| Closing number of shares                  | 100             |
| Closing net asset value per share (pence) | 104.95          |
| Change in net asset value per share       | -               |
| Operating charges                         | 0.23%           |

| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 99,322          | 99,574       | 99,260       | 91,418       |
| Closing number of shares                  | 11,708,708      | 11,697,384   | 11,329,384   | 12,361,484   |
| Closing net asset value per share (pence) | 848.28          | 851.25       | 876.13       | 739.54       |
| Change in net asset value per share       | (0.35%)         | (2.84%)      | 18.47%       | 21.92%       |
| Operating charges                         | 0.21%           | 0.23%        | 0.25%        | 0.27%        |

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

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

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

<sup>A</sup> G Accumulation share class launched on 7 October 2016.

<sup>B</sup> M share classes launched on 26 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                  | Investment              | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|--|-------------------------|---------------------------|--------------------------------------|
| <b>Equities (91.22%)</b>                 |                         | <b>982,620</b>            | <b>91.34</b>                         |
| <b>Africa Equities (3.86%)</b>           |                         | <b>40,250</b>             | <b>3.74</b>                          |
| <b>South Africa (3.86%)</b>              |                         | <b>40,250</b>             | <b>3.74</b>                          |
| 1,509,745                                | Massmart                | 7,953                     | 0.74                                 |
| 1,826,100                                | MTN                     | 9,090                     | 0.84                                 |
| 88,950                                   | Naspers                 | 15,474                    | 1.44                                 |
| 1,685,351                                | Truworths               | 7,733                     | 0.72                                 |
| <b>Emerging Market Equities (16.14%)</b> |                         | <b>172,887</b>            | <b>16.07</b>                         |
| <b>Brazil (11.16%)</b>                   |                         | <b>128,535</b>            | <b>11.95</b>                         |
| 4,397,100                                | AmBev                   | 16,067                    | 1.50                                 |
| 4,553,627                                | Banco Bradesco ADR      | 42,959                    | 3.99                                 |
| 1,314,700                                | BRF                     | 6,458                     | 0.60                                 |
| 1,610,546                                | Lojas Renner            | 15,276                    | 1.42                                 |
| 2,412,400                                | Multiplan               | 13,044                    | 1.21                                 |
| 931,070                                  | Ultrapar                | 11,108                    | 1.03                                 |
| 2,502,000                                | Vale ADR                | 23,623                    | 2.20                                 |
| <b>Chile (1.94%)</b>                     |                         | <b>20,368</b>             | <b>1.89</b>                          |
| 427,632                                  | Banco Santander ADR     | 10,503                    | 0.97                                 |
| 1,614,449                                | SACI Falabella          | 9,865                     | 0.92                                 |
| <b>Russia (3.04%)</b>                    |                         | <b>23,984</b>             | <b>2.23</b>                          |
| 394,071                                  | Lukoil ADR              | 23,984                    | 2.23                                 |
| <b>European Equities (1.67%)</b>         |                         | <b>18,049</b>             | <b>1.69</b>                          |
| <b>Hungary (0.67%)</b>                   |                         | <b>1,587</b>              | <b>0.15</b>                          |
| 97,774                                   | Richter Gedeon          | 1,587                     | 0.15                                 |
| <b>Luxembourg (0.00%)</b>                |                         | <b>8,446</b>              | <b>0.79</b>                          |
| 445,100                                  | Tenaris                 | 8,446                     | 0.79                                 |
| <b>Poland (1.00%)</b>                    |                         | <b>8,016</b>              | <b>0.75</b>                          |
| 354,056                                  | Bank Polska Kasa Opieki | 8,016                     | 0.75                                 |



| Holding                                | Investment                            | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---------------------------------------|---------------------------|--------------------------------------|
| <b>Middle East Equities (1.06%)</b>    |                                       | <b>12,640</b>             | <b>1.18</b>                          |
| <b>Turkey (1.06%)</b>                  |                                       | <b>12,640</b>             | <b>1.18</b>                          |
| 955,686                                | BIM Birlesik Magazalar                | 12,640                    | 1.18                                 |
| <b>North America Equities (7.61%)</b>  |                                       | <b>52,958</b>             | <b>4.92</b>                          |
| <b>Mexico (5.50%)</b>                  |                                       | <b>52,958</b>             | <b>4.92</b>                          |
| 279,000                                | Fomento Economico Mexicano SAB de ADR | 19,303                    | 1.79                                 |
| 1,149,810                              | Grupo Aeroportuario del Sureste       | 15,906                    | 1.48                                 |
| 4,186,523                              | Grupo Financiero Banorte              | 17,749                    | 1.65                                 |
| <b>United States (2.11%)</b>           |                                       | <b>0.00</b>               | <b>0.00</b>                          |
| <b>Pacific Basin Equities (60.19%)</b> |                                       | <b>685,836</b>            | <b>63.74</b>                         |
| <b>China (11.34%)</b>                  |                                       | <b>170,981</b>            | <b>15.88</b>                         |
| 196,626                                | 58.com                                | 9,474                     | 0.88                                 |
| 232,791                                | Autohome ADR                          | 12,809                    | 1.19                                 |
| 460,788                                | Huazhu Group                          | 11,108                    | 1.03                                 |
| 4,635,500                              | Ping An Insurance                     | 34,086                    | 3.17                                 |
| 594,700                                | Sunny Optical Technology              | 4,439                     | 0.41                                 |
| 2,255,200                              | Tencent                               | 75,552                    | 7.02                                 |
| 934,000                                | Wuxi Biologics                        | 6,099                     | 0.56                                 |
| 627,774                                | Yum China                             | 17,414                    | 1.62                                 |
| <b>Hong Kong (7.86%)</b>               |                                       | <b>92,592</b>             | <b>8.61</b>                          |
| 4,011,000                              | AIA                                   | 27,376                    | 2.55                                 |
| 1,946,000                              | China Mobile                          | 15,507                    | 1.44                                 |
| 7,214,000                              | China Resources Land                  | 21,316                    | 1.98                                 |
| 5,488,000                              | Hang Lung                             | 12,202                    | 1.13                                 |
| 686,045                                | Hong Kong Exchanges & Clearing        | 16,191                    | 1.51                                 |
| <b>India (14.06%)</b>                  |                                       | <b>139,810</b>            | <b>12.99</b>                         |
| 2,393,314                              | Aditya Birla Capital                  | 2,070                     | 0.19                                 |
| 992,120                                | Grasim Industries                     | 7,634                     | 0.71                                 |
| 288,892                                | Hero MotoCorp                         | 8,100                     | 0.75                                 |
| 665,534                                | Hindustan Unilever                    | 12,500                    | 1.16                                 |
| 1,937,587                              | Housing Development Finance           | 39,734                    | 3.69                                 |
| 6,073,782                              | ITC                                   | 18,065                    | 1.68                                 |

| Holding                    | Investment                          | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------|-------------------------------------|---------------------------|--------------------------------------|
| 1,480,393                  | Kotak Mahindra Bank                 | 19,867                    | 1.85                                 |
| 819,566                    | Tata Consultancy Services           | 17,562                    | 1.63                                 |
| 379,473                    | UltraTech Cement                    | 14,278                    | 1.33                                 |
| <b>Indonesia (4.71%)</b>   |                                     | <b>59,928</b>             | <b>5.57</b>                          |
| 53,213,400                 | Astra                               | 24,392                    | 2.27                                 |
| 15,858,800                 | Bank Central Asia                   | 24,289                    | 2.26                                 |
| 10,752,500                 | Indocement Tunggai Prakarsa         | 11,247                    | 1.04                                 |
| <b>Malaysia (1.48%)</b>    |                                     | <b>14,570</b>             | <b>1.35</b>                          |
| 3,168,058                  | Public Bank                         | 14,570                    | 1.35                                 |
| <b>Philippines (3.83%)</b> |                                     | <b>40,071</b>             | <b>3.73</b>                          |
| 495,050                    | Ayala                               | 6,666                     | 0.62                                 |
| 25,727,300                 | Ayala Land                          | 16,664                    | 1.55                                 |
| 12,638,365                 | Bank of the Philippine Islands      | 16,741                    | 1.56                                 |
| <b>South Korea (9.38%)</b> |                                     | <b>92,584</b>             | <b>8.61</b>                          |
| 27,446                     | AmorePacific (Preference)           | 1,903                     | 0.18                                 |
| 67,543                     | LG Chemical                         | 16,959                    | 1.58                                 |
| 100,269                    | NHN                                 | 9,317                     | 0.86                                 |
| 2,517,100                  | Samsung Electronics (Preference)    | 64,405                    | 5.99                                 |
| <b>Taiwan (4.99%)</b>      |                                     | <b>47,074</b>             | <b>4.38</b>                          |
| 8,627,718                  | Taiwan Semiconductors Manufacturing | 47,074                    | 4.38                                 |
| <b>Thailand (2.54%)</b>    |                                     | <b>28,226</b>             | <b>2.62</b>                          |
| 1,907,900                  | Siam Cement (Alien Market)          | 21,633                    | 2.01                                 |
| 2,045,100                  | Siam Commercial Bank (Alien Market) | 6,593                     | 0.61                                 |
| <b>UK Equities (0.69%)</b> |                                     | <b>0.00</b>               | <b>0.00</b>                          |

| Holding                                      | Investment  | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|------------------------------|--------------------------------------|
| <b>Collective Investment Schemes (8.59%)</b> |   | <b>86,002</b>                | <b>8.00</b>                          |
| 7,702,275                                    | Aberdeen Global-China A Share Equity Fund <sup>+</sup>              | 79,598                       | 7.40                                 |
| 6,404  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund <sup>+</sup> | 6,404                        | 0.60                                 |
| <b>Total investment assets</b>               |   | <b>1,068,622</b>             | <b>99.34</b>                         |
| Net other assets                             |   | 7,051                        | 0.66                                 |
| <b>Total Net Assets</b>                      |   | <b>1,075,673</b>             | <b>100.00</b>                        |

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |               |
|---|-----------------|-----------------|-----------------|---------------|
|   | £'000           | £'000           | £'000           | £'000         |
| Income:   |                 |                 |                 |               |
| Net capital (losses)/gains  |                 | (14,589)        |                 | 75,525        |
| Revenue   | 8,302           |                 | 13,720          |               |
| Expenses  | (7,261)         |                 | (12,231)        |               |
| Interest payable and similar charges  | (2)             |                 | -               |               |
| Net revenue before taxation   | 1,039           |                 | 1,489           |               |
| Taxation  | (1,034)         |                 | (1,621)         |               |
| Net revenue/(expense) after taxation  |                 | 5               |                 | (132)         |
| <b>Total return before distributions</b>  |                 | <b>(14,584)</b> |                 | <b>75,393</b> |
| Distributions   |                 | (74)            |                 | (149)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(14,658)</b> |                 | <b>75,244</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                  | 31 January 2018 |                  |
|--|-----------------|------------------|-----------------|------------------|
|  | £'000           | £'000            | £'000           | £'000            |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>1,197,453</b> |                 | <b>1,779,691</b> |
| Amounts receivable on the issue of shares  | 4,162           |                  | 2,348           |                  |
| Amounts payable on the cancellation of shares  | (111,308)       |                  | (158,455)       |                  |
|  |                 | (107,146)        |                 | (156,107)        |
| Dilution adjustment  |                 | 24               |                 | 357              |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (14,658)         |                 | 75,244           |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>1,075,673</b> |                 | <b>1,699,185</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                  | 31 July 2018 |                  |
|--|-----------------|------------------|--------------|------------------|
|  | £'000           | £'000            | £'000        | £'000            |
| <b>Assets:</b>                                 |                 |                  |              |                  |
| Fixed assets:                                  |                 |                  |              |                  |
| Investment assets                              |                 | 1,068,622        |              | 1,195,173        |
| Current assets:                                |                 |                  |              |                  |
| Debtors  | 6,080           |                  | 5,354        |                  |
| Cash and bank balances                         | 6,373           |                  | 7,424        |                  |
|  |                 | 12,453           |              | 12,778           |
| Total assets                                   |                 | 1,081,075        |              | 1,207,951        |
| <b>Liabilities:</b>                            |                 |                  |              |                  |
| Provision for liabilities                      |                 | (1,255)          |              | (1,599)          |
| <b>Creditors:</b>                              |                 |                  |              |                  |
| Other creditors                                | (4,147)         |                  | (8,884)      |                  |
| Distribution payable                           | -               |                  | (15)         |                  |
|  |                 | (4,147)          |              | (8,899)          |
| Total liabilities                              |                 | (5,402)          |              | (10,498)         |
| <b>Net assets attributable to shareholders</b> |                 | <b>1,075,673</b> |              | <b>1,197,453</b> |

# Aberdeen Ethical World Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

To achieve long-term capital growth. The objective will be achieved through investment in a portfolio of international quality investments chosen on the basis of ethical ("socially responsible") criteria. These criteria include the environment, employee relations, product quality and international operations. The Fund may also invest in fixed interest securities.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Ethical World Equity Fund – A Income Shares decreased by 4.65% compared to a decrease of 4.91% in the benchmark, the FTSE World Index.

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

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

## Market review

Global equities declined during the six months under review, with most markets ending the period in the red. Positive economic data initially spurred stockmarkets higher, with good earnings growth and a strengthening US dollar propelling the US S&P 500 index to its longest bull run in history. These early gains were, however, erased in the last few months of 2018 as a spike in US Treasury yields compelled investors to re-assess global stock valuations. Contracting economies in Japan and Germany, along with China's slower-than-expected growth, also raised concerns over a global economic slowdown. The US Federal Reserve (Fed) withstood political pressure and raised rates again, sending the US S&P 500 index into bear-market territory. It then indicated there would be a pause in future US interest rate hikes, prompting stockmarkets to rebound in early 2019.

Providing investors some relief, albeit only briefly, was a 90-day trade ceasefire between the US and China. Meanwhile, oil prices reached 15-month lows, as expanding US shale output overshadowed planned production curbs led by Saudi Arabia and Russia.

## Portfolio review

At the stock level, the Fund's overweight to Banco Bradesco contributed the most to the outperformance. The Brazilian lender rose in tandem with the broader market that was boosted by optimism around President Jair Bolsonaro's reform agenda. Hong Kong's Kerry Logistics climbed on robust results and benefited from rising intra-Asian trade as companies looked to diversify away from the mainland amid an increasingly protracted US-China trade war. Ayala Land in the Philippines advanced in line with the broader market which was bolstered by lower oil prices and a more stable US dollar that alleviated pressure on the peso.

On the flipside, US oilfield services provider Schlumberger and oil producer EOG Resources were among the biggest stock detractors as they declined in tandem with the weaker oil price.

Johannesburg-listed MTN Group fell after Nigeria's central bank ordered the telecoms giant and its banks to return more than US\$8 billion to the country, claiming that the funds had been transferred illegally. The company denies all allegations and has begun legal proceedings. Given the uncertainty this creates and the potential for a lengthy period of litigation before the issue can be resolved, we took the decision to exit the remaining position.

In other portfolio moves, we divested US cable company Comcast, Brazilian fuel distributor Ultrapar, Japanese construction and real estate firm Daito Trust Construction, German industrial gas firm Linde, Japanese snack food maker Calbee and US tech firm Cognizant, in favour of better opportunities.

The proceeds were put into the following new holdings: US online travel service provider Booking Holdings which has a dominant market position and is a reliable cash generator. Its revenue is expected to continue to grow as such platforms win market share; Auckland International Airport, the largest airport in New Zealand, for its solid regional position and strategic plan for medium- and long-term growth; First Republic Bank, a domestically-focused US lender with a healthy capital position and attractive growth prospects; Japanese drugstore operator Ain Holdings which is poised to grow given the country's ageing population and the industry's long-term prospects; UnitedHealth, a well-run diversified healthcare company that aims to reduce total costs in the US healthcare system.

## Outlook

The rebound in stocks at the start of the year belies weakening global activity. In the US, the tax cuts-fuelled boost to earnings growth has run its course, and a prolonged federal government shutdown threatened to be a further drag on the economy. In China, a government crackdown on shadow banking has weakened the domestic economy. While Beijing has since reversed gears and eased credit regulations, it remains to be seen how successful its stimulus measures will be. Further hampering investor sentiment is the uncertainty around US-China friction that now extends beyond trade, though a potential pause in the Fed's balance-sheet reduction programme provides short-term relief.

Growth in corporate earnings, while decent for now, could be affected by the faltering global economy. Amid periods of uncertainty, our quality holdings, which display durable competitive strengths and low debt levels, should stand out. At the same time, with many stocks now trading at attractive valuations, we are on the lookout to pick up those with resilient earnings that could bolster future returns.

## Global Equity Team

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risk of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 31,210          | 33,694       | 33,614       | 34,082       |
| Closing number of shares                  | 13,022,767      | 13,369,135   | 14,401,110   | 16,899,690   |
| Closing net asset value per share (pence) | 239.65          | 252.02       | 233.41       | 201.67       |
| Change in net asset value per share       | (4.91%)         | 7.97%        | 15.74%       | 11.43%       |
| Operating charges                         | 1.63%           | 1.63%        | 1.63%        | 1.63%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 8,294           | 16,419       | 18,856       | 23,342       |
| Closing number of shares                  | 4,636,343       | 8,730,155    | 10,776,646   | 15,374,318   |
| Closing net asset value per share (pence) | 178.89          | 188.07       | 174.98       | 151.82       |
| Change in net asset value per share       | (4.88%)         | 7.97%        | 15.75%       | 11.38%       |
| Operating charges                         | 1.61%           | 1.63%        | 1.63%        | 1.63%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 58,366          | 61,822       | 61,405       | 54,264       |
| Closing number of shares                  | 21,179,804      | 21,385,879   | 23,049,634   | 23,694,708   |
| Closing net asset value per share (pence) | 275.58          | 289.08       | 266.40       | 229.02       |
| Change in net asset value per share       | (4.67%)         | 8.51%        | 16.32%       | 11.98%       |
| Operating charges                         | 1.13%           | 1.13%        | 1.13%        | 1.13%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 31,559          | 34,979       | 37,900       | 37,566       |
| Closing number of shares                  | 16,232,279      | 17,122,276   | 19,944,462   | 22,783,489   |
| Closing net asset value per share (pence) | 194.42          | 204.29       | 190.03       | 164.88       |
| Change in net asset value per share       | (4.83%)         | 8.51%        | 16.31%       | 11.88%       |
| Operating charges                         | 1.12%           | 1.13%        | 1.13%        | 1.13%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 101.33          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.61%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 101.16          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.61%           |              |              |              |

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

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

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

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



## Portfolio Statement

As at 31 January 2019

| Holding                           | Investment                            | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|---------------------------------------|-----------------------|--------------------------------------|
| <b>Equities (98.62%)</b>          |                                       | <b>126,474</b>        | <b>97.71</b>                         |
| <b>European Equities (17.47%)</b> |                                       | <b>16,687</b>         | <b>12.89</b>                         |
| <b>France (1.78%)</b>             |                                       | <b>2,254</b>          | <b>1.74</b>                          |
| 23,400                            | Essilor                               | 2,254                 | 1.74                                 |
| <b>Germany (3.96%)</b>            |                                       | <b>3,214</b>          | <b>2.48</b>                          |
| 23,900                            | Fielmann                              | 1,233                 | 0.95                                 |
| 117,000                           | Infineon Technology                   | 1,981                 | 1.53                                 |
| <b>Ireland (2.39%)</b>            |                                       | <b>-</b>              | <b>-</b>                             |
| <b>Israel (2.91%)</b>             |                                       | <b>3,420</b>          | <b>2.64</b>                          |
| 40,200                            | Check Point Software Technologies Ltd | 3,420                 | 2.64                                 |
| <b>Italy (0.00%)</b>              |                                       | <b>174</b>            | <b>0.13</b>                          |
| 6,354                             | Brunello Cucinelli                    | 174                   | 0.13                                 |
| <b>South Africa (1.30%)</b>       |                                       | <b>-</b>              | <b>-</b>                             |
| <b>Sweden (2.61%)</b>             |                                       | <b>3,297</b>          | <b>2.55</b>                          |
| 98,700                            | Atlas Copco 'A'                       | 1,955                 | 1.51                                 |
| 184,300                           | Epiroc                                | 1,342                 | 1.04                                 |
| <b>Switzerland (2.52%)</b>        |                                       | <b>4,328</b>          | <b>3.35</b>                          |
| 4,259                             | Dormakaba                             | 2,133                 | 1.65                                 |
| 21,400                            | Temenos                               | 2,195                 | 1.70                                 |
| <b>Japanese Equities (11.08%)</b> |                                       | <b>12,896</b>         | <b>9.96</b>                          |
| 34,200                            | AIN Holdings                          | 1,897                 | 1.46                                 |
| 20,300                            | Fanuc                                 | 2,603                 | 2.01                                 |
| 138,900                           | Japan Exchange Group Inc              | 1,853                 | 1.43                                 |
| 7,300                             | Keyence                               | 2,842                 | 2.20                                 |
| 142,000                           | Mitsubishi Estate                     | 1,907                 | 1.47                                 |
| 16,900                            | Shimano                               | 1,794                 | 1.39                                 |

| Holding                                 | Investment                | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---|---------------------------|-----------------------|--------------------------------------|
| <b>North American Equities (39.02%)</b> |                           | <b>44,859</b>         | <b>34.66</b>                         |
| <b>Brazil (2.80%)</b>                   |                           | <b>3,560</b>          | <b>2.75</b>                          |
| 377,356                                 | Banco Bradesco ADR        | 3,560                 | 2.75                                 |
| <b>Canada (2.78%)</b>                   |                           | <b>4,338</b>          | <b>3.35</b>                          |
| 74,300                                  | Ritchie Bros Auctioneers  | 2,032                 | 1.57                                 |
| 86,700                                  | TELUS                     | 2,306                 | 1.78                                 |
| <b>United States (33.44%)</b>           |                           | <b>36,961</b>         | <b>28.56</b>                         |
| 3,593                                   | Alphabet 'A'              | 3,076                 | 2.37                                 |
| 29,496                                  | Amdocs                    | 1,253                 | 0.97                                 |
| 1,400                                   | Booking Holdings          | 1,951                 | 1.51                                 |
| 9,600                                   | CME                       | 1,330                 | 1.03                                 |
| 40,979                                  | EOG Resources             | 3,090                 | 2.39                                 |
| 19,400                                  | First Republic Bank       | 1,425                 | 1.10                                 |
| 48,400                                  | Intercontinental Exchange | 2,825                 | 2.18                                 |
| 17,600                                  | Jones Lang LaSalle        | 1,918                 | 1.48                                 |
| 21,400                                  | M&T Bank                  | 2,676                 | 2.07                                 |
| 73,500                                  | Oracle                    | 2,807                 | 2.17                                 |
| 1,099,900                               | Samsonite                 | 2,456                 | 1.90                                 |
| 99,600                                  | Schlumberger              | 3,347                 | 2.58                                 |
| 84,400                                  | TJX                       | 3,185                 | 2.46                                 |
| 6,300                                   | United Health             | 1,293                 | 1.00                                 |
| 42,200                                  | Visa                      | 4,329                 | 3.35                                 |
| <b>Pacific Basin Equities (25.05%)</b>  |                           | <b>37,463</b>         | <b>28.94</b>                         |
| <b>China (0.93%)</b>                    |                           | <b>5,765</b>          | <b>4.45</b>                          |
| 85,400                                  | Tencent                   | 2,861                 | 2.21                                 |
| 104,700                                 | Yum China                 | 2,904                 | 2.24                                 |
| <b>Hong Kong (8.02%)</b>                |                           | <b>9,865</b>          | <b>7.62</b>                          |
| 597,900                                 | AIA                       | 4,081                 | 3.15                                 |
| 35,500                                  | Jardine Matheson          | 1,803                 | 1.39                                 |
| 2,167,000                               | Kerry Logistics Network   | 2,582                 | 2.00                                 |
| 257,500                                 | Swire Pacific             | 349                   | 0.27                                 |
| 117,000                                 | Swire Pacific 'A'         | 1,050                 | 0.81                                 |

| Holding                    | Investment                         | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------|------------------------------------|-----------------------|--------------------------------------|
| <b>India (1.87%)</b>       |                                    | <b>2,326</b>          | <b>1.80</b>                          |
| 113,400                    | Housing Development Finance        | 2,326                 | 1.80                                 |
| <b>New Zealand (0.00%)</b> |                                    | <b>1,883</b>          | <b>1.45</b>                          |
| 490,600                    | Auckland International Airport     | 1,883                 | 1.45                                 |
| <b>Philippines (1.52%)</b> |                                    | <b>1,979</b>          | <b>1.53</b>                          |
| 3,055,000                  | Ayala Land                         | 1,979                 | 1.53                                 |
| <b>Singapore (3.95%)</b>   |                                    | <b>5,763</b>          | <b>4.45</b>                          |
| 465,833                    | Oversea-Chinese Banking Corp       | 3,028                 | 2.34                                 |
| 1,607,100                  | Singapore Telecommunications       | 2,735                 | 2.11                                 |
| <b>South Korea (2.25%)</b> |                                    | <b>4,179</b>          | <b>3.23</b>                          |
| 6,600                      | Samsung Electronics                | 4,179                 | 3.23                                 |
| <b>Taiwan (4.36%)</b>      |                                    | <b>5,703</b>          | <b>4.41</b>                          |
| 691,000                    | Taiwan Mobile                      | 1,864                 | 1.44                                 |
| 134,200                    | Taiwan Semiconductor Manufacturing | 3,839                 | 2.97                                 |
| <b>Thailand (2.15%)</b>    |                                    | <b>2,997</b>          | <b>2.32</b>                          |
| 615,800                    | Kasikornbank (Alien Market)        | 2,997                 | 2.32                                 |
| <b>UK Equities (6.00%)</b> |                                    | <b>11,572</b>         | <b>8.94</b>                          |
| <b>Financials (1.73%)</b>  |                                    | <b>2,525</b>          | <b>1.95</b>                          |
| 411,448                    | Standard Chartered                 | 2,525                 | 1.95                                 |
| <b>Industrials (0.00%)</b> |                                    | <b>3,575</b>          | <b>2.76</b>                          |
| 187,000                    | Experian                           | 3,575                 | 2.76                                 |
| <b>Technology (1.88%)</b>  |                                    | <b>2,502</b>          | <b>1.93</b>                          |
| 92,000                     | AVEVA                              | 2,502                 | 1.93                                 |

| Holding  | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Telecommunications (2.39%)</b>              |   | <b>2,970</b>          | <b>2.30</b>                          |
| 2,143,100                                      | Vodafone  | 2,970                 | 2.30                                 |
| <b>Collective Investment Schemes (1.03%)</b>   |   | <b>4,697</b>          | <b>3.63</b>                          |
| 4,697  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund <sup>+</sup> | 4,697                 | 3.63                                 |
| <b>Derivatives (0.00%)</b>                     |   | <b>(2)</b>            | <b>-</b>                             |
| <b>Forward Currency Contracts (0.00%)</b>      |   | <b>(2)</b>            | <b>-</b>                             |
|  | Buy JPY 76,399,035 Sell GBP 535,736 05/02/2019                      | (2)                   | 0                                    |
| <b>Total investment assets and liabilities</b> |   | <b>131,169</b>        | <b>101.34</b>                        |
| Net other liabilities                          |   | (1,740)               | (1.34)                               |
| <b>Total Net Assets</b>                        |   | <b>129,429</b>        | <b>100.00</b>                        |

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.  
Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital (losses)/gains  |                 | (7,261)        |                 | 7,477        |
| Revenue   | 1,121           |                | 1,220           |              |
| Expenses  | (895)           |                | (1,006)         |              |
| Net revenue before taxation   | 226             |                | 214             |              |
| Taxation  | (90)            |                | (69)            |              |
| Net revenue after taxation  |                 | 136            |                 | 145          |
| <b>Total return before distributions</b>  |                 | <b>(7,125)</b> |                 | <b>7,622</b> |
| Distributions   |                 | (164)          |                 | (184)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(7,289)</b> |                 | <b>7,438</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>146,914</b> |                 | <b>151,775</b> |
| Amounts receivable on the issue of shares  | 5,223           |                | 8,418           |                |
| Amounts payable on the cancellation of shares  | (15,523)        |                | (15,354)        |                |
|  |                 | (10,300)       |                 | (6,936)        |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (7,289)        |                 | 7,438          |
| Retained distribution on accumulation shares   |                 | 104            |                 | 113            |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>129,429</b> |                 | <b>152,390</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 131,171        |              | 146,401        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 727             |                | 643          |                |
| Cash and bank balances                         | 606             |                | 518          |                |
|  |                 | 1,333          |              | 1,161          |
| Total assets                                   |                 | 132,504        |              | 147,562        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | (2)            |              | -              |
| Creditors                                      | (3,017)         |                | (305)        |                |
| Distribution payable                           | (56)            |                | (343)        |                |
|  |                 | (3,073)        |              | (648)          |
| Total liabilities                              |                 | (3,075)        |              | (648)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>129,429</b> |              | <b>146,914</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | -                                     | -                                       | -  | -  |
| Group 2                      | -                                     | -                                       | -  | -  |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | -                                     | -                                       | -  | -  |
| Group 2                      | -                                     | -                                       | -  | -  |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.4889                                | -                                       | 0.4889*                                      | 0.4846                                       |
| Group 2                      | 0.2370                                | 0.2519                                  | 0.4889*                                      | 0.4846                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3455                                | -                                       | 0.3455**                                     | 0.3457                                       |
| Group 2                      | 0.1241                                | 0.2214                                  | 0.3455**                                     | 0.3457                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.1700                                | -                                       | 0.1700*                                      | -  |
| Group 2 <sup>B</sup>         | 0.1700                                | -                                       | 0.1700*                                      | -  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.1700                                | -                                       | 0.1700**                                     | -  |
| Group 2 <sup>B</sup>         | 0.1700                                | -                                       | 0.1700**                                     | -  |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 31 April 2019.

<sup>A</sup> shares created for initial seeding of the share class prior to 26 November 2018.<sup>B</sup> shares purchased between 26 November 2018 and 31 January 2019.**Treatment by Corporate Shareholders**

Corporate shareholders should account for the current period's dividends shown in the distribution table as follows:

|   | Interim<br>Dividend | Final<br>Dividend |
|---|---------------------|-------------------|
| Treat as a UK corporate dividend                    | 100%                |                   |
| Treat as an annual payment net of Income tax at 20% | 0%                  |                   |

# Aberdeen Euro Corporate Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective & policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in Investment grade corporate Debt and debt-related securities denominated in (or hedged back to) Euros.

The Fund may also invest in other transferable securities, including Investment grade and sub-Investment grade Debt and debt-related securities denominated in any currency, including those issued by governments, public bodies and supra-national issuers, as well as money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Euro Corporate Bond - A Accumulation Shares decreased by 2.23 % compared to a decrease of 2.02% in the benchmark, the iBoxx Euro Corporates Index.

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

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

## Market review

After suffering volatility and weakness in previous months, corporate bond markets were materially calmer over the summer of 2018. Spreads tightened modestly in both investment grade and high yield markets. Fundamental data continued to be supportive and lower-than-expected levels of new issuance led to improved sentiment for the credit markets. Government bond yields were on a rising trend as a result of increasing inflationary pressure and tighter monetary conditions. Developed markets materially outperformed emerging markets, which were particularly affected by weakness in Turkey and Argentina.

The final three months of 2018 were challenging for risk assets globally. Stocks declined and credit spreads widened as the market began to price in the deteriorating global economic outlook. Trade tensions between the US and China, together with a combination of well-publicised concerns relating to Italy, Argentina and Turkey, weighed on sentiment. As we moved into the new year, corporate bond markets stabilised, recovering significantly from the weakness of late 2018. While rhetoric around trade tensions improved, it was the decision by the US Federal Reserve to adopt a more dovish tone that appeased investors. Headline data remains soft in many developed market economies. However, with central banks still willing to provide material support, investors will remain active in the market. The technical backdrop also improved, as new bond supply failed to meet expectations. Lower quality credit, which had underperformed in late 2018, recovered in this environment.

## Portfolio review

Early in the review period, the Fund's off-benchmark holdings in German bunds were a source of outperformance. Performance relative to benchmark also benefited from a zero exposure to Atlantia; the Italian infrastructure operator suffered losses after the collapse of a bridge in Genoa. We subsequently added exposure to Autostrade per l'Italia after becoming comfortable with the credit fundamentals and believe investors had become too pessimistic about the company following the bridge disaster. Favourable security selection led to outperformance in September. Lower-rated and longer-dated bonds performed best, notably the 2037 bonds of Vodafone and subordinated bonds of Telefonica. On the negative side, Danske Bank bonds came under pressure as the Danish state prosecutor opened a probe into alleged money laundering by its Estonian unit.

Our off-benchmark high yield exposure – specifically Telecom Italia – detracted from returns in October, affected by negative sentiment towards Italian issuers. Italian assets recovered in December, reflecting a stabilisation in the political situation with previous losses largely recouped. Our exposure to Mexican state-owned oil producer Petroleos Mexicanos hampered returns after the very sharp pull back in oil prices in November. More positively, the Fund's zero exposure to General Electric – one of the largest constituents of the benchmark index – boosted relative returns after the company suffered credit rating downgrades. Moving into 2019, a recovery in investment sentiment was beneficial for our holdings in NN Group and AXA, and for the Fund's corporate hybrid exposures including Orsted and EDF.

The Fund participated selectively in a number of new issues. These included Abbott Laboratories (US pharmaceuticals); Amadeus (Spanish tourism IT provider); Amphenol (US electronics); CEZ (Czechia-based electricity conglomerate); and subordinated insurance deals from Generali and CNP. In the secondary market, purchases included Dutch banking group ING on valuation grounds; Infra Park (car parking specialist company with a global presence); and ATOS (French IT services company). As a result of improved Italian sentiment, we added Italian insurer Generali.

## Outlook

The sell-off in the last three months of 2018 left much of the corporate bond universe looking relatively cheap, albeit spreads re-traced some of their underperformance in January. This reflects a slightly calmer macroeconomic background globally. While the asset class still offers good value, it is prudent to reduce risk. The twin threads of a global economic slowdown and – closer to home – the risks around Brexit mean that volatility may persist in 2019. This is likely to provide opportunities to add value within the Fund.

## Euro IG and Aggregate Team

February 2019



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
  - Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
  - Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 30              | 66           | 82           | 120          |
| Closing number of shares                  | 20,996          | 44,673       | 54,373       | 84,173       |
| Closing net asset value per share (pence) | 144.57          | 148.63       | 150.19       | 142.43       |
| Change in net asset value per share       | (2.73%)         | (1.04%)      | 5.45%        | -            |
| Operating charges                         | 1.01%           | 1.02%        | 1.03%        | 1.13%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 183             | 202          | 87           | 77           |
| Closing number of shares                  | 95,223          | 102,762      | 44,462       | 41,462       |
| Closing net asset value per share (pence) | 191.77          | 196.31       | 196.46       | 184.68       |
| Change in net asset value per share       | (2.31%)         | (0.08%)      | 6.38%        | -            |
| Operating charges                         | 0.61%           | 0.62%        | 0.63%        | 0.63%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 24,970          | 26,995       | 27,669       | 31,364       |
| Closing number of shares                  | 17,355,523      | 18,243,727   | 18,499,827   | 22,115,427   |
| Closing net asset value per share (pence) | 143.87          | 147.97       | 149.56       | 141.82       |
| Change in net asset value per share       | (2.77%)         | (1.06%)      | 5.46%        | -            |
| Operating charges                         | 0.61%           | 0.62%        | 0.63%        | 0.63%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 99.26           |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.00%           |              |              |              |

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

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

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the unit class. Fund launched 11 September 2015.

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

## Portfolio Statement

As at 31 January 2019

| Holding                                | Investment                                     | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|------------------------------|--------------------------------------|
| <b>Bonds (97.97%)</b>                  |  | <b>24,732</b>                | <b>98.21</b>                         |
| <b>Euro Denominated Bonds (92.23%)</b> |  | <b>24,732</b>                | <b>98.21</b>                         |
| <b>Corporate Bonds (92.23%)</b>        |  | <b>24,615</b>                | <b>97.74</b>                         |
| less than 5 years to maturity          |  |                              |                                      |
| 380,000                                | Abbey National 2.625% 2020                     | 343                          | 1.36                                 |
| 133,000                                | Abbott Ireland Financing 0.875% 2023           | 116                          | 0.46                                 |
| 100,000                                | Abbott Ireland Financing 2020                  | 87                           | 0.35                                 |
| 100,000                                | ABN Amro 4.125% 2022                           | 98                           | 0.39                                 |
| 100,000                                | Amadeus IT 0.875% 2023                         | 87                           | 0.35                                 |
| 300,000                                | APT Pipelines 1.375% 2022                      | 266                          | 1.06                                 |
| 100,000                                | Aroundtown 2.125% 2023                         | 90                           | 0.36                                 |
| 100,000                                | Atos 0.75% 2022                                | 87                           | 0.34                                 |
| 250,000                                | AusNet Services 2.375% 2020                    | 225                          | 0.89                                 |
| 100,000                                | Autostrade 1.625% 2023                         | 86                           | 0.34                                 |
| 100,000                                | Bank of America 0.736% 2022                    | 88                           | 0.35                                 |
| 200,000                                | Banque Federative du Credit Mutuel 0.375% 2022 | 175                          | 0.70                                 |
| 200,000                                | Banque Federative du Credit Mutuel 0.75% 2023  | 176                          | 0.70                                 |
| 125,000                                | Barclays 1.875% 2023                           | 110                          | 0.44                                 |
| 100,000                                | BBVA 0.75% 2022                                | 86                           | 0.34                                 |
| 192,000                                | BP Capital Markets 1.117% 2024                 | 171                          | 0.68                                 |
| 100,000                                | BPCE 0.625% 2023                               | 87                           | 0.35                                 |
| 160,000                                | British American Tobacco 0.875% 2023           | 138                          | 0.55                                 |
| 100,000                                | British American Tobacco 1% 2022               | 87                           | 0.35                                 |
| 200,000                                | CaixaBank 0.75% 2023                           | 173                          | 0.69                                 |
| 100,000                                | Castellum 2.125% 2023                          | 89                           | 0.35                                 |
| 100,000                                | CEZ 0.875% 2022                                | 87                           | 0.35                                 |
| 152,000                                | China National Chemical 1.75% 2022             | 131                          | 0.52                                 |
| 100,000                                | Citigroup 0.5% 2022                            | 87                           | 0.35                                 |
| 100,000                                | Citigroup 0.75% 2023                           | 87                           | 0.34                                 |
| 126,000                                | Commerzbank 0.5% 2023                          | 109                          | 0.43                                 |
| 300,000                                | Credit Agricole 0.875% 2022                    | 266                          | 1.06                                 |
| 100,000                                | CRH 1.875% 2024                                | 91                           | 0.36                                 |
| 100,000                                | CRH Finance Germany 1.75% 2021                 | 90                           | 0.36                                 |
| 225,000                                | Danske Bank 0.875% 2023                        | 189                          | 0.75                                 |
| 100,000                                | Deutsche Bank 1.5% 2022                        | 87                           | 0.34                                 |
| 140,000                                | ENI 4.25% 2020                                 | 127                          | 0.50                                 |
| 100,000                                | Essity 0.625% 2022                             | 88                           | 0.35                                 |
| 126,000                                | FCA Bank Ireland 1% 2021                       | 109                          | 0.43                                 |

| Holding                            | Investment                                       | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|--|---------------------------|--------------------------------------|
| 100,000                            | FCA Bank Ireland 1% 2022                         | 86                        | 0.34                                 |
| 179,000                            | FCC Aqualia 1.413% 2022                          | 156                       | 0.62                                 |
| 227,000                            | FCE Bank 1.114% 2020                             | 198                       | 0.79                                 |
| 100,000                            | Fidelity National Information Services 0.4% 2021 | 87                        | 0.35                                 |
| 100,000                            | General Motors Financial 1.168% 2020             | 88                        | 0.35                                 |
| 180,000                            | HeidelbergCement 7.5% 2020                       | 170                       | 0.67                                 |
| 100,000                            | Informa 1.5% 2023                                | 87                        | 0.34                                 |
| 200,000                            | ING Bank 0.375% 2021                             | 175                       | 0.70                                 |
| 100,000                            | Intesa Sanpaolo 1.125% 2020                      | 88                        | 0.35                                 |
| 150,000                            | JPMorgan Chase 0.625% 2024                       | 130                       | 0.52                                 |
| 150,000                            | JPMorgan Chase 2.75% 2023                        | 143                       | 0.57                                 |
| 300,000                            | KBC 0.75% 2022                                   | 262                       | 1.04                                 |
| 2,000,000                          | Lehman Brothers 4.625% 2019                      | -                         | -                                    |
| 320,000                            | Lloyds Bank 10.375% 2024                         | 280                       | 1.11                                 |
| 200,000                            | Mitsubishi UFJ Financial 0.98% 2023              | 176                       | 0.70                                 |
| 100,000                            | MUFG Bank 0.875% 2022                            | 88                        | 0.35                                 |
| 100,000                            | Natwest Markets FRN 2020                         | 87                        | 0.34                                 |
| 166,000                            | Nykredit Realkredit 0.5% 2022                    | 143                       | 0.57                                 |
| 100,000                            | Orange 0.5% 2022                                 | 88                        | 0.35                                 |
| 137,000                            | Petroleos Mexicanos 2.5% 2022                    | 115                       | 0.46                                 |
| 202,000                            | Rabobank Nederland 4.125% 2021                   | 190                       | 0.75                                 |
| 150,000                            | RCI Banque 0.75% 2022                            | 129                       | 0.51                                 |
| 18,000                             | Sagax 2% 2024                                    | 16                        | 0.06                                 |
| 200,000                            | SELP Finance 1.25% 2023                          | 173                       | 0.69                                 |
| 150,000                            | Sky 1.875% 2023                                  | 137                       | 0.54                                 |
| 200,000                            | Societe Generale 0.25% 2022                      | 174                       | 0.69                                 |
| 265,000                            | SPI Australia Assets 2% 2022                     | 242                       | 0.96                                 |
| 200,000                            | SSE 2% 2020                                      | 178                       | 0.71                                 |
| 111,000                            | Takeda Pharmaceutical 1.125% 2022                | 98                        | 0.39                                 |
| 244,000                            | Teksid Aluminum Luxembourg SARL 11.375% 2011     | 0                         | 0.00                                 |
| 100,000                            | Teva Pharmaceutical 0.375% 2020                  | 86                        | 0.34                                 |
| 100,000                            | Toyota Motor Finance 0.625% 2023                 | 88                        | 0.35                                 |
| 212,000                            | United Parcel Service 0.375% 2023                | 184                       | 0.73                                 |
| 100,000                            | Veolia Environnement 0.892% 2024                 | 88                        | 0.35                                 |
| 100,000                            | Vesteda Finance 2.5% 2022                        | 92                        | 0.37                                 |
| 100,000                            | Volkswagen Bank 0.75% 2023                       | 84                        | 0.34                                 |
| 170,000                            | Vonovia Finance 0.875% 2020                      | 150                       | 0.59                                 |
| between 5 and 10 years to maturity |  |                           |                                      |
| 100,000                            | Abbott Ireland Financing 1.5% 2026               | 88                        | 0.35                                 |
| 100,000                            | ABN Amro 2.875% 2028                             | 92                        | 0.36                                 |

| Holding | Investment  | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|---------|---|------------------------------|--------------------------------------|
| 100,000 | ABN Amro FRN 2025                                   | 90                           | 0.36                                 |
| 150,000 | America Movil 1.5% 2024                             | 134                          | 0.53                                 |
| 100,000 | Amphenol Technologies Holding 2% 2028               | 89                           | 0.35                                 |
| 184,000 | Anheuser-Busch InBev 1.15% 2027                     | 158                          | 0.63                                 |
| 100,000 | Anheuser-Busch InBev 2% 2028                        | 90                           | 0.36                                 |
| 100,000 | Annington Funding 1.65% 2024                        | 86                           | 0.34                                 |
| 100,000 | Argentum Netherlands 1.125% 2025                    | 89                           | 0.35                                 |
| 150,000 | AT&T 2.4% 2024                                      | 139                          | 0.54                                 |
| 100,000 | Atos 1.75% 2025                                     | 89                           | 0.35                                 |
| 104,000 | AusNet Services 1.5% 2027                           | 92                           | 0.37                                 |
| 150,000 | Bank of America FRN 2025                            | 133                          | 0.53                                 |
| 100,000 | Bankia FRN 2024                                     | 88                           | 0.35                                 |
| 200,000 | Banque Federative du Credit Mutuel 3% 2024          | 186                          | 0.74                                 |
| 219,000 | Barclays 2% 2028                                    | 179                          | 0.71                                 |
| 100,000 | Bayer 1.5% 2026                                     | 86                           | 0.34                                 |
| 100,000 | BBVA 3.5% 2024                                      | 88                           | 0.35                                 |
| 150,000 | BNP Paribas FRN 2027                                | 135                          | 0.54                                 |
| 115,000 | BP Capital Markets 1.594% 2028                      | 102                          | 0.41                                 |
| 200,000 | BP Capital Markets 1.953% 2025                      | 185                          | 0.73                                 |
| 100,000 | BPCE 0.875% 2024                                    | 86                           | 0.34                                 |
| 100,000 | BPCE 2.75% 2026                                     | 90                           | 0.36                                 |
| 100,000 | BPCE 2.75% 2027                                     | 91                           | 0.36                                 |
| 100,000 | Brown-Forman 1.2% 2026                              | 88                           | 0.35                                 |
| 100,000 | CaixaBank 2.75% 2028                                | 88                           | 0.35                                 |
| 159,000 | Cheung Kong Infrastructure Finance 1% 2024          | 134                          | 0.53                                 |
| 200,000 | Citigroup FRN 2026                                  | 175                          | 0.69                                 |
| 100,000 | Cloverie 1.5% 2028                                  | 87                           | 0.35                                 |
| 100,000 | CNH Industrial Finance Europe 1.875% 2026           | 86                           | 0.34                                 |
| 100,000 | Coentreprise de Transport d'Electricite 0.875% 2024 | 87                           | 0.35                                 |
| 300,000 | Cooperatieve Rabobank 1.25% 2026                    | 271                          | 1.08                                 |
| 100,000 | Credit Agricole 1% 2024                             | 89                           | 0.35                                 |
| 200,000 | Credit Agricole 1.375% 2025                         | 174                          | 0.69                                 |
| 270,000 | Credit Suisse FRN 2025                              | 232                          | 0.92                                 |
| 100,000 | Digital Euro Finco 2.5% 2026                        | 89                           | 0.35                                 |
| 100,000 | DP World 2.375% 2026                                | 87                           | 0.35                                 |
| 100,000 | Emirates Telecom 2.75% 2026                         | 96                           | 0.38                                 |
| 100,000 | Enel 1.5% 2025                                      | 87                           | 0.35                                 |
| 152,000 | Enel 1.966% 2025                                    | 137                          | 0.54                                 |
| 230,000 | ENI 1% 2025   | 200                          | 0.79                                 |
| 200,000 | Eurogrid 1.875% 2025                                | 183                          | 0.73                                 |
| 120,000 | Experian Finance 1.375% 2026                        | 105                          | 0.42                                 |
| 100,000 | GlaxoSmithKline 1.25% 2026                          | 89                           | 0.35                                 |

| Holding | Investment                                    | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|---------|---|------------------------------|--------------------------------------|
| 75,000  | Goldman Sachs 1.375% 2024                     | 66                           | 0.26                                 |
| 100,000 | Grand City Properties 1.375% 2026             | 83                           | 0.33                                 |
| 140,000 | Hemso Fastighets 1% 2026                      | 117                          | 0.47                                 |
| 150,000 | HSBC 0.875% 2024                              | 129                          | 0.51                                 |
| 100,000 | Iberdrola Finanzas 1% 2025                    | 88                           | 0.35                                 |
| 200,000 | Indigo Group 1.625% 2028                      | 170                          | 0.67                                 |
| 200,000 | JAB Holdings 1.75% 2026                       | 174                          | 0.69                                 |
| 200,000 | La Banque Postale 2.75% 2026                  | 179                          | 0.71                                 |
| 100,000 | Microsoft 3.125% 2028                         | 105                          | 0.42                                 |
| 100,000 | Mondi Finance 1.5% 2024                       | 89                           | 0.35                                 |
| 100,000 | Morgan Stanley 1.75% 2024                     | 90                           | 0.36                                 |
| 115,000 | Mylan 2.25% 2024                              | 100                          | 0.40                                 |
| 100,000 | Nemak 3.25% 2024                              | 87                           | 0.34                                 |
| 100,000 | Nykredit Realkredit 2.75% 2027                | 90                           | 0.36                                 |
| 100,000 | Orange 1.125% 2024                            | 89                           | 0.35                                 |
| 100,000 | Praxair 1.2% 2024                             | 91                           | 0.36                                 |
| 100,000 | Rabobank 2.5% 2026                            | 90                           | 0.36                                 |
| 29,000  | RCI Banque 1.375% 2024                        | 25                           | 0.10                                 |
| 100,000 | RELX 1.375% 2026                              | 87                           | 0.34                                 |
| 100,000 | Renault 1% 2024                               | 84                           | 0.34                                 |
| 131,000 | Richemont International 1% 2026               | 115                          | 0.46                                 |
| 100,000 | Royal Bank of Scotland FRN 2026               | 85                           | 0.34                                 |
| 300,000 | RTE Reseau de Transport d'Electricite 1% 2026 | 262                          | 1.04                                 |
| 100,000 | Sanofi 1% 2026                                | 89                           | 0.35                                 |
| 122,000 | Schlumberger 1% 2026                          | 108                          | 0.43                                 |
| 100,000 | SEB FRN 2026                                  | 90                           | 0.36                                 |
| 100,000 | SELP Finance 1.5% 2025                        | 84                           | 0.33                                 |
| 145,000 | Sky 2.25% 2025                                | 134                          | 0.53                                 |
| 100,000 | Smith (DS) 1.375% 2024                        | 85                           | 0.34                                 |
| 100,000 | Smiths 2% 2027                                | 86                           | 0.34                                 |
| 100,000 | Societe Generale FRN 2028                     | 84                           | 0.33                                 |
| 100,000 | Swisscom (Lunar Funding) 1.125% 2026          | 87                           | 0.35                                 |
| 100,000 | Takeda Pharmaceutical 2.25% 2026              | 91                           | 0.36                                 |
| 100,000 | Telecom Italia 4% 2024                        | 87                           | 0.35                                 |
| 100,000 | Teleperformance 1.5% 2024                     | 87                           | 0.34                                 |
| 100,000 | Teleperformance 1.875% 2025                   | 87                           | 0.35                                 |
| 100,000 | Thermo Fisher Scientific 1.375% 2028          | 84                           | 0.33                                 |
| 100,000 | Thermo Fisher Scientific 1.4% 2026            | 87                           | 0.35                                 |
| 100,000 | Total Capital International 1.023% 2027       | 88                           | 0.35                                 |
| 104,000 | Transurban Finance 1.75% 2028                 | 90                           | 0.36                                 |
| 335,000 | UBS 1.5% 2024                                 | 296                          | 1.18                                 |
| 100,000 | United Technologies 1.15% 2024                | 87                           | 0.34                                 |

| Holding                             | Investment  | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|---|------------------------------|--------------------------------------|
| 100,000                             | Unitymedia 3.5% 2027                                | 91                           | 0.36                                 |
| 150,000                             | Verizon Communications 3.25% 2026                   | 149                          | 0.59                                 |
| 100,000                             | Vesteda Finance 2% 2026                             | 87                           | 0.35                                 |
| 100,000                             | Vier Gas Transport 1.5% 2028                        | 89                           | 0.35                                 |
| 100,000                             | Vinci 1.625% 2029                                   | 88                           | 0.35                                 |
| 275,000                             | Volkswagen Leasing 1.125% 2024                      | 233                          | 0.92                                 |
| 250,000                             | Volkswagen Leasing 1.375% 2025                      | 211                          | 0.84                                 |
| 100,000                             | Walmart 2.55% 2026                                  | 98                           | 0.39                                 |
| between 10 and 15 years to maturity |   |                              |                                      |
| 257,000                             | Apple 1.375% 2029                                   | 232                          | 0.92                                 |
| 100,000                             | APRR 1.5% 2030                                      | 89                           | 0.35                                 |
| 100,000                             | Assicurazioni Generali 3.875% 2029                  | 88                           | 0.35                                 |
| 100,000                             | Bayer 2.125% 2029                                   | 87                           | 0.34                                 |
| 100,000                             | CaixaBank 2.25% 2030                                | 82                           | 0.33                                 |
| 100,000                             | CNP Assurances 2.75% 2029                           | 88                           | 0.35                                 |
| 100,000                             | Coentreprise de Transport d'Electricite 2.125% 2032 | 88                           | 0.35                                 |
| 100,000                             | EDF 5.625% fixed to floating 2033                   | 124                          | 0.49                                 |
| 100,000                             | Electricite de France 2% 2030                       | 88                           | 0.35                                 |
| 100,000                             | HBOS FRN 2030                                       | 93                           | 0.37                                 |
| 100,000                             | ING Groep FRN 2029                                  | 85                           | 0.34                                 |
| 100,000                             | Innogy 1.5% 2029                                    | 84                           | 0.34                                 |
| 100,000                             | Novartis 1.375% 2030                                | 88                           | 0.35                                 |
| 125,000                             | Prologis International Funding II 2.375% 2030       | 113                          | 0.45                                 |
| 100,000                             | Royal Schiphol Group 1.5% 2030                      | 90                           | 0.36                                 |
| 13,000                              | Telecom Italia 7.75% fixed to floating 2033         | 14                           | 0.05                                 |
| 100,000                             | United Technologies 2.15% 2030                      | 88                           | 0.35                                 |
| 108,000                             | Verizon Communications 1.875% 2029                  | 95                           | 0.38                                 |
| between 15 and 25 years to maturity |   |                              |                                      |
| 200,000                             | Allianz II 5.75% 2041                               | 194                          | 0.77                                 |
| 100,000                             | Anheuser-Busch InBev 2.75% 2036                     | 90                           | 0.36                                 |
| 100,000                             | Assicurazioni Generali 7.75% 2042                   | 103                          | 0.41                                 |
| 130,000                             | Aviva 6.125% 2043                                   | 129                          | 0.51                                 |
| 150,000                             | AXA 5.125% 2043                                     | 149                          | 0.59                                 |
| 130,000                             | Delta Lloyd Levensverzekering 9% 2042               | 142                          | 0.56                                 |
| 132,000                             | Vodafone 2.875% 2037                                | 113                          | 0.45                                 |

| Holding                                   | Investment  | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|---|---|---------------------------|--------------------------------------|
| greater than 25 years to maturity         |   |                           |                                      |
| 200,000                                   | Channel Link Enterprises Finance FRN 2050         | 176                       | 0.70                                 |
| 50,000                                    | DONG Energy 6.25% 3013                            | 50                        | 0.20                                 |
| 100,000                                   | NN Group FRN 2044                                 | 94                        | 0.37                                 |
| 100,000                                   | Orsted 2.25% 3017                                 | 84                        | 0.33                                 |
| Perpetual                                 |   |                           |                                      |
| 240,000                                   | AXA 3.875% Perpetual                              | 220                       | 0.87                                 |
| 100,000                                   | Danone FRN Perpetual                              | 84                        | 0.33                                 |
| 100,000                                   | Iberdrola 1.875% Perpetual                        | 83                        | 0.33                                 |
| 250,000                                   | NatWest FRN Perpetual                             | 211                       | 0.84                                 |
| 100,000                                   | NN Group FRN Perpetual                            | 91                        | 0.36                                 |
| 100,000                                   | Orange 5% Perpetual                               | 95                        | 0.38                                 |
| 100,000                                   | Solvay 4.199% Perpetual                           | 88                        | 0.35                                 |
| 100,000                                   | Telefonica Europe 5% Perpetual                    | 91                        | 0.36                                 |
| 100,000                                   | Telefonica FRN Perpetual                          | 83                        | 0.33                                 |
| 210,000                                   | TOTAL 2.625% Perpetual                            | 185                       | 0.73                                 |
| 100,000                                   | TOTAL 3.875% Perpetual                            | 94                        | 0.37                                 |
| 100,000                                   | Unibail-Rodamco FRN Perpetual                     | 83                        | 0.33                                 |
| 100,000                                   | Volkswagen FRN Perpetual                          | 85                        | 0.34                                 |
| 100,000                                   | Volkswagen International Finance 3.875% Perpetual | 81                        | 0.32                                 |
| 100,000                                   | Vonovia Finance 4% fixed to floating Perpetual    | 91                        | 0.36                                 |
| <b>Government Bonds (5.73%)</b>           |   | <b>117</b>                | <b>0.47</b>                          |
| less than 5 years to maturity             |   |                           |                                      |
| 135,000                                   | China Development Bank 0.375% 2021                | 117                       | 0.47                                 |
| <b>Derivatives (0.01%)</b>                |   | <b>(1)</b>                | <b>-</b>                             |
| <b>Forward Currency Contracts (0.01%)</b> |   | <b>1</b>                  | <b>0.01</b>                          |
|   | Buy EUR 55,211 Sell GBP 50,000 14/03/2019         | (2)                       | (0.01)                               |
|   | Buy EUR 214,286 Sell GBP 191,000 14/03/2019       | (4)                       | (0.01)                               |
|   | Buy GBP 53,000 Sell EUR 58,706 14/03/2019         | 2                         | 0.01                                 |
|   | Buy GBP 159,000 Sell EUR 176,493 14/03/2019       | 5                         | 0.02                                 |
| <b>Futures (0.00%)</b>                    |   | <b>(2)</b>                | <b>(0.01)</b>                        |



| Holding  | Investment                     | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--------------------------------|------------------------------|--------------------------------------|
| (1)  | Short Term EURO-BTP 07/03/2019 | (2)                          | (0.01)                               |
| <b>Total investment assets and liabilities</b> |                                | <b>24,731</b>                | <b>98.21</b>                         |
| Net other assets                               |                                | 452                          | 1.79                                 |
| <b>Total Net Assets</b>                        |                                | <b>25,183</b>                | <b>100.00</b>                        |

Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |              | 31 January 2018 |              |
|---|-----------------|--------------|-----------------|--------------|
|   | £'000           | £'000        | £'000           | £'000        |
| Income:   |                 |              |                 |              |
| Net capital losses  |                 | (737)        |                 | (505)        |
| Revenue   | 203             |              | 226             |              |
| Expenses  | (81)            |              | (89)            |              |
| Interest payable and similar charges  | (1)             |              | -               |              |
| Net revenue before taxation   | 121             |              | 137             |              |
| Taxation  | -               |              | -               |              |
| Net revenue after taxation  |                 | 121          |                 | 137          |
| <b>Total return before distributions</b>  |                 | <b>(616)</b> |                 | <b>(368)</b> |
| Distributions   |                 | (121)        |                 | (137)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(737)</b> |                 | <b>(505)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |               |
|--|-----------------|---------------|-----------------|---------------|
|  | £'000           | £'000         | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>27,263</b> |                 | <b>27,838</b> |
| Amounts receivable on the issue of shares  | 635             |               | 275             |               |
| Amounts payable on the cancellation of shares  | (1,981)         |               | (242)           |               |
|  |                 | (1,346)       |                 | 33            |
| Dilution adjustment  |                 | 2             |                 | -             |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (737)         |                 | (505)         |
| Retained distribution on accumulation shares   |                 | 1             |                 | 1             |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>25,183</b> |                 | <b>27,367</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 24,739        |              | 26,987        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 351             |               | 565          |               |
| Cash and bank balances                         | 262             |               | 370          |               |
|  |                 | 613           |              | 935           |
| Total assets                                   |                 | 25,352        |              | 27,922        |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Investment liabilities                         |                 | (8)           |              |               |
| Creditors                                      | (102)           |               | (589)        |               |
| Distribution payable                           | (59)            |               | (70)         |               |
|  |                 | (161)         |              | (659)         |
| Total liabilities                              |                 | (169)         |              | (659)         |
| <b>Net assets attributable to shareholders</b> |                 | <b>25,183</b> |              | <b>27,263</b> |

## Distribution table

## For the three months ended 31 October 2018

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 October 2018

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.1761                                | -                                       | 0.1761**                                     | 0.1956                                       |
| Group 2                      | 0.1361                                | 0.0400                                  | 0.1761**                                     | 0.1956                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.4460                                | -                                       | 0.4460*                                      | 0.4510                                       |
| Group 2                      | 0.2340                                | 0.2120                                  | 0.4460*                                      | 0.4510                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3362                                | -                                       | 0.3362**                                     | 0.3433                                       |
| Group 2                      | 0.2106                                | 0.1256                                  | 0.3362**                                     | 0.3433                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 31 January 2019.

## For the three months ended 31 January 2019

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.1615                                | -                                       | 0.1615**                                     | 0.2244                                       |
| Group 2                      | 0.0016                                | 0.1599                                  | 0.1615**                                     | 0.2244                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.4527                                | -                                       | 0.4527*                                      | 0.5161                                       |
| Group 2                      | 0.1223                                | 0.3304                                  | 0.4527*                                      | 0.5161                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3464                                | -                                       | 0.3464**                                     | 0.3920                                       |
| Group 2                      | 0.0604                                | 0.2860                                  | 0.3464**                                     | 0.3920                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.3800                                | -                                       | 0.3800*                                      |  |
| Group 2 <sup>B</sup>         | 0.3800                                | -                                       | 0.3800*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.3800                                | -                                       | 0.3800**                                     |  |
| Group 2 <sup>B</sup>         | 0.3800                                | -                                       | 0.3800**                                     |  |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 27 November 2018.<sup>B</sup> Shares purchased between 27 November 2018 and 31 January 2019.

# Aberdeen European Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims for maximum capital growth through investment in a broad spread of European securities. The Manager will invest in European companies which offer good prospects for capital growth. While the Fund will invest principally in companies incorporated in Europe, the Manager may also invest in companies which derive an important proportion of their earnings from European trade or operations. It is intended that the Fund will have minimal exposure to the UK. The Manager will also take opportunities as they arise to invest in European emerging markets.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen European Equity Fund – A Accumulation Shares decreased by 10.27% compared with a decrease of 9.81% in the benchmark, the FTSE Europe ex UK Index.

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

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

## Market review

European equities fell in the six months under review reflecting the volatile market conditions in the second half of 2018. The global sell off in October was followed by a steady decline of major indices, owing to worries over global trade tensions and scepticism over a resolution of the US-China tariff dispute within the 90-day truce period. Sentiment was also dented by the US Federal Reserve (Fed) raising rates for the fourth time in 2018. While January seemed to offer some respite with a rebound in the stock market following the Fed's easing policy stance, the manufacturing slowdown in the major economies caused the European Central Bank to further downgrade its growth projection for 2019 from 1.9% to 1.3%. Germany managed to avoid a technical recession in the fourth quarter, but the decline in its industrial sector caused a drag on the broader Eurozone. Italy, however, fell into a recession mainly owing to the slowdown of its major trading partners. Rome's two-month standoff with Brussels over its budget deficit also hurt its economy. In France, investor confidence was roiled by anti-government riots in Paris that forced President Macron to abandon his planned fuel tax hike. The Brexit impasse continued to dominate UK politics, with Theresa May suffering successive defeats in parliament. Investors therefore maintained a cautious stance as the deadline to withdraw from the EU drew closer.

## Portfolio review

The healthcare sector saw the most losses, with Bayer the biggest detractor, as its shares fell in the wake of related litigation woes against Monsanto, the American-based agribusiness that it recently acquired. Lower oil prices also pressured the oil and gas sector, with oilfield equipment maker Schoeller-Bleckmann detracting, due to lower oil prices eroding the gains from its healthy margins.

With market uncertainty dominating the period, investors moved away from higher valued and highest growth areas of the market, such as technology, and into perceived safer areas, such as telecoms and utilities. Our overweight to technology, driven by owning a number of high quality software businesses, and our long held underweight to the utilities and telecoms, where we struggle to find companies that meet our quality threshold, was another driver of underperformance. Software company Temenos was among the key detractors, as it suffered losses along with the global tech stocks sell-off.

Paring losses were the gains in the consumer sector, where positive stock contributors included Davide Campari-Milano, which continued to deliver strong growth in the US and Europe. Corporate services provider Edenred also benefited the fund, with a combination of robust operational performance, an acquisition in its nascent corporate payments division, and exposure to an improving Brazilian economy. Another contributor was MTU Aero Engines as its growth margins increased due to healthy demand in air traffic and an improving cash flow profile.

In a busy period for portfolio activity, we exited Bayer, Burckhardt Compression, Vienna Insurance Group and VZ Holding in favour of better opportunities elsewhere, as we looked to concentrate capital in our best ideas. We exited Henkel due to growing concerns over the quality of its beauty franchise, as well as mining equipment supplier Epiroc, which after a good run at the end of last year in a relatively weak market, left the implied returns lower than required. Against this, we introduced spirits company Pernod Ricard, given its attractive valuation amid improving quality and its portfolio of well-established brands. We also introduced Ubisoft, which offers strong growth prospects from its exciting video games franchises and proven development capability, and has a solid balance sheet. The newest introduction was ASML, a leading provider of equipment to the semiconductor industry. Following a significant de-rating of the valuation on the back of a slowing semiconductor capex outlook and a loss of investor enthusiasm in semiconductor exposed companies, we took the opportunity to buy a meaningful position at levels we thought to be extremely attractive for the quality of the business.

## Outlook

While the mood of investors has clearly improved from the lows at the start of the year, an elevated level of nervousness, combined with a greater dispersion of views among investors, can be seen in the volatility of stocks following result announcements and the market reactions to perceived developments on progress with the US/China trade dispute. Concerns such as Brexit and the length of the US economic cycle still weigh on investor sentiment and are likely to continue to do so in the near term.

Uncertain and unpredictable markets provide the chance for long term investors to capitalise on the chance to buy good quality companies that have been unduly punished. We have already taken some action in this respect such as the initiation of ASML and Ubisoft in recent months and continue to closely monitor a number of other potential opportunities.

Quality offers an attractive combination of predictability and value creation derived from sustainable competitive advantage. It also implies a good degree of resilience and insulation from macroeconomic conditions which we believe has been evidenced in performance of the fund. Our focus therefore remains on putting capital to work in our best ideas – ensuring the fund's largest weights are in those high quality companies with the most attractive implied returns, which in aggregate we believe will continue to deliver the best risk-adjusted outcome for clients. Recent market volatility has provided opportunities to add capital to such companies at higher implied returns which only serves to support our conviction in the portfolio's prospects.

**European Equity Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risk of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-Fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 135,448         | 156,893      | 193,627      | 225,537      |
| Closing number of shares                  | 70,547,801      | 73,067,146   | 103,754,518  | 142,512,091  |
| Closing net asset value per share (pence) | 191.99          | 214.72       | 186.62       | 158.26       |
| Change in net asset value per share       | (10.59%)        | 15.06%       | 17.92%       | 10.64%       |
| Operating charges                         | 1.54%           | 1.64%        | 1.66%        | 1.66%        |

| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 45,216          | 45,495       | 40,013       | 43,751       |
| Closing number of shares                  | 23,753,525      | 21,439,852   | 21,872,723   | 28,414,131   |
| Closing net asset value per share (pence) | 190.36          | 212.20       | 182.94       | 153.97       |
| Change in net asset value per share       | (10.29%)        | 15.99%       | 18.82%       | 11.48%       |
| Operating charges                         | 0.87%           | 0.89%        | 0.91%        | 0.91%        |

| M Accumulation shares <sup>A</sup>        | 31 January 2019 |
|---|-----------------|
| Closing net asset value (£'000)           | -               |
| Closing number of shares                  | 100             |
| Closing net asset value per share (pence) | 100.32          |
| Change in net asset value per share       | -               |
| Operating charges                         | 0.58%           |

| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 6,617           | 8,866        | 8,545        | 40,509       |
| Closing number of shares                  | 2,890,891       | 3,487,929    | 3,928,429    | 22,294,029   |
| Closing net asset value per share (pence) | 228.89          | 254.19       | 217.51       | 181.70       |
| Change in net asset value per share       | (9.95%)         | 16.86%       | 19.71%       | 12.31%       |
| Operating charges                         | 0.12%           | 0.14%        | 0.16%        | 0.16%        |

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

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

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

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



## Portfolio Statement

As at 31 January 2019

| Holding                           | Investment                             | Bid-Market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|--|------------------------------|--------------------------------------|
| <b>Equities (99.39%)</b>          |  | <b>185,133</b>               | <b>98.85</b>                         |
| <b>European Equities (95.51%)</b> |  | <b>177,541</b>               | <b>94.80</b>                         |
| <b>Austria (3.93%)</b>            |  | <b>3,803</b>                 | <b>2.03</b>                          |
| 64,500                            | Schoeller-Bleckmann Oilfield Equipment | 3,803                        | 2.03                                 |
| <b>Denmark (6.56%)</b>            |  | <b>9,037</b>                 | <b>4.83</b>                          |
| 168,000                           | Novo Nordisk                           | 5,952                        | 3.18                                 |
| 97,000                            | Novozymes                              | 3,085                        | 1.65                                 |
| <b>Finland (2.04%)</b>            |  | <b>3,791</b>                 | <b>2.02</b>                          |
| 103,000                           | Kone                                   | 3,791                        | 2.02                                 |
| <b>France (10.37%)</b>            |  | <b>30,163</b>                | <b>16.11</b>                         |
| 36,544                            | Dassault Systemes                      | 3,492                        | 1.87                                 |
| 192,000                           | Edenred                                | 5,932                        | 3.17                                 |
| 36,000                            | Essilor International                  | 3,469                        | 1.85                                 |
| 32,200                            | L'Oreal                                | 5,896                        | 3.15                                 |
| 45,210                            | Pernod Ricard                          | 5,716                        | 3.05                                 |
| 83,700                            | Ubisoft Entertainment                  | 5,658                        | 3.02                                 |
| <b>Germany (20.96%)</b>           |  | <b>28,864</b>                | <b>15.41</b>                         |
| 60,300                            | Deutsche Boerse                        | 6,112                        | 3.26                                 |
| 92,000                            | Fuchs Petrolub                         | 3,066                        | 1.64                                 |
| 51,500                            | Hannover Rueck                         | 5,633                        | 3.01                                 |
| 34,400                            | MTU Aero Engines                       | 5,641                        | 3.01                                 |
| 86,641                            | Nemetschek                             | 8,412                        | 4.49                                 |
| <b>Ireland (2.11%)</b>            |  | <b>7,604</b>                 | <b>4.06</b>                          |
| 97,400                            | Kerry                                  | 7,604                        | 4.06                                 |
| <b>Italy (9.08%)</b>              |  | <b>15,198</b>                | <b>8.12</b>                          |
| 405,200                           | Amplifon                               | 5,528                        | 2.96                                 |
| 147,500                           | Brunello Cucinelli                     | 4,046                        | 2.16                                 |
| 821,850                           | Davide Campari-Milano                  | 5,624                        | 3.00                                 |

| Holding                                      | Investment  | Bid-Market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|------------------------------|--------------------------------------|
| <b>Netherlands (5.68%)</b>                   |   | <b>17,883</b>                | <b>9.55</b>                          |
| 43,200                                       | ASML  | 5,774                        | 3.08                                 |
| 262,620                                      | GrandVision   | 4,458                        | 2.38                                 |
| 111,970                                      | Heineken  | 7,651                        | 4.09                                 |
| <b>Spain (3.62%)</b>                         |   | <b>7,139</b>                 | <b>3.81</b>                          |
| 129,000                                      | Amadeus IT  | 7,139                        | 3.81                                 |
| <b>Sweden (8.39%)</b>                        |   | <b>16,412</b>                | <b>8.76</b>                          |
| 223,000                                      | Assa Abloy  | 3,154                        | 1.68                                 |
| 225,740                                      | Atlas Copco   | 4,102                        | 2.19                                 |
| 380,000                                      | Svenska Handelsbanken   | 3,135                        | 1.67                                 |
| 176,500                                      | Swedish Match   | 6,021                        | 3.22                                 |
| <b>Switzerland (22.77%)</b>                  |   | <b>37,647</b>                | <b>20.10</b>                         |
| 119,900                                      | Julius Baer   | 3,658                        | 1.95                                 |
| 102,500                                      | Nestle  | 6,789                        | 3.63                                 |
| 7,100  | Partners  | 3,714                        | 1.98                                 |
| 3,250  | SGS   | 5,962                        | 3.18                                 |
| 37,000                                       | Tecan   | 5,687                        | 3.04                                 |
| 67,200                                       | Temenos   | 6,895                        | 3.68                                 |
| 62,800                                       | VAT   | 4,942                        | 2.64                                 |
| <b>UK Equities (3.88%)</b>                   |   | <b>7,592</b>                 | <b>4.05</b>                          |
| <b>Consumer Goods (3.88%)</b>                |   | <b>7,592</b>                 | <b>4.05</b>                          |
| 186,600                                      | Unilever  | 7,592                        | 4.05                                 |
| <b>Collective Investment Schemes (0.02%)</b> |   | <b>410</b>                   | <b>0.22</b>                          |
| 410  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund <sup>†</sup> | 410                          | 0.22                                 |
| <b>Total investment assets</b>               |   | <b>185,543</b>               | <b>99.07</b>                         |
| Net other assets                             |   | 1,738                        | 0.93                                 |
| <b>Total Net Assets</b>                      |   | <b>187,281</b>               | <b>100.00</b>                        |

Comparative figures as at 31 July 2018.

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

### Statement of total return

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |              |
|---|-----------------|-----------------|-----------------|--------------|
|   | £'000           | £'000           | £'000           | £'000        |
| Income:   |                 |                 |                 |              |
| Net capital (losses)/gains  |                 | (20,911)        |                 | 10,326       |
| Revenue   | 373             |                 | 649             |              |
| Expenses  | (1,307)         |                 | (1,514)         |              |
| Net expense before taxation   | (934)           |                 | (865)           |              |
| Taxation  | (61)            |                 | (61)            |              |
| Net expense after taxation  |                 | (995)           |                 | (926)        |
| <b>Total return before distributions</b>  |                 | <b>(21,906)</b> |                 | <b>9,400</b> |
| Distributions   |                 | (1)             |                 | (22)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(21,907)</b> |                 | <b>9,378</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>211,254</b> |                 | <b>242,185</b> |
| Amounts receivable on the issue of shares  | 5,728           |                | 1,232           |                |
| Amounts payable on the cancellation of shares  | (7,794)         |                | (54,323)        |                |
|  |                 | (2,066)        |                 | (53,091)       |
| Dilution adjustment  |                 | -              |                 | 43             |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (21,907)       |                 | 9,378          |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>187,281</b> |                 | <b>198,515</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 185,543        |              | 210,005        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 563             |                | 458          |                |
| Cash and bank balances                         | 1,419           |                | 1,225        |                |
|  |                 | 1,982          |              | 1,683          |
| Total assets                                   |                 | 187,525        |              | 211,688        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Creditors                                      | (244)           |                | (434)        |                |
|  |                 | (244)          |              | (434)          |
| Total liabilities                              |                 | (244)          |              | (434)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>187,281</b> |              | <b>211,254</b> |

# Aberdeen European High Yield Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The investment objective is to provide an attractive level of income with the opportunity for some long-term capital return.

The Fund will be primarily invested in non-Investment grade Debt and debt related securities issued by companies, governments, government related bodies and supranational institutions that are domiciled in the UK or a European Country and/or non-Investment grade Debt and debt related securities issued by companies which conduct a significant proportion of their business activities in the UK or a European Country which, in the Investment Advisor's opinion, are likely to produce a high yield.

The Fund investments may be of any credit quality and may include securities not paying interest currently and securities in default following purchase.

The Fund may also invest in other transferable securities, money market instruments, cash, near cash, deposits, shares in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates). Derivatives may be used for efficient portfolio management and hedging purposes.

Under normal circumstances, the Fund may hold up to 10% of its net assets in cash or near cash assets. However, the Fund may from time to time adopt temporary defensive positions in response to adverse political, economic or bond market events in which case up to 100% of the Fund's net assets may be held in cash or near cash assets including short term Debt and debt related securities listed and traded on an eligible market or OTC market.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen European High Yield Bond Fund – A Accumulation Shares decreased by 2.75% compared to a decrease of 0.74% in the benchmark, the BofA Merrill Lynch European Currency High Yield Constrained (Hedged GBP 100%) Index.

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

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

## Market review

The ICE Bank of America Merrill Lynch European Currency High Yield Index (HP00 - sterling hedged) posted a negative return of 0.78% for the six month period to the end of January. It was a difficult period for European high yield with just two of the six months posting positive returns. The market faced a number of headwinds that culminated into broad fears that both the European and US economies were headed into recession. In a precipitous decline the oil price fell some 30%. A budget dispute between Italy and the European Commission caused Italian assets to underperform. While an agreement was reached at year end, Italy's economy was nevertheless impacted by the confidence sapping dispute and early data suggested Italy entered a technical recession.

Slowing economic activity was blamed on the trade dispute between the US and principally China. In France, the "Yellow Jacket" protests against President Macron's reforms hurt business and consumer confidence. The UK's Brexit negotiations also showed signs of impacting economic growth. Eurozone data suggested a marked deceleration in activity as China's slowing economy was reflected in export data from Germany. In terms of central banks, as expected, the European Central Bank (ECB) finished its bond buying programme in December and the US Federal Reserve (Fed) hiked interest rates for the ninth time in this cycle and stated that they remained on "autopilot" so far as continued interest rate increases were concerned.

Equity and credit markets fell into year end and it was only after the three major central banks changed to a more dovish tone that risk assets stabilised, and then surged higher in January. The Fed suggested they would now pause from hiking, the ECB spoke of renewing funding for banks (TLTRO's) and the People's Bank of China boosted liquidity through relaxing reserve requirements.

## Portfolio review

During the six month period the Fund's overweight to single B and underweight BB rated credit was a negative contributor to performance. The risk aversion that prevailed led to a re-pricing of lower rated credit and this was reflected in returns of -0.3%, -3.2% and -8.6% for BB, single B and CCC rated credit respectively. Some of the price action was vacuous and reflected more the lack of liquidity in the market than the fundamentals of the companies. Nevertheless, the Fund experienced negative contributors in Nyrstar, Senvion and Brighthouse. For Nyrstar (zinc smelter) a large investment in a new smelter was meant to drive earnings significantly higher but a combination of higher energy costs, lower treatment charges and a low zinc price caused the company's earnings to suffer. We exited the bonds at a loss and ahead of a likely restructuring of the balance sheet.

Senvion's (wind turbine producer) bonds fell as the company revised guidance lower. We continue to hold the bonds and consider the company has valuable technology, a strong service business and supportive shareholders. Brighthouse (rent to own) bonds fell after the Financial Conduct Authority suggested further regulation of the sector; we sold the majority of the position. More positively, Domestic & General (warranty provider), Arqiva (transmission towers) and Getlink (Channel tunnel operator) all performed strongly in a very poor market environment.

## Outlook

The macro environment in Europe has deteriorated and it will take a while yet before the data suggests stabilisation. Currently, we do not envisage a broad European recession, rather a slowing of growth to a sub trend 1% annualised area. This in itself should not be too harsh an environment for credit and we therefore expect this to be more of a late cycle slowdown rather than an end to the cycle itself. It also appears that any expectations of interest rate increases from the ECB are off the table for 2019. Dovishness from central banks has returned and in recent years this has tended to support risk assets.

The volatility in the final quarter of 2018 has meant that financial conditions have tightened with bank lending likely to become slightly more restrictive. Moody's data had trailing 12 month defaults in Europe at 1.2% at the end of January 2019 and now expect them to double to 2.4% in one year. However, the widening of credit spreads that started in October 2017 and accelerated in 2018, means that the market has largely discounted this higher cost to the asset class. It is also reasonable that credit spreads should remain wider now as growth is slower, idiosyncratic risk higher, as is volatility and the asset class needs to compensate for these factors. Therefore, we believe we have seen the tights for credit spreads in this cycle and that absent a resurgence of better economic growth, the potential for significant further narrowing is limited.

The market could surprise to the upside based on low financing requirements from companies. Supply of new issues is expected to modest a shortage of bonds could mean the market outperforms broadly bearish expectations. Security selection remains critical to performance as there are certain sectors (such as autos and retailers) that remain under significant cyclical and structural pressures

**Euro HY and Global Leverage Loans Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 3 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-Fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 3,448           | 3,703        | 3,927        | 3,805        |
| Closing number of shares                  | 2,571,085       | 2,687,625    | 2,884,152    | 3,005,655    |
| Closing net asset value per share (pence) | 134.09          | 137.78       | 136.16       | 126.58       |
| Change in net asset value per share       | (2.68%)         | 1.19%        | 7.57%        | 3.47%        |
| Operating charges                         | 1.33%           | 1.38%        | 1.40%        | 1.40%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 7,268           | 8,683        | 7,382        | 7,276        |
| Closing number of shares                  | 8,722,018       | 9,874,822    | 8,048,715    | 8,078,997    |
| Closing net asset value per share (pence) | 83.33           | 87.93        | 91.71        | 90.06        |
| Change in net asset value per share       | (5.23%)         | (4.12%)      | 1.83%        | (1.82%)      |
| Operating charges                         | 1.33%           | 1.38%        | 1.40%        | 1.40%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 18,808          | 19,983       | 17,851       | 16,931       |
| Closing number of shares                  | 13,569,517      | 14,066,219   | 12,784,883   | 13,115,714   |
| Closing net asset value per share (pence) | 138.61          | 142.06       | 139.63       | 129.09       |
| Change in net asset value per share       | (2.43%)         | 1.74%        | 8.16%        | 4.06%        |
| Operating charges                         | 0.81%           | 0.83%        | 0.85%        | 0.85%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 30,557          | 31,871       | 33,696       | 29,641       |
| Closing number of shares                  | 31,535,063      | 31,253,137   | 31,856,704   | 28,693,851   |
| Closing net asset value per share (pence) | 96.90           | 101.98       | 105.77       | 103.30       |
| Change in net asset value per share       | (4.98%)         | (3.58%)      | 2.39%        | (1.28%)      |
| Operating charges                         | 0.81%           | 0.83%        | 0.85%        | 0.85%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 99.91           |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.57%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 99.91           |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.57%           |              |              |              |



| Z Accumulation shares <sup>B</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 21,281          | 22,921       | 30,156       | 88,571       |
| Closing number of shares                  | 18,547,883      | 19,560,152   | 26,367,952   | 84,349,152   |
| Closing net asset value per share (pence) | 114.74          | 117.18       | 114.37       | 105.01       |
| Change in net asset value per share       | (2.08%)         | 2.46%        | 8.91%        | -            |
| Operating charges                         | 0.11%           | 0.13%        | 0.15%        | 0.15%        |

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

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

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

<sup>A</sup> M share classes launched on 27 November 2018.

<sup>B</sup> Z Accumulation share class launched on 28 August 2015.

## Portfolio Statement

As at 31 January 2019

| Holding                                | Investment                              | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Bonds (98.93%)</b>                  |   | <b>73,328</b>         | <b>90.13</b>                         |
| <b>Euro Denominated Bonds (64.51%)</b> |   | <b>48,988</b>         | <b>60.21</b>                         |
| <b>Corporate Bonds (62.42%)</b>        |   | <b>48,988</b>         | <b>60.21</b>                         |
| less than 5 years to maturity          |   |                       |                                      |
| 620,000                                | Aldesa Financial Services 7.25% 2021    | 311                   | 0.38                                 |
| 390,000                                | Alliance Data Systems 4.5% 2022         | 343                   | 0.42                                 |
| 500,000                                | Alliance Data Systems 5.25% 2023        | 440                   | 0.54                                 |
| 2,370,000                              | Altice 7.25% 2022*                      | 2,033                 | 2.50                                 |
| 1,050,000                              | ARD Finance 6.625% 2023                 | 875                   | 1.08                                 |
| 200,000                                | Casino Guichard 1.865% Variable 2022    | 162                   | 0.20                                 |
| 200,000                                | Casino Guichard 3.11% Variable 2023     | 171                   | 0.21                                 |
| 703,000                                | Codere Finance 2 Luxembourg 6.75% 2021  | 569                   | 0.70                                 |
| 670,000                                | Corral Petroleum 11.75% 2021            | 623                   | 0.77                                 |
| 400,000                                | DEA Finance 7.5% 2022                   | 366                   | 0.45                                 |
| 120,000                                | EC Finance 2.375% 2022                  | 104                   | 0.13                                 |
| 1,250,000                              | Galapagos 5.375% 2021                   | 767                   | 0.94                                 |
| 985,000                                | Getlink 3.625% 2023                     | 873                   | 1.07                                 |
| 300,000                                | Goodyear Dunlop Tires Europe 3.75% 2023 | 262                   | 0.32                                 |
| 1,634,000                              | Haya Finance 2017 5.25% 2022            | 1,293                 | 1.59                                 |
| 483,000                                | Intralot Capital Luxembourg 6.75% 2021* | 338                   | 0.41                                 |
| 719,000                                | Kleopatra Holdings 1 SCA 8.5% 2023      | 320                   | 0.39                                 |
| 246,000                                | LHMC 6.25% 2023                         | 223                   | 0.27                                 |
| 1,562,000                              | Lincoln Finance 6.875% 2021             | 1,399                 | 1.72                                 |
| 950,000                                | Matterhorn Telecom 4.875% 2023          | 782                   | 0.96                                 |
| 380,000                                | Maxeda DIY 6.125% 2022                  | 312                   | 0.38                                 |
| 703,000                                | Monitchem HoldCo 2 6.875% 2022          | 525                   | 0.64                                 |
| 258,000                                | Newco GB 8% 2022                        | 228                   | 0.28                                 |
| 429,000                                | OCI 5% 2023                             | 392                   | 0.48                                 |
| 685,000                                | Platin 1426 5.375% 2023                 | 556                   | 0.68                                 |
| 210,000                                | PrestigeBidCo 6.25% 2023                | 190                   | 0.23                                 |
| 756,000                                | Sappi Papier 3.375% 2022                | 666                   | 0.82                                 |
| 250,000                                | Sazka 9% 2021 <sup>a</sup>              | -                     | -                                    |
| 1,540,000                              | Senvion 3.875% 2022                     | 696                   | 0.86                                 |
| 918,000                                | SMCP 5.875% 2023                        | 402                   | 0.49                                 |
| 900,000                                | Synlab Bondco 6.25% 2022                | 811                   | 1.00                                 |
| 200,000                                | Synlab Unsecured Bondco 8.25% 2023      | 185                   | 0.23                                 |
| 2,200,000                              | Telecom Italia 1.125% 2022*             | 1,791                 | 2.20                                 |
| 300,000                                | Teva Pharmaceutical 1.25% 2023          | 246                   | 0.30                                 |

| Holding                            | Investment                                   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|--|-----------------------|--------------------------------------|
| 713,000                            | Thomas Cook 6.25% 2022                       | 491                   | 0.60                                 |
| 469,000                            | Valeant Pharmaceuticals 4.5% 2023            | 404                   | 0.50                                 |
| 290,000                            | Verisure 5.75% 2023                          | 252                   | 0.31                                 |
| 220,000                            | Verisure Holding 3.5% 2023                   | 193                   | 0.24                                 |
| 401,000                            | Wind Tre 2.625% 2023                         | 316                   | 0.39                                 |
| 700,000                            | Wind Tre 2.75% 2024                          | 545                   | 0.67                                 |
| 1,217,000                          | Worldpay 3.75% 2022                          | 1,137                 | 1.40                                 |
| between 5 and 10 years to maturity |  |                       |                                      |
| 1,479,000                          | Adient 3.5% 2024                             | 974                   | 1.20                                 |
| 630,000                            | Altice 6.25% 2025                            | 474                   | 0.58                                 |
| 599,000                            | Ardagh Packaging 6.75% 2024                  | 552                   | 0.68                                 |
| 1,140,000                          | Avantor 4.75% 2024                           | 1,024                 | 1.26                                 |
| 520,000                            | Avis Budget Finance 4.5% 2025                | 454                   | 0.56                                 |
| 480,000                            | Banff Merger Sub 8.375% 2026                 | 394                   | 0.48                                 |
| 936,000                            | Blitz F18-674 6% 2026                        | 813                   | 1.00                                 |
| 500,000                            | Casino Guichard 3.248% 2024                  | 420                   | 0.52                                 |
| 537,000                            | Constantin Investissement 3 SASU 5.375% 2025 | 449                   | 0.55                                 |
| 738,000                            | Cott Finance 5.5% 2024                       | 676                   | 0.83                                 |
| 740,000                            | Crown 3.375% 2025                            | 671                   | 0.82                                 |
| 104,000                            | Diamond BC 5.625% 2025                       | 81                    | 0.10                                 |
| 1,154,000                          | Energizer Gamma Acquisition 4.625% 2026      | 990                   | 1.22                                 |
| 1,099,000                          | Equinix 2.875% 2025                          | 952                   | 1.17                                 |
| 800,000                            | Federal-Mogul 5% 2024                        | 722                   | 0.89                                 |
| 250,000                            | HP Pelzer 4.125% 2024                        | 202                   | 0.25                                 |
| 300,000                            | INEOS 5.375% 2024                            | 265                   | 0.33                                 |
| 600,000                            | International Game Technology 3.5% 2024      | 515                   | 0.63                                 |
| 194,000                            | Intertrust Group 3.375% 2025                 | 169                   | 0.21                                 |
| 947,000                            | InterXion 4.75% 2025                         | 864                   | 1.06                                 |
| 595,000                            | Intralot Capital 5.25% 2024                  | 356                   | 0.44                                 |
| 182,000                            | La Financiere Atalian 4% 2024                | 123                   | 0.15                                 |
| 1,300,000                          | LGE 7.125% 2024                              | 1,190                 | 1.46                                 |
| 213,000                            | LHC3 4.125% 2024                             | 184                   | 0.23                                 |
| 1,266,000                          | Nassa Topco 2.875% 2024                      | 1,136                 | 1.40                                 |
| 143,000                            | Nidda BondCo 5% 2025                         | 115                   | 0.14                                 |
| 351,000                            | Nidda Healthcare 3.5% 2024                   | 298                   | 0.37                                 |
| 470,000                            | Novafives 5% 2025                            | 348                   | 0.43                                 |
| 853,000                            | Numericable 5.625% 2024                      | 765                   | 0.94                                 |
| 144,000                            | Paprec 3.5% 2025                             | 106                   | 0.13                                 |
| 542,000                            | Paprec 4% 2025                               | 402                   | 0.49                                 |
| 267,000                            | Samsonite 3.5% 2026                          | 221                   | 0.27                                 |

| Holding                                    | Investment                                  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| 987,000                                    | Summit Germany 2% 2025                      | 806                   | 0.99                                 |
| 600,000                                    | Superior Industries 6% 2025                 | 424                   | 0.52                                 |
| 1,050,000                                  | Tele Columbus 3.875% 2025                   | 834                   | 1.03                                 |
| 795,000                                    | Teva Pharmaceutical 1.625% 2028             | 554                   | 0.68                                 |
| 892,000                                    | Teva Pharmaceutical 4.5% 2025               | 814                   | 1.00                                 |
| 191,000                                    | UGI International 3.25% 2025                | 171                   | 0.21                                 |
| 1,090,000                                  | Unilabs Subholding 5.75% 2025               | 913                   | 1.12                                 |
| 1,492,000                                  | Unitymedia 3.75% 2027                       | 1,352                 | 1.66                                 |
| 271,000                                    | UPCB Finance IV 4% 2027                     | 219                   | 0.27                                 |
| 370,000                                    | WMG Acquisition 3.625% 2026                 | 322                   | 0.40                                 |
| 1,000,000                                  | Ziggo 4.25% 2027                            | 881                   | 1.08                                 |
| between 10 and 15 years to maturity        |   |                       |                                      |
| 1,100,000                                  | Telecom Italia 7.75% fixed to floating 2033 | 1,152                 | 1.42                                 |
| greater than 25 years to maturity          |   |                       |                                      |
| 650,000                                    | Barclays FRN Perpetual                      | 572                   | 0.70                                 |
| 400,000                                    | Danske Bank FRN Perpetual                   | 350                   | 0.43                                 |
| 139,000                                    | Wienerberger 5% Perpetual                   | 127                   | 0.16                                 |
| <b>Government Bonds (2.09%)</b>            |   | <b>nil</b>            | <b>nil</b>                           |
|  |   |                       |                                      |
| <b>Sterling Denominated Bonds (33.86%)</b> |   | <b>23,461</b>         | <b>28.84</b>                         |
| <b>Corporate Bonds (33.86%)</b>            |   | <b>23,461</b>         | <b>28.84</b>                         |
| less than 5 years to maturity              |   |                       |                                      |
| 700,000                                    | Amigo Luxembourg 7.625% 2024                | 720                   | 0.89                                 |
| 968,000                                    | Arqiva 6.75% 2023                           | 1,005                 | 1.24                                 |
| 350,000                                    | Barclays 10% 2021                           | 404                   | 0.50                                 |
| 100,000                                    | BrightHouse Finco 9% 2023                   | 55                    | 0.07                                 |
| 178,000                                    | CPUK 4.25% 2022                             | 173                   | 0.21                                 |
| 1,324,000                                  | Entertainment One 6.875% 2022               | 1,362                 | 1.67                                 |
| 1,450,000                                  | Galaxy Finco 7.875% 2021                    | 1,418                 | 1.74                                 |
| 620,000                                    | Garfunkelux Holdco 3 8.5% 2022              | 521                   | 0.64                                 |
| 1,435,000                                  | Mizzen Bondco 7% 2021                       | 1,321                 | 1.62                                 |
| 727,000                                    | Moto Finance 4.5% 2022                      | 701                   | 0.86                                 |
| 691,000                                    | Pinewood 3.75% 2023                         | 687                   | 0.84                                 |
| 544,000                                    | Pizzaexpress Financing 6.625% 2021          | 457                   | 0.56                                 |
| 223,000                                    | Provident Financial 7% 2023                 | 220                   | 0.27                                 |

| Holding                                    | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| 923,000                                    | RAC Bond 5% 2022                                    | 822                   | 1.01                                 |
| 300,000                                    | Shop Direct Funding 7.75% 2022                      | 259                   | 0.32                                 |
| 429,000                                    | Stonegate Pub Financing 4.875% 2022                 | 415                   | 0.51                                 |
| 910,000                                    | TalkTalk 5.375% 2022                                | 908                   | 1.12                                 |
| 385,000                                    | TVL Finance 8.5% 2023                               | 317                   | 0.39                                 |
| 570,000                                    | Vougeot 7.875% 2020                                 | 569                   | 0.70                                 |
| 629,000                                    | Voyage Care 5.875% 2023                             | 581                   | 0.72                                 |
| 270,000                                    | Voyage Care Bonco 10% 2023                          | 248                   | 0.31                                 |
| 100,000                                    | William Hill 4.25% 2020                             | 101                   | 0.12                                 |
| between 5 and 10 years to maturity         |   |                       |                                      |
| 1,044,000                                  | AMC Entertainment 6.375% 2024                       | 986                   | 1.21                                 |
| 460,000                                    | Arrow Global 5.125% 2024                            | 428                   | 0.53                                 |
| 400,000                                    | Miller Homes 5.5% 2024                              | 378                   | 0.46                                 |
| 950,000                                    | Newday Bondco 7.375% 2024                           | 874                   | 1.07                                 |
| 1,076,000                                  | Phoenix 6.625% 2025                                 | 1,126                 | 1.38                                 |
| 593,000                                    | Pinnacle Bidco 6.375% 2025                          | 596                   | 0.73                                 |
| 680,000                                    | Saga 3.375% 2024                                    | 609                   | 0.75                                 |
| 300,000                                    | Virgin Media 5% 2027                                | 290                   | 0.36                                 |
| 710,000                                    | Virgin Media Finance 6.375% 2024                    | 726                   | 0.89                                 |
| greater than 25 years to maturity          |   |                       |                                      |
| 539,000                                    | Barclays 7.75% Perpetual                            | 562                   | 0.69                                 |
| 1,320,000                                  | CYBG 8% Perpetual                                   | 1,217                 | 1.50                                 |
| 300,000                                    | Lloyds Bank 13% fixed to floating Perpetual         | 493                   | 0.61                                 |
| 1,371,000                                  | Lloyds Banking Group 7% fixed to floating Perpetual | 1,377                 | 1.69                                 |
| 530,000                                    | Nationwide Building Society 6.875% Perpetual        | 535                   | 0.66                                 |
| <b>US Dollar Denominated Bonds (0.56%)</b> |   | <b>879</b>            | <b>1.08</b>                          |
| <b>Corporate Bonds (0.56%)</b>             |   | <b>879</b>            | <b>1.08</b>                          |
| less than 5 years to maturity              |   |                       |                                      |
| 600,000                                    | Perstorp 11% 2021                                   | 488                   | 0.60                                 |
| 610,000                                    | Rite Aid 6.125% 2023                                | 391                   | 0.48                                 |
| <b>Equities (0.15%)</b>                    |   | <b>41</b>             | <b>0.05</b>                          |
| <b>European Equities (0.15%)</b>           |   | <b>41</b>             | <b>0.05</b>                          |
| <b>Luxembourg (0.15%)</b>                  |   | <b>41</b>             | <b>0.05</b>                          |

| Holding  | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| 65,034   | BrightHouse                                       | 41                    | 0.05                                 |
| <b>Derivatives (-0.66%)</b>                    |   | <b>1,716</b>          | <b>2.11</b>                          |
| <b>Forward Currency Contracts (-0.66%)</b>     |   | <b>1,716</b>          | <b>2.11</b>                          |
|  | Buy EUR 2,173,000 Sell GBP 1,950,975 14/02/2019   | (55)                  | (0.07)                               |
|  | Buy GBP 240,896 Sell EUR 277,000 14/02/2019       | (1)                   | -                                    |
|  | Buy GBP 489,632 Sell EUR 563,000 14/02/2019       | (2)                   | -                                    |
|  | Buy GBP 501,072 Sell EUR 563,000 14/02/2019       | 10                    | 0.01                                 |
|  | Buy GBP 743,751 Sell EUR 857,000 14/02/2019       | (4)                   | (0.01)                               |
|  | Buy GBP 756,726 Sell EUR 850,000 14/02/2019       | 15                    | 0.02                                 |
|  | Buy GBP 50,452,048 Sell EUR 55,845,000 14/02/2019 | 1,717                 | 2.11                                 |
|  | Buy GBP 927,401 Sell USD 1,173,000 14/02/2019     | 36                    | 0.05                                 |
| <b>Total investment assets and liabilities</b> |   | <b>75,085</b>         | <b>92.29</b>                         |
| <b>Net other assets</b>                        |   | <b>6,277</b>          | <b>7.71</b>                          |
| <b>Total Net Assets</b>                        |   | <b>81,362</b>         | <b>100.00</b>                        |

Currently forward positions are not collateralised.

Comparative figures are as at 31 July 2018.

<sup>a</sup> Unapproved/unquoted security.

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

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital losses  |                 | (3,958)        |                 | (469)        |
| Revenue   | 2,256           |                | 2,626           |              |
| Expenses  | (295)           |                | (338)           |              |
| Interest payable and similar charges  | (2)             |                | -               |              |
| Net revenue before taxation   | 1,959           |                | 2,288           |              |
| Taxation  | -               |                | -               |              |
| Net revenue after taxation  |                 | 1,959          |                 | 2,288        |
| <b>Total return before distributions</b>  |                 | <b>(1,999)</b> |                 | <b>1,819</b> |
| Distributions   |                 | (2,207)        |                 | (2,555)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(4,206)</b> |                 | <b>(736)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |               |
|--|-----------------|---------------|-----------------|---------------|
|  | £'000           | £'000         | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>87,161</b> |                 | <b>93,012</b> |
| Amounts receivable on the issue of shares  | 6,198           |               | 10,228          |               |
| Amounts payable on the cancellation of shares  | (8,980)         |               | (11,646)        |               |
|  |                 | (2,782)       |                 | (1,418)       |
| Dilution adjustment  |                 | (1)           |                 | 15            |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (4,206)       |                 | (736)         |
| Retained distributions on accumulation shares  |                 | 1,190         |                 | 1,387         |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>81,362</b> |                 | <b>92,260</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 75,147        |              | 86,374        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 1,101           |               | 1,356        |               |
| Cash and bank balances                         | 5,418           |               | 445          |               |
|  |                 | 6,519         |              | 1,801         |
| Total assets                                   |                 | 81,666        |              | 88,175        |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Investment liabilities                         |                 | (62)          |              | (593)         |
| Creditors:                                     |                 |               |              |               |
| Other creditors                                | (86)            |               | (226)        |               |
| Distribution payable                           | (156)           |               | (195)        |               |
|  |                 | (242)         |              | (421)         |
| Total liabilities                              |                 | (304)         |              | (1,014)       |
| <b>Net assets attributable to shareholders</b> |                 | <b>81,362</b> |              | <b>87,161</b> |



## Distribution table

For the six months ended 31 January 2019

## First Interim interest distribution

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 August 2018

|                       | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|-----------------------|---------------------------------------|---|--|--|
| <b>A Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.6301                                | -                                       | 0.6301*                                      | 0.7109                                       |
| Group 2               | 0.1959                                | 0.4342                                  | 0.6301*                                      | 0.7109                                       |
| <b>A Income</b>       |                                       |   |  |  |
| Group 1               | 0.4021                                | -                                       | 0.4021**                                     | 0.4788                                       |
| Group 2               | 0.2364                                | 0.1657                                  | 0.4021**                                     | 0.4788                                       |
| <b>I Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.6496                                | -                                       | 0.6496*                                      | 0.7291                                       |
| Group 2               | 0.2406                                | 0.4090                                  | 0.6496*                                      | 0.7291                                       |
| <b>I Income</b>       |                                       |   |  |  |
| Group 1               | 0.4663                                | -                                       | 0.4663**                                     | 0.5523                                       |
| Group 2               | 0.1407                                | 0.3256                                  | 0.4663**                                     | 0.5523                                       |
| <b>Z Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.5359                                | -                                       | 0.5359*                                      | 0.5971                                       |
| Group 2               | 0.5359                                | -                                       | 0.5359*                                      | 0.5971                                       |

\* Distribution accumulated on 31 August 2018.

\*\* Distribution paid on 30 September 2018.

**Second Interim interest distribution**

Group 1 - shares purchased prior to 1 September 2018

Group 2 - shares purchased between 1 September 2018 and 30 September 2018

|                       | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|-----------------------|---------------------------------------|---|--|--|
| <b>A Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.5772                                | -                                       | 0.5772*                                      | 0.5494                                       |
| Group 2               | 0.2064                                | 0.3708                                  | 0.5772*                                      | 0.5494                                       |
| <b>A Income</b>       |                                       |   |  |  |
| Group 1               | 0.3667                                | -                                       | 0.3667**                                     | 0.3681                                       |
| Group 2               | 0.1343                                | 0.2324                                  | 0.3667**                                     | 0.3681                                       |
| <b>I Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.5955                                | -                                       | 0.5955*                                      | 0.5639                                       |
| Group 2               | 0.2906                                | 0.3049                                  | 0.5955*                                      | 0.5639                                       |
| <b>I Income</b>       |                                       |   |  |  |
| Group 1               | 0.4255                                | -                                       | 0.4255**                                     | 0.4249                                       |
| Group 2               | 0.2212                                | 0.2043                                  | 0.4255**                                     | 0.4249                                       |
| <b>Z Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.4914                                | -                                       | 0.4914*                                      | 0.4622                                       |
| Group 2               | 0.4914                                | -                                       | 0.4914*                                      | 0.4622                                       |

\* Distribution accumulated on 30 September 2018.

\*\* Distribution paid on 31 October 2018.

**Third Interim interest distribution**

Group 1 - shares purchased prior to 1 October 2018

Group 2 - shares purchased between 1 October 2018 and 31 October 2018

|                       | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|-----------------------|---------------------------------------|---|--|--|
| <b>A Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.6690                                | -                                       | 0.6690*                                      | 0.6572                                       |
| Group 2               | 0.3316                                | 0.3374                                  | 0.6690*                                      | 0.6572                                       |
| <b>A Income</b>       |                                       |   |  |  |
| Group 1               | 0.4233                                | -                                       | 0.4233**                                     | 0.4386                                       |
| Group 2               | 0.1779                                | 0.2454                                  | 0.4233**                                     | 0.4386                                       |
| <b>I Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.6905                                | -                                       | 0.6905*                                      | 0.6749                                       |
| Group 2               | 0.4163                                | 0.2742                                  | 0.6905*                                      | 0.6749                                       |
| <b>I Income</b>       |                                       |   |  |  |
| Group 1               | 0.4914                                | -                                       | 0.4914**                                     | 0.5065                                       |
| Group 2               | 0.1869                                | 0.3045                                  | 0.4914**                                     | 0.5065                                       |
| <b>Z Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.5702                                | -                                       | 0.5702*                                      | 0.5533                                       |
| Group 2               | 0.5702                                | -                                       | 0.5702*                                      | 0.5533                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 30 November 2018.

**Fourth Interim interest distribution**

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 30 November 2018

|                       | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2018<br>pence per share | Distribution paid<br>2017<br>pence per share |
|-----------------------|---------------------------------------|---|--|--|
| <b>A Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.5459                                | -                                       | 0.5459*                                      | 0.6633                                       |
| Group 2               | 0.3779                                | 0.1680                                  | 0.5459*                                      | 0.6633                                       |
| <b>A Income</b>       |                                       |   |  |  |
| Group 1               | 0.3437                                | -                                       | 0.3437**                                     | 0.4406                                       |
| Group 2               | 0.1992                                | 0.1445                                  | 0.3437**                                     | 0.4406                                       |
| <b>I Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.5624                                | -                                       | 0.5624*                                      | 0.6813                                       |
| Group 2               | 0.2177                                | 0.3447                                  | 0.5624*                                      | 0.6813                                       |
| <b>I Income</b>       |                                       |   |  |  |
| Group 1               | 0.3993                                | -                                       | 0.3993**                                     | 0.5090                                       |
| Group 2               | 0.1775                                | 0.2218                                  | 0.3993**                                     | 0.5090                                       |
| <b>M Accumulation</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>  | 0.0700                                | -                                       | 0.0700*                                      |  |
| Group 2 <sup>B</sup>  | 0.0700                                | -                                       | 0.0700*                                      |  |
| <b>M Income</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>  | 0.0700                                | -                                       | 0.0700*                                      |  |
| Group 2 <sup>B</sup>  | 0.0700                                | -                                       | 0.0700*                                      |  |
| <b>Z Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.4661                                | -                                       | 0.4661*                                      | 0.5590                                       |
| Group 2               | 0.4661                                | -                                       | 0.4661*                                      | 0.5590                                       |

\* Distribution accumulated on 30 November 2018.

\*\* Distribution paid on 31 December 2018.

<sup>A</sup> Shares created for initial seeding of the share class prior to 27 November 2018.<sup>B</sup> Shares purchased between 27 November 2018 and 30 November 2018.

**Fifth Interim interest distribution**

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 31 December 2018

|                       | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|-----------------------|---------------------------------------|---|--|--|
| <b>A Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.6205                                | -                                       | 0.6205*                                      | 0.6110                                       |
| Group 2               | 0.3309                                | 0.2896                                  | 0.6205*                                      | 0.6110                                       |
| <b>A Income</b>       |                                       |   |  |  |
| Group 1               | 0.3890                                | -                                       | 0.3890**                                     | 0.4039                                       |
| Group 2               | 0.1272                                | 0.2618                                  | 0.3890**                                     | 0.4039                                       |
| <b>I Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.6411                                | -                                       | 0.6411*                                      | 0.6279                                       |
| Group 2               | 0.3108                                | 0.3303                                  | 0.6411*                                      | 0.6279                                       |
| <b>I Income</b>       |                                       |   |  |  |
| Group 1               | 0.4521                                | -                                       | 0.4521**                                     | 0.4669                                       |
| Group 2               | 0.2005                                | 0.2516                                  | 0.4521**                                     | 0.4669                                       |
| <b>M Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.4600                                | -                                       | 0.4600*                                      |  |
| Group 2               | 0.4600                                | -                                       | 0.4600*                                      |  |
| <b>M Income</b>       |                                       |   |  |  |
| Group 1               | 0.4600                                | -                                       | 0.4600**                                     |  |
| Group 2               | 0.4600                                | -                                       | 0.4600**                                     |  |
| <b>Z Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.5302                                | -                                       | 0.5302*                                      | 0.5155                                       |
| Group 2               | 0.5302                                | -                                       | 0.5302*                                      | 0.5155                                       |

\* Distribution accumulated on 31 December 2018.

\*\* Distribution paid on 31 January 2019.

**Sixth Interim interest distribution**

Group 1 - shares purchased prior to 1 January 2019

Group 2 - shares purchased between 1 January 2019 and 31 January 2019

|                       | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|-----------------------|---------------------------------------|---|--|--|
| <b>A Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.5519                                | -                                       | 0.5519*                                      | 0.6348                                       |
| Group 2               | 0.1602                                | 0.3917                                  | 0.5519*                                      | 0.6348                                       |
| <b>A Income</b>       |                                       |   |  |  |
| Group 1               | 0.3443                                | -                                       | 0.3443**                                     | 0.4178                                       |
| Group 2               | 0.1462                                | 0.1981                                  | 0.3443**                                     | 0.4178                                       |
| <b>I Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.5703                                | -                                       | 0.5703*                                      | 0.6526                                       |
| Group 2               | 0.2535                                | 0.3168                                  | 0.5703*                                      | 0.6526                                       |
| <b>I Income</b>       |                                       |   |  |  |
| Group 1               | 0.4004                                | -                                       | 0.4004**                                     | 0.4831                                       |
| Group 2               | 0.1900                                | 0.2104                                  | 0.4004**                                     | 0.4831                                       |
| <b>M Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.4200                                | -                                       | 0.4200*                                      |  |
| Group 2               | 0.4200                                | -                                       | 0.4200*                                      |  |
| <b>M Income</b>       |                                       |   |  |  |
| Group 1               | 0.4200                                | -                                       | 0.4200**                                     |  |
| Group 2               | 0.4200                                | -                                       | 0.4200**                                     |  |
| <b>Z Accumulation</b> |                                       |   |  |  |
| Group 1               | 0.4719                                | -                                       | 0.4719*                                      | 0.5361                                       |
| Group 2               | 0.4719                                | -                                       | 0.4719*                                      | 0.5361                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 28 February 2019.

# Aberdeen European Property Share Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in Equity and Equity-Related securities issued by companies that derive the majority of their income from the ownership, management or development of real estate located in Europe, including the United Kingdom.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen European Property Share Fund – A Accumulation Shares decreased by 2.82% compared to a decrease of 3.53% in the benchmark, the FTSE Epra Nareit Europe Ex-UK Re 10% Capped GBP Index.

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

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

## Market review

European property equities declined in the six months under review reflecting the volatile market conditions that marked a fairly bruising second half of 2018 across almost all asset classes. The global sell off in October triggered a steady decline, which was further pressured by worries over global trade tensions and scepticism over a resolution of the US-China tariff dispute. Sentiment was also dented by the Federal Reserve raising rates for the fourth time in 2018. While January seemed to offer some respite with a rebound in the stock market following the Fed's unexpectedly dovish policy stance, European economic data remained sluggish.

Within real estate, retail was the weakest subsector through late 2018, particularly among the large UK real-estate investment trusts (REIT), as they struggled to cope with changing shopping habits and weaker consumer spending. With investors steering clear of these assets, as evidenced most clearly by the collapse in a takeover approach for shopping centre owner Intu Properties which we do not own, there is uncertainty as to where valuations will stabilise. Conversely the burgeoning industrials market continued to report growth in rents and capital values with demand benefiting from the structural shift towards e-commerce which requires significant logistics investment.

Across Europe, German commercial and residential markets held up well where conditions remain favourable. Swiss and Scandinavian players also largely performed well amid the market volatility, with Sweden in particular benefiting as expectations for a further rate hike in early 2019 receded over the period.

## Portfolio review

Stock selection was the driver of outperformance over the period. Our continued cautious approach to the retail sector benefited, in particular not owning UK-listed retail REIT Hammerson as it faces an increasingly challenging environment, and our smaller position in prime mall owner Unibail Group than its large benchmark weight. Elsewhere German business park owner Sirius Real Estate and prime Stockholm-based player Hufvudstaden both contributed positively, benefiting from their resilient occupational markets. Our position in Shurgard Self-Storage, Europe's largest self-storage landlord, also performed strongly following its IPO in October.

Conversely, our off-index position in Cairn Homes was the primary source of underperformance as it de-rated alongside Irish and UK housebuilding peers on Brexit uncertainty, despite reporting improving trading. Our underweight to Germany also detracted on a relative basis as a number of the office and residential players were strong; we see attractive opportunities in a number of German names but their combined weight remains below the very large German index weight.

In key portfolio activity we took profits in Castellum on the back of very strong performance from their Scandinavian markets, and pared our position in Derwent London. Conversely we took advantage of weakness to add to our holdings in SEGRO, a favoured pan-European industrial property owner, CA Immobilien, a differentiated landlord/developer business model focused in prime CBD areas of Germany and Austria, and Inmobiliaria Colonial, a prime office player in Madrid, Barcelona and Paris. We also took part in the IPO of Shurgard Self-Storage, which brings differentiated exposure to an attractive sub-sector, supported by compelling supply-demand dynamics and led by an experienced management team.

## Outlook

While at the start of the period, rising bond yields and higher inflation were critical issues, these have been largely superseded by political turmoil, heightened world-trade anxiety and a deterioration in economic indicators. The potential for a sharp global slowdown in 2019 has become a real fear and is likely to lead to ongoing volatility in equity markets. The tailwinds for the real estate sector of yield compression and lower interest costs are unlikely to repeat in 2019, and in an environment with such divergence in occupational trends, we believe our quality-focused, bottom-up stock-picking approach to be more important than ever.

We thus remain confident in the prospects for our holdings given our investment focus on the quality of companies' underlying assets and management teams, together with a desire to maintain a sensible and diverse spread of aggregate business model and geographic exposures for the fund. We continue to see stronger prospects for returns in selective areas despite headwinds to the contrary, and will remain vigilant for further opportunities to take advantage of market volatility.

**European Equity Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Concentrated portfolio: The Fund may hold a limited number of investments. If one of these investments declines in value this can have a greater impact on the fund's value than if it held a larger number of investments.
- Specialist Sector: The Fund invests in a specialist sector and it will not perform in line with funds that have a broader investment policy.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).



## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 6,435           | 6,874        | 5,217        | 5,123        |
| Closing number of shares                  | 2,979,941       | 3,078,634    | 2,562,974    | 2,749,902    |
| Closing net asset value per share (pence) | 215.94          | 223.27       | 203.55       | 186.30       |
| Change in net asset value per share       | (3.28%)         | 9.69%        | 9.26%        | -            |
| Operating charges                         | 1.52%           | 1.61%        | 1.62%        | 1.62%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 519             | 570          | 566          | 520          |
| Closing number of shares                  | 400,300         | 422,789      | 446,389      | 432,935      |
| Closing net asset value per share (pence) | 129.66          | 134.82       | 126.75       | 120.08       |
| Change in net asset value per share       | (3.83%)         | 6.37%        | 5.55%        | -            |
| Operating charges                         | 1.52%           | 1.61%        | 1.62%        | 1.62%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 62,268          | 61,387       | 21,168       | 15,255       |
| Closing number of shares                  | 36,381,876      | 34,779,010   | 13,232,469   | 10,483,332   |
| Closing net asset value per share (pence) | 171.15          | 176.51       | 159.97       | 145.52       |
| Change in net asset value per share       | (3.04%)         | 10.34%       | 9.93%        | -            |
| Operating charges                         | 0.85%           | 0.86%        | 0.87%        | 0.87%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 13,127          | 12,578       | 8,566        | 8,516        |
| Closing number of shares                  | 11,413,471      | 10,547,769   | 7,697,669    | 8,138,307    |
| Closing net asset value per share (pence) | 115.01          | 119.25       | 111.28       | 104.64       |
| Change in net asset value per share       | (3.56%)         | 7.16%        | 6.35%        | -            |
| Operating charges                         | 0.84%           | 0.86%        | 0.87%        | 0.87%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 102.62          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.57%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 102.37          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.57%           |              |              |              |

| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 39,232          | 43,292       | 41,803       | 44,026       |
| Closing number of shares                  | 15,467,178      | 16,597,008   | 17,788,908   | 20,717,308   |
| Closing net asset value per share (pence) | 253.64          | 260.84       | 235.00       | 212.51       |
| Change in net asset value per share       | (2.76%)         | 11.00%       | 10.58%       | -            |
| Operating charges                         | 0.10%           | 0.11%        | 0.12%        | 0.12%        |

Fund launched on 28 August 2015.

<sup>a</sup> M share classes launched on 27 November 2018.

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

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

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

## Portfolio Statement

As at 31 January 2019

| Holding                           | Investment            | Bid-market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|-----------------------|---------------------------|--------------------------------------|
| <b>Equities (98.70%)</b>          |                       | <b>120,926</b>            | <b>99.46</b>                         |
| <b>European Equities (65.70%)</b> |                       | <b>84,056</b>             | <b>69.14</b>                         |
| <b>Austria (2.45%)</b>            |                       | <b>3,842</b>              | <b>3.16</b>                          |
| 141,900                           | CA Immo               | 3,842                     | 3.16                                 |
| <b>Belgium (0.00%)</b>            |                       | <b>3,216</b>              | <b>2.65</b>                          |
| 136,500                           | Shurgard Self Storage | 3,216                     | 2.65                                 |
| <b>France (13.02%)</b>            |                       | <b>20,139</b>             | <b>16.56</b>                         |
| 51,100                            | Gecina                | 5,710                     | 4.69                                 |
| 57,200                            | iCade                 | 3,665                     | 3.01                                 |
| 144,600                           | Klepierre             | 3,775                     | 3.11                                 |
| 51,000                            | Unibail-Rodamco       | 6,989                     | 5.75                                 |
| <b>Germany (14.73%)</b>           |                       | <b>23,439</b>             | <b>19.28</b>                         |
| 208,900                           | Deutsche Wohnen       | 7,918                     | 6.51                                 |
| 59,800                            | LEG Immobilien        | 5,326                     | 4.38                                 |
| 7,339,349                         | Sirius Real Estate    | 4,594                     | 3.78                                 |
| 146,900                           | Vonovia               | 5,601                     | 4.61                                 |
| <b>Ireland (5.74%)</b>            |                       | <b>6,168</b>              | <b>5.07</b>                          |
| 3,440,300                         | Cairn Homes           | 3,835                     | 3.15                                 |
| 2,032,600                         | Hibernia REIT         | 2,333                     | 1.92                                 |
| <b>Netherlands (6.91%)</b>        |                       | <b>nil</b>                | <b>nil</b>                           |
| <b>Spain (5.05%)</b>              |                       | <b>7,546</b>              | <b>6.21</b>                          |
| 475,400                           | Inmobiliaria Colonial | 3,697                     | 3.04                                 |
| 378,000                           | Merlin Properties     | 3,849                     | 3.17                                 |

| Holding                                      | Investment  | Bid-market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|---------------------------|--------------------------------------|
| <b>Sweden (13.06%)</b>                       |   | <b>13,984</b>             | <b>11.50</b>                         |
| 340,100                                      | Castellum   | 4,879                     | 4.01                                 |
| 406,700                                      | Hufvudstaden  | 5,116                     | 4.21                                 |
| 405,400                                      | Wihlborgs Fastigheter                                   | 3,989                     | 3.28                                 |
| <b>Switzerland (4.74%)</b>                   |   | <b>5,722</b>              | <b>4.71</b>                          |
| 13,200                                       | Flughafen Zurich  | 1,775                     | 1.46                                 |
| 50,400                                       | PSP Swiss Property                                      | 3,947                     | 3.25                                 |
| <b>UK Equities (33.00%)</b>                  |   | <b>36,870</b>             | <b>30.32</b>                         |
| <b>Consumer Services (2.14%)</b>             |   | <b>2,629</b>              | <b>2.16</b>                          |
| 557,000                                      | Rightmove   | 2,629                     | 2.16                                 |
| <b>Financials (30.86%)</b>                   |   | <b>34,241</b>             | <b>28.16</b>                         |
| 7,286,428                                    | Assura  | 4,350                     | 3.58                                 |
| 313,400                                      | Big Yellow  | 3,002                     | 2.47                                 |
| 66,400                                       | Derwent Valley  | 2,150                     | 1.77                                 |
| 1,126,900                                    | Hansteen REIT   | 1,038                     | 0.85                                 |
| 1,363,155                                    | LondonMetric Property                                   | 2,557                     | 2.10                                 |
| 236,000                                      | Savills   | 1,962                     | 1.61                                 |
| 1,180,500                                    | Segro   | 7,636                     | 6.28                                 |
| 375,046                                      | Shaftesbury   | 3,306                     | 2.72                                 |
| 551,100                                      | Unite   | 5,015                     | 4.13                                 |
| 339,603                                      | Workspace   | 3,225                     | 2.65                                 |
| <b>Collective Investment Schemes (0.66%)</b> |   | <b>898</b>                | <b>0.74</b>                          |
| 898  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund* | 898                       | 0.74                                 |
| <b>Total investment assets</b>               |   | <b>121,824</b>            | <b>100.20</b>                        |
| Net other liabilities                        |   | (243)                     | (0.20)                               |
| <b>Total Net Assets</b>                      |   | <b>121,581</b>            | <b>100.00</b>                        |

\* Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital (losses)/gains  |                 | (4,580)        |                 | 4,066        |
| Revenue   | 777             |                | 544             |              |
| Expenses  | (402)           |                | (236)           |              |
| Interest payable and similar charges  | (1)             |                | -               |              |
| Net revenue before taxation   | 374             |                | 308             |              |
| Taxation  | 5               |                | 7               |              |
| Net revenue after taxation  |                 | 379            |                 | 315          |
| <b>Total return before distributions</b>  |                 | <b>(4,201)</b> |                 | <b>4,381</b> |
| Distributions   |                 | (660)          |                 | (484)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(4,861)</b> |                 | <b>3,897</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |               |
|--|-----------------|----------------|-----------------|---------------|
|  | £'000           | £'000          | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>124,701</b> |                 | <b>77,320</b> |
| Amounts receivable on the issue of shares  | 16,745          |                | 21,117          |               |
| Amounts payable on the cancellation of shares  | (15,572)        |                | (4,168)         |               |
|  |                 | 1,173          |                 | 16,949        |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (4,861)        |                 | 3,897         |
| Retained distribution on accumulation shares   |                 | 568            |                 | 482           |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>121,581</b> |                 | <b>98,648</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 121,824        |              | 123,899        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 136             |                | 927          |                |
| Cash and bank balances                         | 385             |                | 380          |                |
|  |                 | 521            |              | 1,307          |
| Total assets                                   |                 | 122,345        |              | 125,206        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Creditors                                      | (697)           |                | (190)        |                |
| Distribution payable                           | (67)            |                | (315)        |                |
|  |                 | (764)          |              | (505)          |
| Total liabilities                              |                 | (764)          |              | (505)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>121,581</b> |              | <b>124,701</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.2034                                | -                                       | 1.2034*                                      | 1.3256                                       |
| Group 2                      | 0.6374                                | 0.5660                                  | 1.2034*                                      | 1.3256                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.7266                                | -                                       | 0.7266**                                     | 0.8254                                       |
| Group 2                      | 0.4580                                | 0.2686                                  | 0.7266**                                     | 0.8254                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.9164                                | -                                       | 0.9164*                                      | 0.9462                                       |
| Group 2                      | 0.4751                                | 0.4413                                  | 0.9164*                                      | 0.9462                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.6194                                | -                                       | 0.6194**                                     | 0.6582                                       |
| Group 2                      | 0.3431                                | 0.2763                                  | 0.6194**                                     | 0.6582                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2500                                | -                                       | 0.2500*                                      |  |
| Group 2 <sup>B</sup>         | 0.2500                                | -                                       | 0.2500*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2500                                | -                                       | 0.2500**                                     |  |
| Group 2 <sup>B</sup>         | 0.2500                                | -                                       | 0.2500**                                     |  |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.2819                                | -                                       | 1.2819*                                      | 1.3478                                       |
| Group 2                      | 0.7685                                | 0.5134                                  | 1.2819*                                      | 1.3478                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 27 November 2018.<sup>B</sup> Shares purchased between 27 November 2018 and 31 January 2019.**Treatment by Corporate Shareholders**

Corporate shareholders should account for the current period's dividends shown in the distribution table as follows:

|   | Interim<br>Dividend |
|---|---------------------|
| Treat as a UK corporate dividend                    | 100.00%             |
| Treat as an annual payment net of Income tax at 20% | 0.00%               |

# Aberdeen European Smaller Companies Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to achieve capital growth primarily by investing in Equity and Equity-Related Securities of European smaller companies. Income is not a consideration.

Investments will generally be confined to smaller companies. In this context, smaller companies generally means companies which are, at the time of investment, of a market capitalisation appropriate for a small company sector benchmark. Investments in companies which subsequently outgrow the appropriate small company sector benchmark will not be sold unless, in the opinion of the Investment Adviser, this is in the best interests of Shareholders. This Fund may invest in companies listed or incorporated anywhere in the world, as long as the companies' principal activities are in, or their main economic exposure is to, Europe. The Fund may also hold ancillary liquid assets and Investment grade debt and debt-related securities.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen European Smaller Companies Equity Fund – A Accumulation Shares decreased by 10.94% compared to a decrease of 11.39% in the benchmark, the EMIX Smaller European Companies Index.

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

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

## Market review

European small-cap stocks fell in the six months under review reflecting the volatile market conditions in the second half of 2018. The global sell off in October triggered a steady decline, which was further pressured by worries over global trade tensions and scepticism over a resolution of the US-China tariff dispute within the 90-day truce period. Sentiment was also dented by the US Federal Reserve (Fed) raising rates for the fourth time in 2018. While January seemed to offer some respite with a rebound in the stock market following the Fed's easing policy stance, the manufacturing slowdown in the major economies caused the European Central Bank to further downgrade its growth projection for 2019 from 1.9% to 1.3%. Germany managed to avoid a technical recession in the fourth quarter, but the decline in its industrial sector caused a drag on the broader Eurozone. Italy, however, fell into a recession mainly owing to the slowdown of its major trading partners. Rome's two-month standoff with Brussels over its budget deficit also hurt its economy. In France, investor confidence was roiled by anti-government riots in Paris that forced President Macron to abandon his planned fuel tax hike. The Brexit impasse continued to dominate UK politics, with Theresa May suffering successive defeats in parliament. Investors therefore maintained a cautious stance as the deadline to withdraw from the EU drew closer.

## Portfolio review

At the stock level, a key contributor was Austrian airline caterer Do & Co, which did well as it won a number of catering contracts providing good long-term visibility. Also benefiting the fund was Inter Parfums, a premier fragrance company with a diverse portfolio of prestige brands, due to steady growth. Another holding that did well was Swedish electronics business Lagercrantz, which continued to deliver solid growth in a difficult environment, with its operations augmented by its acquisitions.

Conversely, a key detractor was oilfield equipment maker Schoeller-Bleckmann, which suffered as lower oil prices eroded the gains from its healthy margins. Also costing the fund was speciality chemicals manufacturer Victrex, whose shares that had previously performed well, experienced an aggressive sell off. Other significant detractors were Gima TT, its short-term revenues and growth affected by lower capital expenditure by its key tobacco customers, and Burkhardt Compression, due to lower oil prices dampening its capital expenditure cycle.

In portfolio activity, we introduced Teleperformance, a high-quality growth company and global market leader in the business-process outsourcing market. With its excellent long-term track record of organic growth augmented by strategic acquisitions, the business has progressively moved into higher value-added areas. This has improved its overall margin profile. Additionally, we used excess cash to add to holdings with attractive quality, growth and momentum characteristics, such as Grenke, Interparfums, Nemetschek, Victrex and Xing.

## Outlook

We are cautiously optimistic about the prospects for European small-cap equities. While at the start of the period, rising bond yields and higher inflation were critical issues, political turmoil, heightened world-trade anxiety and the sharp oil price decline have become important themes. The potential for a sharp global slowdown in 2019, has become a real fear.

Given the current backdrop, it seems plausible that expectations for 2019 corporate earnings might still be too upbeat. While companies continue to report growth, the rate has slowed somewhat. Currency pressures could erode corporate profitability over the medium-term. In addition, EU politics, Brexit negotiations and Trump's presidency will shape UK & EU trade in the coming year and dictate fiscal, taxation and trade policies. This can create stock-picking opportunities when investors overreact.

## Smaller Companies Equity Team

February 2019



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Smaller Companies: Shares of smaller companies may be more difficult to buy and sell than those of larger companies. This means that the Investment Manager may not be able to buy and sell at the best time or may suffer losses. This could reduce your returns.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 31,952          | 36,981       | 47,123       | 47,841       |
| Closing number of shares                  | 2,098,110       | 2,140,895    | 3,260,370    | 4,207,406    |
| Closing net asset value per share (pence) | 1,522.91        | 1,727.36     | 1,445.33     | 1,137.06     |
| Change in net asset value per share       | (11.84%)        | 19.51%       | 27.11%       | 7.25%        |
| Operating charges                         | 1.55%           | 1.65%        | 1.67%        | 1.67%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 18,470          | 18,057       | 10,878       | 8,972        |
| Closing number of shares                  | 9,848,103       | 8,516,105    | 6,177,710    | 6,525,397    |
| Closing net asset value per share (pence) | 187.55          | 212.03       | 176.08       | 137.49       |
| Change in net asset value per share       | (11.55%)        | 20.42%       | 28.07%       | 8.06%        |
| Operating charges                         | 0.87%           | 0.90%        | 0.92%        | 0.92%        |
| K Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 200             | 111          | 8            | 6            |
| Closing number of shares                  | 135,601         | 66,646       | 5,800        | 6,000        |
| Closing net asset value per share (pence) | 147.80          | 167.03       | 138.60       | 108.14       |
| Change in net asset value per share       | (11.51%)        | 20.51%       | 28.17%       | -            |
| Operating charges                         | 0.80%           | 0.83%        | 0.85%        | 0.85%        |
| M Accumulation shares <sup>B</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 102.04          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.58%           |              |              |              |
| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 1,872           | 2,113        | 35,763       | 51,139       |
| Closing number of shares                  | 99,877          | 100,113      | 2,055,713    | 3,792,913    |
| Closing net asset value per share (pence) | 1,873.84        | 2,110.45     | 1,739.70     | 1,348.29     |
| Change in net asset value per share       | (11.21%)        | 21.31%       | 29.03%       | 8.87%        |
| Operating charges                         | 0.12%           | 0.15%        | 0.17%        | 0.17%        |

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

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

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

<sup>A</sup> K Accumulation share class launched on 23 March 2016.

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

## Portfolio Statement

As at 31 January 2019

| Holding                           | Investment                             | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|--|-----------------------|--------------------------------------|
| <b>Equities (92.55%)</b>          |  | <b>50,605</b>         | <b>96.40</b>                         |
| <b>European Equities (92.55%)</b> |  | <b>36,814</b>         | <b>70.13</b>                         |
| <b>Austria (7.44%)</b>            |  | <b>4,120</b>          | <b>7.85</b>                          |
| 29,200                            | DO & CO                                | 2,122                 | 4.04                                 |
| 19,200                            | Schoeller-Bleckmann Oilfield Equipment | 1,132                 | 2.16                                 |
| 47,000                            | Vienna Insurance                       | 866                   | 1.65                                 |
| <b>Denmark (2.19%)</b>            |  | <b>980</b>            | <b>1.86</b>                          |
| 17,000                            | Bavarian Nordic*                       | 300                   | 0.57                                 |
| 69,000                            | Scandinavian Tobacco Group             | 680                   | 1.29                                 |
| <b>France (2.86%)</b>             |  | <b>3,269</b>          | <b>6.23</b>                          |
| 72,429                            | Interparfums                           | 2,758                 | 5.26                                 |
| 3,900                             | Teleperformance                        | 511                   | 0.97                                 |
| <b>Germany (16.18%)</b>           |  | <b>9,415</b>          | <b>17.94</b>                         |
| 15,600                            | Cancom                                 | 460                   | 0.88                                 |
| 26,000                            | CTS Eventim                            | 836                   | 1.59                                 |
| 14,500                            | Gerresheimer                           | 747                   | 1.42                                 |
| 24,439                            | Grenke*                                | 1,701                 | 3.24                                 |
| 4,500                             | Hypoport                               | 712                   | 1.36                                 |
| 25,939                            | Nemetschek                             | 2,518                 | 4.80                                 |
| 10,802                            | Xing                                   | 2,441                 | 4.65                                 |
| <b>Ireland (2.21%)</b>            |  | <b>1,155</b>          | <b>2.20</b>                          |
| 1,036,256                         | Cairn Homes                            | 1,155                 | 2.20                                 |
| <b>Italy (11.21%)</b>             |  | <b>5,029</b>          | <b>9.58</b>                          |
| 132,500                           | Amplifon                               | 1,808                 | 3.45                                 |
| 57,500                            | Brunello Cucinelli                     | 1,577                 | 3.00                                 |
| 109,000                           | Cerved Information Solutions           | 731                   | 1.39                                 |
| 59,000                            | Gima TT                                | 358                   | 0.68                                 |
| 13,200                            | Reply                                  | 555                   | 1.06                                 |

| Holding                               | Investment                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---------------------------------------|----------------------------------|-----------------------|--------------------------------------|
| <b>Norway (1.84%)</b>                 |                                  | <b>720</b>            | <b>1.37</b>                          |
| 68,000                                | Kongsberg Gruppen                | 720                   | 1.37                                 |
| <b>Spain (1.68%)</b>                  |                                  | <b>776</b>            | <b>1.48</b>                          |
| 18,300                                | Viscofan                         | 776                   | 1.48                                 |
| <b>Sweden (10.23%)</b>                |                                  | <b>5,508</b>          | <b>10.49</b>                         |
| 37,300                                | AddLife                          | 671                   | 1.28                                 |
| 37,300                                | AddLife 'B'                      | 32                    | 0.06                                 |
| 70,000                                | AddTech                          | 1,049                 | 2.00                                 |
| 199,000                               | Cloetta                          | 399                   | 0.76                                 |
| 180,000                               | Coor Service Management          | 1,050                 | 2.00                                 |
| 129,000                               | Eleckta                          | 1,305                 | 2.48                                 |
| 121,000                               | Lagercrantz Group                | 1,002                 | 1.91                                 |
| <b>Switzerland (12.04%)</b>           |                                  | <b>5,842</b>          | <b>11.13</b>                         |
| 280                                   | Belimo                           | 926                   | 1.77                                 |
| 4,600                                 | Burckhardt Compression           | 899                   | 1.71                                 |
| 1,700                                 | Dormakaba                        | 851                   | 1.62                                 |
| 9,600                                 | Tecan                            | 1,476                 | 2.81                                 |
| 9,100                                 | Temenos                          | 934                   | 1.78                                 |
| 3,750                                 | VZ                               | 756                   | 1.44                                 |
| <b>North America Equities (0.00%)</b> |                                  | <b>-</b>              | <b>-</b>                             |
| <b>United States (0.00%)</b>          |                                  | <b>-</b>              | <b>-</b>                             |
| 3,184,500                             | Ashurst Technology <sup>α</sup>  | 0                     | -                                    |
| <b>UK Equities (24.67%)</b>           |                                  | <b>13,791</b>         | <b>26.27</b>                         |
| <b>Basic Materials (2.26%)</b>        |                                  | <b>1,956</b>          | <b>3.73</b>                          |
| 85,637                                | Victrix                          | 1,956                 | 3.73                                 |
| <b>Consumer Services (2.66%)</b>      |                                  | <b>1,387</b>          | <b>2.64</b>                          |
| 112,000                               | Euromoney Institutional Investor | 1,387                 | 2.64                                 |

| Holding                                      | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Financials (3.50%)</b>                    |   | <b>1,971</b>          | <b>3.75</b>                          |
| 82,000                                       | Burford Capital   | 1,504                 | 2.86                                 |
| 31,500                                       | Close Brothers  | 467                   | 0.89                                 |
| <b>Health Care (8.79%)</b>                   |   | <b>4,119</b>          | <b>7.85</b>                          |
| 100,500                                      | Abcam   | 1,333                 | 2.54                                 |
| 71,500                                       | Dechra Pharmaceuticals  | 1,690                 | 3.22                                 |
| 49,300                                       | Genus   | 1,096                 | 2.09                                 |
| <b>Industrials (3.09%)</b>                   |   | <b>1,530</b>          | <b>2.91</b>                          |
| 97,500                                       | Oxford Instruments  | 876                   | 1.67                                 |
| 51,000                                       | Ultra Electronics   | 654                   | 1.24                                 |
| <b>Technology (4.37%)</b>                    |   | <b>2,828</b>          | <b>5.39</b>                          |
| 103,966                                      | AVEVA   | 2,828                 | 5.39                                 |
| <b>Collective Investment Schemes (6.01%)</b> |   | <b>1,164</b>          | <b>2.22</b>                          |
| 1,164  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund <sup>†</sup> | 1,164                 | 2.22                                 |
| <b>Total investment assets</b>               |   | <b>51,769</b>         | <b>98.62</b>                         |
| Net other assets                             |   | 725                   | 1.38                                 |
| <b>Total Net Assets</b>                      |   | <b>52,494</b>         | <b>100.00</b>                        |

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

<sup>‡</sup> Unapproved/unquoted security.

\* A portion of this security is on loan at the period end.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital (losses)/gains  |                 | (7,231)        |                 | 5,391        |
| Revenue   | 303             |                | 394             |              |
| Expenses  | (345)           |                | (406)           |              |
| Net expense before taxation   | (42)            |                | (12)            |              |
| Taxation  | 8               |                | 8               |              |
| Net expense after taxation  |                 | (34)           |                 | (4)          |
| <b>Total return before distributions</b>  |                 | <b>(7,265)</b> |                 | <b>5,387</b> |
| Distributions   |                 | -              |                 | (95)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(7,265)</b> |                 | <b>5,292</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |               |
|--|-----------------|---------------|-----------------|---------------|
|  | £'000           | £'000         | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>57,262</b> |                 | <b>93,772</b> |
| Amounts receivable on the issue of shares  | 7,468           |               | 623             |               |
| Amounts payable on the cancellation of shares  | (4,971)         |               | (45,571)        |               |
|  |                 | 2,497         |                 | (44,948)      |
| Dilution adjustment  |                 | -             |                 | 65            |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (7,265)       |                 | 5,292         |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>52,494</b> |                 | <b>54,181</b> |

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

## Balance sheet

As at 31 January 2019

|   | 31 January 2019 |        | 31 July 2018 |        |
|---|-----------------|--------|--------------|--------|
|   | £'000           | £'000  | £'000        | £'000  |
| <b>Assets:</b>                          |                 |        |              |        |
| Fixed assets:                           |                 |        |              |        |
| Investment assets                       |                 | 51,769 |              | 56,440 |
| Current assets:                         |                 |        |              |        |
| Debtors                                 | 299             |        | 838          |        |
| Cash and bank balances                  | 475             |        | 475          |        |
|   |                 | 774    |              | 1,313  |
| Total assets                            |                 | 52,543 |              | 57,753 |
| <b>Liabilities:</b>                     |                 |        |              |        |
| Creditors                               | (49)            |        | (491)        |        |
|   |                 | (49)   |              | (491)  |
| Total liabilities                       |                 | (49)   |              | (491)  |
| Net assets attributable to shareholders |                 | 52,494 |              | 57,262 |

# Aberdeen Financial Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide capital growth, whilst not excluding the occurrence of income, by investing predominantly in Equity and Equity-Related securities issued by financial institutions, such as banking, insurance, financial services and property companies, domiciled globally.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Financial Equity Fund – A Income Shares decreased by 0.45% compared to a decrease of 5.37% in the benchmark, the FTSE World Financials Index.

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

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

## Market review

Global financial equities declined during the six months under review, with most markets ending the period in the red. In the US, positive economic data initially spurred stockmarkets higher, with good earnings growth and a strengthening US dollar propelling the US S&P 500 index to its longest bull run in history. Across the Atlantic, financials weakened on fears that they might be exposed to Turkey's deteriorating economy as well as Rome's budget row with Brussels.

Global stockmarkets then tumbled in the last few months of 2018 as a spike in US Treasury yields compelled investors to re-assess stock valuations. Contracting economies in Japan and Germany, along with China's slower-than-expected growth, also raised concerns over a global economic slowdown. Providing investors some relief, albeit only briefly, was a 90-day trade ceasefire between the US and China. The US Federal Reserve (Fed) withstood political pressure and raised rates again, sending the US S&P 500 index into bear-market territory. It then indicated there would be a pause in future US interest rate hikes, prompting stockmarkets to rebound in early 2019.

## Portfolio review

The Fund's overweight exposure to Brazil, which was buoyed by optimism around Jair Bolsonaro's reform agenda, was the main driver of outperformance. Some of our holdings there – lender Banco Bradesco and mall operator Iguatemi – rose in tandem with the broader market and were top stock contributors in the period. Meanwhile, US derivatives exchange operator CME Group benefited from increased trading resulting from uncertainty in economic growth and the future path of interest rates.

Conversely, Canadian Western Bank was a top detractor. Its shares declined amid mounting concern over credit quality and its funding structure. We divested the stock on worries that higher funding costs would push the bank towards more high-risk, high-reward activities. British insurer Prudential, along with the broader life insurance sector, was hampered by uncertainty surrounding Brexit and the US-China trade war. Not holding conglomerate Berkshire Hathaway also cost the fund as it advanced in tandem with the US market.

In other portfolio moves, we exited US healthcare benefits firm Aetna after its share price narrowed against the price offered by CVS Health, ahead of regulatory approval for their merger; HSBC to focus on companies with single-country banking exposure; and Boston Private Financial as the bank's restructuring plans and the departure of its CEO dented our investment thesis.

Against this, we introduced Vietnamese lender Techcombank following its recent initial public offering. The bank has a solid franchise in a rapidly developing country, low cost-income ratio and disciplined management.

## Outlook

The rebound in stocks at the start of the year belies weakening global activity. In the US, the tax cuts-fuelled boost to earnings growth has run its course, and a prolonged federal government shutdown threatened to be a further drag on the economy. In the UK, Brexit negotiations remain at an impasse, while the Eurozone's economic outlook has been downgraded. Further hampering investor sentiment is the uncertainty around US-China friction that now extends beyond trade, though a potential pause in the Fed's balance-sheet reduction programme provides short-term relief.

Growth in corporate earnings, while decent for now, could be affected by the faltering global economy. Amid periods of uncertainty, our quality holdings, which display durable competitive strengths and low debt levels, should stand out. At the same time, with many stocks now trading at attractive valuations, we are on the lookout to pick up those with resilient earnings that could bolster future returns.

## Global Equity Team

February 2019



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Specialist sector: The Fund invests in a specialist sector and it will not perform in line with funds that have a broader investment policy.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 46,902          | 48,463       | 49,531       | 44,515       |
| Closing number of shares                  | 1,294,075       | 1,332,198    | 1,440,975    | 1,575,271    |
| Closing net asset value per share (pence) | 3,624.33        | 3,637.85     | 3,437.31     | 2,825.85     |
| Change in net asset value per share       | (0.37%)         | 5.83%        | 21.64%       | 13.43%       |
| Operating charges                         | 1.52%           | 1.64%        | 1.65%        | 1.65%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 1,173           | 1,229        | 967          | 679          |
| Closing number of shares                  | 770,684         | 804,445      | 670,340      | 573,014      |
| Closing net asset value per share (pence) | 152.22          | 152.73       | 144.28       | 118.58       |
| Change in net asset value per share       | (0.33%)         | 5.86%        | 21.67%       | 13.46%       |
| Operating charges                         | 0.87%           | 0.89%        | 0.90%        | 0.90%        |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 101.96          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.56%           |              |              |              |

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

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

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

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

## Portfolio Statement

As at 31 January 2019

| Holding                                 | Investment                           | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---|--------------------------------------|-----------------------|--------------------------------------|
| <b>Equities (98.45%)</b>                |                                      | <b>46,556</b>         | <b>96.84</b>                         |
| <b>Emerging Market Equities (6.57%)</b> |                                      | <b>4,446</b>          | <b>9.25</b>                          |
| <b>Brazil (4.80%)</b>                   |                                      | <b>3,600</b>          | <b>7.49</b>                          |
| 248,157                                 | Banco Bradesco ADR                   | 2,341                 | 4.87                                 |
| 136,200                                 | Iguatemi Empresa de Shopping Centers | 1,259                 | 2.62                                 |
| <b>Chile (1.77%)</b>                    |                                      | <b>846</b>            | <b>1.76</b>                          |
| 414,073                                 | Parque Arauco                        | 846                   | 1.76                                 |
| <b>European Equities (9.98%)</b>        |                                      | <b>3,626</b>          | <b>7.54</b>                          |
| <b>France (0.00%)</b>                   |                                      | <b>630</b>            | <b>1.31</b>                          |
| 4,600                                   | Unibail-Rodamco REIT                 | 630                   | 1.31                                 |
| <b>Germany (0.99%)</b>                  |                                      | <b>1,053</b>          | <b>2.19</b>                          |
| 7,400                                   | Deutsche Boerse                      | 750                   | 1.56                                 |
| 1,917                                   | Hypoport                             | 303                   | 0.63                                 |
| <b>Ireland (3.35%)</b>                  |                                      | -                     | -                                    |
| <b>Netherlands (1.56%)</b>              |                                      | -                     | -                                    |
| <b>Poland (1.34%)</b>                   |                                      | <b>650</b>            | <b>1.35</b>                          |
| 28,700                                  | Bank Polska Kasa Opieki              | 650                   | 1.35                                 |
| <b>Sweden (1.10%)</b>                   |                                      | <b>653</b>            | <b>1.36</b>                          |
| 79,100                                  | Svenska Handelsbanken                | 653                   | 1.36                                 |
| <b>Switzerland (1.64%)</b>              |                                      | <b>640</b>            | <b>1.33</b>                          |
| 65,000                                  | UBS                                  | 640                   | 1.33                                 |

| Holding                                | Investment                     | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--------------------------------|-----------------------|--------------------------------------|
| <b>Japanese Equities (8.32%)</b>       |                                | <b>3,432</b>          | <b>7.14</b>                          |
| 6,700                                  | Daito Trust Construction       | 708                   | 1.47                                 |
| 95,245                                 | Mitsubishi Estate              | 1,279                 | 2.66                                 |
| 108,300                                | Osaka Securities               | 1,445                 | 3.01                                 |
| <b>North America Equities (40.01%)</b> |                                | <b>16,188</b>         | <b>33.67</b>                         |
| <b>Canada (6.04%)</b>                  |                                | <b>1,300</b>          | <b>2.70</b>                          |
| 22,500                                 | Royal Bank of Canada           | 1,300                 | 2.70                                 |
| <b>Mexico (1.95%)</b>                  |                                | <b>775</b>            | <b>1.61</b>                          |
| 182,900                                | Grupo Financiero Banorte       | 775                   | 1.61                                 |
| <b>United states (32.02%)</b>          |                                | <b>14,113</b>         | <b>29.36</b>                         |
| 11,700                                 | CME                            | 1,621                 | 3.37                                 |
| 8,500                                  | Fair Isaac                     | 1,455                 | 3.03                                 |
| 16,500                                 | First Republic Bank            | 1,212                 | 2.52                                 |
| 36,000                                 | Intercontinental Exchange      | 2,101                 | 4.37                                 |
| 10,200                                 | Jones Lang LaSalle             | 1,112                 | 2.32                                 |
| 11,000                                 | M&T Bank                       | 1,376                 | 2.86                                 |
| 72,300                                 | Regions Financial              | 833                   | 1.73                                 |
| 44,200                                 | Schwab (Charles)               | 1,571                 | 3.27                                 |
| 27,600                                 | Visa                           | 2,832                 | 5.89                                 |
| <b>Pacific Basin Equities (26.31%)</b> |                                | <b>14,397</b>         | <b>29.95</b>                         |
| <b>Hong Kong (8.93%)</b>               |                                | <b>4,825</b>          | <b>10.04</b>                         |
| 328,000                                | AIA                            | 2,239                 | 4.66                                 |
| 68,185                                 | Hong Kong Exchanges & Clearing | 1,609                 | 3.35                                 |
| 108,800                                | Swire Pacific 'A'              | 977                   | 2.03                                 |
| <b>India (5.43%)</b>                   |                                | <b>3,091</b>          | <b>6.44</b>                          |
| 107,700                                | Housing Development Finance    | 2,209                 | 4.60                                 |
| 226,600                                | ICICI Bank                     | 882                   | 1.84                                 |
| <b>Indonesia (1.01%)</b>               |                                | <b>650</b>            | <b>1.35</b>                          |
| 3,105,000                              | Bank Rakyat Indonesia          | 650                   | 1.35                                 |

| Holding                        | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--------------------------------|---|-----------------------|--------------------------------------|
| <b>Philippines (3.64%)</b>     |   | <b>2,002</b>          | <b>4.16</b>                          |
| 3,090,300                      | Ayala Land  | 2,002                 | 4.16                                 |
| <b>Singapore (2.39%)</b>       |   | <b>1,216</b>          | <b>2.53</b>                          |
| 187,038                        | Oversea-Chinese Banking Corp                        | 1,216                 | 2.53                                 |
| <b>Thailand (4.91%)</b>        |   | <b>2,448</b>          | <b>5.09</b>                          |
| 264,600                        | Kasikornbank (Alien Market)                         | 1,288                 | 2.68                                 |
| 2,523,400                      | Tesco Lotus Retail Growth                           | 1,160                 | 2.41                                 |
| <b>Vietnam (0.00%)</b>         |   | <b>165</b>            | <b>0.34</b>                          |
| 190,320                        | Vietnam Technological & Commercial Joint Stock Bank | 165                   | 0.34                                 |
| <b>UK Equities (7.26%)</b>     |   | <b>4,467</b>          | <b>9.29</b>                          |
| <b>Financials (7.26%)</b>      |   | <b>2,928</b>          | <b>6.09</b>                          |
| 133,600                        | Prudential  | 1,984                 | 4.13                                 |
| 153,842                        | Standard Chartered                                  | 944                   | 1.96                                 |
| <b>Industrials (0.00%)</b>     |   | <b>1,539</b>          | <b>3.20</b>                          |
| 80,500                         | Experian  | 1,539                 | 3.20                                 |
| <b>Total investment assets</b> |   | <b>46,556</b>         | <b>96.84</b>                         |
| Net other assets               |   | 1,519                 | 3.16                                 |
| <b>Total Net Assets</b>        |   | <b>48,075</b>         | <b>100.00</b>                        |

Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |              | 31 January 2018 |              |
|---|-----------------|--------------|-----------------|--------------|
|   | £'000           | £'000        | £'000           | £'000        |
| Income:   |                 |              |                 |              |
| Net capital (losses)/gains  |                 | (194)        |                 | 3,034        |
| Revenue   | 398             |              | 417             |              |
| Expenses  | (364)           |              | (419)           |              |
| Net revenue/(expense) before taxation   | 34              |              | (2)             |              |
| Taxation  | (47)            |              | (44)            |              |
| Net expense after taxation  |                 | (13)         |                 | (46)         |
| <b>Total return before distributions</b>  |                 | <b>(207)</b> |                 | <b>2,988</b> |
| Distributions   |                 | (4)          |                 | (4)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(211)</b> |                 | <b>2,984</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |               |
|--|-----------------|---------------|-----------------|---------------|
|  | £'000           | £'000         | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>49,692</b> |                 | <b>50,498</b> |
| Amounts receivable on the issue of shares  | 246             |               | 414             |               |
| Amounts payable on the cancellation of shares  | (1,653)         |               | (2,317)         |               |
|  |                 | (1,407)       |                 | (1,903)       |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (211)         |                 | 2,984         |
| Unclaimed distributions  |                 | 1             |                 | 1             |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>48,075</b> |                 | <b>51,580</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 46,556        |              | 48,920        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 71              |               | 47           |               |
| Cash and bank balances                         | 1,750           |               | 1,114        |               |
|  |                 | 1,821         |              | 1,161         |
| Total assets                                   |                 | 48,377        |              | 50,081        |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Creditors                                      | (299)           |               | (195)        |               |
| Distribution payable                           | (3)             |               | (194)        |               |
|  |                 | (302)         |              | (389)         |
| Total liabilities                              |                 | (302)         |              | (389)         |
| <b>Net assets attributable to shareholders</b> |                 | <b>48,075</b> |              | <b>49,692</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                        | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------|---------------------------------------|---|--|--|
| <b>A Income shares</b> |                                       |   |  |  |
| Group 1                | -                                     | -                                       | -  | -  |
| Group 2                | -                                     | -                                       | -  | -  |
| <b>I Income shares</b> |                                       |   |  |  |
| Group 1                | 0.4361                                | -                                       | 0.4361**                                     | 0.4136                                       |
| Group 2                | 0.0630                                | 0.3731                                  | 0.4361**                                     | 0.4136                                       |
| <b>M Income shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>   | 0.1500                                | -                                       | 0.1500**                                     |  |
| Group 2 <sup>B</sup>   | 0.1500                                | -                                       | 0.1500**                                     |  |

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 27 November 2018.<sup>B</sup> Shares purchased between 27 November 2018 and 31 January 2019.**Treatment by Corporate Shareholders**

Corporate shareholders should account for the current period's dividends shown in the distribution table as follows:

|   | Interim<br>Dividend |
|---|---------------------|
| Treat as a UK corporate dividend                    | 100.00%             |
| Treat as an annual payment net of Income tax at 20% | 0.00%               |



# Aberdeen Global High Yield Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in a portfolio of sub-investment grade debt and debt-related securities, denominated in or hedged back to sterling.

A majority of the portfolio will invest in debt and debt-related securities issued by companies based in Europe and/or North America.

The Fund may also invest in other transferable securities, including investment-grade debt and debt-related securities, equity and equity-related securities, money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

The Fund may also invest to a minority extent in debt and debt-related securities of companies and governments based in developing countries.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Global High Yield Bond Fund – A Accumulation Shares decreased by 1.30% compared to an increase of 0.04% in the benchmark, the Bloomberg Barclays Global High Yield Corporate Index (hedged to GBP).

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

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

## Market review

Despite the volatility over the past six months, the Barclays Global High Yield index (GBP hedged) was flat over the review period, generating a total return of +0.04%. After remaining a beacon of relative resiliency in comparison to other risk assets in August and September, the high yield market closed out 2018 with three months in a row of negative performance. Concerns such as uncertainty around Brexit, declining oil prices, trade negotiations with China, and slowing economic data weighed on the investors risk appetite going into year end. These concerns reversed however as the calendar turned to 2019, with January returns for the global high yield market coming in at the strongest monthly total return in over seven years on the back of US Federal Reserve (Fed) Chairman Powell's dovish comments to start the year.

## Portfolio review

Underperformance was focused around security selection as a handful of names were significant detractors. Bonds of US pharmacy chain Rite Aid dropped after the company's failed acquisition by Albertson's in August and have failed to find positive footing since. We believe there is value in the bonds at current levels and maintain our holding in the name. Additionally, bonds of energy company Sanchez were hit hard during the time period as the company fell victim to the lower commodity price environment. We are looking to exit the name but the bulk of the performance hit has already been booked.

Finally, renewable energy company Senvion saw their bonds come under pressure during the review period as they disappointed investors with quarterly results. There has been limited appetite to support the bonds as sellers have far outweighed buyers willing to step in. We believe that the selloff has been overdone and the bonds represent an attractive opportunity at current valuations. Partially offsetting the detractors was positive contributions from LNG development project Corpus Christi and oil field service operator Transocean, whose bonds rallied in January, back to late summer levels.

## Outlook

After selling off in December, the market rallied around Fed chairman Powell's dovish comments and never looked back. While strong performance typically tends to alleviate most investor concerns, we remain measured in our approach and feel that the majority of the issues that were top of mind at the end of last year remain outstanding. Weak global economic data, uncertainty around Brexit, and the Trump administration's highly publicised negotiations with China, are all likely to resurface again at some point this year. Corporate earnings have been supportive of a rally so far, particularly given the lowered expectations that the market had adjusted to, but as is typical of the high yield market, valuations have now overshot to the upside after overshooting to the downside at the end of last year.

Our focus remains longer term as we look past the daily market volatility that has once again returned to the high yield market. We continue to look for up in quality trades and remain diligent on our fundamental analysis at the company level in an effort to avoid deteriorating credits. While we don't foresee a recession in the US as imminent, we do believe that we are late cycle and will continue to experience increased volatility over the coming year. This creates attractive total return opportunities for those investors that can correctly identify them.

**Global HY and US Global Credit Team**

February 2019

Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 3 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund’s investments and the income from them may rise or fall in line with exchange rates.
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 85              | 124          | 93           | 127          |
| Closing number of shares                  | 54,602          | 78,706       | 58,991       | 87,713       |
| Closing net asset value per share (pence) | 156.42          | 158.15       | 157.42       | 144.67       |
| Change in net asset value per share       | (1.09%)         | 0.46%        | 8.81%        | (1.15%)      |
| Operating charges                         | 1.31%           | 1.36%        | 1.37%        | 1.62%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 99,179          | 90,429       | 95,371       | 189,152      |
| Closing number of shares                  | 113,193,544     | 99,489,767   | 100,540,625  | 207,159,202  |
| Closing net asset value per share (pence) | 87.62           | 90.89        | 94.86        | 91.31        |
| Change in net asset value per share       | (3.60%)         | (4.19%)      | 3.89%        | (5.05%)      |
| Operating charges                         | 1.31%           | 1.36%        | 1.37%        | 1.62%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 2,079           | 2,064        | 3,286        | 1,232        |
| Closing number of shares                  | 1,248,128       | 1,228,989    | 1,977,530    | 811,203      |
| Closing net asset value per share (pence) | 166.59          | 167.94       | 166.17       | 151.84       |
| Change in net asset value per share       | (0.80%)         | 1.07%        | 9.44%        | (0.48%)      |
| Operating charges                         | 0.76%           | 0.76%        | 0.77%        | 0.77%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 5,717           | 6,708        | 3,994        | 4,643        |
| Closing number of shares                  | 6,848,600       | 7,745,664    | 4,418,778    | 5,336,974    |
| Closing net asset value per share (pence) | 83.47           | 86.60        | 90.39        | 87.00        |
| Change in net asset value per share       | (3.61%)         | (4.19%)      | 3.90%        | (5.04%)      |
| Operating charges                         | 0.77%           | 0.76%        | 0.77%        | 0.77%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 101.49          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.56%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 100.52          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.56%           |              |              |              |

| <b>P Income shares</b>                    | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
|---|------------------------|---------------------|---------------------|---------------------|
| Closing net asset value (£'000)           | 13,293                 | 13,370              | 21,276              | 27,547              |
| Closing number of shares                  | 15,807,571             | 15,326,611          | 23,370,310          | 31,433,323          |
| Closing net asset value per share (pence) | 84.09                  | 87.23               | 91.04               | 87.64               |
| Change in net asset value per share       | (3.60%)                | (4.18%)             | 3.88%               | (5.05%)             |
| Operating charges                         | 0.59%                  | 0.57%               | 0.58%               | 0.58%               |
| <b>P Gross Income shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 821                    | 548                 | 953                 | 1,285               |
| Closing number of shares                  | 1,014,724              | 652,717             | 1,088,038           | 1,524,195           |
| Closing net asset value per share (pence) | 80.90                  | 83.93               | 87.59               | 84.32               |
| Change in net asset value per share       | (3.61%)                | (4.18%)             | 3.88%               | (5.05%)             |
| Operating charges                         | 0.58%                  | 0.57%               | 0.58%               | 0.58%               |
| <b>Q Income shares</b>                    | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 16,337                 | 18,093              | 22,057              | 173,213             |
| Closing number of shares                  | 19,426,797             | 20,740,463          | 24,225,284          | 197,666,577         |
| Closing net asset value per share (pence) | 84.09                  | 87.24               | 91.05               | 87.63               |
| Change in net asset value per share       | (3.61%)                | (4.18%)             | 3.90%               | (5.05%)             |
| Operating charges                         | 0.49%                  | 0.48%               | 0.48%               | 0.48%               |
| <b>Q Gross Income shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 91                     | 138                 | 271                 | 8,866               |
| Closing number of shares                  | 112,519                | 164,976             | 309,195             | 10,514,224          |
| Closing net asset value per share (pence) | 80.94                  | 83.97               | 87.64               | 84.32               |
| Change in net asset value per share       | (3.61%)                | (4.19%)             | 3.94%               | (5.06%)             |
| Operating charges                         | 0.50%                  | 0.48%               | 0.48%               | 0.48%               |
| <b>Z Accumulation shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 451,043                | 468,821             | 526,188             | 552,307             |
| Closing number of shares                  | 275,584,657            | 285,023,487         | 325,401,058         | 376,092,763         |
| Closing net asset value per share (pence) | 163.67                 | 164.48              | 161.70              | 146.85              |
| Change in net asset value per share       | (0.49%)                | 1.72%               | 10.11%              | 0.03%               |
| Operating charges                         | 0.11%                  | 0.11%               | 0.12%               | 0.12%               |

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

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

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

<sup>a</sup> M share classes launched on 27 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                | Investment                                   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
| <b>Bonds (97.00%)</b>                  |  | <b>521,675</b>        | <b>88.63</b>                         |
| <b>Euro Denominated Bonds (10.73%)</b> |  | <b>65,808</b>         | <b>11.18</b>                         |
| <b>Corporate Bonds (10.73%)</b>        |  | <b>65,808</b>         | <b>11.18</b>                         |
| less than 5 years to maturity          |  |                       |                                      |
| 1,250,000                              | Alliance Data Systems 5.25% 2023             | 1,101                 | 0.19                                 |
| 3,400,000                              | Bausch Health Companies 4.5% 2023            | 2,935                 | 0.50                                 |
| 3,490,000                              | Codere Finance 2 Luxembourg 6.75% 2021       | 2,827                 | 0.48                                 |
| 4,365,000                              | Corral Petroleum 11.75% 2021                 | 4,060                 | 0.69                                 |
| 1,669,000                              | Dufry 4.5% 2023                              | 1,502                 | 0.26                                 |
| 2,000,000                              | Galapagos 5.375% 2021                        | 1,227                 | 0.21                                 |
| 3,840,000                              | Haya Finance 2017 5.25% 2022                 | 3,038                 | 0.52                                 |
| 1,712,000                              | Kleopatra Holdings 1 8.5% 2023               | 752                   | 0.13                                 |
| 4,145,000                              | Lincoln Finance 6.875% 2021                  | 3,713                 | 0.63                                 |
| 2,227,000                              | Matterhorn Telecom 4.875% 2023               | 1,833                 | 0.31                                 |
| 432,000                                | Obrascon Huarte Lain 5.5% 2023               | 197                   | 0.03                                 |
| 104,000                                | Obrascon Huarte Lain 7.625% 2020             | 67                    | 0.01                                 |
| 1,218,000                              | Platin 1426 5.375% 2023                      | 988                   | 0.17                                 |
| 448,000                                | Platin 1426 6.875% 2023                      | 376                   | 0.06                                 |
| 4,362,000                              | PrestigeBidCo 6.25% 2023                     | 3,947                 | 0.67                                 |
| 7,441,000                              | Senvion 3.875% 2022                          | 3,364                 | 0.57                                 |
| 6,800,000                              | Synlab Bondco 6.25% 2022                     | 6,129                 | 1.04                                 |
| 12,974,000                             | Teksid Aluminum Luxembourg SARL 11.375% 2011 | -                     | -                                    |
| 2,074,000                              | Thomas Cook 6.25% 2022                       | 1,427                 | 0.24                                 |
| 1,026,000                              | Verisure Holdings 3.5% 2023                  | 901                   | 0.15                                 |
| between 5 and 10 years to maturity     |  |                       |                                      |
| 685,000                                | Banff Merger Sub 8.375% 2026                 | 562                   | 0.10                                 |
| 1,813,000                              | Diamond BC 5.625% 2025                       | 1,406                 | 0.24                                 |
| 2,189,000                              | Energizer Gamma Acquisition 4.625% 2026      | 1,877                 | 0.32                                 |
| 3,320,000                              | INEOS 5.375% 2024                            | 2,932                 | 0.50                                 |
| 1,798,000                              | InterXion 4.75% 2025                         | 1,640                 | 0.28                                 |
| 3,939,000                              | Intralot Capital 5.25% 2024                  | 2,356                 | 0.40                                 |
| 3,455,000                              | La Financiere Atalian 4% 2024                | 2,335                 | 0.40                                 |
| 1,804,000                              | LHC3 4.125% 2024                             | 1,559                 | 0.26                                 |
| 737,000                                | Nidda BondCo 5% 2025                         | 592                   | 0.10                                 |
| 1,522,000                              | Nidda Healthcare 3.5% 2024                   | 1,295                 | 0.22                                 |
| 1,633,000                              | Tele Columbus 3.875% 2025                    | 1,298                 | 0.22                                 |

| Holding                                     | Investment                                   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---|--|-----------------------|--------------------------------------|
| 1,175,000                                   | Teva Pharmaceutical 4.5% 2025                | 1,073                 | 0.18                                 |
| 4,640,000                                   | Unilabs Subholding 5.75% 2025                | 3,885                 | 0.66                                 |
| Perpetual                                   |  |                       |                                      |
| 2,970,000                                   | Barclays FRN Perpetual                       | 2,614                 | 0.44                                 |
| <b>Sterling Denominated Bonds (17.14%)</b>  |  | <b>52,704</b>         | <b>8.96</b>                          |
| <b>Corporate Bonds (17.14%)</b>             |  | <b>52,704</b>         | <b>8.96</b>                          |
| less than 5 years to maturity               |  |                       |                                      |
| 1,708,000                                   | Arqiva 6.75% 2023                            | 1,773                 | 0.30                                 |
| 3,000,000                                   | Entertainment One 6.875% 2022                | 3,087                 | 0.52                                 |
| 3,500,000                                   | Galaxy Finco 7.875% 2021                     | 3,423                 | 0.58                                 |
| 2,573,000                                   | Pizzaexpress Financing 6.625% 2021           | 2,160                 | 0.37                                 |
| 2,248,000                                   | TalkTalk 5.375% 2022*                        | 2,242                 | 0.38                                 |
| 1,659,000                                   | TVL Finance 8.5% 2023                        | 1,366                 | 0.23                                 |
| between 5 and 10 years to maturity          |  |                       |                                      |
| 4,656,000                                   | AMC Entertainment 6.375% 2024                | 4,398                 | 0.75                                 |
| 1,382,000                                   | Ardagh Packaging 4.75% 2027                  | 1,249                 | 0.21                                 |
| 4,030,000                                   | CYBG 5% 2026                                 | 3,950                 | 0.67                                 |
| 6,950,000                                   | Newday Bondco 7.375% 2024*                   | 6,393                 | 1.09                                 |
| 2,956,000                                   | Phoenix 6.625% 2025                          | 3,093                 | 0.53                                 |
| 1,969,000                                   | Saga 3.375% 2024                             | 1,763                 | 0.30                                 |
| 6,200,000                                   | Virgin Media 5.5% 2025*                      | 5,650                 | 0.96                                 |
| greater than 25 years to maturity           |  |                       |                                      |
| 3,400,000                                   | RAC Bond 5% 2022                             | 3,029                 | 0.52                                 |
| Perpetual                                   |  |                       |                                      |
| 4,085,000                                   | CYBG 8% Perpetual                            | 3,767                 | 0.64                                 |
| 2,998,000                                   | Lloyds Banking Group 7.875% Perpetual        | 3,286                 | 0.56                                 |
| 2,055,000                                   | Nationwide Building Society 6.875% Perpetual | 2,075                 | 0.35                                 |
| <b>US Dollar Denominated Bonds (69.13%)</b> |  | <b>403,163</b>        | <b>68.49</b>                         |
| <b>Corporate Bonds (69.13%)</b>             |  | <b>403,163</b>        | <b>68.49</b>                         |

| Holding                       | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------|---|-----------------------|--------------------------------------|
| less than 5 years to maturity |   |                       |                                      |
| 1,754,000                     | Alliance Data Systems 5.875% 2021                 | 1,342                 | 0.23                                 |
| 2,000,000                     | Altice 8.125% 2024                                | 1,498                 | 0.25                                 |
| 2,997,000                     | Avis 5.5% 2023                                    | 2,279                 | 0.39                                 |
| 3,139,000                     | Bruin E&P Partners 8.875% 2023                    | 2,264                 | 0.38                                 |
| 1,900,000                     | Cablevision 6.5% 2021                             | 1,416                 | 0.24                                 |
| 1,978,000                     | CenturyLink 5.625% 2020                           | 1,521                 | 0.26                                 |
| 2,497,000                     | Cenveo 6% 2019                                    | 513                   | 0.09                                 |
| 5,315,000                     | Consolidated Communications 6.5% 2022             | 3,692                 | 0.63                                 |
| 2,036,000                     | Diamond 1 Finance / Diamond 2 Finance 5.875% 2021 | 1,577                 | 0.27                                 |
| 2,498,000                     | Digicel Group One 8.25% 2022                      | 1,576                 | 0.27                                 |
| 2,357,000                     | Digicel Group Two 8.25% 2022                      | 977                   | 0.17                                 |
| 3,148,000                     | DKT Finance 9.375% 2023                           | 2,538                 | 0.43                                 |
| 1,240,000                     | Dynegy 7.375% 2022                                | 980                   | 0.17                                 |
| 3,695,000                     | Encompass Health 5.125% 2023                      | 2,823                 | 0.48                                 |
| 1,360,000                     | Evrax 6.5% 2020                                   | 1,055                 | 0.18                                 |
| 5,410,000                     | Exela Intermediate 10% 2023                       | 4,123                 | 0.70                                 |
| 3,610,000                     | First Data 5.75% 2024                             | 2,827                 | 0.48                                 |
| 3,490,000                     | First Quantum Minerals 7% 2021                    | 2,651                 | 0.45                                 |
| 2,975,000                     | Goodyear Tire & Rubber 5.125% 2023                | 2,262                 | 0.38                                 |
| 740,000                       | Grupo Posadas 7.875% 2022                         | 557                   | 0.10                                 |
| 3,235,000                     | Harland Clarke 6.875% 2020                        | 2,442                 | 0.42                                 |
| 3,170,000                     | Harland Clarke 8.375% 2022                        | 2,259                 | 0.38                                 |
| 3,505,000                     | HCA 7.5% 2022                                     | 2,918                 | 0.50                                 |
| 740,000                       | HTA 9.125% 2022                                   | 579                   | 0.10                                 |
| 1,960,000                     | IHS Netherlands 9.5% 2021                         | 1,537                 | 0.26                                 |
| 670,000                       | IRSA Propiedades Comerciales 8.75% 2023           | 504                   | 0.09                                 |
| 3,171,000                     | KCA Deutag UK Finance 9.625% 2023                 | 1,833                 | 0.31                                 |
| 2,650,000                     | KOC Holding 5.25% 2023                            | 1,965                 | 0.33                                 |
| 1,271,000                     | LHMC Finco 7.875% 2023                            | 981                   | 0.17                                 |
| 2,590,000                     | Liquid Telecommunications 8.5% 2022               | 2,010                 | 0.34                                 |
| 5,200,000                     | Marfrig Holdings Europe 8% 2023                   | 4,084                 | 0.69                                 |
| 21,698,000                    | Momentive Performance 8.875% 2020                 | -                     | -                                    |
| 984,000                       | Nationstar Mortgage 6.5% 2022                     | 735                   | 0.13                                 |
| 4,128,000                     | New Enterprise Stone & Lime 10.125% 2022          | 3,154                 | 0.54                                 |
| 1,420,000                     | Nine Energy Service 8.75% 2023                    | 1,082                 | 0.18                                 |
| 2,164,000                     | Oasis Petroleum 6.875% 2022                       | 1,641                 | 0.28                                 |
| 4,608,000                     | Oasis Petroleum 6.875% 2023                       | 3,465                 | 0.59                                 |
| 1,975,000                     | PBF Logistics Finance 6.875% 2023                 | 1,530                 | 0.26                                 |
| 4,340,000                     | Pitney Bowes 3.625% 2021                          | 3,217                 | 0.55                                 |
| 2,060,000                     | Pitney Bowes 4.375% 2022                          | 1,475                 | 0.25                                 |

| Holding                            | Investment                              | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|---|-----------------------|--------------------------------------|
| 1,301,000                          | Radiate Finance 6.875% 2023             | 951                   | 0.16                                 |
| 5,370,000                          | Rite Aid 6.125% 2023                    | 3,444                 | 0.59                                 |
| 3,860,000                          | Rivers Pittsburgh Borrower 6.125% 2021  | 2,924                 | 0.50                                 |
| 2,500,000                          | Sabine Pass Liquefaction 5.625% 2021    | 1,966                 | 0.33                                 |
| 2,624,000                          | Sable International Finance 6.875% 2022 | 2,067                 | 0.35                                 |
| 4,786,000                          | Sanchez Energy 6.125% 2023              | 637                   | 0.11                                 |
| 655,000                            | Sberbank of Russia 6.125% 2022          | 517                   | 0.09                                 |
| 7,235,000                          | Sprint 7.875% 2023                      | 5,851                 | 0.99                                 |
| 1,095,000                          | Steel Dynamics 5.125% 2021              | 839                   | 0.14                                 |
| 3,835,000                          | Teck Resources 4.75% 2022               | 2,960                 | 0.50                                 |
| 1,550,000                          | TransDigm 6% 2022                       | 1,187                 | 0.20                                 |
| 3,860,000                          | Transocean Guardian 5.875% 2024         | 2,787                 | 0.47                                 |
| 2,650,000                          | United Bank for Africa 7.75% 2022       | 2,046                 | 0.35                                 |
| 3,015,000                          | WPX Energy 8.25% 2023                   | 2,544                 | 0.43                                 |
| 3,726,000                          | Xerox 3.625% 2023                       | 2,696                 | 0.46                                 |
| 8,649,000                          | Zayo Group 6% 2023                      | 6,608                 | 1.12                                 |
| 1,304,000                          | Zenith Bank 7.375% 2022                 | 1,013                 | 0.17                                 |
| between 5 and 10 years to maturity |   |                       |                                      |
| 6,025,000                          | ACI Worldwide 5.75% 2026                | 4,709                 | 0.80                                 |
| 3,332,000                          | AES Andres Dominican Power 7.95% 2026   | 2,636                 | 0.45                                 |
| 1,694,000                          | Akbank FRN 2027                         | 1,172                 | 0.20                                 |
| 1,478,000                          | Altice 7.375% 2026                      | 1,084                 | 0.18                                 |
| 3,615,000                          | Altice 7.5% 2026                        | 2,611                 | 0.44                                 |
| 3,871,000                          | Apergy 6.375% 2026                      | 2,895                 | 0.49                                 |
| 2,160,000                          | ARCH MERGER SUB INC 8.5% 15/09/2025     | 1,572                 | 0.27                                 |
| 3,975,000                          | Ardagh Packaging 7.25% 2024             | 3,131                 | 0.53                                 |
| 1,037,000                          | Avis 5.25% 2025                         | 710                   | 0.12                                 |
| 3,115,000                          | Banff Merger Sub 9.75% 2026             | 2,256                 | 0.38                                 |
| 820,000                            | Berry Global 4.5% 2026                  | 587                   | 0.10                                 |
| 5,720,000                          | Bombardier 7.5% 2025                    | 4,191                 | 0.71                                 |
| 4,414,000                          | Boyd Gaming 6.375% 2026                 | 3,423                 | 0.58                                 |
| 3,881,000                          | Builders FirstSource 5.625% 2024        | 2,814                 | 0.48                                 |
| 2,055,000                          | C&W Senior Financing DAC 6.875% 2027    | 1,489                 | 0.25                                 |
| 4,030,000                          | Calpine 5.25% 2026                      | 2,918                 | 0.50                                 |
| 15,025,000                         | CCO 5.75% 2026                          | 11,599                | 1.97                                 |
| 2,603,000                          | Cemex 6% 2024                           | 2,021                 | 0.34                                 |
| 2,676,000                          | Cemex 7.75% 2026                        | 2,205                 | 0.37                                 |
| 6,020,000                          | Century Communities 5.875% 2025         | 4,210                 | 0.72                                 |
| 1,141,000                          | CFS Escrow 7% 2024                      | 867                   | 0.15                                 |
| 683,000                            | CFS Escrow 7% 2026                      | 519                   | 0.09                                 |



| Holding   | Investment                            | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------|---------------------------------------|-----------------------|--------------------------------------|
| 8,402,000 | Change Healthcare 5.75% 2025          | 6,111                 | 1.04                                 |
| 8,093,000 | Cheniere Christi Corpus 5.875% 2025   | 6,481                 | 1.10                                 |
| 1,001,000 | Cheniere Energy Partners 5.25% 2025   | 764                   | 0.13                                 |
| 4,480,000 | Chesapeake Energy 8% 2025*            | 3,423                 | 0.58                                 |
| 4,000,000 | Cimpress 7% 2026                      | 2,950                 | 0.50                                 |
| 3,831,000 | Commercial Metals 5.75% 2026          | 2,767                 | 0.47                                 |
| 6,615,000 | CSC Holdings 10.875% 2025             | 5,797                 | 0.98                                 |
| 2,443,000 | CSC Holdings 6.625% 2025              | 1,947                 | 0.33                                 |
| 3,740,000 | CyrusOne 5.375% 2027                  | 2,847                 | 0.48                                 |
| 4,430,000 | Dell International 6.02% 2026         | 3,518                 | 0.60                                 |
| 4,558,000 | Dynegy 7.625% 2024                    | 3,684                 | 0.63                                 |
| 740,000   | Elementia 5.5% 2025                   | 532                   | 0.09                                 |
| 2,974,000 | EMI Music Publishing 7.625% 2024      | 2,399                 | 0.41                                 |
| 3,532,000 | First Quantum Minerals 6.875% 2026    | 2,433                 | 0.41                                 |
| 488,000   | GCI 6.875% 2025                       | 372                   | 0.06                                 |
| 4,419,000 | Graham Holdings 5.75% 2026            | 3,477                 | 0.59                                 |
| 3,330,000 | Gray Escrow 7% 2027                   | 2,617                 | 0.44                                 |
| 3,755,000 | HCA 5.25% 2026                        | 3,008                 | 0.51                                 |
| 7,515,000 | HCA 5.875% 2026                       | 6,027                 | 1.02                                 |
| 6,750,000 | Iron Mountain 5.25% 2028              | 4,772                 | 0.81                                 |
| 3,810,000 | j2 Cloud 6% 2025                      | 2,901                 | 0.49                                 |
| 3,930,000 | JBS USA Finance 5.75% 2025            | 2,980                 | 0.51                                 |
| 2,372,000 | Latam Finance 6.875% 2024             | 1,819                 | 0.31                                 |
| 6,322,000 | Lennar 4.5% 2024                      | 4,726                 | 0.80                                 |
| 8,065,000 | Level 3 Financing 5.375% 2025         | 6,061                 | 1.03                                 |
| 5,391,000 | Meredith 6.875% 2026                  | 4,221                 | 0.72                                 |
| 3,512,000 | Meritage Homes 6% 2025                | 2,651                 | 0.45                                 |
| 4,214,000 | MGM Resorts International 4.625% 2026 | 3,010                 | 0.51                                 |
| 1,933,000 | MHP 6.95% 2026                        | 1,322                 | 0.23                                 |
| 3,860,000 | Moss Creek Resources 7.5% 2026        | 2,626                 | 0.45                                 |
| 2,666,000 | MPT Operating Partnership 5% 2027     | 1,973                 | 0.34                                 |
| 3,965,000 | Novelis 5.875% 2026                   | 2,909                 | 0.49                                 |
| 4,365,000 | NRG Energy 6.25% 2024                 | 3,434                 | 0.58                                 |
| 2,060,000 | NRG Energy 7.25% 2026                 | 1,687                 | 0.29                                 |
| 7,800,000 | Petrobras 8.75% 2026                  | 6,952                 | 1.18                                 |
| 4,410,000 | Post Holdings 5% 2026                 | 3,177                 | 0.54                                 |
| 840,000   | Prestige Brands 6.375% 2024           | 635                   | 0.11                                 |
| 4,040,000 | Radiate Finance 6.625% 2025           | 2,843                 | 0.48                                 |
| 3,300,000 | Sabine Pass Liquefaction 5% 2027      | 2,596                 | 0.44                                 |
| 3,531,000 | Sabine Pass Liquefaction 5.875% 2026  | 2,914                 | 0.49                                 |
| 5,565,000 | Sirius XM Radio 6% 2024               | 4,392                 | 0.75                                 |
| 3,905,000 | Six Flags Entertainment 4.875% 2024   | 2,940                 | 0.50                                 |

| Holding                             | Investment                               | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|--|-----------------------|--------------------------------------|
| 5,965,000                           | SPCM 4.875% 2025                         | 4,329                 | 0.74                                 |
| 1,894,000                           | Sprint 7.625% 2026                       | 1,499                 | 0.26                                 |
| 1,595,000                           | Steel Dynamics 5.5% 2024                 | 1,247                 | 0.21                                 |
| 580,000                             | Targa Resources 6.5% 2027                | 455                   | 0.08                                 |
| 5,045,000                           | Tempo Acquisition 6.75% 2025             | 3,778                 | 0.64                                 |
| 6,331,000                           | Tenet Healthcare 4.625% 2024             | 4,732                 | 0.80                                 |
| 3,080,000                           | Tenet Healthcare 6.25% 2027              | 2,377                 | 0.40                                 |
| 3,610,000                           | T-Mobile 6.5% 2026                       | 2,905                 | 0.49                                 |
| 1,220,000                           | Transportadora de Gas del Sur 6.75% 2025 | 868                   | 0.15                                 |
| 2,380,000                           | Turk Telekomunikasyon 4.875% 2024        | 1,671                 | 0.28                                 |
| 7,280,000                           | Valeant Pharmaceuticals 7% 2024          | 5,807                 | 0.99                                 |
| 4,867,000                           | Valvoline 5.5% 2024                      | 3,755                 | 0.64                                 |
| 4,195,000                           | Vedanta Resources 6.125% 2024            | 2,916                 | 0.50                                 |
| 4,710,000                           | Viking Cruises 6.25% 2025                | 3,596                 | 0.61                                 |
| 3,666,000                           | Wind Tre 5% 2026                         | 2,312                 | 0.39                                 |
| 2,165,000                           | WPX Energy 5.75% 2026                    | 1,638                 | 0.28                                 |
| 6,755,000                           | WR Grace & Co-Conn 5.625% 2024           | 5,341                 | 0.91                                 |
| 3,085,000                           | Wyndham Worldwide 4.15% 2024             | 2,269                 | 0.39                                 |
| 2,950,000                           | Wyndham Worldwide 5.1% 2025              | 2,237                 | 0.38                                 |
| 10,590,000                          | Ziggo 5.5% 2027                          | 7,590                 | 1.29                                 |
| between 10 and 15 years to maturity |  |                       |                                      |
| 1,925,000                           | CSC Holdings 6.5% 2029                   | 1,483                 | 0.25                                 |
| 243,000                             | HCA 5.875% 2029                          | 193                   | 0.03                                 |
| 3,470,000                           | Sappi Papier 7.5% 2032                   | 2,671                 | 0.45                                 |
| between 15 and 25 years to maturity |  |                       |                                      |
| 4,549,000                           | MDC 6% 2043                              | 2,888                 | 0.49                                 |
| 5,865,000                           | Telecom Italia Capital 6% 2034           | 3,918                 | 0.67                                 |
| Perpetual                           |  |                       |                                      |
| 2,685,000                           | Bank of America FRN Perpetual            | 2,150                 | 0.37                                 |
| 3,768,000                           | Credit Agricole FRN Perpetual            | 2,944                 | 0.50                                 |
| 5,185,000                           | Goldman Sachs 5.375% Perpetual           | 3,917                 | 0.67                                 |
| 3,756,000                           | ING FRN Perpetual                        | 2,789                 | 0.47                                 |
| 4,480,000                           | JPMorgan Chase FRN Perpetual             | 3,146                 | 0.53                                 |
| 3,300,000                           | Royal Bank of Scotland 8.625% Perpetual  | 2,669                 | 0.45                                 |
| 2,291,000                           | UBS FRN Perpetual                        | 1,840                 | 0.31                                 |

| Holding  | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Equities (0.00%)</b>                        |   | -                     | -                                    |
| <b>North American Equities (0.00%)</b>         |   | -                     | -                                    |
| <b>United States (0.00%)</b>                   |   | -                     | -                                    |
| 20   | New Cotal Participation                             | -                     | -                                    |
| <b>Derivatives (-0.98%)</b>                    |   | <b>19,208</b>         | <b>3.26</b>                          |
| <b>Forward Currency Contracts (-0.99%)</b>     |   | <b>19,208</b>         | <b>3.26</b>                          |
|  | Buy EUR 75,000 Sell GBP 66,122 14/02/2019           | (1)                   | -                                    |
|  | Buy EUR 100,000 Sell GBP 86,689 14/02/2019          | 1                     | -                                    |
|  | Buy EUR 300,000 Sell GBP 269,534 14/02/2019         | (8)                   | -                                    |
|  | Buy EUR 731,000 Sell GBP 648,181 14/02/2019         | (10)                  | -                                    |
|  | Buy EUR 844,000 Sell GBP 743,477 14/02/2019         | (7)                   | -                                    |
|  | Buy GBP 1,338,400 Sell EUR 1,500,000 14/02/2019     | 29                    | -                                    |
|  | Buy GBP 69,660,777 Sell EUR 77,107,000 14/02/2019   | 2,370                 | 0.40                                 |
|  | Buy GBP 3,063,852 Sell USD 4,000,000 14/02/2019     | 25                    | -                                    |
|  | Buy GBP 3,890,100 Sell USD 5,000,000 14/02/2019     | 92                    | 0.02                                 |
|  | Buy GBP 8,631,539 Sell USD 11,000,000 14/02/2019    | 275                   | 0.05                                 |
|  | Buy GBP 106,008,811 Sell USD 134,215,000 14/02/2019 | 4,052                 | 0.69                                 |
|  | Buy GBP 106,050,238 Sell USD 134,214,000 14/02/2019 | 4,094                 | 0.70                                 |
|  | Buy GBP 106,099,365 Sell USD 134,214,000 14/02/2019 | 4,143                 | 0.70                                 |
|  | Buy GBP 106,109,263 Sell USD 134,214,000 14/02/2019 | 4,153                 | 0.70                                 |
| <b>Futures (0.01%)</b>                         |   | -                     | -                                    |
| <b>Total investment assets and liabilities</b> |   | <b>540,883</b>        | <b>91.89</b>                         |
| <b>Net other assets</b>                        |   | <b>47,762</b>         | <b>8.11</b>                          |
| <b>Total Net Assets</b>                        |   | <b>588,645</b>        | <b>100.00</b>                        |

Currently forward positions are not collateralised.

Comparative figures are as at 31 July 2018.

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

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |                |
|---|-----------------|-----------------|-----------------|----------------|
|   | £'000           | £'000           | £'000           | £'000          |
| Income:   |                 |                 |                 |                |
| Net capital losses  |                 | (21,074)        |                 | (4,362)        |
| Revenue   | 18,715          |                 | 19,552          |                |
| Expenses  | (949)           |                 | (1,149)         |                |
| Interest payable and similar charges  | (1)             |                 | -               |                |
| Net revenue before taxation   | 17,765          |                 | 18,403          |                |
| Taxation  | (26)            |                 | (32)            |                |
| Net revenue after taxation  |                 | 17,739          |                 | 18,371         |
| <b>Total return before distributions</b>  |                 | <b>(3,335)</b>  |                 | <b>14,009</b>  |
| Distributions   |                 | (17,739)        |                 | (18,371)       |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(21,074)</b> |                 | <b>(4,362)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>600,295</b> |                 | <b>673,489</b> |
| Amounts receivable on the issue of shares  | 22,038          |                | 12,850          |                |
| Amounts payable on the cancellation of shares  | (26,955)        |                | (63,054)        |                |
|  |                 | (4,917)        |                 | (50,204)       |
| Dilution adjustment  |                 | (4)            |                 | 122            |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (21,074)       |                 | (4,362)        |
| Retained distribution on accumulation shares   |                 | 14,344         |                 | 14,620         |
| Unclaimed distributions  |                 | 1              |                 | 1              |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>588,645</b> |                 | <b>633,666</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 540,909        |              | 582,609        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 16,033          |                | 11,145       |                |
| Cash and bank balances                         | 37,718          |                | 21,667       |                |
|  |                 | 53,751         |              | 32,812         |
| Total assets                                   |                 | 594,660        |              | 615,421        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | (26)           |              | 6,188          |
| Creditors                                      | (4,256)         |                | 7,207        |                |
| Distribution payable                           | (1,733)         |                | 1,731        |                |
|  |                 | (5,989)        |              | 8,938          |
| Total liabilities                              |                 | (6,015)        |              | 15,126         |
| <b>Net assets attributable to shareholders</b> |                 | <b>588,645</b> |              | <b>630,547</b> |

**Distribution table****For the three months ended 31 October 2018**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 October 2018

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 2.0604                                | -                                       | 2.0604*                                      | 1.8585                                       |
| Group 2                      | 1.3201                                | 0.7403                                  | 2.0604*                                      | 1.8585                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.1842                                | -                                       | 1.1842**                                     | 1.1198                                       |
| Group 2                      | 0.6823                                | 0.5019                                  | 1.1842**                                     | 1.1198                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 2.4436                                | -                                       | 2.4436*                                      | 2.2161                                       |
| Group 2                      | 0.9650                                | 1.4786                                  | 2.4436*                                      | 2.2161                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.2601                                | -                                       | 1.2601**                                     | 1.2054                                       |
| Group 2                      | 0.4674                                | 0.7927                                  | 1.2601**                                     | 1.2054                                       |
| <b>P Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.3114                                | -                                       | 1.3114**                                     | 1.2573                                       |
| Group 2                      | 0.4992                                | 0.8122                                  | 1.3114**                                     | 1.2573                                       |
| <b>P Gross Income shares</b> |                                       |   |  |  |
| Group 1                      | 1.2617                                | -                                       | 1.2617**                                     | 1.2094                                       |
| Group 2                      | 0.3717                                | 0.8900                                  | 1.2617**                                     | 1.2094                                       |
| <b>Q Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.3298                                | -                                       | 1.3298**                                     | 1.2811                                       |
| Group 2                      | 0.6497                                | 0.6801                                  | 1.3298**                                     | 1.2811                                       |
| <b>Q Gross Income shares</b> |                                       |   |  |  |
| Group 1                      | 1.2801                                | -                                       | 1.2801**                                     | 1.2281                                       |
| Group 2                      | 1.2801                                | -                                       | 1.2801**                                     | 1.2281                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 2.6655                                | -                                       | 2.6655*                                      | 2.4234                                       |
| Group 2                      | 2.6655                                | -                                       | 2.6655*                                      | 2.4234                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 31 January 2019.

**For the three months ended 31 January 2019**

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.9792                                | -                                       | 1.9792*                                      | 1.7398                                       |
| Group 2                      | 0.8414                                | 1.1378                                  | 1.9792*                                      | 1.7398                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.1011                                | -                                       | 1.1011**                                     | 1.0362                                       |
| Group 2                      | 0.0794                                | 1.0217                                  | 1.1011**                                     | 1.0362                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 2.2718                                | -                                       | 2.2718*                                      | 2.0963                                       |
| Group 2                      | 0.4891                                | 1.7827                                  | 2.2718*                                      | 2.0963                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.1535                                | -                                       | 1.1535**                                     | 1.1253                                       |
| Group 2                      | 0.3325                                | 0.8210                                  | 1.1535**                                     | 1.2115                                       |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.9700                                | -                                       | 0.9700**                                     |  |
| Group 2 <sup>B</sup>         | 0.9700                                | -                                       | 0.9700**                                     |  |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.9700                                | -                                       | 0.9700*                                      |  |
| Group 2 <sup>B</sup>         | 0.9700                                | -                                       | 0.9700*                                      |  |
| <b>P Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.2055                                | -                                       | 1.2055**                                     | 1.1780                                       |
| Group 2                      | 0.2189                                | 0.9866                                  | 1.2055**                                     | 1.1780                                       |
| <b>P Gross Income shares</b> |                                       |   |  |  |
| Group 1                      | 1.1616                                | -                                       | 1.1616**                                     | 1.1332                                       |
| Group 2                      | 0.1517                                | 1.0099                                  | 1.1616**                                     | 1.1332                                       |
| <b>Q Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.2198                                | -                                       | 1.2198**                                     | 1.2011                                       |
| Group 2                      | 0.5188                                | 0.7010                                  | 1.2198**                                     | 1.2011                                       |
| <b>Q Gross Income shares</b> |                                       |   |  |  |
| Group 1                      | 1.1709                                | -                                       | 1.1709**                                     | 1.1565                                       |
| Group 2                      | 1.1709                                | -                                       | 1.1709**                                     | 1.1565                                       |

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 2.4939                                | -                                       | 2.4939*                                      | 2.3153                                       |
| Group 2                      | 0.6366                                | 1.8573                                  | 2.4939*                                      | 2.3153                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 27 November 2018.

<sup>B</sup> Shares purchased between 27 November 2018 and 31 January 2019.



# Aberdeen Japan Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

To produce capital growth. The objective will be achieved through investment in a diversified portfolio of Japanese securities.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Japan Equity Fund – A Accumulation Shares decreased by 13.82% compared to a decrease of 6.14% in the benchmark, the MSCI Japan Index.

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

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

## Market review

Japanese equities fell in the six months under review. Although share prices rose earlier in the period, fears of a slowing global economy, trade worries and still-tight monetary conditions dampened sentiment towards the end. Foreign selling and a strengthening yen added further pressure. The cautious tone was obvious. Officials revised the third-quarter GDP figure lower because of a string of natural disasters. In view of this year's consumption tax hike, the government will implement relief measures. It will also let in more low-skilled foreign workers to ease the labour shortage.

## Portfolio review

Against this backdrop, the Fund's performance was primarily due to stock specific factors. Broadly, companies with good results have not been rewarded by the market whereas those with weak results were punished more than warranted. We also observed that defensive companies with low valuations, better shareholder returns, or robust business models and balance sheets have not offered investors protection from the market declines. Foreign shareholders, who hold about 40% of the market while contributing to some 60% of trading activity, continued to reduce their holdings.

At the stock level, detractors included Sysmex, which reported sluggish results as sales of medical instruments and reagents were below projected growth rates. The weakness was a combination of slowing fundamentals and one-off issues. Part of the issue is that Sysmex is a victim of its own success: it has captured more than half the global market share in haematology testing, and replacement sales have been slow. In addition, delays for a new urinalysis device have also weighed on sales. Valuations have fallen to more attractive levels, with the quality of the business remaining intact. We believe that growing healthcare needs will result in rising demand for medical diagnostics, allowing for firm growth in Sysmex's lucrative reagents business. Also detracting was Zozo, whose shares were weak on the back of concerns that building its private brand business may result in higher expenses. There have been hiccups in the company's execution of its private brand strategy, but we believe the stock's valuations are discounting its established presence as an apparel e-commerce platform.

The company's recent promotional campaign should also capture more traffic and provide apparel manufacturers the incentive to remain within its ecosystem.

Mitigating these was Chugai Pharmaceutical, thanks to robust export sales of rheumatoid arthritis drug Actemra, and expectations for haemophilia treatment Hemlibra. Also contributing to relative return was Shionogi, whose shares were helped by solid earnings that were backed by a healthy drug pipeline and several pieces of positive news flow. Influenza drug Xofluz received US FDA approval two months earlier than expected, allowing the drug to be sold for the entire flu season in the US. The company also reported positive trial data for a monthly injectable HIV drug in its pipeline, which offers significant quality of life improvements to HIV positive patients.

In key portfolio activity, we sold Daito Trust, given its deteriorating prospects. We also exited Hoshizaki, despite having initiated a position in the stock only in June. There was a lot to like about the company: it has a dominant position in Japan's professional kitchen equipment market, with opportunities to expand abroad; its founding family and chairman are key stakeholders and are hence well aligned with shareholders; it has a solid balance sheet and cash flows; and we believed valuations were attractive as the market had concerns about higher raw material prices, even as we believe Hoshizaki has pricing power and stood to benefit from a tightening of environmental and hygiene regulations. But at the end of October, the company announced that a whistle-blower had uncovered inappropriate dealings at its Nagoya subsidiary, prompting the company to set up a third-party committee to investigate the claims and delay the filing of results. Hoshizaki provided limited information as it was itself assessing the potential impact; we divested our position to limit the portfolio's risk. When the third-party committee's assessment of the damage turned out to be insignificant, we believed our investment thesis remained sound. So we re-initiated a smaller position in the stock, as we have seen other Japanese companies rebound from such issues. However, it was a matter of days later when another whistle-blower suggested employees were coached in their responses to the third-party committee, further delaying the ability of the company to file its accounts. What compounded the issue was the rejection by Japan's Financial Services Agency to extend the filing deadline for its accounts, prompting concerns of a delisting. Given the uncertainty, we decided to exit the position.

Against this we introduced Asahi Intecc, a leading developer of interventional guide wires and catheters, with market-leading positions across the world. Its products are renowned for their quality, while demand for minimally-invasive surgery is growing. We believe the company will be able to grow its market share in North America by switching to direct sales, while also expanding in emerging markets. The company has a robust pipeline of innovative products to be launched over the next two years. We also established a holding in leading drugstore operator Welcia Holdings, a subsidiary of retail group Aeon. Welcia continually posts above-industry growth rates for both customer spending

and traffic through its tailored stores, the intelligent use of promotions and a dedicated focus on in-store pharmacies, a structural trend stemming from Japan's ageing society. The company also has a solid track record in M&As and subsequently, in improving the profitability of acquired stores. With the drugstore segment still comparatively more fragmented than other retail formats domestically, more dominant players, such as Welcia, are able to target opportunistic acquisitions. This, we believe, should continue to complement its organic growth. Another new addition was Tokio Marine Holdings that was trading at an attractive valuation. It is the most progressive of the three largest local property and casualty insurers. The trio's dominance allows each to produce stable cashflow. Tokio Marine uses its cash pile to fuel its overseas forays in niche segments. Almost half of its profits are derived abroad, while its overseas operations allow it to spread its risks. Of note is its positive view on shareholder returns, which we expect will grow gradually as it makes further inroads abroad that add value to its business.

### Outlook

The outlook remains clouded. Challenges abound, including an impending end of ultra-loose monetary policies, China's continued yet controlled economic deceleration and the still unfolding trade drama between the world's two largest economies. Japanese companies remain vulnerable to the vagaries of the external environment as they expand abroad, particularly across Asia. At home, cost pressures are building. Contributing to these are the tight labour market and the prospect of an upcoming consumption tax hike this October. Also, worries of weaker global growth will likely spur the yen higher as nervous investors seek safe havens. This poses a further layer of risk for Japanese companies. Adverse exchange rates erode their profitability while making their products less competitive globally.

We believe that it is important to distinguish between the shorter-term cyclical issues that add to the market noise, and the prospects of medium- to longer-term structural growth that makes an actual difference to a company's fortunes. While companies are undergoing a slowdown, the good news is there are signs of a bottoming.

With the sharp decline in the market towards the end of 2018, the Japanese market has de-rated substantially. Bearing the brunt of the sell-off were cyclical companies and those that are exposed to China. Some have fallen to the low end of their historical trading range and valuations are starting to look attractive again. Others, such as the mid-caps appear to have been disproportionately sold off, largely because of their relatively lower liquidity. This clouds their longer-term prospects. In addition, we believe that the market's focus on governance in recent years has gradually taken root. The quality in the small-caps universe has improved. While we remain cautious about the broader environment, we will be increasing our effort to uncover opportunities within these segments of the market. The challenge is for us to continue to seek out companies that possess structural growth drivers, wide competitive moats, and solid balance sheets, with the resilience to navigate these difficult times. We believe that the patient investor will be rewarded.

**Asia Pacific Equity Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Concentrated portfolio: The Fund may hold a limited number of investments. If one of these investments declines in value this can have a greater impact on the fund's value than if it held a larger number of investments.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 27,928          | 34,437       | 35,634       | 44,768       |
| Closing number of shares                  | 13,610,001      | 14,412,523   | 15,599,268   | 20,989,289   |
| Closing net asset value per share (pence) | 205.20          | 238.93       | 228.44       | 213.29       |
| Change in net asset value per share       | (14.12%)        | 4.59%        | 7.10%        | 24.48%       |
| Operating charges                         | 1.54%           | 1.62%        | 1.61%        | 1.61%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 62,806          | 93,898       | 424,674      | 653,880      |
| Closing number of shares                  | 28,168,334      | 36,286,413   | 172,941,989  | 287,353,306  |
| Closing net asset value per share (pence) | 222.97          | 258.77       | 245.56       | 227.55       |
| Change in net asset value per share       | (13.83%)        | 5.38%        | 7.91%        | 25.43%       |
| Operating charges                         | 0.87%           | 0.87%        | 0.86%        | 0.86%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 94.51           |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.59%           |              |              |              |
| Z Accumulation shares <sup>B</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | -               | 1            | 55           | 346          |
| Closing number of shares                  | -               | 368          | 20,368       | 140,268      |
| Closing net asset value per share (pence) | -               | 284.89       | 268.31       | 246.79       |
| Change in net asset value per share       | -               | 6.18%        | 8.72%        | 26.30%       |
| Operating charges                         | -               | 0.12%        | 0.11%        | 0.11%        |

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

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

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

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

<sup>B</sup> Z Accumulation share class closed on 20 September 2018.

## Portfolio Statement

As at 31 January 2019

| Holding  | Investment               | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--------------------------|-----------------------|--------------------------------------|
| <b>Equities (99.79%)</b>                               |                          | <b>89,086</b>         | <b>98.18</b>                         |
| <b>Basic Materials (10.98%)</b>                        |                          | <b>8,659</b>          | <b>9.54</b>                          |
| <b>Chemicals (10.98%)</b>                              |                          | <b>8,659</b>          | <b>9.54</b>                          |
| 130,000  | Kansai Paint             | 1,734                 | 1.91                                 |
| 86,000   | Nippon Paint             | 2,184                 | 2.41                                 |
| 74,000   | Shin-Etsu Chemical       | 4,741                 | 5.22                                 |
| <b>Consumer Goods (29.26%)</b>                         |                          | <b>25,606</b>         | <b>28.22</b>                         |
| <b>Automobile &amp; Parts (8.85%)</b>                  |                          | <b>8,701</b>          | <b>9.59</b>                          |
| 78,000   | Denso Corporation        | 2,717                 | 3.00                                 |
| 44,000   | Honda Motor              | 998                   | 1.10                                 |
| 125,000  | Stanley Electric         | 2,750                 | 3.03                                 |
| 48,000   | Toyota Motor             | 2,236                 | 2.46                                 |
| <b>Beverages (1.48%)</b>                               |                          | <b>620</b>            | <b>0.68</b>                          |
| 26,500   | Coca-Cola Bottlers Japan | 620                   | 0.68                                 |
| <b>Food Producers (0.94%)</b>                          |                          | <b>852</b>            | <b>0.94</b>                          |
| 35,000   | Calbee                   | 852                   | 0.94                                 |
| <b>Household Goods &amp; Home Construction (3.56%)</b> |                          | <b>2,968</b>          | <b>3.27</b>                          |
| 110,500  | Makita                   | 2,968                 | 3.27                                 |
| <b>Leisure Goods (3.85%)</b>                           |                          | <b>4,236</b>          | <b>4.67</b>                          |
| 13,000   | Shimano                  | 1,380                 | 1.52                                 |
| 86,000   | Yamaha                   | 2,856                 | 3.15                                 |
| <b>Personal Goods (8.02%)</b>                          |                          | <b>5,848</b>          | <b>6.45</b>                          |
| 57,200   | Mandom                   | 1,017                 | 1.12                                 |
| 84,500   | Pigeon                   | 2,503                 | 2.76                                 |
| 51,500   | Shiseido                 | 2,328                 | 2.57                                 |
| <b>Tobacco (2.56%)</b>                                 |                          | <b>2,381</b>          | <b>2.62</b>                          |
| 124,000  | Japan Tobacco            | 2,381                 | 2.62                                 |
| <b>Consumer Services (10.54%)</b>                      |                          | <b>11,833</b>         | <b>13.04</b>                         |
| <b>Food &amp; Drug Retailers (0.00%)</b>               |                          | <b>1,120</b>          | <b>1.23</b>                          |
| 39,000   | Welcia                   | 1,120                 | 1.23                                 |

| Holding  | Investment             | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|------------------------|-----------------------|--------------------------------------|
| <b>General Retailers (8.57%)</b>                     |                        | <b>7,828</b>          | <b>8.63</b>                          |
| 13,500   | Nitori Holdings        | 1,333                 | 1.47                                 |
| 103,960  | Seven & I              | 3,439                 | 3.79                                 |
| 113,000  | Start Today            | 1,729                 | 1.91                                 |
| 100,000  | USS                    | 1,327                 | 1.46                                 |
| <b>Travel &amp; Leisure (1.97%)</b>                  |                        | <b>2,885</b>          | <b>3.18</b>                          |
| 41,000   | East Japan Railway     | 2,885                 | 3.18                                 |
| <b>Financials (4.97%)</b>                            |                        | <b>5,489</b>          | <b>6.05</b>                          |
| <b>Financial Services (3.98%)</b>                    |                        | <b>4,192</b>          | <b>4.62</b>                          |
| 90,000   | AEON Financial Service | 1,324                 | 1.46                                 |
| 215,000  | Osaka Securities       | 2,868                 | 3.16                                 |
| <b>Nonlife Insurance (0.00%)</b>                     |                        | <b>1,297</b>          | <b>1.43</b>                          |
| 35,000   | Tokio Marine           | 1,297                 | 1.43                                 |
| <b>Real Estate Investment &amp; Services (0.99%)</b> |                        | -                     | -                                    |
| <b>Health Care (10.34%)</b>                          |                        | <b>11,524</b>         | <b>12.70</b>                         |
| <b>Health Care Equipment &amp; Services (4.77%)</b>  |                        | <b>5,327</b>          | <b>5.87</b>                          |
| 63,000   | Asahi Intecc           | 2,075                 | 2.29                                 |
| 77,000   | Sysmex                 | 3,252                 | 3.58                                 |
| <b>Pharmaceuticals &amp; Biotechnology (5.57%)</b>   |                        | <b>6,197</b>          | <b>6.83</b>                          |
| 58,000   | Chugai Pharmaceutical  | 2,601                 | 2.87                                 |
| 77,100   | Shionogi               | 3,596                 | 3.96                                 |
| <b>Industrials (23.03%)</b>                          |                        | <b>14,982</b>         | <b>16.51</b>                         |
| <b>Construction &amp; Materials (3.60%)</b>          |                        | <b>2,712</b>          | <b>2.99</b>                          |
| 33,020   | Daikin Industries      | 2,712                 | 2.99                                 |
| <b>Electronic &amp; Electrical Equipment (4.53%)</b> |                        | <b>4,404</b>          | <b>4.85</b>                          |
| 11,314   | Keyence                | 4,404                 | 4.85                                 |
| <b>Industrial Engineering (14.90%)</b>               |                        | <b>7,866</b>          | <b>8.67</b>                          |
| 183,000  | Amada                  | 1,395                 | 1.54                                 |
| 17,500   | Fanuc                  | 2,244                 | 2.47                                 |
| 46,000   | Komatsu                | 887                   | 0.98                                 |
| 60,000   | MISUMI Group Inc       | 1,039                 | 1.14                                 |
| 115,000  | Nabtesco               | 2,301                 | 2.54                                 |

| Holding  | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Technology (7.53%)</b>                          |   | <b>7,193</b>          | <b>7.93</b>                          |
| <b>Software &amp; Computer Services (5.68%)</b>    |   | <b>5,746</b>          | <b>6.33</b>                          |
| 72,000   | Otsuka  | 1,763                 | 1.94                                 |
| 70,000   | SCSK  | 2,147                 | 2.37                                 |
| 900,000  | Yahoo Japan   | 1,836                 | 2.02                                 |
| <b>Technology Hardware &amp; Equipment (1.85%)</b> |   | <b>1,447</b>          | <b>1.60</b>                          |
| 332,000  | Renesas Electronics                                     | 1,447                 | 1.60                                 |
| <b>Telecommunications (3.14%)</b>                  |   | <b>3,800</b>          | <b>4.19</b>                          |
| <b>Mobile Telecommunications (3.14%)</b>           |   | <b>3,800</b>          | <b>4.19</b>                          |
| 200,000  | KDDI  | 3,800                 | 4.19                                 |
| <b>Collective Investment Schemes (0.00%)</b>       |   | <b>1</b>              | <b>-</b>                             |
| 1  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund* | 1                     | -                                    |
| <b>Total investment assets</b>                     |   | <b>89,087</b>         | <b>98.18</b>                         |
| <b>Net other assets</b>                            |   | <b>1,647</b>          | <b>1.82</b>                          |
| <b>Total Net Assets</b>                            |   | <b>90,734</b>         | <b>100.00</b>                        |

\* Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018.

### Statement of total return

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |               |
|---|-----------------|-----------------|-----------------|---------------|
|   | £'000           | £'000           | £'000           | £'000         |
| Income:   |                 |                 |                 |               |
| Net capital (losses)/gains  |                 | (15,344)        |                 | 14,251        |
| Revenue   | 881             |                 | 1,484           |               |
| Expenses  | (543)           |                 | (1,088)         |               |
| Net revenue before taxation   | 338             |                 | 396             |               |
| Taxation  | (87)            |                 | (148)           |               |
| Net revenue after taxation  |                 | 251             |                 | 248           |
| <b>Total return before distributions</b>  |                 | <b>(15,093)</b> |                 | <b>14,499</b> |
| Distributions   |                 | (17)            |                 | (29)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(15,110)</b> |                 | <b>14,470</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018        |                |
|--|-----------------|----------------|------------------------|----------------|
|  | £'000           | £'000          | £'000                  | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>128,336</b> |                        | <b>460,363</b> |
| Amounts receivable on the issue of shares  | 13,683          |                | 11,311                 |                |
| Amounts payable on the cancellation of shares  | (36,187)        |                | (27,000)               |                |
| Amounts payable on inspecie transfers  | -               |                | (296,241) <sup>A</sup> |                |
|  |                 | (22,504)       |                        | (311,930)      |
| Dilution adjustment  |                 | 12             |                        | -              |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (15,110)       |                        | 14,470         |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>90,734</b>  |                        | <b>162,903</b> |

<sup>A</sup> Relating to in specie transfer to HSBC Global Custody Nominee (UK) Limited on 29 August 2017.

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



## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |                |
|--|-----------------|---------------|--------------|----------------|
|  | £'000           | £'000         | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |               |              |                |
| Fixed assets:                                  |                 |               |              |                |
| Investments                                    |                 | 89,087        |              | 128,064        |
| Current assets:                                |                 |               |              |                |
| Debtors  | 785             |               | 979          |                |
| Cash and bank balances                         | 1,132           |               | 141          |                |
|  |                 | 1,917         |              | 1,120          |
| Total assets                                   |                 | 91,004        |              | 129,184        |
| <b>Liabilities:</b>                            |                 |               |              |                |
| Creditors:                                     |                 |               |              |                |
| Other creditors                                | (270)           |               | (848)        |                |
|  |                 |               |              |                |
| Total liabilities                              |                 | (270)         |              | (848)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>90,734</b> |              | <b>128,336</b> |

# Aberdeen Latin American Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund's investment objective is long-term total return to be achieved by investing in equities and equity-related securities of Latin American companies or companies with significant activities in Latin America.

Note: The term 'total return' means a combination of income and capital growth and no positive return is implied.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Latin American Equity Fund – A Accumulation Shares increased by 8.34% compared to an increase of 10.32% in the benchmark, the MSCI EM Latin America 10/40 NR Index.

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

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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

## Market review

Latin American equities faced increased volatility during the period under review but edged higher in sterling terms. While global themes, such as trade tensions between the US and China, the pace of rate hikes in the US and concerns over global economic growth buffeted sentiment, the key events that shaped the market came from within the region. In Brazil, stocks rebounded ahead of Jair Bolsonaro's win in the presidential elections in October, and maintained its upward momentum on the back of higher investor confidence in the new government's reform agenda. In contrast, Mexico sold-off on increased concerns around controversial policies under the newly-elected President Lopez Obrador.

## Portfolio review

At the stock level, the main contributor was Lojas Renner, whose robust performance benefited from the recovery in consumption and continued good execution. Software provider Linx did well, as it revealed the launch of its payment business. Arezzo, Multiplan and Ultrapar also contributed to gains as they recovered from weakness earlier in the period on improved sentiment towards the economic outlook under the new Brazilian president. Not holding Mexican America Movil and Grupo Televisa also benefited the fund, as these led the market decline on disappointing results affected by the weaker peso.

Our underweight to recently introduced Petrobras was the main detractor as the Brazilian state-owned oil company performed well, driven by positive sentiment around the presidential election outcome. Mexican bank Banorte suffered on the back of concerns around potential government intervention in the banking sector, particularly on fee-income and the pension business. At the country level, our exposure to non-benchmark Argentina dampened performance due to weakness in Tenaris shares.

During the review period, we exited Hering, Bancolombia and Iguatemi due to lower confidence, and reinvested the proceeds in better opportunities elsewhere. Against this, we introduced IEnova, Mexico's leading energy infrastructure company, as well as Petrobras, given its improved outlook and attractive valuations. The latest initiation was healthcare company Notre Dame Intermedica, which we introduced the taking advantage of its discounted follow-on offer.

## Outlook

Global trade developments will shape the outlook of Latin American equities in the year to come, while investors adjust to normalising monetary conditions and moderating economic expansion. Regional politics will also be a key driver, with markets keeping a close eye on progress from the administrations in Mexico and Brazil. As the effect from the tax cut and fiscal stimulus fades, the US dollar is expected to ease further. Oil prices should stay in check on the back of pressure from the White House and an oversupply situation. Reforms in Brazil that address the country's fiscal deficit and provide more scope for private businesses to grow, would support further economic expansion. Improving macro-political dynamics in Chile, Colombia and Argentina also underpin our upbeat outlook. However, we are still cautious due to worrying trends in Mexico, where increased economic policy uncertainty have deterred investors. Looking beyond short-term uncertainties, we remain optimistic about our funds, as corporate earnings remain robust. We continue to hold our belief in their solid fundamentals, which should allow our holdings to withstand ongoing challenges.

**Global Emerging Markets Equity Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
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- Emerging markets: Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries and this may mean your money is at greater risk.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 40,574          | 102,211      | 142,237      | 123,160      |
| Closing number of shares                  | 35,814,812      | 99,581,435   | 133,186,933  | 137,300,880  |
| Closing net asset value per share (pence) | 113.29          | 102.64       | 106.80       | 89.70        |
| Change in net asset value per share       | 10.38%          | (3.90%)      | 19.06%       | 35.83%       |
| Operating charges                         | 1.90%           | 1.99%        | 2.02%        | 2.02%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 91,786          | 86,087       | 84,439       | 55,911       |
| Closing number of shares                  | 75,828,504      | 78,754,626   | 74,802,023   | 59,413,095   |
| Closing net asset value per share (pence) | 121.04          | 109.31       | 112.88       | 94.11        |
| Change in net asset value per share       | 10.73%          | (3.16%)      | 19.94%       | 36.85%       |
| Operating charges                         | 1.19%           | 1.24%        | 1.27%        | 1.27%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 115.95          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.57%           |              |              |              |

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

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

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

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

## Portfolio Statement

As at 31 January 2019

| Holding                                  | Investment                        | Bid-Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|-----------------------------------|---------------------------|--------------------------------------|
| <b>Equities (98.62%)</b>                 |                                   | <b>130,144</b>            | <b>98.33</b>                         |
| <b>Emerging Market Equities (69.64%)</b> |                                   | <b>96,673</b>             | <b>73.04</b>                         |
| <b>Argentina (2.37%)</b>                 |                                   | <b>3,182</b>              | <b>2.40</b>                          |
| 152,404                                  | BBVA Frances ADR                  | 1,567                     | 1.18                                 |
| 31,424                                   | Globant                           | 1,615                     | 1.22                                 |
| <b>Brazil (55.78%)</b>                   |                                   | <b>82,417</b>             | <b>62.27</b>                         |
| 1,197,781                                | AmBev                             | 4,377                     | 3.31                                 |
| 250,923                                  | Arezzo Industria e Comercio       | 2,880                     | 2.18                                 |
| 587,856                                  | B3 SA - Brasil Bolsa Balcao       | 3,861                     | 2.92                                 |
| 907,067                                  | Banco Bradesco                    | 7,621                     | 5.76                                 |
| 401,051                                  | Banco Bradesco (Preference)       | 3,787                     | 2.86                                 |
| 106,997                                  | Banco Bradesco ADR                | 1,009                     | 0.76                                 |
| 946,850                                  | Bradespar (Preference)            | 5,556                     | 4.20                                 |
| 337,039                                  | BRF                               | 1,656                     | 1.25                                 |
| 25,807                                   | BRF ADR                           | 127                       | 0.10                                 |
| 1,262,716                                | Itau Unibanco                     | 8,611                     | 6.51                                 |
| 43,891                                   | Itau Unibanco ADR                 | 355                       | 0.27                                 |
| 1,481,000                                | Itaúsa (Preference)               | 4,172                     | 3.15                                 |
| 287,779                                  | Linx                              | 1,787                     | 1.35                                 |
| 438,496                                  | Localiza                          | 3,047                     | 2.30                                 |
| 585,395                                  | Lojas Renner                      | 5,552                     | 4.19                                 |
| 772,641                                  | Multiplan                         | 4,178                     | 3.16                                 |
| 212,305                                  | Notre Dame Intermedica            | 1,488                     | 1.12                                 |
| 466,768                                  | Odontoprev                        | 1,592                     | 1.20                                 |
| 1,376,821                                | Petrol Brasileiros Preference     | 7,350                     | 5.55                                 |
| 116,397                                  | Raia Drogasil                     | 1,506                     | 1.14                                 |
| 277,489                                  | TOTVS                             | 1,915                     | 1.45                                 |
| 68,535                                   | Ultrapar                          | 818                       | 0.62                                 |
| 178,057                                  | Ultrapar Participacoes ADR        | 2,134                     | 1.61                                 |
| 387,093                                  | Vale ADR                          | 3,655                     | 2.76                                 |
| 251,443                                  | Valid Solucoes e Servicos         | 1,092                     | 0.82                                 |
| 582,864                                  | WEG                               | 2,291                     | 1.73                                 |
| <b>Chile (8.05%)</b>                     |                                   | <b>8,644</b>              | <b>6.53</b>                          |
| 81,736                                   | Banco Santander ADR               | 2,007                     | 1.51                                 |
| 848,494                                  | Embotelladora Andina (Preference) | 2,222                     | 1.68                                 |
| 1,150,665                                | Parque Arauco                     | 2,352                     | 1.78                                 |

| Holding                                | Investment                               | Bid-Market<br>Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|------------------------------|--------------------------------------|
| 337,570                                | SACI Falabella                           | 2,063                        | 1.56                                 |
| <b>Colombia (1.40%)</b>                |  | -                            | -                                    |
| <b>Peru (2.04%)</b>                    |  | 2,430                        | 1.84                                 |
| 939,338                                | Cementos Pacasmayo                       | 1,450                        | 1.10                                 |
| 413,937                                | Fossal                                   | 14                           | 0.01                                 |
| 403,113                                | Grana y Montero ADR                      | 966                          | 0.73                                 |
| <b>European Equities (1.12%)</b>       |  | 1,436                        | 1.09                                 |
| <b>Luxembourg (1.12%)</b>              |  | 1,436                        | 1.09                                 |
| 75,700                                 | Tenaris ADR                              | 1,436                        | 1.09                                 |
| <b>North America Equities (27.86%)</b> |  | 32,035                       | 24.20                                |
| <b>Bermuda (1.44%)</b>                 |  | 1,645                        | 1.24                                 |
| 191,750                                | Wilson Sons (BDR)                        | 1,645                        | 1.24                                 |
| <b>Mexico (26.42%)</b>                 |  | 30,390                       | 22.96                                |
| 700,426                                | Arca Continental SAB de                  | 3,104                        | 2.35                                 |
| 1,544,441                              | Banco Santander                          | 1,760                        | 1.32                                 |
| 79,135                                 | Fomento Economico Mexicano SAB de ADR    | 5,475                        | 4.14                                 |
| 65,467                                 | Grupo Aeroportuario del Centro Norte ADR | 2,226                        | 1.68                                 |
| 231,839                                | Grupo Aeroportuario del Sureste          | 3,207                        | 2.42                                 |
| 1,176,259                              | Grupo Financiero Banorte                 | 4,987                        | 3.77                                 |
| 1,174,997                              | Grupo Lala                               | 1,088                        | 0.82                                 |
| 1,331,385                              | Hoteles City Express                     | 1,198                        | 0.91                                 |
| 681,261                                | Infraestructura Energetica Nova          | 2,040                        | 1.54                                 |
| 948,284                                | Kimberly-Clark de Mexico                 | 1,208                        | 0.91                                 |
| 2,043,571                              | Wal-Mart de Mexico                       | 4,097                        | 3.10                                 |
| <b>Total investment assets</b>         |  | <b>130,144</b>               | <b>98.33</b>                         |
| Net other assets                       |  | 2,216                        | 1.67                                 |
| <b>Total Net Assets</b>                |  | <b>132,360</b>               | <b>100.00</b>                        |

Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |               | 31 January 2018 |               |
|---|-----------------|---------------|-----------------|---------------|
|   | £'000           | £'000         | £'000           | £'000         |
| Income:   |                 |               |                 |               |
| Net capital gains   |                 | 12,635        |                 | 15,933        |
| Revenue   | 2,241           |               | 2,771           |               |
| Expenses  | (1,295)         |               | (1,989)         |               |
| Interest payable and similar charges  | (1)             |               | -               |               |
| Net revenue before taxation   | 945             |               | 782             |               |
| Taxation  | (227)           |               | (288)           |               |
| Net revenue after taxation  |                 | 718           |                 | 494           |
| <b>Total return before distributions</b>  |                 | <b>13,353</b> |                 | <b>16,427</b> |
| Distributions   |                 | (78)          |                 | 9             |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>13,275</b> |                 | <b>16,436</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>188,298</b> |                 | <b>226,676</b> |
| Amounts receivable on the issue of shares  | 15,222          |                | 13,644          |                |
| Amounts payable on the cancellation of shares  | (84,516)        |                | (23,210)        |                |
|  |                 | (69,294)       |                 | (9,566)        |
| Dilution adjustment  |                 | 81             |                 | -              |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | 13,275         |                 | 16,436         |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>132,360</b> |                 | <b>233,546</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 130,144        |              | 185,703        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 2,160           |                | 943          |                |
| Cash and bank balances                         | 2,205           |                | 2,582        |                |
|  |                 | 4,365          |              | 3,525          |
| Total assets                                   |                 | 134,509        |              | 189,228        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Creditors                                      | (2,149)         |                | (930)        |                |
|  |                 | (2,149)        |              | (930)          |
| Total liabilities                              |                 | (2,149)        |              | (930)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>132,360</b> |              | <b>188,298</b> |



# Aberdeen Multi-Asset Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The investment objective of Aberdeen Multi-Asset Fund is to provide long term total return from a diversified portfolio. The Fund may invest in transferable securities and may also hold units in collective investment schemes (in particular, schemes managed by the Investment Adviser), money market instruments, warrants, derivatives and forward transactions, cash and near cash and deposits.

Note: The term 'total return' means a combination of income and capital growth and no positive return is implied.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Multi-Asset Fund - A Accumulation Shares decreased by 4.46% compared to a decrease of 4.68% in the composite benchmark (40% FTSE ALL Share, 25% MSCI World ex UK, 15% FTSE A Brit All Stocks, 5% HFRI Offshore Conservative, 5% FTSE Small Cap, 7.5% 7 Day Libid, 2.5% Macquarie Global Infrastructure 100 Index).

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

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

## Market review

Global equity and fixed income markets were volatile over the review period. Despite generally positive economic news, US trade policy, political discord in Europe, Italy's controversial budget proposals and ongoing Brexit uncertainty dominated headlines.

The US economy remained robust, propelling domestic equities to new highs. Nevertheless, the market had a bruising December on the back of the temporary government shutdown and the US Federal Reserve's (Fed) rate increase, which had followed its September hike. European and UK stocks struggled as economic data were mixed.

Sentiment towards emerging-market equities continued to sour on worries about the impact of rising US interest rates and a stronger dollar on their economies. The Sino-US trade war added to investors' unease. October was notable for the sharp drop in the oil price, another measure of growing concerns about a slowdown in the mainland. Confidence improved in January on indications that Fed rates would rise more slowly than previously expected and hopes for a resolution to the trade crisis.

Within fixed income, tighter monetary policy and higher interest rates characterised much of the review period. Besides the Fed, the Bank of England hiked rates to 0.75% in August. The European Central Bank left rates unchanged but ended its monetary support programme in December. However, safe-haven assets gained strong support as 2018 ended, reflecting continued macro uncertainty and increased risk aversion. This bolstered government bonds as yields generally fell. European bonds were also influenced by politics in Italy, where the government looked to be on a collision course with the European Union over the level of fiscal spending.

## Portfolio review

The Fund fell in value as equity markets posted negative returns. Nevertheless, it outperformed the composite benchmark. From a tactical perspective, our underweight to fixed income and alternatives detracted as these asset classes outperformed equities. Stock selection in Japanese equities was negative but this was more than compensated for by positive selection in UK equities. Cash also contributed marginally to performance.

Despite a broad rotation out of growth stocks into value stocks, which severely hampered returns in September and October, UK equities were a key driver in the fund's overall performance. The focus on quality was beneficial during challenging market conditions. Notably, the holdings in Rentokil, Intertek and Spirax-Sarco Engineering aided performance as these companies produced resilient earnings.

The overseas equity component of the Fund did not fare as well. Japanese equities underperformed as increased foreign selling and a stronger yen dampened market sentiment. In addition, stock selection there proved negative. The lack of exposure to Softbank detracted. Underlying holding Renesas also weighed on performance, given worries that it had overpaid to acquire IDT. Other detractors included Sysmex, which reported sluggish results as sales of medical instruments faltered; Zozo, which weakened on the back of concerns that building its private brand business might result in higher expenses; and Makita as earnings missed expectations amid slowing sales growth in Europe and rising cost pressures.

In the alternatives component, a lack of exposure to foreign currency and commodities hurt relative performance. However, this was more than compensated for by positive contributions from infrastructure and private equity. Infrastructure benefited from the cash offer for John Laing Infrastructure Fund, elevating its share price by almost 20%, which in turn lifted our infrastructure holdings 3i Infrastructure and HICL Infrastructure.

There were several changes made to the composition of the Fund over the reporting period. In August, we pared our exposure to alternatives and European equities, with the proceeds redistributed into UK government bonds and emerging-market equities, given an improved outlook for these assets. In September, we reduced our US-equity position on growing concerns over a market correction. The proceeds were recycled into cash. During the last quarter of 2019, we made a small tactical change by

neutralising our underweight to UK equities as our analysis suggested the market was oversold. Sterling weakness provided support as most of the larger UK-listed companies derive profits overseas. Overseas currencies, coupled with the sell-off in equities, provided a favourable entry point at which to add to UK equities. Following a brief recovery in December, we reduced our exposure to European stocks yet again, with proceeds recycled into UK government bonds and cash.

#### Outlook

Central banks in the US and China have signalled an easing in the path of monetary policy, while trade war worries have dissipated. Markets meanwhile have rebounded strongly in early 2019 on expectations that economic growth will recover later this year. We are broadly supportive of this view, although we are watching economic indicators for confirmation that looser monetary policy is feeding through to the economy.

In the longer term, we are more cautious. It is clear that risks are rising for the global economy. The current business cycle is likely to become the longest in US history and excesses are building: the economy is running above capacity and corporate debt levels are extended. Europe continues to face structural and political problems. China's is still dealing with its dependence on rapid credit growth. Our base case is that the global economy will see a sustained period of growth in the next three years, albeit fairly weak by historical standards. But the balance of risk is clearly to the downside, so we are cautiously positioned on a strategic basis.

#### Strategic Clients Solution Team

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 4 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 76,301          | 82,398       | 329,375      | 333,184      |
| Closing number of shares                  | 28,615,259      | 29,444,655   | 126,035,030  | 141,416,848  |
| Closing net asset value per share (pence) | 266.65          | 279.84       | 261.34       | 235.60       |
| Change in net asset value per share       | (4.71%)         | 7.08%        | 10.93%       | 6.56%        |
| Operating charges                         | 1.61%           | 1.67%        | 1.68%        | 1.68%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 3,448           | 3,705        | 3,750        | 3,786        |
| Closing number of shares                  | 1,549,247       | 1,582,575    | 1,696,103    | 1,875,550    |
| Closing net asset value per share (pence) | 222.56          | 234.08       | 221.06       | 201.84       |
| Change in net asset value per share       | (4.92%)         | 5.89%        | 9.52%        | 5.37%        |
| Operating charges                         | 1.61%           | 1.67%        | 1.68%        | 1.68%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 43,746          | 46,678       | 45,327       | 210,446      |
| Closing number of shares                  | 15,052,491      | 15,353,987   | 16,087,733   | 83,473,139   |
| Closing net asset value per share (pence) | 290.62          | 304.01       | 281.75       | 252.11       |
| Change in net asset value per share       | (4.40%)         | 7.90%        | 11.76%       | 7.36%        |
| Operating charges                         | 0.95%           | 0.92%        | 0.93%        | 0.93%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 10,327          | 11,288       | 11,743       | 10,991       |
| Closing number of shares                  | 7,855,640       | 8,163,759    | 8,994,243    | 9,220,192    |
| Closing net asset value per share (pence) | 131.46          | 138.27       | 130.56       | 119.20       |
| Change in net asset value per share       | (4.93%)         | 5.91%        | 9.53%        | 5.40%        |
| Operating charges                         | 0.95%           | 0.92%        | 0.93%        | 0.93%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 101.56          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.79%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 101.34          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.79%           |              |              |              |

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

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 unit class.

<sup>A</sup> M share classes launched on 28 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                 | Investment          | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---|---------------------|-----------------------|--------------------------------------|
| <b>Equities (60.16%)</b>                |                     | <b>81,323</b>         | <b>60.77</b>                         |
| <b>Africa Equities (0.07%)</b>          |                     | -                     | -                                    |
| <b>South Africa (0.07%)</b>             |                     | -                     | -                                    |
| <b>Emerging Market Equities (0.18%)</b> |                     | <b>314</b>            | <b>0.23</b>                          |
| <b>Brazil (0.18%)</b>                   |                     | <b>314</b>            | <b>0.23</b>                          |
| 33,239                                  | Banco Bradesco ADR  | 314                   | 0.23                                 |
| <b>European Equities (2.68%)</b>        |                     | <b>1,763</b>          | <b>1.32</b>                          |
| <b>France (0.12%)</b>                   |                     | <b>165</b>            | <b>0.12</b>                          |
| 900                                     | L'Oreal             | 165                   | 0.12                                 |
| <b>Germany (0.43%)</b>                  |                     | <b>353</b>            | <b>0.26</b>                          |
| 2,584                                   | Henkel              | 191                   | 0.14                                 |
| 9,600                                   | Infineon Technology | 162                   | 0.12                                 |
| <b>Ireland (1.29%)</b>                  |                     | -                     | -                                    |
| <b>Sweden (0.21%)</b>                   |                     | <b>266</b>            | <b>0.20</b>                          |
| 8,000                                   | Atlas Copco 'A'     | 158                   | 0.12                                 |
| 14,800                                  | Epiroc              | 108                   | 0.08                                 |
| <b>Switzerland (0.63%)</b>              |                     | <b>825</b>            | <b>0.62</b>                          |
| 4,200                                   | Nestle              | 278                   | 0.21                                 |
| 4,900                                   | Novartis            | 325                   | 0.24                                 |
| 1,100                                   | Roche               | 222                   | 0.17                                 |
| <b>Japanese Equities (0.87%)</b>        |                     | <b>848</b>            | <b>0.63</b>                          |
| 1,200                                   | Fanuc               | 154                   | 0.10                                 |
| 10,200                                  | Japan Tobacco       | 196                   | 0.15                                 |
| 500                                     | Keyence             | 195                   | 0.15                                 |
| 2,300                                   | Shin-Etsu Chemical  | 147                   | 0.11                                 |
| 3,700                                   | Sysmex              | 156                   | 0.12                                 |
| <b>Middle East Equities (0.17%)</b>     |                     | <b>196</b>            | <b>0.15</b>                          |

| Holding                               | Investment                        | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---------------------------------------|-----------------------------------|-----------------------|--------------------------------------|
| <b>Israel (0.17%)</b>                 |                                   | <b>196</b>            | <b>0.15</b>                          |
| 2,300                                 | Check Point Software Technologies | 196                   | 0.15                                 |
| <b>North America Equities (3.26%)</b> |                                   | <b>3,937</b>          | <b>2.94</b>                          |
| <b>Canada (0.12%)</b>                 |                                   | <b>218</b>            | <b>0.16</b>                          |
| 5,540                                 | Nutrien                           | 218                   | 0.16                                 |
| <b>Mexico (0.16%)</b>                 |                                   | <b>221</b>            | <b>0.17</b>                          |
| 3,200                                 | Fomento Economico Mexicano SAB de | 221                   | 0.17                                 |
| <b>United States (2.98%)</b>          |                                   | <b>3,498</b>          | <b>2.61</b>                          |
| 288                                   | Alphabet 'A'                      | 247                   | 0.18                                 |
| 2,087                                 | Amdocs                            | 89                    | 0.07                                 |
| 110                                   | Booking Holdings                  | 153                   | 0.11                                 |
| 600                                   | CME                               | 83                    | 0.06                                 |
| 3,200                                 | EOG Resources                     | 241                   | 0.18                                 |
| 2,100                                 | Estee Lauder                      | 218                   | 0.16                                 |
| 1,400                                 | First Republic Bank               | 103                   | 0.08                                 |
| 4,075                                 | Intercontinental Exchange         | 238                   | 0.18                                 |
| 1,300                                 | Johnson & Johnson                 | 132                   | 0.10                                 |
| 1,821                                 | M&T Bank                          | 228                   | 0.17                                 |
| 5,400                                 | Oracle                            | 206                   | 0.15                                 |
| 2,700                                 | PepsiCo                           | 231                   | 0.17                                 |
| 1,500                                 | PRA Health Sciences               | 121                   | 0.09                                 |
| 64,100                                | Samsonite                         | 143                   | 0.11                                 |
| 7,700                                 | Schlumberger                      | 259                   | 0.19                                 |
| 7,300                                 | TJX                               | 275                   | 0.21                                 |
| 3,200                                 | Visa                              | 328                   | 0.25                                 |
| 7,300                                 | Yum China                         | 203                   | 0.15                                 |
| <b>Pacific Basin Equities (1.73%)</b> |                                   | <b>2,203</b>          | <b>1.65</b>                          |
| <b>Australia (0.08%)</b>              |                                   | <b>270</b>            | <b>0.20</b>                          |
| 1,100                                 | CSL                               | 119                   | 0.09                                 |
| 17,700                                | Treasury Wine Estates             | 151                   | 0.11                                 |
| <b>China (0.07%)</b>                  |                                   | <b>214</b>            | <b>0.16</b>                          |
| 6,400                                 | Tencent                           | 214                   | 0.16                                 |

| Holding                        | Investment                         | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--------------------------------|------------------------------------|-----------------------|--------------------------------------|
| <b>Hong Kong (0.42%)</b>       |                                    | <b>420</b>            | <b>0.31</b>                          |
| 31,800                         | AIA                                | 217                   | 0.16                                 |
| 4,000                          | Jardine Matheson                   | 203                   | 0.15                                 |
| <b>India (0.29%)</b>           |                                    | <b>335</b>            | <b>0.25</b>                          |
| 9,100                          | Housing Development Finance        | 187                   | 0.14                                 |
| 49,950                         | ITC                                | 148                   | 0.11                                 |
| <b>Singapore (0.26%)</b>       |                                    | <b>186</b>            | <b>0.14</b>                          |
| 28,661                         | Oversea-Chinese Banking Corp       | 186                   | 0.14                                 |
| <b>South Korea (0.22%)</b>     |                                    | <b>317</b>            | <b>0.24</b>                          |
| 501                            | Samsung Electronics                | 317                   | 0.24                                 |
| <b>Taiwan (0.22%)</b>          |                                    | <b>249</b>            | <b>0.19</b>                          |
| 8,700                          | Taiwan Semiconductor Manufacturing | 249                   | 0.19                                 |
| <b>Thailand (0.17%)</b>        |                                    | <b>212</b>            | <b>0.16</b>                          |
| 43,600                         | Kasikornbank                       | 212                   | 0.16                                 |
| <b>UK Equities (51.20%)</b>    |                                    | <b>72,062</b>         | <b>53.85</b>                         |
| <b>Oil &amp; Gas (0.11%)</b>   |                                    | <b>154</b>            | <b>0.12</b>                          |
| 6,529                          | Royal Dutch Shell 'A'              | 154                   | 0.12                                 |
| <b>Basic Materials (1.27%)</b> |                                    | <b>2,879</b>          | <b>2.16</b>                          |
| 32,700                         | Croda                              | 1,576                 | 1.18                                 |
| 36,300                         | Johnson Matthey                    | 1,104                 | 0.83                                 |
| 1,600                          | Linde                              | 199                   | 0.15                                 |
| <b>Consumer Goods (7.16%)</b>  |                                    | <b>11,526</b>         | <b>8.61</b>                          |
| 52,000                         | Associated British Foods           | 1,241                 | 0.93                                 |
| 79,600                         | British American Tobacco           | 2,138                 | 1.60                                 |

| Holding                          | Investment                                   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------------|--|-----------------------|--------------------------------------|
| 364,000                          | Countryside Properties                       | 1,118                 | 0.84                                 |
| 103,500                          | Diageo                                       | 3,003                 | 2.24                                 |
| 51,300                           | Fever Tree Drinks                            | 1,318                 | 0.98                                 |
| 40,600                           | Unilever                                     | 1,618                 | 1.21                                 |
| 580,000                          | Boohoo.com                                   | 1,090                 | 0.81                                 |
| <b>Consumer Services (7.23%)</b> |  | <b>8,420</b>          | <b>6.29</b>                          |
| 66,500                           | Compass                                      | 1,084                 | 0.81                                 |
| 78,437                           | Euromoney Institutional Investor             | 971                   | 0.73                                 |
| 24,225                           | InterContinental Hotels                      | 1,051                 | 0.79                                 |
| 264,000                          | Just Eat                                     | 1,837                 | 1.37                                 |
| 141,500                          | RELX   | 2,387                 | 1.78                                 |
| 231,000                          | Rightmove                                    | 1,090                 | 0.81                                 |
| <b>Financials (19.99%)</b>       |  | <b>28,128</b>         | <b>21.02</b>                         |
| 377,176                          | 3i Infrastructure                            | 999                   | 0.75                                 |
| 636,178                          | Aberdeen Diversified Income and Growth Trust | 735                   | 0.55                                 |
| 139,339                          | Aberdeen Private Equity Fund                 | 3                     | 0.00                                 |
| 302,000                          | Ashmore*                                     | 1,220                 | 0.91                                 |
| 102,000                          | Close Brothers                               | 1,514                 | 1.13                                 |
| 716,375                          | Funding Circle SME Income Fund               | 615                   | 0.46                                 |
| 1,165,360                        | Greencoat UK Wind                            | 1,557                 | 1.16                                 |
| 1,350,839                        | HICL Infrastructure                          | 2,241                 | 1.68                                 |
| 769                              | HIE Ventures                                 | 0.00                  | 0.00                                 |
| 40,500                           | London Stock Exchange                        | 1,854                 | 1.39                                 |
| 271,898                          | Pantheon International                       | 5,683                 | 4.25                                 |
| 152,000                          | Prudential                                   | 2,257                 | 1.69                                 |
| 2,126,413                        | Renewables Infrastructure Group              | 2,505                 | 1.87                                 |
| 111,033                          | Riverstone Energy                            | 1,164                 | 0.87                                 |
| 44,885                           | Schroders                                    | 922                   | 0.69                                 |
| 468,578                          | Sequoia Economic Infrastructure Income       | 520                   | 0.39                                 |
| 251,400                          | Standard Chartered                           | 1,543                 | 1.15                                 |
| 24,235                           | Standard Chartered                           | 151                   | 0.11                                 |
| 493,417                          | Standard Life UK Smaller Companies Trust     | 2,127                 | 1.59                                 |
| 367,599                          | Tritax Big Box REIT                          | 513                   | 0.38                                 |
| 47,947                           | Tritax Big Box REIT                          | 5                     | 0.00                                 |
| <b>Health Care (4.75%)</b>       |  | <b>4,853</b>          | <b>3.63</b>                          |
| 151,000                          | Abcam  | 2,002                 | 1.50                                 |



| Holding                                       | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---|--|-----------------------|--------------------------------------|
| 50,500  | Dechra Pharmaceuticals   | 1,194                 | 0.89                                 |
| 74,500  | Genus  | 1,657                 | 1.24                                 |
| <b>Industrials (9.22%)</b>                    |  | <b>14,124</b>         | <b>10.55</b>                         |
| 668,906                                       | Amedeo Air Four Plus   | 709                   | 0.53                                 |
| 158,000                                       | Bodycote   | 1,201                 | 0.90                                 |
| 84,000  | Experian   | 1,606                 | 1.20                                 |
| 36,000  | Intertek   | 1,767                 | 1.32                                 |
| 222,529                                       | Marshalls  | 1,130                 | 0.84                                 |
| 577,000                                       | Rentokil   | 1,944                 | 1.45                                 |
| 129,500                                       | Rolls-Royce  | 1,145                 | 0.86                                 |
| 183,100                                       | Smart Metering Systems   | 1,201                 | 0.90                                 |
| 16,500  | Spirax-Sarco Engineering   | 1,056                 | 0.79                                 |
| 64,000  | Ultra Electronics  | 821                   | 0.61                                 |
| 102,600                                       | Weir   | 1,544                 | 1.15                                 |
| <b>Technology (1.48%)</b>                     |  | <b>2,132</b>          | <b>1.59</b>                          |
| 78,400  | Aveva  | 2,132                 | 1.59                                 |
| <b>Collective Investment Schemes (39.03%)</b> |  | <b>51,514</b>         | <b>38.49</b>                         |
| 595,741                                       | Aberdeen Alternative Strategies Fund <sup>+</sup>                                  | 5,962                 | 4.45                                 |
| 3,450,248                                     | Aberdeen European Equity Enhanced Index Fund <sup>+</sup>                          | 4,155                 | 3.10                                 |
| 806,694                                       | Aberdeen Standard SICAV I - Japanese Equity Fund <sup>+</sup>                      | 2,423                 | 1.81                                 |
| 440   | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund <sup>+</sup>                | 441                   | 0.33                                 |
| 6,350   | Aberdeen Standard Liquidity Fund (Lux) - Short Duration Sterling Fund <sup>+</sup> | 844                   | 0.63                                 |
| 11,748,431                                    | Aberdeen Northern American Equity Enhanced Index Fund <sup>+</sup>                 | 19,078                | 14.26                                |
| 17,191,364                                    | Aberdeen Sterling Government Bond Fund <sup>+</sup>                                | 18,611                | 13.91                                |
| <b>Derivatives (0.00%)</b>                    |  | -                     | -                                    |
| <b>Forward Currency Contracts (0.00%)</b>     |  | -                     | -                                    |
| Buy JPY 5,100,768 Sell GBP 35,621 04/02/2019  |  | 0.00                  | -                                    |
| <b>Total investment assets</b>                |  | <b>132,837</b>        | <b>99.26</b>                         |
| Net other assets                              |  | 985                   | 0.74                                 |
| <b>Total Net Assets</b>                       |  | <b>133,822</b>        | <b>100.00</b>                        |

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

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

Currently forward positions are not collateralised.

Comparative figures are as at 31 July 2018.

### Statement of total return

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital (losses)/gains  |                 | (7,282)        |                 | 4,668        |
| Revenue   | 1,337           |                | 2,974           |              |
| Expenses  | (857)           |                | (2,070)         |              |
| Net revenue before taxation   | 480             |                | 904             |              |
| Taxation  | 1               |                | (56)            |              |
| Net revenue after taxation  |                 | 481            |                 | 848          |
| <b>Total return before distributions</b>  |                 | <b>(6,801)</b> |                 | <b>5,516</b> |
| Distributions   |                 | (481)          |                 | (851)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(7,282)</b> |                 | <b>4,665</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>144,069</b> |                 | <b>390,195</b> |
| Amounts receivable on the issue of shares  | 4,715           |                | 1,069           |                |
| Amounts payable on the cancellation of shares  | (8,085)         |                | (254,751)       |                |
|  |                 | (3,370)        |                 | (253,682)      |
| Dilution adjustment  |                 | -              |                 | 618            |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (7,282)        |                 | 4,665          |
| Retained distribution on accumulation shares   |                 | 405            |                 | 488            |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>133,822</b> |                 | <b>142,284</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 132,837        |              | 142,921        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 115             |                | 1,242        |                |
| Cash and bank balances                         | 1,280           |                | 1,280        |                |
|  |                 | 1,395          |              | 2,522          |
| Total assets                                   |                 | 134,232        |              | 145,443        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Creditors                                      | (345)           |                | (1,202)      |                |
| Distribution payable                           | (65)            |                | (172)        |                |
|  |                 | (410)          |              | (1,374)        |
| Total liabilities                              |                 | (410)          |              | (1,374)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>133,822</b> |              | <b>144,069</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5799                                | -                                       | 0.5799*                                      | 0.6526                                       |
| Group 2                      | 0.2353                                | 0.3446                                  | 0.5799*                                      | 0.6526                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4851                                | -                                       | 0.4851**                                     | 0.5520                                       |
| Group 2                      | 0.2485                                | 0.2366                                  | 0.4851**                                     | 0.5520                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.5910                                | -                                       | 1.5910*                                      | 1.8194                                       |
| Group 2                      | 0.7602                                | 0.8308                                  | 1.5910*                                      | 1.8194                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.7236                                | -                                       | 0.7236**                                     | 0.8431                                       |
| Group 2                      | 0.5078                                | 0.2158                                  | 0.7236**                                     | 0.8431                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2200                                | -                                       | 0.2200*                                      |  |
| Group 2 <sup>B</sup>         | 0.2200                                | -                                       | 0.2200*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2200                                | -                                       | 0.2200**                                     |  |
| Group 2 <sup>B</sup>         | 0.2200                                | -                                       | 0.2200**                                     |  |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 28 November 2018.<sup>B</sup> Shares purchased between 28 November 2018 and 31 January 2019.**Treatment by Corporate Shareholders**

Corporate shareholders should account for the current period's dividends shown in the distribution table as follows:

|   | Interim<br>Dividend |
|---|---------------------|
| Treat as a UK corporate dividend                    | 100%                |
| Treat as an annual payment net of Income tax at 20% | 0%                  |

# Aberdeen North American Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to achieve capital growth from a portfolio of North American securities.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen North American Equity Fund – A Accumulation Shares decreased 3.50% compared to a decrease of 3.64% in the benchmark, the S&P 500 Index (lagged by one day).

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

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

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

## Market review

Major North American equity indices moved lower amid significant volatility over the six-month period ended 31 January 2019, with the broader-market S&P 500 Index declining 4.03% in sterling terms. The more cyclical energy and materials sectors saw double-digit losses and were the most notable laggards. The substantial downturn in the West Texas Intermediate (WTI) crude oil price weighed on energy stocks. In contrast, two “bond-proxy” sectors – real estate and utilities – recorded positive returns and were the best performers.

Regarding monetary policy, the US Federal Reserve (Fed) raised its benchmark interest rate in two 25-basis point increments to a range of 2.25% to 2.50% in September and December and subsequently left the rate unchanged in January 2019. Chairman Jay Powell appeared to strike a more dovish tone, stating that “the case for raising rates has weakened somewhat.” The market viewed these comments positively, as Powell also noted that economic growth remained “solid.” Many believe the rate-hiking cycle is now complete. Nevertheless, the Fed referred to several risks of which we remain mindful, including sluggish inflation, slowing global growth, and the possibility of more political gridlock in Washington. The Fed even left the door open for interest-rate cuts should conditions warrant. This is a far cry from the hawkish tone it struck at the end of 2018.

On the economic front, the government’s second estimate of third-quarter GDP growth was unchanged at an annualised rate of 3.5% – lower than the 4.2% rise in the second quarter. Notably higher consumer spending and private inventory investment mitigated declines in exports and residential fixed investment. Payrolls expanded over the review period, while unemployment ticked up to 4.0%, as more jobseekers entered the market. Average hourly earnings also increased in January.

## Portfolio review

Stock selection in the financials and materials sectors bolstered the Fund’s performance. The primary contributors were specialty coffee retailer Starbucks; Ecolab, a provider of water, hygiene and energy technologies and services; along with the lack of exposure to tech giant Apple.

Starbucks reported solid revenue and earnings growth for the fourth quarter and its 2018 fiscal year, as well as the first quarter of 2019. Its businesses in Americas and Asia Pacific were particularly robust. Earlier in the review period, it planned to address its stagnating sales in the US via leadership and organisational restructuring. Ecolab saw healthy third-quarter revenue and earnings growth. Its results were bolstered by good performance in its energy and industrial segments, as well as improved volumes, pricing and cost savings. The Fund does not hold Apple, as we have concerns about the lack of visibility into its business and its high dependence on a single product. We have also questioned the sustainability of its revenue growth and margin profile over longer periods.

Conversely, performance was dented by stock selection in the consumer staples sector, an overweight to materials and an underweight to utilities. The largest detractors included specialty apparel retailer PVH Corp, energy services provider Schlumberger, and oil and gas company EOG Resources.

PVH Corp reported generally positive quarterly results, supported by strength in its Tommy Hilfiger and Calvin Klein business segments. However, its shares fell in tandem with its peers amid the downturn in the retailing sector during the fourth quarter last year. Additionally, management lowered its revenue forecast on the back of an unfavourable year-over-year comparison, due to an extra week included in the same period in 2017. Schlumberger saw healthy revenue and earnings growth for the second and third quarters of its 2018 fiscal year, benefiting mainly from strength in its drilling and production units. However, its shares declined as oil prices dipped and its business was hampered by transitory issues, with pipeline shortages in the Permian Basin in western Texas and south-eastern New Mexico. This led to a slowdown for onshore oil-service vendors. Likewise, EOG Resources retreated, but higher production of crude oil, natural gas liquids (NGL) and natural gas lifted its profits.

## Outlook

We maintain our view that the price reactions in equity markets last year were a recalibration of expectations. Fundamentals remained broadly healthy, albeit decelerating. We view this moderation as normal, given where we are in the economic cycle, as markets have become overly optimistic about the pace and duration of growth. Since we wrote our 2019 outlook at the beginning of this year, market sentiment has improved, but remains volatile. While many of the risks we identified persist, there are some positive developments that we believe are worth highlighting. There appeared to be significant traction with US-China trade talks, and the consensus is that some type of

compromise between the two countries will be reached, though that is far from certain. Additionally, while it is still early in the reporting season, corporate earnings have been robust thus far.

Following the market rebound in January, valuations are no longer “cheap” relative to growth expectations. At this point, we believe that future earnings and cash-flow growth will drive the market. We still believe that, while the market had to recalibrate the pace of US GDP and company-level earnings growth, much of the perceived risk has now been factored in. However, we would not be surprised to see a pullback following the sharp upturn in January.

**North American Equity Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risk of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 61,789          | 64,365       | 103,277      | 116,768      |
| Closing number of shares                  | 2,478,771       | 2,477,832    | 4,541,987    | 5,918,387    |
| Closing net asset value per share (pence) | 2,492.72        | 2,597.62     | 2,273.82     | 1,972.97     |
| Change in net asset value per share       | (4.04%)         | 14.24%       | 15.25%       | 17.71%       |
| Operating charges                         | 1.52%           | 1.62%        | 1.62%        | 1.62%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 43,591          | 46,094       | 40,206       | 42,653       |
| Closing number of shares                  | 1,584,659       | 1,613,246    | 1,619,700    | 1,995,213    |
| Closing net asset value per share (pence) | 2,750.81        | 2,857.23     | 2,482.31     | 2,137.77     |
| Change in net asset value per share       | (3.72%)         | 15.10%       | 16.12%       | 18.60%       |
| Operating charges                         | 0.87%           | 0.87%        | 0.87%        | 0.87%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 97.48           |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.59%           |              |              |              |
| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 5,872           | 6,833        | 7,460        | 7,528        |
| Closing number of shares                  | 3,746,419       | 4,213,000    | 5,334,400    | 6,297,400    |
| Closing net asset value per share (pence) | 156.74          | 162.19       | 139.85       | 119.54       |
| Change in net asset value per share       | (3.36%)         | 15.97%       | 16.99%       | 19.49%       |
| Operating charges                         | 0.12%           | 0.12%        | 0.12%        | 0.12%        |

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

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

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

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



## Portfolio Statement

As at 31 January 2019

| Holding                             | Investment                        | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|-----------------------------------|-----------------------|--------------------------------------|
| North American Equities (98.51%)    |                                   | 110,738               | 99.54                                |
| Communication Services (1.65%)      |                                   | 9,875                 | 8.88                                 |
| Media & Entertainment (0.00%)       |                                   | 8,020                 | 7.21                                 |
| 6,423                               | Alphabet 'A'                      | 5,498                 | 4.94                                 |
| 90,767                              | Comcast                           | 2,522                 | 2.27                                 |
| Telecommunication Services (1.65%)  |                                   | 1,855                 | 1.67                                 |
| 69,727                              | TELUS                             | 1,855                 | 1.67                                 |
| Consumer Discretionary (14.46%)     |                                   | 15,957                | 14.34                                |
| Automobiles & Components (2.07%)    |                                   | 2,083                 | 1.87                                 |
| 67,008                              | Borg Warner                       | 2,083                 | 1.87                                 |
| Consumer Durables & Apparel (1.97%) |                                   | -                     | -                                    |
| Consumer Services (1.68%)           |                                   | 3,799                 | 3.42                                 |
| 66,105                              | Service Corporation International | 2,156                 | 1.94                                 |
| 32,217                              | Starbucks                         | 1,643                 | 1.48                                 |
| Media (2.19%)                       |                                   | -                     | -                                    |
| Retailing (6.55%)                   |                                   | 10,075                | 9.05                                 |
| 4,063                               | Amazon.com                        | 5,309                 | 4.77                                 |
| 25,447                              | Tiffany & Co                      | 1,717                 | 1.54                                 |
| 80,810                              | TJX                               | 3,049                 | 2.74                                 |
| Consumer Staples (10.52%)           |                                   | 8,031                 | 7.22                                 |
| Food & Staples Retailing (2.82%)    |                                   | 2,673                 | 2.40                                 |
| 16,389                              | Costco Wholesale                  | 2,673                 | 2.40                                 |
| Food Beverage & Tobacco (5.87%)     |                                   | 2,200                 | 1.98                                 |
| 37,715                              | Philip Morris                     | 2,200                 | 1.98                                 |

| Holding  | Investment                | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---------------------------|-----------------------|--------------------------------------|
| <b>Household &amp; Personal Products (1.83%)</b>                 |                           | <b>3,158</b>          | <b>2.84</b>                          |
| 30,461   | Estee Lauder              | 3,158                 | 2.84                                 |
| <b>Energy (6.17%)</b>  |                           | <b>6,363</b>          | <b>5.72</b>                          |
| 31,874   | EOG Resources             | 2,403                 | 2.16                                 |
| 52,132   | Schlumberger              | 1,752                 | 1.57                                 |
| 68,400   | TransCanada               | 2,208                 | 1.99                                 |
| <b>Financials (15.53%)</b>                                       |                           | <b>16,040</b>         | <b>14.41</b>                         |
| <b>Banks (6.54%)</b>   |                           | <b>7,797</b>          | <b>7.00</b>                          |
| 41,783   | First Republic Bank       | 3,069                 | 2.76                                 |
| 19,348   | M&T Bank                  | 2,420                 | 2.17                                 |
| 39,943   | Royal Bank of Canada      | 2,308                 | 2.07                                 |
| <b>Diversified Financials (7.34%)</b>                            |                           | <b>8,243</b>          | <b>7.41</b>                          |
| 33,294   | American Express          | 2,599                 | 2.34                                 |
| 56,792   | Intercontinental Exchange | 3,314                 | 2.98                                 |
| 65,545   | Schwab (Charles)          | 2,330                 | 2.09                                 |
| <b>Insurance (1.65%)</b>   |                           | <b>8,243</b>          | <b>7.41</b>                          |
| <b>Health Care (14.79%)</b>                                      |                           | <b>19,979</b>         | <b>17.97</b>                         |
| <b>Health Care Equipment and Services (9.02%)</b>                |                           | <b>12,564</b>         | <b>11.30</b>                         |
| 73,551   | Baxter International      | 4,051                 | 3.64                                 |
| 37,199   | Cerner                    | 1,553                 | 1.40                                 |
| 86,413   | Hologic                   | 2,916                 | 2.62                                 |
| 19,697   | United Health             | 4,044                 | 3.64                                 |
| <b>Pharmaceuticals Biotechnology &amp; Life Sciences (5.77%)</b> |                           | <b>7,415</b>          | <b>6.67</b>                          |
| 21,417   | Johnson & Johnson         | 2,182                 | 1.96                                 |
| 86,068   | Pfizer                    | 2,778                 | 2.50                                 |
| 30,509   | PRA Health Sciences       | 2,455                 | 2.21                                 |

| Holding   | Investment                         | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---|------------------------------------|-----------------------|--------------------------------------|
| <b>Industrials (7.62%)</b>                                  |                                    | <b>9,547</b>          | <b>8.58</b>                          |
| <b>Capital Goods (2.18%)</b>                                |                                    | <b>4,863</b>          | <b>4.37</b>                          |
| 22,109  | Raytheon                           | 2,772                 | 2.49                                 |
| 16,571  | Snap-on                            | 2,091                 | 1.88                                 |
| <b>Commercial &amp; Professional Services (3.68%)</b>       |                                    | <b>2,346</b>          | <b>2.11</b>                          |
| 26,291  | Verisk Analytics                   | 2,346                 | 2.11                                 |
| <b>Transportation (1.76%)</b>                               |                                    | <b>2,338</b>          | <b>2.10</b>                          |
| 36,830  | Canadian National Railway          | 2,338                 | 2.10                                 |
| <b>Information Technology (19.62%)</b>                      |                                    | <b>16,909</b>         | <b>15.18</b>                         |
| <b>Semiconductors &amp; Semiconductor Equipment (2.50%)</b> |                                    | <b>2,430</b>          | <b>2.18</b>                          |
| 31,743  | Texas Instruments                  | 2,430                 | 2.18                                 |
| <b>Software &amp; Services (14.92%)</b>                     |                                    | <b>11,471</b>         | <b>10.30</b>                         |
| 31,982  | Cognizant Technology Solutions 'A' | 1,694                 | 1.52                                 |
| 64,941  | Microsoft                          | 5,155                 | 4.63                                 |
| 45,047  | Visa                               | 4,622                 | 4.15                                 |
| <b>Technology Hardware &amp; Equipment (2.20%)</b>          |                                    | <b>3,008</b>          | <b>2.70</b>                          |
| 47,526  | CDW                                | 3,008                 | 2.70                                 |
| <b>Materials (6.63%)</b>                                    |                                    | <b>4,937</b>          | <b>4.45</b>                          |
| 22,610  | Ecolab                             | 2,720                 | 2.46                                 |
| 56,318  | Nutrien                            | 2,217                 | 1.99                                 |
| <b>Utilities (1.52%)</b>                                    |                                    | <b>3,100</b>          | <b>2.79</b>                          |
| 22,789  | NextEra Energy                     | 3,100                 | 2.79                                 |

| Holding                                      | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Collective Investment Schemes (2.43%)</b> |   | <b>156</b>            | <b>0.14</b>                          |
| 156  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund <sup>+</sup> | 156                   | 0.14                                 |
| <b>Total investment assets</b>               |   | <b>110,894</b>        | <b>99.68</b>                         |
| Net other assets                             |   | 358                   | 0.32                                 |
| <b>Total Net Assets</b>                      |   | <b>111,252</b>        | <b>100.00</b>                        |

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital (losses)/gains  |                 | (4,624)        |                 | 7,264        |
| Revenue   | 1,002           |                | 1,148           |              |
| Expenses  | (723)           |                | (883)           |              |
| Interest payable and similar charges  | (3)             |                | -               |              |
| Net revenue before taxation   | 276             |                | 265             |              |
| Taxation  | (129)           |                | (156)           |              |
| Net revenue after taxation  |                 | 147            |                 | 109          |
| <b>Total return before distributions</b>  |                 | <b>(4,477)</b> |                 | <b>7,373</b> |
| Distributions   |                 | (4)            |                 | (3)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(4,481)</b> |                 | <b>7,370</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>117,292</b> |                 | <b>150,943</b> |
| Amounts receivable on the issue of shares  | 32,962          |                | 14,888          |                |
| Amounts payable on the cancellation of shares  | (34,521)        |                | (53,064)        |                |
|  |                 | (1,559)        |                 | (38,176)       |
| Dilution adjustment  |                 | -              |                 | 17             |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (4,481)        |                 | 7,370          |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>111,252</b> |                 | <b>120,154</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 110,894        |              | 118,390        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 70              |                | 58           |                |
| Cash and bank balances                         | 504             |                | 495          |                |
|  |                 | 574            |              | 553            |
| Total assets                                   |                 | 111,468        |              | 118,943        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Creditors                                      | (216)           |                | (1,651)      |                |
|  |                 | (216)          |              | (1,651)        |
| Total liabilities                              |                 | (216)          |              | (1,651)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>111,252</b> |              | <b>117,292</b> |

# Aberdeen Property Share Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The objective of the Fund is to provide long term total return, from a diversified portfolio of property company securities or companies which derive a significant proportion of their revenues or profits from property, or have a significant proportion of their assets in property. Holdings will be concentrated in the United Kingdom, though investment overseas is permitted.

Note: The term 'total return' means a combination of income and capital growth and no positive return is implied.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of the Aberdeen Property Share Fund – A Accumulation Shares decreased by 2.56% compared to a decrease of 6.35% in the benchmark, the FTSE 350 Real Estate Index.

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

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

## Market review

UK property equities declined in the six months under review reflecting the volatile market conditions that marked a fairly bruising second half of 2018 across almost all asset classes. The global sell off in October triggered a steady decline, compounded by worries over global trade tensions and scepticism over a resolution of the US-China tariff dispute. Sentiment was also dented by the Federal Reserve raising rates for the fourth time in 2018. January offered some respite, with property stocks rebounding in tandem with the broader market. Sentiment improved on perceived progress in US-China trade talks and Jay Powell's more dovish tone on US interest rates. Meanwhile, sterling climbed against its peers amid optimism that a majority of lawmakers were likely to block any form of so called 'hard Brexit'.

In real estate news, last year proved a buoyant one for the key London office market, with above-average levels of tenant demand for space at a time of low vacancy levels underpinned rental levels, in particular for modern space, while a high level of turnover in property ownership also supported capital values.

Meanwhile, the burgeoning industrials market continued to report growth in rents and capital values benefiting from the structural shift towards e-commerce which requires significant logistics investment.

Less favourably, conditions on the high street remain poor – with both warm autumn weather and hefty price discounting ahead of Christmas limiting tenant profitability. With investors steering clear of these assets, as evidenced most clearly by the collapse in a takeover approach for mall owner Intu Properties, there is uncertainty as to where falling valuations will stabilise. Notably, both rental and capital growth remained negative at the start of 2019.

In the residential market, rents and capital growth were positive, with the key exception of capital values for London homes where a combination of stamp duty hikes, an increased supply of newly constructed flats, and reduced overseas buyer appetite have depressed prices.

Alternative niches in the property sector, such as student accommodation and self-storage both showed good progress in tenant demand and property values, while healthcare property owners remained resilient.

## Portfolio review

The Fund substantially outperformed its benchmark over the period, with the Fund's more modest decline than the benchmark demonstrating again the characteristic of the fund that it typically outperforms during periods of market weakness.

The most significant contribution to performance came from our cautious approach to the struggling retail sector, in particular not owning shopping mall specialist Intu Properties which fell sharply after a second potential bidder for the business walked away in the space of a year. We have long been underweight this segment of the market and further reduced the Fund's exposure with the exit of British Land and Hammerson during the period.

Our use to the Fund's flexibility to invest up to 20% in overseas listed securities and up to 20% in companies not classified as property but offering material property exposure also aided performance. In particular the position in pub chain Fuller Smith & Turner whose shares rallied sharply on the news that they have agreed the sale of their largest property asset in London for a healthy premium. Overseas holdings including German residential specialists Deutsche Wohnen and LEG Immobilien also aided helped by robust fundamentals for housing in their markets.

Less favourably the position in Dublin housebuilder Cairn Homes detracted following earlier strength, as investor sentiment for housebuilders in both the UK and Ireland softened, in particular due to fears over the economic impact for Ireland of an adverse Brexit deal. Our position in global shopping centre owner Unibail-Rodamco-Westfield also lagged after reporting weaker than expected trading in their recent US acquisition Westfield.

In key portfolio activity, we sold Swiss office specialist PSP Swiss Property following a healthy gain via dividends and share-price appreciation during the two-and-a-half years we've held it, which left prospective shareholder returns looking more modest. We also divested two of the fund's large-cap holdings British Land and Hammerson, partly to finance more compelling buy ideas and also to reduce the fund's exposure to mature UK office and retail assets, given our less-than-optimistic view of their prospects.

Against these, we initiated three new holdings. Firstly in Capital & Counties, which owns London's Covent Garden Market and the surrounding buildings. The company is out of favour with investors due to its combination of retail and residential exposures, and recent share price weakness provided the opportunity to establish a position. Its outlook is underpinned by the long-term attractions of its Covent Garden estate. Secondly in well-run housebuilder

Countryside Properties. Countryside's shares sold off alongside peers offering an attractive entry-price together with the downside protection of a net cash balance-sheet and a balanced business model underpinned by their partnership activity with local councils to deliver much-needed local housing, both in the affordable and private-rented-sector and homes-for-sale segments. Thirdly we also took part in the initial public offering Shurgard Self Storage, the leading player across Europe for self-storage, which is supported by compelling supply-demand dynamics and led by experienced management. The company adds to the portfolio a differentiated exposure to this attractive sub-sector.

### Outlook

We end the period much as we started it: facing an environment of significant economic and political uncertainty at home and abroad, in particular with the United Kingdom's scheduled exit from the EU on March 29th 2019 fast approaching.

The Fund however remains anchored around a portfolio of robust UK listed property companies, with healthy balance-sheets and well covered dividends, exposed to segments of the market with relatively attractive fundamentals such as logistics, storage, healthcare and student just to name a few. To this we add our continued use of the fund's flexibility to diversify its exposure with a select number of overseas holdings together with positions in UK companies that are not classified as property but which nonetheless bring attractive property exposure.

We remain extremely cautious in our positioning of the Fund with respect to retail landlords, where pressures on rents and capital values appear set to continue, and are also selective in our office holdings with an aversion to owners of mature assets and a preference for companies with proven track records of delivering the type of modern office space that tenants are increasingly demanding.

While the Fund remains defensively positioned compared to the benchmark in terms of exposure to the more cyclical elements of the market, recent portfolio activity illustrates that we are not adverse to investing in more cyclical areas of the market such as by introducing housebuilder Countryside Properties and London retail and residential landlord Capital & Counties. In both cases we felt we were being rewarded for the risk through the valuations on offer and crucially where downside protection was in place through their differentiated business models and assets and in particular robust balance-sheets for both.

We thus remain confident in the prospects for our holdings given our investment focus on the quality of companies' underlying assets and their management, together with a desire to maintain a sensible and diverse spread of aggregate business models and geographic exposures for the fund. We continue to see better prospects for returns in selective areas despite headwinds to the contrary, and will remain vigilant for further opportunities to take advantage of market volatility.

### UK Equity Team

February 2019



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Specialist sector: The Fund invests in a specialist sector and it will not perform in line with funds that have a broader investment policy.
- Concentrated portfolio: The Fund may hold a limited number of investments. If one of these investments declines in value this can have a greater impact on the fund's value than if it held a larger number of investments.
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 96,752          | 104,437      | 104,348      | 115,170      |
| Closing number of shares                  | 78,910,685      | 82,818,208   | 91,477,212   | 112,537,137  |
| Closing net asset value per share (pence) | 122.61          | 126.10       | 114.07       | 102.34       |
| Change in net asset value per share       | (2.77%)         | 10.55%       | 11.46%       | (6.14%)      |
| Operating charges                         | 1.51%           | 1.61%        | 1.61%        | 1.61%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 274,525         | 305,616      | 239,214      | 250,180      |
| Closing number of shares                  | 132,493,249     | 143,582,729  | 124,558,407  | 145,836,360  |
| Closing net asset value per share (pence) | 207.20          | 212.85       | 192.05       | 171.55       |
| Change in net asset value per share       | (2.65%)         | 10.83%       | 11.95%       | (5.41%)      |
| Operating charges                         | 0.86%           | 0.86%        | 0.86%        | 0.86%        |
| K Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 8,254           | 11,450       | 4,698        | 233          |
| Closing number of shares                  | 6,776,706       | 9,153,552    | 4,165,506    | 231,505      |
| Closing net asset value per share (pence) | 121.80          | 125.09       | 112.80       | 100.70       |
| Change in net asset value per share       | (2.63%)         | 10.90%       | 12.02%       | -            |
| Operating charges                         | 0.79%           | 0.79%        | 0.79%        | 0.79%        |
| M Accumulation shares <sup>B</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 103.56          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.60%           |              |              |              |

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

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

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

<sup>A</sup> K Accumulation share class launched on 23 March 2016.

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

## Portfolio Statement

As at 31 January 2019

| Holding                           | Investment                    | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|-------------------------------|-----------------------|--------------------------------------|
| <b>Equities (97.23%)</b>          |                               | <b>372,954</b>        | <b>98.27</b>                         |
| <b>European Equities (18.29%)</b> |                               | <b>56,937</b>         | <b>15.00</b>                         |
| <b>Belgium (0.00%)</b>            |                               | <b>3,403</b>          | <b>0.90</b>                          |
| 144,439                           | Shurgard Self Storage         | 3,403                 | 0.90                                 |
| <b>France (3.70%)</b>             |                               | <b>11,717</b>         | <b>3.09</b>                          |
| 85,500                            | Unibail-Rodamco               | 11,717                | 3.09                                 |
| <b>Germany (5.73%)</b>            |                               | <b>21,007</b>         | <b>5.53</b>                          |
| 283,800                           | Deutsche Wohnen               | 10,756                | 2.83                                 |
| 115,100                           | LEG Immobilien                | 10,251                | 2.70                                 |
| <b>Ireland (3.41%)</b>            |                               | <b>10,645</b>         | <b>2.80</b>                          |
| 9,549,100                         | Cairn Homes                   | 10,645                | 2.80                                 |
| <b>Sweden (4.03%)</b>             |                               | <b>10,165</b>         | <b>2.68</b>                          |
| 205,000                           | Castellum                     | 2,941                 | 0.78                                 |
| 574,300                           | Hufvudstaden                  | 7,224                 | 1.90                                 |
| <b>Switzerland (1.42%)</b>        |                               | <b>-</b>              | <b>-</b>                             |
| <b>UK Equities (78.94%)</b>       |                               | <b>316,017</b>        | <b>83.27</b>                         |
| <b>Consumer Goods (0.00%)</b>     |                               | <b>5,874</b>          | <b>1.55</b>                          |
| 1,911,950                         | Countryside Properties        | 5,874                 | 1.55                                 |
| <b>Consumer Services (7.66%)</b>  |                               | <b>32,359</b>         | <b>8.53</b>                          |
| 767,060                           | Fuller Smith & Turner         | 8,208                 | 2.17                                 |
| 1,827,073                         | Millennium & Copthorne Hotels | 8,852                 | 2.33                                 |
| 3,241,700                         | Rightmove                     | 15,299                | 4.03                                 |
| <b>Financials (71.28%)</b>        |                               | <b>277,784</b>        | <b>73.19</b>                         |
| 44,060,613                        | Assura                        | 26,304                | 6.93                                 |
| 1,763,635                         | Big Yellow                    | 16,896                | 4.45                                 |

| Holding                                      | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| 4,360,000                                    | Capital & Counties Properties                                       | 10,870                | 2.86                                 |
| 119,194                                      | Daejan  | 6,925                 | 1.83                                 |
| 397,500                                      | Derwent Valley  | 12,871                | 3.39                                 |
| 5,547,901                                    | Grainger  | 12,660                | 3.34                                 |
| 998,000                                      | Great Portland Estates  | 7,301                 | 1.92                                 |
| 4,668,984                                    | Hansteen REIT   | 4,300                 | 1.13                                 |
| 1,710,000                                    | Helical Bar   | 5,737                 | 1.51                                 |
| 602,400                                      | Land Securities   | 5,211                 | 1.37                                 |
| 11,897,096                                   | LondonMetric Property   | 22,319                | 5.88                                 |
| 934,000                                      | Mucklow A & J   | 4,656                 | 1.23                                 |
| 2,968,897                                    | Safestore   | 17,116                | 4.51                                 |
| 720,000                                      | Savills   | 5,987                 | 1.58                                 |
| 3,815,000                                    | Segro   | 24,675                | 6.50                                 |
| 2,331,611                                    | Shaftesbury   | 20,553                | 5.42                                 |
| 19,686,828                                   | Sirius Real Estate  | 12,324                | 3.25                                 |
| 3,529,565                                    | St Modwen Properties  | 14,471                | 3.81                                 |
| 2,588,700                                    | Unite   | 23,557                | 6.21                                 |
| 2,427,663                                    | Workspace   | 23,051                | 6.07                                 |
| <b>Collective Investment Schemes (0.36%)</b> |   | <b>4,628</b>          | <b>1.22</b>                          |
| 4,628  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund <sup>†</sup> | 4,628                 | 1.22                                 |
| <b>Total investment assets</b>               |   | <b>377,582</b>        | <b>99.49</b>                         |
| Net other assets                             |   | 1,949                 | 0.51                                 |
| <b>Total Net Assets</b>                      |   | <b>379,531</b>        | <b>100.00</b>                        |

<sup>†</sup> Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018.

### Statement of total return

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |               |
|---|-----------------|-----------------|-----------------|---------------|
|   | £'000           | £'000           | £'000           | £'000         |
| Income:   |                 |                 |                 |               |
| Net capital (losses)/gains  |                 | (14,561)        |                 | 20,560        |
| Revenue   | 4,281           |                 | 3,764           |               |
| Expenses  | (1,957)         |                 | (1,983)         |               |
| Interest payable and similar charges  | (1)             |                 | -               |               |
| Net revenue before taxation   | 2,323           |                 | 1,781           |               |
| Taxation  | 56              |                 | 13              |               |
| Net revenue after taxation  |                 | 2,379           |                 | 1,794         |
| <b>Total return before distributions</b>  |                 | <b>(12,182)</b> |                 | <b>22,354</b> |
| Distributions   |                 | (2,379)         |                 | (1,799)       |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(14,561)</b> |                 | <b>20,555</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>421,503</b> |                 | <b>348,260</b> |
| Amounts receivable on the issue of shares  | 25,105          |                | 58,903          |                |
| Amounts payable on the cancellation of shares  | (54,953)        |                | (43,684)        |                |
|  |                 | (29,848)       |                 | 15,219         |
| Dilution adjustment  |                 | 150            |                 | 257            |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (14,561)       |                 | 20,555         |
| Retained distribution on accumulation shares   |                 | 2,287          |                 | 1,850          |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>379,531</b> |                 | <b>386,141</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 377,582        |              | 411,325        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 907             |                | 8,742        |                |
| Cash and bank balances                         | 2,033           |                | 1,978        |                |
|  |                 | 2,940          |              | 10,720         |
| Total assets                                   |                 | 380,522        |              | 422,045        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Creditors                                      | (991)           |                | (542)        |                |
|  |                 | (991)          |              | (542)          |
| Total liabilities                              |                 | (991)          |              | (542)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>379,531</b> |              | <b>421,503</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6332                                | -                                       | 0.6332*                                      | 0.3321                                       |
| Group 2                      | 0.3349                                | 0.2983                                  | 0.6332*                                      | 0.3321                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.3077                                | -                                       | 1.3077*                                      | 1.1314                                       |
| Group 2                      | 0.6408                                | 0.6669                                  | 1.3077*                                      | 1.1314                                       |
| <b>K Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8025                                | -                                       | 0.8025*                                      | 0.7023                                       |
| Group 2                      | 0.4476                                | 0.3549                                  | 0.8025*                                      | 0.7023                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.5100                                | -                                       | 0.5100*                                      |  |
| Group 2 <sup>B</sup>         | 0.5100                                | -                                       | 0.5100*                                      |  |

\* Distribution accumulated on 31 January 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 28 November 2018.<sup>B</sup> Shares purchased between 28 November 2018 and 31 January 2019.**Treatment by Corporate Shareholders**

Corporate shareholders should account for the current period's dividends shown in the distribution table as follows:

|   | Interim<br>Dividend |
|---|---------------------|
| Treat as a UK corporate dividend                    | 100.00%             |
| Treat as an annual payment net of Income tax at 20% | 0.00%               |

# Aberdeen Responsible UK Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund seeks long term growth by investing in a diversified portfolio of UK companies. Equity selection will be undertaken on the basis of thorough fundamental company analysis but environment, social and governance criteria will also be taken into account. Where an investee company's practices are considered to be lacking or deficient with regard to these criteria, the manager will encourage the company to adopt more responsible practices.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Responsible UK Equity Fund – A Accumulation Shares decreased by 7.04% compared to a decrease of 8.44% in the benchmark, the FTSE All Share Index.

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

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

## Market review

UK equities fell in the six months under review, with poor sentiment hampering stock prices for the latter half of 2018, culminating in a sell-off in October. Roiling the stockmarket was the simmering trade rift between China and the US, as well as concerns over the US Federal Reserve's pace of interest rate hikes. At home, investors were nervous amid the uncertainty churned up by the Brexit drama that saw a string of Cabinet-level resignations, Prime Minister Theresa May's massive defeat in a parliament vote and the impasse that continued to dominate UK politics despite the fast-approaching march 29 deadline. The oil price had a roller-coaster ride, rising to a four-year high at one point, before retreating below US\$54 a barrel. However, the stockmarket had an upbeat start to 2019. Sentiment was boosted by perceived progress in US-China trade talks and Jay Powell's more dovish tone on US interest rates. A rebound in the oil price, helped by fresh US sanctions against Venezuela, lifted energy shares. Meanwhile, sterling climbed against its peers amid unfounded optimism in PM May's Brexit plans.

## Portfolio review

Despite the decline, the Fund outpaced its benchmark.

At the stock level, a lack of exposure to British American Tobacco proved rewarding as its shares suffered from the continuing uncertainty surrounding the evolution of next generation products. BTG was another key contributor as its shares rose on the back of a takeover offer from larger US peer Boston Scientific at a price that we believe captures the long term value of the business. Also benefiting the fund was UK engineering software developer Aveva, as the market continued to warm to the corporate combination with Schneider Software and the potential synergy benefits from the transaction.

Capping returns was a lack of exposure to Diageo, which outperformed amid a weak market where its resilient business model and international exposure should fare well in light of the recent market uncertainty. Also costing the fund was Fevertree, as this growth stock was susceptible to the de-rating seen across the market despite its continued robust trading. Finally, Weir Group's

shares fell on the back of a weak trading update that was largely attributable to its oil & gas division, where bottlenecks in the supply chain at the Permian basin have put additional pressure on pricing beyond the broader oil price weakness.

In key portfolio activity, we exited Burberry on valuation grounds, along with BTG and Victrex in favour of more attractive opportunities elsewhere. For BTG, this follows the takeover bid from larger US peer Boston Scientific where we believe the offer price captures its long term value. For Victrex, we feel that its valuation does not reflect the potential cyclicality of its earnings. This is due largely to its exposure to the auto and consumer electronics end markets. Finally, we divested Rotork following its share-price outperformance this year that resulted in the company's potential being increasingly reflected in its valuation. Against this, we introduced Emerging Markets specialist asset manager Ashmore, given its decent flow momentum and exposure to high-growth developing economies, backed by a robust balance sheet and a decent dividend through-cycle. We initiated a position in specialist thermal-processing services provider Bodycote, given our belief that the potential of these technologies would redefine the company's value and importance to global customers, which in turn, should enhance profit margins. We took advantage of share-price weakness to introduce well-run housebuilder Countryside, which should benefit from the structural need for additional social housing with a balanced business model given the partnership programme and net cash balance sheet that provides protection from cyclicality. We also established a holding in kitchen designer and manufacturer Howden Joinery. Its solid business model and a consistent depot roll out strategy translate into a robust cash profile. While part of a cyclical industry, its healthy balance sheet provides a stable underpinning. Meanwhile, its valuation does not take into account how it is benefiting from rivals exiting the market. We also established a holding in global automotive distributor and retailer Inchcape in the belief that its valuation does not reflect its medium-term growth prospects stemming from further distribution gains, margin improvement and deal integration, particularly in emerging markets.

## Outlook

Looking ahead, the imminent deadline for the UK's divorce is likely to continue to reverberate long after it has lapsed, with details of the deal still yet to be hammered out. Businesses will have to continue holding off their plans, with no idea of how the exit will play out. There are also other worries further afield, from the US-China trade tensions, to heightened geopolitical tensions in the Continent and beyond. Against this backdrop, the UK market is likely to remain jittery.

Overall, most UK macroeconomic indicators remain positive. While the economy may lag others due to the handbrake of Brexit, earnings for listed companies still look reasonably attractive. Growth in corporate earnings, while decent for now, could be affected by the faltering global economy. Amid such periods of uncertainty, our quality holdings should remain resilient. At the same time, with many stocks now trading at attractive valuations, we are on the lookout to pick up those with solid earnings that could bolster future returns.

**UK Equity Team**  
February 2019



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 17,876          | 19,632       | 18,570       | 16,490       |
| Closing number of shares                  | 9,892,421       | 10,044,508   | 10,547,422   | 10,708,195   |
| Closing net asset value per share (pence) | 180.71          | 195.45       | 176.06       | 153.99       |
| Change in net asset value per share       | (7.54%)         | 11.01%       | 14.33%       | 6.03%        |
| Operating charges                         | 1.53%           | 1.63%        | 1.64%        | 1.64%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 55              | 75           | 216          | 202          |
| Closing number of shares                  | 39,011          | 48,494       | 154,298      | 162,198      |
| Closing net asset value per share (pence) | 141.89          | 154.13       | 140.11       | 124.29       |
| Change in net asset value per share       | (7.94%)         | 10.01%       | 12.73%       | 4.11%        |
| Operating charges                         | 1.53%           | 1.63%        | 1.64%        | 1.64%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 5,779           | 5,478        | 4,677        | 3,314        |
| Closing number of shares                  | 3,677,764       | 3,233,495    | 3,087,929    | 2,520,502    |
| Closing net asset value per share (pence) | 157.14          | 169.41       | 151.47       | 131.50       |
| Change in net asset value per share       | (7.24%)         | 11.84%       | 15.19%       | 6.84%        |
| Operating charges                         | 0.87%           | 0.88%        | 0.89%        | 0.89%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 828             | 908          | 566          | 520          |
| Closing number of shares                  | 607,719         | 614,229      | 421,242      | 436,642      |
| Closing net asset value per share (pence) | 136.05          | 147.79       | 134.31       | 119.13       |
| Change in net asset value per share       | (7.94%)         | 10.04%       | 12.74%       | 4.13%        |
| Operating charges                         | 0.88%           | 0.88%        | 0.89%        | 0.89%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 101.86          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.59%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 101.65          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.59%           |              |              |              |

| Z Income shares <sup>B</sup>              | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | -               | -            | 1            | 1            |
| Closing number of shares                  | -               | -            | 471          | 571          |
| Closing net asset value per share (pence) | -               | -            | 215.20       | 190.87       |
| Change in net asset value per share       | -               | -            | 12.75%       | 6.16%        |
| Operating charges                         | -               | -            | 0.14%        | 0.14%        |

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

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

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

<sup>A</sup> M share classes launched on 28 November 2018.

<sup>B</sup> Z Income share class closed on 11 May 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                           | Investment                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|----------------------------------|-----------------------|--------------------------------------|
| <b>UK Equities (98.24%)</b>       |                                  | <b>23,383</b>         | <b>95.29</b>                         |
| <b>Basic Materials (9.93%)</b>    |                                  | <b>2,034</b>          | <b>8.29</b>                          |
| 34,100                            | BHP                              | 576                   | 2.35                                 |
| 16,800                            | Croda                            | 810                   | 3.30                                 |
| 13,200                            | Rio Tinto                        | 553                   | 2.25                                 |
| 4,159                             | Victrix                          | 95                    | 0.39                                 |
| <b>Consumer Goods (10.05%)</b>    |                                  | <b>3,066</b>          | <b>12.49</b>                         |
| 22,000                            | Associated British Foods         | 525                   | 2.14                                 |
| 170,000                           | Countryside Properties           | 522                   | 2.13                                 |
| 15,000                            | Fever Tree Drinks                | 386                   | 1.57                                 |
| 81,000                            | Inchcape                         | 464                   | 1.89                                 |
| 121,200                           | PZ Cussons                       | 217                   | 0.88                                 |
| 23,900                            | Unilever                         | 952                   | 3.88                                 |
| <b>Consumer Services (17.42%)</b> |                                  | <b>4,399</b>          | <b>17.93</b>                         |
| 257,100                           | Boohoo.com                       | 483                   | 1.97                                 |
| 31,300                            | Compass                          | 510                   | 2.08                                 |
| 43,200                            | Euromoney Institutional Investor | 535                   | 2.18                                 |
| 11,210                            | InterContinental Hotels          | 487                   | 1.98                                 |
| 116,100                           | Just Eat                         | 808                   | 3.29                                 |
| 63,000                            | RELX                             | 1,062                 | 4.33                                 |
| 109,000                           | Rightmove                        | 514                   | 2.10                                 |
| <b>Financials (15.90%)</b>        |                                  | <b>4,446</b>          | <b>18.11</b>                         |
| 135,500                           | Ashmore                          | 547                   | 2.23                                 |
| 46,000                            | Close Brothers                   | 683                   | 2.78                                 |
| 29,000                            | Hiscox                           | 411                   | 1.66                                 |
| 17,300                            | London Stock Exchange            | 792                   | 3.23                                 |
| 64,000                            | Prudential                       | 950                   | 3.87                                 |
| 18,700                            | Schroders (Non Voting)           | 384                   | 1.57                                 |
| 110,700                           | Standard Chartered               | 679                   | 2.77                                 |

| Holding                                      | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Health Care (11.63%)</b>                  |   | <b>2,076</b>          | <b>8.46</b>                          |
| 45,900                                       | Abcam   | 609                   | 2.48                                 |
| 8,460  | AstraZeneca   | 468                   | 1.91                                 |
| 23,442                                       | Dechra Pharmaceuticals                                  | 554                   | 2.26                                 |
| 20,000                                       | Genus   | 445                   | 1.81                                 |
| <b>Industrials (25.94%)</b>                  |   | <b>5,579</b>          | <b>22.74</b>                         |
| 67,500                                       | Bodycote  | 513                   | 2.09                                 |
| 38,000                                       | Experian  | 726                   | 2.96                                 |
| 97,500                                       | Howdens Joinery   | 493                   | 2.01                                 |
| 14,000                                       | Intertek  | 687                   | 2.80                                 |
| 280,700                                      | Melrose Industries                                      | 473                   | 1.93                                 |
| 46,800                                       | Oxford Instruments                                      | 420                   | 1.71                                 |
| 222,500                                      | Rentokil  | 750                   | 3.05                                 |
| 68,759                                       | Smart Metering Systems                                  | 451                   | 1.84                                 |
| 10,800                                       | Spirax-Sarco Engineering                                | 691                   | 2.82                                 |
| 24,913                                       | Weir  | 375                   | 1.53                                 |
| <b>Oil &amp; Gas (3.74%)</b>                 |   | <b>842</b>            | <b>3.43</b>                          |
| 20,000                                       | Royal Dutch Shell 'B'                                   | 474                   | 1.93                                 |
| 68,100                                       | Wood Group*   | 368                   | 1.50                                 |
| <b>Technology (3.63%)</b>                    |   | <b>941</b>            | <b>3.84</b>                          |
| 34,600                                       | AVEVA   | 941                   | 3.84                                 |
| <b>Collective Investment Schemes (1.36%)</b> |   | <b>974</b>            | <b>3.97</b>                          |
| 974  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund* | 974                   | 3.97                                 |
| <b>Total investment assets</b>               |   | <b>24,357</b>         | <b>99.26</b>                         |
| Net other assets                             |   | 181                   | 0.74                                 |
| <b>Total Net Assets</b>                      |   | <b>24,538</b>         | <b>100.00</b>                        |

\* Managed by subsidiaries of Standard Life Aberdeen plc.

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

Comparatives are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |            |
|---|-----------------|----------------|-----------------|------------|
|   | £'000           | £'000          | £'000           | £'000      |
| Income:   |                 |                |                 |            |
| Net capital (losses)/gains  |                 | (2,077)        |                 | 674        |
| Revenue   | 292             |                | 261             |            |
| Expenses  | (167)           |                | (185)           |            |
| Net revenue before taxation   | 125             |                | 76              |            |
| Taxation  | -               |                | (1)             |            |
| Net revenue after taxation  |                 | 125            |                 | 75         |
| <b>Total return before distributions</b>  |                 | <b>(1,952)</b> |                 | <b>749</b> |
| Distributions   |                 | (125)          |                 | (75)       |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(2,077)</b> |                 | <b>674</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |               |
|--|-----------------|---------------|-----------------|---------------|
|  | £'000           | £'000         | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>26,093</b> |                 | <b>24,030</b> |
| Amounts receivable on the issue of shares  | 1,313           |               | 2,621           |               |
| Amounts payable on the cancellation of shares  | (913)           |               | (879)           |               |
|  |                 | 400           |                 | 1,742         |
| Dilution adjustment  |                 | -             |                 | 10            |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (2,077)       |                 | 674           |
| Retained distribution on accumulation shares   |                 | 122           |                 | 81            |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>24,538</b> |                 | <b>26,537</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 24,357        |              | 25,989        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 144             |               | 41           |               |
| Cash and bank balances                         | 76              |               | 111          |               |
|  |                 | 220           |              | 152           |
| Total assets                                   |                 | 24,577        |              | 26,141        |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Creditors                                      | (32)            |               | (38)         |               |
| Distribution payable                           | (7)             |               | (10)         |               |
|  |                 | (39)          |              | (48)          |
| Total liabilities                              |                 | (39)          |              | (48)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>24,538</b> |              | <b>26,093</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7829                                | -                                       | 0.7829*                                      | 0.3889                                       |
| Group 2                      | 0.1983                                | 0.5846                                  | 0.7829*                                      | 0.3889                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.6172                                | -                                       | 0.6172**                                     | 0.3095                                       |
| Group 2                      | 0.2075                                | 0.4097                                  | 0.6172**                                     | 0.3095                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.2002                                | -                                       | 1.2002*                                      | 0.9207                                       |
| Group 2                      | 0.3416                                | 0.8586                                  | 1.2002*                                      | 0.9207                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.0493                                | -                                       | 1.0493**                                     | 0.8165                                       |
| Group 2                      | 0.1895                                | 0.8598                                  | 1.0493**                                     | 0.8165                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2100                                | -                                       | 0.2100*                                      |  |
| Group 2 <sup>B</sup>         | 0.2100                                | -                                       | 0.2100*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2100                                | -                                       | 0.2100**                                     |  |
| Group 2 <sup>B</sup>         | 0.2100                                | -                                       | 0.2100**                                     |  |

\* Distribution accumulated on 31 January 2019.

\*\* Distributions paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 28 November 2018.<sup>B</sup> Shares purchased between 28 November 2018 and 31 January 2019.**Treatment by Corporate Shareholders**

Corporate shareholders should account for the current period's dividends shown in the distribution table as follows:

|   | Interim<br>Dividend |
|---|---------------------|
| Treat as a UK corporate dividend                    | 100%                |
| Treat as an annual payment net of Income tax at 20% | 0%                  |



# Aberdeen Sterling Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in Sterling-denominated Debt and debt-related securities issued by the UK government, other governments, public bodies and supra-national issuers, and Investment grade corporate Debt and debt-related securities.

The Fund may also invest in other transferable securities, including Investment grade and sub-Investment grade Debt and debt-related securities denominated in any currency, as well as money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Sterling Bond Fund – A Accumulation Shares increased by 1.07% compared to an increase of 1.55% in the benchmark, the Markit iBoxx Sterling Overall Index.

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

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

## Market review

For much of the review period, the gilt market has been dominated by the seemingly intractable negotiations for the UK's exit from the European Union ("Brexit"). Progress has been slow, and has affected levels of business confidence. In the final three months of 2018, the approval of Mrs May's latest iteration of a Brexit Plan proved too awkward to win a vote in Parliament; the ruling Conservative Party was deeply divided, and opposition from other parties was implacable, causing the PM to delay a decision to January. In this environment, fundamentals and domestic news exerted minimal influence, and the uncertainties created by the Brexit process provided a slid "risk-off" underpinning to gilt yields. The UK yield curve was particularly volatile. Mrs May is now in the unusual position where she commands the confidence of Parliament and the confidence of her party, but remained some margin from getting the her Withdrawal Agreement through Parliament before the 29 March Brexit deadline. UK 10-year gilts started the review period with a yield of 1.37% and ended at 1.23%. Yields ranged from 1.72% in October (pulled higher by better-than-expected economic data and favourable comments from the chairman of the US Federal Reserve) and as low as 1.18% in mid-December.

Corporate bond markets were relatively calm over the summer of 2018. Spreads tightened modestly in both investment grade and high yield markets, supported by fundamental data and lower-than-expected levels of new issuance. However, The final three months of 2018 were challenging for risk assets globally with stocks and commodities falling and credit spreads widening as a deteriorating global economic outlook was priced into the market.

Trade tensions between the US and China and the ongoing challenges of Brexit added to the worries for investors. As we moved into the new year, corporate bond markets were more stable, recovering significantly from the weakness of late 2018. Rhetoric around trade tensions was calmer. The US Federal Reserve adopted a materially more dovish tone, appearing to have paused its interest rate-hiking cycle for the time being at least.

## Portfolio review

Within the government bond portfolio, duration positions made a positive contribution. At different points over the six-month review period the Fund was positioned either long or short duration. This was mostly driven by perceived Brexit optimism or pessimism. The Fund ended the period with a small short duration position. Another positive driver was cross-market positions. The Fund entered the period holding a position in Australian government bonds (selling gilts). The Fund took profits on the Australian position, reducing this in August and closing it in September. The Fund re-entered this position in December, but as Australian government bonds outperformed UK government bonds over year-end the Fund took profits. The Fund ended the period holding French government bonds and Canadian government bonds. Curve positions acted as a drag on performance. The Fund went into the period holding a flattener position. In November this position was closed after the curve steepened significantly. The Fund also held a flattener in the ultra-long part of the curve, and this position added to performance. In January the Fund added a position in 30-year US Treasury Inflation-Protected Securities. The change in tone from the US Federal Reserve meant these positions performed well, boosting performance.

Our corporate bond holdings suffered in the final three months of the review period when risk assets globally sold off. Exposure to the higher-beta financial sector was negative; banks in particular performed poorly. Although the Fund's allocation to high yield corporate bonds was pared back in 2018, holdings in the asset class were also moderately detrimental. Interest rate exposure and holdings in higher quality debt boosted returns as a result of their safe-haven status. At the stock level, holdings which underperformed included UK insurer Direct Line and funeral home operator Dignity Finance. Floating rate notes underperformed as government bond yields fell. Avoiding bonds issued by UK-domiciled roadside assistance groups RAC and AA were beneficial; both underperformed. US conglomerate was also weak through most of the period having issued a series of profit warnings and credit ratings downgrades. The Fund was short of this issuer and benefited as a result although a recovery late in the period caused a recovery in spread levels.

## Outlook

The backdrop remains one of an economy operating with limited spare capacity, despite the demand side being constrained by ongoing Brexit headwinds. Gilt sentiment remains almost entirely dictated by the Brexit process, with fundamentals exerting minimal influence. On the supply side, a sizeable improvement in the public finance outlook means headline gilt issuance is projected to fall

below £100 billion and net issuance to £30 billion, the lowest levels since 2008. Despite this generally supportive technical and supply backdrop, from a valuation perspective UK government bonds look expensive at current levels. The sell-off in the last three months of 2018 left much of the corporate bond universe looking relatively cheap, albeit spreads re-traced some of their underperformance in January. This reflects a slightly calmer macroeconomic background globally. While the asset class still offers good value, it is prudent to reduce risk. The twin threads of a global economic slowdown and – closer to home – the risks around Brexit mean that volatility may persist in 2019. This is likely to provide opportunities to add value within the Fund.

**Euro IG and Aggregate Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
  - Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
  - Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 6,089           | 6,386        | 8,307        | 10,084       |
| Closing number of shares                  | 3,866,166       | 4,095,511    | 5,337,812    | 6,372,311    |
| Closing net asset value per share (pence) | 157.49          | 155.92       | 155.63       | 158.24       |
| Change in net asset value per share       | 1.01%           | 0.19%        | (1.65%)      | 10.17%       |
| Operating charges                         | 1.10%           | 1.13%        | 1.14%        | 1.15%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 2,593           | 3,000        | 4,898        | 5,932        |
| Closing number of shares                  | 2,161,697       | 2,517,484    | 4,089,984    | 4,811,384    |
| Closing net asset value per share (pence) | 119.94          | 119.15       | 119.77       | 123.30       |
| Change in net asset value per share       | 0.66%           | (0.52%)      | (2.86%)      | 9.37%        |
| Operating charges                         | 1.10%           | 1.13%        | 1.14%        | 1.15%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 859             | 955          | 964          | 1,503        |
| Closing number of shares                  | 691,231         | 777,831      | 790,931      | 1,217,731    |
| Closing net asset value per share (pence) | 124.33          | 122.79       | 121.95       | 123.38       |
| Change in net asset value per share       | 1.25%           | 0.69%        | (1.16%)      | 10.59%       |
| Operating charges                         | 0.61%           | 0.63%        | 0.64%        | 0.65%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 57              | 57           | 231          | 57           |
| Closing number of shares                  | 49,809          | 50,422       | 201,522      | 48,222       |
| Closing net asset value per share (pence) | 114.91          | 114.14       | 114.74       | 118.13       |
| Change in net asset value per share       | 0.67%           | (0.52%)      | (2.87%)      | 9.37%        |
| Operating charges                         | 0.61%           | 0.63%        | 0.64%        | 0.65%        |
| K Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 1,957           | 4,173        | 4,004        | 3,304        |
| Closing number of shares                  | 1,806,799       | 3,904,515    | 3,777,815    | 3,085,315    |
| Closing net asset value per share (pence) | 108.30          | 106.88       | 105.99       | 107.08       |
| Change in net asset value per share       | 1.33%           | 0.84%        | (1.02%)      | -            |
| Operating charges                         | 0.46%           | 0.48%        | 0.49%        | 0.50%        |
| L Accumulation shares <sup>B</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 |              |
| Closing net asset value (£'000)           | 914             | 950          | 28           |              |
| Closing number of shares                  | 922,392         | 970,800      | 28,400       |              |
| Closing net asset value per share (pence) | 99.11           | 97.84        | 97.07        |              |
| Change in net asset value per share       | 1.30%           | 0.79%        | -            |              |
| Operating charges                         | 0.51%           | 0.53%        | 0.54%        |              |

| <b>L Income shares<sup>B</sup></b>        | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> |                     |
|---|------------------------|---------------------|---------------------|---------------------|
| Closing net asset value (£'000)           | 18                     | 18                  | 197                 |                     |
| Closing number of shares                  | 18,495                 | 19,600              | 205,900             |                     |
| Closing net asset value per share (pence) | 95.66                  | 95.02               | 95.51               |                     |
| Change in net asset value per share       | 0.67%                  | (0.51%)             | -                   |                     |
| Operating charges                         | 0.51%                  | 0.53%               | 0.54%               |                     |
|   |                        |                     |                     |                     |
| <b>M Accumulation shares<sup>C</sup></b>  | <b>31 January 2019</b> |                     |                     |                     |
| Closing net asset value (£'000)           | -                      |                     |                     |                     |
| Closing number of shares                  | 100                    |                     |                     |                     |
| Closing net asset value per share (pence) | 103.10                 |                     |                     |                     |
| Change in net asset value per share       | -                      |                     |                     |                     |
| Operating charges                         | 0.00%                  |                     |                     |                     |
|   |                        |                     |                     |                     |
| <b>M Income shares<sup>C</sup></b>        | <b>31 January 2019</b> |                     |                     |                     |
| Closing net asset value (£'000)           | -                      |                     |                     |                     |
| Closing number of shares                  | 100                    |                     |                     |                     |
| Closing net asset value per share (pence) | 102.61                 |                     |                     |                     |
| Change in net asset value per share       | -                      |                     |                     |                     |
| Operating charges                         | 0.00%                  |                     |                     |                     |
|   |                        |                     |                     |                     |
| <b>Z Accumulation shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 131,340                | 134,620             | 117,820             | 143,261             |
| Closing number of shares                  | 73,703,812             | 76,682,248          | 67,910,949          | 82,052,848          |
| Closing net asset value per share (pence) | 178.20                 | 175.56              | 173.49              | 174.60              |
| Change in net asset value per share       | 1.50%                  | 1.19%               | (0.64%)             | 11.05%              |
| Operating charges                         | 0.11%                  | 0.13%               | 0.14%               | 0.15%               |

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

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

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

<sup>A</sup> K Accumulation share class launched on 13 May 2016.

<sup>B</sup> L share classes launched on 30 September 2016.

<sup>C</sup> M share classes launched on 28 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding  | Investment                                  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Bonds (95.12%)</b>                              |   | <b>137,595</b>        | <b>95.67</b>                         |
| <b>Australian Dollar Denominated Bonds (4.18%)</b> |   | -                     | -                                    |
| <b>Government Bonds (4.18%)</b>                    |   | -                     | -                                    |
| less than 5 years to maturity                      |   |                       |                                      |
| <b>Canadian Dollar Denominated Bonds (0.00%)</b>   |   | <b>4,352</b>          | <b>3.03</b>                          |
| <b>Government Bonds (0.00%)</b>                    |   | <b>4,352</b>          | <b>3.03</b>                          |
| less than 5 years to maturity                      |   |                       |                                      |
| 7,448,000  | Canadian (Govt of) 2% 2023                  | 4,352                 | 3.03                                 |
| <b>Euro Denominated Bonds (0.11%)</b>              |   | <b>4,581</b>          | <b>3.19</b>                          |
| <b>Corporate Bonds (0.11%)</b>                     |   | <b>572</b>            | <b>0.40</b>                          |
| between 5 and 10 years to maturity                 |   |                       |                                      |
| 170,000  | Smith (DS) 1.375% 2024                      | 144                   | 0.10                                 |
| between 10 and 15 years to maturity                |   |                       |                                      |
| 100,000  | Bayer 2.125% 2029                           | 87                    | 0.06                                 |
| 200,000  | Volkswagen International Finance 3.25% 2030 | 179                   | 0.13                                 |
| Perpetual  |   |                       |                                      |
| 200,000  | Telefonica 3.875% Perpetual                 | 162                   | 0.11                                 |
| <b>Government Bonds (0.00%)</b>                    |   | <b>4,009</b>          | <b>2.79</b>                          |
| between 5 and 10 years to maturity                 |   |                       |                                      |
| 4,513,000  | France (Govt of) 0.75% 2028                 | 4,009                 | 2.79                                 |
| <b>Sterling Denominated Bonds (90.66%)</b>         |   | <b>126,452</b>        | <b>87.93</b>                         |
| <b>Corporate Bonds (25.54%)</b>                    |   | <b>35,776</b>         | <b>24.88</b>                         |

| Holding                            | Investment                                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|--|-----------------------|--------------------------------------|
| less than 5 years to maturity      |  |                       |                                      |
| 100,000                            | AIG 5% 2023                                      | 111                   | 0.08                                 |
| 100,000                            | Bank of Nova Scotia 1.25% 2022                   | 99                    | 0.07                                 |
| 350,000                            | Barclays 2.375% 2023                             | 342                   | 0.24                                 |
| 100,000                            | Citigroup 2.75% 2024                             | 101                   | 0.07                                 |
| 139,000                            | Citigroup 6.25% 2019                             | 143                   | 0.10                                 |
| 205,000                            | Commonwealth Bank of Australia 1.125% 2021       | 203                   | 0.14                                 |
| 100,000                            | Deutsche Bank 1.75% 2021                         | 96                    | 0.07                                 |
| 900,000                            | Dwr Cymru Financing 6.907% 2021                  | 1,003                 | 0.70                                 |
| 360,000                            | Fidelity National Information Services 1.7% 2022 | 354                   | 0.25                                 |
| 100,000                            | FirstGroup 8.75% 2021                            | 112                   | 0.08                                 |
| 74,000                             | GE Capital 4.375% 2019                           | 74                    | 0.04                                 |
| 100,000                            | Intu (SGS) Finance 4.125% 2023                   | 97                    | 0.07                                 |
| 200,000                            | MetLife Global Funding I 1.125% 2021             | 197                   | 0.14                                 |
| 200,000                            | NatWest 6.5% 2021                                | 220                   | 0.15                                 |
| 186,000                            | PCL Funding III FRN 2023                         | 183                   | 0.13                                 |
| 170,000                            | Principality Building Society 2.375% 2023        | 166                   | 0.12                                 |
| 117,000                            | Provident Financial 7% 2023                      | 116                   | 0.08                                 |
| 300,000                            | Scentre 2.375% 2022                              | 304                   | 0.21                                 |
| 100,000                            | Scottish Widows 5.5% 2023                        | 110                   | 0.08                                 |
| 243,000                            | Severn Trent 1.625% 2022                         | 242                   | 0.17                                 |
| 69,000                             | South East Water 5.6577% 2019                    | 71                    | 0.04                                 |
| 400,000                            | Southern Water 5% 2021                           | 428                   | 0.30                                 |
| 210,000                            | SPI Australia Assets 5.125% 2021                 | 223                   | 0.16                                 |
| 100,000                            | Volkswagen Financial Services 1.875% 2021        | 99                    | 0.07                                 |
| 200,000                            | Westpac Banking 1% 2022                          | 197                   | 0.14                                 |
| 90,000                             | Yorkshire Water 6% 2019                          | 92                    | 0.06                                 |
| between 5 and 10 years to maturity |  |                       |                                      |
| 100,000                            | Assura Financing 3% 2028                         | 100                   | 0.06                                 |
| 300,000                            | Bank of America 2.3% 2025                        | 298                   | 0.21                                 |
| 500,000                            | BP 2.03% 2025                                    | 500                   | 0.35                                 |
| 100,000                            | BP 2.274% 2026                                   | 100                   | 0.07                                 |
| 390,000                            | British American Tobacco 4% 2026                 | 411                   | 0.29                                 |
| 100,000                            | BUPA 2% 2024                                     | 99                    | 0.07                                 |
| 100,000                            | BUPA Finance 5% 2026                             | 109                   | 0.08                                 |
| 287,000                            | Citigroup 5.15% 2026                             | 335                   | 0.22                                 |
| 170,000                            | CPUK 3.69% 2028                                  | 174                   | 0.12                                 |
| 200,000                            | Credit Suisse FRN 2025                           | 192                   | 0.13                                 |
| 199,000                            | CYBG 4% 2026                                     | 191                   | 0.13                                 |

| Holding                             | Investment                                  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|---|-----------------------|--------------------------------------|
| 120,000                             | CYBG 5% 2026                                | 118                   | 0.08                                 |
| 150,000                             | Daily Mail & General Trust 6.375% 2027      | 170                   | 0.12                                 |
| 350,000                             | Enel 5.625% 2024                            | 399                   | 0.28                                 |
| 100,000                             | Experian 2.125% 2024                        | 101                   | 0.07                                 |
| 341,000                             | General Motors Financial 2.25% 2024         | 323                   | 0.23                                 |
| 400,000                             | Heathrow Finance 5.75% 2025                 | 413                   | 0.29                                 |
| 100,000                             | Heathrow Funding 7.125% 2024                | 120                   | 0.08                                 |
| 535,000                             | HSBC 2.256% 2026                            | 516                   | 0.36                                 |
| 400,000                             | InterContinental Hotels 3.75% 2025          | 418                   | 0.29                                 |
| 214,000                             | Lloyds Bank 5.75% fixed to floating 2025    | 223                   | 0.16                                 |
| 341,000                             | Lloyds Bank 7.625% 2025                     | 431                   | 0.29                                 |
| 285,000                             | London & Quadrant Housing Trust 2.625% 2028 | 285                   | 0.20                                 |
| 110,000                             | Marks & Spencer 4.75% 2025                  | 115                   | 0.08                                 |
| 200,000                             | Morgan Stanley 2.625% 2027                  | 198                   | 0.14                                 |
| 300,000                             | Motability Operations 4.375% 2027           | 349                   | 0.24                                 |
| 500,000                             | National Grid 4% 2027                       | 569                   | 0.40                                 |
| 214,000                             | NewRiver REIT 3.5% 2028                     | 205                   | 0.14                                 |
| 200,000                             | NIE Finance 6.375% 2026                     | 253                   | 0.18                                 |
| 241,000                             | Paragon FRN 2026                            | 249                   | 0.17                                 |
| 100,000                             | Phoenix 6.625% 2025                         | 105                   | 0.07                                 |
| 180,000                             | Royal Bank of Scotland 2.875% 2026          | 175                   | 0.12                                 |
| 164,000                             | Santander UK Group 3.625% 2026              | 168                   | 0.12                                 |
| 200,000                             | Southern Gas Networks 2.5% 2025             | 203                   | 0.14                                 |
| 260,000                             | Stagecoach Group 4% 2025                    | 266                   | 0.20                                 |
| 120,000                             | Thames Water 2.875% 2027                    | 115                   | 0.08                                 |
| 170,000                             | Total Capital International 1.25% 2024      | 167                   | 0.12                                 |
| 167,000                             | Unite Group 3.5% 2028                       | 169                   | 0.12                                 |
| 120,000                             | Vicinity Centres 3.375% 2026                | 125                   | 0.09                                 |
| 200,000                             | Virgin Media 5% 2027                        | 194                   | 0.13                                 |
| 123,000                             | Volkswagen Financial Services 2.25% 2025    | 118                   | 0.08                                 |
| 162,000                             | Welltower 4.8% 2028                         | 183                   | 0.13                                 |
| 330,000                             | Western Power 3.875% 2024                   | 358                   | 0.25                                 |
| 100,000                             | Western Power 5.875% 2027                   | 123                   | 0.09                                 |
| 180,000                             | Yorkshire Building Society 3.5% 2026        | 185                   | 0.13                                 |
| between 10 and 15 years to maturity |   |                       |                                      |
| 60,000                              | America Movil 5.75% 2030                    | 77                    | 0.05                                 |
| 130,000                             | Amgen 4% 2029                               | 143                   | 0.10                                 |
| 60,000                              | Anglian Water 6.293% 2030                   | 81                    | 0.06                                 |
| 130,000                             | Apple 3.05% 2029                            | 140                   | 0.10                                 |
| 200,000                             | APT Pipelines 3.5% 2030                     | 207                   | 0.14                                 |



| Holding                             | Investment                                   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|--|-----------------------|--------------------------------------|
| 100,000                             | AT&T 4.375% 2029                             | 108                   | 0.08                                 |
| 285,000                             | Barclays 3.25% 2033                          | 262                   | 0.18                                 |
| 123,000                             | British Land 2.375% 2029                     | 117                   | 0.08                                 |
| 200,000                             | Broadgate Financing 5.098% 2033              | 217                   | 0.15                                 |
| 915,000                             | Canary Wharf Finance 6.455% 2030             | 245                   | 0.17                                 |
| 71,000                              | Comcast 5.5% 2029                            | 91                    | 0.06                                 |
| 100,000                             | CRH 4.125% 2029                              | 111                   | 0.08                                 |
| 100,000                             | Digital Stout 3.75% 2030                     | 101                   | 0.07                                 |
| 300,000                             | Great Rolling Stock 6.5% 2031                | 326                   | 0.23                                 |
| 54,000                              | Greene King FRN 2033                         | 40                    | 0.03                                 |
| 250,000                             | Northern Powergrid Yorkshire 4.375% 2032     | 297                   | 0.21                                 |
| 100,000                             | Orange 3.25% 2032                            | 102                   | 0.07                                 |
| 160,000                             | Premiertel 6.175% 2032                       | 169                   | 0.12                                 |
| 251,000                             | Quadgas Finance 3.375% 2029                  | 250                   | 0.17                                 |
| 240,000                             | Rabobank 4.625% 2029                         | 265                   | 0.18                                 |
| 200,000                             | Saint-Gobain 4.625% 2029                     | 229                   | 0.16                                 |
| 100,000                             | Smith (DS) 2.875% 2029                       | 95                    | 0.07                                 |
| 150,000                             | StatoilHydro 6.875% 2031                     | 224                   | 0.16                                 |
| 100,000                             | Thames Water Utilities Cayman 2.625% 2032    | 94                    | 0.07                                 |
| 50,000                              | Time Warner Cable 5.75% 2031                 | 58                    | 0.04                                 |
| 140,000                             | Trafford Centre 7.03%% 2029                  | 95                    | 0.07                                 |
| 191,000                             | Tritax Big Box REIT 3.125% 2031              | 187                   | 0.13                                 |
| 140,000                             | Westfield America Management Ltd 2.625% 2029 | 137                   | 0.10                                 |
| between 15 and 25 years to maturity |  |                       |                                      |
| 200,000                             | America Movil 4.375% 2041                    | 236                   | 0.15                                 |
| 205,000                             | Anheuser-Busch InBev 2.85% 2037              | 189                   | 0.13                                 |
| 200,000                             | Aspire Defence 4.674% 2040 'A'               | 222                   | 0.15                                 |
| 200,000                             | Aspire Defence 4.674% 2040 'B'               | 224                   | 0.16                                 |
| 100,000                             | Aster Treasury 4.5% 2043                     | 124                   | 0.09                                 |
| 150,000                             | AT&T 7% 2040                                 | 215                   | 0.15                                 |
| 100,000                             | BG Energy Capital 5% 2036                    | 137                   | 0.10                                 |
| 50,000                              | British American Tobacco 5.75% 2040          | 62                    | 0.04                                 |
| 150,000                             | Circle Anglia 7.25% 2038                     | 243                   | 0.17                                 |
| 70,000                              | Citigroup 7.375% 2039                        | 114                   | 0.08                                 |
| 135,000                             | Connect Plus 2.607% 2039                     | 136                   | 0.09                                 |
| 100,000                             | DONG Energy 5.75% 2040                       | 142                   | 0.10                                 |
| 250,000                             | E.ON Finance 6.75% 2039                      | 372                   | 0.26                                 |
| 100,000                             | Eastern Power Networks 6.25% 2036            | 143                   | 0.10                                 |
| 100,000                             | EDF 5.5% 2041                                | 129                   | 0.08                                 |
| 200,000                             | EDF 6.125% 2034                              | 269                   | 0.19                                 |

| Holding                           | Investment                          | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|-------------------------------------|-----------------------|--------------------------------------|
| 300,000                           | Enel 5.75% 2037                     | 363                   | 0.25                                 |
| 100,000                           | Eversholt 3.529% 2042               | 96                    | 0.07                                 |
| 100,000                           | Gatwick 6.5% 2041                   | 150                   | 0.10                                 |
| 150,000                           | GlaxoSmithKline 5.25% 2042          | 208                   | 0.14                                 |
| 150,000                           | HSBC 6% 2040                        | 189                   | 0.13                                 |
| 150,000                           | HSBC 7% 2038                        | 209                   | 0.15                                 |
| 250,000                           | National Grid 2.625% 2038           | 232                   | 0.16                                 |
| 112,000                           | QBE Insurance 6.115% 2042           | 121                   | 0.08                                 |
| 250,000                           | RWE 6.125% 2039                     | 351                   | 0.24                                 |
| 120,000                           | Scotland Gas Networks 4.875% 2034   | 147                   | 0.10                                 |
| 150,000                           | Segro 5.75% 2035                    | 198                   | 0.14                                 |
| 100,000                           | Severn Trent 4.875% 2042            | 127                   | 0.09                                 |
| 200,000                           | Southern Electric 4.625% 2037       | 236                   | 0.16                                 |
| 100,000                           | Southern Gas Networks 3.1% 2036     | 100                   | 0.07                                 |
| 120,000                           | Standard Chartered 5.125% 2034      | 136                   | 0.09                                 |
| 230,000                           | Standard Life Aberdeen FRN 2042     | 253                   | 0.18                                 |
| 100,000                           | TC Dudgeon Ofco 3.158% 2038         | 104                   | 0.07                                 |
| 50,000                            | Tesco 5.744% 2040                   | 57                    | 0.04                                 |
| 110,000                           | Tesco 7.6227% 2039                  | 131                   | 0.09                                 |
| 200,000                           | Thames Water 5.125% 2037            | 247                   | 0.17                                 |
| 220,000                           | Transport for London 3.875% 2042    | 268                   | 0.19                                 |
| 200,000                           | UPP Bond 1 Issuer 4.9023% 2040      | 228                   | 0.16                                 |
| 100,000                           | Verizon Communications 3.375% 2036  | 102                   | 0.07                                 |
| 220,000                           | Wal-Mart 5.625% 2034                | 315                   | 0.22                                 |
| 100,000                           | Wells Fargo 4.875% 2035             | 122                   | 0.08                                 |
| 200,000                           | Western Power 5.75% 2040            | 276                   | 0.19                                 |
| 350,000                           | White City 5.1202% 2035             | 385                   | 0.27                                 |
| greater than 25 years to maturity |                                     |                       |                                      |
| 100,000                           | American International FRN 2067     | 88                    | 0.05                                 |
| 240,000                           | Annington Funding 3.935% 2047       | 242                   | 0.17                                 |
| 170,000                           | AT&T 4.875% 2044                    | 193                   | 0.13                                 |
| 200,000                           | Aviva 5.125% 2050                   | 203                   | 0.14                                 |
| 100,000                           | Blend Funding 3.459% 2047           | 103                   | 0.07                                 |
| 100,000                           | British American Tobacco 2.25% 2052 | 66                    | 0.05                                 |
| 100,000                           | Bromford Housing 3.125% 2048        | 100                   | 0.07                                 |
| 100,000                           | Cadent Finance 2.75% 2046           | 91                    | 0.06                                 |
| 100,000                           | Channel Link 3.043% 2050            | 98                    | 0.07                                 |
| 100,000                           | Clarion Housing 3.125% 2048         | 99                    | 0.07                                 |
| 100,000                           | EDF 5.125% 2050                     | 126                   | 0.09                                 |
| 100,000                           | EDF 6% 2114                         | 136                   | 0.09                                 |

| Holding                          | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------------|---|-----------------------|--------------------------------------|
| 100,000                          | Engie 5% 2060   | 147                   | 0.10                                 |
| 200,000                          | Gatwick 2.625% 2046                                   | 175                   | 0.12                                 |
| 190,000                          | Income Contingent Student Loans 2 2007-2009 2.5% 2058 | 168                   | 0.12                                 |
| 110,000                          | Land Securities 2.75% 2057                            | 105                   | 0.07                                 |
| 70,000                           | LCR Finance 5.1% 2051                                 | 121                   | 0.08                                 |
| 100,000                          | Notting Hill Housing Trust 3.25% 2048                 | 96                    | 0.07                                 |
| 200,000                          | Notting Hill Housing Trust 4.375% 2054                | 239                   | 0.17                                 |
| 100,000                          | Orange 5.375% 2050                                    | 137                   | 0.10                                 |
| 200,000                          | Orbit Capital 3.5% 2045                               | 207                   | 0.13                                 |
| 100,000                          | Paragon 1.43044% 2050                                 | 98                    | 0.07                                 |
| 100,000                          | Paragon 3.625% 2047                                   | 105                   | 0.07                                 |
| 100,000                          | Peabody Capital 3.25% 2048                            | 99                    | 0.07                                 |
| 250,000                          | Precise Mortgage Funding 2018-2B FRN 2055             | 225                   | 0.16                                 |
| 200,000                          | Prudential 5% 2055                                    | 210                   | 0.15                                 |
| 139,000                          | Prudential 5.625% FRN 2051                            | 145                   | 0.10                                 |
| 102,000                          | RSA Insurance FRN 2045                                | 109                   | 0.08                                 |
| 400,000                          | SSE 3.625% 2077                                       | 388                   | 0.27                                 |
| 100,000                          | United Parcel Service 5.125% 2050                     | 146                   | 0.10                                 |
| 100,000                          | Vodafone 3% 2056                                      | 83                    | 0.06                                 |
| 150,000                          | Vodafone 3.375% 2049                                  | 135                   | 0.09                                 |
| 100,000                          | Wellcome Trust 2.517% 2118                            | 95                    | 0.07                                 |
| 100,000                          | WM Treasury 2 3.25% 2048                              | 100                   | 0.07                                 |
| Perpetual                        |   |                       |                                      |
| 690,000                          | Aviva 6.125% fixed to floating Perpetual              | 729                   | 0.50                                 |
| 200,000                          | AXA 6.6862% fixed to floating Perpetual               | 224                   | 0.15                                 |
| 251,000                          | Dignity 4.6956% Perpetual                             | 223                   | 0.16                                 |
| 200,000                          | Direct Line 4.75% Perpetual                           | 162                   | 0.11                                 |
| 100,000                          | HBOS 7.881% fixed to floating Perpetual               | 139                   | 0.10                                 |
| 129,000                          | HSBC 5.862% Perpetual                                 | 133                   | 0.09                                 |
| 200,000                          | HSBC 5.875% Fixed to Floating Perpetual               | 198                   | 0.14                                 |
| 312,000                          | Lloyds Banking Group 7% fixed to floating Perpetual   | 313                   | 0.22                                 |
| <b>Government Bonds (65.12%)</b> |   | <b>90,676</b>         | <b>63.05</b>                         |
| less than 5 years to maturity    |   |                       |                                      |
| 300,000                          | Council Of Europe Development Bank 0.625% 2022        | 294                   | 0.20                                 |
| 700,000                          | European Investment Bank 2.25% 2020                   | 710                   | 0.49                                 |
| 350,000                          | European Investment Bank 5.375% 2021                  | 384                   | 0.27                                 |
| 2,195,000                        | UK (Govt of) 0.5% 2022                                | 2,173                 | 1.51                                 |

| Holding                             | Investment                                 | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|--|-----------------------|--------------------------------------|
| 210,000                             | UK (Govt of) 1.5% 2021                     | 213                   | 0.15                                 |
| 10,103,000                          | UK (Govt of) 1.75% 2019                    | 10,151                | 7.06                                 |
| 198,000                             | UK (Govt of) 1.75% 2022                    | 204                   | 0.14                                 |
| 2,451,000                           | UK (Govt of) 2% 2020                       | 2,496                 | 1.74                                 |
| 215,000                             | UK (Govt of) 3.75% 2020                    | 225                   | 0.16                                 |
| 164,000                             | UK (Govt of) 3.75% 2021                    | 176                   | 0.12                                 |
| 1,742,755                           | UK (Govt of) 4% 2022                       | 1,914                 | 1.33                                 |
| 4,190,000                           | UK (Govt of) 4.5% 2019                     | 4,205                 | 2.92                                 |
| 917,000                             | UK (Govt of) 4.75% 2020                    | 957                   | 0.67                                 |
| 1,434,000                           | UK (Govt of) 8% 2021                       | 1,676                 | 1.16                                 |
| between 5 and 10 years to maturity  |  |                       |                                      |
| 3,555,000                           | UK (Govt of) 1.25% 2027                    | 3,590                 | 2.50                                 |
| 2,857,000                           | UK (Govt of) 1.625% 2028                   | 2,962                 | 2.06                                 |
| 637,000                             | UK (Govt of) 2% 2025                       | 679                   | 0.47                                 |
| 332,000                             | UK (Govt of) 2.75% 2024                    | 365                   | 0.25                                 |
| 1,142,000                           | UK (Govt of) 4.25% 2027                    | 1,442                 | 1.00                                 |
| 2,688,000                           | UK (Govt of) 5% 2025                       | 3,332                 | 2.32                                 |
| 1,151,000                           | UK (Govt of) 6% 2028                       | 1,662                 | 1.15                                 |
| between 10 and 15 years to maturity |  |                       |                                      |
| 2,646,000                           | UK (Govt of) 4.25% 2032                    | 3,547                 | 2.47                                 |
| 753,000                             | UK (Govt of) 4.75% 2030                    | 1,035                 | 0.72                                 |
| between 15 and 25 years to maturity |  |                       |                                      |
| 1,119,000                           | UK (Govt of) 1.75% 2037                    | 1,136                 | 0.79                                 |
| 2,011,000                           | UK (Govt of) 3.25% 2044                    | 2,630                 | 1.83                                 |
| 2,252,000                           | UK (Govt of) 4.25% 2036                    | 3,148                 | 2.19                                 |
| 1,691,000                           | UK (Govt of) 4.25% 2039                    | 2,453                 | 1.70                                 |
| 1,823,000                           | UK (Govt of) 4.25% 2040                    | 2,679                 | 1.86                                 |
| 2,282,000                           | UK (Govt of) 4.5% 2034                     | 3,219                 | 2.24                                 |
| 1,978,000                           | UK (Govt of) 4.5% 2042                     | 3,062                 | 2.13                                 |
| 1,834,000                           | UK (Govt of) 4.75% 2038                    | 2,802                 | 1.95                                 |
| greater than 25 years to maturity   |  |                       |                                      |
| 100,000                             | Mexico (United Mexican States) 5.625% 2114 | 99                    | 0.07                                 |
| 290,000                             | Reseau Ferre de France 4.83% 2060          | 474                   | 0.33                                 |
| 3,899,000                           | UK (Govt of) 1.5% 2047                     | 3,703                 | 2.58                                 |

| Holding                                      | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
| 815,000                                      | UK (Govt of) 1.625% 2071   | 820                   | 0.57                                 |
| 159,000                                      | UK (Govt of) 1.75% 2049  | 160                   | 0.11                                 |
| 278,000                                      | UK (Govt of) 1.75% 2057  | 286                   | 0.20                                 |
| 1,941,000                                    | UK (Govt of) 2.5% 2065   | 2,497                 | 1.73                                 |
| 2,035,000                                    | UK (Govt of) 3.5% 2045   | 2,788                 | 1.94                                 |
| 2,002,000                                    | UK (Govt of) 3.5% 2068   | 3,273                 | 2.28                                 |
| 1,752,000                                    | UK (Govt of) 3.75% 2052  | 2,685                 | 1.87                                 |
| 1,720,000                                    | UK (Govt of) 4% 2060   | 2,938                 | 2.04                                 |
| 1,716,000                                    | UK (Govt of) 4.25% 2046  | 2,671                 | 1.86                                 |
| 32,000                                       | UK (Govt of) 4.25% 2049  | 51                    | 0.04                                 |
| 1,579,000                                    | UK (Govt of) 4.25% 2055  | 2,710                 | 1.88                                 |
| <b>US Dollar Denominated Bonds (0.17%)</b>   |  | <b>2,210</b>          | <b>1.52</b>                          |
| <b>Corporate Bonds (0.17%)</b>               |  | <b>599</b>            | <b>0.40</b>                          |
| less than 5 years to maturity                |  |                       |                                      |
| 200,000                                      | UBS 2.45% 2020   | 150                   | 0.09                                 |
| between 5 and 10 years to maturity           |  |                       |                                      |
| 130,000                                      | Energy Transfer Partners 4.95% 2028                                      | 100                   | 0.07                                 |
| greater than 25 years to maturity            |  |                       |                                      |
| 211,000                                      | BHP Billiton Finance FRN 2075  | 175                   | 0.12                                 |
| 239,000                                      | Vodafone 6.25% 2078  | 174                   | 0.12                                 |
| <b>Government Bonds (0.00%)</b>              |  | <b>1,611</b>          | <b>1.12</b>                          |
| greater than 25 years to maturity            |  |                       |                                      |
| 2,142,000                                    | US Treasury 0.875% Index-Linked 2047                                     | 1,611                 | 1.12                                 |
| <b>Collective Investment Schemes (3.07%)</b> |  | <b>4,365</b>          | <b>3.04</b>                          |
| 507,523                                      | Aberdeen Standard SICAV I - European Convertibles Bond Fund <sup>†</sup> | 4,365                 | 3.04                                 |

| Holding  | Investment                                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
| <b>Derivatives (-0.06%)</b>                    |  | <b>166</b>            | <b>0.11</b>                          |
| <b>Forward Currency<br/>Contracts (-0.06%)</b> |  | <b>176</b>            | <b>0.12</b>                          |
|  | Buy AUD 5,886,000 Sell GBP 3,282,608 14/03/2019  | (25)                  | (0.02)                               |
|  | Buy AUD 6,025,000 Sell GBP 3,454,716 14/03/2019  | (120)                 | (0.08)                               |
|  | Buy GBP 6,782,797 Sell AUD 11,911,000 14/03/2019 | 190                   | 0.13                                 |
|  | Buy GBP 4,324,203 Sell CAD 7,537,000 14/03/2019  | (33)                  | (0.02)                               |
|  | Buy GBP 588,277 Sell EUR 660,000 14/03/2019      | 12                    | 0.01                                 |
|  | Buy GBP 4,038,892 Sell EUR 4,574,000 14/03/2019  | 43                    | 0.03                                 |
|  | Buy GBP 4,453,306 Sell EUR 4,993,000 14/03/2019  | 92                    | 0.06                                 |
|  | Buy GBP 618,881 Sell USD 795,000 14/03/2019      | 16                    | 0.01                                 |
|  | Buy GBP 1,580,259 Sell USD 2,082,000 14/03/2019  | 1                     | -                                    |
| <b>Futures (0.00%)</b>                         |  | <b>(10)</b>           | <b>(0.01)</b>                        |
| (13)   | Short Long Gilt Future 27/03/2019                | (10)                  | (0.01)                               |
| <b>Total investment assets and liabilities</b> |  | <b>142,126</b>        | <b>98.82</b>                         |
| Net other assets                               |  | 1,701                 | 1.18                                 |
| <b>Total Net Assets</b>                        |  | <b>143,827</b>        | <b>100.00</b>                        |

<sup>†</sup> Managed by subsidiaries of Standard Life Aberdeen plc.  
Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |              | 31 January 2018 |                |
|---|-----------------|--------------|-----------------|----------------|
|   | £'000           | £'000        | £'000           | £'000          |
| Income:   |                 |              |                 |                |
| Net capital gains/(losses)  |                 | 894          |                 | (1,455)        |
| Revenue   | 1,306           |              | 1,421           |                |
| Expenses  | (137)           |              | (170)           |                |
| Interest payable and similar charges  | (1)             |              | -               |                |
| Net revenue before taxation   | 1,168           |              | 1,251           |                |
| Taxation  | -               |              | -               |                |
| Net revenue after taxation  |                 | 1,168        |                 | 1,251          |
| <b>Total return before distributions</b>  |                 | <b>2,062</b> |                 | <b>(204)</b>   |
| Distributions   |                 | (1,168)      |                 | (1,251)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>894</b>   |                 | <b>(1,455)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>150,159</b> |                 | <b>136,450</b> |
| Amounts receivable on the issue of shares  | 3,138           |                | 26,539          |                |
| Amounts payable on the cancellation of shares  | (11,480)        |                | (8,330)         |                |
|  |                 | (8,342)        |                 | 18,209         |
| Dilution adjustment  |                 | -              |                 | 27             |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | 894            |                 | (1,455)        |
| Retained distribution on accumulation shares   |                 | 1,116          |                 | 1,306          |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>143,827</b> |                 | <b>154,537</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 142,314        |              | 147,440        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 3,071           |                | 2,620        |                |
| Cash and bank balances                         | 1,030           |                | 816          |                |
|  |                 | 4,101          |              | 3,436          |
| Total assets                                   |                 | 146,415        |              | 150,876        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | (188)          |              | (83)           |
| Creditors                                      | (2,390)         |                | (624)        |                |
| Bank overdrafts                                | (1)             |                | -            |                |
| Distribution payable                           | (9)             |                | (10)         |                |
|  |                 | (2,400)        |              | (634)          |
| Total liabilities                              |                 | (2,588)        |              | (717)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>143,827</b> |              | <b>150,159</b> |



**Distribution table****For the six months ended 31 January 2019****Interim interest distribution**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5202                                | -                                       | 0.5202*                                      | 0.6060                                       |
| Group 2                      | 0.1182                                | 0.4020                                  | 0.5202*                                      | 0.6060                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3975                                | -                                       | 0.3975**                                     | 0.4664                                       |
| Group 2                      | 0.1766                                | 0.2209                                  | 0.3975**                                     | 0.4664                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7083                                | -                                       | 0.7083*                                      | 0.7856                                       |
| Group 2                      | 0.2573                                | 0.4510                                  | 0.7083*                                      | 0.7856                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.6578                                | -                                       | 0.6578**                                     | 0.7391                                       |
| Group 2                      | 0.3209                                | 0.3369                                  | 0.6578**                                     | 0.7391                                       |
| <b>K Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6967                                | -                                       | 0.6967*                                      | 0.7636                                       |
| Group 2                      | 0.4067                                | 0.2900                                  | 0.6967*                                      | 0.7636                                       |
| <b>L Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6135                                | -                                       | 0.6135*                                      | 0.6723                                       |
| Group 2                      | 0.6135                                | -                                       | 0.6135*                                      | 0.6723                                       |
| <b>L Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.5966                                | -                                       | 0.5966**                                     | 0.6615                                       |
| Group 2                      | 0.5966                                | -                                       | 0.5966**                                     | 0.6615                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.4900                                | -                                       | 0.4900*                                      |  |
| Group 2 <sup>B</sup>         | 0.4900                                | -                                       | 0.4900*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.4900                                | -                                       | 0.4900**                                     |  |
| Group 2 <sup>B</sup>         | 0.4900                                | -                                       | 0.4900**                                     |  |

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.4550                                | -                                       | 1.4550*                                      | 1.5595                                       |
| Group 2                      | 0.6904                                | 0.7646                                  | 1.4550*                                      | 1.5595                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 28 November 2018.

<sup>B</sup> Shares purchased between 28 November 2018 and 31 January 2019.

# Aberdeen Sterling Government Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in Sterling-denominated UK government Debt and debt-related securities.

The Fund may also invest in other transferable securities, including Debt and debt-related securities denominated in any currency issued by governments, public bodies and supra-national issuers worldwide, Investment grade corporate Debt and debt-related securities, as well as money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the Aberdeen Sterling Government Bond Fund – A Accumulation Shares increased by 1.30% compared to an increase of 1.58% in the benchmark, FTSE-A Brit Govt All Stocks.

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

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

## Market review

For much of the past year, the gilt market has been dominated by the seemingly intractable negotiations for the UK's exit from the European Union ("Brexit"). Progress was slow, and marked by a number of twists and turns. The EU's rejection of Prime Minister Theresa May's Chequers Plan in September and stalemate on the Irish border question left the gilt market struggling to coherently price for interest rate policy developments. That applied equally to economy news, which implied very limited spare capacity and higher-than-expected inflation (due in part to weaker sterling) but fragile levels of business confidence.

In the final three months of 2018, the approval of Mrs May's latest iteration of a Brexit Plan proved too awkward to win a vote in Parliament; the ruling Conservative Party was deeply divided, and opposition from other parties was implacable, causing the PM to delay a decision to January. In this environment, fundamentals and domestic news exerted minimal influence, and the uncertainties created by the Brexit process provided a slid "risk-off" underpinning to gilt yields. The UK yield curve was particularly volatile.

During January Mrs May's Withdrawal Agreement (WA) was defeated in the UK parliament by a huge margin. Jeremy Corbyn, the leader of the opposition, called a 'vote of confidence'; this, too, was defeated. Mrs May was now in the unusual position where she commanded the confidence of Parliament and the confidence of her party, but remained some margin from getting the WA through Parliament before the 29 March Brexit deadline.

Elsewhere, financial market participants continued to focus on underlying global growth, and as one issue calmed another would become the focus. Concerns over Italian budget negotiations,

excess oil supply, disappointing Chinese growth, trade war talk and the effect of widening credit spreads all played a part. Latterly, there was a notable shift in US monetary policy. This, coupled with the US Government shutdown and continuing 'trade wars', resulted in US Treasury yields initially heading higher but then grinding lower.

UK 10-year gilts started the review period with a yield of 1.37% and ended at 1.23%. Yields ranged from 1.72% in October (pulled higher by better-than-expected economic data and favourable comments from the chairman of the US Federal Reserve) and as low as 1.18% in mid-December.

## Portfolio review

Duration positions made a positive contribution. At different points over the six-month review period the fund was positioned either long or short duration. This was mostly driven by perceived Brexit optimism or pessimism. The fund ended the period with a small short duration position.

Another positive driver was cross-market positions. The fund entered the period holding a position in Australian government bonds (selling gilts). The fund took profits on the Australian position, reducing this in August and closing it in September. The fund re-entered this position in December, but as Australian government bonds outperformed UK government bonds over year-end the fund took profits. The fund ended the period holding French government bonds and Canadian government bonds.

Curve positions acted as a drag on performance. The fund went into the period holding a flattener position. In November this position was closed after the curve steepened significantly. The fund also held a flattener in the ultra-long part of the curve, and this position added to performance.

In January the fund added a position in 30-year US Treasury Inflation-Protected Securities. The change in tone from the US Federal Reserve meant these positions performed well, boosting performance.

## Outlook

The backdrop remains one of an economy operating with limited spare capacity, despite the demand side being constrained by ongoing Brexit headwinds. Gilt sentiment remains almost entirely dictated by the Brexit process, with fundamentals exerting minimal influence.

The technical outlook for UK government bonds over the coming month is supportive, with large redemptions in March prompting sizeable Asset Purchase Facility reinvestment flows. On the supply side, a sizeable improvement in the public finance outlook means headline issuance is projected to fall below £100 billion and net issuance to £30 billion, the lowest levels since 2008. Despite this generally supportive technical and supply backdrop, from a valuation perspective gilts look expensive at current levels.

## Pan Euro Macro Team

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
  - Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
  - Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 736             | 2,928        | 7,951        | 8,576        |
| Closing number of shares                  | 412,683         | 1,662,076    | 4,530,676    | 4,717,754    |
| Closing net asset value per share (pence) | 178.28          | 176.14       | 175.49       | 181.77       |
| Change in net asset value per share       | 1.21%           | 0.37%        | (3.45%)      | 11.82%       |
| Operating charges                         | 0.99%           | 1.13%        | 1.14%        | 1.14%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 496             | 530          | 15,867       | 1,165        |
| Closing number of shares                  | 367,309         | 397,647      | 11,912,547   | 842,647      |
| Closing net asset value per share (pence) | 134.77          | 133.36       | 133.19       | 138.24       |
| Change in net asset value per share       | 1.06%           | 0.13%        | (3.65%)      | 11.32%       |
| Operating charges                         | 0.98%           | 1.13%        | 1.14%        | 1.14%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 106,009         | 83,282       | 68,037       | 71,307       |
| Closing number of shares                  | 57,504,547      | 45,843,150   | 37,775,350   | 38,412,991   |
| Closing net asset value per share (pence) | 184.35          | 181.67       | 180.11       | 185.63       |
| Change in net asset value per share       | 1.48%           | 0.87%        | (2.97%)      | 12.26%       |
| Operating charges                         | 0.50%           | 0.63%        | 0.64%        | 0.64%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 589             | 480          | 549          | 1,191        |
| Closing number of shares                  | 531,501         | 437,392      | 500,792      | 1,047,022    |
| Closing net asset value per share (pence) | 110.87          | 109.70       | 109.58       | 113.74       |
| Change in net asset value per share       | 1.07%           | 0.11%        | (3.66%)      | 11.32%       |
| Operating charges                         | 0.50%           | 0.63%        | 0.64%        | 0.64%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 103.33          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.00%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 102.95          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.00%           |              |              |              |
| P Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 18              | 19           | 19           | 27           |
| Closing number of shares                  | 12,825          | 13,578       | 13,578       | 18,778       |
| Closing net asset value per share (pence) | 142.52          | 141.00       | 140.86       | 146.22       |
| Change in net asset value per share       | 1.08%           | 0.10%        | (3.67%)      | 11.34%       |
| Operating charges                         | 0.33%           | 0.36%        | 0.37%        | 0.37%        |

| Q Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 64              | 283          | 587          | 1,352        |
| Closing number of shares                  | 45,105          | 200,924      | 417,024      | 924,591      |
| Closing net asset value per share (pence) | 142.50          | 140.99       | 140.85       | 146.21       |
| Change in net asset value per share       | 1.07%           | 0.10%        | (3.67%)      | 11.33%       |
| Operating charges                         | 0.27%           | 0.27%        | 0.27%        | 0.27%        |
| Q Gross Income shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 14              | 1,685        | 4,503        | 11,972       |
| Closing number of shares                  | 9,655           | 1,197,757    | 3,203,157    | 8,203,998    |
| Closing net asset value per share (pence) | 142.20          | 140.69       | 140.59       | 145.93       |
| Change in net asset value per share       | 1.07%           | 0.07%        | (3.66%)      | 11.36%       |
| Operating charges                         | 0.27%           | 0.27%        | 0.27%        | 0.27%        |
| Z Accumulation shares <sup>B</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 40,411          | 36,165       | 65,021       | 18,275       |
| Closing number of shares                  | 37,318,161      | 33,959,173   | 61,880,873   | 16,951,474   |
| Closing net asset value per share (pence) | 108.29          | 106.50       | 105.07       | 107.81       |
| Change in net asset value per share       | 1.68%           | 1.36%        | (2.54%)      | -            |
| Operating charges                         | 0.10%           | 0.13%        | 0.14%        | 0.14%        |

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

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

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

<sup>A</sup> M share classes launched on 29 November 2018.

<sup>B</sup> Z Accumulation share class launched on 13 May 2016.

## Portfolio Statement

As at 31 January 2019

| Holding  | Investment                           | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--------------------------------------|-----------------------|--------------------------------------|
| <b>Bonds (98.89%)</b>                              |                                      | <b>146,859</b>        | <b>99.00</b>                         |
| <b>Australian Dollar Denominated Bonds (4.58%)</b> |                                      | -                     | -                                    |
| <b>Government Bonds (4.58%)</b>                    |                                      | -                     | -                                    |
| <b>Canadian Dollar Denominated Bonds (0.00%)</b>   |                                      | <b>6,685</b>          | <b>4.51</b>                          |
| <b>Government Bonds (0.00%)</b>                    |                                      | <b>6,685</b>          | <b>4.51</b>                          |
| less than 5 years to maturity                      |                                      |                       |                                      |
| 11,441,000   | Canadian (Govt of) 2% 2023           | 6,685                 | 4.51                                 |
| <b>Euro Denominated Bonds (0.00%)</b>              |                                      | <b>3,078</b>          | <b>2.08</b>                          |
| <b>Government Bonds (0.00%)</b>                    |                                      | <b>3,078</b>          | <b>2.08</b>                          |
| between 10 and 15 years to maturity                |                                      |                       |                                      |
| 3,465,000  | France (Govt of) 0.75% 2028          | 3,078                 | 2.08                                 |
| <b>Sterling Denominated Bonds (94.31%)</b>         |                                      | <b>135,862</b>        | <b>91.58</b>                         |
| <b>Government Bonds (94.31%)</b>                   |                                      | <b>135,862</b>        | <b>91.58</b>                         |
| less than 5 years to maturity                      |                                      |                       |                                      |
| 2,760,000  | UK (Govt of) 0.5% 2022               | 2,732                 | 1.84                                 |
| 18,556,000   | UK (Govt of) 1.75% 2019              | 18,644                | 12.57                                |
| 928,000  | UK (Govt of) 1.75% 2022              | 959                   | 0.65                                 |
| 3,576,000  | UK (Govt of) 2% 2020                 | 3,641                 | 2.45                                 |
| 6,773,000  | UK (Govt of) 3.75% Index-Linked 2019 | 6,893                 | 4.65                                 |
| 1,681,006  | UK (Govt of) 4% 2022                 | 1,847                 | 1.24                                 |
| 2,104,000  | UK (Govt of) 4.5% 2019               | 2,111                 | 1.42                                 |
| 3,767,002  | UK (Govt of) 4.75% 2020              | 3,930                 | 2.65                                 |
| 2,677,000  | UK (Govt of) 8% 2021                 | 3,129                 | 2.11                                 |
| between 5 and 10 years to maturity                 |                                      |                       |                                      |
| 5,341,000  | UK (Govt of) 1.25% 2027              | 5,393                 | 3.64                                 |
| 2,890,000  | UK (Govt of) 1.5% 2026               | 2,988                 | 2.01                                 |
| 1,212,000  | UK (Govt of) 2% 2025                 | 1,292                 | 0.87                                 |
| 768,000  | UK (Govt of) 4.25% 2027              | 970                   | 0.65                                 |
| 3,768,000  | UK (Govt of) 5% 2025                 | 4,670                 | 3.15                                 |

| Holding                                    | Investment                           | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--------------------------------------|-----------------------|--------------------------------------|
| between 10 and 15 years to maturity        |                                      |                       |                                      |
| 2,062,000                                  | UK (Govt of) 1.625% 2028             | 2,138                 | 1.44                                 |
| 3,724,312                                  | UK (Govt of) 4.25% 2032              | 4,993                 | 3.37                                 |
| 3,746,000                                  | UK (Govt of) 4.75% 2030              | 5,148                 | 3.47                                 |
| between 15 and 25 years to maturity        |                                      |                       |                                      |
| 1,781,000                                  | UK (Govt of) 1.75% 2037              | 1,809                 | 1.22                                 |
| 3,127,420                                  | UK (Govt of) 4.25% 2036              | 4,372                 | 2.95                                 |
| 2,392,000                                  | UK (Govt of) 4.25% 2039              | 3,470                 | 2.34                                 |
| 2,571,222                                  | UK (Govt of) 4.25% 2040              | 3,778                 | 2.55                                 |
| 3,250,908                                  | UK (Govt of) 4.5% 2034               | 4,586                 | 3.09                                 |
| 2,763,019                                  | UK (Govt of) 4.5% 2042               | 4,278                 | 2.88                                 |
| 2,579,000                                  | UK (Govt of) 4.75% 2038              | 3,940                 | 2.66                                 |
| greater than 25 years to maturity          |                                      |                       |                                      |
| 5,413,000                                  | UK (Govt of) 1.5% 2047               | 5,141                 | 3.47                                 |
| 1,176,000                                  | UK (Govt of) 1.625% 2071             | 1,183                 | 0.80                                 |
| 544,000                                    | UK (Govt of) 1.75% 2049              | 547                   | 0.37                                 |
| 321,000                                    | UK (Govt of) 1.75% 2057              | 331                   | 0.22                                 |
| 2,776,000                                  | UK (Govt of) 2.5% 2065               | 3,571                 | 2.41                                 |
| 2,873,338                                  | UK (Govt of) 3.25% 2044              | 3,757                 | 2.53                                 |
| 2,893,000                                  | UK (Govt of) 3.5% 2045               | 3,963                 | 2.67                                 |
| 2,869,031                                  | UK (Govt of) 3.5% 2068               | 4,691                 | 3.16                                 |
| 2,434,000                                  | UK (Govt of) 3.75% 2052              | 3,730                 | 2.51                                 |
| 2,431,710                                  | UK (Govt of) 4% 2060                 | 4,153                 | 2.80                                 |
| 2,414,000                                  | UK (Govt of) 4.25% 2046              | 3,757                 | 2.53                                 |
| 1,939,000                                  | UK (Govt of) 4.25% 2055              | 3,327                 | 2.24                                 |
| <b>US Dollar Denominated Bonds (0.00%)</b> |                                      | <b>1,234</b>          | <b>0.83</b>                          |
| <b>Government Bonds (0.00%)</b>            |                                      | <b>1,234</b>          | <b>0.83</b>                          |
| greater than 25 years to maturity          |                                      |                       |                                      |
| 1,641,000                                  | US Treasury 0.875% Index-Linked 2047 | 1,234                 | 0.83                                 |
| <b>Derivatives (0.03%)</b>                 |                                      | <b>23</b>             | <b>0.02</b>                          |
| <b>Forward Currency Contracts (0.03%)</b>  |                                      | <b>23</b>             | <b>0.02</b>                          |



| Holding  | Investment                                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
|  | Buy AUD 3,741,000 Sell GBP 2,145,077 14/03/2019  | (74)                  | (0.05)                               |
|  | Buy AUD 4,710,000 Sell GBP 2,626,756 14/03/2019  | (20)                  | (0.01)                               |
|  | Buy GBP 601,742 Sell AUD 1,056,000 14/03/2019    | 17                    | 0.01                                 |
|  | Buy GBP 4,211,131 Sell AUD 7,395,000 14/03/2019  | 118                   | 0.08                                 |
|  | Buy GBP 6,642,072 Sell CAD 11,577,000 14/03/2019 | (52)                  | (0.03)                               |
|  | Buy GBP 3,101,134 Sell EUR 3,512,000 14/03/2019  | 33                    | 0.02                                 |
|  | Buy GBP 1,210,621 Sell USD 1,595,000 14/03/2019  | 1                     | 0.00                                 |
| <b>Total investment assets and liabilities</b> |  | <b>146,882</b>        | <b>99.02</b>                         |
| Net other assets                               |  | 1,455                 | 0.98                                 |
| <b>Total Net Assets</b>                        |  | <b>148,337</b>        | <b>100.00</b>                        |

Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |              | 31 January 2018 |                |
|---|-----------------|--------------|-----------------|----------------|
|   | £'000           | £'000        | £'000           | £'000          |
| Income:   |                 |              |                 |                |
| Net capital gains/(losses)  |                 | 1,363        |                 | (1,579)        |
| Revenue   | 879             |              | 1,036           |                |
| Expenses  | (254)           |              | (396)           |                |
| Interest payable and similar charges  | (3)             |              | -               |                |
| Net revenue before taxation   | 622             |              | 640             |                |
| Taxation  | -               |              | -               |                |
| Net revenue after taxation  |                 | 622          |                 | 640            |
| <b>Total return before distributions</b>  |                 | <b>1,985</b> |                 | <b>(939)</b>   |
| Distributions   |                 | (622)        |                 | (640)          |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>1,363</b> |                 | <b>(1,579)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>125,372</b> |                 | <b>162,535</b> |
| Amounts receivable on the issue of shares  | 38,866          |                | 15,370          |                |
| Amounts payable on the cancellation of shares  | (17,936)        |                | (53,554)        |                |
|  |                 | 20,930         |                 | (38,184)       |
| Dilution adjustment  |                 | 12             |                 | 19             |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | 1,363          |                 | (1,579)        |
| Retained distribution on accumulation shares   |                 | 660            |                 | 501            |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>148,337</b> |                 | <b>123,292</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 147,028        |              | 124,044        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 1,990           |                | 903          |                |
| Cash and bank balances                         | 734             |                | 514          |                |
|  |                 | 2,724          |              | 1,417          |
| Total assets                                   |                 | 149,752        |              | 125,461        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | (146)          |              | (24)           |
| Creditors                                      | (1,264)         |                | (51)         |                |
| Bank overdrafts                                | (1)             |                |              |                |
| Distribution payable                           | (4)             |                | (14)         |                |
|  |                 | (1,269)        |              | (65)           |
| Total liabilities                              |                 | (1,415)        |              | (89)           |
| <b>Net assets attributable to shareholders</b> |                 | <b>148,337</b> |              | <b>125,372</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.2777                                | -                                       | 0.2777*                                      | 0.1676                                       |
| Group 2                      | 0.1667                                | 0.1110                                  | 0.2777*                                      | 0.1676                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.2103                                | -                                       | 0.2103**                                     | 0.1272                                       |
| Group 2                      | 0.1290                                | 0.0813                                  | 0.2103**                                     | 0.1272                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7286                                | -                                       | 0.7286*                                      | 0.6353                                       |
| Group 2                      | 0.3298                                | 0.3988                                  | 0.7286*                                      | 0.6353                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4399                                | -                                       | 0.4399**                                     | 0.3865                                       |
| Group 2                      | 0.4005                                | 0.0394                                  | 0.4399**                                     | 0.3865                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.3800                                | -                                       | 0.3800*                                      |  |
| Group 2 <sup>B</sup>         | 0.3800                                | -                                       | 0.3800*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.3800                                | -                                       | 0.3800**                                     |  |
| Group 2 <sup>B</sup>         | 0.3800                                | -                                       | 0.3800**                                     |  |
| <b>P Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.6875                                | -                                       | 0.6875**                                     | 0.6931                                       |
| Group 2                      | 0.6875                                | -                                       | 0.6875**                                     | 0.6931                                       |
| <b>Q Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.7271                                | -                                       | 0.7271**                                     | 0.7609                                       |
| Group 2                      | 0.7271                                | -                                       | 0.7271**                                     | 0.7609                                       |
| <b>Q Gross Income shares</b> |                                       |   |  |  |
| Group 1                      | 0.7273                                | -                                       | 0.7273**                                     | 0.7594                                       |
| Group 2                      | 0.7273                                | -                                       | 0.7273**                                     | 0.7594                                       |

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6416                                | -                                       | 0.6416*                                      | 0.6360                                       |
| Group 2                      | 0.3572                                | 0.2844                                  | 0.6416*                                      | 0.6360                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 29 November 2018.

<sup>B</sup> Shares purchased between 29 November 2018 and 31 January 2019.

# Aberdeen Sterling Index-Linked Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in Sterling denominated index-linked Debt and debt-related securities that are issued by governments, public bodies, supra-national and corporate issuers.

The Fund may also invest in other transferable securities, including index-linked Debt and debt-related securities denominated in any currency issued by government issuers, as well as money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of the Aberdeen Sterling Index-Linked Bond Fund – A Accumulation Shares increased by 0.89% compared to an increase of 0.77% in the benchmark, the FTSE A (Index Linked) British Government Over 5 Years index.

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

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

## Market review

For much of the past year, the gilt market has been dominated by the seemingly intractable negotiations for the UK's exit from the European Union ("Brexit"). Progress was slow, and marked by a number of twists and turns. The EU's rejection of Prime Minister Theresa May's Chequers Plan in September and stalemate on the Irish border question left the gilt market struggling to coherently price for interest rate policy developments. That applied equally to economy news, which implied very limited spare capacity and higher-than-expected inflation (due in part to weaker sterling) but fragile levels of business confidence.

In the final three months of 2018, the approval of Mrs May's latest iteration of a Brexit Plan proved too awkward to win a vote in Parliament; the ruling Conservative Party was deeply divided, and opposition from other parties was implacable, causing the PM to delay a decision to January. In this environment, fundamentals and domestic news exerted minimal influence, and the uncertainties created by the Brexit process provided a solid "risk-off" underpinning to gilt yields. The UK yield curve was particularly volatile.

During January Mrs May's Withdrawal Agreement (WA) was defeated in the UK parliament by a huge margin. Jeremy Corbyn, the leader of the opposition, called a 'vote of confidence'; this, too, was defeated. Mrs May was now in the unusual position where she commanded the confidence of Parliament and the confidence of her party, but remained some margin from getting the WA through Parliament before the 29 March Brexit deadline.

Elsewhere, financial market participants continued to focus on underlying global growth, and as one issue calmed another would become the focus. Concerns over Italian budget negotiations, excess oil supply, disappointing Chinese growth, trade war talk and the effect of widening credit spreads all played a part. Latterly, there was a notable shift in US monetary policy. This, coupled with the US Government shutdown and continuing 'trade wars', resulted in US Treasury yields initially heading higher but then grinding lower. UK 10-year gilts started the review period with a yield of 1.37% and ended at 1.23%. Yields ranged from 1.72% in October (pulled higher by better-than-expected economic data and favourable comments from the chairman of the US Federal Reserve) and as low as 1.18% in mid-December.

## Portfolio review

The Fund has held an overweight duration bias over the last six months, as political uncertainty in the UK threatens the economic outlook. Over a strategic horizon we continue to see front end UK inflation as overpriced. As realised inflation settles around the Bank of England target, we expect that the market will begin to price out the current implied persistent overshoot. We continue to manage the risks associated with this position with UK duration as the market is buffeted by Brexit headlines. We have moved the duration exposure around on the curve, taking tactical opportunities to extract additional value as dislocations occur. We continue to hold our curve flattening view between 30-year and 50-year real yields as the limited supply outlook ought to be supportive for ultra-long dated bonds. In the US, we see value in long-dated Treasury Inflation-Protected Securities at current levels as inflation breakevens remain well contained and the US Federal Reserve has signalled intent to pause on rate hikes given the building global risks to the growth outlook.

## Outlook

The backdrop remains one of an economy operating with limited spare capacity, despite the demand side being constrained by ongoing Brexit headwinds. Gilt sentiment remains almost entirely dictated by the Brexit process, with fundamentals exerting minimal influence.

The technical outlook for UK government bonds over the coming months is supportive, with large redemptions in March prompting sizeable Asset Purchase Facility reinvestment flows. On the supply side, a sizeable improvement in the public finance outlook means headline issuance is projected to fall below £100 billion and net issuance to £30 billion, the lowest levels since 2008. Despite this generally supportive technical and supply backdrop, from a valuation perspective gilts look expensive at current levels.

## Inflation Team

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 7,907           | 8,563        | 9,321        | 13,013       |
| Closing number of shares                  | 3,252,965       | 3,531,177    | 3,970,477    | 5,731,177    |
| Closing net asset value per share (pence) | 243.08          | 242.49       | 234.77       | 227.06       |
| Change in net asset value per share       | 0.24%           | 3.29%        | 3.40%        | 13.70%       |
| Operating charges                         | 0.99%           | 1.12%        | 1.15%        | 1.19%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 456             | 446          | 568          | 707          |
| Closing number of shares                  | 231,907         | 226,672      | 297,272      | 380,872      |
| Closing net asset value per share (pence) | 196.71          | 196.68       | 191.04       | 185.72       |
| Change in net asset value per share       | 0.02%           | 2.95%        | 2.86%        | 13.71%       |
| Operating charges                         | 0.99%           | 1.12%        | 1.15%        | 1.19%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 4,716           | 4,794        | 4,652        | 5,612        |
| Closing number of shares                  | 2,225,965       | 2,274,426    | 2,291,255    | 2,871,855    |
| Closing net asset value per share (pence) | 211.83          | 210.79       | 203.05       | 195.41       |
| Change in net asset value per share       | 0.49%           | 3.81%        | 3.91%        | 14.16%       |
| Operating charges                         | 0.50%           | 0.62%        | 0.65%        | 0.69%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 885             | 860          | 927          | 803          |
| Closing number of shares                  | 622,519         | 605,437      | 672,037      | 599,014      |
| Closing net asset value per share (pence) | 142.07          | 142.04       | 137.98       | 134.04       |
| Change in net asset value per share       | 0.02%           | 2.94%        | 2.94%        | 13.74%       |
| Operating charges                         | 0.51%           | 0.62%        | 0.65%        | 0.69%        |
| K Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 2,491           | 2,501        | 4,143        | 4,080        |
| Closing number of shares                  | 2,003,547       | 2,022,397    | 3,481,750    | 3,568,750    |
| Closing net asset value per share (pence) | 124.33          | 123.69       | 118.98       | 114.33       |
| Change in net asset value per share       | 0.52%           | 3.96%        | 4.07%        | -            |
| Operating charges                         | 0.45%           | 0.47%        | 0.50%        | 0.54%        |
| M Accumulation shares <sup>B</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 103.27          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | -               |              |              |              |



| M Income shares <sup>B</sup>              | 31 January 2019 |  |  |  |
|---|-----------------|--|--|--|
| Closing net asset value (£'000)           | -               |  |  |  |
| Closing number of shares                  | 100             |  |  |  |
| Closing net asset value per share (pence) | 103.11          |  |  |  |
| Change in net asset value per share       | -               |  |  |  |
| Operating charges                         | -               |  |  |  |

| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 69,976          | 69,912       | 97,732       | 103,660      |
| Closing number of shares                  | 25,342,306      | 25,494,801   | 37,176,001   | 41,179,401   |
| Closing net asset value per share (pence) | 276.12          | 274.22       | 262.89       | 251.73       |
| Change in net asset value per share       | 0.69%           | 4.31%        | 4.43%        | 14.58%       |
| Operating charges                         | 0.10%           | 0.12%        | 0.15%        | 0.19%        |

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

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

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

<sup>A</sup> K Accumulation share class launched on 23 March 2016.

<sup>B</sup> M share classes launched on 28 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                    | Investment                            | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---------------------------------------|-----------------------|--------------------------------------|
| <b>Bonds (99.89%)</b>                      |                                       | <b>85,741</b>         | <b>99.20</b>                         |
| <b>Sterling Denominated Bonds (93.17%)</b> |                                       | <b>85,409</b>         | <b>98.82</b>                         |
| <b>Government Bonds (93.17%)</b>           |                                       | <b>85,409</b>         | <b>98.82</b>                         |
| between 5 and 10 years to maturity         |                                       |                       |                                      |
| 107,000                                    | UK (Govt of) 0.125% Index-Linked 2026 | 137                   | 0.16                                 |
| 3,929,000                                  | UK (Govt of) 1% 2024                  | 3,942                 | 4.56                                 |
| 3,160,000                                  | UK (Govt of) 1.25% Index-Linked 2027  | 6,102                 | 7.06                                 |
| 817,000                                    | UK (Govt of) 2.5% Index-Linked 2024   | 2,971                 | 3.44                                 |
| between 10 and 15 years to maturity        |                                       |                       |                                      |
| 1,481,000                                  | UK (Govt of) 0.125% Index-Linked 2029 | 2,181                 | 2.52                                 |
| 3,140,000                                  | UK (Govt of) 1.25% Index-Linked 2032  | 6,141                 | 7.10                                 |
| between 15 and 25 years to maturity        |                                       |                       |                                      |
| 1,454,000                                  | UK (Govt of) 0.125% Index-Linked 2036 | 2,221                 | 2.57                                 |
| 482,000                                    | UK (Govt of) 0.125% Index-Linked 2041 | 729                   | 0.84                                 |
| 1,923,757                                  | UK (Govt of) 0.625% Index-Linked 2040 | 4,009                 | 4.64                                 |
| 1,813,940                                  | UK (Govt of) 0.625% Index-Linked 2042 | 4,043                 | 4.68                                 |
| 2,240,033                                  | UK (Govt of) 0.75% Index-Linked 2034  | 3,969                 | 4.59                                 |
| 1,852,752                                  | UK (Govt of) 1.125% Index-Linked 2037 | 4,283                 | 4.95                                 |
| 1,118,000                                  | UK (Govt of) 2% Index-Linked 2035     | 3,075                 | 3.56                                 |
| greater than 25 years to maturity          |                                       |                       |                                      |
| 2,056,000                                  | UK (Govt of) 0.125% Index-Linked 2044 | 3,697                 | 4.28                                 |
| 1,943,000                                  | UK (Govt of) 0.125% Index-Linked 2046 | 3,373                 | 3.90                                 |
| 211,000                                    | UK (Govt of) 0.125% Index-Linked 2048 | 356                   | 0.41                                 |
| 614,000                                    | UK (Govt of) 0.125% Index-Linked 2056 | 1,214                 | 1.40                                 |
| 1,578,000                                  | UK (Govt of) 0.125% Index-Linked 2058 | 3,276                 | 3.79                                 |
| 1,343,000                                  | UK (Govt of) 0.125% Index-Linked 2065 | 3,111                 | 3.60                                 |
| 1,833,991                                  | UK (Govt of) 0.125% Index-Linked 2068 | 4,646                 | 5.38                                 |
| 1,780,831                                  | UK (Govt of) 0.25% Index-Linked 2052  | 3,722                 | 4.31                                 |
| 1,763,131                                  | UK (Govt of) 0.375% Index-Linked 2062 | 4,553                 | 5.27                                 |
| 1,761,000                                  | UK (Govt of) 0.5% Index-Linked 2050   | 4,283                 | 4.96                                 |
| 1,685,000                                  | UK (Govt of) 0.75% Index-Linked 2047  | 4,260                 | 4.93                                 |
| 1,455,945                                  | UK (Govt of) 1.25% Index-Linked 2055  | 5,115                 | 5.92                                 |
| <b>US Dollar Denominated Bonds (6.72%)</b> |                                       | <b>332</b>            | <b>0.38</b>                          |
| <b>Government Bonds (6.72%)</b>            |                                       | <b>332</b>            | <b>0.38</b>                          |

| Holding                                    | Investment                                  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| greater than 25 years to maturity          |   |                       |                                      |
| 442,000                                    | US Treasury 0.875% Index-Linked 2047        | 332                   | 0.38                                 |
| <b>Derivatives (-0.11%)</b>                |   | <b>9</b>              | <b>0.01</b>                          |
| <b>Forward Currency Contracts (-0.11%)</b> |   | <b>9</b>              | <b>0.01</b>                          |
|  | Buy GBP 347,137 Sell USD 446,000 14/03/2019 | 9                     | 0.01                                 |
| <b>Total investment assets</b>             |   | <b>85,750</b>         | <b>99.21</b>                         |
| Net other assets                           |   | 681                   | 0.79                                 |
| <b>Total Net Assets</b>                    |   | <b>86,431</b>         | <b>100.00</b>                        |

Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |            | 31 January 2018 |              |
|---|-----------------|------------|-----------------|--------------|
|   | £'000           | £'000      | £'000           | £'000        |
| Income:   |                 |            |                 |              |
| Net capital gains   |                 | 41         |                 | 1,264        |
| Revenue   | 633             |            | 847             |              |
| Expenses  | (98)            |            | (149)           |              |
| Net revenue before taxation   | 535             |            | 698             |              |
| Taxation  | -               |            | -               |              |
| Net revenue after taxation  |                 | 535        |                 | 698          |
| <b>Total return before distributions</b>  |                 | <b>576</b> |                 | <b>1,962</b> |
| Distributions   |                 | (535)      |                 | (698)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>41</b>  |                 | <b>1,264</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |                |
|--|-----------------|---------------|-----------------|----------------|
|  | £'000           | £'000         | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>87,076</b> |                 | <b>117,343</b> |
| Amounts receivable on the issue of shares  | 2,367           |               | 3,108           |                |
| Amounts payable on the cancellation of shares  | (3,577)         |               | (5,037)         |                |
|  |                 | (1,210)       |                 | (1,929)        |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | 41            |                 | 1,264          |
| Retained distribution on accumulation shares   |                 | 524           |                 | 694            |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>86,431</b> |                 | <b>117,372</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 85,750        |              | 86,979        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 84              |               | 78           |               |
| Cash and bank balances                         | 619             |               | 138          |               |
|  |                 | 703           |              | 216           |
| Total assets                                   |                 | 86,453        |              | 87,195        |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Investment liabilities                         |                 | -             |              | (97)          |
| Creditors                                      | (17)            |               | (17)         |               |
| Distribution payable                           | (5)             |               | (5)          |               |
|  |                 | (22)          |              | (22)          |
| Total liabilities                              |                 | (22)          |              | (119)         |
| <b>Net assets attributable to shareholders</b> |                 | <b>86,431</b> |              | <b>87,076</b> |

## Distribution table

For the six months ended 31 January 2019

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5633                                | -                                       | 0.5633*                                      | 0.3049                                       |
| Group 2                      | 0.0891                                | 0.4742                                  | 0.5633*                                      | 0.3049                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4569                                | -                                       | 0.4569**                                     | 0.2481                                       |
| Group 2                      | 0.0881                                | 0.3688                                  | 0.4569**                                     | 0.2481                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.0020                                | -                                       | 1.0020*                                      | 0.8138                                       |
| Group 2                      | 0.4703                                | 0.5317                                  | 1.0020*                                      | 0.8138                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.6752                                | -                                       | 0.6752**                                     | 0.5530                                       |
| Group 2                      | 0.3816                                | 0.2936                                  | 0.6752**                                     | 0.5530                                       |
| <b>K Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.6193                                | -                                       | 0.6193*                                      | 0.5609                                       |
| Group 2                      | 0.2593                                | 0.3600                                  | 0.6193*                                      | 0.5609                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.1600                                | -                                       | 0.1600*                                      |  |
| Group 2 <sup>B</sup>         | 0.1600                                | -                                       | 0.1600*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.1600                                | -                                       | 0.1600**                                     |  |
| Group 2 <sup>B</sup>         | 0.1600                                | -                                       | 0.1600**                                     |  |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.8571                                | -                                       | 1.8571*                                      | 1.7434                                       |
| Group 2                      | 0.7756                                | 1.0815                                  | 1.8571*                                      | 1.7434                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 28 November 2018.<sup>B</sup> Shares purchased between 28 November 2018 and 31 January 2019.

# Aberdeen Sterling Long Dated Corporate Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to achieve income and capital growth with the Fund predominantly invested in Sterling denominated longer dated (10+ years) non-government Investment grade Debt and debt-related securities.

The Fund may invest up to 10% of its Net Asset Value in Debt and Debt-Related Securities which are Sub-Investment grade as at the date of investment. Any security which is downgraded after purchase to Sub-Investment grade will not be sold unless, in the opinion of the Investment Adviser, it is in the best interests of Shareholders to do so.

The Fund may also invest in other transferable securities, including Investment grade and sub-Investment grade Debt and debt-related securities denominated in any currency, as well as money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Sterling Long Dated Corporate Bond Fund – A Accumulation Shares increased by 1.44% compared to an increase of 1.96% in the benchmark the iBoxx Sterling Over 10 year Non Gilt Index.

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

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

## Market review

After suffering volatility and weakness in previous months, corporate bond markets were materially calmer over the summer of 2018, months. Spreads tightened modestly in both investment grade and high yield markets, supported by fundamental data and lower-than-expected levels of new issuance. Government bond yields rose were on a rising trend, however, however, led by US Treasuries as higher inflation and tighter monetary policy were priced in. Developed markets materially outperformed emerging markets which were particularly affected by the aforementioned weakness in Turkey and Argentina. Towards the end of the quarter the sterling market investment grade market lagged other markets as Brexit concerns increased.

The final three months of 2018 were challenging for risk assets globally with stocks and commodities falling and credit spreads widening as a deteriorating global economic outlook was priced into the market. Trade tensions between the US and China and the ongoing challenges of Brexit added to the worries for investors. As we moved into the new year, corporate bond markets were more stable, recovering significantly from the weakness of late 2018. Rhetoric around trade tensions was calmer. The US Federal Reserve adopted a more dovish tone, appearing to have paused its

interest rate-hiking cycle for the time being. These were the most significant macroeconomic factors behind the improvement in sentiment. The technical backdrop also improved, as new bond supply failed to meet expectations.

## Portfolio review

The benchmark index's extra yield over gilts moved from 135 basis points (bps) to 156bp over the period. A move higher reflects that corporate bonds underperformed gilts. The Aberdeen Sterling Long Dated Corporate Bond Fund moved from 131bp to 138bp over the same period, higher by a more modest seven bps, indicating outperformance compared to the index. An allocation to gilts of just over 8% (at the end of January) helped performance. This overweight was at the expense of underperforming corporate bonds. Within credit an overweight to better quality positions also helped performance. These were concentrated primarily in the bank and insurance capital sectors and ratings, where the Fund was overweight A and AA assets and underweight BBB.

## Outlook

The sell-off in the last three months of 2018 left much of the corporate bond universe looking relatively cheap, albeit spreads re-traced some of their underperformance in January. This reflects a slightly calmer macroeconomic background globally. While the asset class still offers good value, it is prudent to reduce risk. The twin threads of a global economic slowdown and – closer to home – the risks around Brexit mean that volatility may persist in 2019. This is likely to provide opportunities to add value within the Fund.

## Sterling IG and Aggregate Team

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 4 because funds of this type have experienced average rises and falls in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
  - Investing globally can bring additional returns and diversify risk. However, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment, particularly given the exposure to one currency in this Fund.
  - Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).



## Comparative tables

| A Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | -               | -            | -            | 7            |
| Closing number of shares                  | -               | -            | -            | 6,000        |
| Closing net asset value per share (pence) | -               | -            | -            | 110.54       |
| Change in net asset value per share       | -               | -            | -            | -            |
| Operating charges                         | -               | -            | -            | 1.20%        |
| I Accumulation shares <sup>B</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | -               | -            | -            | 7            |
| Closing number of shares                  | -               | -            | -            | 6,000        |
| Closing net asset value per share (pence) | -               | -            | -            | 110.63       |
| Change in net asset value per share       | -               | -            | -            | -            |
| Operating charges                         | -               | -            | -            | 0.77%        |
| K Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 60              | 66           | 5,974        | 5,843        |
| Closing number of shares                  | 19,363          | 21,517       | 1,934,717    | 1,904,717    |
| Closing net asset value per share (pence) | 312.01          | 306.30       | 308.79       | 306.76       |
| Change in net asset value per share       | 1.86%           | (0.81%)      | 0.66%        | -            |
| Operating charges                         | 0.46%           | 0.52%        | 0.55%        | 0.55%        |
| K Income shares <sup>C</sup>              | 31 January 2019 | 31 July 2018 | 31 July 2017 |              |
| Closing net asset value (£'000)           | -               | -            | 1            |              |
| Closing number of shares                  | -               | -            | 1,000        |              |
| Closing net asset value per share (pence) | -               | -            | 100.02       |              |
| Change in net asset value per share       | -               | -            | -            |              |
| Operating charges                         | -               | -            | 0.55%        |              |
| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 14,252          | 13,984       | 19,451       | 17,847       |
| Closing number of shares                  | 5,240,888       | 5,248,111    | 7,277,311    | 6,745,111    |
| Closing net asset value per share (pence) | 271.93          | 266.46       | 267.27       | 264.60       |
| Change in net asset value per share       | 2.05%           | (0.30%)      | 1.01%        | -            |
| Operating charges                         | 0.11%           | 0.17%        | 0.20%        | 0.20%        |

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

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

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the unit class. Fund launched on 13 May 2016.

<sup>A</sup> A Accumulation share class closed on 16 June 2017.

<sup>B</sup> I Accumulation share class closed on 16 June 2017.

<sup>C</sup> K Income share class launched on 14 October 2016 and closed 11 May 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                    | Investment                                    | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Bonds (97.35%)</b>                      |   | <b>13,893</b>         | <b>97.07</b>                         |
| <b>Sterling Denominated Bonds (90.64%)</b> |   | <b>11,997</b>         | <b>97.07</b>                         |
| <b>Corporate Bonds (90.64%)</b>            |   | <b>11,997</b>         | <b>83.82</b>                         |
| between 5 and 10 years to maturity         |   |                       |                                      |
| 100,000                                    | Bank Nederlandse Gemeenten 5.2% 2028          | 131                   | 0.91                                 |
| 100,000                                    | Bank of America 7% 2028                       | 135                   | 0.94                                 |
| 200,000                                    | EDF 6.25% 2028                                | 258                   | 1.80                                 |
| 100,000                                    | HSBC 5.75% 2027                               | 118                   | 0.82                                 |
| 369,000                                    | LCR Finance 4.5% 2028                         | 466                   | 3.26                                 |
| 100,000                                    | Welltower 4.8% 2028                           | 113                   | 0.79                                 |
| between 10 and 15 years to maturity        |   |                       |                                      |
| 100,000                                    | Amgen 4% 2029                                 | 110                   | 0.77                                 |
| 100,000                                    | APT Pipelines 3.5% 2030                       | 104                   | 0.73                                 |
| 100,000                                    | Barclays 3.25% 2033                           | 92                    | 0.64                                 |
| 100,000                                    | BPCE 5.25% 2029                               | 116                   | 0.81                                 |
| 100,000                                    | British Land 2.375% 2029                      | 95                    | 0.66                                 |
| 100,000                                    | EDF 5.875% fixed to floating 2031             | 130                   | 0.91                                 |
| 200,000                                    | Heathrow Funding 6.45% fixed to floating 2033 | 278                   | 1.94                                 |
| 100,000                                    | Quadgas Finance 3.375% 2029                   | 99                    | 0.69                                 |
| 189,000                                    | Rabobank 4.625% 2029                          | 209                   | 1.46                                 |
| 160,000                                    | RWE 6.25% 2030                                | 209                   | 1.46                                 |
| 100,000                                    | Southern Gas Networks 4.875% 2029             | 120                   | 0.84                                 |
| 129,000                                    | StatoilHydro 6.875% 2031                      | 192                   | 1.34                                 |
| 100,000                                    | Thames Water Utilities Cayman 2.625% 2032     | 94                    | 0.66                                 |
| 100,000                                    | Thames Water Utilities Finance 6.5% 2032      | 135                   | 0.94                                 |
| 116,000                                    | Transport for London 4.5% 2031                | 138                   | 0.97                                 |
| 150,000                                    | Western Power 2.375% 2029                     | 145                   | 1.02                                 |
| between 15 and 25 years to maturity        |   |                       |                                      |
| 50,000                                     | Aegon 6.625% 2039                             | 77                    | 0.54                                 |
| 100,000                                    | Allianz Finance II 4.5% 2043                  | 138                   | 0.96                                 |
| 150,000                                    | America Movil 4.375% 2041                     | 177                   | 1.24                                 |
| 100,000                                    | Anheuser-Busch InBev 2.85% 2037               | 92                    | 0.64                                 |
| 110,000                                    | Annington Funding 3.685% 2034                 | 110                   | 0.77                                 |
| 100,000                                    | Apple 3.6% 2042                               | 116                   | 0.81                                 |
| 200,000                                    | Aspire Defence 4.674% 2040 'A'                | 222                   | 1.55                                 |
| 150,000                                    | AT&T 4.25% 2043                               | 156                   | 1.09                                 |
| 100,000                                    | AT&T 7% 2040                                  | 143                   | 1.00                                 |
| 100,000                                    | BHP Billiton 4.3% 2042                        | 128                   | 0.89                                 |

| Holding | Investment                                   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---------|--|-----------------------|--------------------------------------|
| 50,000  | British American Tobacco 5.75% 2040          | 62                    | 0.43                                 |
| 50,000  | Canary Wharf Finance 5.952% 2037             | 70                    | 0.49                                 |
| 110,000 | Citigroup 7.375% 2039                        | 179                   | 1.25                                 |
| 100,000 | Connect Plus 2.607% 2039                     | 101                   | 0.71                                 |
| 50,000  | DONG Energy 5.75% 2040                       | 71                    | 0.50                                 |
| 100,000 | E.ON Finance 5.875% 2037                     | 135                   | 0.94                                 |
| 100,000 | E.ON Finance 6.75% 2039                      | 149                   | 1.04                                 |
| 50,000  | Eastern Power Networks 6.25% 2036            | 71                    | 0.50                                 |
| 100,000 | EDF 6.125% 2034                              | 135                   | 0.94                                 |
| 150,000 | Enel 5.75% 2040                              | 184                   | 1.29                                 |
| 100,000 | Eversholt 3.529% 2042                        | 96                    | 0.67                                 |
| 20,000  | Freshwater 5.182% 2035                       | 26                    | 0.18                                 |
| 100,000 | Gatwick 5.75% 2037                           | 134                   | 0.94                                 |
| 60,000  | GE Capital 8% 2039                           | 85                    | 0.59                                 |
| 200,000 | High Speed Rail Finance 1 4.375% 2038        | 241                   | 1.68                                 |
| 150,000 | HSBC 7% 2038                                 | 209                   | 1.46                                 |
| 50,000  | HSBC Bank 6.25% 2041                         | 68                    | 0.48                                 |
| 141,000 | Lloyds Bank 6.5% 2040                        | 216                   | 1.51                                 |
| 100,000 | London & Quadrant Housing Trust 5.5% 2040    | 135                   | 0.94                                 |
| 135,000 | Motability Operations 3.625% 2036            | 153                   | 1.07                                 |
| 100,000 | Network Rail 4.75% 2035                      | 141                   | 0.99                                 |
| 100,000 | Northern Electric Finance 5.125% 2035        | 130                   | 0.91                                 |
| 50,000  | Northern Gas Networks Finance 5.625% 2040    | 69                    | 0.48                                 |
| 100,000 | Pfizer 2.735% 2043                           | 101                   | 0.71                                 |
| 144,000 | RMPA Services 5.337% 2038                    | 140                   | 0.98                                 |
| 100,000 | RWE 6.125% 2039                              | 140                   | 0.98                                 |
| 100,000 | Segro 2.875% 2037                            | 94                    | 0.66                                 |
| 50,000  | Segro 5.75% 2035                             | 66                    | 0.46                                 |
| 112,000 | Severn Trent 4.875% 2042                     | 142                   | 0.99                                 |
| 100,000 | Siemens Financieringsmaatschappij 3.75% 2042 | 119                   | 0.83                                 |
| 100,000 | Southern Gas Networks 3.1% 2036              | 100                   | 0.70                                 |
| 140,000 | Standard Chartered 5.125% 2034               | 159                   | 1.11                                 |
| 50,000  | Tesco 5.744% 2040                            | 57                    | 0.40                                 |
| 100,000 | Thames Water 5.125% 2037                     | 123                   | 0.86                                 |
| 51,000  | THFC Funding No 1 5.125% 2035                | 65                    | 0.45                                 |
| 112,000 | Transport for London 3.875% 2042             | 136                   | 0.95                                 |
| 100,000 | Verizon Communications 3.375% 2036           | 102                   | 0.71                                 |
| 100,000 | Wal-Mart 5.625% 2034                         | 143                   | 1.00                                 |
| 50,000  | Wells Fargo 4.875% 2035                      | 61                    | 0.43                                 |
| 100,000 | Western Power 5.75% 2040                     | 138                   | 0.96                                 |

| Holding                             | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|--|-----------------------|--------------------------------------|
| greater than 25 years to maturity   |  |                       |                                      |
| 100,000                             | Annington Funding 3.935% 2047                          | 101                   | 0.71                                 |
| 100,000                             | Aviva 5.125% 2050                                      | 102                   | 0.71                                 |
| 100,000                             | AXA 5.625% 2054  | 110                   | 0.77                                 |
| 100,000                             | Blend Funding 3.459% 2047                              | 103                   | 0.72                                 |
| 100,000                             | British American Tobacco 2.25% 2052                    | 66                    | 0.46                                 |
| 100,000                             | Bromford Housing 3.125% 2048                           | 100                   | 0.70                                 |
| 195,000                             | Cadent Finance 2.75% 2046                              | 178                   | 1.24                                 |
| 100,000                             | Cardiff University 3% 2055                             | 109                   | 0.76                                 |
| 100,000                             | Channel Link 3.043% 2050                               | 98                    | 0.69                                 |
| 100,000                             | Clarion Housing 3.125% 2048                            | 99                    | 0.69                                 |
| 100,000                             | EDF 5.125% 2050  | 126                   | 0.88                                 |
| 100,000                             | EDF 6% 2114  | 136                   | 0.95                                 |
| 100,000                             | Engie 5% 2060  | 147                   | 1.03                                 |
| 151,000                             | GlaxoSmithKline 4.25% 2045                             | 187                   | 1.31                                 |
| 100,000                             | Land Securities 2.75% 2057                             | 96                    | 0.67                                 |
| 100,000                             | Paragon 3.625% 2047                                    | 105                   | 0.73                                 |
| 150,000                             | Prudential 5.7% fixed to floating 2063                 | 173                   | 1.21                                 |
| 100,000                             | University of Oxford 2.544% 2117                       | 95                    | 0.66                                 |
| 100,000                             | Vodafone 3.375% 2049                                   | 90                    | 0.63                                 |
| 100,000                             | Wellcome Trust 2.517% 2118                             | 95                    | 0.66                                 |
| Perpetual                           |  |                       |                                      |
| 100,000                             | Dignity 4.6956% Perpetual                              | 89                    | 0.62                                 |
| <b>Government Bonds (6.71%)</b>     |  | <b>1,896</b>          | <b>13.25</b>                         |
| between 10 and 15 years to maturity |  |                       |                                      |
| 100,000                             | European Investment Bank 5.625% fixed to floating 2032 | 144                   | 1.01                                 |
| between 15 and 25 years to maturity |  |                       |                                      |
| 150,000                             | Reseau Ferre de France 5.25% 2035                      | 210                   | 1.47                                 |
| 600,000                             | UK (Govt of) 4.5% 2034                                 | 846                   | 5.91                                 |
| 170,000                             | UK (Govt of) 4.75% 2038                                | 260                   | 1.81                                 |
| greater than 25 years to maturity   |  |                       |                                      |
| 50,000                              | UK (Govt of) 1.625% 2071                               | 50                    | 0.35                                 |
| 225,000                             | UK (Govt of) 4.25% 2055                                | 386                   | 2.70                                 |
| <b>Total investment assets</b>      |  | <b>13,893</b>         | <b>97.07</b>                         |
| Net other assets                    |  | 419                   | 2.93                                 |
| <b>Total Net Assets</b>             |  | <b>14,312</b>         | <b>100.00</b>                        |

Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |            | 31 January 2018 |              |
|---|-----------------|------------|-----------------|--------------|
|   | £'000           | £'000      | £'000           | £'000        |
| Income:   |                 |            |                 |              |
| Net capital gains/(losses)  |                 | 88         |                 | (136)        |
| Revenue   | 208             |            | 363             |              |
| Expenses  | (8)             |            | (31)            |              |
| Net revenue before taxation   | 200             |            | 332             |              |
| Taxation  | -               |            | -               |              |
| Net revenue after taxation  |                 | 200        |                 | 332          |
| <b>Total return before distributions</b>  |                 | <b>288</b> |                 | <b>196</b>   |
| Distributions   |                 | (200)      |                 | (332)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>88</b>  |                 | <b>(136)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |               |
|--|-----------------|---------------|-----------------|---------------|
|  | £'000           | £'000         | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>14,050</b> |                 | <b>25,426</b> |
| Amounts receivable on the issue of shares  | 1               |               | 201             |               |
| Amounts payable on the cancellation of shares  | (27)            |               | (6,046)         |               |
|  |                 | (26)          |                 | (5,845)       |
| Dilution adjustment  |                 | -             |                 | 27            |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | 88            |                 | (136)         |
| Retained distribution on accumulation shares   |                 | 200           |                 | 289           |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>14,312</b> |                 | <b>19,761</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 13,893        |              | 13,678        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 204             |               | 200          |               |
| Cash and bank balances                         | 217             |               | 321          |               |
|  |                 | 421           |              | 521           |
| Total assets                                   |                 | 14,314        |              | 14,199        |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Creditors                                      | (2)             |               | (149)        |               |
|  |                 | (2)           |              | (149)         |
| Total liabilities                              |                 | (2)           |              | (149)         |
| <b>Net assets attributable to shareholders</b> |                 | <b>14,312</b> |              | <b>14,050</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                                    | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>K Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 3.8353                                | -                                       | 3.8353*                                      | 4.4998                                       |
| Group 2                            | 2.9481                                | 0.8872                                  | 3.8353*                                      | 4.4998                                       |
| <b>K Income shares<sup>A</sup></b> |                                       |   |  |  |
| Group 1                            |                                       |   |  | 1.4597                                       |
| Group 2                            |                                       |   |  | 1.4597                                       |
| <b>Z Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 3.8095                                | -                                       | 3.8095*                                      | 3.9378                                       |
| Group 2                            | 3.8095                                | -                                       | 3.8095*                                      | 3.9378                                       |

\* Distribution accumulated on 31 January 2019.

<sup>A</sup> K Income share class launched on 14 October 2016 and closed 11 May 2018.

# Aberdeen Sterling Long Dated Government Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to achieve income and capital growth with the Fund predominantly invested in Sterling denominated longer dated (10+ years) non-government Investment grade Debt and debt-related securities.

The Fund may invest up to 10% of its Net Asset Value in Debt and Debt-Related Securities which are Sub-Investment grade as at the date of investment. Any security which is downgraded after purchase to Sub-Investment grade will not be sold unless, in the opinion of the Investment Adviser, it is in the best interests of Shareholders to do so.

The Fund may also invest in other transferable securities, including Investment grade and sub-Investment grade Debt and debt-related securities denominated in any currency, as well as money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of the Aberdeen Sterling Long Dated Government Bond Fund - A Accumulation Shares increased by 1.76% compared to an increase of 1.89% in the benchmark, the FTSE A British Government Over 15 Years Index.

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

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

## Market review

For much of the past year, the gilt market has been dominated by the seemingly intractable negotiations for the UK's exit from the European Union ("Brexit"). Progress was slow, and marked by a number of twists and turns. The EU's rejection of Prime Minister Theresa May's Chequers Plan in September and stalemate on the Irish border question left the gilt market struggling to coherently price for interest rate policy developments. That applied equally to economy news, which implied very limited spare capacity and higher-than-expected inflation (due in part to weaker sterling) but fragile levels of business confidence.

In the final three months of 2018, the approval of Mrs May's latest iteration of a Brexit Plan proved too awkward to win a vote in Parliament; the ruling Conservative Party was deeply divided, and opposition from other parties was implacable, causing the PM to delay a decision to January. In this environment, fundamentals and domestic news exerted minimal influence, and the uncertainties created by the Brexit process provided a slid "risk-off" underpinning to gilt yields. The UK yield curve was particularly volatile.

During January Mrs May's Withdrawal Agreement (WA) was defeated in the UK parliament by a huge margin. Jeremy Corbyn, the leader of the opposition, called a 'vote of confidence'; this, too, was defeated. Mrs May was now in the unusual position where she

commanded the confidence of Parliament and the confidence of her party, but remained some margin from getting the WA through Parliament before the 29 March Brexit deadline.

Elsewhere, financial market participants continued to focus on underlying global growth, and as one issue calmed another would become the focus. Concerns over Italian budget negotiations, excess oil supply, disappointing Chinese growth, trade war talk and the effect of widening credit spreads all played a part. Latterly, there was a notable shift in US monetary policy. This, coupled with the US Government shutdown and continuing 'trade wars', resulted in US Treasury yields initially heading higher but then grinding lower.

UK 10-year gilts started the review period with a yield of 1.37% and ended at 1.23%. Yields ranged from 1.72% in October (pulled higher by better-than-expected economic data and favourable comments from the chairman of the US Federal Reserve) and as low as 1.18% in mid-December.

## Portfolio review

Duration positions made a positive contribution. At different points over the review the fund was positioned either long or short duration. This positioning was mostly driven by perceived Brexit optimism or pessimism. The fund ended the period with a small short duration position.

Another positive driver was cross-market positions. The fund entered a position in Australian government bonds in December; as Australian government bonds outperformed UK gilts over year-end the fund took profits. The fund ended the period holding a position in French government bonds.

Curve positions acted as a drag on performance. The fund went into the period holding a flattener position. In November this position was closed after the curve steepened significantly. The fund also held a flattener in the ultra-long part of the curve. This position added to performance over the period.

In January the fund added a position in 30-year US Treasury Inflation-Protected Securities. The change in tone from the US Federal Reserve meant these positions performed well, boosting performance.

## Outlook

The backdrop remains one of an economy operating with limited spare capacity, despite the demand side being constrained by ongoing Brexit headwinds. Gilt sentiment remains almost entirely dictated by the Brexit process, with fundamentals exerting minimal influence.

The technical outlook for UK government bonds over the coming month is supportive, with large redemptions in March prompting sizeable Asset Purchase Facility reinvestment flows. On the supply side, a sizeable improvement in the public finance outlook means headline issuance is projected to fall below £100 billion and net issuance to £30 billion, the lowest levels since 2008. Despite this generally supportive technical and supply backdrop, from a valuation perspective gilts look expensive at current levels.

**Pan Euro Macro Team**  
February 2019



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Investing globally can bring additional returns and diversify risk. However, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment, particularly given the exposure to one currency in this fund.
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 37              | 11           | 18           | 7            |
| Closing number of shares                  | 32,976          | 10,100       | 16,800       | 5,900        |
| Closing net asset value per share (pence) | 111.45          | 109.73       | 106.95       | 113.44       |
| Change in net asset value per share       | 1.57%           | 2.60%        | (5.72%)      | -            |
| Operating charges                         | 98.00%          | 1.12%        | 1.15%        | 1.15%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 3,444           | 2,379        | 490          | 1,625        |
| Closing number of shares                  | 1,145,300       | 805,387      | 171,187      | 544,887      |
| Closing net asset value per share (pence) | 300.67          | 295.36       | 286.36       | 298.28       |
| Change in net asset value per share       | 1.80%           | 3.14%        | (4.00%)      | -            |
| Operating charges                         | 49.00%          | 0.62%        | 0.65%        | 0.65%        |
| K Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 2,586           | 2,449        | 2,454        | 2,128        |
| Closing number of shares                  | 850,954         | 820,189      | 848,889      | 698,489      |
| Closing net asset value per share (pence) | 303.99          | 298.55       | 289.07       | 304.60       |
| Change in net asset value per share       | 1.82%           | 3.28%        | (5.10%)      | -            |
| Operating charges                         | 0.45%           | 0.48%        | 0.50%        | 0.50%        |
| K Income shares <sup>B</sup>              | 31 January 2019 | 31 July 2018 | 31 July 2017 |              |
| Closing net asset value (£'000)           | 271             | 269          | 6            |              |
| Closing number of shares                  | 270,729         | 271,800      | 6,000        |              |
| Closing net asset value per share (pence) | 99.94           | 98.79        | 97.05        |              |
| Change in net asset value per share       | 1.16%           | 3.25%        | -            |              |
| Operating charges                         | 0.45%           | 0.48%        | 0.50%        |              |
| M Accumulation shares <sup>C</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 106.40          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.00%           |              |              |              |
| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 24,873          | 23,997       | 40,018       | 45,396       |
| Closing number of shares                  | 10,288,865      | 10,125,550   | 17,499,850   | 18,906,950   |
| Closing net asset value per share (pence) | 241.75          | 237.00       | 228.68       | 240.10       |
| Change in net asset value per share       | 2.00%           | 3.64%        | (4.76%)      | -            |
| Operating charges                         | 0.10%           | 0.13%        | 0.15%        | 0.15%        |

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

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

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

<sup>A</sup> A Accumulation share class launched on 16 May 2016.

<sup>B</sup> K Income share class launched on 14 October 2016.

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

## Portfolio Statement

As at 31 January 2019

| Holding                                    | Investment                           | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--------------------------------------|-----------------------|--------------------------------------|
| <b>Bonds (99.06%)</b>                      |                                      | <b>30,907</b>         | <b>99.03</b>                         |
| <b>Sterling Denominated Bonds (99.06%)</b> |                                      | <b>29,602</b>         | <b>94.85</b>                         |
| <b>Government Bonds (99.06%)</b>           |                                      | <b>29,602</b>         | <b>94.85</b>                         |
| less than 5 years to maturity              |                                      |                       |                                      |
| 428,000                                    | UK (Govt of) 4.5% 2019               | 430                   | 1.38                                 |
| between 15 and 25 years to maturity        |                                      |                       |                                      |
| 889,000                                    | UK (Govt of) 1.75% 2037              | 903                   | 2.89                                 |
| 1,358,000                                  | UK (Govt of) 3.25% 2044              | 1,776                 | 5.69                                 |
| 791,000                                    | UK (Govt of) 4.25% 2036              | 1,106                 | 3.54                                 |
| 1,125,000                                  | UK (Govt of) 4.25% 2039              | 1,632                 | 5.23                                 |
| 1,232,000                                  | UK (Govt of) 4.25% 2040              | 1,810                 | 5.80                                 |
| 1,195,000                                  | UK (Govt of) 4.5% 2034               | 1,686                 | 5.40                                 |
| 1,321,000                                  | UK (Govt of) 4.5% 2042               | 2,045                 | 6.55                                 |
| 1,245,000                                  | UK (Govt of) 4.75% 2038              | 1,902                 | 6.10                                 |
| greater than 25 years to maturity          |                                      |                       |                                      |
| 2,909,000                                  | UK (Govt of) 1.5% 2047               | 2,763                 | 8.85                                 |
| 553,000                                    | UK (Govt of) 1.625% 2071             | 556                   | 1.78                                 |
| 234,000                                    | UK (Govt of) 1.75% 2049              | 235                   | 0.75                                 |
| 245,000                                    | UK (Govt of) 1.75% 2057              | 253                   | 0.81                                 |
| 1,273,000                                  | UK (Govt of) 2.5% 2065               | 1,637                 | 5.24                                 |
| 737,000                                    | UK (Govt of) 3.5% 2045               | 1,010                 | 3.24                                 |
| 1,308,000                                  | UK (Govt of) 3.5% 2068               | 2,139                 | 6.85                                 |
| 1,166,000                                  | UK (Govt of) 3.75% 2052              | 1,787                 | 5.73                                 |
| 1,167,000                                  | UK (Govt of) 4% 2060                 | 1,993                 | 6.39                                 |
| 1,142,000                                  | UK (Govt of) 4.25% 2046              | 1,777                 | 5.70                                 |
| 334,000                                    | UK (Govt of) 4.25% 2049              | 537                   | 1.72                                 |
| 947,000                                    | UK (Govt of) 4.25% 2055              | 1,625                 | 5.21                                 |
| <b>US Dollar Denominated Bonds (0.00%)</b> |                                      | <b>517</b>            | <b>1.66</b>                          |
| <b>Government Bonds (0.00%)</b>            |                                      | <b>517</b>            | <b>1.66</b>                          |
| greater than 25 years to maturity          |                                      |                       |                                      |
| 688,000                                    | US Treasury 0.875% Index-Linked 2047 | 517                   | 1.66                                 |
| <b>Euro Denominated Bonds (0.00%)</b>      |                                      | <b>788</b>            | <b>2.52</b>                          |
| <b>Government Bonds (0.00%)</b>            |                                      | <b>788</b>            | <b>2.52</b>                          |

| Holding  | Investment                                      | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| between 15 and 25 years to maturity            |   |                       |                                      |
| 887,000  | France (Govt of) 1.25% 2036                     | 788                   | 2.52                                 |
| <b>Derivatives (0.00%)</b>                     |   | <b>18</b>             | <b>0.05</b>                          |
| <b>Forward Currency Contracts (0.00%)</b>      |   | <b>18</b>             | <b>0.05</b>                          |
|  | Buy AUD 1,149,000 Sell GBP 640,794 14/03/2019   | (5)                   | (0.02)                               |
|  | Buy AUD 1,189,000 Sell GBP 681,768 14/03/2019   | (24)                  | (0.08)                               |
|  | Buy GBP 1,331,389 Sell AUD 2,338,000 14/03/2019 | 38                    | 0.12                                 |
|  | Buy GBP 796,475 Sell EUR 902,000 14/03/2019     | 9                     | 0.03                                 |
|  | Buy GBP 507,777 Sell USD 669,000 14/03/2019     | -                     | -                                    |
| <b>Total investment assets and liabilities</b> |   | <b>30,925</b>         | <b>99.08</b>                         |
| Net other assets                               |   | 286                   | 0.92                                 |
| <b>Total Net Assets</b>                        |   | <b>31,211</b>         | <b>100.00</b>                        |

Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |            | 31 January 2018 |              |
|---|-----------------|------------|-----------------|--------------|
|   | £'000           | £'000      | £'000           | £'000        |
| Income:   |                 |            |                 |              |
| Net capital gains/(losses)  |                 | 382        |                 | (421)        |
| Revenue   | 261             |            | 418             |              |
| Expenses  | (25)            |            | (40)            |              |
| Net revenue before taxation   | 236             |            | 378             |              |
| Taxation  | -               |            | -               |              |
| Net revenue after taxation  |                 | 236        |                 | 378          |
| <b>Total return before distributions</b>  |                 | <b>618</b> |                 | <b>(43)</b>  |
| Distributions   |                 | (236)      |                 | (378)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>382</b> |                 | <b>(421)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |               |
|--|-----------------|---------------|-----------------|---------------|
|  | £'000           | £'000         | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>29,105</b> |                 | <b>42,986</b> |
| Amounts receivable on the issue of shares  | 3,037           |               | 2,384           |               |
| Amounts payable on the cancellation of shares  | (1,554)         |               | (1,798)         |               |
|  |                 | 1,483         |                 | 586           |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | 382           |                 | (421)         |
| Retained distribution on accumulation shares   |                 | 241           |                 | 375           |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>31,211</b> |                 | <b>43,526</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 30,954        |              | 28,830        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 763             |               | 183          |               |
| Cash and bank balances                         | 49              |               | 108          |               |
|  |                 | 812           |              | 291           |
| Total assets                                   |                 | 31,766        |              | 29,121        |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Investment liabilities                         |                 | (29)          |              |               |
| Creditors                                      | (524)           |               | (14)         |               |
| Distribution payable                           | (2)             |               | (2)          |               |
|  |                 | (526)         |              | (16)          |
| Total liabilities                              |                 | (555)         |              | (16)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>31,211</b> |              | <b>29,105</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.4415                                | -                                       | 0.4415*                                      | 0.4314                                       |
| Group 2                      | 0.2776                                | 0.1639                                  | 0.4415*                                      | 0.4314                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.8621                                | -                                       | 1.8621*                                      | 1.8251                                       |
| Group 2                      | 0.7711                                | 1.0910                                  | 1.8621*                                      | 1.8251                                       |
| <b>K Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.9565                                | -                                       | 1.9565*                                      | 2.0571                                       |
| Group 2                      | 1.3364                                | 0.6201                                  | 1.9565*                                      | 2.0571                                       |
| <b>K Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.6474                                | -                                       | 0.6474**                                     | 0.6906                                       |
| Group 2                      | 0.3275                                | 0.3199                                  | 0.6474**                                     | 0.6906                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.4100                                | -                                       | 0.4100*                                      |  |
| Group 2 <sup>B</sup>         | 0.4100                                | -                                       | 0.4100*                                      |  |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.9676                                | -                                       | 1.9676*                                      | 2.0368                                       |
| Group 2                      | 1.1359                                | 0.8317                                  | 1.9676*                                      | 2.0368                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distributions paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 29 November 2018.<sup>B</sup> Shares purchased between 29 November 2018 and 31 January 2019.

# Aberdeen Sterling Money Market Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The investment objective of Aberdeen Sterling Money Market Fund is to produce a level of income commensurate with security principally by investing in cash deposits and money market instruments. The Fund may also invest in transferable securities and in collective investment schemes, including those managed by the ACD or companies affiliated with the ACD. The Fund is a money market fund as such term is defined by the COLL Sourcebook, and the Fund's investment objectives and policies will meet the requirements of this definition on an ongoing basis.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Sterling Money Market Fund - A Accumulation Shares increased by 0.29% compared to an increase of 0.29% in the benchmark, the 7 DAY GBP LIBID Index.

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

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

## Market review

The Bank of England (BoE) having raised the cost of borrowing in August (to 0.75%) left interest rates on hold during the fourth quarter, amid the ongoing uncertainty over Brexit. The BoE's Monetary Policy Committee did, however, provide some insight on how it sees future developments in inflation. The sharp decline in oil prices means that the short-term outlook for inflation is weaker than previously expected and inflation could fall back to around 1.75%. An interest rate hike is still possible, although the combination of rising uncertainty due to Brexit and slowing inflation might be enough to curb the BoE's appetite for another move in the short term.

Brexit continued to dominate the headlines in the UK. In January, the UK Parliament voted on UK Prime Minister Theresa May had negotiated with the European (EU), which failed by a significant margin (432 against, 202 for). It has become apparent that there is a majority in parliament against a no-deal scenario, and another majority who support May's deal if she can negotiate the Irish border backstop.

## Fund review

The Fund was positioned to reset to higher yield levels following the BoE interest rate hike in August. The weighted average maturity of the Fund was managed in the 50-60 day range.

As the year progressed, a continued hawkish tone from members of the BoE Monetary Policy Committee coupled with year-end funding pressures saw the money market curve maintain a steepness which provided a good premium from investing in 3-6-month commercial paper and certificate of deposit assets. Longer dated credit markets had a volatile fourth quarter and the Fund benefitted from being selective in adding to its floating rate note allocation during the late summer months when we felt levels were too tight. This strategy along with the correction in new

issuance levels, allowed the Fund to take advantage of attractive spreads available in the one-two year maturity area during December and January by adding high quality names to the portfolio, locking in these spreads.

During late 2018, and into January, it became clear the UK outlook was weakening along with the global backdrop. This coupled with political uncertainty surrounding the Brexit negotiation process saw the Fund adopt a two-fold strategy, opportunistically locking in attractive yield levels in 6-12 month fixed-rate paper to drive returns, while carefully managing liquidity at the front-end.

## Outlook

Headwinds from both political uncertainty and a weakening economic backdrop would indicate the likelihood for higher base rates in the UK will continue to fade. We await the upcoming BoE Quarterly Inflation Report for further information on the outlook for the UK and an indication as to whether its guidance has softened to a more neutral outlook since their last release.

The market remains data dependent, but we feel there is a bias for curve flattening in the near term. Credit issuance continues to look attractive and we will maintain our focus on adding high quality names in longer dated tenors opportunistically. We remain concerned about the political outlook, both in terms of global trade and its impact on growth, and closer to home with regard to the Brexit withdrawal agreement. The Brexit impasse seems to have reached a stage such that the political process in itself is forcing the rundown of the clock to the end March deadline, raising tensions and uncertainty further about the eventual outcome.

We are mindful of our overall positioning in both rates and credit given the underlying risks in the sterling market at this time. However, should the outlook become more positive we have the ability to adjust the portfolio to take advantage of available opportunities.

## Liquidity Management Team

February 2019



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 1 because funds of this type have experienced very low rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 27,536          | 23,396       | 23,348       | 20,469       |
| Closing number of shares                  | 24,530,085      | 20,905,978   | 20,918,228   | 18,378,801   |
| Closing net asset value per share (pence) | 112.25          | 111.91       | 111.61       | 111.37       |
| Change in net asset value per share       | 0.30%           | 0.27%        | 0.22%        | 0.29%        |
| Operating charges                         | 0.25%           | 0.27%        | 0.33%        | 0.44%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 420             | 337          | 542          | 672          |
| Closing number of shares                  | 420,092         | 337,542      | 542,442      | 673,008      |
| Closing net asset value per share (pence) | 99.90           | 99.87        | 99.90        | 99.89        |
| Change in net asset value per share       | 0.03%           | (0.03%)      | 0.01%        | 0.07%        |
| Operating charges                         | 0.25%           | 0.27%        | 0.33%        | 0.44%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 335,380         | 253,361      | 203,324      | 110,908      |
| Closing number of shares                  | 293,689,905     | 222,660,758  | 179,260,576  | 98,070,483   |
| Closing net asset value per share (pence) | 114.20          | 113.79       | 113.42       | 113.09       |
| Change in net asset value per share       | 0.36%           | 0.33%        | 0.29%        | 0.41%        |
| Operating charges                         | 0.15%           | 0.22%        | 0.25%        | 0.28%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 21,018          | 7,921        | 8,454        | 17,575       |
| Closing number of shares                  | 21,047,165      | 7,933,577    | 8,465,677    | 17,598,653   |
| Closing net asset value per share (pence) | 99.86           | 99.84        | 99.87        | 99.87        |
| Change in net asset value per share       | 0.02%           | (0.03%)      | -            | 0.07%        |
| Operating charges                         | 0.15%           | 0.22%        | 0.25%        | 0.28%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 99.98           |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.00%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 99.98           |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.00%           |              |              |              |

| Z Gross Accumulation shares               | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 3,002           | 3,625        | 2,292        | 2,088        |
| Closing number of shares                  | 2,790,434       | 3,382,812    | 2,149,612    | 1,967,312    |
| Closing net asset value per share (pence) | 107.58          | 107.14       | 106.64       | 106.15       |
| Change in net asset value per share       | 0.41%           | 0.47%        | 0.46%        | 0.64%        |
| Operating charges                         | 0.05%           | 0.07%        | 0.10%        | 0.14%        |

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

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

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

<sup>A</sup> M share classes launched on 29 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                    | Investment                                  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Bonds (26.25%)</b>                      |   | <b>104,510</b>        | <b>26.98</b>                         |
| <b>Sterling Denominated Bonds (26.25%)</b> |   | <b>104,510</b>        | <b>26.98</b>                         |
| <b>Corporate Bonds (26.25%)</b>            |   | <b>104,510</b>        | <b>26.98</b>                         |
| less than 5 years to maturity              |   |                       |                                      |
| 2,500,000                                  | ABN Amro FRN 2020                           | 2,499                 | 0.65                                 |
| 2,000,000                                  | Australia & New Zealand Bank FRN 2019       | 2,000                 | 0.52                                 |
| 1,900,000                                  | Australia & New Zealand Bank FRN 2019       | 1,900                 | 0.49                                 |
| 2,000,000                                  | Bank of Montreal FRN 2019                   | 2,000                 | 0.52                                 |
| 2,500,000                                  | Bank of Montreal FRN 2019                   | 2,499                 | 0.65                                 |
| 2,500,000                                  | Bank of Nova Scotia FRN 2019                | 2,501                 | 0.65                                 |
| 5,300,000                                  | Banque Federative du Credit Mutuel FRN 2019 | 5,300                 | 1.37                                 |
| 3,500,000                                  | Banque Federative du Credit Mutuel FRN 2019 | 3,499                 | 0.90                                 |
| 5,000,000                                  | Banque Federative du Credit Mutuel FRN 2021 | 4,999                 | 1.29                                 |
| 3,000,000                                  | BMW FRN 2019                                | 2,995                 | 0.77                                 |
| 2,000,000                                  | BMW FRN 2019                                | 2,000                 | 0.52                                 |
| 2,500,000                                  | BMW FRN 2019                                | 2,495                 | 0.64                                 |
| 2,800,000                                  | Canadian Imperial Bank FRN 2019             | 2,800                 | 0.72                                 |
| 3,000,000                                  | Canadian Imperial Bank FRN 2020             | 2,999                 | 0.77                                 |
| 2,000,000                                  | Commonwealth Bank of Australia FRN 2019     | 2,000                 | 0.52                                 |
| 3,500,000                                  | Commonwealth Bank of Australia FRN 2019     | 3,500                 | 0.90                                 |
| 2,000,000                                  | Cooperatieve Rabobank FRN 2020              | 1,999                 | 0.52                                 |
| 3,000,000                                  | DBS Bank FRN 2019                           | 3,000                 | 0.77                                 |
| 3,000,000                                  | DBS Bank FRN 2019                           | 2,999                 | 0.77                                 |
| 4,000,000                                  | DZ Bank FRN 2019                            | 4,000                 | 1.03                                 |
| 3,000,000                                  | Euroclear Bank FRN 2019                     | 3,000                 | 0.77                                 |
| 2,000,000                                  | HSBC Bank FRN 2019                          | 2,000                 | 0.52                                 |
| 8,000,000                                  | HSBC Bank FRN 2020                          | 7,988                 | 2.06                                 |
| 3,000,000                                  | National Australia Bank FRN 2019            | 2,999                 | 0.77                                 |
| 2,000,000                                  | National Australia Bank FRN 2019            | 2,000                 | 0.52                                 |
| 5,416,000                                  | Nationwide Building Society 5.625% 2019     | 5,553                 | 1.43                                 |
| 1,000,000                                  | Nationwide Building Society FRN 2019        | 1,001                 | 0.26                                 |
| 3,000,000                                  | OP Corporate Bank FRN 2020                  | 3,000                 | 0.77                                 |
| 2,000,000                                  | Rabobank FRN 2019                           | 2,000                 | 0.52                                 |
| 2,000,000                                  | Santander UK FRN 2020                       | 1,998                 | 0.52                                 |
| 2,000,000                                  | Sumitomo Mitsui Banking FRN 2020            | 1,995                 | 0.52                                 |
| 2,500,000                                  | Toyota Motor FRN 2019                       | 2,497                 | 0.64                                 |
| 3,000,000                                  | Westpac Banking FRN 2019                    | 2,999                 | 0.77                                 |
| 2,000,000                                  | Westpac Banking FRN 2019                    | 2,000                 | 0.52                                 |

| Holding  | Investment                                     | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
| 3,000,000  | Westpac Banking FRN 2020                       | 2,996                 | 0.77                                 |
| 2,500,000  | Westpac Banking FRN 2020                       | 2,500                 | 0.65                                 |
| <b>Cash Held For Investment Purposes (0.00%)</b> |  | <b>24,701</b>         | <b>6.38</b>                          |
| <b>Call Deposits (0.00%)</b>                     |  | <b>24,701</b>         | <b>6.38</b>                          |
| 24,701,000                                       | Lloyds TSB Call Deposit 0.75%                  | 24,701                | 6.38                                 |
| <b>Money Markets (71.52%)</b>                    |  | <b>231,547</b>        | <b>59.78</b>                         |
| <b>Certificates Of Deposit (53.70%)</b>          |  | <b>157,975</b>        | <b>40.82</b>                         |
| 2,000,000  | ABN Amro CD 0.94% 01/03/2019                   | 2,000                 | 0.52                                 |
| 2,000,000  | ABN Amro CD 1.06% 03/05/2019                   | 2,000                 | 0.52                                 |
| 7,000,000  | Bank of Montreal CD 0.95% 04/04/2019           | 7,000                 | 1.81                                 |
| 3,000,000  | Bank of Montreal CD 0.95% 08/04/2019           | 3,000                 | 0.78                                 |
| 3,500,000  | BNP Paribas CD 0.84% 01/03/2019                | 3,500                 | 0.90                                 |
| 2,500,000  | BNP Paribas CD 0.9% 04/04/2019                 | 2,500                 | 0.65                                 |
| 3,000,000  | BNP Paribas CD 1.24% 09/01/2020                | 3,000                 | 0.78                                 |
| 3,000,000  | BNP Paribas Fortis CD 0% 07/02/2019            | 3,000                 | 0.78                                 |
| 3,000,000  | Citibank CD 0.8% 01/02/2019                    | 3,000                 | 0.78                                 |
| 3,000,000  | Credit Suisse CD 1.05% 04/06/2019              | 3,000                 | 0.78                                 |
| 3,000,000  | DNB Bank CD 0.91% 08/04/2019                   | 3,000                 | 0.78                                 |
| 3,000,000  | First Abu Dhabi Bank CD 0.93% 22/02/2019       | 3,000                 | 0.78                                 |
| 3,000,000  | First Abu Dhabi Bank CD 0.93% 23/04/2019       | 3,000                 | 0.78                                 |
| 500,000  | Goldman Sachs CD 0.93% 30/05/2019              | 500                   | 0.13                                 |
| 2,500,000  | Goldman Sachs CD 1.01% 13/05/2019              | 2,500                 | 0.65                                 |
| 3,000,000  | HSBC Bank CD 1% 21/05/2019                     | 3,000                 | 0.78                                 |
| 2,500,000  | ING Bank CD 0.815% 06/02/2019                  | 2,500                 | 0.65                                 |
| 3,000,000  | ING Bank CD 0.84% 22/02/2019                   | 3,000                 | 0.78                                 |
| 2,000,000  | ING Bank CD 0.87% 15/02/2019                   | 2,000                 | 0.52                                 |
| 3,000,000  | ING Bank CD 0.91% 11/02/2019                   | 3,000                 | 0.78                                 |
| 3,000,000  | KBC Bank CD 0.85% 27/02/2019                   | 3,000                 | 0.78                                 |
| 3,000,000  | Lloyds Bank CD 0% 12/02/2019                   | 2,999                 | 0.77                                 |
| 3,500,000  | Lloyds Bank CD 1.06% 17/06/2019                | 3,500                 | 0.90                                 |
| 3,000,000  | Lloyds Bank CD 1.06% 18/06/2019                | 3,000                 | 0.78                                 |
| 6,000,000  | Mitsubishi UFJ CD 0.98% 01/04/2019             | 6,000                 | 1.55                                 |
| 3,000,000  | Mizuho Bank CD 0.9% 11/02/2019                 | 3,000                 | 0.78                                 |
| 2,000,000  | Mizuho Bank CD 1% 01/03/2019                   | 2,000                 | 0.52                                 |
| 3,000,000  | Mizuho Bank CD 1% 05/03/2019                   | 3,000                 | 0.77                                 |
| 3,000,000  | Mizuho Bank CD 1% 08/04/2019                   | 3,000                 | 0.77                                 |
| 4,000,000  | MUFG Bank CD 0.98% 03/04/2019                  | 4,000                 | 1.03                                 |
| 5,000,000  | Nationwide Building Society CD 0.9% 19/02/2019 | 5,000                 | 1.29                                 |

| Holding                          | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------------|--|-----------------------|--------------------------------------|
| 2,000,000                        | Nationwide Building Society CD 0.95% 19/02/2019        | 2,000                 | 0.52                                 |
| 3,000,000                        | Nationwide Building Society CD 1.12% 21/06/2019        | 3,000                 | 0.77                                 |
| 3,000,000                        | Norinchukin Bank CD 0% 12/02/2019                      | 2,999                 | 0.77                                 |
| 3,000,000                        | Norinchukin Bank CD 0% 20/02/2019                      | 2,999                 | 0.77                                 |
| 5,000,000                        | Norinchukin Bank CD 0% 21/02/2019                      | 4,998                 | 1.29                                 |
| 4,000,000                        | Oversea-Chinese CD 0% 07/05/2019                       | 3,990                 | 1.03                                 |
| 3,000,000                        | Oversea-Chinese CD 0% 26/02/2019                       | 2,998                 | 0.77                                 |
| 3,000,000                        | Santander UK CD 0.91% 03/04/2019                       | 3,000                 | 0.77                                 |
| 3,000,000                        | Skandinaviska CD 1.18% 07/01/2020                      | 3,000                 | 0.77                                 |
| 3,000,000                        | Societe Generale CD 0.91% 30/04/2019                   | 3,000                 | 0.77                                 |
| 3,000,000                        | Standard Chartered CD 0% 12/02/2019                    | 2,999                 | 0.77                                 |
| 3,000,000                        | Standard Chartered CD 0.98% 12/04/2019                 | 3,000                 | 0.77                                 |
| 2,500,000                        | Sumitomo Mitsui CD 0.88% 01/02/2019                    | 2,500                 | 0.65                                 |
| 3,000,000                        | Sumitomo Mitsui CD 0.96% 03/04/2019                    | 3,000                 | 0.77                                 |
| 3,000,000                        | Svenska Handelsbanken CD 0.79% 11/02/2019              | 3,000                 | 0.77                                 |
| 3,000,000                        | Svenska Handelsbanken CD 0.94% 31/05/2019              | 3,000                 | 0.77                                 |
| 2,500,000                        | Toronto Dominion Bank CD 1.1% 09/09/2019               | 2,500                 | 0.65                                 |
| 4,000,000                        | UBS CD 0% 05/04/2019                                   | 3,993                 | 1.03                                 |
| 3,000,000                        | Wells Fargo CD 1.07% 29/05/2019                        | 3,000                 | 0.77                                 |
| 3,000,000                        | Wells Fargo CD 1.08% 09/07/2019                        | 3,000                 | 0.77                                 |
| <b>Commercial Paper (17.82%)</b> |  | <b>73,572</b>         | <b>18.96</b>                         |
| 10,000,000                       | Agence Cen CP 0% 04/02/2019                            | 9,999                 | 2.58                                 |
| 2,000,000                        | Banque Federative du Credit Mutuel CP 0.88% 08/02/2019 | 2,000                 | 0.52                                 |
| 3,000,000                        | Banque Populaire CP 0% 08/02/2019                      | 3,000                 | 0.77                                 |
| 3,000,000                        | Banque Populaire CP 0.92% 13/02/2019                   | 2,999                 | 0.77                                 |
| 3,000,000                        | BNP Paribas CP 0% 26/02/2019                           | 2,999                 | 0.77                                 |
| 3,000,000                        | Bred Banqu CP 0% 04/07/2019                            | 2,988                 | 0.77                                 |
| 4,000,000                        | Dekabank Deutsche CP 0% 11/02/2019                     | 3,999                 | 1.03                                 |
| 5,000,000                        | Dexia Credit CP 0.875% 29/04/2019                      | 4,989                 | 1.29                                 |
| 3,000,000                        | DZ Privatbank CP 0% 07/02/2019                         | 3,000                 | 0.77                                 |
| 4,000,000                        | La Banque CP 0% 05/02/2019                             | 4,000                 | 1.03                                 |
| 5,000,000                        | La Banque CP 0% 07/08/2019                             | 4,974                 | 1.28                                 |
| 3,000,000                        | La Banque Postale CP 0% 01/03/2019                     | 2,998                 | 0.77                                 |
| 3,000,000                        | Legal & General CP 0% 04/03/2019                       | 2,998                 | 0.77                                 |
| 3,700,000                        | Lloyds Bank CP 0% 10/07/2019                           | 3,684                 | 0.95                                 |
| 3,000,000                        | OP Corporate Bank CP 0% 23/04/2019                     | 2,994                 | 0.77                                 |
| 3,000,000                        | OP Corporate Bank CP 0% 25/04/2019                     | 2,994                 | 0.77                                 |
| 8,000,000                        | Standard Chartered CP 0% 08/07/2018                    | 7,964                 | 2.06                                 |
| 2,000,000                        | Toyota Finance CP 0.86% 15/02/2019                     | 1,999                 | 0.52                                 |
| 3,000,000                        | Toyota Kreditbank CP 0% 23/04/2019                     | 2,994                 | 0.77                                 |

| Holding                                      | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Collective Investment Schemes (2.09%)</b> |   | <b>36,739</b>         | <b>9.48</b>                          |
| 36,739                                       | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund <sup>†</sup> | 36,739                | 9.48                                 |
| <b>Total investment assets</b>               |   | <b>397,497</b>        | <b>102.62</b>                        |
| Net other liabilities                        |   | (10,141)              | (2.62)                               |
| <b>Total Net Assets</b>                      |   | <b>387,356</b>        | <b>100.00</b>                        |

<sup>†</sup> Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |              | 31 January 2018 |            |
|---|-----------------|--------------|-----------------|------------|
|   | £'000           | £'000        | £'000           | £'000      |
| Income:   |                 |              |                 |            |
| Net capital gains/(losses)  |                 | 45           |                 | (2)        |
| Revenue   | 1,376           |              | 600             |            |
| Expenses  | (259)           |              | (311)           |            |
| Interest payable and similar charges  | (8)             |              | -               |            |
| Net revenue before taxation   | 1,109           |              | 289             |            |
| Taxation  | -               |              | -               |            |
| Net revenue after taxation  |                 | 1,109        |                 | 289        |
| <b>Total return before distributions</b>  |                 | <b>1,154</b> |                 | <b>287</b> |
| Distributions   |                 | (1,109)      |                 | (289)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>45</b>    |                 | <b>(2)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>288,640</b> |                 | <b>237,960</b> |
| Amounts receivable on the issue of shares  | 109,293         |                | 68,662          |                |
| Amounts payable on the cancellation of shares  | (11,766)        |                | (25,681)        |                |
|  |                 | 97,527         |                 | 42,981         |
| Dilution adjustment  |                 | 1              |                 | 1              |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | 45             |                 | (2)            |
| Retained distribution on accumulation shares   |                 | 1,143          |                 | 295            |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>387,356</b> |                 | <b>281,235</b> |

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



## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 397,497        |              | 288,224        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 1,216           |                | 549          |                |
| Cash and bank balances                         | 5,304           |                | 62           |                |
|  |                 | 6,520          |              | 611            |
| Total assets                                   |                 | 404,017        |              | 288,835        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Creditors                                      | (16,624)        |                | (184)        |                |
| Distribution payable                           | (37)            |                | (11)         |                |
|  |                 | (16,661)       |              | (195)          |
| Total liabilities                              |                 | (16,661)       |              | (195)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>387,356</b> |              | <b>288,640</b> |

## Distribution table

For the three months ended 31 October 2018

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 October 2018

|                                    | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 0.1591                                | -                                       | 0.1591*                                      | 0.0467                                       |
| Group 2                            | 0.0742                                | 0.0849                                  | 0.1591*                                      | 0.0467                                       |
| <b>A Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.1420                                | -                                       | 0.1420**                                     | 0.0418                                       |
| Group 2                            | 0.0753                                | 0.0667                                  | 0.1420**                                     | 0.0418                                       |
| <b>I Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 0.1904                                | -                                       | 0.1904*                                      | 0.0621                                       |
| Group 2                            | 0.0982                                | 0.0922                                  | 0.1904*                                      | 0.0621                                       |
| <b>I Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.1671                                | -                                       | 0.1671**                                     | 0.0546                                       |
| Group 2                            | 0.0600                                | 0.1071                                  | 0.1671**                                     | 0.0546                                       |
| <b>Z Gross Accumulation shares</b> |                                       |   |  |  |
| Group 1                            | 0.2065                                | -                                       | 0.2065*                                      | 0.0985                                       |
| Group 2                            | 0.0564                                | 0.1501                                  | 0.2065*                                      | 0.0985                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 31 January 2019.

**For the three months ended 31 January 2019**

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 31 January 2019

|  | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|--|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>             |                                       |   |  |  |
| Group 1                                  | 0.1663                                | -                                       | 0.1663*                                      | 0.0500                                       |
| Group 2                                  | 0.0768                                | 0.0895                                  | 0.1663*                                      | 0.0500                                       |
| <b>A Income shares</b>                   |                                       |   |  |  |
| Group 1                                  | 0.1479                                | -                                       | 0.1479**                                     | 0.0447                                       |
| Group 2                                  | 0.0136                                | 0.1343                                  | 0.1479**                                     | 0.0447                                       |
| <b>I Accumulation shares</b>             |                                       |   |  |  |
| Group 1                                  | 0.1982                                | -                                       | 0.1982*                                      | 0.0653                                       |
| Group 2                                  | 0.0826                                | 0.1156                                  | 0.1982*                                      | 0.0653                                       |
| <b>I Income shares</b>                   |                                       |   |  |  |
| Group 1                                  | 0.1745                                | -                                       | 0.1745**                                     | 0.0575                                       |
| Group 2                                  | 0.1254                                | 0.0491                                  | 0.1745**                                     | 0.0575                                       |
| <b>M Accumulation shares<sup>A</sup></b> |                                       |   |  |  |
| Group 1                                  | -                                     | -                                       | -  |  |
| Group 2                                  | -                                     | -                                       | -  |  |
| <b>M Income shares<sup>A</sup></b>       |                                       |   |  |  |
| Group 1                                  | -                                     | -                                       | -  |  |
| Group 2                                  | -                                     | -                                       | -  |  |
| <b>Z Gross Accumulation shares</b>       |                                       |   |  |  |
| Group 1                                  | 0.2111                                | -                                       | 0.2111*                                      | 0.1023                                       |
| Group 2                                  | 0.1941                                | 0.0170                                  | 0.2111*                                      | 0.1023                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> M share classes launched on 29 November 2018.

# Aberdeen Sterling Opportunistic Corporate Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in Debt and debt-related securities denominated in (or hedged back to) Sterling, including by pursuing individual opportunities as and when they arise.

The majority of the Fund's assets will be invested in corporate Debt and debt-related securities.

The Fund may also invest in other transferable securities, including Debt and debt-related securities denominated in any currency, as well as money market instruments, deposits, cash and cash equivalents, and units in collective investments schemes (including other funds managed by the Investment Adviser or its affiliates).

The Fund may use financial derivative instruments for investment purposes and/or efficient portfolio management. The Fund may use derivative instruments to create short and/or long positions.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Sterling Opportunistic Corporate Bond Fund – A Accumulation Shares decreased by 0.34% compared to an increase of 0.79% in the benchmark, the iBoxx Sterling Collateralized & Corporates 1-10 year Index.

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

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

## Market review

After suffering volatility and weakness in previous months, corporate bond markets were materially calmer over the summer of 2018, months. Spreads tightened modestly in both investment grade and high yield markets, supported by fundamental data and lower-than-expected levels of new issuance. Government bond yields rose were on a rising trend, however, however, led by US Treasuries as higher inflation and tighter monetary policy were priced in. Developed markets materially outperformed emerging markets which were particularly affected by the aforementioned weakness in Turkey and Argentina. Towards the end of the quarter the sterling market investment grade market lagged other markets as Brexit concerns increased.

The final three months of 2018 were challenging for risk assets globally with stocks and commodities falling and credit spreads widening as a deteriorating global economic outlook was priced into the market. Trade tensions between the US and China and the ongoing challenges of Brexit added to the worries for investors. As we moved into the new year, corporate bond markets were more stable, recovering significantly from the weakness of late 2018. Rhetoric around trade tensions was calmer. The US Federal Reserve adopted a more dovish tone, appearing to have paused its interest rate-hiking cycle for the time being. These were the most significant macroeconomic factors behind the improvement in sentiment. The technical backdrop also improved, as new bond supply failed to meet expectations.

## Portfolio review

The Fund underperformed against its benchmark index. This underperformance came about largely in December 2018; that month, corporate bonds underperformed government bonds, affected by concerns about slowing global growth, increases in tariffs as the trade war between the US and China escalated and, in the UK, continued uncertainties surrounding the UK's departure from the European Union. The Fund's overweight credit risk stance was the major reason for its underperformance during this period. The manager had instigated some hedging positions in the Fund against a rise in volatility and risk market weakness, and this helped offset some of the poor performance. However, the size of the sharp selloff in credit markets cost the fund performance.

## Outlook

The sell-off in the last three months of 2018 left much of the corporate bond universe looking relatively cheap, albeit spreads re-traced some of their underperformance in January. This reflects a slightly calmer macroeconomic background globally. While the asset class still offers good value, it is prudent to reduce risk. The twin threads of a global economic slowdown and – closer to home – the risks around Brexit mean that volatility may persist in 2019. This is likely to provide opportunities to add value within the Fund.

## Sterling IG and Aggregate Team

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 3 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- Derivatives: This Fund can use derivatives in order to meet its investment objective. The use of derivatives may result in greater fluctuations in the value of the Fund, and may increase the magnitude of any losses.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 38              | 78           | 152          | 79           |
| Closing number of shares                  | 28,182          | 57,741       | 112,041      | 60,841       |
| Closing net asset value per share (pence) | 134.28          | 134.75       | 135.31       | 129.84       |
| Change in net asset value per share       | (0.35%)         | (0.41%)      | 4.21%        | 4.69%        |
| Operating charges                         | 1.11%           | 1.13%        | 1.13%        | 1.13%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 234,521         | 246,976      | 212,835      | 187,376      |
| Closing number of shares                  | 214,048,866     | 222,253,326  | 186,145,294  | 166,934,094  |
| Closing net asset value per share (pence) | 109.56          | 111.12       | 114.34       | 112.25       |
| Change in net asset value per share       | (1.40%)         | (2.82%)      | 1.86%        | 2.49%        |
| Operating charges                         | 1.11%           | 1.13%        | 1.13%        | 1.13%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 143             | 133          | 112          | 677          |
| Closing number of shares                  | 101,490         | 94,677       | 79,977       | 503,684      |
| Closing net asset value per share (pence) | 140.72          | 140.85       | 140.72       | 134.35       |
| Change in net asset value per share       | (0.09%)         | 0.09%        | 4.74%        | 5.12%        |
| Operating charges                         | 0.62%           | 0.63%        | 0.63%        | 0.63%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 1,895           | 2,447        | 2,390        | 2,479        |
| Closing number of shares                  | 1,677,483       | 2,136,466    | 2,028,105    | 2,143,164    |
| Closing net asset value per share (pence) | 112.94          | 114.54       | 117.85       | 115.67       |
| Change in net asset value per share       | (1.40%)         | (2.81%)      | 1.88%        | 2.50%        |
| Operating charges                         | 0.62%           | 0.63%        | 0.63%        | 0.63%        |
| I Gross Accumulation shares               | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 22,261          | 23,487       | 24,416       | 23,637       |
| Closing number of shares                  | 16,954,252      | 17,868,370   | 18,591,770   | 18,876,170   |
| Closing net asset value per share (pence) | 131.30          | 131.44       | 131.33       | 125.22       |
| Change in net asset value per share       | (0.11%)         | 0.08%        | 4.88%        | 5.79%        |
| Operating charges                         | 0.62%           | 0.63%        | 0.63%        | 0.63%        |
| I Gross Income shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 23              | 25           | 25           | 41           |
| Closing number of shares                  | 22,698          | 23,630       | 23,630       | 38,730       |
| Closing net asset value per share (pence) | 102.92          | 104.38       | 107.41       | 105.45       |
| Change in net asset value per share       | (1.40%)         | (2.82%)      | 1.86%        | 2.50%        |
| Operating charges                         | 0.62%           | 0.63%        | 0.63%        | 0.63%        |

| M Accumulation shares <sup>A</sup>        |           | 31 January 2019 |              |              |              |
|---|-----------|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | -         |                 |              |              |              |
| Closing number of shares                  | 100       |                 |              |              |              |
| Closing net asset value per share (pence) | 100.72    |                 |              |              |              |
| Change in net asset value per share       | -         |                 |              |              |              |
| Operating charges                         | 0.01%     |                 |              |              |              |
| M Income shares <sup>A</sup>              |           | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -         |                 |              |              |              |
| Closing number of shares                  | 100       |                 |              |              |              |
| Closing net asset value per share (pence) | 100.16    |                 |              |              |              |
| Change in net asset value per share       | -         |                 |              |              |              |
| Operating charges                         | 0.01%     |                 |              |              |              |
| P Income shares                           |           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 451       |                 | 1,307        | 23,491       | 31,964       |
| Closing number of shares                  | 411,385   |                 | 1,175,998    | 20,547,082   | 28,479,917   |
| Closing net asset value per share (pence) | 109.57    |                 | 111.11       | 114.33       | 112.23       |
| Change in net asset value per share       | (1.39%)   |                 | (2.82%)      | 1.87%        | 2.49%        |
| Operating charges                         | 0.39%     |                 | 0.40%        | 0.40%        | 0.40%        |
| P Gross Income shares                     |           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 7         |                 | 44           | 937          | 1,570        |
| Closing number of shares                  | 5,973     |                 | 39,818       | 818,918      | 1,397,817    |
| Closing net asset value per share (pence) | 109.66    |                 | 111.19       | 114.41       | 112.33       |
| Change in net asset value per share       | (1.38%)   |                 | (2.81%)      | 1.85%        | 2.50%        |
| Operating charges                         | 0.39%     |                 | 0.40%        | 0.40%        | 0.40%        |
| Q Income shares                           |           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 2,370     |                 | 7,038        | 180,799      | 464,485      |
| Closing number of shares                  | 2,161,329 |                 | 6,333,144    | 158,138,262  | 413,814,813  |
| Closing net asset value per share (pence) | 109.65    |                 | 111.14       | 114.33       | 112.24       |
| Change in net asset value per share       | (1.34%)   |                 | (2.79%)      | 1.86%        | 2.49%        |
| Operating charges                         | 0.31%     |                 | 0.31%        | 0.30%        | 0.30%        |
| Q Gross Income shares                     |           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 1         |                 | 105          | 15,863       | 22,501       |
| Closing number of shares                  | 1,000     |                 | 94,358       | 13,862,958   | 20,030,996   |
| Closing net asset value per share (pence) | 109.57    |                 | 111.23       | 114.42       | 112.33       |
| Change in net asset value per share       | (1.49%)   |                 | (2.79%)      | 1.86%        | 2.49%        |
| Operating charges                         | 0.31%     |                 | 0.31%        | 0.30%        | 0.30%        |

| Z Accumulation shares <sup>B</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 |
|---|-----------------|--------------|--------------|
| Closing net asset value (£'000)           | 788             | 629          | 170          |
| Closing number of shares                  | 756,014         | 603,811      | 164,211      |
| Closing net asset value per share (pence) | 104.28          | 104.13       | 103.52       |
| Change in net asset value per share       | 0.14%           | 0.59%        | -            |
| Operating charges                         | 0.12%           | 0.13%        | 0.13%        |

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

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

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

<sup>A</sup> M share classes launched on 29 November 2018.

<sup>B</sup> Z Accumulation share class launched on 15 August 2016.



## Portfolio Statement

As at 31 January 2019

| Holding                                | Investment                              | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Bonds (89.51%)</b>                  |   | <b>228,635</b>        | <b>87.10</b>                         |
| <b>Euro Denominated Bonds (11.30%)</b> |   | <b>29,374</b>         | <b>11.19</b>                         |
| <b>Corporate Bonds (11.07%)</b>        |   | <b>29,374</b>         | <b>11.19</b>                         |
| less than 5 years to maturity          |   |                       |                                      |
| 125,000                                | Aldesa Financial Services 7.25% 2021    | 63                    | 0.02                                 |
| 200,000                                | Alliance Data Systems 4.5% 2022         | 176                   | 0.07                                 |
| 140,000                                | Alliance Data Systems 5.25% 2023        | 123                   | 0.05                                 |
| 780,000                                | Altice 7.25% 2022                       | 669                   | 0.26                                 |
| 350,000                                | ARD Finance 6.625% 2023                 | 292                   | 0.11                                 |
| 100,000                                | Casino Guichard 1.865% Variable 2022    | 81                    | 0.03                                 |
| 264,000                                | Codere Finance 2 Luxembourg 6.75% 2021  | 214                   | 0.08                                 |
| 280,000                                | Corral Petroleum 11.75% 2021            | 260                   | 0.10                                 |
| 454,000                                | DEA Finance 7.5% 2022                   | 415                   | 0.16                                 |
| 100,000                                | EC Finance 2.375% 2022                  | 87                    | 0.03                                 |
| 275,000                                | Galapagos 5.375% 2021                   | 169                   | 0.06                                 |
| 250,000                                | Garfunkelux Holdco 3 7.5% 2022          | 191                   | 0.07                                 |
| 332,000                                | Getlink 3.625% 2023                     | 294                   | 0.11                                 |
| 120,000                                | Goodyear Dunlop Tires Europe 3.75% 2023 | 105                   | 0.04                                 |
| 400,000                                | Haya Finance 2017 5.25% 2022            | 316                   | 0.12                                 |
| 367,000                                | Intralot Capital Luxembourg 6.75% 2021* | 257                   | 0.10                                 |
| 169,000                                | Kleopatra Holdings 1 SCA 8.5% 2023      | 75                    | 0.03                                 |
| 123,000                                | LHMC 6.25% 2023                         | 112                   | 0.04                                 |
| 722,000                                | Lincoln Finance 6.875% 2021             | 647                   | 0.25                                 |
| 370,000                                | Matterhorn Telecom 4.875% 2023          | 305                   | 0.12                                 |
| 160,000                                | Maxeda DIY 6.125% 2022                  | 131                   | 0.05                                 |
| 370,000                                | Monitchem HoldCo 2 6.875% 2022          | 276                   | 0.11                                 |
| 100,000                                | Newco GB 8% 2022                        | 88                    | 0.03                                 |
| 100,000                                | OCI 5% 2023                             | 91                    | 0.03                                 |
| 1,278,000                              | Petroleos Mexicanos 2.5% 2022           | 1,075                 | 0.41                                 |
| 100,000                                | Platin 1426 5.375% 2023                 | 81                    | 0.03                                 |
| 100,000                                | PrestigeBidCo 6.25% 2023                | 91                    | 0.03                                 |
| 371,000                                | Sappi Papier 3.375% 2022                | 327                   | 0.12                                 |
| 629,000                                | Senvion 3.875% 2022                     | 284                   | 0.11                                 |
| 100,000                                | Synlab Bondco 6.25% 2022                | 90                    | 0.03                                 |
| 100,000                                | Synlab Unsecured Bondco 8.25% 2023      | 93                    | 0.04                                 |
| 800,000                                | Telecom Italia 1.125% 2022              | 651                   | 0.25                                 |
| 100,000                                | Teva Pharmaceutical 1.25% 2023          | 82                    | 0.03                                 |
| 300,000                                | Thomas Cook 6.25% 2022                  | 206                   | 0.08                                 |
| 200,000                                | Valeant Pharmaceuticals 4.5% 2023       | 172                   | 0.07                                 |

| Holding                            | Investment                                   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|--|-----------------------|--------------------------------------|
| 100,000                            | Verisure 5.75% 2023                          | 87                    | 0.03                                 |
| 100,000                            | Verisure Holding 3.5% 2023                   | 88                    | 0.03                                 |
| 176,000                            | Wind Tre 2.625% 2023                         | 139                   | 0.05                                 |
| 240,000                            | Wind Tre 2.75% 2024                          | 187                   | 0.07                                 |
| 500,000                            | Worldpay 3.75% 2022                          | 467                   | 0.18                                 |
| between 5 and 10 years to maturity |  |                       |                                      |
| 525,000                            | Adient 3.5% 2024                             | 346                   | 0.13                                 |
| 3,300,000                          | Annington Funding 1.65% 2024                 | 2,842                 | 1.08                                 |
| 261,000                            | Ardagh Packaging 6.75% 2024                  | 240                   | 0.09                                 |
| 400,000                            | Avantor 4.75% 2024                           | 359                   | 0.14                                 |
| 149,000                            | Avis Budget Finance 4.5% 2025                | 130                   | 0.05                                 |
| 160,000                            | Banff Merger Sub 8.375% 2026                 | 132                   | 0.05                                 |
| 351,000                            | Blitz F18-674 6% 2026                        | 305                   | 0.12                                 |
| 200,000                            | Casino Guichard 3.248% 2024                  | 168                   | 0.06                                 |
| 233,000                            | Constantin Investissement 3 SASU 5.375% 2025 | 195                   | 0.07                                 |
| 338,000                            | Cott Finance 5.5% 2024                       | 309                   | 0.12                                 |
| 320,000                            | Crown 3.375% 2025                            | 290                   | 0.11                                 |
| 238,000                            | Diamond BC 5.625% 2025                       | 184                   | 0.07                                 |
| 321,000                            | Energizer Gamma Acquisition 4.625% 2026      | 275                   | 0.11                                 |
| 448,000                            | Equinix 2.875% 2025                          | 388                   | 0.15                                 |
| 100,000                            | Federal-Mogul 5% 2024                        | 90                    | 0.03                                 |
| 125,000                            | HP Pelzer 4.125% 2024                        | 101                   | 0.04                                 |
| 100,000                            | INEOS 5.375% 2024                            | 88                    | 0.03                                 |
| 223,000                            | International Game Technology 3.5% 2024      | 192                   | 0.07                                 |
| 100,000                            | Intertrust Group 3.375% 2025                 | 87                    | 0.03                                 |
| 368,000                            | InterXion 4.75% 2025                         | 336                   | 0.13                                 |
| 177,000                            | Intralot Capital 5.25% 2024                  | 106                   | 0.04                                 |
| 162,000                            | La Financiere Atalian 4% 2024                | 110                   | 0.04                                 |
| 250,000                            | LGE 7.125% 2024                              | 229                   | 0.09                                 |
| 147,000                            | LHC3 4.125% 2024                             | 127                   | 0.05                                 |
| 572,000                            | Nassa Topco 2.875% 2024                      | 513                   | 0.20                                 |
| 100,000                            | Nidda BondCo 5% 2025                         | 80                    | 0.03                                 |
| 156,000                            | Nidda Healthcare 3.5% 2024                   | 133                   | 0.05                                 |
| 100,000                            | Novafives 5% 2025                            | 74                    | 0.03                                 |
| 300,000                            | Numericable 5.625% 2024                      | 269                   | 0.10                                 |
| 100,000                            | Paprec 3.5% 2025                             | 74                    | 0.03                                 |
| 217,000                            | Paprec 4% 2025                               | 161                   | 0.06                                 |
| 100,000                            | Samsonite 3.5% 2026                          | 83                    | 0.03                                 |
| 2,010,000                          | Smith (DS) 1.375% 2024                       | 1,702                 | 0.65                                 |
| 370,000                            | Summit Germany 2% 2025                       | 302                   | 0.12                                 |
| 350,000                            | Superior Industries 6% 2025                  | 247                   | 0.09                                 |

| Holding                                    | Investment                                  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| 294,000                                    | Tele Columbus 3.875% 2025                   | 234                   | 0.09                                 |
| 360,000                                    | Teva Pharmaceutical 1.625% 2028             | 251                   | 0.10                                 |
| 320,000                                    | Teva Pharmaceutical 4.5% 2025               | 292                   | 0.11                                 |
| 100,000                                    | UGI International 3.25% 2025                | 89                    | 0.03                                 |
| 430,000                                    | Unilabs Subholding 5.75% 2025               | 360                   | 0.14                                 |
| 392,000                                    | Unitymedia 3.75% 2027                       | 355                   | 0.14                                 |
| 148,000                                    | WMG Acquisition 3.625% 2026                 | 129                   | 0.05                                 |
| 282,000                                    | WMG Acquisition 4.125% 2024                 | 230                   | 0.09                                 |
| 459,000                                    | Ziggo 4.25% 2027                            | 404                   | 0.15                                 |
| between 10 and 15 years to maturity        |   |                       |                                      |
| 400,000                                    | Telecom Italia 7.75% fixed to floating 2033 | 419                   | 0.16                                 |
| 1,100,000                                  | Volkswagen International Finance 3.25% 2030 | 984                   | 0.38                                 |
| greater than 25 years to maturity          |   |                       |                                      |
| 1,250,000                                  | AIG 4.875% 2067                             | 835                   | 0.32                                 |
| Perpetual                                  |   |                       |                                      |
| 300,000                                    | Barclays FRN Perpetual                      | 264                   | 0.10                                 |
| 1,400,000                                  | CaixaBank FRN Perpetual                     | 1,067                 | 0.41                                 |
| 200,000                                    | Danske Bank FRN Perpetual                   | 175                   | 0.07                                 |
| 400,000                                    | Engie 3.25% Perpetual                       | 353                   | 0.13                                 |
| 2,500,000                                  | NatWest FRN Perpetual                       | 2,109                 | 0.80                                 |
| <b>Government Bonds (0.23%)</b>            |   | -                     | -                                    |
| <b>Sterling Denominated Bonds (71.49%)</b> |   | <b>182,839</b>        | <b>69.65</b>                         |
| <b>Corporate Bonds (57.57%)</b>            |   | <b>148,152</b>        | <b>56.44</b>                         |
| less than 5 years to maturity              |   |                       |                                      |
| 200,000                                    | Amigo Luxembourg 7.625% 2024                | 206                   | 0.08                                 |
| 2,000,000                                  | Anglian Water 5% 2023                       | 1,933                 | 0.74                                 |
| 342,000                                    | Arqiva 6.75% 2023                           | 355                   | 0.14                                 |
| 100,000                                    | Barclays 10% 2021                           | 115                   | 0.04                                 |
| 1,747,000                                  | Barclays 2.375% 2023                        | 1,707                 | 0.65                                 |
| 2,734,000                                  | Barclays 3.125% 2024                        | 2,734                 | 1.04                                 |
| 305,000                                    | BASF 1.375% 2022                            | 304                   | 0.12                                 |
| 100,000                                    | Cabot 6.5% 2021                             | 98                    | 0.04                                 |
| 634,000                                    | Close Brothers 2.75% 2023                   | 633                   | 0.24                                 |
| 3,200,000                                  | Commonwealth Bank of Australia 1.125% 2021  | 3,171                 | 1.21                                 |
| 700,000                                    | Deutsche Bank 1.75% 2021                    | 671                   | 0.26                                 |
| 413,000                                    | Entertainment One 6.875% 2022               | 425                   | 0.16                                 |

| Holding                            | Investment                                | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|---|-----------------------|--------------------------------------|
| 2,614,000                          | FirstGroup 8.75% 2021                     | 2,930                 | 1.12                                 |
| 600,000                            | Galaxy Finco 7.875% 2021                  | 587                   | 0.22                                 |
| 260,000                            | Garfunkelux Holdco 3 8.5% 2022            | 218                   | 0.08                                 |
| 2,500,000                          | GKN 5.375% 2022                           | 2,648                 | 1.01                                 |
| 1,000,000                          | GKN 6.75% 2019                            | 1,030                 | 0.39                                 |
| 847,000                            | HSBC 2.175% 2023                          | 839                   | 0.32                                 |
| 890,000                            | Intu (SGS) Finance 4.125% 2023            | 867                   | 0.33                                 |
| 500,000                            | Mizzen Bondco 7% 2021                     | 460                   | 0.18                                 |
| 335,000                            | Moto Finance 4.5% 2022                    | 323                   | 0.12                                 |
| 1,658,000                          | PCL Funding II FRN 2022                   | 1,647                 | 0.63                                 |
| 1,000,000                          | Phoenix Group 4.125% 2022                 | 1,012                 | 0.39                                 |
| 221,000                            | Pizzaexpress Financing 6.625% 2021        | 186                   | 0.07                                 |
| 423,000                            | Principality Building Society 2.375% 2023 | 412                   | 0.16                                 |
| 751,000                            | Provident Financial 7% 2023               | 742                   | 0.28                                 |
| 217,000                            | RAC Bond 5% 2022                          | 193                   | 0.07                                 |
| 120,000                            | Shop Direct Funding 7.75% 2022            | 104                   | 0.04                                 |
| 1,150,000                          | SPI Australia Assets 5.125% 2021          | 1,223                 | 0.47                                 |
| 144,000                            | Stonegate Pub Financing 4.875% 2022       | 139                   | 0.05                                 |
| 350,000                            | TalkTalk 5.375% 2022                      | 349                   | 0.13                                 |
| 2,500,000                          | Thames Water 1.875% 2024                  | 2,438                 | 0.93                                 |
| 750,000                            | Thames Water 2.375% 2023                  | 727                   | 0.28                                 |
| 750,000                            | Thames Water 7.75% 2019                   | 753                   | 0.29                                 |
| 385,000                            | Unite (USAF) II 3.374% 2023               | 408                   | 0.16                                 |
| 330,000                            | Vougeot 7.875% 2020                       | 329                   | 0.13                                 |
| 247,000                            | Voyage Care 5.875% 2023                   | 228                   | 0.09                                 |
| 110,000                            | Voyage Care Bonco 10% 2023                | 101                   | 0.04                                 |
| 2,900,000                          | Western Power 3.625% 2023                 | 3,020                 | 1.15                                 |
| between 5 and 10 years to maturity |   |                       |                                      |
| 367,000                            | AMC Entertainment 6.375% 2024             | 347                   | 0.13                                 |
| 1,654,000                          | Anheuser-Busch InBev 1.75% 2025           | 1,590                 | 0.61                                 |
| 1,700,000                          | Anheuser-Busch InBev 9.75% 2024           | 2,332                 | 0.89                                 |
| 145,000                            | Ardagh Packaging 4.75% 2027               | 131                   | 0.05                                 |
| 290,000                            | Arrow Global 5.125% 2024                  | 270                   | 0.10                                 |
| 463,000                            | Assura Financing 3% 2028                  | 465                   | 0.18                                 |
| 1,000,000                          | AT&T 5.5% 2027                            | 1,164                 | 0.44                                 |
| 1,505,000                          | BP 2.274% 2026                            | 1,508                 | 0.57                                 |
| 2,000,000                          | British American Tobacco 4% 2026          | 2,110                 | 0.80                                 |
| 2,514,000                          | Citigroup 5.15% 2026                      | 2,938                 | 1.12                                 |
| 3,000,000                          | Close Brothers 2.75% 2026                 | 2,959                 | 1.13                                 |
| 930,000                            | CPUK 3.69% 2028                           | 955                   | 0.36                                 |
| 1,600,000                          | Credit Suisse FRN 2025                    | 1,533                 | 0.58                                 |
| 900,000                            | Daily Mail & General Trust 6.375% 2027    | 1,022                 | 0.39                                 |

| Holding                             | Investment                                  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|---|-----------------------|--------------------------------------|
| 800,000                             | EDF 6.25% 2028                              | 1,034                 | 0.39                                 |
| 853,000                             | Experian 2.125% 2024                        | 859                   | 0.33                                 |
| 1,300,000                           | Fuller Smith & Turner 6.875% 2028           | 1,687                 | 0.64                                 |
| 3,000,000                           | Gatwick 6.125% 2026                         | 3,686                 | 1.40                                 |
| 2,405,000                           | General Motors Financial 2.25% 2024         | 2,281                 | 0.87                                 |
| 2,000,000                           | Heathrow Funding 6.75% 2026                 | 2,604                 | 0.99                                 |
| 500,000                             | Heathrow Funding 7.125% 2024                | 602                   | 0.23                                 |
| 2,000,000                           | HSBC 6.75% 2028                             | 2,534                 | 0.97                                 |
| 4,000,000                           | InterContinental Hotels 3.75% 2025          | 4,178                 | 1.59                                 |
| 613,000                             | IPIC GMTN 6.875% 2026                       | 794                   | 0.30                                 |
| 1,311,000                           | London & Quadrant Housing Trust 2.625% 2028 | 1,309                 | 0.50                                 |
| 150,000                             | Miller Homes 5.5% 2024                      | 142                   | 0.05                                 |
| 4,500,000                           | Motor 2016-1 1.3% 2025                      | 4,250                 | 1.62                                 |
| 350,000                             | Newday Bondco 7.375% 2024                   | 322                   | 0.12                                 |
| 1,542,000                           | NewRiver REIT 3.5% 2028                     | 1,474                 | 0.56                                 |
| 3,000,000                           | NIE Finance 6.375% 2026                     | 3,799                 | 1.45                                 |
| 2,500,000                           | Paragon FRN 2026                            | 2,587                 | 0.99                                 |
| 1,500,000                           | Phoenix 6.625% 2025                         | 1,570                 | 0.60                                 |
| 123,000                             | Pinnacle Bidco 6.375% 2025                  | 124                   | 0.05                                 |
| 1,820,000                           | Rabobank 5.25% 2027                         | 2,085                 | 0.79                                 |
| 240,000                             | Saga 3.375% 2024                            | 215                   | 0.08                                 |
| 2,500,000                           | Society of Lloyd's 4.75% 2024               | 2,672                 | 1.02                                 |
| 2,460,000                           | Stagecoach Group 4% 2025                    | 2,521                 | 0.96                                 |
| 1,070,000                           | Thames Water 2.875% 2027                    | 1,026                 | 0.39                                 |
| 600,000                             | Thames Water 6.75% 2028                     | 793                   | 0.30                                 |
| 2,000,000                           | Trafford Centre Finance 4.75% 2024          | 2,134                 | 0.81                                 |
| 2,212,000                           | Tritax Big Box REIT 2.625% 2026             | 2,176                 | 0.83                                 |
| 924,000                             | Unite Group 3.5% 2028                       | 934                   | 0.36                                 |
| 300,000                             | Virgin Media Finance 6.375% 2024            | 307                   | 0.12                                 |
| 1,319,000                           | Vodafone 5.625% fixed to floating 2025      | 1,595                 | 0.61                                 |
| 5,000,000                           | Western Power 3.875% 2024                   | 5,417                 | 2.06                                 |
| between 10 and 15 years to maturity |   |                       |                                      |
| 290,000                             | Notting Hill Genesis 2.875% 2029            | 290                   | 0.11                                 |
| 1,600,000                           | Thames Water 5.75% 2030                     | 1,746                 | 0.66                                 |
| between 15 and 25 years to maturity |   |                       |                                      |
| 1,500,000                           | Aviva 6.125% 2036                           | 1,666                 | 0.63                                 |
| 5,040,000                           | Standard Life Aberdeen FRN 2042             | 5,543                 | 2.11                                 |
| greater than 25 years to maturity   |   |                       |                                      |
| 500,000                             | American International FRN 2067             | 442                   | 0.17                                 |
| 1,105,000                           | BHP Billiton 6.5% 2077                      | 1,232                 | 0.47                                 |
| 400,000                             | Channel Link 3.043% 2050                    | 394                   | 0.15                                 |

| Holding                                    | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| 2,210,000                                  | Enel 6.625% fixed to floating 2076                      | 2,340                 | 0.89                                 |
| 1,260,000                                  | Feldspar 2016-1 FRN 2045                                | 727                   | 0.28                                 |
| 4  | London Wall Mortgage Capital FRN 2048                   | -                     | -                                    |
| 1,317,000                                  | Paragon 1.43044% 2050                                   | 1,288                 | 0.49                                 |
| 1,100,000                                  | Precise Mortgage Funding 2018-2B FRN 2055               | 992                   | 0.38                                 |
| 900,000                                    | RMAC 1.54306% 2046                                      | 809                   | 0.31                                 |
| 2,910,000                                  | RMAC Securities No 1 RMCA 2044                          | 1,560                 | 0.59                                 |
| 1,027,000                                  | Tolkien Funding Sukuk 1.43283% 2052                     | 903                   | 0.34                                 |
| Perpetual                                  |   |                       |                                      |
| 2,400,000                                  | Aviva 6.125% fixed to floating Perpetual                | 2,536                 | 0.97                                 |
| 2,000,000                                  | AXA 6.6862% fixed to floating Perpetual                 | 2,242                 | 0.85                                 |
| 800,000                                    | Cheltenham & Gloucester 11.75% Perpetual                | 1,635                 | 0.62                                 |
| 2,350,000                                  | CYBG 8% Perpetual                                       | 2,167                 | 0.83                                 |
| 1,500,000                                  | Direct Line 4.75% Perpetual                             | 1,217                 | 0.46                                 |
| 1,000,000                                  | HBOS 7.881% fixed to floating Perpetual                 | 1,392                 | 0.53                                 |
| 450,000                                    | Lloyds Banking Group 7% fixed to floating Perpetual     | 452                   | 0.17                                 |
| 1,805,000                                  | Lloyds Banking Group 7.625% fixed to floating Perpetual | 1,894                 | 0.72                                 |
| 200,000                                    | Nationwide Building Society 6.875% Perpetual            | 202                   | 0.08                                 |
| 1,114,000                                  | Orange 5.75% fixed to floating Perpetual                | 1,183                 | 0.45                                 |
| <b>Government Bonds (13.92%)</b>           |   | <b>34,687</b>         | <b>13.21</b>                         |
| less than 5 years to maturity              |   |                       |                                      |
| 13,838,000                                 | UK (Govt of) 0.75% 2023                                 | 13,762                | 5.24                                 |
| between 5 and 10 years to maturity         |   |                       |                                      |
| 19,630,000                                 | UK (Govt of) 2% 2025                                    | 20,925                | 7.97                                 |
| <b>US Dollar Denominated Bonds (6.72%)</b> |   | <b>16,422</b>         | <b>6.26</b>                          |
| <b>Corporate Bonds (6.72%)</b>             |   | <b>16,422</b>         | <b>6.26</b>                          |
| less than 5 years to maturity              |   |                       |                                      |
| 328,000                                    | Danske Bank 5.375% 2024                                 | 253                   | 0.10                                 |
| 200,000                                    | Perstorp 11% 2021                                       | 163                   | 0.06                                 |
| 220,000                                    | Rite Aid 6.125% 2023                                    | 141                   | 0.05                                 |
| between 5 and 10 years to maturity         |   |                       |                                      |
| 3,300,000                                  | Energy Transfer Partners 4.2% 2027                      | 2,413                 | 0.92                                 |
| 2,500,000                                  | Plains All American Pipeline 4.5% 2026                  | 1,891                 | 0.72                                 |
| 1,500,000                                  | Puma International Financing 5% 2026                    | 965                   | 0.37                                 |
| 2,500,000                                  | Sabine Pass Liquefaction 5% 2027                        | 1,967                 | 0.75                                 |
| 1,600,000                                  | Turkcell Iletisim 5.8% 2028                             | 1,120                 | 0.43                                 |

| Holding                                      | Investment                                      | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| greater than 25 years to maturity            |   |                       |                                      |
| 1,200,000                                    | NatWest Markets 7.125% 2093                     | 1,236                 | 0.47                                 |
| Perpetual                                    |   |                       |                                      |
| 2,000,000                                    | Australia & New Zealand Banking FRN Perpetual   | 1,041                 | 0.40                                 |
| 1,800,000                                    | HBOS Capital Funding 6.85% Perpetual            | 1,378                 | 0.53                                 |
| 1,500,000                                    | Royal Bank of Scotland FRN Perpetual            | 1,403                 | 0.53                                 |
| 1,152,000                                    | Societe Generale FRN Perpetual                  | 860                   | 0.33                                 |
| 697,000                                      | UBS Group Funding Switzerland FRN Perpetual     | 532                   | 0.20                                 |
| 2,000,000                                    | Westpac Banking FRN Perpetual                   | 1,059                 | 0.40                                 |
| <b>Equities (0.01%)</b>                      |   | <b>11</b>             | <b>0.00</b>                          |
| <b>European Equities (0.01%)</b>             |   | -                     | -                                    |
| <b>Luxembourg (0.01%)</b>                    |   | -                     | -                                    |
| <b>UK Equities (0.00%)</b>                   |   | <b>11</b>             | <b>0.00</b>                          |
| <b>Financials (0.00%)</b>                    |   | <b>11</b>             | <b>0.00</b>                          |
| 17,636                                       | BrightHouse                                     | 11                    | 0.00                                 |
| <b>Collective Investment Schemes (8.40%)</b> |   | <b>23,648</b>         | <b>9.01</b>                          |
| 14,692,146                                   | Aberdeen Strategic Bond Fund†                   | 23,648                | 9.01                                 |
| <b>Derivatives (0.15%)</b>                   |   | <b>1,349</b>          | <b>0.52</b>                          |
| <b>Credit Default Swaps (0.00%)</b>          |   | <b>63</b>             | <b>0.02</b>                          |
| EUR 2,500,000                                | Buy CDS GKN Holdings Ltd 1.0% 20/09/2022        | 15                    | 0.01                                 |
| EUR 8,600,000                                | Buy CDS Telefonica Emisiones 1.0% 20/12/2023    | (48)                  | (0.02)                               |
| EUR 5,000,000                                | Sell CDS Heathrow Funding Ltd 1.0% 20/12/2023   | (19)                  | (0.01)                               |
| EUR 8,600,000                                | Sell iTraxx Europe Series 30 1 1.0% 20/12/2023  | 115                   | 0.04                                 |
| <b>Forward Currency Contracts (-0.20%)</b>   |   | <b>1,488</b>          | <b>0.57</b>                          |
|  | Buy EUR 750,000 Sell GBP 679,895 14/02/2019     | (25)                  | (0.01)                               |
|  | Buy EUR 761,000 Sell GBP 684,923 14/03/2019     | (20)                  | (0.01)                               |
|  | Buy EUR 1,551,000 Sell GBP 1,369,902 14/03/2019 | (15)                  | (0.01)                               |
|  | Buy EUR 1,576,000 Sell GBP 1,383,561 14/03/2019 | (7)                   | -                                    |
|  | Buy GBP 78,974 Sell EUR 91,000 14/02/2019       | -                     | -                                    |
|  | Buy GBP 184,368 Sell EUR 212,000 14/02/2019     | (1)                   | -                                    |
|  | Buy GBP 216,250 Sell EUR 242,000 14/02/2019     | 5                     | -                                    |
|  | Buy GBP 254,897 Sell EUR 294,000 14/02/2019     | (2)                   | -                                    |

| Holding  | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
|  | Buy GBP 366,275 Sell EUR 408,000 14/02/2019              | 10                    | 0.01                                 |
|  | Buy GBP 386,282 Sell EUR 430,000 14/02/2019              | 11                    | 0.01                                 |
|  | Buy GBP 18,524,832 Sell EUR 20,505,000 14/02/2019        | 630                   | 0.24                                 |
|  | Buy GBP 201,990 Sell EUR 224,000 14/03/2019              | 6                     | -                                    |
|  | Buy GBP 665,090 Sell EUR 737,000 14/03/2019              | 21                    | 0.01                                 |
|  | Buy GBP 747,245 Sell EUR 828,000 14/03/2019              | 24                    | 0.01                                 |
|  | Buy GBP 2,915,198 Sell EUR 3,221,000 14/03/2019          | 101                   | 0.04                                 |
|  | Buy GBP 10,308,695 Sell EUR 11,558,000 14/03/2019        | 213                   | 0.08                                 |
|  | Buy GBP 248,255 Sell USD 314,000 14/02/2019              | 10                    | 0.01                                 |
|  | Buy GBP 41,723 Sell USD 53,000 14/03/2019                | 1                     | -                                    |
|  | Buy GBP 115,990 Sell USD 148,000 14/03/2019              | 4                     | -                                    |
|  | Buy GBP 253,033 Sell USD 327,000 14/03/2019              | 5                     | -                                    |
|  | Buy GBP 529,671 Sell USD 697,000 14/03/2019              | 1                     | -                                    |
|  | Buy GBP 21,629,721 Sell USD 27,785,000 14/03/2019        | 553                   | 0.21                                 |
|  | Buy USD 1,361,000 Sell GBP 1,031,400 14/03/2019          | 1                     | -                                    |
|  | Buy USD 1,596,000 Sell GBP 1,234,872 14/03/2019          | (24)                  | (0.01)                               |
|  | Buy USD 3,087,000 Sell GBP 2,355,808 14/03/2019          | (14)                  | (0.01)                               |
| <b>Futures (0.00%)</b>                         |  | <b>(293)</b>          | <b>(0.11)</b>                        |
| (46)   | Short Euro Bond Future 07/03/2019                        | (73)                  | (0.03)                               |
| (34)   | Short Euro-Bobl Future 07/03/2019                        | (23)                  | (0.01)                               |
| 150  | Long Long Gilt Future 27/03/2019                         | 185                   | 0.07                                 |
| (22)   | Short US Long Bond (CBT) Future 20/03/2019               | (127)                 | (0.05)                               |
| (99)   | Short US 10 Year Note Future 20/03/2019                  | (255)                 | (0.09)                               |
| <b>Inflation Swaps (0.00%)</b>                 |  | <b>95</b>             | <b>0.04</b>                          |
| USD 7,940,000                                  | Pay Fixed 2.0545% USCPI 14/01/2029                       | (2)                   | -                                    |
| GBP 4,760,000                                  | Receive Fixed 3.635% UKRPI 15/01/2029                    | 97                    | 0.04                                 |
| <b>Interest Rate Swaps (0.35%)</b>             |  | <b>(4)</b>            | <b>0.00</b>                          |
| SEK 34,700,000                                 | Pay Fixed 1.6535% receive floating SEK-STIBOR 16/10/2029 | (142)                 | (0.05)                               |
| EUR 3,270,000                                  | Receive Fixed 1.293% pay floating EUR-EIBOR 16/10/2029   | 138                   | 0.05                                 |
| <b>Total investment assets and liabilities</b> |  | <b>253,643</b>        | <b>96.63</b>                         |
| Net other assets                               |  | 8,855                 | 3.37                                 |
| <b>Total Net Assets</b>                        |  | <b>262,498</b>        | <b>100.00</b>                        |

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

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

Currently forward positions are not collateralised.

Comparative figures are as at 31 July 2018.



**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |                |
|---|-----------------|----------------|-----------------|----------------|
|   | £'000           | £'000          | £'000           | £'000          |
| Income:   |                 |                |                 |                |
| Net capital losses  |                 | (3,984)        |                 | (1,725)        |
| Revenue   | 4,443           |                | 5,625           |                |
| Expenses  | (1,429)         |                | (1,481)         |                |
| Interest payable and similar charges  | (2)             |                | -               |                |
| Net revenue before taxation   | 3,012           |                | 4,144           |                |
| Taxation  | -               |                | -               |                |
| Net revenue after taxation  |                 | 3,012          |                 | 4,144          |
| <b>Total return before distributions</b>  |                 | <b>(972)</b>   |                 | <b>2,419</b>   |
| Distributions   |                 | (3,012)        |                 | (4,144)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(3,984)</b> |                 | <b>(1,725)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>282,269</b> |                 | <b>461,190</b> |
| Amounts receivable on the issue of shares  | 287             |                | 2,986           |                |
| Amounts payable on the cancellation of shares  | (16,400)        |                | (205,883)       |                |
|  |                 | (16,113)       |                 | (202,897)      |
| Dilution adjustment  |                 | 19             |                 | 112            |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (3,984)        |                 | (1,725)        |
| Retained distribution on accumulation shares   |                 | 306            |                 | 334            |
| Unclaimed distributions  |                 | -              |                 | 1              |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>262,497</b> |                 | <b>257,015</b> |

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

## Balance sheet

As at 31 January 2019

|   | 31 January 2019 |                | 31 July 2018 |                 |
|---|-----------------|----------------|--------------|-----------------|
|   | £'000           | £'000          | £'000        | £'000           |
| <b>Assets:</b>                                      |                 |                |              |                 |
| Fixed assets:                                       |                 |                |              |                 |
| Investment assets                                   |                 | 254,440        |              | 277,467         |
| Current assets:                                     |                 |                |              |                 |
| Debtors   | 3,139           |                | 13,585       |                 |
| Cash and bank balances                              | 7,419           |                | 4,043        |                 |
|   |                 | 10,558         |              | 17,628          |
| <b>Total assets</b>                                 |                 | <b>264,998</b> |              | <b>295,095</b>  |
| <b>Liabilities:</b>                                 |                 |                |              |                 |
| Investment liabilities                              |                 | (797)          |              | (649)           |
| Amounts held at futures clearing houses and brokers | -               |                | (1,305)      |                 |
| Creditors   | (433)           |                | (9,311)      |                 |
| Distribution payable                                | (1,270)         |                | (1,561)      |                 |
|   |                 | (1,703)        |              | (12,177)        |
| <b>Total liabilities</b>                            |                 | <b>(2,500)</b> |              | <b>(12,826)</b> |
| <b>Net assets attributable to shareholders</b>      |                 | <b>262,498</b> |              | <b>282,269</b>  |

**Distribution table****For the six months ended 31 January 2019****First Interim interest distribution**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 October 2018

|                                    | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 0.7237                                | -                                       | 0.7237*                                      | 0.6959                                       |
| Group 2                            | 0.7237                                | -                                       | 0.7237*                                      | 0.6959                                       |
| <b>A Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.5968                                | -                                       | 0.5968**                                     | 0.5880                                       |
| Group 2                            | 0.4869                                | 0.1099                                  | 0.5968**                                     | 0.5880                                       |
| <b>I Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 0.9345                                | -                                       | 0.9345*                                      | 0.9027                                       |
| Group 2                            | 0.5945                                | 0.3401                                  | 0.9345*                                      | 0.9027                                       |
| <b>I Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.7600                                | -                                       | 0.7600**                                     | 0.7560                                       |
| Group 2                            | 0.1884                                | 0.5716                                  | 0.7600**                                     | 0.7560                                       |
| <b>I Gross Accumulation shares</b> |                                       |   |  |  |
| Group 1                            | 0.8715                                | -                                       | 0.8715*                                      | 0.8415                                       |
| Group 2                            | 0.8715                                | -                                       | 0.8715*                                      | 0.8415                                       |
| <b>I Gross Income shares</b>       |                                       |   |  |  |
| Group 1                            | 0.6921                                | -                                       | 0.6921**                                     | 0.6882                                       |
| Group 2                            | 0.6921                                | -                                       | 0.6921**                                     | 0.6882                                       |
| <b>P Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.8012                                | -                                       | 0.8012**                                     | 0.7986                                       |
| Group 2                            | 0.8012                                | -                                       | 0.8012**                                     | 0.7986                                       |
| <b>P Gross Income shares</b>       |                                       |   |  |  |
| Group 1                            | 0.7894                                | -                                       | 0.7894**                                     | 0.7986                                       |
| Group 2                            | 0.7894                                | -                                       | 0.7894**                                     | 0.7986                                       |
| <b>Q Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.8249                                | -                                       | 0.8249**                                     | 0.8277                                       |
| Group 2                            | 0.8249                                | -                                       | 0.8249**                                     | 0.8277                                       |

|                              | Net Income<br>2018<br>pence per share | Equalisation<br>2018<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>Q Gross Income shares</b> |                                       |   |  |  |
| Group 1                      | 0.8256                                | -                                       | 0.8256**                                     | 0.8275                                       |
| Group 2                      | 0.8256                                | -                                       | 0.8256**                                     | 0.8275                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8231                                | -                                       | 0.8231*                                      | 0.7948                                       |
| Group 2                      | 0.2331                                | 0.5900                                  | 0.8231*                                      | 0.7948                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 31 January 2019.

### Second Interim interest distribution

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 31 January 2019

|                                    | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 0.9468                                | -                                       | 0.9468*                                      | 0.7744                                       |
| Group 2                            | 0.5507                                | 0.3961                                  | 0.9468*                                      | 0.7744                                       |
| <b>A Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.5786                                | -                                       | 0.5786**                                     | 0.6510                                       |
| Group 2                            | 0.3876                                | 0.1910                                  | 0.5786**                                     | 0.6510                                       |
| <b>I Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 0.9105                                | -                                       | 0.9105*                                      | 0.9867                                       |
| Group 2                            | 0.6011                                | 0.3094                                  | 0.9105*                                      | 0.9867                                       |
| <b>I Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.7192                                | -                                       | 0.7192**                                     | 0.8210                                       |
| Group 2                            | 0.5732                                | 0.1460                                  | 0.7192**                                     | 0.8210                                       |
| <b>I Gross Accumulation shares</b> |                                       |   |  |  |
| Group 1                            | 0.8452                                | -                                       | 0.8452*                                      | 0.9197                                       |
| Group 2                            | 0.8452                                | -                                       | 0.8452*                                      | 0.9197                                       |
| <b>I Gross Income shares</b>       |                                       |   |  |  |
| Group 1                            | 0.6672                                | -                                       | 0.6672**                                     | 0.7474                                       |
| Group 2                            | 0.6672                                | -                                       | 0.6672**                                     | 0.7474                                       |
| <b>M Accumulation shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>               | 0.5700                                | -                                       | 0.5700*                                      |  |
| Group 2 <sup>B</sup>               | 0.5700                                | -                                       | 0.5700*                                      |  |

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.5700                                | -                                       | 0.5700**                                     |  |
| Group 2 <sup>B</sup>         | 0.5700                                | -                                       | 0.5700**                                     |  |
| <b>P Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.7452                                | -                                       | 0.7452**                                     | 0.8614                                       |
| Group 2                      | 0.7452                                | -                                       | 0.7452**                                     | 0.8614                                       |
| <b>P Gross Income shares</b> |                                       |   |  |  |
| Group 1                      | 0.7751                                | -                                       | 0.7751**                                     | 0.8610                                       |
| Group 2                      | 0.7751                                | -                                       | 0.7751**                                     | 0.8610                                       |
| <b>Q Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.7237                                | -                                       | 0.7237**                                     | 0.8890                                       |
| Group 2                      | 0.7237                                | -                                       | 0.7237**                                     | 0.8890                                       |
| <b>Q Gross Income shares</b> |                                       |   |  |  |
| Group 1                      | 0.8760                                | -                                       | 0.8760**                                     | 0.8863                                       |
| Group 2                      | 0.8760                                | -                                       | 0.8760**                                     | 0.8863                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8079                                | -                                       | 0.8079*                                      | 0.8621                                       |
| Group 2                      | 0.7179                                | 0.0900                                  | 0.8079*                                      | 0.8621                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 29 November 2018.

<sup>B</sup> Shares purchased between 29 November 2018 and 31 January 2019.

# Aberdeen Sterling Short Dated Corporate Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in Investment grade corporate Debt and debt-related securities denominated in (or hedged back to) Sterling with a maturity of up to five years.

The Fund may also invest in other transferable securities, including Debt and debt-related securities issued by corporate issuers, governments, public bodies and supranational issuers worldwide, in each case of any maturity or credit quality and denominated in any currency, as well as money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Sterling Short Dated Corporate Bond Fund – A Accumulation Shares increased by 0.19% compared to an increase of 0.56% in the benchmark, Iboxx Sterling Corporates 1 – 5 year Index.

Source: Lipper, Total Return, NAV to NAV, UK Net income reinvested, £.

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

## Market review

After suffering volatility and weakness in previous months, corporate bond markets were materially calmer over the summer of 2018. Spreads tightened modestly in both investment grade and high yield markets, supported by fundamental data and lower-than-expected levels of new issuance. Government bond yields rose were on a rising trend, however, however, led by US Treasuries as higher inflation and tighter monetary policy were priced in. Developed markets materially outperformed emerging markets which were particularly affected by the aforementioned weakness in Turkey and Argentina. Towards the end of the quarter the sterling market investment grade market lagged other markets as Brexit concerns increased.

The final three months of 2018 were challenging for risk assets globally with stocks and commodities falling and credit spreads widening as a deteriorating global economic outlook was priced into the market. Trade tensions between the US and China and the ongoing challenges of Brexit added to the worries for investors. As we moved into the new year, corporate bond markets were more stable, recovering significantly from the weakness of late 2018. Rhetoric around trade tensions was calmer. The US Federal Reserve adopted a more dovish tone, appearing to have paused its interest rate-hiking cycle for the time being. These were the most significant macroeconomic factors behind the improvement in sentiment. The technical backdrop also improved, as new bond supply failed to meet expectations.

## Portfolio review

The Fund slightly underperformed the iBoxx 1-5 Year £ Corporates Index in the six months to 31 January, while generating positive absolute returns. After a partial recovery in January, the spread to government bonds on the index finished the period 31 basis points (bps) wider.

Financials slightly outperformed corporates. UK banks were particularly weak as UK-European Union negotiations faced parliamentary hurdles and concerns grew over a more disorderly Brexit scenario. From an asset allocation perspective, this underperformance benefitted the portfolio. The fund was underweight in UK senior HoldCo (bail-in eligible capital) and subordinated insurance bonds, which were among the weakest areas. On a single name basis, overweight exposure to Wells Fargo operating company (OpCo) bonds also boosted returns as the US banking sector was firmer. An overweight in Tier 2 bonds from CYBG contributed negatively to performance as the domestically focused challenger bank underperformed in the Brexit related volatility. The market softness was used as an opportunity to add very short call subordinated paper from Barclays which had sold off excessively.

In corporates, General Electric was a primary driver of the widening in credit markets. Concerns mounted over its ability to turn over upcoming debt maturities and the performance of its power division, leading to a profit warning and ratings agency downgrade. The portfolio's underweight to the issuer boosted performance, and as the weakness spilled over into other large multinational issuers, the portfolio added attractively-priced AB InBev 24s. The automotive sector makes up a big part of the short dated credit universe and there was no shortage of negative headlines for the sector. The escalation of the US-China trade dispute was a headwind; Ford bonds underperformed in August as the company was downgraded to Baa3 by Moody's; and BMW issued a profit warning alongside a statement highlighting the negative impact of tariffs. The portfolio was slightly underweight the auto sector and security selection boosted performance as holdings were focused in less volatile, higher quality names such as Honda and Toyota. However, an overweight in Renault 22s detracted from performance on the back of a misconduct probe into chairman Carlos Ghosn.

The portfolio remains defensively positioned versus peers with an off benchmark allocation to collateralised securities such as AAA rated mortgage-backed securities and covered bank bonds, alongside US dollar and euro denominated holdings for diversification and yield benefits.

## Outlook

The sell-off in the last three months of 2018 left much of the corporate bond universe looking relatively cheap, albeit spreads re-traced some of their underperformance in January. This reflects a slightly calmer macroeconomic background globally. While the asset class still offers good value, it is prudent to reduce risk. The twin threads of a global economic slowdown and – closer to home – the risks around Brexit mean that volatility may persist in 2019. This is likely to provide opportunities to add value within the fund.

## Sterling IG and Aggregate Team

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 3 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 |
|---|-----------------|--------------|--------------|
| Closing net asset value (£'000)           | 5               | 23           | 6            |
| Closing number of shares                  | 5,001           | 23,100       | 6,000        |
| Closing net asset value per share (pence) | 100.97          | 100.82       | 100.84       |
| Change in net asset value per share       | 0.15%           | (0.02%)      | -            |
| Operating charges                         | 0.66%           | 0.67%        | 0.69%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 |
| Closing net asset value (£'000)           | 5               | 6            | 6            |
| Closing number of shares                  | 5,000           | 6,000        | 6,000        |
| Closing net asset value per share (pence) | 98.26           | 98.73        | 100.03       |
| Change in net asset value per share       | (0.48%)         | (1.30%)      | -            |
| Operating charges                         | 0.66%           | 0.67%        | 0.69%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 |
| Closing net asset value (£'000)           | 27,951          | 26,810       | 21,308       |
| Closing number of shares                  | 27,497,628      | 26,461,490   | 21,077,367   |
| Closing net asset value per share (pence) | 101.65          | 101.32       | 101.10       |
| Change in net asset value per share       | 0.33%           | 0.22%        | -            |
| Operating charges                         | 0.35%           | 0.37%        | 0.39%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 |
| Closing net asset value (£'000)           | 24,165          | 24,160       | 17,450       |
| Closing number of shares                  | 24,603,601      | 24,483,373   | 17,441,544   |
| Closing net asset value per share (pence) | 98.22           | 98.68        | 100.05       |
| Change in net asset value per share       | (0.47%)         | (1.37%)      | -            |
| Operating charges                         | 0.35%           | 0.37%        | 0.39%        |
| K Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 |
| Closing net asset value (£'000)           | 24,501          | 22,633       | 9,072        |
| Closing number of shares                  | 24,047,087      | 22,298,789   | 8,967,100    |
| Closing net asset value per share (pence) | 101.89          | 101.50       | 101.17       |
| Change in net asset value per share       | 0.38%           | 0.33%        | -            |
| Operating charges                         | 0.25%           | 0.27%        | 0.29%        |
| K Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 |
| Closing net asset value (£'000)           | 90,137          | 88,478       | 66,010       |
| Closing number of shares                  | 91,778,281      | 89,663,973   | 65,982,006   |
| Closing net asset value per share (pence) | 98.21           | 98.68        | 100.04       |
| Change in net asset value per share       | (0.48%)         | (1.36%)      | -            |
| Operating charges                         | 0.25%           | 0.27%        | 0.29%        |



| M Accumulation shares <sup>A</sup>        |  | 31 January 2019 |              |              |
|---|--|-----------------|--------------|--------------|
| Closing net asset value (£'000)           |  | -               |              |              |
| Closing number of shares                  |  | 100             |              |              |
| Closing net asset value per share (pence) |  | 100.57          |              |              |
| Change in net asset value per share       |  | -               |              |              |
| Operating charges                         |  | 0.00%           |              |              |
| M Income shares <sup>A</sup>              |  | 31 January 2019 |              |              |
| Closing net asset value (£'000)           |  | -               |              |              |
| Closing number of shares                  |  | 100             |              |              |
| Closing net asset value per share (pence) |  | 100.20          |              |              |
| Change in net asset value per share       |  | -               |              |              |
| Operating charges                         |  | 0.00%           |              |              |
| Z Accumulation shares                     |  | 31 January 2019 | 31 July 2018 | 31 July 2017 |
| Closing net asset value (£'000)           |  | 5               | 6            | 6            |
| Closing number of shares                  |  | 5,001           | 6,000        | 6,000        |
| Closing net asset value per share (pence) |  | 102.35          | 101.86       | 101.35       |
| Change in net asset value per share       |  | 0.48%           | 0.50%        | -            |
| Operating charges                         |  | 0.05%           | 0.07%        | 0.09%        |

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

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

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

Fund launched 3 October 2016.

<sup>A</sup> M share classes launched on 29 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                    | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Bonds (97.93%)</b>                      |   | <b>161,642</b>        | <b>96.93</b>                         |
| <b>Euro Denominated Bonds (1.73%)</b>      |   | <b>4,179</b>          | <b>2.51</b>                          |
| <b>Corporate Bonds (1.73%)</b>             |   | <b>4,179</b>          | <b>2.51</b>                          |
| less than 5 years to maturity              |   |                       |                                      |
| 1,000,000                                  | FCC Aqualia 1.413% 2022                           | 872                   | 0.52                                 |
| 718,000                                    | Getlink 3.625% 2023                               | 636                   | 0.38                                 |
| 1,096,000                                  | Petroleos Mexicanos 2.5% 2022                     | 922                   | 0.56                                 |
| between 5 and 10 years to maturity         |   |                       |                                      |
| 1,000,000                                  | Digital Euro Finco 2.625% 2024                    | 911                   | 0.55                                 |
| Perpetual                                  |   |                       |                                      |
| 1,000,000                                  | Volkswagen International Finance 3.375% Perpetual | 838                   | 0.50                                 |
| <b>Sterling Denominated Bonds (86.23%)</b> |   | <b>144,477</b>        | <b>86.63</b>                         |
| <b>Corporate Bonds (85.62%)</b>            |   | <b>139,700</b>        | <b>83.77</b>                         |
| less than 5 years to maturity              |   |                       |                                      |
| 844,000                                    | Aareal Bank 1.5% 2022                             | 843                   | 0.51                                 |
| 1,000,000                                  | ABN Amro 1.375% 2022                              | 985                   | 0.59                                 |
| 1,150,000                                  | American Honda Finance 1.3% 2022                  | 1,137                 | 0.68                                 |
| 1,150,000                                  | AMP Group Finance Services 6.875% 2022            | 1,249                 | 0.75                                 |
| 769,000                                    | Australia & New Zealand Bank FRN 1.3852% 2022     | 770                   | 0.46                                 |
| 1,000,000                                  | AXA 7.125% 2020                                   | 1,099                 | 0.66                                 |
| 700,000                                    | Banco Santander 2.75% 2023                        | 698                   | 0.42                                 |
| 1,000,000                                  | Bank Nederlandse Gemeenten 1% 2022                | 992                   | 0.60                                 |
| 800,000                                    | Bank of America 5.5% 2019                         | 827                   | 0.50                                 |
| 980,000                                    | Bank of Scotland 9.375% 2021                      | 1,126                 | 0.68                                 |
| 1,800,000                                  | Banque Federative du Credit Mutuel 0.875% 2020    | 1,782                 | 1.07                                 |
| 600,000                                    | Banque Federative du Credit Mutuel 1.375% 2021    | 592                   | 0.35                                 |
| 1,000,000                                  | Banque Federative du Credit Mutuel 2.25% 2023     | 1,005                 | 0.60                                 |
| 1,828,000                                  | Barclays 10% 2021                                 | 2,108                 | 1.26                                 |
| 1,124,000                                  | Barclays 2.375% 2023                              | 1,099                 | 0.66                                 |
| 305,000                                    | BASF 1.375% 2022                                  | 305                   | 0.18                                 |
| 1,200,000                                  | BMW 1% 2021                                       | 1,175                 | 0.71                                 |
| 800,000                                    | BMW 1.75% 2022                                    | 795                   | 0.48                                 |
| 600,000                                    | BNG Bank 1% 2022                                  | 594                   | 0.36                                 |
| 1,550,000                                  | British American Tobacco 1.75% 2021               | 1,537                 | 0.92                                 |
| 2,000,000                                  | British Land White 2015 0% 2020                   | 1,929                 | 1.16                                 |
| 1,000,000                                  | British Sky Broadcasting 2.875% 2020              | 1,024                 | 0.61                                 |

| Holding   | Investment                                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------|--|-----------------------|--------------------------------------|
| 1,100,000 | BUPA 3.375% 2021                                 | 1,141                 | 0.68                                 |
| 600,000   | BUPA 5% 2023                                     | 649                   | 0.39                                 |
| 1,800,000 | Canadian Imperial Bank of Commerce 1.125% 2022   | 1,777                 | 1.07                                 |
| 1,650,000 | Chorus 6.75% 2020                                | 1,737                 | 1.04                                 |
| 400,000   | Citigroup 2.75% 2024                             | 405                   | 0.24                                 |
| 641,000   | Close Brothers 2.75% 2023                        | 640                   | 0.38                                 |
| 1,307,000 | Close Brothers 3.875% 2021                       | 1,361                 | 0.82                                 |
| 800,000   | Commerzbank 6.625% 2019                          | 821                   | 0.49                                 |
| 305,000   | Commonwealth Bank of Australia 1.125% 2021       | 302                   | 0.18                                 |
| 690,000   | Coventry Building Society 1% 2020                | 684                   | 0.41                                 |
| 900,000   | Coventry Building Society 1.875% 2023            | 878                   | 0.53                                 |
| 2,350,000 | Credit Suisse 3% 2022                            | 2,409                 | 1.44                                 |
| 700,000   | Daimler 1% 2019                                  | 697                   | 0.42                                 |
| 214,000   | Daimler 2.375% 2021                              | 216                   | 0.13                                 |
| 900,000   | Deutsche Bank 1.75% 2021                         | 862                   | 0.52                                 |
| 1,000,000 | E.ON Finance 6% 2019                             | 1,033                 | 0.62                                 |
| 907,000   | Enel 6.25% 2019                                  | 922                   | 0.55                                 |
| 1,600,000 | ENI 4.75% 2021                                   | 1,685                 | 1.01                                 |
| 900,000   | FCA Capital Ireland 1.625% 2021                  | 870                   | 0.52                                 |
| 1,670,000 | Fidelity National Information Services 1.7% 2022 | 1,644                 | 0.99                                 |
| 1,200,000 | FirstGroup 5.25% 2022                            | 1,276                 | 0.77                                 |
| 1,200,000 | Friends Life 8.25% 2022                          | 1,416                 | 0.85                                 |
| 400,000   | GE Capital 4.375% 2019                           | 403                   | 0.24                                 |
| 1,100,000 | GE Capital 5.875% 2020                           | 1,160                 | 0.70                                 |
| 1,300,000 | GKN 6.75% 2019                                   | 1,339                 | 0.80                                 |
| 500,000   | Glencore 6% 2022                                 | 552                   | 0.33                                 |
| 1,150,000 | Glencore 6.5% 2019                               | 1,153                 | 0.69                                 |
| 1,656,000 | HSBC 2.175% 2023                                 | 1,641                 | 0.98                                 |
| 1,050,000 | Imperial Brands 9% fixed to floating 2022        | 1,250                 | 0.75                                 |
| 1,300,000 | Intercontinental Hotels 3.875% 2022              | 1,379                 | 0.83                                 |
| 700,000   | JPMorgan Chase 1.875% 2020                       | 703                   | 0.42                                 |
| 1,246,000 | KFW 1.125% 2021                                  | 1,246                 | 0.75                                 |
| 990,000   | LAB Investments 7.125% 2019                      | 992                   | 0.60                                 |
| 691,000   | Lloyds Bank 1.11025% 2020                        | 691                   | 0.41                                 |
| 1,357,000 | LVMH 1% 2022                                     | 1,338                 | 0.80                                 |
| 400,000   | Marks & Spencer 6.125% 2019                      | 412                   | 0.25                                 |
| 1,000,000 | Merrill Lynch 5.5% 2021                          | 1,089                 | 0.65                                 |
| 1,691,000 | MetLife Global Funding I 1.125% 2021             | 1,670                 | 1.00                                 |
| 209,000   | MetLife Global Funding I 2.625% 2022             | 216                   | 0.13                                 |
| 900,000   | National Australia Bank 0.875% 2020              | 892                   | 0.54                                 |
| 1,050,000 | National Australia Bank 1.375% 2022              | 1,036                 | 0.62                                 |
| 1,200,000 | National Grid 1.125% 2021                        | 1,186                 | 0.71                                 |

| Holding                            | Investment                                | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|---|-----------------------|--------------------------------------|
| 881,000                            | National Westminster Bank 1.1465% 2020    | 880                   | 0.53                                 |
| 1,200,000                          | New York Life Global Funding 1% 2021      | 1,182                 | 0.71                                 |
| 1,637,000                          | New York Life Global Funding 1.75% 2022   | 1,648                 | 0.99                                 |
| 1,170,000                          | Northern Powergrid 7.25% 2022             | 1,408                 | 0.84                                 |
| 900,000                            | Orange 7.25% fixed to floating 2020       | 988                   | 0.59                                 |
| 314,000                            | PCL Funding II FRN 2022                   | 312                   | 0.19                                 |
| 540,000                            | PCL Funding III FRN 2023                  | 533                   | 0.32                                 |
| 1,400,000                          | Phoenix Group 4.125% 2022                 | 1,416                 | 0.85                                 |
| 306,000                            | Principality Building Society 2.375% 2023 | 298                   | 0.18                                 |
| 243,000                            | Provident Financial 7% 2023               | 240                   | 0.14                                 |
| 1,300,000                          | RCI Banque 1.875% 2022                    | 1,262                 | 0.76                                 |
| 400,000                            | RELX 2.75% 2019                           | 401                   | 0.24                                 |
| 1,400,000                          | RWE 5.5% 2022                             | 1,567                 | 0.94                                 |
| 737,000                            | Santander UK 1.1085% 2020                 | 737                   | 0.44                                 |
| 534,000                            | Scania 1.875% 2022                        | 524                   | 0.31                                 |
| 1,500,000                          | Scottish Power UK 6.75% 2023              | 1,788                 | 1.07                                 |
| 1,100,000                          | Segro 7% 2022                             | 1,261                 | 0.76                                 |
| 739,000                            | Severn Trent 1.125% 2021                  | 730                   | 0.44                                 |
| 830,000                            | Severn Trent 1.625% 2022                  | 825                   | 0.50                                 |
| 1,100,000                          | Shell 2% 2019                             | 1,107                 | 0.66                                 |
| 1,300,000                          | Southern Water 5% 2021                    | 1,391                 | 0.83                                 |
| 950,000                            | Southern Water 6.125% 2019                | 956                   | 0.57                                 |
| 1,661,000                          | SPI Australia Assets 5.125% 2021          | 1,767                 | 1.06                                 |
| 1,250,000                          | Svensk Exportkredit 1.375% 2023           | 1,248                 | 0.75                                 |
| 800,000                            | Svenska Handelsbanken 1.625% 2022         | 799                   | 0.48                                 |
| 1,365,000                          | Swedbank 1.25% 2021                       | 1,347                 | 0.81                                 |
| 380,000                            | Thames Water 2.375% 2023                  | 368                   | 0.22                                 |
| 1,200,000                          | Thames Water Utilities Finance 5.05% 2020 | 1,253                 | 0.75                                 |
| 800,000                            | Toyota Finance Australia 1.625% 2022      | 799                   | 0.48                                 |
| 630,000                            | UBS 1.25% 2020                            | 626                   | 0.38                                 |
| 1,100,000                          | United Utilities 5.75% 2022               | 1,240                 | 0.74                                 |
| 425,000                            | Volkswagen Financial Services 1.5% 2021   | 419                   | 0.25                                 |
| 500,000                            | Volkswagen Financial Services 1.75% 2020  | 499                   | 0.30                                 |
| 1,000,000                          | Volkswagen Financial Services 1.75% 2022  | 975                   | 0.59                                 |
| 3,000,000                          | Wells Fargo 5.25% 2023                    | 3,378                 | 2.03                                 |
| 1,000,000                          | Western Power 3.625% 2023                 | 1,042                 | 0.63                                 |
| 800,000                            | Western Power 5.25% 2023                  | 900                   | 0.54                                 |
| 1,000,000                          | Xstrata 7.375% 2020                       | 1,068                 | 0.64                                 |
| between 5 and 10 years to maturity |   |                       |                                      |
| 1,500,000                          | Anheuser-Busch InBev 9.75% 2024           | 2,058                 | 1.23                                 |
| 1,049,000                          | Citigroup 5.875% 2024                     | 1,218                 | 0.73                                 |

| Holding                             | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|--|-----------------------|--------------------------------------|
| 2,000,000                           | CYBG 5% 2026                                       | 1,960                 | 1.18                                 |
| 900,000                             | Experian 2.125% 2024                               | 906                   | 0.54                                 |
| 1,800,000                           | Lloyds Bank 5.75% fixed to floating 2025           | 1,879                 | 1.13                                 |
| 750,000                             | Motor 2016-1 1.3% 2025                             | 708                   | 0.42                                 |
| between 10 and 15 years to maturity |  |                       |                                      |
| 1,050,000                           | Thames Water 5.75% 2030                            | 1,146                 | 0.69                                 |
| between 15 and 25 years to maturity |  |                       |                                      |
| 1,800,000                           | Aviva 6.625% fixed to floating 2041                | 1,956                 | 1.17                                 |
| 900,000                             | CNP Assurances 7.375% 2041                         | 999                   | 0.60                                 |
| 400,000                             | Standard Life Aberdeen FRN 2042                    | 440                   | 0.26                                 |
| greater than 25 years to maturity   |  |                       |                                      |
| 1,100,000                           | America Movil 6.375% fixed to floating 2073        | 1,158                 | 0.69                                 |
| 1,200,000                           | BHP Billiton 6.5% 2077                             | 1,338                 | 0.80                                 |
| 733,000                             | Castell 2017-1 1.75869% 2044                       | 321                   | 0.19                                 |
| 1,653,000                           | Enel 6.625% fixed to floating 2076                 | 1,750                 | 1.05                                 |
| 665,000                             | Feldspar 2016-1 FRN 2045                           | 384                   | 0.23                                 |
| 1,317,000                           | Paragon 1.43044% 2050                              | 1,288                 | 0.77                                 |
| 232,000                             | Precise Mortgage Funding 2018-1B FRN 2054          | 207                   | 0.12                                 |
| 1,000,000                           | Precise Mortgage Funding 2018-2B FRN 2055          | 902                   | 0.54                                 |
| 700,000                             | RMAC 1.54306% 2046                                 | 630                   | 0.38                                 |
| 821,000                             | Tolkien Funding Sukuk 1.43283% 2052                | 722                   | 0.43                                 |
| 1,200,000                           | Yorkshire Water FRN 2046                           | 1,235                 | 0.74                                 |
| Perpetual                           |  |                       |                                      |
| 1,700,000                           | Barclays 14% fixed to floating Perpetual           | 1,771                 | 1.06                                 |
| 1,200,000                           | HSBC 5.862% Perpetual                              | 1,239                 | 0.74                                 |
| 1,300,000                           | Legal & General 5.875% fixed to floating Perpetual | 1,303                 | 0.78                                 |
| 800,000                             | Nationwide Building Society 6.875% Perpetual       | 808                   | 0.48                                 |
| 600,000                             | Orange 5.75% fixed to floating Perpetual           | 637                   | 0.38                                 |
| 1,300,000                           | Orange 5.875% Perpetual                            | 1,382                 | 0.83                                 |
| 1,400,000                           | SSE 3.875% fixed to floating Perpetual             | 1,398                 | 0.84                                 |
| 1,200,000                           | Zurich FRN Perpetual                               | 1,331                 | 0.80                                 |
| <b>Government Bonds (0.61%)</b>     |  | <b>4,777</b>          | <b>2.86</b>                          |
| less than 5 years to maturity       |  |                       |                                      |
| 1,000,000                           | Council of Europe Development Bank 1.125% 2021     | 998                   | 0.60                                 |
| 3,800,000                           | UK (Govt of) 0.75% 2023                            | 3,779                 | 2.26                                 |

| Holding                                    | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>US Dollar Denominated Bonds (9.97%)</b> |   | <b>12,986</b>         | <b>7.79</b>                          |
| <b>Corporate Bonds (9.73%)</b>             |   | <b>12,598</b>         | <b>7.56</b>                          |
| less than 5 years to maturity              |   |                       |                                      |
| 399,000                                    | Anadarko Petroleum 4.85% 2021                     | 311                   | 0.19                                 |
| 527,000                                    | AutoNation 3.35% 2021                             | 397                   | 0.24                                 |
| 522,000                                    | AXA Equitable Holdings 3.9% 2023                  | 397                   | 0.24                                 |
| 1,000,000                                  | BP Capital Markets 2.315% 2020                    | 757                   | 0.45                                 |
| 1,300,000                                  | Canadian Natural Resources 2.95% 2023             | 965                   | 0.58                                 |
| 1,000,000                                  | Caterpillar Financial Services 1.35% 2019         | 757                   | 0.45                                 |
| 780,000                                    | CVS Health 3.35% 2021                             | 596                   | 0.36                                 |
| 227,000                                    | Danske Bank 5.375% 2024                           | 175                   | 0.11                                 |
| 750,000                                    | Edison International 2.125% 2020                  | 552                   | 0.33                                 |
| 400,000                                    | Exelon 3.497% 2022                                | 302                   | 0.18                                 |
| 650,000                                    | JM Smucker 2.5% 2020                              | 491                   | 0.29                                 |
| 1,000,000                                  | Marathon Petroleum 3.4% 2020                      | 763                   | 0.46                                 |
| 1,200,000                                  | Microsoft 2.4% 2022                               | 907                   | 0.54                                 |
| 1,000,000                                  | Mizuho Financial 2.953% 2022                      | 750                   | 0.45                                 |
| 1,000,000                                  | Morgan Stanley 3.649% 2022                        | 767                   | 0.46                                 |
| 94,000                                     | Newell Brands 2.6% 2019                           | 71                    | 0.04                                 |
| 1,208,000                                  | Penske Truck Leasing 2.7% 2023                    | 878                   | 0.53                                 |
| 1,000,000                                  | Philip Morris International 2% 2020               | 754                   | 0.45                                 |
| 683,000                                    | Plains All American Pipeline 3.85% 2023           | 513                   | 0.31                                 |
| 1,100,000                                  | Toyota Motor Credit 2.6% 2022                     | 830                   | 0.50                                 |
| 886,000                                    | UBS 2.45% 2020                                    | 665                   | 0.40                                 |
| <b>Government Bonds (0.24%)</b>            |   | <b>388</b>            | <b>0.23</b>                          |
| less than 5 years to maturity              |   |                       |                                      |
| 500,000                                    | Qatar (Govt of) 3.875% 2023                       | 388                   | 0.23                                 |
| <b>Derivatives (-0.18%)</b>                |   | <b>300</b>            | <b>0.18</b>                          |
| <b>Forward Currency Contracts (-0.19%)</b> |   | <b>447</b>            | <b>0.27</b>                          |
|  | Buy GBP 4,327,547 Sell EUR 4,852,000 14/03/2019   | 89                    | 0.05                                 |
|  | Buy GBP 175,653 Sell USD 227,000 14/03/2019       | 3                     | 0.00                                 |
|  | Buy GBP 14,184,457 Sell USD 18,221,000 14/03/2019 | 363                   | 0.22                                 |
|  | Buy USD 105,000 Sell GBP 82,605 14/03/2019        | (3)                   | 0.00                                 |
|  | Buy USD 1,086,000 Sell GBP 829,239 14/03/2019     | (5)                   | 0.00                                 |

| Holding  | Investment                             | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
| <b>Futures (0.01%)</b>                         |  | <b>(147)</b>          | <b>(0.09)</b>                        |
| (91)   | Short US 5 Year Note Future 29/03/2019 | (147)                 | (0.09)                               |
| <b>Total investment assets and liabilities</b> |  | <b>161,942</b>        | <b>97.11</b>                         |
| Net other assets                               |  | 4,827                 | 2.89                                 |
| <b>Total Net Assets</b>                        |  | <b>166,769</b>        | <b>100.00</b>                        |

Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |              | 31 January 2018 |              |
|---|-----------------|--------------|-----------------|--------------|
|   | £'000           | £'000        | £'000           | £'000        |
| Income:   |                 |              |                 |              |
| Net capital losses  |                 | (783)        |                 | (834)        |
| Revenue   | 1,685           |              | 1,293           |              |
| Expenses  | (234)           |              | (221)           |              |
| Net revenue before taxation   | 1,451           |              | 1,072           |              |
| Taxation  | (64)            |              | -               |              |
| Net revenue after taxation  |                 | 1,387        |                 | 1,072        |
| <b>Total return before distributions</b>  |                 | <b>604</b>   |                 | <b>238</b>   |
| Distributions   |                 | (1,386)      |                 | (1,072)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(782)</b> |                 | <b>(834)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>162,116</b> |                 | <b>113,858</b> |
| Amounts receivable on the issue of shares  | 10,836          |                | 38,356          |                |
| Amounts payable on the cancellation of shares  | (5,829)         |                | (2,894)         |                |
|  |                 | 5,007          |                 | 35,462         |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (782)          |                 | (834)          |
| Retained distribution on accumulation shares   |                 | 428            |                 | 353            |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>166,769</b> |                 | <b>148,839</b> |

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



## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 162,097        |              | 158,778        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 2,887           |                | 4,029        |                |
| Cash and bank balances                         | 6,319           |                | 1,301        |                |
|  |                 | 9,206          |              | 5,330          |
| Total assets                                   |                 | 171,303        |              | 164,108        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | (155)          |              | (310)          |
| Creditors                                      | (3,939)         |                | (1,170)      |                |
| Distribution payable                           | (440)           |                | (512)        |                |
|  |                 | (4,379)        |              | (1,682)        |
| Total liabilities                              |                 | (4,534)        |              | (1,992)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>166,769</b> |              | <b>162,116</b> |

**Distribution table****For the three months ended 31 October 2018**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 October 2018

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.3676                                | -                                       | 0.3676*                                      | 0.3034                                       |
| Group 2                      | -                                     | 0.3676                                  | 0.3676*                                      | 0.3034                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3600                                | -                                       | 0.3600**                                     | 0.3010                                       |
| Group 2                      | -                                     | -                                       | -  | 0.3010                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.4468                                | -                                       | 0.4468*                                      | 0.3800                                       |
| Group 2                      | 0.2050                                | 0.2418                                  | 0.4468*                                      | 0.3800                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4352                                | -                                       | 0.4352**                                     | 0.3760                                       |
| Group 2                      | 0.1385                                | 0.2966                                  | 0.4352**                                     | 0.3760                                       |
| <b>K Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.4733                                | -                                       | 0.4733*                                      | 0.4058                                       |
| Group 2                      | 0.1856                                | 0.2877                                  | 0.4733*                                      | 0.4058                                       |
| <b>K Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4601                                | -                                       | 0.4601**                                     | 0.4012                                       |
| Group 2                      | 0.2399                                | 0.2202                                  | 0.4601**                                     | 0.4012                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.5237                                | -                                       | 0.5237*                                      | 0.4545                                       |
| Group 2                      | -                                     | -                                       | -  | 0.4545                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 31 January 2019.

**For the three months ended 31 January 2019**

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.2897                                | -                                       | 0.2897*                                      | 0.3241                                       |
| Group 2                      | -                                     | -                                       | -  | 0.3241                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.2818                                | -                                       | 0.2818**                                     | 0.3206                                       |
| Group 2                      | -                                     | -                                       | -  | 0.3206                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.3694                                | -                                       | 0.3694*                                      | 0.4030                                       |
| Group 2                      | 0.2127                                | 0.1567                                  | 0.3694*                                      | 0.4030                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3582                                | -                                       | 0.3582**                                     | 0.3973                                       |
| Group 2                      | 0.1911                                | 0.1671                                  | 0.3582**                                     | 0.3973                                       |
| <b>K Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.3958                                | -                                       | 0.3958*                                      | 0.4291                                       |
| Group 2                      | 0.2168                                | 0.1790                                  | 0.3958*                                      | 0.4291                                       |
| <b>K Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.3830                                | -                                       | 0.3830**                                     | 0.4226                                       |
| Group 2                      | 0.1879                                | 0.1951                                  | 0.3830**                                     | 0.4226                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.3700                                | -                                       | 0.3700*                                      |  |
| Group 2 <sup>B</sup>         | -                                     | -                                       | -  |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.3700                                | -                                       | 0.3700**                                     |  |
| Group 2 <sup>B</sup>         | -                                     | -                                       | -  |  |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.4454                                | -                                       | 0.4454*                                      | 0.4763                                       |
| Group 2                      | -                                     | -                                       | -  | 0.4763                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution payable on 30 April 2019.

<sup>A</sup> shares created for initial seeding of the share class prior to 29 November 2018.<sup>B</sup> shares purchased between 29 November 2018 and 31 January 2019.

# Aberdeen Sterling Short Term Government Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in Sterling denominated UK government Debt and debt-related securities with a maturity of up to five years.

The Fund may also invest in other transferable securities, including Debt and debt-related securities of any maturity and denominated in any currency issued by governments, public bodies and supra-national issuers worldwide, Investment grade corporate Debt and debt-related securities, as well as money market instruments, deposits, cash and near cash, derivatives (for efficient portfolio management only) and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Sterling Short Term Government Bond Fund – A Accumulation shares increased by 0.31% compared to an increase of 0.60% in the benchmark, the FTSE-A British Government under 5 Years Index.

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

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

## Market review

For much of the past year, the gilt market has been dominated by the seemingly intractable negotiations for the UK's exit from the European Union ("Brexit"). Progress was slow, and marked by a number of twists and turns. The EU's rejection of Prime Minister Theresa May's Chequers Plan in September and stalemate on the Irish border question left the gilt market struggling to coherently price for interest rate policy developments. That applied equally to economy news, which implied very limited spare capacity and higher-than-expected inflation (due in part to weaker sterling) but fragile levels of business confidence.

In the final three months of 2018, the approval of Mrs May's latest iteration of a Brexit Plan proved too awkward to win a vote in Parliament; the ruling Conservative Party was deeply divided, and opposition from other parties was implacable, causing the PM to delay a decision to January. In this environment, fundamentals and domestic news exerted minimal influence, and the uncertainties created by the Brexit process provided a solid "risk-off" underpinning to gilt yields. The UK yield curve was particularly volatile.

During January Mrs May's Withdrawal Agreement (WA) was defeated in the UK parliament by a huge margin. Jeremy Corbyn, the leader of the opposition, called a 'vote of confidence'; this, too, was defeated. Mrs May was now in the unusual position where she commanded the confidence of Parliament and the confidence of her party, but remained some margin from getting the WA through Parliament before the 29 March Brexit deadline.

Elsewhere, financial market participants continued to focus on underlying global growth, and as one issue calmed another would become the focus. Concerns over Italian budget negotiations, excess oil supply, disappointing Chinese growth, trade war talk and the effect of widening credit spreads all played a part. Latterly, there was a notable shift in US monetary policy. This, coupled with the US Government shutdown and continuing 'trade wars', resulted in US Treasury yields initially heading higher but then grinding lower.

UK 10-year gilts started the review period with a yield of 1.37% and ended at 1.23%. Yields ranged from 1.72% in October (pulled higher by better-than-expected economic data and favourable comments from the chairman of the US Federal Reserve) and as low as 1.18% in mid-December.

## Portfolio review

Duration positions made a positive contribution. At different points over the review period the fund was positioned either long or short duration. This was mostly driven by perceived Brexit optimism or pessimism. The fund ended the period with a small short duration position.

Another positive driver was cross-market positions. The fund went into the period holding a position in Australian and Canadian government bonds, selling UK gilts. The fund took profits on the Australian position, reducing in August and closing in September. The fund held the position in Canadian government bonds until December when the fund took profits. The fund re-entered the Australian position in December. As Australian government bonds outperformed versus gilts over the year-end the fund took profits. The fund ended the period holding French government bonds and Canadian government bonds.

Curve positions acted as a drag on performance. The fund went into the period holding a flattener position. In November this position was closed out, after the curve steepened significantly.

In January the fund added a position in 30-year US Treasury Inflation-Protected Securities. The change in tone from the US Federal Reserve meant these positions performed well, boosting performance.

## Outlook

The backdrop remains one of an economy operating with limited spare capacity, despite the demand side being constrained by ongoing Brexit headwinds. Gilt sentiment remains almost entirely dictated by the Brexit process, with fundamentals exerting minimal influence.

The technical outlook for UK government bonds over the coming month is supportive, with large redemptions in March prompting sizeable Asset Purchase Facility reinvestment flows. On the supply side, a sizeable improvement in the public finance outlook means headline issuance is projected to fall below £100 billion and net issuance to £30 billion, the lowest levels since 2008. Despite this generally supportive technical and supply backdrop, from a valuation perspective gilts look expensive at current levels.

**Pan Euro Macro Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 3 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 7,025           | 6,809        | 7,291        | 9,152        |
| Closing number of shares                  | 5,509,201       | 5,358,115    | 5,671,889    | 7,018,909    |
| Closing net asset value per share (pence) | 127.51          | 127.08       | 128.54       | 130.39       |
| Change in net asset value per share       | 0.34%           | (1.14%)      | (1.42%)      | 1.82%        |
| Operating charges                         | 0.84%           | 1.07%        | 1.12%        | 1.12%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 947             | 1,027        | 1,508        | 1,941        |
| Closing number of shares                  | 822,570         | 895,050      | 1,299,839    | 1,649,520    |
| Closing net asset value per share (pence) | 115.09          | 114.70       | 116.02       | 117.69       |
| Change in net asset value per share       | 0.34%           | (1.14%)      | (1.42%)      | 1.82%        |
| Operating charges                         | 0.84%           | 1.07%        | 1.12%        | 1.12%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 59,794          | 62,395       | 69,932       | 72,753       |
| Closing number of shares                  | 58,705,483      | 61,618,042   | 68,621,371   | 70,721,637   |
| Closing net asset value per share (pence) | 101.85          | 101.26       | 101.91       | 102.87       |
| Change in net asset value per share       | 0.58%           | (0.64%)      | (0.93%)      | 2.29%        |
| Operating charges                         | 0.35%           | 0.57%        | 0.62%        | 0.62%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 18,725          | 22,270       | 24,828       | 23,031       |
| Closing number of shares                  | 18,678,695      | 22,305,148   | 24,650,027   | 22,638,375   |
| Closing net asset value per share (pence) | 100.25          | 99.84        | 100.72       | 101.73       |
| Change in net asset value per share       | 0.41%           | (0.87%)      | (0.99%)      | 2.13%        |
| Operating charges                         | 0.35%           | 0.57%        | 0.62%        | 0.62%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 100.50          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.00%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 100.25          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.00%           |              |              |              |

| <b>P Income shares</b>                    | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
|---|------------------------|---------------------|---------------------|---------------------|
| Closing net asset value (£'000)           | 6,786                  | 5,777               | 1                   | 170                 |
| Closing number of shares                  | 5,819,003              | 4,973,817           | 851                 | 143,659             |
| Closing net asset value per share (pence) | 116.62                 | 116.15              | 117.17              | 118.15              |
| Change in net asset value per share       | 0.40%                  | (0.87%)             | (0.83%)             | 2.14%               |
| Operating charges                         | 0.25%                  | 0.29%               | 0.32%               | 0.32%               |
| <b>Z Accumulation shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
| Closing net asset value (£'000)           | 1,247                  | 1,039               | 965                 | 710                 |
| Closing number of shares                  | 824,601                | 692,117             | 642,064             | 469,905             |
| Closing net asset value per share (pence) | 151.21                 | 150.10              | 150.34              | 151.05              |
| Change in net asset value per share       | 0.74%                  | (0.16%)             | (0.47%)             | 2.71%               |
| Operating charges                         | 0.05%                  | 0.09%               | 0.12%               | 0.12%               |

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

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

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

<sup>A</sup> M share classes launched on 29 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding  | Investment                           | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--------------------------------------|-----------------------|--------------------------------------|
| <b>Bonds (98.66%)</b>                              |                                      | <b>93,195</b>         | <b>98.60</b>                         |
| <b>Australian Dollar Denominated Bonds (5.63%)</b> |                                      | -                     | -                                    |
| <b>Government Bonds (5.63%)</b>                    |                                      | -                     | -                                    |
| <b>Canadian Dollar Denominated Bonds (5.69%)</b>   |                                      | <b>4,292</b>          | <b>4.54</b>                          |
| <b>Government Bonds (5.69%)</b>                    |                                      | <b>4,292</b>          | <b>4.54</b>                          |
| less than 5 years to maturity                      |                                      |                       |                                      |
| 7,345,000  | Canadian (Govt of) 2% 2023           | 4,292                 | 4.54                                 |
| <b>Euro Denominated Bonds (0.00%)</b>              |                                      | <b>4,173</b>          | <b>4.42</b>                          |
| <b>Government Bonds (0.00%)</b>                    |                                      | <b>4,173</b>          | <b>4.42</b>                          |
| less than 5 years to maturity                      |                                      |                       |                                      |
| 3,951,000  | France (Govt of) 4.25% 2023          | 4,173                 | 4.42                                 |
| <b>Sterling Denominated Bonds (87.34%)</b>         |                                      | <b>83,942</b>         | <b>88.81</b>                         |
| <b>Government Bonds (87.34%)</b>                   |                                      | <b>83,942</b>         | <b>88.81</b>                         |
| less than 5 years to maturity                      |                                      |                       |                                      |
| 8,363,000  | UK (Govt of) 0.5% 2022               | 8,278                 | 8.76                                 |
| 4,569,000  | UK (Govt of) 1.5% 2021               | 4,635                 | 4.90                                 |
| 18,063,000   | UK (Govt of) 1.75% 2019              | 18,149                | 19.20                                |
| 4,717,000  | UK (Govt of) 1.75% 2022              | 4,872                 | 5.16                                 |
| 6,887,000  | UK (Govt of) 2% 2020                 | 7,013                 | 7.42                                 |
| 932,000  | UK (Govt of) 2.25% 2023              | 990                   | 1.05                                 |
| 4,073,000  | UK (Govt of) 3.75% 2020              | 4,266                 | 4.51                                 |
| 3,389,000  | UK (Govt of) 3.75% 2021              | 3,649                 | 3.86                                 |
| 6,455,000  | UK (Govt of) 3.75% Index-Linked 2019 | 6,569                 | 6.95                                 |
| 4,493,000  | UK (Govt of) 4% 2022                 | 4,936                 | 5.22                                 |
| 7,536,000  | UK (Govt of) 4.5% 2019               | 7,562                 | 8.00                                 |
| 6,801,000  | UK (Govt of) 4.75% 2020              | 7,096                 | 7.51                                 |
| 5,071,000  | UK (Govt of) 8% 2021                 | 5,927                 | 6.27                                 |
| <b>US Dollar Denominated Bonds (0.00%)</b>         |                                      | <b>788</b>            | <b>0.83</b>                          |
| <b>Government Bonds (0.00%)</b>                    |                                      | <b>788</b>            | <b>0.83</b>                          |
| greater than 25 years to maturity                  |                                      |                       |                                      |
| 1,048,000  | US Treasury 0.875% Index-Linked 2047 | 788                   | 0.83                                 |



| Holding  | Investment                                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
| <b>Forward Currency Contracts (0.07%)</b>      |  | <b>61</b>             | <b>0.06</b>                          |
|  | Buy AUD 6,596,000 Sell GBP 3,678,574 14/03/2019  | (28)                  | (0.03)                               |
|  | Buy AUD 6,676,000 Sell GBP 3,827,997 14/03/2019  | (133)                 | (0.14)                               |
|  | Buy CAD 9,687,000 Sell GBP 5,688,202 14/03/2019  | (87)                  | (0.09)                               |
|  | Buy GBP 7,557,828 Sell AUD 13,272,000 14/03/2019 | 212                   | 0.22                                 |
|  | Buy GBP 4,263,961 Sell CAD 7,432,000 14/03/2019  | (33)                  | (0.04)                               |
|  | Buy GBP 5,684,677 Sell CAD 9,687,000 14/03/2019  | 84                    | 0.09                                 |
|  | Buy GBP 4,263,177 Sell EUR 4,828,000 14/03/2019  | 46                    | 0.05                                 |
|  | Buy GBP 772,672 Sell USD 1,018,000 14/03/2019    | -                     | -                                    |
| <b>Total investment assets and liabilities</b> |  | <b>93,256</b>         | <b>98.66</b>                         |
| Net other assets                               |  | 1,268                 | 1.34                                 |
| <b>Total Net Assets</b>                        |  | <b>94,524</b>         | <b>100.00</b>                        |

Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |            | 31 January 2018 |                |
|---|-----------------|------------|-----------------|----------------|
|   | £'000           | £'000      | £'000           | £'000          |
| Income:   |                 |            |                 |                |
| Net capital gains/(losses)  |                 | 401        |                 | (984)          |
| Revenue   | 349             |            | 395             |                |
| Expenses  | (186)           |            | (333)           |                |
| Interest payable and similar charges  | (4)             |            | -               |                |
| Net revenue before taxation   | 159             |            | 62              |                |
| Taxation  | -               |            | -               |                |
| Net revenue after taxation  |                 | 159        |                 | 62             |
| <b>Total return before distributions</b>  |                 | <b>560</b> |                 | <b>(922)</b>   |
| Distributions   |                 | (164)      |                 | (79)           |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>396</b> |                 | <b>(1,001)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |                |
|--|-----------------|---------------|-----------------|----------------|
|  | £'000           | £'000         | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>99,317</b> |                 | <b>104,525</b> |
| Amounts receivable on the issue of shares  | 9,106           |               | 8,684           |                |
| Amounts payable on the cancellation of shares  | (14,409)        |               | (11,769)        |                |
|  |                 | (5,303)       |                 | (3,085)        |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | 396           |                 | (1,001)        |
| Retained distribution on accumulation shares   |                 | 114           |                 | 55             |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>94,524</b> |                 | <b>100,494</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 93,537        |              | 98,097        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 1,983           |               | 15,157       |               |
| Cash and bank balances                         | 268             |               | 603          |               |
|  |                 | 2,251         |              | 15,760        |
| Total assets                                   |                 | 95,788        |              | 113,857       |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Investment liabilities                         |                 | (281)         |              | (40)          |
| Creditors                                      | (953)           |               | (14,466)     |               |
| Distribution payable                           | (30)            |               | (34)         |               |
|  |                 | (983)         |              | (14,500)      |
| Total liabilities                              |                 | (1,264)       |              | (14,540)      |
| <b>Net assets attributable to shareholders</b> |                 | <b>94,524</b> |              | <b>99,317</b> |

**Distribution table****For the three months ended 31 October 2018**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 October 2018

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | -                                     | -                                       | -  | -  |
| Group 2                      | -                                     | -                                       | -  | -  |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | -                                     | -                                       | -  | -  |
| Group 2                      | -                                     | -                                       | -  | -  |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.0688                                | -                                       | 0.0688*                                      | 0.0239                                       |
| Group 2                      | 0.0139                                | 0.0549                                  | 0.0688*                                      | 0.0239                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.0679                                | -                                       | 0.0679**                                     | 0.0236                                       |
| Group 2                      | 0.0238                                | 0.0440                                  | 0.0679**                                     | 0.0236                                       |
| <b>P Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.1088                                | -                                       | 0.1088**                                     | 0.1022                                       |
| Group 2                      | 0.0036                                | 0.1052                                  | 0.1088**                                     | 0.1022                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.2154                                | -                                       | 0.2154*                                      | 0.2252                                       |
| Group 2                      | 0.0254                                | 0.1900                                  | 0.2154*                                      | 0.2252                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 31 January 2019.

**For the three months ended 31 January 2019**

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | -                                     | -                                       | -  | -  |
| Group 2                      | -                                     | -                                       | -  | -  |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | -                                     | -                                       | -  | -  |
| Group 2                      | -                                     | -                                       | -  | -  |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.1136                                | -                                       | 0.1136*                                      | 0.0572                                       |
| Group 2                      | 0.0616                                | 0.0520                                  | 0.1136*                                      | 0.0572                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.1121                                | -                                       | 0.1121**                                     | 0.0565                                       |
| Group 2                      | 0.1018                                | 0.0103                                  | 0.1121**                                     | 0.0565                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2500                                | -                                       | 0.2500*                                      |  |
| Group 2 <sup>B</sup>         | 0.2500                                | -                                       | 0.2500*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2500                                | -                                       | 0.2500**                                     |  |
| Group 2 <sup>B</sup>         | 0.2500                                | -                                       | 0.2500**                                     |  |
| <b>P Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.1601                                | -                                       | 0.1601**                                     | 0.1539                                       |
| Group 2                      | 0.0943                                | 0.0658                                  | 0.1601**                                     | 0.1539                                       |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.2830                                | -                                       | 0.2830*                                      | 0.2742                                       |
| Group 2                      | 0.2730                                | 0.0100                                  | 0.2830*                                      | 0.2742                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> shares created for initial seeding of the share class prior to 29 November 2018.<sup>B</sup> shares purchased between 29 November 2018 and 31 January 2019.

# Aberdeen Strategic Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to provide a combination of income and capital growth by investing predominantly in global Debt and debt related securities denominated in (or hedged back to) Sterling.

The Fund may also invest in other transferable securities, including Debt and debt-related securities denominated in any currency, as well as money market instruments, deposits, cash and near cash, and units in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates).

The Fund may use financial derivative instruments for investment purposes and/or efficient portfolio management. The Fund may use derivative instruments to create short and/or long positions.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Strategic Bond Fund – A Accumulation Shares decreased by 0.72%.

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

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

## Market review

After suffering volatility and weakness in previous months, corporate bond markets were materially calmer over the summer of 2018, months. Spreads tightened modestly in both investment grade and high yield markets, supported by fundamental data and lower-than-expected levels of new issuance. Government bond yields rose were on a rising trend, however, however, led by US Treasuries as higher inflation and tighter monetary policy were priced in. Developed markets materially outperformed emerging markets which were particularly affected by the aforementioned weakness in Turkey and Argentina. Towards the end of the quarter the sterling market investment grade market lagged other markets as Brexit concerns increased.

The final three months of 2018 were challenging for risk assets globally with stocks and commodities falling and credit spreads widening as a deteriorating global economic outlook was priced into the market. Trade tensions between the US and China and the ongoing challenges of Brexit added to the worries for investors. As we moved into the new year, corporate bond markets were more stable, recovering significantly from the weakness of late 2018. Rhetoric around trade tensions was calmer. The US Federal Reserve adopted a more dovish tone, appearing to have paused its interest rate-hiking cycle for the time being. These were the most significant macroeconomic factors behind the improvement in sentiment. The technical backdrop also improved, as new bond supply failed to meet expectations.

## Portfolio review

The Fund decreased in value over the review period. The bulk of the underperformance occurred in December, with yields having moved lower and credit markets underperforming. We had implemented some hedging strategies towards the end of November but these were insufficient to counter the volatility experienced during the last few weeks of 2018. A couple of bright spots mitigated the overall negative tone of the market. Tesco Property bonds exhibited an increasing chance of a return to investment grade during 2019. Some of our holdings in higher coupon bank capital bonds benefitted from their excellent carry, and this helped offset the price movement. Lastly, the hedges that were put in place worked to some degree. On the negative side, there were concerns about Clydesdale issuing a T2 bond at the end of November at what looked like expensive levels. This caused the bank's AT1 bonds to move lower. Puma Energy suffered from the move lower in the Angolan Kwanza. AIG's floating rate notes fell in price as yields fell due to the inverse relationship these bonds have with normal fixed rate securities.

## Outlook

The sell-off in the last three months of 2018 left much of the corporate bond universe looking relatively cheap, albeit spreads re-traced some of their underperformance in January. This reflects a slightly calmer macroeconomic background globally. While the asset class still offers good value, it is prudent to reduce risk. The twin threads of a global economic slowdown and – closer to home – the risks around Brexit mean that volatility may persist in 2019. This is likely to provide opportunities to add value within the fund.

## Sterling IG and Aggregate Team

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 3 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- Derivatives: This Fund can use derivatives in order to meet its investment objective. The use of derivatives may result in greater fluctuations in the value of the Fund, and may increase the magnitude of any losses.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 1,626           | 3,151        | 5,795        | 726          |
| Closing number of shares                  | 1,100,850       | 2,117,856    | 3,915,615    | 520,815      |
| Closing net asset value per share (pence) | 147.71          | 148.78       | 148.01       | 139.44       |
| Change in net asset value per share       | (0.72%)         | 0.52%        | 6.15%        | -            |
| Operating charges                         | 1.10%           | 1.13%        | 1.14%        | 1.14%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 20              | 20           | 70           | 57           |
| Closing number of shares                  | 17,206          | 17,191       | 58,671       | 49,771       |
| Closing net asset value per share (pence) | 113.78          | 116.25       | 118.98       | 115.23       |
| Change in net asset value per share       | (2.12%)         | (2.29%)      | 3.25%        | -            |
| Operating charges                         | 1.11%           | 1.13%        | 1.14%        | 1.14%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 7,937           | 17,488       | 21,054       | 7,809        |
| Closing number of shares                  | 5,163,270       | 11,322,477   | 13,769,648   | 5,448,248    |
| Closing net asset value per share (pence) | 153.73          | 154.46       | 152.90       | 143.33       |
| Change in net asset value per share       | (0.47%)         | 1.02%        | 6.68%        | -            |
| Operating charges                         | 0.61%           | 0.63%        | 0.64%        | 0.64%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 3,586           | 3,252        | 1,700        | 2,628        |
| Closing number of shares                  | 3,160,439       | 2,800,980    | 1,430,591    | 2,284,191    |
| Closing net asset value per share (pence) | 113.46          | 116.10       | 118.84       | 115.04       |
| Change in net asset value per share       | (2.27%)         | (2.31%)      | 3.30%        | -            |
| Operating charges                         | 0.61%           | 0.63%        | 0.64%        | 0.64%        |
| I Gross Accumulation shares               | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 925             | 970          | 928          | 519          |
| Closing number of shares                  | 766,403         | 800,228      | 773,628      | 461,928      |
| Closing net asset value per share (pence) | 120.65          | 121.21       | 119.98       | 112.24       |
| Change in net asset value per share       | (0.46%)         | 1.03%        | 6.90%        | -            |
| Operating charges                         | 0.61%           | 0.63%        | 0.64%        | 0.64%        |
| I Gross Income shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 13,493          | 13,373       | 12,887       | 10,301       |
| Closing number of shares                  | 13,663,219      | 13,232,182   | 12,458,482   | 10,285,382   |
| Closing net asset value per share (pence) | 98.76           | 101.06       | 103.44       | 100.16       |
| Change in net asset value per share       | (2.28%)         | (2.30%)      | 3.27%        | -            |
| Operating charges                         | 0.61%           | 0.63%        | 0.64%        | 0.64%        |



| M Accumulation shares <sup>A</sup>        | 31 January 2019 |
|---|-----------------|
| Closing net asset value (£'000)           | -               |
| Closing number of shares                  | 100             |
| Closing net asset value per share (pence) | 101.14          |
| Change in net asset value per share       | -               |
| Operating charges                         | -               |

| M Income shares <sup>A</sup>              | 31 January 2019 |
|---|-----------------|
| Closing net asset value (£'000)           | -               |
| Closing number of shares                  | 100             |
| Closing net asset value per share (pence) | 100.33          |
| Change in net asset value per share       | -               |
| Operating charges                         | -               |

| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 58,169          | 62,218       | 73,280       | 100,278      |
| Closing number of shares                  | 36,235,027      | 38,673,467   | 46,244,367   | 67,821,467   |
| Closing net asset value per share (pence) | 160.53          | 160.88       | 158.46       | 147.86       |
| Change in net asset value per share       | (0.22%)         | 1.53%        | 7.17%        | -            |
| Operating charges                         | 0.11%           | 0.13%        | 0.14%        | 0.14%        |

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

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

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

Fund launched on 11 September 2015.

<sup>A</sup> M share classes launched on 28 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                    | Investment  | Market Value  | Percentage of total net assets |
|--|---|---------------|--------------------------------|
| <b>Bonds (92.76%)</b>                      |   | <b>74,470</b> | <b>86.84</b>                   |
| <b>Euro Denominated Bonds (10.28%)</b>     |   | <b>10,484</b> | <b>12.23</b>                   |
| <b>Corporate Bonds (10.28%)</b>            |   | <b>10,484</b> | <b>12.23</b>                   |
| less than 5 years to maturity              |   |               |                                |
| 330,000                                    | Altice 7.25% 2022                                 | 283           | 0.33                           |
| 407,000                                    | Getlink 3.625% 2023                               | 361           | 0.42                           |
| 919,000                                    | Valeant Pharmaceuticals 4.5% 2023                 | 792           | 0.92                           |
| between 5 and 10 years to maturity         |   |               |                                |
| 600,000                                    | Mylan 3.125% 2028                                 | 533           | 0.62                           |
| 705,000                                    | Numericable 5.625% 2024                           | 633           | 0.74                           |
| 740,000                                    | Smith (DS) 1.375% 2024                            | 627           | 0.73                           |
| 500,000                                    | Unitymedia 3.75% 2027                             | 453           | 0.53                           |
| between 10 and 15 years to maturity        |   |               |                                |
| 700,000                                    | Bayer 2.125% 2029                                 | 606           | 0.71                           |
| 500,000                                    | CaixaBank 2.25% 2030                              | 411           | 0.48                           |
| 800,000                                    | Volkswagen International Finance 3.25% 2030       | 716           | 0.84                           |
| greater than 25 years to maturity          |   |               |                                |
| 600,000                                    | AIG 4.875% 2067                                   | 401           | 0.47                           |
| Perpetual                                  |   |               |                                |
| 700,000                                    | BNP Paribas FRN Perpetual                         | 630           | 0.74                           |
| 600,000                                    | CaixaBank FRN Perpetual                           | 457           | 0.53                           |
| 100,000                                    | Engie 3.25% Perpetual                             | 88            | 0.10                           |
| 1,400,000                                  | NatWest FRN Perpetual                             | 1,181         | 1.38                           |
| 500,000                                    | Telefonica 3.875% Perpetual                       | 406           | 0.47                           |
| 900,000                                    | TOTAL 3.369% Perpetual                            | 817           | 0.95                           |
| 1,300,000                                  | Volkswagen International Finance 3.375% Perpetual | 1,089         | 1.27                           |
| <b>Sterling Denominated Bonds (65.16%)</b> |   | <b>45,982</b> | <b>53.62</b>                   |
| <b>Corporate Bonds (65.16%)</b>            |   | <b>44,138</b> | <b>51.47</b>                   |

| Holding                             | Investment                                    | Market Value | Percentage of total net assets |
|-------------------------------------|---|--------------|--------------------------------|
| less than 5 years to maturity       |   |              |                                |
| 1,100,000                           | Anglian Water 5% 2023                         | 1,063        | 1.24                           |
| 427,000                             | Arqiva 6.75% 2023                             | 443          | 0.52                           |
| 750,000                             | Barclays 10% 2021                             | 865          | 1.01                           |
| 830,000                             | City Greenwich Lewisham Rail Link 9.375% 2020 | 127          | 0.15                           |
| 200,000                             | Deutsche Bank 1.75% 2021                      | 192          | 0.22                           |
| 1,100,000                           | GKN 5.375% 2022                               | 1,165        | 1.36                           |
| 500,000                             | Mizzen Bondco 7% 2021                         | 460          | 0.54                           |
| 287,000                             | Provident Financial 7% 2023                   | 283          | 0.33                           |
| between 5 and 10 years to maturity  |   |              |                                |
| 500,000                             | ABP 6.25% 2026                                | 602          | 0.70                           |
| 1,050,000                           | Anheuser-Busch InBev 1.75% 2025               | 1,010        | 1.18                           |
| 400,000                             | BUPA Finance 5% 2026                          | 434          | 0.51                           |
| 500,000                             | Credit Suisse FRN 2025                        | 479          | 0.56                           |
| 300,000                             | Daily Mail & General Trust 6.375% 2027        | 341          | 0.40                           |
| 700,000                             | Fuller Smith & Turner 6.875% 2028             | 908          | 1.06                           |
| 430,000                             | Gatwick 6.125% 2026                           | 528          | 0.61                           |
| 1,181,000                           | General Motors Financial 2.25% 2024           | 1,120        | 1.31                           |
| 1,100,000                           | Hammerson 3.5% 2025                           | 1,091        | 1.27                           |
| 800,000                             | Heathrow Funding 7.125% 2024                  | 963          | 1.12                           |
| 551,000                             | HSBC 2.256% 2026                              | 532          | 0.62                           |
| 713,000                             | NewRiver REIT 3.5% 2028                       | 682          | 0.78                           |
| 750,000                             | Paragon FRN 2026                              | 776          | 0.91                           |
| 1,187,000                           | Phoenix 6.625% 2025                           | 1,242        | 1.45                           |
| 530,000                             | Thames Water 2.875% 2027                      | 508          | 0.59                           |
| 506,000                             | UBS FRN 2024                                  | 524          | 0.61                           |
| 347,000                             | Unite Group 3.5% 2028                         | 351          | 0.41                           |
| between 10 and 15 years to maturity |   |              |                                |
| 670,000                             | APT Pipelines 3.5% 2030                       | 693          | 0.81                           |
| 683,000                             | Barclays 3.25% 2033                           | 628          | 0.73                           |
| 600,000                             | Broadgate Financing 5.098% 2035               | 650          | 0.76                           |
| 188,000                             | Digital Stout 3.75% 2030                      | 189          | 0.22                           |
| 104,000                             | Notting Hill Genesis 2.875% 2029              | 104          | 0.12                           |
| 100,000                             | Orange 3.25% 2032                             | 102          | 0.12                           |
| 520,000                             | Premiertel 6.175% 2032                        | 549          | 0.64                           |
| 1,000,000                           | Quadgas Finance 3.375% 2029                   | 995          | 1.16                           |
| 550,000                             | Telereal 5.4252% 2031                         | 589          | 0.69                           |

| Holding                             | Investment  | Market Value | Percentage of total net assets |
|-------------------------------------|---|--------------|--------------------------------|
| 800,000                             | Trafford Centre 7.03%% 2029                             | 540          | 0.63                           |
| 1,000,000                           | Virgin Media 6.25% 2029                                 | 1,028        | 1.20                           |
| between 15 and 25 years to maturity |   |              |                                |
| 1,060,000                           | Annington Funding 3.685% 2034                           | 1,064        | 1.24                           |
| 350,000                             | Enel 5.75% 2037   | 423          | 0.49                           |
| 1,012,000                           | QBE Insurance 6.115% 2042                               | 1,090        | 1.27                           |
| 500,000                             | Standard Chartered 5.125% 2034                          | 567          | 0.66                           |
| 1,200,000                           | Tesco 5.744% 2040                                       | 1,362        | 1.59                           |
| 510,000                             | THFC Funding No.2 6.35% 2039                            | 745          | 0.87                           |
| greater than 25 years to maturity   |   |              |                                |
| 250,000                             | American International FRN 2067                         | 221          | 0.26                           |
| 1,000,000                           | Aviva 5.125% 2050                                       | 1,017        | 1.18                           |
| 238,000                             | Aviva FRN 2049  | 231          | 0.27                           |
| 963,000                             | BHP Billiton 6.5% 2077                                  | 1,074        | 1.25                           |
| 170,000                             | Channel Link 3.043% 2050                                | 167          | 0.20                           |
| 1,050,000                           | NGG 5.625% fixed to floating 2073                       | 1,124        | 1.31                           |
| 750,000                             | Precise Mortgage Funding 2017-1B A FRN 2054             | 674          | 0.79                           |
| 180,000                             | Precise Mortgage Funding 2018-1B FRN 2054               | 161          | 0.19                           |
| 800,000                             | Prudential 5% 2055                                      | 840          | 0.98                           |
| 350,000                             | RSA Insurance FRN 2045                                  | 374          | 0.44                           |
| Perpetual                           |   |              |                                |
| 500,000                             | Aviva 5.9021% fixed to floating Perpetual               | 515          | 0.60                           |
| 1,500,000                           | AXA 6.6862% fixed to floating Perpetual                 | 1,681        | 1.96                           |
| 1,200,000                           | Barclays 14% fixed to floating Perpetual                | 1,250        | 1.46                           |
| 200,000                             | Cheltenham & Gloucester 11.75% Perpetual                | 409          | 0.48                           |
| 700,000                             | CYBG 8% Perpetual                                       | 646          | 0.75                           |
| 500,000                             | Direct Line 4.75% Perpetual                             | 406          | 0.47                           |
| 600,000                             | EDF 6% Perpetual  | 602          | 0.70                           |
| 1,000,000                           | Lloyds Bank 13% fixed to floating Perpetual             | 1,643        | 1.91                           |
| 850,000                             | Lloyds Banking Group 7.625% fixed to floating Perpetual | 892          | 1.04                           |
| 500,000                             | National Westminster Bank FRN Perpetual                 | 558          | 0.65                           |
| 700,000                             | Nationwide Building Society 6.875% Perpetual            | 707          | 0.82                           |
| 214,000                             | Orange 5.75% fixed to floating Perpetual                | 227          | 0.27                           |
| 800,000                             | Dignity 4.6956% Perpetual                               | 712          | 0.83                           |
| <b>Government Bonds (0.00%)</b>     |   | <b>1,844</b> | <b>2.15</b>                    |

| Holding                                     | Investment                                    | Market Value  | Percentage of total net assets |
|---|---|---------------|--------------------------------|
| between 5 and 10 years to maturity          |   |               |                                |
| 1,069,000                                   | UK (Govt of) 2% 2025                          | 1,140         | 1.33                           |
| greater than 25 years to maturity           |   |               |                                |
| 700,000                                     | UK (Govt of) 1.75% 2049                       | 704           | 0.82                           |
| <b>US Dollar Denominated Bonds (17.32%)</b> |   | <b>18,004</b> | <b>20.99</b>                   |
| <b>Corporate Bonds (16.92%)</b>             |   | <b>16,257</b> | <b>18.95</b>                   |
| less than 5 years to maturity               |   |               |                                |
| 1,650,000                                   | ABN Amro 6.25% 2022                           | 1,336         | 1.56                           |
| 800,000                                     | Exelon 3.497% 2022                            | 604           | 0.70                           |
| 499,000                                     | UBS 2.45% 2020                                | 374           | 0.44                           |
| 1,500,000                                   | UBS 7.625% 2022                               | 1,247         | 1.45                           |
| 500,000                                     | Wells Fargo 3.069% 2023                       | 378           | 0.44                           |
| between 5 and 10 years to maturity          |   |               |                                |
| 1,600,000                                   | Canadian Natural Resources 3.8% 2024          | 1,222         | 1.43                           |
| 1,250,000                                   | Energy Transfer Partners 4.2% 2027            | 914           | 1.07                           |
| 326,000                                     | Energy Transfer Partners 4.95% 2028           | 251           | 0.29                           |
| 1,500,000                                   | Perrigo Finance 4.375% 2026                   | 1,058         | 1.23                           |
| 1,050,000                                   | Petroleos Mexicanos 6.5% 2027                 | 764           | 0.89                           |
| 1,100,000                                   | Plains All American Pipeline 4.5% 2026        | 832           | 0.97                           |
| 600,000                                     | Puma International Financing 5% 2026          | 386           | 0.45                           |
| 1,200,000                                   | Sabine Pass Liquefaction 5% 2027              | 944           | 1.10                           |
| 218,000                                     | Syngenta Finance 4.892% 2025                  | 162           | 0.19                           |
| 600,000                                     | Turkcell Iletisim 5.8% 2028                   | 420           | 0.49                           |
| 1,300,000                                   | Western Gas Partners 4.75% 2028               | 976           | 1.14                           |
| greater than 25 years to maturity           |   |               |                                |
| 800,000                                     | Marathon Petroleum 4.5% 2048                  | 543           | 0.63                           |
| 581,000                                     | MPLX 5.5% 2049                                | 450           | 0.52                           |
| 640,000                                     | NatWest Markets 7.125% 2093                   | 659           | 0.77                           |
| Perpetual                                   |   |               |                                |
| 700,000                                     | Australia & New Zealand Banking FRN Perpetual | 364           | 0.42                           |
| 500,000                                     | HBOS Capital Funding 6.85% Perpetual          | 383           | 0.45                           |

| Holding                                      | Investment  | Market Value | Percentage of total net assets |
|--|---|--------------|--------------------------------|
| 1,500,000                                    | Royal Bank of Scotland FRN Perpetual                      | 1,403        | 1.64                           |
| 428,000                                      | Societe Generale FRN Perpetual                            | 320          | 0.37                           |
| 349,000                                      | UBS Group Funding Switzerland FRN Perpetual               | 267          | 0.31                           |
| <b>Government Bonds (0.40%)</b>              |   | <b>1,747</b> | <b>2.04</b>                    |
| greater than 25 years to maturity            |   |              |                                |
| 2,300,000                                    | US Treasury 1% Indexed Bonds 2048                         | 1,747        | 2.04                           |
| <b>Collective Investment Schemes (1.66%)</b> |   | <b>980</b>   | <b>1.14</b>                    |
| 109,494                                      | Aberdeen Standard SICAV I - Indian Bond Fund <sup>†</sup> | 980          | 1.14                           |
| <b>Derivatives (-0.35%)</b>                  |   | <b>197</b>   | <b>0.23</b>                    |
| <b>Credit Default Swaps (0.00%)</b>          |   | <b>31</b>    | <b>0.04</b>                    |
| EUR 1,100,000                                | Buy GKN 1.0% 20/09/2022                                   | 6            | 0.01                           |
| EUR 320,000                                  | Buy Telefonica Emisiones 1.0% 20/12/2023                  | (18)         | (0.02)                         |
| EUR 320,000                                  | Sell iTraxx Europe Series 30 Version 1 1.0% 20/12/2023    | 43           | 0.05                           |
| <b>Forward Currency Contracts (-0.47%)</b>   |   | <b>777</b>   | <b>0.91</b>                    |
|  | Buy AUD 111,000 Sell GBP 61,839 14/03/2019                | -            | -                              |
|  | Buy EUR 83,000 Sell GBP 74,412 14/03/2019                 | (2)          | -                              |
|  | Buy EUR 475,000 Sell GBP 419,538 14/03/2019               | (5)          | (0.01)                         |
|  | Buy EUR 515,000 Sell GBP 463,490 14/03/2019               | (14)         | (0.02)                         |
|  | Buy EUR 924,000 Sell GBP 814,708 14/03/2019               | (8)          | (0.01)                         |
|  | Buy GBP 63,316 Sell AUD 111,000 14/03/2019                | 2            | -                              |
|  | Buy GBP 48,844 Sell EUR 55,000 14/03/2019                 | 1            | -                              |
|  | Buy GBP 71,395 Sell EUR 79,000 14/03/2019                 | 2            | -                              |
|  | Buy GBP 75,459 Sell EUR 87,000 14/03/2019                 | (1)          | -                              |
|  | Buy GBP 129,438 Sell EUR 144,000 14/03/2019               | 4            | 0.01                           |
|  | Buy GBP 187,562 Sell EUR 208,000 14/03/2019               | 6            | 0.01                           |
|  | Buy GBP 452,112 Sell EUR 501,000 14/03/2019               | 14           | 0.02                           |
|  | Buy GBP 512,574 Sell EUR 568,000 14/03/2019               | 16           | 0.02                           |
|  | Buy GBP 11,197,038 Sell EUR 12,554,000 14/03/2019         | 231          | 0.27                           |
|  | Buy GBP 41,348 Sell USD 52,000 14/03/2019                 | 2            | -                              |
|  | Buy GBP 53,532 Sell USD 68,000 14/03/2019                 | 2            | -                              |

| Holding                        | Investment  | Market Value | Percentage of total net assets |
|--------------------------------|---|--------------|--------------------------------|
|                                | Buy GBP 55,430 Sell USD 71,000 14/03/2019         | 2            | -                              |
|                                | Buy GBP 66,981 Sell USD 85,000 14/03/2019         | 3            | 0.01                           |
|                                | Buy GBP 77,558 Sell USD 98,000 14/03/2019         | 3            | 0.01                           |
|                                | Buy GBP 101,473 Sell USD 130,000 14/03/2019       | 3            | -                              |
|                                | Buy GBP 141,069 Sell USD 180,000 14/03/2019       | 5            | 0.01                           |
|                                | Buy GBP 306,251 Sell USD 403,000 14/03/2019       | 1            | -                              |
|                                | Buy GBP 604,617 Sell USD 784,000 14/03/2019       | 10           | 0.01                           |
|                                | Buy GBP 969,912 Sell USD 1,235,000 14/03/2019     | 33           | 0.04                           |
|                                | Buy GBP 1,888,335 Sell USD 2,473,000 14/03/2019   | 12           | 0.01                           |
|                                | Buy GBP 20,114,823 Sell USD 25,839,000 14/03/2019 | 514          | 0.60                           |
|                                | Buy USD 56,000 Sell GBP 42,479 14/03/2019         | -            | -                              |
|                                | Buy USD 56,000 Sell GBP 44,113 14/03/2019         | (2)          | -                              |
|                                | Buy USD 62,000 Sell GBP 48,492 14/03/2019         | (1)          | -                              |
|                                | Buy USD 150,000 Sell GBP 117,205 14/03/2019       | (3)          | -                              |
|                                | Buy USD 430,000 Sell GBP 341,919 14/03/2019       | (16)         | (0.02)                         |
|                                | Buy USD 613,000 Sell GBP 464,547 14/03/2019       | -            | -                              |
|                                | Buy USD 616,000 Sell GBP 474,883 14/03/2019       | (8)          | (0.01)                         |
|                                | Buy USD 620,000 Sell GBP 479,712 14/03/2019       | (9)          | (0.01)                         |
|                                | Buy USD 852,000 Sell GBP 660,968 14/03/2019       | (15)         | (0.02)                         |
|                                | Buy USD 1,155,000 Sell GBP 881,424 14/03/2019     | (5)          | (0.01)                         |
| <b>Futures (-0.13%)</b>        |   | <b>(644)</b> | <b>(0.75)</b>                  |
| 45                             | Long Australian 10 Year Bond Future 15/03/2019    | 63           | 0.07                           |
| (68)                           | Short Euro Bond Future 07/03/2019                 | (90)         | (0.09)                         |
| (157)                          | Short Long Gilt Future 27/03/2019                 | (162)        | (0.19)                         |
| (49)                           | Short US 10 Year Note Future 20/03/2019           | (126)        | (0.15)                         |
| (46)                           | Short US 10 Year Ultra Future 20/03/2019          | (169)        | (0.20)                         |
| (20)                           | Short US 5 Year Note Future 29/03/2019            | (32)         | (0.04)                         |
| (19)                           | Short US Ultra Bond (CBT) Future 20/03/2019       | (128)        | (0.15)                         |
| <b>Inflation Swaps (0.00%)</b> |   | <b>37</b>    | <b>0.04</b>                    |
| USD 3,100,000                  | Pay Fixed 2.0545% Receive USCPI 14/01/2029        | (1)          | -                              |
| GBP 1,86,0000                  | Receive Fixed 3.635% Pay UKRPI 15/01/2029         | 38           | 0.04                           |

| Holding  | Investment                                      | Market Value  | Percentage of total net assets |
|--|---|---------------|--------------------------------|
| <b>Interest Rate Swaps (0.25%)</b>             |   | <b>(4)</b>    | <b>(0.01)</b>                  |
| EUR 3,270,000                                  | Receive Fixed 1.293% Pay EUR-EIBOR 16/10/2029   | 138           | 0.16                           |
| SEK 34,700,000                                 | Pay Fixed 1.6535% Receive SEK-STIBOR 16/10/2029 | (142)         | (0.17)                         |
| <b>Total investment assets and liabilities</b> |   | <b>75,647</b> | <b>88.21</b>                   |
| Net other assets                               |   | 10,109        | 11.79                          |
| <b>Total Net Assets</b>                        |   | <b>85,756</b> | <b>100.00</b>                  |

† Managed by subsidiaries of Standard Life Aberdeen plc.  
 Currently forward positions are not collateralised.  
 Comparative figures are as at 31 July 2018.



**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital (losses)/gains  |                 | (2,252)        |                 | 810          |
| Revenue   | 1,985           |                | 1,989           |              |
| Expenses  | (142)           |                | (206)           |              |
| Interest payable and similar charges  | (3)             |                | 0               |              |
| Net revenue before taxation   | 1,840           |                | 1,783           |              |
| Taxation  | -               |                | -               |              |
| Net revenue after taxation  |                 | 1,840          |                 | 1,783        |
| <b>Total return before distributions</b>  |                 | <b>(412)</b>   |                 | <b>2,593</b> |
| Distributions   |                 | (1,840)        |                 | (1,783)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(2,252)</b> |                 | <b>810</b>   |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>100,472</b> |                 | <b>115,714</b> |
| Amounts receivable on the issue of shares  | 5,175           |                | 4,566           |                |
| Amounts payable on the cancellation of shares  | (19,131)        |                | (13,401)        |                |
|  |                 | (13,956)       |                 | (8,835)        |
| Dilution adjustment  |                 | 47             |                 | -              |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (2,252)        |                 | 810            |
| Retained distribution on accumulation shares   |                 | 1,445          |                 | 1,530          |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>85,756</b>  |                 | <b>109,219</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |                |
|--|-----------------|---------------|--------------|----------------|
|  | £'000           | £'000         | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |               |              |                |
| Fixed assets:                                  |                 |               |              |                |
| Investment assets                              |                 | 76,604        |              | 95,202         |
| Current assets:                                |                 |               |              |                |
| Debtors  | 2,018           |               | 5,487        |                |
| Cash and bank balances                         | 9,566           |               | 2,620        |                |
|  |                 | 11,584        |              | 8,107          |
| Total assets                                   |                 | 88,188        |              | 103,309        |
| <b>Liabilities:</b>                            |                 |               |              |                |
| Investment liabilities                         |                 | (957)         |              | (685)          |
| Creditors                                      | (1,303)         |               | (1,987)      |                |
| Distribution payable                           | (172)           |               | (165)        |                |
|  |                 | (1,475)       |              | (2,152)        |
| Total liabilities                              |                 | (2,432)       |              | (2,837)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>85,756</b> |              | <b>100,472</b> |

## Distribution table

For the three months ended 31 October 2018

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 October 2018

|                                    | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.0587                                | -                                       | 1.0587*                                      | 0.9000                                       |
| Group 2                            | 0.6239                                | 0.4348                                  | 1.0587*                                      | 0.9000                                       |
| <b>A Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.8273                                | -                                       | 0.8273**                                     | 0.7235                                       |
| Group 2                            | 0.4573                                | 0.3700                                  | 0.8273**                                     | 0.7235                                       |
| <b>I Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.2979                                | -                                       | 1.2979*                                      | 1.1243                                       |
| Group 2                            | 0.7337                                | 0.5643                                  | 1.2979*                                      | 1.1243                                       |
| <b>I Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.9756                                | -                                       | 0.9756**                                     | 0.8738                                       |
| Group 2                            | 0.4223                                | 0.5533                                  | 0.9756**                                     | 0.8738                                       |
| <b>I Gross Accumulation shares</b> |                                       |   |  |  |
| Group 1                            | 1.0203                                | -                                       | 1.0203*                                      | 0.8820                                       |
| Group 2                            | 0.5803                                | 0.4400                                  | 1.0203*                                      | 0.8820                                       |
| <b>I Gross Income shares</b>       |                                       |   |  |  |
| Group 1                            | 0.8507                                | -                                       | 0.8507**                                     | 0.7606                                       |
| Group 2                            | 0.4667                                | 0.3840                                  | 0.8507**                                     | 0.7606                                       |
| <b>Z Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.5576                                | -                                       | 1.5576*                                      | 1.3668                                       |
| Group 2                            | -                                     | -                                       | -  | 1.3668                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 31 January 2019.

**For the three months ended 31 January 2019**

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 31 January 2019

|                                    | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.2782                                | -                                       | 1.2782*                                      | 0.9083                                       |
| Group 2                            | 0.6087                                | 0.6695                                  | 1.2782*                                      | 0.9083                                       |
| <b>A Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.8349                                | -                                       | 0.8349**                                     | 0.7257                                       |
| Group 2                            | 0.8349                                | -                                       | 0.8349**                                     | 0.7257                                       |
| <b>I Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.4792                                | -                                       | 1.4792*                                      | 1.1370                                       |
| Group 2                            | 0.7669                                | 0.7123                                  | 1.4792*                                      | 1.1370                                       |
| <b>I Income shares</b>             |                                       |   |  |  |
| Group 1                            | 1.1416                                | -                                       | 1.1416**                                     | 0.8772                                       |
| Group 2                            | 0.5960                                | 0.5456                                  | 1.1416**                                     | 0.8772                                       |
| <b>I Gross Accumulation shares</b> |                                       |   |  |  |
| Group 1                            | 1.1965                                | -                                       | 1.1965*                                      | 0.8922                                       |
| Group 2                            | 0.5423                                | 0.6542                                  | 1.1965*                                      | 0.8922                                       |
| <b>I Gross Income shares</b>       |                                       |   |  |  |
| Group 1                            | 0.9914                                | -                                       | 0.9914**                                     | 0.7636                                       |
| Group 2                            | 0.6009                                | 0.3905                                  | 0.9914**                                     | 0.7636                                       |
| <b>M Accumulation shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>               | 0.8100                                | -                                       | 0.8100*                                      |  |
| Group 2 <sup>B</sup>               | 0.8100                                | -                                       | 0.8100*                                      |  |
| <b>M Income shares</b>             |                                       |   |  |  |
| Group 1 <sup>A</sup>               | 0.8100                                | -                                       | 0.8100**                                     |  |
| Group 2 <sup>B</sup>               | 0.8100                                | -                                       | 0.8100**                                     |  |
| <b>Z Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.7965                                | -                                       | 1.7965*                                      | 1.3842                                       |
| Group 2                            | 1.6965                                | 0.1000                                  | 1.7965*                                      | 1.3842                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 28 November 2018.<sup>B</sup> Shares purchased between 28 November 2018 and 31 January 2019.

# Aberdeen Target Return Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to achieve a positive return over a rolling 12-month period, independent of prevailing market conditions, by investing predominantly in Debt and debt-related securities issued by governments, supranational institutions, government-related bodies and/or corporations, as well as money market instruments, cash, near cash and deposits. There is no guarantee that a positive return will be achieved over 12 months or any time period and capital may be at risk. Investors may not get back the full amount originally invested.

All or a substantial proportion of the physical assets of the Fund may at any time consist of cash and near cash, deposits and/or money market instruments.

Additionally, the Fund may invest in units in collective investments schemes (including other funds managed by the Investment Adviser or its affiliates).

The Fund may use financial derivative instruments for investment purposes and/or efficient portfolio management. The Fund may use derivative instruments to create short and/or long positions.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen Target Return Bond Fund - A Accumulation Shares decreased by 1.13% compared to an increase of 0.43% in the benchmark, the LIBOR GBP 3 Month Index.

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

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

## Market review

The same themes continued to dominate the global bond market over the review period. The ongoing trade war between the US and China was a prominent factor. For much of the period, Italy were on a collision course with the European Union (EU) over continued disagreements on fiscal spending, although Rome and Brussels appeared to have hammered out a compromise during December. Meanwhile, Brexit travails continued, as the UK government appeared no closer to agreeing a withdrawal agreement acceptable both to Westminster and the EU.

Global credit spreads widened over the majority of the period and total return was negative. However global corporate markets started 2019 with credit spreads close to the peak levels of 2016. This was coupled with recuperating risk appetite, which was reflected in the sharp recovery in risk assets.

In currencies, Japan and Switzerland were strong, buoyed by risk-off sentiment. Sterling continued to struggle amid Brexit uncertainties. The Brazilian real rallied on the election of Jair Bolsonaro as the country's president, on the expectation that he would pursue more market-friendly policies. Towards the end of 2018, the Canadian dollar and the Norwegian krone underperformed as oil prices tumbled.

## Portfolio review

Interest rates positions were a drag to the portfolio over the review period. Positive performance in the early part of the period gave way to losses into year-end as the US Federal Reserve (Fed) abruptly and dramatically reversed course. Short US rates were by far the biggest detractor – particularly the Fed sensitive 5-year sector. Losses were somewhat mitigated by long interest rates positions in Australia, Canada, the Eurozone and the UK although the short position in Italy was also a drag. Inflation breakeven positioning was also a drag again led by the long position in the US which was crushed by the Fed-driven rate rally. This was partially offset by a short position in the eurozone.

Foreign exchange was a positive contributor over the period. Particularly benefitting from the Fund's risk off exposures were short the Australian dollar versus the US dollar. This was as well as Japanese yen and short the South African rand versus the US dollar being major contributors to excess returns as Fed tightening drove weakness across financial markets. This led to a safety bid for high quality currencies versus their more risk or cyclical cousins. Other euro shorts against the Mexican peso and New Zealand dollar also contributed as politics and economies in the eurozone continued to worsen. There were no major drags on performance in foreign exchange but a small drag came from a Swedish krona long, as in spite of strong domestic data the Riksbank continued to push out interest rate hike expectations.

Contribution from credit was negative for the overall portfolio during the review period. Financials outperformed non-financials; a moderate underperformance from Banking was reduced by a positive contribution from insurance. Other positive sectors included telecommunications (TMT), and real estate.

Higher beta segments of the credit universe lagged. Banking financials, consumer issuers and energy were the largest contributors to portfolio underperformance. This was partially driven by increased recession fears, continued trade tariff rhetoric and the sharp decline in oil. UK banks also lagged as the overhang of Brexit-related tail risks continued to weigh on valuations. While we still favour these issuers and the embedded liquidity premium, there exposure to UK small and medium-sized business implies pricing will likely reflect the evolution of Brexit sentiment.

Emerging markets were weaker over the review period, within the Fund Pemex detracted as the market struggled to make sense of the likely implications of a new Mexican government. Government owned Pemex had enjoyed a lighter government influence in recent years may now see a reversal of these freedoms, with the government taking a stronger lead in capital expenditure plans, such as refinery expansion pressuring credit fundamentals.

2019 so far has seen positive credit performance for the portfolio with sentiment helped by favourable market reassessment regarding the scope for further US interest rate rises, better-than-expected earnings and a rebound in oil prices. Resultantly, higher beta portions of the portfolio such as high yield, subordinated financials and energy have retraced.

### Outlook

The outlook for interest rates has muddled dramatically in recent months. Uncertainty across economies, policies and politics have all increase considerably as incoming data has shown unexpected weakness but authorities have relatively few tools to deal with these issues. Markets have calmed as renewed Fed dovishness has crushed volatility and led to a period of selective risk-on. It is unlikely that this will last long as data improves, thus requiring a hawkish response from central banks or markets will face the possibility of a pending recession. Either outcome is likely to see higher volatility and a headwind for risk facing and carry strategies. In the medium term the next big move in rates is highly likely to be lower as the cycle inevitably ends and fractious political spectra and already accommodative central banks face up to falling demand with few, if any, conventional tools.

We are optimistic about the outlook for global investment grade corporate bonds. Valuations remain reasonable and the recent switch by the US Fed to a more dovish tone is certainly welcome because it effectively removes the near term risk of excessive tightening. On the global trade front, we also see some scope for a US-China trade deal in the coming months, which could act as another positive-sentiment catalyst.

However, more supportive factors need to be considered alongside some continuing sources of risk. In the UK, the Article 50 deadline is fast approaching and this could be a driver of increasing volatility the longer that no new deal is agreed. Our base case continues to be that a deal will be reached and that a damaging cliff-edge Brexit scenario will be averted. Clearly weakening growth in the eurozone is another key concern. Although the silver lining in this regard is that this should at least mitigate the risk of the European Central Bank trying to tighten conditions beyond the recent removal of its buying support.

**Global IG and Aggregate Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 2 because funds of this type have experienced average rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
  - Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
  - Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
  - Derivatives: This Fund can use derivatives in order to meet its investment objective. The use of derivatives may result in greater fluctuations in the value of the Fund, and may increase the magnitude of any losses.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 1,490           | 1,479        | 4,920        | 8,138        |
| Closing number of shares                  | 1,257,821       | 1,233,542    | 4,140,283    | 6,967,665    |
| Closing net asset value per share (pence) | 118.47          | 119.86       | 118.84       | 116.80       |
| Change in net asset value per share       | (1.16%)         | 0.86%        | 1.75%        | -            |
| Operating charges                         | 1.09%           | 1.12%        | 1.13%        | 1.13%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 7               | 8            | 8            | 13           |
| Closing number of shares                  | 7,266           | 8,376        | 8,376        | 12,976       |
| Closing net asset value per share (pence) | 95.85           | 97.90        | 98.04        | 97.05        |
| Change in net asset value per share       | (2.09%)         | (0.14%)      | 1.02%        | -            |
| Operating charges                         | 1.09%           | 1.12%        | 1.13%        | 1.13%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 7,861           | 8,473        | 19,711       | 32,109       |
| Closing number of shares                  | 7,418,686       | 7,922,608    | 18,682,666   | 31,131,893   |
| Closing net asset value per share (pence) | 105.96          | 106.95       | 105.50       | 103.14       |
| Change in net asset value per share       | (0.93%)         | 1.37%        | 2.29%        | -            |
| Operating charges                         | 0.61%           | 0.62%        | 0.63%        | 0.63%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 2,401           | 3,073        | 9,387        | 10,604       |
| Closing number of shares                  | 2,545,878       | 3,190,752    | 9,735,252    | 11,113,152   |
| Closing net asset value per share (pence) | 94.30           | 96.31        | 96.42        | 95.42        |
| Change in net asset value per share       | (2.09%)         | (0.11%)      | 1.05%        | -            |
| Operating charges                         | 0.61%           | 0.62%        | 0.63%        | 0.63%        |
| I Gross Accumulation shares               | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 48              | 17,221       | 70,799       | 36,290       |
| Closing number of shares                  | 39,319          | 14,017,903   | 58,428,503   | 30,635,103   |
| Closing net asset value per share (pence) | 121.72          | 122.85       | 121.17       | 118.46       |
| Change in net asset value per share       | (0.92%)         | 1.39%        | 2.29%        | -            |
| Operating charges                         | 0.61%           | 0.62%        | 0.63%        | 0.63%        |
| I Gross Income shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 107             | 110          | 161          | 1,964        |
| Closing number of shares                  | 114,221         | 115,303      | 167,903      | 2,074,403    |
| Closing net asset value per share (pence) | 93.56           | 95.57        | 95.68        | 94.69        |
| Change in net asset value per share       | (2.10%)         | (0.11%)      | 1.05%        | -            |
| Operating charges                         | 0.61%           | 0.62%        | 0.63%        | 0.63%        |
| K Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 25              | 25           | 26           | 23           |
| Closing number of shares                  | 24,329          | 24,044       | 25,429       | 22,588       |
| Closing net asset value per share (pence) | 103.71          | 104.65       | 103.20       | 100.68       |
| Change in net asset value per share       | (0.90%)         | 1.41%        | 2.50%        | -            |
| Operating charges                         | 0.56%           | 0.57%        | 0.58%        | 0.58%        |



| M Accumulation shares <sup>B</sup>        |                 | 31 January 2019 |              |              |  |
|---|-----------------|-----------------|--------------|--------------|--|
| Closing net asset value (£'000)           | -               |                 |              |              |  |
| Closing number of shares                  | 100             |                 |              |              |  |
| Closing net asset value per share (pence) | 99.67           |                 |              |              |  |
| Change in net asset value per share       | -               |                 |              |              |  |
| Operating charges                         | -               |                 |              |              |  |
| M Income shares <sup>B</sup>              |                 | 31 January 2019 |              |              |  |
| Closing net asset value (£'000)           | -               |                 |              |              |  |
| Closing number of shares                  | 100             |                 |              |              |  |
| Closing net asset value per share (pence) | 99.03           |                 |              |              |  |
| Change in net asset value per share       | -               |                 |              |              |  |
| Operating charges                         | -               |                 |              |              |  |
| Z Accumulation shares                     | 31 January 2019 | 31 July 2018    | 31 July 2017 | 31 July 2016 |  |
| Closing net asset value (£'000)           | 143,398         | 145,066         | 77,064       | 66,865       |  |
| Closing number of shares                  | 108,925,214     | 109,450,425     | 59,233,225   | 52,825,525   |  |
| Closing net asset value per share (pence) | 131.65          | 132.54          | 130.10       | 126.58       |  |
| Change in net asset value per share       | (0.67%)         | 1.88%           | 2.78%        | -            |  |
| Operating charges                         | 0.11%           | 0.12%           | 0.13%        | 0.13%        |  |

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

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

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

Fund launched on 28 August 2015.

<sup>A</sup> K Accumulation share class launched on 23 March 2016.

<sup>B</sup> M share classes launched on 29 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding  | Investment                         | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|------------------------------------|-----------------------|--------------------------------------|
| <b>Bonds (95.27%)</b>                              |                                    | <b>145,944</b>        | <b>93.95</b>                         |
| <b>Australian Dollar Denominated Bonds (0.00%)</b> |                                    | <b>554</b>            | <b>0.36</b>                          |
| <b>Corporate Bonds (0.00%)</b>                     |                                    | <b>554</b>            | <b>0.36</b>                          |
| less than 5 years to maturity                      |                                    |                       |                                      |
| 1,000,000  | Lloyds Bank 3.25% 2020             | 554                   | 0.36                                 |
| <b>Euro Denominated Bonds (23.28%)</b>             |                                    | <b>46,601</b>         | <b>30.00</b>                         |
| <b>Corporate Bonds (22.63%)</b>                    |                                    | <b>46,601</b>         | <b>30.00</b>                         |
| less than 5 years to maturity                      |                                    |                       |                                      |
| 358,000  | Abbott Ireland Financing 0% 2020   | 311                   | 0.20                                 |
| 400,000  | Amadeus IT FRN 2022                | 347                   | 0.22                                 |
| 1,150,000  | ArcelorMittal 3.125% 2022          | 1,060                 | 0.68                                 |
| 1,241,000  | Arion Banki 1% 2023                | 1,037                 | 0.67                                 |
| 1,100,000  | AT&T FRN 2023                      | 947                   | 0.61                                 |
| 1,554,000  | AT&T FRN 2023                      | 1,338                 | 0.86                                 |
| 1,300,000  | Atos 0.75% 2022                    | 1,134                 | 0.73                                 |
| 1,000,000  | BBVA 0.75% 2022                    | 864                   | 0.56                                 |
| 1,245,000  | BMW Finance 0.25% 2022             | 1,080                 | 0.69                                 |
| 701,000  | BMW Finance 0.875% 2023            | 608                   | 0.39                                 |
| 341,000  | Castellum 2.125% 2023              | 302                   | 0.19                                 |
| 680,000  | China National Chemical 1.75% 2022 | 588                   | 0.38                                 |
| 404,000  | Danske Bank 0.875% 2023            | 340                   | 0.22                                 |
| 870,000  | Danske Bank 7.5% 2020              | 752                   | 0.48                                 |
| 1,580,000  | DEA Finance 7.5% 2022              | 1,444                 | 0.93                                 |
| 225,000  | Emirates Telecom 1.75% 2021        | 202                   | 0.13                                 |
| 400,000  | FCA Bank Ireland 1% 2021           | 346                   | 0.22                                 |
| 475,000  | FCA Bank Ireland 1% 2022           | 410                   | 0.26                                 |
| 1,246,000  | FCC Aqualia 1.413% 2022            | 1,087                 | 0.70                                 |
| 1,122,000  | General Motors Financial FRN 2021  | 958                   | 0.62                                 |
| 1,320,000  | HSBC FRN 2021                      | 1,155                 | 0.74                                 |
| 1,660,000  | Lloyds Banking Group 0.625% 2024   | 1,400                 | 0.90                                 |
| 300,000  | Mondi 3.375% 2020                  | 274                   | 0.18                                 |
| 836,000  | Nykredit Realkredit 0.5% 2022      | 721                   | 0.46                                 |
| 400,000  | Orange 0.5% 2022                   | 351                   | 0.23                                 |
| 827,000  | Petroleos Mexicanos 2.5% 2022      | 696                   | 0.45                                 |
| 1,500,000  | RCI Banque 1.25% 2022              | 1,314                 | 0.85                                 |

| Holding                             | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|---|-----------------------|--------------------------------------|
| 2,100,000                           | SELP Finance 1.25% 2023                             | 1,819                 | 1.17                                 |
| 1,000,000                           | Takeda Pharmaceutical FRN 2022                      | 872                   | 0.56                                 |
| 1,000,000                           | Teva Pharmaceutical 0.375% 2020                     | 862                   | 0.55                                 |
| 1,600,000                           | Thermo Fisher Scientific 2.15% 2022                 | 1,472                 | 0.95                                 |
| 900,000                             | Vesteda Finance 2.5% 2022                           | 829                   | 0.53                                 |
| 300,000                             | Volkswagen Bank 0.625% 2021                         | 260                   | 0.17                                 |
| 1,127,000                           | Yorkshire Building Society 0.875% 2023              | 959                   | 0.62                                 |
| between 5 and 10 years to maturity  |   |                       |                                      |
| 1,120,000                           | Barclays 2% 2028                                    | 917                   | 0.59                                 |
| 900,000                             | CaixaBank 2.375% 2024                               | 799                   | 0.51                                 |
| 1,000,000                           | Italgas 1.125% 2024                                 | 864                   | 0.56                                 |
| 1,300,000                           | Rabobank 2.5% 2026                                  | 1,174                 | 0.76                                 |
| 1,000,000                           | UBS FRN 2026  | 930                   | 0.60                                 |
| 800,000                             | UniCredit FRN 2027                                  | 702                   | 0.45                                 |
| 1,500,000                           | Unitymedia 4% 2025                                  | 1,360                 | 0.88                                 |
| 648,000                             | Zuercher Kantonalbank FRN 2027                      | 575                   | 0.37                                 |
| greater than 25 years to maturity   |   |                       |                                      |
| 1,390,000                           | BHP Billiton Finance FRN 2076                       | 1,301                 | 0.84                                 |
| 1,600,000                           | Volvo Treasury FRN 2075                             | 1,445                 | 0.93                                 |
| Perpetual                           |   |                       |                                      |
| 700,000                             | Intesa Sanpaolo FRN Perpetual                       | 635                   | 0.41                                 |
| 3,150,000                           | Societe Generale 9.375% fixed to floating Perpetual | 2,878                 | 1.85                                 |
| 500,000                             | Solvay 4.199% Perpetual                             | 440                   | 0.28                                 |
| 800,000                             | Telefonica FRN Perpetual                            | 665                   | 0.43                                 |
| 2,000,000                           | Total FRN Perpetual                                 | 1,777                 | 1.14                                 |
| 800,000                             | UBS FRN Perpetual                                   | 754                   | 0.49                                 |
| 400,000                             | Volkswagen International Finance 3.375% Perpetual   | 335                   | 0.22                                 |
| 1,000,000                           | Vonovia Finance 4% fixed to floating Perpetual      | 911                   | 0.59                                 |
| Government Bonds (0.65%)            |   | -                     | -                                    |
| Sterling Denominated Bonds (35.03%) |   | 41,991                | 27.03                                |
| Corporate Bonds (34.21%)            |   | 41,991                | 27.03                                |

| Holding                             | Investment                                     | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|--|-----------------------|--------------------------------------|
| less than 5 years to maturity       |  |                       |                                      |
| 500,000                             | Bank of Montreal 1.375% 2021                   | 496                   | 0.32                                 |
| 500,000                             | Banque Federative du Credit Mutuel 1.375% 2021 | 493                   | 0.32                                 |
| 1,243,000                           | Barclays 2.375% 2023                           | 1,215                 | 0.78                                 |
| 546,000                             | CPUK 4.25% 2022                                | 532                   | 0.34                                 |
| 2,100,000                           | Deutsche Bank 1.75% 2021                       | 2,012                 | 1.29                                 |
| 1,170,000                           | Deutsche Telekom 7.375% 2019                   | 1,226                 | 0.79                                 |
| 384,000                             | GE Capital 4.375% 2019                         | 386                   | 0.25                                 |
| 466,000                             | GE Capital 5.625% 2019                         | 470                   | 0.30                                 |
| 1,500,000                           | Glencore 6.5% 2019                             | 1,504                 | 0.97                                 |
| 1,530,000                           | HSBC 2.175% 2023                               | 1,516                 | 0.98                                 |
| 2,000,000                           | NatWest 6.5% 2021                              | 2,203                 | 1.42                                 |
| 660,000                             | Petróleos Mexicanos 8.25% 2022                 | 726                   | 0.47                                 |
| 1,500,000                           | Phoenix 5.75% 2021                             | 1,618                 | 1.04                                 |
| 1,600,000                           | Southern Water 6.125% 2019                     | 1,611                 | 1.04                                 |
| 2,100,000                           | Telecom Italia 6.375% 2019                     | 2,129                 | 1.37                                 |
| 2,000,000                           | Tesco 6.125% 2022                              | 2,213                 | 1.42                                 |
| 500,000                             | UBS 1.25% 2020                                 | 497                   | 0.32                                 |
| 600,000                             | Volkswagen Financial Services 1.875% 2021      | 592                   | 0.38                                 |
| 1,130,000                           | Volkswagen Financial Services 2.625% 2019      | 1,135                 | 0.73                                 |
| 1,740,000                           | Xstrata 7.375% 2020                            | 1,859                 | 1.20                                 |
| between 5 and 10 years to maturity  |  |                       |                                      |
| 550,000                             | Anheuser-Busch InBev 9.75% 2024                | 755                   | 0.49                                 |
| 420,000                             | CYBG 5% 2026                                   | 412                   | 0.26                                 |
| 797,000                             | Saga 3.375% 2024                               | 714                   | 0.46                                 |
| between 15 and 25 years to maturity |  |                       |                                      |
| 1,100,000                           | Aviva 6.625% fixed to floating 2041            | 1,195                 | 0.77                                 |
| 1,800,000                           | CNP Assurances 7.375% 2041                     | 1,997                 | 1.28                                 |
| 1,200,000                           | Legal & General 10% 2041                       | 1,416                 | 0.91                                 |
| 1,250,000                           | QBE Insurance 6.115% 2042                      | 1,346                 | 0.87                                 |
| greater than 25 years to maturity   |  |                       |                                      |
| 950,000                             | America Movil 6.375% fixed to floating 2073    | 1,000                 | 0.64                                 |

| Holding                                     | Investment                                  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---|---|-----------------------|--------------------------------------|
| Perpetual                                   |   |                       |                                      |
| 2,000,000                                   | AXA 6.772% fixed to floating Perpetual      | 2,059                 | 1.33                                 |
| 1,100,000                                   | Barclays FRN Perpetual                      | 1,129                 | 0.73                                 |
| 2,200,000                                   | Credit Agricole FRN Perpetual               | 2,287                 | 1.47                                 |
| 500,000                                     | KBC Bank FRN Perpetual                      | 512                   | 0.33                                 |
| 1,800,000                                   | SSE 3.875% fixed to floating Perpetual      | 1,798                 | 1.16                                 |
| 845,000                                     | Zurich FRN Perpetual                        | 938                   | 0.60                                 |
| <b>Government Bonds (0.82%)</b>             |   | -                     | -                                    |
|   |   |                       |                                      |
| <b>US Dollar Denominated Bonds (36.96%)</b> |   | <b>56,798</b>         | <b>36.56</b>                         |
| <b>Corporate Bonds (36.04%)</b>             |   | <b>56,798</b>         | <b>36.56</b>                         |
| less than 5 years to maturity               |   |                       |                                      |
| 900,000                                     | Altice 7.75% 2022                           | 664                   | 0.43                                 |
| 1,593,000                                   | Anadarko Petroleum 4.85% 2021               | 1,243                 | 0.80                                 |
| 570,000                                     | AXA Equitable Holdings 3.9% 2023            | 433                   | 0.28                                 |
| 6,000                                       | Ball 4.375% 2020                            | 5                     | -                                    |
| 777,000                                     | Ball 5% 2022                                | 611                   | 0.39                                 |
| 1,910,000                                   | Bank of America FRN 2022                    | 1,469                 | 0.95                                 |
| 1,250,000                                   | Barclays 7.625% 2022                        | 1,017                 | 0.65                                 |
| 400,000                                     | Bayer 3.875% 2023                           | 303                   | 0.20                                 |
| 1,080,000                                   | Blue Cube Spinco 9.75% 2023                 | 916                   | 0.59                                 |
| 800,000                                     | Cablevision 6.5% 2021                       | 596                   | 0.38                                 |
| 900,000                                     | Capital One National Association 2.65% 2022 | 665                   | 0.43                                 |
| 2,020,000                                   | Cardinal Health FRN 2022                    | 1,524                 | 0.98                                 |
| 2,270,000                                   | CCO 5.125% 2023                             | 1,743                 | 1.12                                 |
| 1,500,000                                   | Cenovus Energy 3% 2022                      | 1,098                 | 0.71                                 |
| 1,100,000                                   | Centene 5.625% 2021                         | 849                   | 0.55                                 |
| 700,000                                     | Citibank 3.4% 2021                          | 537                   | 0.35                                 |
| 2,000,000                                   | Citigroup FRN 2023                          | 1,545                 | 0.99                                 |
| 600,000                                     | Continental Resources 4.5% 2023             | 464                   | 0.30                                 |
| 1,532,000                                   | Continental Resources 5% 2022               | 1,170                 | 0.75                                 |
| 550,000                                     | Country Garden Holdings 7.5% 2020           | 426                   | 0.27                                 |
| 611,000                                     | Country Garden Holdings 8% 2024             | 470                   | 0.30                                 |
| 680,000                                     | Crown Castle International 2.25% 2021       | 502                   | 0.32                                 |
| 3,249,000                                   | CVS Health FRN 2021                         | 2,473                 | 1.59                                 |
| 528,000                                     | Danske Bank 5% 2022                         | 406                   | 0.26                                 |
| 1,000,000                                   | Dell International 3.48% 2019               | 760                   | 0.49                                 |
| 558,000                                     | Dollar Tree 3.7% 2023                       | 420                   | 0.27                                 |

| Holding                            | Investment                                | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|---|-----------------------|--------------------------------------|
| 1,100,000                          | Energy Transfer 4.25% 2023                | 844                   | 0.54                                 |
| 1,000,000                          | Energy Transfer Equity 7.5% 2020          | 807                   | 0.52                                 |
| 764,000                            | Exelon 3.497% 2022                        | 576                   | 0.37                                 |
| 880,000                            | First Abu Dhabi Bank 3% 2022              | 657                   | 0.42                                 |
| 228,000                            | Fox 3.666% 2022                           | 175                   | 0.11                                 |
| 999,000                            | Halliburton 3.5% 2023                     | 764                   | 0.49                                 |
| 1,000,000                          | HCA 5.875% 2022                           | 806                   | 0.52                                 |
| 1,900,000                          | Intesa Sanpaolo 6.5% 2021                 | 1,492                 | 0.96                                 |
| 1,000,000                          | JPMorgan Chase FRN 2022                   | 758                   | 0.49                                 |
| 2,005,000                          | JPMorgan Chase FRN 2023                   | 1,543                 | 0.99                                 |
| 1,100,000                          | Lennar 4.75% 2021                         | 848                   | 0.55                                 |
| 1,400,000                          | Marfrig Holdings Europe 6.875% 2019       | 1,072                 | 0.69                                 |
| 1,000,000                          | Mexichem 4.875% 2022                      | 774                   | 0.50                                 |
| 400,000                            | MGM Resorts International 6.625% 2021     | 322                   | 0.21                                 |
| 1,310,000                          | NTPC 5.625% 2021                          | 1,042                 | 0.67                                 |
| 1,000,000                          | Penske Truck Leasing 3.375% 2022          | 754                   | 0.49                                 |
| 633,000                            | Perrigo Finance 3.5% 2021                 | 464                   | 0.30                                 |
| 1,200,000                          | Pertamina Persero 5.25% 2021              | 942                   | 0.61                                 |
| 1,020,000                          | Royal Bank of Scotland 6.1% 2023          | 810                   | 0.52                                 |
| 2,000,000                          | Sabine Pass Liquefaction 6.25% 2022       | 1,621                 | 1.04                                 |
| 146,000                            | Sealed Air 4.875% 2022                    | 113                   | 0.07                                 |
| 1,060,000                          | Shimao Property 8.375% 2022               | 842                   | 0.54                                 |
| 812,000                            | Standard Chartered 2.1% 2019              | 615                   | 0.40                                 |
| 450,000                            | Tenet Healthcare 4.375% 2021              | 342                   | 0.22                                 |
| 1,755,000                          | Verizon Communications FRN 2022           | 1,347                 | 0.87                                 |
| 1,555,000                          | Vodafone Group 2.5% 2022                  | 1,148                 | 0.74                                 |
| 1,450,000                          | Welltower 3.75% 2023                      | 1,103                 | 0.71                                 |
| 800,000                            | ZF North America Capital 4% 2020          | 608                   | 0.39                                 |
| between 5 and 10 years to maturity |   |                       |                                      |
| 1,200,000                          | ABN Amro FRN 2028                         | 904                   | 0.58                                 |
| 1,400,000                          | Comcel Trust 6.875% 2024                  | 1,100                 | 0.71                                 |
| 635,000                            | CSC Holdings 10.875% 2025                 | 556                   | 0.36                                 |
| greater than 25 years to maturity  |   |                       |                                      |
| 1,410,000                          | JP Morgan Mortgage Trust 2018-6 3.5% 2048 | 1,006                 | 0.65                                 |
| 237,153                            | JP Morgan Mortgage Trust 2018-9 4% 2049   | 178                   | 0.11                                 |
| 1,379,171                          | Sequoia Mortgage Trust 2018-6 4% 2048     | 975                   | 0.63                                 |

| Holding                                      | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|--|-----------------------|--------------------------------------|
| Perpetual                                    |  |                       |                                      |
| 800,000                                      | Credit Suisse FRN Perpetual  | 601                   | 0.39                                 |
| 2,500,000                                    | JPMorgan Chase FRN Perpetual   | 1,895                 | 1.22                                 |
| 2,500,000                                    | Nordea Bank FRN Perpetual  | 1,898                 | 1.22                                 |
| 2,000,000                                    | Rabobank Nederland FRN Perpetual                                       | 1,566                 | 1.01                                 |
| 800,000                                      | UBS FRN Perpetual  | 621                   | 0.40                                 |
| <b>Government Bonds (0.92%)</b>              |  | -                     | -                                    |
| <b>Collective Investment Schemes (1.77%)</b> |  | <b>666</b>            | <b>0.43</b>                          |
| 666  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund†                | 666                   | 0.43                                 |
| <b>Derivatives (-0.97%)</b>                  |  | <b>2,209</b>          | <b>1.42</b>                          |
| <b>Credit Default Swaps (0.00%)</b>          |  | <b>(1,690)</b>        | <b>(1.09)</b>                        |
| USD 4,000,000                                | Buy CDX High Yield North American High Yield Series 30 5.0% 20/06/2023 | (217)                 | (0.14)                               |
| USD 75,000,000                               | Buy CDX Investment Grade Series 30 1.0% 20/06/2023                     | (1,006)               | (0.65)                               |
| EUR 5,000,000                                | Buy iTraxx Europe Series 27 1.0% 20/06/2022                            | (94)                  | (0.06)                               |
| EUR 31,060,000                               | Buy iTraxx Europe Series 29 1.0% 20/06/2023                            | (500)                 | (0.32)                               |
| EUR 4,000,000                                | Buy CDS Vodafone 1.0% 20/06/2022                                       | (48)                  | (0.03)                               |
| EUR 1,600,000                                | Sell CDS Virgin Media Finance 5.0% 20/06/2022                          | 175                   | 0.11                                 |
| <b>Forward Currency Contracts (-0.37%)</b>   |  | <b>4,077</b>          | <b>2.63</b>                          |
|  | Buy AUD 168,000 Sell GBP 95,117 21/02/2019                             | (2)                   | -                                    |
|  | Buy AUD 313,000 Sell GBP 170,359 21/02/2019                            | 3                     | -                                    |
|  | Buy AUD 1,483,000 Sell GBP 845,689 21/02/2019                          | (24)                  | (0.02)                               |
|  | Buy AUD 5,568,000 Sell NZD 5,872,001 21/02/2019                        | (10)                  | (0.01)                               |
|  | Buy AUD 5,447,000 Sell USD 3,911,665 21/02/2019                        | 47                    | 0.03                                 |
|  | Buy BRL 6,260,000 Sell USD 1,618,198 21/02/2019                        | 75                    | 0.05                                 |
|  | Buy CAD 52,000 Sell GBP 30,545 14/02/2019                              | -                     | -                                    |
|  | Buy CAD 2,942,000 Sell GBP 1,735,042 14/02/2019                        | (33)                  | (0.02)                               |
|  | Buy CAD 151,000 Sell GBP 88,624 21/02/2019                             | (1)                   | -                                    |
|  | Buy CAD 782,000 Sell GBP 462,986 21/02/2019                            | (11)                  | (0.01)                               |
|  | Buy CAD 4,584,000 Sell NOK 29,286,227 21/02/2019                       | 9                     | 0.01                                 |
|  | Buy CHF 1,944,000 Sell USD 1,999,341 21/02/2019                        | (28)                  | (0.02)                               |
|  | Buy CHF 4,057,370 Sell USD 4,099,000 21/02/2019                        | (1)                   | -                                    |
|  | Buy CZK 129,386,000 Sell GBP 4,413,758 21/02/2019                      | (33)                  | (0.02)                               |
|  | Buy EUR 216,000 Sell GBP 191,236 14/02/2019                            | (3)                   | -                                    |
|  | Buy EUR 257,000 Sell GBP 230,917 14/02/2019                            | (7)                   | 0.01                                 |

| Holding | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---------|---|-----------------------|--------------------------------------|
|         | Buy EUR 443,000 Sell GBP 384,108 14/02/2019       | 3                     | -                                    |
|         | Buy EUR 445,000 Sell GBP 386,999 14/02/2019       | 1                     | -                                    |
|         | Buy EUR 135,000 Sell GBP 120,408 21/02/2019       | (3)                   | -                                    |
|         | Buy EUR 138,000 Sell GBP 123,931 21/02/2019       | (2)                   | -                                    |
|         | Buy EUR 252,000 Sell GBP 227,660 21/02/2019       | (8)                   | -                                    |
|         | Buy EUR 514,000 Sell GBP 463,647 21/02/2019       | (15)                  | (0.01)                               |
|         | Buy GBP 558,038 Sell AUD 1,006,000 14/02/2019     | 1                     | -                                    |
|         | Buy GBP 54,640 Sell AUD 98,000 21/02/2019         | -                     | -                                    |
|         | Buy GBP 135,526 Sell AUD 241,000 21/02/2019       | 2                     | -                                    |
|         | Buy GBP 231,835 Sell AUD 415,000 21/02/2019       | 2                     | -                                    |
|         | Buy GBP 6,331,915 Sell AUD 11,186,000 21/02/2019  | 136                   | 0.09                                 |
|         | Buy GBP 1,785,356 Sell CAD 3,041,000 14/02/2019   | 26                    | 0.02                                 |
|         | Buy GBP 118,792 Sell CAD 202,000 21/02/2019       | 2                     | -                                    |
|         | Buy GBP 124,210 Sell CAD 212,000 21/02/2019       | 2                     | -                                    |
|         | Buy GBP 199,674 Sell CAD 336,000 21/02/2019       | 5                     | -                                    |
|         | Buy GBP 4,232,740 Sell CAD 7,186,000 21/02/2019   | 76                    | 0.05                                 |
|         | Buy GBP 617,448 Sell CZK 17,732,000 21/02/2019    | 17                    | 0.01                                 |
|         | Buy GBP 168,699 Sell EUR 191,000 14/02/2019       | 2                     | -                                    |
|         | Buy GBP 169,367 Sell EUR 195,000 14/02/2019       | (1)                   | -                                    |
|         | Buy GBP 172,667 Sell EUR 195,000 14/02/2019       | 2                     | -                                    |
|         | Buy GBP 361,617 Sell EUR 400,000 14/02/2019       | 13                    | 0.01                                 |
|         | Buy GBP 386,577 Sell EUR 443,000 14/02/2019       | -                     | -                                    |
|         | Buy GBP 800,121 Sell EUR 896,000 14/02/2019       | 18                    | 0.01                                 |
|         | Buy GBP 23,855,069 Sell EUR 26,405,000 14/02/2019 | 812                   | 0.52                                 |
|         | Buy GBP 23,863,888 Sell EUR 26,405,000 14/02/2019 | 821                   | 0.53                                 |
|         | Buy GBP 78,650 Sell EUR 88,000 21/02/2019         | 2                     | -                                    |
|         | Buy GBP 99,066 Sell EUR 110,000 21/02/2019        | 3                     | -                                    |
|         | Buy GBP 99,185 Sell EUR 111,000 21/02/2019        | 2                     | -                                    |
|         | Buy GBP 109,553 Sell EUR 121,000 21/02/2019       | 4                     | -                                    |
|         | Buy GBP 111,653 Sell EUR 125,000 21/02/2019       | 3                     | -                                    |
|         | Buy GBP 115,143 Sell EUR 127,000 21/02/2019       | 4                     | -                                    |
|         | Buy GBP 163,295 Sell EUR 184,000 21/02/2019       | 3                     | -                                    |
|         | Buy GBP 175,080 Sell EUR 202,000 21/02/2019       | (1)                   | -                                    |
|         | Buy GBP 196,701 Sell EUR 218,000 21/02/2019       | 6                     | -                                    |
|         | Buy GBP 3,300,726 Sell EUR 3,724,000 21/02/2019   | 50                    | 0.03                                 |
|         | Buy GBP 1,741,352 Sell ILS 8,234,000 21/02/2019   | 18                    | 0.01                                 |
|         | Buy GBP 462,454 Sell JPY 66,040,000 21/02/2019    | 1                     | -                                    |
|         | Buy GBP 307,265 Sell NOK 3,329,000 21/02/2019     | 7                     | 0.01                                 |
|         | Buy GBP 4,487,682 Sell PLN 21,866,000 21/02/2019  | 13                    | 0.01                                 |
|         | Buy GBP 185,364 Sell SEK 2,110,000 21/02/2019     | 8                     | 0.01                                 |
|         | Buy GBP 76,810 Sell USD 98,000 14/02/2019         | 2                     | -                                    |
|         | Buy GBP 126,120 Sell USD 160,000 14/02/2019       | 5                     | -                                    |



| Holding | Investment   | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|---------|--|-----------------------|--------------------------------------|
|         | Buy GBP 138,599 Sell USD 179,000 14/02/2019        | 3                     | -                                    |
|         | Buy GBP 153,736 Sell USD 198,000 14/02/2019        | 3                     | -                                    |
|         | Buy GBP 177,173 Sell USD 228,000 14/02/2019        | 4                     | -                                    |
|         | Buy GBP 282,774 Sell USD 365,000 14/02/2019        | 6                     | -                                    |
|         | Buy GBP 596,136 Sell USD 777,000 14/02/2019        | 6                     | -                                    |
|         | Buy GBP 804,309 Sell USD 1,049,000 14/02/2019      | 7                     | -                                    |
|         | Buy GBP 19,877,195 Sell USD 25,166,000 14/02/2019  | 760                   | 0.49                                 |
|         | Buy GBP 19,894,322 Sell USD 25,166,000 14/02/2019  | 777                   | 0.50                                 |
|         | Buy GBP 19,896,178 Sell USD 25,166,000 14/02/2019  | 779                   | 0.50                                 |
|         | Buy GBP 82,456 Sell USD 106,000 21/02/2019         | 2                     | -                                    |
|         | Buy GBP 92,949 Sell USD 122,000 21/02/2019         | -                     | -                                    |
|         | Buy GBP 107,781 Sell USD 138,000 21/02/2019        | 3                     | -                                    |
|         | Buy GBP 117,793 Sell USD 151,000 21/02/2019        | 3                     | -                                    |
|         | Buy GBP 131,503 Sell USD 168,000 21/02/2019        | 4                     | -                                    |
|         | Buy GBP 149,688 Sell USD 190,000 21/02/2019        | 5                     | -                                    |
|         | Buy GBP 175,876 Sell USD 225,000 21/02/2019        | 5                     | -                                    |
|         | Buy GBP 205,510 Sell USD 268,000 21/02/2019        | 2                     | -                                    |
|         | Buy GBP 206,633 Sell USD 267,000 21/02/2019        | 4                     | -                                    |
|         | Buy GBP 252,400 Sell USD 320,000 21/02/2019        | 9                     | 0.01                                 |
|         | Buy GBP 260,862 Sell USD 336,000 21/02/2019        | 6                     | -                                    |
|         | Buy GBP 367,934 Sell USD 467,000 21/02/2019        | 13                    | 0.01                                 |
|         | Buy GBP 592,643 Sell USD 763,000 21/02/2019        | 13                    | 0.01                                 |
|         | Buy GBP 612,349 Sell USD 777,000 21/02/2019        | 22                    | 0.01                                 |
|         | Buy GBP 3,007,251 Sell USD 3,883,000 21/02/2019    | 58                    | 0.04                                 |
|         | Buy ILS 8,234,000 Sell NOK 19,078,178 21/02/2019   | 2                     | -                                    |
|         | Buy JPY 215,803,447 Sell AUD 2,777,000 21/02/2019  | (30)                  | (0.02)                               |
|         | Buy JPY 320,534,674 Sell EUR 2,585,000 21/02/2019  | (16)                  | (0.01)                               |
|         | Buy JPY 383,414,000 Sell GBP 2,658,384 21/02/2019  | 21                    | 0.01                                 |
|         | Buy KRW 309,592,000 Sell USD 276,955 21/02/2019    | 1                     | -                                    |
|         | Buy MXN 23,050,438 Sell EUR 970,000 21/02/2019     | 70                    | 0.05                                 |
|         | Buy MXN 22,567,000 Sell USD 1,101,511 21/02/2019   | 61                    | 0.04                                 |
|         | Buy MXN 38,921,000 Sell USD 2,035,063 21/02/2019   | 3                     | -                                    |
|         | Buy NOK 19,003,902 Sell CAD 2,950,000 21/02/2019   | 8                     | 0.01                                 |
|         | Buy NOK 66,203,000 Sell GBP 6,082,803 21/02/2019   | (109)                 | (0.07)                               |
|         | Buy NZD 179,000 Sell GBP 94,351 21/02/2019         | -                     | -                                    |
|         | Buy NZD 409,000 Sell GBP 216,638 21/02/2019        | (1)                   | -                                    |
|         | Buy NZD 440,000 Sell GBP 233,563 21/02/2019        | (2)                   | -                                    |
|         | Buy PLN 18,353,000 Sell CZK 109,444,793 21/02/2019 | 50                    | 0.03                                 |
|         | Buy PLN 566,000 Sell GBP 117,911 21/02/2019        | (2)                   | -                                    |
|         | Buy PLN 2,951,000 Sell GBP 616,617 21/02/2019      | (13)                  | (0.01)                               |
|         | Buy SEK 1,192,000 Sell GBP 103,081 21/02/2019      | (3)                   | -                                    |
|         | Buy SEK 27,708,000 Sell USD 3,077,446 21/02/2019   | (8)                   | -                                    |

| Holding                 | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------|---|-----------------------|--------------------------------------|
|                         | Buy USD 331,888 Sell AUD 459,000 21/02/2019         | (2)                   | -                                    |
|                         | Buy USD 3,001,823 Sell AUD 4,208,000 21/02/2019     | (51)                  | (0.03)                               |
|                         | Buy USD 1,660,918 Sell BRL 6,309,000 21/02/2019     | (52)                  | (0.03)                               |
|                         | Buy USD 98,934 Sell CAD 132,000 21/02/2019          | (1)                   | -                                    |
|                         | Buy USD 332,063 Sell CAD 444,000 21/02/2019         | (5)                   | -                                    |
|                         | Buy USD 2,031,864 Sell CHF 2,020,000 21/02/2019     | (6)                   | -                                    |
|                         | Buy USD 666,000 Sell EUR 578,525 21/02/2019         | 1                     | -                                    |
|                         | Buy USD 214,000 Sell GBP 169,520 14/02/2019         | (7)                   | -                                    |
|                         | Buy USD 2,780,000 Sell GBP 2,183,280 14/02/2019     | (71)                  | (0.05)                               |
|                         | Buy USD 109,000 Sell GBP 82,694 21/02/2019          | -                     | -                                    |
|                         | Buy USD 120,000 Sell GBP 94,770 21/02/2019          | (4)                   | -                                    |
|                         | Buy USD 149,000 Sell GBP 117,472 21/02/2019         | (4)                   | -                                    |
|                         | Buy USD 162,000 Sell GBP 127,630 21/02/2019         | (5)                   | -                                    |
|                         | Buy USD 192,000 Sell GBP 152,571 21/02/2019         | (7)                   | -                                    |
|                         | Buy USD 315,000 Sell GBP 246,694 21/02/2019         | (7)                   | -                                    |
|                         | Buy USD 332,050 Sell GBP 259,000 21/02/2019         | (7)                   | -                                    |
|                         | Buy USD 340,000 Sell GBP 268,248 21/02/2019         | (10)                  | (0.01)                               |
|                         | Buy USD 590,000 Sell GBP 465,894 21/02/2019         | (18)                  | (0.01)                               |
|                         | Buy USD 2,235,136 Sell GBP 1,739,000 21/02/2019     | (42)                  | (0.03)                               |
|                         | Buy USD 7,586,000 Sell GBP 5,901,835 21/02/2019     | (141)                 | (0.09)                               |
|                         | Buy USD 2,218,932 Sell KRW 2,502,194,200 21/02/2019 | (24)                  | (0.02)                               |
|                         | Buy USD 351,773 Sell MXN 6,891,000 21/02/2019       | (7)                   | -                                    |
|                         | Buy USD 2,012,286 Sell MXN 38,454,000 21/02/2019    | (2)                   | -                                    |
| <b>Futures (-0.09%)</b> |   | <b>(1,501)</b>        | <b>(0.97)</b>                        |
| 288                     | Long US 10 Year Ultra Future 20/03/2019             | 389                   | 0.25                                 |
| 29                      | Long US 2 Year Note Future 29/03/2019               | 16                    | 0.01                                 |
| 74                      | Long US Ultra Bond (CBT) Future 20/03/2019          | 100                   | 0.06                                 |
| (463)                   | Short 90 Day Euro Future 16/12/2019                 | (427)                 | (0.27)                               |
| (130)                   | Short Australian 10 Year Bond Future 15/03/2019     | (58)                  | (0.04)                               |
| (5)                     | Short Australian 3 Year Bond Future 15/03/2019      | (2)                   | -                                    |
| (196)                   | Short Canadian 10 Year Bond Future 20/03/2019       | (185)                 | (0.12)                               |
| (29)                    | Short Euro Bond Future 07/03/2019                   | (87)                  | (0.06)                               |
| (124)                   | Short Euro Schatz Future 07/03/2019                 | 3                     | -                                    |
| (166)                   | Short Euro-Bobl Future 07/03/2019                   | (107)                 | (0.07)                               |
| (80)                    | Short Euro-BTP Bond Future 07/03/2019               | (488)                 | (0.31)                               |
| (71)                    | Short Euro-Oat Future 07/03/2019                    | (124)                 | (0.08)                               |
| (28)                    | Short Gilt Future 27/03/2019                        | (29)                  | (0.02)                               |
| (121)                   | Short US 10 Year Note Future 20/03/2019             | (312)                 | (0.20)                               |
| (263)                   | Short US 5 Year Note Future 29/03/2019              | (190)                 | (0.12)                               |

| Holding                             | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|---|-----------------------|--------------------------------------|
| <b>Inflation Swaps (0.00%)</b>      |   | <b>(106)</b>          | <b>(0.07)</b>                        |
| USD 16,060,000                      | Pay Fixed 2.264% USCPI 15/10/2023                       | (222)                 | (0.14)                               |
| EUR 10,580,000                      | Receive Fixed 1.345% HICPX 5/04/2027                    | 150                   | 0.09                                 |
| GBP 7,390,000                       | Receive Fixed 3.3425% UKRPI 15/07/2023                  | (34)                  | (0.02)                               |
| <b>Interest Rate Swaps (-0.51%)</b> |   | <b>1,429</b>          | <b>0.92</b>                          |
| EUR 43,830,000                      | Pay Fixed -0.135% receive floating EUR-LIBOR 29/01/2022 | (34)                  | (0.02)                               |
| GBP 2,250,000                       | Pay Fixed 0.853% receive floating GBP-LIBOR 07/06/2020  | 7                     | -                                    |
| GBP 1,650,000                       | Pay Fixed 1.056% receive floating GBP-LIBOR 07/12/2022  | 9                     | 0.01                                 |
| GBP 1,730,000                       | Pay Fixed 1.056% receive floating GBP-LIBOR 07/12/2022  | 10                    | 0.01                                 |
| USD 3,500,000                       | Pay Fixed 1.147% receive floating USD-LIBOR 11/10/2019  | 23                    | 0.01                                 |
| USD 9,500,000                       | Pay Fixed 1.291% receive floating USD-LIBOR 21/04/2020  | 99                    | 0.07                                 |
| USD 2,500,000                       | Pay Fixed 1.347% receive floating USD-LIBOR 11/10/2022  | 76                    | 0.05                                 |
| GBP 20,080,000                      | Pay Fixed 1.373% receive floating GBP-LIBOR 12/09/2023  | (163)                 | (0.10)                               |
| USD 7,000,000                       | Pay Fixed 1.521% receive floating USD-LIBOR 30/06/2019  | 32                    | 0.02                                 |
| USD 3,600,000                       | Pay Fixed 1.555% receive floating USD-LIBOR 21/10/2021  | 63                    | 0.04                                 |
| USD 6,250,000                       | Pay Fixed 1.615% receive floating USD-LIBOR 30/03/2020  | 44                    | 0.03                                 |
| USD 8,400,000                       | Pay Fixed 1.662% receive floating USD-LIBOR 30/09/2020  | 82                    | 0.05                                 |
| USD 5,250,000                       | Pay Fixed 1.715% receive floating USD-LIBOR 30/03/2021  | 61                    | 0.04                                 |
| USD 11,500,000                      | Pay Fixed 1.818% receive floating USD-LIBOR 30/06/2022  | 220                   | 0.14                                 |
| USD 2,250,000                       | Pay Fixed 1.854% receive floating USD-LIBOR 30/12/2022  | 46                    | 0.03                                 |
| USD 5,000,000                       | Pay Fixed 2.002% receive floating USD-LIBOR 17/05/2023  | 89                    | 0.06                                 |
| USD 2,400,000                       | Pay Fixed 2.079% receive floating USD-LIBOR 17/05/2024  | 45                    | 0.03                                 |
| EUR 24,000,000                      | Pay Fixed 2.079% receive floating USD-LIBOR 17/05/2024  | 128                   | 0.08                                 |
| USD 11,710,000                      | Pay Fixed 2.466% receive floating USD-LIBOR 29/01/2030  | (56)                  | (0.04)                               |
| NZD 36,950,000                      | Pay Fixed 2.594% receive floating NZD-BBR 05/10/2023    | (603)                 | (0.39)                               |
| USD 9,830,000                       | Pay Fixed 2.744% receive floating USD-LIBOR 02/07/2023  | (61)                  | (0.04)                               |
| CAD 16,620,000                      | Pay Fixed 2.84% receive floating CAD-BA 05/10/2023      | (292)                 | (0.19)                               |
| USD 13,800,000                      | Pay Fixed 2.9345% receive floating USD-LIBOR 04/09/2028 | (319)                 | (0.20)                               |
| USD 15,800,000                      | Pay Fixed 2.964% receive floating USD-LIBOR 19/09/2023  | (307)                 | (0.20)                               |
| USD 20,860,000                      | Pay Fixed 3.021% receive floating USD-LIBOR 19/09/2023  | (448)                 | (0.29)                               |
| USD 9,010,000                       | Pay Fixed 3.021% receive floating USD-LIBOR 19/09/2023  | (194)                 | (0.12)                               |
| USD 25,670,000                      | Receive Fixed 2.82% pay floating USD-LIBOR 04/09/2023   | 368                   | 0.24                                 |
| EUR 50,180,000                      | Receive Fixed 0.202% pay floating EUR-LIBOR 29/06/2022  | 268                   | 0.17                                 |
| AUD 33,260,000                      | Receive Fixed 2.51% pay floating AUD-BBR 05/10/2023     | 352                   | 0.23                                 |
| CAD 77,930,000                      | Receive Fixed 2.5575% pay floating CAD-BA 26/07/2020    | 167                   | 0.11                                 |
| EUR 24,210,000                      | Receive Fixed 0.202% pay floating EUR-LIBOR 29/06/2022  | 129                   | 0.08                                 |
| EUR 9,380,000                       | Receive Fixed 0.202% pay floating EUR-LIBOR 29/06/2022  | 50                    | 0.03                                 |
| GBP 88,170,000                      | Receive Fixed 1.269% pay floating GBP-LIBOR 12/09/2020  | 110                   | 0.07                                 |
| USD 54,200,000                      | Receive Fixed 2.95% pay floating USD-LIBOR 19/09/2020   | 500                   | 0.32                                 |

| Holding  | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| CAD 75,730,000                                 | Receive Fixed 2.885% pay floating CAD-BA 07/10/2020       | 300                   | 0.19                                 |
| USD 54,200,000                                 | Receive Fixed 2.95% pay floating USD-LIBOR 19/09/2020     | 500                   | 0.32                                 |
| SEK 43,7280,000                                | Receive Fixed 0.16625% pay floating SEK-STIBOR 09/01/2021 | 6                     | -                                    |
| USD 53,160,000                                 | Receive Fixed 2.306% pay floating USD-LIBOR 29/01/2022    | 82                    | 0.05                                 |
| EUR 8,990,000                                  | Receive Fixed 0.757% pay floating EUR-LIBOR 29/01/2030    | 53                    | 0.04                                 |
| AUD 59,770,000                                 | Receive Fixed 2.095% pay floating AUD-BBR 01/02/2023      | (13)                  | (0.01)                               |
| <b>Total investment assets and liabilities</b> |   | <b>148,819</b>        | <b>95.79</b>                         |
| Net other assets                               |   | 6,518                 | 4.21                                 |
| <b>Total Net Assets</b>                        |   | <b>155,337</b>        | <b>100.00</b>                        |

† Managed by subsidiaries of Standard Life Aberdeen plc.  
Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |         | 31 January 2018 |         |
|---|-----------------|---------|-----------------|---------|
|   | £'000           | £'000   | £'000           | £'000   |
| Income:   |                 |         |                 |         |
| Net capital (losses)/gains  |                 | (3,613) |                 | 701     |
| Revenue   | 2,500           |         | 2,073           |         |
| Expenses  | (162)           |         | (405)           |         |
| Interest payable and similar charges  | (4)             |         | -               |         |
| Net revenue before taxation   | 2,334           |         | 1,668           |         |
| Taxation  | (7)             |         | (10)            |         |
| Net revenue after taxation  |                 | 2,327   |                 | 1,658   |
| <b>Total return before distributions</b>  |                 | (1,286) |                 | 2,359   |
| Distributions   |                 | (2,327) |                 | (1,658) |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | (3,613) |                 | 701     |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |          | 31 January 2018 |         |
|--|-----------------|----------|-----------------|---------|
|  | £'000           | £'000    | £'000           | £'000   |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | 175,455  |                 | 182,076 |
| Amounts receivable on the issue of shares  | 3,028           |          | 71,660          |         |
| Amounts payable on the cancellation of shares  | (21,736)        |          | (21,115)        |         |
|  |                 | (18,708) |                 | 50,545  |
| Dilution adjustment  |                 | 27       |                 | 112     |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (3,613)  |                 | 701     |
| Retained distribution on accumulation shares   |                 | 2,176    |                 | 1,771   |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | 155,337  |                 | 235,205 |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 156,276        |              | 175,227        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 2,307           |                | 4,788        |                |
| Cash and bank balances                         | 5,959           |                | 6,084        |                |
|  |                 | 8,266          |              | 10,872         |
| Total assets                                   |                 | 164,542        |              | 186,099        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | (7,457)        |              | (6,665)        |
| Creditors                                      | (647)           |                | (3,951)      |                |
| Bank overdrafts                                | (1,071)         |                | -            |                |
| Distribution payable                           | (30)            |                | (28)         |                |
|  |                 | (1,748)        |              | (3,979)        |
| Total liabilities                              |                 | (9,205)        |              | (10,644)       |
| <b>Net assets attributable to shareholders</b> |                 | <b>155,337</b> |              | <b>175,455</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                                    | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.1192                                | -                                       | 1.1192*                                      | 0.4489                                       |
| Group 2                            | 0.7678                                | 0.3514                                  | 1.1192*                                      | 0.4489                                       |
| <b>A Income shares</b>             |                                       |   |  |  |
| Group 1                            | 0.9153                                | -                                       | 0.9153**                                     | 0.3703                                       |
| Group 2                            | 0.5558                                | 0.3595                                  | 0.9153**                                     | 0.3703                                       |
| <b>I Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.2594                                | -                                       | 1.2594*                                      | 0.6527                                       |
| Group 2                            | 0.7035                                | 0.5559                                  | 1.2594*                                      | 0.6527                                       |
| <b>I Income shares</b>             |                                       |   |  |  |
| Group 1                            | 1.1342                                | -                                       | 1.1342**                                     | 0.5965                                       |
| Group 2                            | 0.7870                                | 0.3472                                  | 1.1342**                                     | 0.5965                                       |
| <b>I Gross Accumulation shares</b> |                                       |   |  |  |
| Group 1                            | 1.4403                                | -                                       | 1.4403*                                      | 0.7486                                       |
| Group 2                            | 1.4403                                | -                                       | 1.4403*                                      | 0.7486                                       |
| <b>I Gross Income shares</b>       |                                       |   |  |  |
| Group 1                            | 1.1261                                | -                                       | 1.1261**                                     | 0.5911                                       |
| Group 2                            | 1.1261                                | -                                       | 1.1261**                                     | 0.5911                                       |
| <b>K Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.2660                                | -                                       | 1.2660*                                      | 0.6671                                       |
| Group 2                            | 0.7027                                | 0.5633                                  | 1.2660*                                      | 0.6671                                       |
| <b>M Accumulation shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>               | 0.6500                                | -                                       | 0.6500*                                      |  |
| Group 2 <sup>B</sup>               | 0.6500                                | -                                       | 0.6500*                                      |  |
| <b>M Income shares</b>             |                                       |   |  |  |
| Group 1 <sup>A</sup>               | 0.6500                                | -                                       | 0.6500**                                     |  |
| Group 2 <sup>B</sup>               | 0.6500                                | -                                       | 0.6500**                                     |  |

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.8984                                | -                                       | 1.8984*                                      | 1.1357                                       |
| Group 2                      | 0.8937                                | 1.0047                                  | 1.8984*                                      | 1.1357                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 29 November 2018.

<sup>B</sup> Shares purchased between 29 November 2018 and 31 January 2019.



# Aberdeen UK Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The objective of the Fund is to provide capital growth through investment in companies registered in the United Kingdom, or companies which derive a significant proportion of their revenues or profits from the United Kingdom or have a significant proportion of their assets there.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen UK Equity Fund – A Income Shares decreased by 7.98% compared to a decrease of 8.44% in the benchmark, the FTSE All Share Index.

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

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

## Market review

UK equities fell in the six months under review, with poor sentiment hampering stock prices for the latter half of 2018, culminating in a sell-off in October. Roiling the stockmarket was the simmering trade rift between China and the US, as well as concerns over the US Federal Reserve's pace of interest rate hikes. At home, investors were nervous amid the uncertainty churned up by the Brexit drama that saw a string of Cabinet-level resignations, Prime Minister Theresa May's massive defeat in a parliament vote and the impasse that continued to dominate UK politics despite the fast-approaching March 29 deadline. The oil price had a roller-coaster ride, rising to a four-year high at one point, before retreating below US\$54 a barrel. However, the stockmarket had an upbeat start to 2019. Sentiment was boosted by perceived progress in US-China trade talks and Jay Powell's more dovish tone on US interest rates. A rebound in the oil price, helped by fresh US sanctions against Venezuela, lifted energy shares. Meanwhile, sterling climbed against its peers amid unfounded optimism in PM May's Brexit plans.

## Portfolio review

Despite the decline, the Fund outpaced its benchmark.

At the stock level, BTG was a key contributor as its shares rose on the back of a takeover offer from larger US peer Boston Scientific at a price that we believe captures the long term value of the business. Also benefiting the Fund was UK engineering software developer Aveva, as the market continued to warm to the corporate combination with Schneider Software and the potential synergy benefits from the transaction. Last, Ashmore also contributed to performance, as net flows for the investment manager remained positive against a challenging market backdrop demonstrating the resilience of the business.

Capping returns were Genus which is seeing temporary negative impact from the break out of African Swine Fever in China, although its long-term investment thesis remains unchanged. Also costing the Fund was Fevertree, as this growth stock was susceptible to the de-rating seen across the market despite its continued robust trading. Finally, Weir Group's shares fell on the

back of a weak trading update that was largely attributable to its oil & gas division, where bottlenecks in the supply chain at the Permian basin have put additional pressure on pricing beyond the broader oil price weakness.

In key portfolio activity, we sold AstraZeneca, believing that the growth from its pipeline of newly-launched drugs was already priced in. We exited BBA Aviation to redeploy capital to more compelling opportunities elsewhere. We also sold BTG following the takeover bid from larger US peer Boston Scientific where we believe the offer price captures its long term value. Finally, we divested Rotork following its share-price outperformance this year that resulted in the company's potential being increasingly reflected in its valuation. Against this, we introduced Emerging Markets specialist asset manager Ashmore, given its decent flow momentum and exposure to high-growth developing economies, backed by a robust balance sheet and a decent dividend through-cycle. We initiated a position in specialist thermal-processing services provider Bodcote, given our belief that the potential of these technologies would redefine the company's value and importance to global customers, which in turn, should enhance profit margins. We took advantage of share-price weakness to introduce well-run housebuilder Countryside, which should benefit from the structural need for additional social housing with a balanced business model given the partnership programme and net cash balance sheet that provides protection from cyclicality. We also established a holding in specialist chemicals company Johnson Matthey which makes catalysts for the auto industry. We believe it trades at a discount because of the misperception of its exposure to a waning diesel market. Instead, it should benefit from structural changes in environmental regulation and its lead technology capabilities.

## Outlook

Looking ahead, the imminent deadline for the UK's divorce is likely to continue to reverberate long after it has lapsed, with details of the deal still yet to be hammered out. Businesses will have to continue holding off their plans, with no idea of how the exit will play out. There are also other worries further afield, from the US-China trade tensions, to heightened geopolitical tensions in the Continent and beyond. Against this backdrop, the UK market is likely to remain jittery.

Overall, most UK macroeconomic indicators remain positive. While the economy may lag others due to the handbrake of Brexit, earnings for listed companies still look reasonably attractive.

**Growth in corporate earnings, while decent for now, could be affected by the faltering global economy. Amid such periods of uncertainty, our quality holdings should remain resilient. At the same time, with many stocks now trading at attractive valuations, we are on the lookout to pick up those with solid earnings that could bolster future returns.**

UK Equity Team

February 2019

Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 79,083          | 90,261       | 95,821       | 94,094       |
| Closing number of shares                  | 41,057,041      | 42,932,985   | 49,638,662   | 54,589,673   |
| Closing net asset value per share (pence) | 192.62          | 210.24       | 193.04       | 172.37       |
| Change in net asset value per share       | (8.38%)         | 8.91%        | 11.99%       | 1.74%        |
| Operating charges                         | 1.52%           | 1.60%        | 1.60%        | 1.60%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 30,029          | 33,985       | 36,631       | 35,833       |
| Closing number of shares                  | 19,805,504      | 20,444,361   | 23,763,183   | 25,629,409   |
| Closing net asset value per share (pence) | 151.62          | 166.23       | 154.15       | 139.81       |
| Change in net asset value per share       | (8.79%)         | 8.81%        | 11.96%       | 1.67%        |
| Operating charges                         | 1.53%           | 1.60%        | 1.60%        | 1.60%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 73,318          | 83,232       | 76,753       | 75,089       |
| Closing number of shares                  | 35,010,847      | 36,533,621   | 36,967,786   | 40,808,907   |
| Closing net asset value per share (pence) | 209.42          | 227.82       | 207.62       | 184.00       |
| Change in net asset value per share       | (8.08%)         | 9.73%        | 12.84%       | 2.49%        |
| Operating charges                         | 0.86%           | 0.85%        | 0.85%        | 0.85%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 10,089          | 11,185       | 9,827        | 20,434       |
| Closing number of shares                  | 6,659,948       | 6,734,196    | 6,381,369    | 14,630,439   |
| Closing net asset value per share (pence) | 151.49          | 166.10       | 154.00       | 139.67       |
| Change in net asset value per share       | (8.80%)         | 9.68%        | 12.76%       | 2.37%        |
| Operating charges                         | 0.86%           | 0.85%        | 0.85%        | 0.85%        |
| K Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 778             | 887          | 148          | 103          |
| Closing number of shares                  | 619,176         | 648,935      | 118,674      | 92,989       |
| Closing net asset value per share (pence) | 125.64          | 136.63       | 124.42       | 110.18       |
| Change in net asset value per share       | (8.04%)         | 9.81%        | 12.92%       | -            |
| Operating charges                         | 0.78%           | 0.78%        | 0.78%        | 0.78%        |
| L Accumulation shares <sup>B</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 |              |
| Closing net asset value (£'000)           | 149             | 193          | 178          |              |
| Closing number of shares                  | 131,176         | 159,700      | 159,700      |              |
| Closing net asset value per share (pence) | 113.42          | 123.23       | 111.69       |              |
| Change in net asset value per share       | (7.96%)         | 10.33%       | -            |              |
| Operating charges                         | 0.60%           | 0.27%        | 0.13%        |              |
| L Income shares <sup>B</sup>              | 31 January 2019 | 31 July 2018 | 31 July 2017 |              |
| Closing net asset value (£'000)           | 39              | 44           | 363          |              |
| Closing number of shares                  | 36,455          | 37,300       | 331,600      |              |
| Closing net asset value per share (pence) | 107.58          | 117.95       | 109.34       |              |
| Change in net asset value per share       | (8.79%)         | 10.24%       | -            |              |
| Operating charges                         | 0.60%           | 0.27%        | 0.13%        |              |

| M Accumulation shares <sup>c</sup>        |        | 31 January 2019 |              |              |
|---|--------|-----------------|--------------|--------------|
| Closing net asset value (£'000)           | -      |                 |              |              |
| Closing number of shares                  | 100    |                 |              |              |
| Closing net asset value per share (pence) | 102.69 |                 |              |              |
| Change in net asset value per share       | -      |                 |              |              |
| Operating charges                         | 0.60%  |                 |              |              |
| M Income shares <sup>c</sup>              |        | 31 January 2019 |              |              |
| Closing net asset value (£'000)           | -      |                 |              |              |
| Closing number of shares                  | 100    |                 |              |              |
| Closing net asset value per share (pence) | 102.47 |                 |              |              |
| Change in net asset value per share       | -      |                 |              |              |
| Operating charges                         | 0.60%  |                 |              |              |
| Z Accumulation shares <sup>d</sup>        |        | 31 July 2018    | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | -      | 1               | 1            |              |
| Closing number of shares                  | -      | 780             | 860          |              |
| Closing net asset value per share (pence) | 0.00   | 135.50          | 119.13       |              |
| Change in net asset value per share       | -      | 13.74%          | -            |              |
| Operating charges                         | -      | 0.10%           | 0.10%        |              |

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

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

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

<sup>a</sup> K Accumulation share class launched on 23 March 2016.

<sup>b</sup> L share classes launched on 30 September 2016.

<sup>c</sup> M share classes launched on 30 November 2018.

<sup>d</sup> Z Accumulation share class launched on 3 February 2016 and closed on 11 May 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                           | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|---|-----------------------|--------------------------------------|
| <b>UK Equities (100.02%)</b>      |   | <b>192,912</b>        | <b>99.70</b>                         |
| <b>Basic Materials (3.47%)</b>    |   | <b>9,548</b>          | <b>4.93</b>                          |
| 117,000                           | Croda   | 5,639                 | 2.91                                 |
| 128,500                           | Johnson Matthey                                       | 3,909                 | 2.02                                 |
| <b>Consumer Goods (20.23%)</b>    |   | <b>41,100</b>         | <b>21.25</b>                         |
| 179,800                           | Associated British Foods                              | 4,292                 | 2.22                                 |
| 2,008,000                         | boohoo.com  | 3,773                 | 1.95                                 |
| 288,500                           | British American Tobacco                              | 7,751                 | 4.01                                 |
| 1,346,800                         | Countryside Properties                                | 4,137                 | 2.14                                 |
| 374,300                           | Diageo  | 10,858                | 5.61                                 |
| 177,600                           | Fever Tree Drinks                                     | 4,564                 | 2.36                                 |
| 143,700                           | Unilever  | 5,725                 | 2.96                                 |
| <b>Consumer Services (16.78%)</b> |   | <b>31,082</b>         | <b>16.06</b>                         |
| 230,800                           | Compass   | 3,762                 | 1.94                                 |
| 285,259                           | Euromoney Institutional Investor                      | 3,532                 | 1.83                                 |
| 89,390                            | InterContinental Hotels                               | 3,879                 | 2.01                                 |
| 989,400                           | Just Eat  | 6,886                 | 3.55                                 |
| 539,000                           | RELX  | 9,088                 | 4.70                                 |
| 833,700                           | Rightmove   | 3,935                 | 2.03                                 |
| <b>Financials (17.46%)</b>        |   | <b>38,549</b>         | <b>19.92</b>                         |
| 1,150,700                         | Ashmore*  | 4,649                 | 2.40                                 |
| 375,000                           | Close Brothers  | 5,565                 | 2.88                                 |
| 1,894,500                         | Epic Brand Investments <sup>Ω</sup>                   | -                     | -                                    |
| 6,075                             | HIE Ventures <sup>Ω</sup>                             | -                     | -                                    |
| 147,200                           | London Stock Exchange                                 | 6,739                 | 3.48                                 |
| 4,492,239                         | Newfound <sup>Ω</sup>                                 | -                     | -                                    |
| 521,000                           | Prudential  | 7,737                 | 4.00                                 |
| 180,200                           | Schroders (Non Voting)                                | 3,702                 | 1.91                                 |
| 939,500                           | Standard Chartered                                    | 5,767                 | 2.98                                 |
| 1,018,525                         | Standard Life UK Smaller Companies Trust <sup>†</sup> | 4,390                 | 2.27                                 |

| Holding                        | Investment               | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--------------------------------|--------------------------|-----------------------|--------------------------------------|
| <b>Health Care (12.26%)</b>    |                          | <b>17,448</b>         | <b>9.02</b>                          |
| 511,500                        | Abcam                    | 6,782                 | 3.51                                 |
| 195,000                        | Dechra Pharmaceuticals   | 4,610                 | 2.38                                 |
| 272,300                        | Genus                    | 6,056                 | 3.13                                 |
| <b>Industrials (26.06%)</b>    |                          | <b>47,642</b>         | <b>24.62</b>                         |
| 581,000                        | Bodycote                 | 4,416                 | 2.28                                 |
| 308,000                        | Experian                 | 5,887                 | 3.04                                 |
| 129,700                        | Intertek                 | 6,364                 | 3.29                                 |
| 774,216                        | Marshalls                | 3,933                 | 2.03                                 |
| 1,893,800                      | Rentokil                 | 6,380                 | 3.30                                 |
| 465,000                        | Rolls-Royce              | 4,112                 | 2.12                                 |
| 671,565                        | Smart Metering Systems   | 4,405                 | 2.28                                 |
| 57,800                         | Spirax-Sarco Engineering | 3,699                 | 1.91                                 |
| 230,278                        | Ultra Electronics        | 2,955                 | 1.53                                 |
| 364,950                        | Weir                     | 5,491                 | 2.84                                 |
| <b>Technology (3.76%)</b>      |                          | <b>7,543</b>          | <b>3.90</b>                          |
| 277,300                        | AVEVA                    | 7,543                 | 3.90                                 |
| <b>Total investment assets</b> |                          | <b>192,912</b>        | <b>99.70</b>                         |
| Net other assets               |                          | 573                   | 0.30                                 |
| <b>Total Net Assets</b>        |                          | <b>193,485</b>        | <b>100.00</b>                        |

<sup>a</sup> Unapproved/unquoted security.

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

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

Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |              |
|---|-----------------|-----------------|-----------------|--------------|
|   | £'000           | £'000           | £'000           | £'000        |
| Income:   |                 |                 |                 |              |
| Net capital (losses)/gains  |                 | (19,460)        |                 | 3,393        |
| Revenue   | 2,404           |                 | 2,483           |              |
| Expenses  | (1,220)         |                 | (1,420)         |              |
| Net revenue before taxation   | 1,184           |                 | 1,063           |              |
| Taxation  | -               |                 | (6)             |              |
| Net revenue after taxation  |                 | 1,184           |                 | 1,057        |
| <b>Total return before distributions</b>  |                 | <b>(18,276)</b> |                 | <b>4,450</b> |
| Distributions   |                 | (1,183)         |                 | (1,062)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(19,459)</b> |                 | <b>3,388</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>219,787</b> |                 | <b>219,722</b> |
| Amounts receivable on the issue of shares  | 1,131           |                | 3,090           |                |
| Amounts payable on the cancellation of shares  | (8,919)         |                | (12,958)        |                |
|  |                 | (7,788)        |                 | (9,868)        |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (19,459)       |                 | 3,388          |
| Retained distribution on accumulation shares   |                 | 936            |                 | 831            |
| Unclaimed distributions  |                 | 9              |                 | 11             |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>193,485</b> |                 | <b>214,084</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 192,912        |              | 219,833        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 435             |                | 300          |                |
| Cash and bank balances                         | 1,104           |                | 1,964        |                |
|  |                 | 1,539          |              | 2,264          |
| Total assets                                   |                 | 194,451        |              | 222,097        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Creditors                                      | (750)           |                | (1,964)      |                |
| Distribution payable                           | (216)           |                | (346)        |                |
|  |                 | (966)          |              | (2,310)        |
| Total liabilities                              |                 | (966)          |              | (2,310)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>193,485</b> |              | <b>219,787</b> |



**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.8687                                | -                                       | 0.8687*                                      | 0.6182                                       |
| Group 2                      | 0.3836                                | 0.4851                                  | 0.8687*                                      | 0.6182                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.6868                                | -                                       | 0.6868**                                     | 0.4936                                       |
| Group 2                      | 0.2359                                | 0.4509                                  | 0.6868**                                     | 0.4936                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.6326                                | -                                       | 1.6326*                                      | 1.4628                                       |
| Group 2                      | 0.7544                                | 0.8782                                  | 1.6326*                                      | 1.4628                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.1903                                | -                                       | 1.1903**                                     | 1.0850                                       |
| Group 2                      | 0.7509                                | 0.4394                                  | 1.1903**                                     | 1.0850                                       |
| <b>K Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.0265                                | -                                       | 1.0265*                                      | 0.9288                                       |
| Group 2                      | 1.0265                                | -                                       | 1.0265*                                      | 0.9288                                       |
| <b>L Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.0265                                | -                                       | 1.0265*                                      | 1.2180                                       |
| Group 2                      | 1.0265                                | -                                       | 1.0265*                                      | 1.2180                                       |
| <b>L Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.9822                                | -                                       | 0.9822**                                     | 1.1924                                       |
| Group 2                      | 0.9822                                | -                                       | 0.9822**                                     | 1.1924                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2200                                | -                                       | 0.2200*                                      |  |
| Group 2 <sup>B</sup>         | 0.2200                                | -                                       | 0.2200*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2200                                | -                                       | 0.2200**                                     |  |
| Group 2 <sup>B</sup>         | 0.2200                                | -                                       | 0.2200**                                     |  |

|  | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|--|---------------------------------------|---|--|--|
| <b>Z Accumulation shares<sup>c</sup></b> |                                       |   |  |  |
| Group 1                                  | -                                     | -                                       | -  | 1.5094                                       |
| Group 2                                  | -                                     | -                                       | -  | 1.5094                                       |

\* Distribution accumulated on 31 January 2019

\*\* Distribution paid on 30 April 2019

<sup>a</sup> shares created for initial seeding of the share class prior to 30 November 2018.

<sup>b</sup> shares purchased between 30 November 2018 and 31 January 2019.

<sup>c</sup> Z Accumulation share class closed on 11 May 2018.

### Treatment by Corporate Shareholders

Corporate shareholders should account for the current period's dividends shown in the distribution table as follows:

|   | Interim<br>Dividend |
|---|---------------------|
| Treat as a UK corporate dividend                    | 100.00%             |
| Treat as an annual payment net of Income tax at 20% | 0.00%               |

# Aberdeen UK Equity Income Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund aims to achieve an attractive level of income combined with capital growth from a portfolio primarily consisting of UK Equity and Equity-Related Securities. This Fund may invest in companies listed or incorporated anywhere in the world, as long as the companies' principal activities are in, or their main economic exposure is to, the UK. This Fund may also invest in Equity and Equity-Related Securities of non-UK companies. The Fund may also hold ancillary liquid assets and debt and debt-related securities.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen UK Equity Income Fund – A Accumulation Shares decreased by 7.72% compared to a decrease of 8.44% in the benchmark, the FTSE All Share Index.

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

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

## Market review

UK equities fell in the six months under review, with poor sentiment hampering stock prices for the latter half of 2018, culminating in a sell-off in October. Roiling the stockmarket was the simmering trade rift between China and the US, as well as concerns over the US Federal Reserve's pace of interest rate hikes. At home, investors were nervous amid the uncertainty churned up by the Brexit drama that saw a string of Cabinet-level resignations, Prime Minister Theresa May's massive defeat in a parliament vote and the impasse that continued to dominate UK politics despite the fast-approaching March 29 deadline. The oil price had a roller-coaster ride, rising to a four-year high at one point, before retreating below US\$54 a barrel. However, the stockmarket had an upbeat start to 2019. Sentiment was boosted by perceived progress in US-China trade talks and Jay Powell's more dovish tone on US interest rates. A rebound in the oil price, helped by fresh US sanctions against Venezuela, lifted energy shares. Meanwhile, sterling climbed against its peers amid unfounded optimism in PM May's Brexit plans.

## Portfolio review

Despite the decline, the Fund outpaced its benchmark.

At the stock level, a key contributor to performance was Telecom Plus, which did well because of favourable regulatory changes, improved pricing dynamics and small aggressive challenger going bust. Also benefiting the Fund was UK engineering software developer Aveva, as the market continued to warm to the corporate combination with Schneider Software and the potential synergy benefits from the transaction. Last, a non-benchmark exposure in drugmaker Roche proved rewarding as its shares rose on healthy earnings amid the wider market advance.

Capping returns was BBA Aviation which underperformed due to weak market conditions for US business-jet flying. An exposure to Standard Life UK Smaller Companies Trust was also costly as it lost value against challenging market conditions. Finally, a lack of exposure to Shire detracted as its shares rose after the company became the target of a takeover bid.

In key portfolio activity, we sold GIMA TT, a designer and assembler of packaging machines for the tobacco industry, on the back of worries over the prospects of heat not burn demand; and exited Rolls Royce in favour of better opportunities elsewhere with more attractive yields. We also divested Rotork following its share-price outperformance this year that resulted in the company's potential being increasingly reflected in its valuation. Against this, we introduced Emerging Markets specialist asset manager Ashmore, given its decent flow momentum and exposure to high-growth developing economies, backed by a robust balance sheet and a decent dividend through-cycle. We initiated a position in specialist thermal-processing services provider Bodycote, given our belief that the potential of these technologies would redefine the company's value and importance to global customers, which in turn, should enhance profit margins. We took advantage of share-price weakness to introduce well-run housebuilder Countryside, which should benefit from the structural need for additional social housing with a balanced business model given the partnership programme and net cash balance sheet that provides protection from cyclicality. Another new initiation was kitchen designer and manufacturer Howden Joinery. Its solid business model and a consistent depot roll out strategy translate into a robust cash profile. While part of a cyclical industry, its healthy balance sheet provides a stable underpinning. Meanwhile, its valuation does not reflect how it is benefiting from rivals exiting the market. We also established a holding in global automotive distributor and retailer Inchcape in the belief that its valuation does not reflect its medium-term growth prospects stemming from further distribution gains, margin improvement and deal integration, particularly in emerging markets. Lastly, we introduced the London Stock Exchange, which we believe has evolved into a predominantly data and clearing business with attractive characteristics, including very high barriers to entry and a robust and enviable competitive position.

## Outlook

Looking ahead, the imminent deadline for the UK's divorce is likely to continue to reverberate long after it has lapsed, with details of the deal still yet to be hammered out. Businesses will have to continue holding off their plans, with no idea of how the exit will play out. There are also other worries further afield, from the US-China trade tensions, to heightened geopolitical tensions in the Continent and beyond. Against this backdrop, the UK market is likely to remain jittery.

Overall, most UK macroeconomic indicators remain positive. While the economy may lag others due to the handbrake of Brexit, earnings for listed companies still look reasonably attractive.

**Growth in corporate earnings, while decent for now, could be affected by the faltering global economy. Amid such periods of uncertainty, our quality holdings should remain resilient. At the same time, with many stocks now trading at attractive valuations, we are on the lookout to pick up those with solid earnings that could bolster future returns.**

**UK Equity Team**  
February 2019

Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 54,741          | 61,988       | 66,961       | 67,384       |
| Closing number of shares                  | 4,799,859       | 4,991,225    | 5,632,976    | 6,228,829    |
| Closing net asset value per share (pence) | 1,140.47        | 1,241.95     | 1,188.73     | 1,081.81     |
| Change in net asset value per share       | (8.17%)         | 4.48%        | 9.88%        | 2.86%        |
| Operating charges                         | 1.51%           | 1.61%        | 1.62%        | 1.62%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 57,107          | 64,833       | 71,648       | 72,724       |
| Closing number of shares                  | 16,598,590      | 17,005,887   | 18,908,698   | 20,276,719   |
| Closing net asset value per share (pence) | 344.05          | 381.24       | 378.91       | 358.66       |
| Change in net asset value per share       | (9.76%)         | 0.61%        | 5.65%        | (1.27)%      |
| Operating charges                         | 1.51%           | 1.61%        | 1.62%        | 1.62%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 16,228          | 18,651       | 18,346       | 18,288       |
| Closing number of shares                  | 1,290,834       | 1,366,818    | 1,415,297    | 1,561,992    |
| Closing net asset value per share (pence) | 1,257.16        | 1,364.53     | 1,296.25     | 1,170.85     |
| Change in net asset value per share       | (7.87%)         | 5.27%        | 10.71%       | 3.64%        |
| Operating charges                         | 0.86%           | 0.86%        | 0.87%        | 0.87%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 14,175          | 16,579       | 16,529       | 16,894       |
| Closing number of shares                  | 3,716,926       | 3,936,318    | 3,978,616    | 4,328,974    |
| Closing net asset value per share (pence) | 381.36          | 421.19       | 415.44       | 390.25       |
| Change in net asset value per share       | (9.46%)         | 1.38%        | 6.45%        | (0.52)%      |
| Operating charges                         | 0.86%           | 0.86%        | 0.87%        | 0.87%        |
| K Income shares <sup>A</sup>              | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 17              | 22           | 1            | 33           |
| Closing number of shares                  | 16,078          | 18,404       | 1,259        | 30,705       |
| Closing net asset value per share (pence) | 105.99          | 117.03       | 114.96       | 108.46       |
| Change in net asset value per share       | (9.43%)         | 1.80%        | 5.99%        | -            |
| Operating charges                         | 0.79%           | 0.79%        | 0.80%        | 0.80%        |

| M Accumulation shares <sup>B</sup>        |        | 31 January 2019 |              |              |              |
|---|--------|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | -      |                 |              |              |              |
| Closing number of shares                  | 100    |                 |              |              |              |
| Closing net asset value per share (pence) | 100.09 |                 |              |              |              |
| Change in net asset value per share       | -      |                 |              |              |              |
| Operating charges                         | 0.63%  |                 |              |              |              |
| M Income shares <sup>B</sup>              |        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -      |                 |              |              |              |
| Closing number of shares                  | 100    |                 |              |              |              |
| Closing net asset value per share (pence) | 99.89  |                 |              |              |              |
| Change in net asset value per share       | -      |                 |              |              |              |
| Operating charges                         | 0.63%  |                 |              |              |              |
| Z Accumulation Shares <sup>C</sup>        |        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | -      | 2               | 185          | 487          |              |
| Closing number of shares                  | -      | 132             | 13,032       | 38,132       |              |
| Closing net asset value per share (pence) | -      | 1,508.90        | 1,422.73     | 1,275.83     |              |
| Change in net asset value per share       | -      | 6.06%           | 11.51%       | 4.44%        |              |
| Operating charges                         | -      | 0.11%           | 0.12%        | 0.12%        |              |

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

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

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

<sup>A</sup> K Income share class launched on 23 March 2016

<sup>B</sup> M share classes launched on 30 November 2018.

<sup>C</sup> Z Accumulation share class closed on 14 September 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                          | Investment                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|----------------------------------|----------------------------------|-----------------------|--------------------------------------|
| <b>UK Equities (98.75%)</b>      |                                  | <b>141,277</b>        | <b>99.30</b>                         |
| <b>Basic Materials (7.82%)</b>   |                                  | <b>10,752</b>         | <b>7.56</b>                          |
| 276,100                          | BHP                              | 4,666                 | 3.28                                 |
| 52,600                           | Croda                            | 2,535                 | 1.78                                 |
| 84,800                           | Rio Tinto                        | 3,551                 | 2.50                                 |
| <b>Consumer Goods (16.77%)</b>   |                                  | <b>24,862</b>         | <b>17.47</b>                         |
| 101,000                          | Associated British Foods         | 2,411                 | 1.69                                 |
| 179,000                          | British American Tobacco         | 4,809                 | 3.38                                 |
| 920,700                          | Countryside Properties           | 2,828                 | 1.99                                 |
| 183,400                          | Diageo                           | 5,320                 | 3.74                                 |
| 63,100                           | Imperial Brands                  | 1,593                 | 1.12                                 |
| 35,000                           | Nestle                           | 2,318                 | 1.63                                 |
| 134,000                          | Scandinavian Tobacco Group       | 1,320                 | 0.93                                 |
| 107,000                          | Unilever                         | 4,263                 | 2.99                                 |
| <b>Consumer Services (7.43%)</b> |                                  | <b>12,500</b>         | <b>8.79</b>                          |
| 142,800                          | Compass                          | 2,328                 | 1.64                                 |
| 166,400                          | Euromoney Institutional Investor | 2,060                 | 1.45                                 |
| 387,000                          | Hostelworld                      | 795                   | 0.56                                 |
| 308,400                          | Inchcape                         | 1,765                 | 1.24                                 |
| 245,900                          | RELX                             | 4,146                 | 2.91                                 |
| 1,289,900                        | Saga                             | 1,406                 | 0.99                                 |
| <b>Financials (24.97%)</b>       |                                  | <b>36,804</b>         | <b>25.87</b>                         |
| 559,900                          | Ashmore                          | 2,262                 | 1.59                                 |
| 4,487,490                        | Assura (REIT)                    | 2,679                 | 1.88                                 |
| 230,000                          | Big Yellow (REIT)                | 2,203                 | 1.55                                 |
| 397,000                          | Chesnara                         | 1,364                 | 0.96                                 |
| 182,400                          | Close Brothers                   | 2,707                 | 1.90                                 |
| 1,121,050                        | Hansteen REIT                    | 1,032                 | 0.73                                 |
| 424,500                          | HSBC                             | 2,712                 | 1.91                                 |
| 26,400                           | London Stock Exchange            | 1,209                 | 0.85                                 |
| 981,447                          | LondonMetric Property (REIT)     | 1,841                 | 1.29                                 |
| 343,500                          | Nordea Bank                      | 2,380                 | 1.67                                 |
| 318,100                          | Prudential                       | 4,724                 | 3.32                                 |

| Holding                           | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|---|-----------------------|--------------------------------------|
| 101,010                           | Schroders   | 2,076                 | 1.46                                 |
| 449,500                           | Standard Chartered                                    | 2,759                 | 1.94                                 |
| 1,031,020                         | Standard Life UK Smaller Companies Trust <sup>+</sup> | 4,444                 | 3.12                                 |
| 17,600                            | Unibail-Rodamco (REIT)                                | 2,412                 | 1.70                                 |
| <b>Health Care (10.64%)</b>       |   | <b>13,827</b>         | <b>9.72</b>                          |
| 70,900                            | AstraZeneca   | 3,921                 | 2.76                                 |
| 298,500                           | GlaxoSmithKline                                       | 4,409                 | 3.10                                 |
| 58,700                            | Novo Nordisk  | 2,080                 | 1.46                                 |
| 16,900                            | Roche   | 3,417                 | 2.40                                 |
| <b>Industrials (16.63%)</b>       |   | <b>20,544</b>         | <b>14.44</b>                         |
| 533,500                           | BBA Aviation  | 1,262                 | 0.89                                 |
| 199,300                           | Bodycote  | 1,515                 | 1.06                                 |
| 64,000                            | Diploma   | 812                   | 0.57                                 |
| 153,000                           | Experian  | 2,925                 | 2.05                                 |
| 356,900                           | Howdens Joinery                                       | 1,803                 | 1.27                                 |
| 54,000                            | Kone  | 1,988                 | 1.40                                 |
| 339,400                           | Marshalls   | 1,724                 | 1.21                                 |
| 625,700                           | Rentokil  | 2,108                 | 1.48                                 |
| 77,000                            | Rolls-Royce   | 681                   | 0.48                                 |
| 154,409                           | Ultra Electronics                                     | 1,981                 | 1.39                                 |
| 15,100                            | VAT   | 1,188                 | 0.84                                 |
| 169,985                           | Weir  | 2,557                 | 1.80                                 |
| <b>Oil &amp; Gas (5.80%)</b>      |   | <b>8,407</b>          | <b>5.91</b>                          |
| 610,800                           | BP  | 3,176                 | 2.23                                 |
| 220,900                           | Royal Dutch Shell 'B'                                 | 5,231                 | 3.68                                 |
| <b>Technology (2.79%)</b>         |   | <b>4,243</b>          | <b>2.98</b>                          |
| 156,000                           | AVEVA   | 4,243                 | 2.98                                 |
| <b>Telecommunications (4.49%)</b> |   | <b>6,516</b>          | <b>4.58</b>                          |
| 495,400                           | Manx Telecom  | 815                   | 0.57                                 |
| 140,000                           | Telecom Plus  | 1,971                 | 1.39                                 |
| 2,692,000                         | Vodafone  | 3,730                 | 2.62                                 |



| Holding  | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Utilities (1.41%)</b>                       |   | <b>2,822</b>          | <b>1.98</b>                          |
| 341,962  | National Grid   | 2,822                 | 1.98                                 |
| <b>Collective Investment Schemes (0.00%)</b>   |   | <b>720</b>            | <b>0.51</b>                          |
| 720  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund <sup>†</sup> | 720                   | 0.51                                 |
| <b>Derivatives (0.00%)</b>                     |   | <b>(87)</b>           | <b>(0.06)</b>                        |
| <b>Equity Options (0.00%)</b>                  |   | <b>(87)</b>           | <b>(0.06)</b>                        |
| (6)  | Sell Call Astrazeneca 15/02/2019                                    | -                     | -                                    |
| (6)  | Sell Call Astrazeneca 15/03/2019                                    | (1)                   | -                                    |
| (20)   | Sell Call Compass 15/03/2019  | (2)                   | -                                    |
| (142)  | Sell Call Novo Nordisk 21/06/2019                                   | (11)                  | (0.01)                               |
| (77)   | Sell Call Rolls-Royce 17/05/2019                                    | (42)                  | (0.03)                               |
| (52)   | Sell Call Nestle 21/06/2019   | (15)                  | (0.01)                               |
| (47)   | Sell Put National Grid 15/02/2019                                   | (1)                   | -                                    |
| (27)   | Sell Call Roche 15/03/2019  | (15)                  | (0.01)                               |
| (13)   | Sell Call Unilever 15/02/2019                                       | -                     | -                                    |
| (8)  | Sell Call Unilever 15/03/2019                                       | -                     | -                                    |
| <b>Total investment assets and liabilities</b> |   | <b>141,910</b>        | <b>99.75</b>                         |
| <b>Net other assets</b>                        |   | <b>358</b>            | <b>0.25</b>                          |
| <b>Total Net Assets</b>                        |   | <b>142,268</b>        | <b>100.00</b>                        |

<sup>†</sup> Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |              |
|---|-----------------|-----------------|-----------------|--------------|
|   | £'000           | £'000           | £'000           | £'000        |
| Income:   |                 |                 |                 |              |
| Net capital (losses)/gains  |                 | (14,698)        |                 | 139          |
| Revenue   | 2,687           |                 | 2,501           |              |
| Expenses  | (1,019)         |                 | (1,255)         |              |
| Net revenue before taxation   | 1,668           |                 | 1,246           |              |
| Taxation  | (4)             |                 | (15)            |              |
| Net revenue after taxation  |                 | 1,664           |                 | 1,231        |
| <b>Total return before distributions</b>  |                 | <b>(13,034)</b> |                 | <b>1,370</b> |
| Distributions   |                 | (2,539)         |                 | (2,364)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(15,573)</b> |                 | <b>(994)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>162,075</b> |                 | <b>173,670</b> |
| Amounts receivable on the issue of shares  | 1,285           |                | 1,755           |                |
| Amounts payable on the cancellation of shares  | (6,770)         |                | (9,016)         |                |
|  |                 | (5,485)        |                 | (7,261)        |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (15,573)       |                 | (994)          |
| Retained distribution on accumulation shares   |                 | 1,229          |                 | 1,129          |
| Unclaimed distributions  |                 | 22             |                 | 18             |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>142,268</b> |                 | <b>166,562</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 141,997        |              | 160,043        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 476             |                | 570          |                |
| Cash and bank balances                         | 1,508           |                | 4,316        |                |
|  |                 | 1,984          |              | 4,886          |
| Total assets                                   |                 | 143,981        |              | 164,929        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | (87)           |              |                |
| Creditors                                      | (371)           |                | (889)        |                |
| Distribution payable                           | (1,255)         |                | (1,965)      |                |
|  |                 | (1,626)        |              | (2,854)        |
| Total liabilities                              |                 | (1,713)        |              | (2,854)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>142,268</b> |              | <b>162,075</b> |

**Distribution table****for the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|  | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|--|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>             |                                       |   |  |  |
| Group 1                                  | 19.7574                               | -                                       | 19.7574*                                     | 16.4514                                      |
| Group 2                                  | 10.3903                               | 9.3671                                  | 19.7574*                                     | 16.4514                                      |
| <b>A Income shares</b>                   |                                       |   |  |  |
| Group 1                                  | 6.0648                                | -                                       | 6.0648**                                     | 5.2440                                       |
| Group 2                                  | 2.3727                                | 3.6921                                  | 6.0648**                                     | 5.2440                                       |
| <b>I Accumulation shares</b>             |                                       |   |  |  |
| Group 1                                  | 21.7392                               | -                                       | 21.7392*                                     | 17.9584                                      |
| Group 2                                  | 8.8926                                | 12.8466                                 | 21.7392*                                     | 17.9584                                      |
| <b>I Income shares</b>                   |                                       |   |  |  |
| Group 1                                  | 6.7102                                | -                                       | 6.7102**                                     | 5.7555                                       |
| Group 2                                  | 2.6655                                | 4.0447                                  | 6.7102**                                     | 5.7555                                       |
| <b>K Income shares</b>                   |                                       |   |  |  |
| Group 1                                  | 1.8642                                | -                                       | 1.8642**                                     | 1.5831                                       |
| Group 2                                  | 0.7242                                | 1.1400                                  | 1.8642**                                     | 1.5831                                       |
| <b>M Accumulation shares</b>             |                                       |   |  |  |
| Group 1 <sup>A</sup>                     | 0.2000                                | -                                       | 0.2000*                                      |  |
| Group 2 <sup>B</sup>                     | 0.2000                                | -                                       | 0.2000*                                      |  |
| <b>M Income shares</b>                   |                                       |   |  |  |
| Group 1 <sup>A</sup>                     | 0.2000                                | -                                       | 0.2000**                                     |  |
| Group 2 <sup>B</sup>                     | 0.2000                                | -                                       | 0.2000**                                     |  |
| <b>Z Accumulation shares<sup>C</sup></b> |                                       |   |  |  |
| Group 1                                  | -                                     | -                                       | -  | 19.9054                                      |
| Group 2                                  | -                                     | -                                       | -  | 19.9054                                      |

\* Distribution accumulated on 31 January 2019

\*\* Distribution paid on 31 March 2019

<sup>A</sup> shares created for initial seeding of the share class prior to 30 November 2018.<sup>B</sup> shares purchased between 30 November 2018 and 31 January 2019.<sup>C</sup> Z Accumulation share class closed on 14 September 2018.**Treatment by Corporate Shareholders**

Corporate shareholders should account for the current period's dividends shown in the distribution table as follows:

|   | Interim<br>Dividend |
|---|---------------------|
| Treat as a UK corporate dividend                    | 100.00%             |
| Treat as an annual payment net of Income tax at 20% | 0.00%               |

# Aberdeen UK Mid-Cap Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund's objective is to maximise total return from capital investment predominantly in the companies of the FTSE 250 Index (excluding investment trusts), though other UK listed equities may be held where the ACD deems this appropriate.

Note: The term 'total return' means a combination of income and capital growth and no positive return is implied.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen UK Mid-Cap Equity Fund – A Accumulation Shares decreased by 6.74% compared to a decrease of 10.38% in the benchmark, the FTSE 250 ex Investment Trusts Index.

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

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

## Market review

UK mid-cap equities fell in the six months under review, with poor sentiment hampering stock prices for the latter half of 2018, culminating in a sell-off in October. Roiling the stockmarket was the simmering trade rift between China and the US, as well as concerns over the US Federal Reserve's pace of interest rate hikes. At home, investors were nervous amid the uncertainty churned up by the Brexit drama that saw a string of Cabinet-level resignations, Prime Minister Theresa May's massive defeat in a parliament vote and the impasse that continued to dominate UK politics despite the fast-approaching march 29 deadline. The oil price had a roller-coaster ride, rising to a four-year high at one point, before retreating below US\$54 a barrel. However, the stockmarket had an upbeat start to 2019. Sentiment was boosted by perceived progress in US-China trade talks and Jay Powell's more dovish tone on US interest rates. A rebound in the oil price, helped by fresh US sanctions against Venezuela, lifted energy shares. Meanwhile, sterling climbed against its peers amid unfounded optimism in PM May's Brexit plans.

## Portfolio review

Despite the decline, the Fund outpaced its benchmark.

At the stock level, a key contributor to performance was BTG as its shares rose on the back of a takeover offer from larger US peer Boston Scientific at a price that we believe captures the long term value of the business. Also benefiting the Fund was UK engineering software developer Aveva, as the market continued to warm to the corporate combination with Schneider Software and the potential synergy benefits from the transaction. Last, Telecom Plus did well because of favourable regulatory changes, improved pricing dynamics and small aggressive challenger going bust.

Capping gains was Cairn Homes, as its shares were affected by a de-rating in valuations for almost all UK and Irish housebuilders despite the company reporting favourable results. Also costing the

Fund was Victrex, as it suffered from near-term cyclical and small downgrades pressuring its shares. Finally, Rotork detracted amid cyclical concerns over highly-rated stocks

In key activity, the portfolio moved to a quality-growth-momentum focus, with a high exposure to FTSE 250 names and on positive matrix scores. To this end, we sold out of BBA Aviation, Elementis, Cairn Homes, Fuller Smith Turner, and Inchcape. We also exited RPC following a takeover bid at 782p that its board recommended. Although the bid price was disappointing, it may be the best offer on the table. Against this, we introduced several new names, including FDM, Diploma and Marshalls, and adding to Hilton Food and Telecom Plus. We also participated in AJ Bell's initial public offer, given that its high-quality platform business is underpinned by robust growth, has a dominant market position and sustainable pricing levels.

## Outlook

Looking ahead, the imminent deadline for the UK's divorce is likely to continue to reverberate long after it has lapsed, with details of the deal still yet to be hammered out. Businesses will have to continue holding off their plans, with no idea of how the exit will play out. There are also other worries further afield, from the US-China trade tensions, to heightened geopolitical tensions in the Continent and beyond. Against this backdrop, the UK market is likely to remain jittery.

Overall, most UK macroeconomic indicators remain positive. While the economy may lag others due to the handbrake of Brexit, earnings for listed companies still look reasonably attractive.

**Growth in corporate earnings, while decent for now, could be affected by the faltering global economy. Amid such periods of uncertainty, our quality holdings should remain resilient. At the same time, with many stocks now trading at attractive valuations, we are on the lookout to pick up those with solid earnings that could bolster future returns.**

**Smaller Companies Equity Team**

February 2019

Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risk of investing in this Fund:
- A full list of risks applicable to this fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 17,136          | 19,254       | 22,846       | 20,598       |
| Closing number of shares                  | 7,631,103       | 7,918,817    | 10,299,881   | 11,045,353   |
| Closing net asset value per share (pence) | 224.55          | 243.14       | 221.81       | 186.48       |
| Change in net asset value per share       | (7.65%)         | 9.62%        | 18.95%       | 0.56%        |
| Operating charges                         | 1.52%           | 1.61%        | 1.61%        | 1.61%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 3,956           | 4,405        | 5,350        | 5,384        |
| Closing number of shares                  | 2,086,658       | 2,138,881    | 2,826,344    | 3,360,681    |
| Closing net asset value per share (pence) | 189.58          | 205.94       | 189.28       | 160.19       |
| Change in net asset value per share       | (7.94%)         | 8.80%        | 18.16%       | (0.52%)      |
| Operating charges                         | 1.52%           | 1.61%        | 1.61%        | 1.61%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 8,466           | 8,394        | 7,354        | 6,510        |
| Closing number of shares                  | 4,611,234       | 4,236,678    | 4,099,326    | 4,348,980    |
| Closing net asset value per share (pence) | 183.59          | 198.14       | 179.40       | 149.70       |
| Change in net asset value per share       | (7.34%)         | 10.45%       | 19.84%       | 1.31%        |
| Operating charges                         | 0.86%           | 0.86%        | 0.86%        | 0.86%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 1,227           | 1,349        | 1,332        | 1,254        |
| Closing number of shares                  | 745,340         | 754,874      | 811,099      | 902,041      |
| Closing net asset value per share (pence) | 164.56          | 178.75       | 164.26       | 139.00       |
| Change in net asset value per share       | -7.94%          | 8.82%        | 18.17%       | (0.52%)      |
| Operating charges                         | 0.85%           | 0.86%        | 0.86%        | 0.86%        |
| K Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 88              | 11           | 8            | 13           |
| Closing number of shares                  | 67,565          | 7,958        | 5,958        | 12,658       |
| Closing net asset value per share (pence) | 130.73          | 141.03       | 127.59       | 106.38       |
| Change in net asset value per share       | (7.30%)         | 10.53%       | 19.94%       | -            |
| Operating charges                         | 0.78%           | 0.79%        | 0.79%        | 0.79%        |
| M Accumulation shares <sup>B</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 102.99          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.60%           |              |              |              |

| <b>M Income shares<sup>B</sup></b>        | <b>31 January 2019</b> |  |  |  |
|---|------------------------|--|--|--|
| Closing net asset value (£'000)           | -                      |  |  |  |
| Closing number of shares                  | 100                    |  |  |  |
| Closing net asset value per share (pence) | 102.73                 |  |  |  |
| Change in net asset value per share       | -                      |  |  |  |
| Operating charges                         | 0.60%                  |  |  |  |

| <b>Z Accumulation shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
|---|------------------------|---------------------|---------------------|---------------------|
| Closing net asset value (£'000)           | 5,253                  | 5,639               | 12,117              | 27,453              |
| Closing number of shares                  | 1,945,886              | 1,942,876           | 4,645,576           | 12,707,476          |
| Closing net asset value per share (pence) | 269.97                 | 290.25              | 260.84              | 216.04              |
| Change in net asset value per share       | (6.99%)                | 11.28%              | 20.74%              | 2.07%               |
| Operating charges                         | 0.10%                  | 0.11%               | 0.11%               | 0.11%               |

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

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

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

<sup>A</sup> K Accumulation share class launched on 23 March 2016.

<sup>B</sup> M share classes launched on 30 November 2018.



## Portfolio Statement

As at 31 January 2019

| Holding                           | Investment                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|----------------------------------|-----------------------|--------------------------------------|
| <b>Equities (99.24%)</b>          |                                  | <b>34,125</b>         | <b>94.46</b>                         |
| <b>UK Equities (99.24%)</b>       |                                  | <b>34,125</b>         | <b>94.46</b>                         |
| <b>Basic Materials (7.73%)</b>    |                                  | <b>1,954</b>          | <b>5.41</b>                          |
| 17,500                            | Croda                            | 844                   | 2.33                                 |
| 48,600                            | Victrex                          | 1,110                 | 3.08                                 |
| <b>Consumer Goods (5.46%)</b>     |                                  | <b>1,741</b>          | <b>4.82</b>                          |
| 68,700                            | Barr (AG)                        | 517                   | 1.43                                 |
| 132,186                           | Hilton Food                      | 1,224                 | 3.39                                 |
| <b>Consumer Services (17.04%)</b> |                                  | <b>5,711</b>          | <b>15.81</b>                         |
| 236,400                           | Auto Trader                      | 1,080                 | 2.99                                 |
| 401,500                           | Cineworld                        | 1,047                 | 2.90                                 |
| 82,600                            | Euromoney Institutional Investor | 1,023                 | 2.83                                 |
| 106,000                           | Hostelworld                      | 218                   | 0.60                                 |
| 103,000                           | Just Eat                         | 717                   | 1.99                                 |
| 112,500                           | On the Beach                     | 494                   | 1.37                                 |
| 239,900                           | Rightmove                        | 1,132                 | 3.13                                 |
| <b>Financials (20.02%)</b>        |                                  | <b>7,956</b>          | <b>22.02</b>                         |
| 250,000                           | AJ Bell                          | 649                   | 1.80                                 |
| 1,434,000                         | Assura                           | 856                   | 2.37                                 |
| 107,000                           | Big Yellow                       | 1,025                 | 2.84                                 |
| 68,000                            | Burford Capital                  | 1,247                 | 3.45                                 |
| 56,100                            | Close Brothers                   | 832                   | 2.30                                 |
| 45,500                            | Hiscox                           | 645                   | 1.78                                 |
| 21,100                            | Rathbone Brothers                | 488                   | 1.35                                 |
| 128,856                           | Unite                            | 1,173                 | 3.25                                 |
| 109,600                           | Workspace                        | 1,041                 | 2.88                                 |
| <b>Health Care (14.82%)</b>       |                                  | <b>3,841</b>          | <b>10.63</b>                         |
| 118,000                           | Abcam                            | 1,565                 | 4.33                                 |
| 64,294                            | Dechra Pharmaceuticals           | 1,520                 | 4.21                                 |
| 34,000                            | Genus                            | 756                   | 2.09                                 |

| Holding                                      | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Industrials (24.90%)</b>                  |   | <b>8,790</b>          | <b>24.33</b>                         |
| 70,800                                       | Diploma   | 898                   | 2.49                                 |
| 42,900                                       | Fisher (J) & Sons                                       | 830                   | 2.30                                 |
| 70,700                                       | Hill & Smith  | 780                   | 2.16                                 |
| 185,800                                      | Marshalls   | 944                   | 2.61                                 |
| 142,200                                      | Meggitt   | 733                   | 2.03                                 |
| 335,000                                      | Melrose Industries                                      | 565                   | 1.56                                 |
| 450,300                                      | Rotork  | 1,237                 | 3.42                                 |
| 103,439                                      | Smart Metering Systems                                  | 678                   | 1.88                                 |
| 26,200                                       | Spectris  | 681                   | 1.89                                 |
| 19,500                                       | Spirax-Sarco Engineering                                | 1,248                 | 3.45                                 |
| 15,300                                       | Ultra Electronics                                       | 196                   | 0.54                                 |
| <b>Oil &amp; Gas (2.17%)</b>                 |   | <b>363</b>            | <b>1.01</b>                          |
| 67,100                                       | Wood Group*   | 363                   | 1.01                                 |
| <b>Technology (5.69%)</b>                    |   | <b>2,714</b>          | <b>7.51</b>                          |
| 66,700                                       | AVEVA   | 1,814                 | 5.02                                 |
| 109,400                                      | FDM   | 900                   | 2.49                                 |
| <b>Telecommunications (1.41%)</b>            |   | <b>1,055</b>          | <b>2.92</b>                          |
| 74,900                                       | Telecom Plus  | 1,055                 | 2.92                                 |
| <b>Collective Investment Schemes (0.24%)</b> |   | <b>1,596</b>          | <b>4.42</b>                          |
| 1,596  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund† | 1,596                 | 4.42                                 |
| <b>Total investment assets</b>               |   | <b>35,721</b>         | <b>98.88</b>                         |
| Net other assets                             |   | 405                   | 1.12                                 |
| <b>Total Net Assets</b>                      |   | <b>36,126</b>         | <b>100.00</b>                        |

† Managed by subsidiaries of Standard Life Aberdeen plc.

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

Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital (losses)/gains  |                 | (3,076)        |                 | 1,001        |
| Revenue   | 391             |                | 411             |              |
| Expenses  | (206)           |                | (271)           |              |
| Net revenue before taxation   | 185             |                | 140             |              |
| Taxation  | -               |                | -               |              |
| Net revenue after taxation  |                 | 185            |                 | 140          |
| <b>Total return before distributions</b>  |                 | <b>(2,891)</b> |                 | <b>1,141</b> |
| Distributions   |                 | (185)          |                 | (141)        |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(3,076)</b> |                 | <b>1,000</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |               |
|--|-----------------|---------------|-----------------|---------------|
|  | £'000           | £'000         | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>39,052</b> |                 | <b>49,007</b> |
| Amounts receivable on the issue of shares  | 2,711           |               | 881             |               |
| Amounts payable on the cancellation of shares  | (2,731)         |               | (8,556)         |               |
|  |                 | (20)          |                 | (7,675)       |
| Dilution adjustment  |                 | 3             |                 | 12            |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (3,076)       |                 | 1,000         |
| Retained distribution on accumulation shares   |                 | 167           |                 | 95            |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>36,126</b> |                 | <b>42,439</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 35,721        |              | 38,850        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 247             |               | 107          |               |
| Cash and bank balances                         | 209             |               | 288          |               |
|  |                 | 456           |              | 395           |
| Total assets                                   |                 | 36,177        |              | 39,245        |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Creditors                                      | (30)            |               | (149)        |               |
| Distribution payable                           | (21)            |               | (44)         |               |
|  |                 | (51)          |              | (193)         |
| Total liabilities                              |                 | (51)          |              | (193)         |
| <b>Net assets attributable to shareholders</b> |                 | <b>36,126</b> |              | <b>39,052</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7341                                | -                                       | 0.7341*                                      | 0.1723                                       |
| Group 2                      | 0.3818                                | 0.3523                                  | 0.7341*                                      | 0.1723                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.6218                                | -                                       | 0.6218**                                     | 0.1470                                       |
| Group 2                      | 0.2923                                | 0.3295                                  | 0.6218**                                     | 0.1470                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.2071                                | -                                       | 1.2071*                                      | 0.8265                                       |
| Group 2                      | 0.5953                                | 0.6118                                  | 1.2071*                                      | 0.8265                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 1.0885                                | -                                       | 1.0885**                                     | 0.7568                                       |
| Group 2                      | 0.8220                                | 0.2665                                  | 1.0885**                                     | 0.7568                                       |
| <b>K Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.9098                                | -                                       | 0.9098*                                      | 0.6417                                       |
| Group 2                      | 0.2992                                | 0.6106                                  | 0.9098*                                      | 0.6417                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2700                                | -                                       | 0.2700*                                      |  |
| Group 2 <sup>B</sup>         | 0.2700                                | -                                       | 0.2700*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2700                                | -                                       | 0.2700**                                     |  |
| Group 2 <sup>B</sup>         | 0.2700                                | -                                       | 0.2700**                                     |  |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 2.7955                                | -                                       | 2.7955*                                      | 2.1992                                       |
| Group 2                      | 1.8221                                | 0.9734                                  | 2.7955*                                      | 2.1992                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 31 March 2019.

<sup>A</sup> shares created for initial seeding of the share class prior to 30 November 2018.<sup>B</sup> shares purchased between 30 November 2018 and 31 January 2019.**Treatment by Corporate Shareholders**

Corporate shareholders should account for the current period's dividends shown in the distribution table as follows:

|   | Interim<br>Dividend |
|---|---------------------|
| Treat as a UK corporate dividend                    | 100                 |
| Treat as an annual payment net of Income tax at 20% | -                   |

# Aberdeen UK Smaller Companies Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The investment objective of Aberdeen UK Smaller Companies Equity Fund is to provide capital growth, whilst not excluding the occurrence of income, from investment in smaller UK companies being companies which are not included within the 200 largest UK companies at the time of purchase, in terms of market capitalisation.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen UK Smaller Companies Equity Fund – A Accumulation Shares decreased by 15.46% compared to a decrease of 9.61% in the benchmark, the FTSE Small Cap ex Investment Trusts Index.

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

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

## Market review

UK small-cap equities fell in the six months under review, with poor sentiment hampering stock prices for the latter half of 2018, culminating in a sell-off in October. Roiling the stockmarket was the simmering trade rift between China and the US, as well as concerns over the US Federal Reserve's pace of interest rate hikes. At home, investors were nervous amid the uncertainty churned up by the Brexit drama that saw a string of Cabinet-level resignations, Prime Minister Theresa May's massive defeat in a parliament vote and the impasse that continued to dominate UK politics despite the fast-approaching march 29 deadline. The oil price had a roller-coaster ride, rising to a four-year high at one point, before retreating below US\$54 a barrel. However, the stockmarket had an upbeat start to 2019. Sentiment was boosted by perceived progress in US-China trade talks and Jay Powell's more dovish tone on US interest rates. A rebound in the oil price, helped by fresh US sanctions against Venezuela, lifted energy shares. Meanwhile, sterling climbed against its peers amid unfounded optimism in PM May's Brexit plans.

## Portfolio review

Despite the decline, the Fund lagged its benchmark.

At the stock level, a key detractor was Patisserie Holdings, as its shares remained suspended in the wake of the fraud by the chief financial officer. We are currently pricing the holding at zero. Also costing the Fund was Victoria, after its shares fell on concerns over a possible highly-priced bond issue, and a weaker margin forecast. Last, XP Power detracted because it fell out of favour on fears over a downturn in the semiconductor equipment cycle. This is a key market for XP Power.

Mitigating the negative performance was Telecom Plus, which did well because of favourable regulatory changes, improved pricing dynamics and small aggressive challenger going bust. Another contributor was James Fisher & Sons, which did well following a good set of results. Finally, holding AG Barr was also positive as its defensiveness, coupled with a share buyback, imbued its shares with resilience.

In key activity, the portfolio moved to a quality-growth-momentum focus and on positive matrix scores. To this end, we sold out of Keller and exited Gresham Tech on the back of its profit warning. We also sold RPC following a takeover bid at 782p that is board recommended. Although the bid price was disappointing, it may be the best offer on the table. Against this, we participated in AJ Bell's initial public offer, given that its high-quality platform business is underpinned by robust growth, has a dominant market position and sustainable pricing levels.

## Outlook

Looking ahead, the imminent deadline for the UK's divorce is likely to continue to reverberate long after it has lapsed, with details of the deal still yet to be hammered out. Businesses will have to continue holding off their plans, with no idea of how the exit will play out. There are also other worries further afield, from the US-China trade tensions, to heightened geopolitical tensions in the Continent and beyond. Against this backdrop, the UK market is likely to remain jittery.

Overall, most UK macroeconomic indicators remain positive. While the economy may lag others due to the handbrake of Brexit, earnings for listed companies still look reasonably attractive. **Growth in corporate earnings, while decent for now, could be affected by the faltering global economy. Amid such periods of uncertainty, our quality holdings should remain resilient. At the same time, with many stocks now trading at attractive valuations, we are on the lookout to pick up those with solid earnings that could bolster future returns.**

**Smaller Companies Equity Team**  
February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
  - Smaller companies: Shares of smaller companies may be more difficult to buy and sell than those of larger companies. This means that the Investment Manager may not be able to buy and sell at the best time or may suffer losses. This could reduce your returns.
  - Specialist sector: The Fund invests in a specialist sector and it will not perform in line with funds that have a broader investment policy.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 53,216          | 64,695       | 105,934      | 218,884      |
| Closing number of shares                  | 15,488,504      | 15,849,870   | 29,217,880   | 75,965,018   |
| Closing net asset value per share (pence) | 343.58          | 408.17       | 362.57       | 288.14       |
| Change in net asset value per share       | (15.82%)        | 12.58%       | 25.83%       | (5.04%)      |
| Operating charges                         | 1.53%           | 1.60%        | 1.60%        | 1.60%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 18,035          | 23,378       | 18,088       | 14,704       |
| Closing number of shares                  | 9,936,022       | 10,877,142   | 9,546,438    | 9,838,745    |
| Closing net asset value per share (pence) | 181.51          | 214.93       | 189.48       | 149.45       |
| Change in net asset value per share       | (15.55%)        | 13.43%       | 26.78%       | (4.33%)      |
| Operating charges                         | 0.85%           | 0.85%        | 0.85%        | 0.85%        |
| K Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 127             | 601          | 10           | 6            |
| Closing number of shares                  | 101,840         | 406,762      | 7,600        | 6,000        |
| Closing net asset value per share (pence) | 124.73          | 147.68       | 130.08       | 102.53       |
| Change in net asset value per share       | (15.54%)        | 13.53%       | 26.87%       | -            |
| Operating charges                         | 0.78%           | 0.78%        | 0.78%        | 0.78%        |
| M Accumulation shares <sup>B</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 100.77          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.63%           |              |              |              |
| Z Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 14,733          | 17,380       | 25,767       | 57,336       |
| Closing number of shares                  | 3,541,796       | 3,542,069    | 6,001,269    | 17,058,090   |
| Closing net asset value per share (pence) | 415.97          | 490.69       | 429.36       | 336.12       |
| Change in net asset value per share       | (15.23%)        | 14.28%       | 27.74%       | (3.61%)      |
| Operating charges                         | 0.10%           | 0.10%        | 0.10%        | 0.10%        |

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

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

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

<sup>A</sup> K Accumulation share class launched on 23 March 2016.

<sup>B</sup> M Accumulation share class launched on 3 December 2018.



## Portfolio Statement

As at 31 January 2019

| Holding                           | Investment                       | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|----------------------------------|-----------------------|--------------------------------------|
| <b>Equities (99.08%)</b>          |                                  | <b>81,557</b>         | <b>94.72</b>                         |
| <b>UK Equities (99.08%)</b>       |                                  | <b>81,557</b>         | <b>94.72</b>                         |
| <b>Basic Materials (5.02%)</b>    |                                  | <b>2,845</b>          | <b>3.30</b>                          |
| 681,500                           | Elementis                        | 1,242                 | 1.44                                 |
| 70,200                            | Victrex                          | 1,603                 | 1.86                                 |
| <b>Consumer Goods (16.13%)</b>    |                                  | <b>12,035</b>         | <b>13.98</b>                         |
| 374,300                           | Barr (AG)                        | 2,818                 | 3.27                                 |
| 1,056,800                         | Devro                            | 1,642                 | 1.91                                 |
| 58,700                            | Games Workshop                   | 1,773                 | 2.06                                 |
| 382,692                           | Hilton Food                      | 3,544                 | 4.12                                 |
| 975,478                           | Stock Spirits                    | 2,258                 | 2.62                                 |
| <b>Consumer Services (11.60%)</b> |                                  | <b>9,431</b>          | <b>10.95</b>                         |
| 212,000                           | Euromoney Institutional Investor | 2,625                 | 3.05                                 |
| 272,000                           | Fuller Smith & Turner            | 2,910                 | 3.38                                 |
| 577,700                           | Gym Group                        | 1,222                 | 1.42                                 |
| 217,100                           | Hollywood Bowl                   | 488                   | 0.56                                 |
| 175,200                           | Hostelworld                      | 360                   | 0.42                                 |
| 388,400                           | Next Fifteen Communications      | 1,826                 | 2.12                                 |
| 687,400                           | Patisserie                       | -                     | -                                    |
| <b>Financials (16.62%)</b>        |                                  | <b>15,112</b>         | <b>17.55</b>                         |
| 134,676                           | AJ Bell                          | 350                   | 0.41                                 |
| 5,019,200                         | Assura                           | 2,996                 | 3.48                                 |
| 60,300                            | Burford Capital                  | 1,106                 | 1.28                                 |
| 687,400                           | Chesnara                         | 2,361                 | 2.74                                 |
| 1,207,900                         | Hansteen REIT                    | 1,113                 | 1.29                                 |
| 383,015                           | Helical Bar                      | 1,285                 | 1.49                                 |
| 18,769                            | HIE Ventures                     | -                     | -                                    |
| 97,800                            | Rathbone Brothers                | 2,261                 | 2.63                                 |
| 215,300                           | Savills                          | 1,790                 | 2.08                                 |
| 913,600                           | U & I Group                      | 1,850                 | 2.15                                 |

| Holding                                      | Investment  | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|-----------------------|--------------------------------------|
| <b>Health Care (10.63%)</b>                  |   | <b>7,532</b>          | <b>8.75</b>                          |
| 215,300                                      | Abcam   | 2,855                 | 3.32                                 |
| 128,700                                      | Dechra Pharmaceuticals                                  | 3,042                 | 3.53                                 |
| 73,500                                       | Genus   | 1,635                 | 1.90                                 |
| <b>Industrials (31.77%)</b>                  |   | <b>24,712</b>         | <b>28.70</b>                         |
| 854,300                                      | DiscoverIE  | 3,571                 | 4.16                                 |
| 170,056                                      | Fisher (J) & Sons                                       | 3,289                 | 3.82                                 |
| 292,900                                      | Midwich   | 1,611                 | 1.87                                 |
| 193,600                                      | Morgan Sindall  | 2,269                 | 2.63                                 |
| 297,300                                      | Oxford Instruments                                      | 2,670                 | 3.10                                 |
| 405,900                                      | Robert Walters  | 2,127                 | 2.47                                 |
| 350,000                                      | RWS   | 1,636                 | 1.90                                 |
| 355,900                                      | Smart Metering Systems                                  | 2,335                 | 2.71                                 |
| 446,400                                      | TT Electronics  | 915                   | 1.06                                 |
| 178,800                                      | Ultra Electronics                                       | 2,294                 | 2.66                                 |
| 97,800                                       | XP Power  | 1,995                 | 2.32                                 |
| <b>Technology (4.04%)</b>                    |   | <b>3,897</b>          | <b>4.53</b>                          |
| 115,500                                      | Aveva   | 3,141                 | 3.65                                 |
| 34,200                                       | First Derivatives                                       | 756                   | 0.88                                 |
| <b>Telecommunications (3.27%)</b>            |   | <b>5,993</b>          | <b>6.96</b>                          |
| 251,870                                      | Gamma Communication                                     | 2,060                 | 2.39                                 |
| 1,038,100                                    | Manx Telecom  | 1,708                 | 1.98                                 |
| 158,000                                      | Telecom Plus  | 2,225                 | 2.59                                 |
| <b>Collective Investment Schemes (0.00%)</b> |   | <b>2,751</b>          | <b>3.19</b>                          |
| 2,751  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund† | 2,751                 | 3.19                                 |
| <b>Total investment assets</b>               |   | <b>84,308</b>         | <b>97.91</b>                         |
| Net other assets                             |   | 1,803                 | 2.09                                 |
| <b>Total Net Assets</b>                      |   | <b>86,111</b>         | <b>100.00</b>                        |

† Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |               |
|---|-----------------|-----------------|-----------------|---------------|
|   | £'000           | £'000           | £'000           | £'000         |
| Income:   |                 |                 |                 |               |
| Net capital (losses)/gains  |                 | (16,824)        |                 | 10,308        |
| Revenue   | 1,016           |                 | 1,301           |               |
| Expenses  | (525)           |                 | (883)           |               |
| Net revenue before taxation   | 491             |                 | 418             |               |
| Taxation  | -               |                 | -               |               |
| Net revenue after taxation  |                 | 491             |                 | 418           |
| <b>Total return before distributions</b>  |                 | <b>(16,333)</b> |                 | <b>10,726</b> |
| Distributions   |                 | (491)           |                 | (422)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(16,824)</b> |                 | <b>10,304</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>106,054</b> |                 | <b>149,799</b> |
| Amounts receivable on the issue of shares  | 380             |                | 2,600           |                |
| Amounts payable on the cancellation of shares  | (3,984)         |                | (44,451)        |                |
|  |                 | (3,604)        |                 | (41,851)       |
| Dilution adjustment  |                 | -              |                 | 156            |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (16,824)       |                 | 10,304         |
| Retained distribution on accumulation shares   |                 | 485            |                 | 342            |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>86,111</b>  |                 | <b>118,750</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |                |
|--|-----------------|---------------|--------------|----------------|
|  | £'000           | £'000         | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |               |              |                |
| Fixed assets:                                  |                 |               |              |                |
| Investment assets                              |                 | 84,308        |              | 105,079        |
| Current assets:                                |                 |               |              |                |
| Debtors  | 231             |               | 128          |                |
| Cash and bank balances                         | 1,693           |               | 1,157        |                |
|  |                 | 1,924         |              | 1,285          |
| Total assets                                   |                 | 86,232        |              | 106,364        |
| <b>Liabilities:</b>                            |                 |               |              |                |
| Creditors                                      | (121)           |               | (310)        |                |
|  |                 | (121)         |              | (310)          |
| Total liabilities                              |                 | (121)         |              | (310)          |
| <b>Net assets attributable to shareholders</b> |                 | <b>86,111</b> |              | <b>106,054</b> |

**Distribution table****For the six months ended 31 January 2019**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.2436                                | -                                       | 1.2436*                                      | 0.3194                                       |
| Group 2                      | 0.8635                                | 0.3801                                  | 1.2436*                                      | 0.3194                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.2890                                | -                                       | 1.2890*                                      | 0.9264                                       |
| Group 2                      | 0.6974                                | 0.5916                                  | 1.2890*                                      | 0.9264                                       |
| <b>K Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.9294                                | -                                       | 0.9294*                                      | 0.6957                                       |
| Group 2                      | 0.5704                                | 0.3590                                  | 0.9294*                                      | 0.6957                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.2300                                | -                                       | 0.2300*                                      |  |
| Group 2 <sup>B</sup>         | 0.2300                                | -                                       | 0.2300*                                      |  |
| <b>Z Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 4.6019                                | -                                       | 4.6019*                                      | 3.8088                                       |
| Group 2                      | 4.6019                                | -                                       | 4.6019*                                      | 3.8088                                       |

\* Distribution accumulated on 31 January 2019.

<sup>A</sup> shares created for initial seeding of the share class prior to 3 December 2018.<sup>B</sup> shares purchased between 3 December 2018 and 31 January 2019.**Treatment by Corporate Shareholders**

Corporate shareholders should account for the current year's dividends shown in the distribution table as follows:

|   | Interim<br>Dividend<br>Distribution |
|---|-------------------------------------|
| Treat as a UK corporate dividend                    | 100.00%                             |
| Treat as an annual payment net of Income tax at 20% | 0.00%                               |

# Aberdeen World Equity Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The investment objective of Aberdeen World Equity Fund is to provide long term total return from an internationally diversified portfolio of equities.

Note: The term 'total return' means a combination of income and capital growth and no positive return is implied.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen World Equity Fund – A Income Shares decreased by 7.02% compared to a decrease of 5.04% in the benchmark, the MSCI World Index.

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

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

## Market review

Global equities declined during the six months under review, with most markets ending the period in the red. Positive economic data initially spurred stockmarkets higher, with good earnings growth and a strengthening US dollar propelling the US S&P 500 index to its longest bull run in history. These early gains were, however, erased in the last few months of 2018 as a spike in US Treasury yields compelled investors to re-assess global stock valuations. Contracting economies in Japan and Germany, along with China's slower-than-expected growth, also raised concerns over a global economic slowdown. The US Federal Reserve (Fed) withstood political pressure and raised rates again, sending the US S&P 500 index into bear-market territory. It then indicated there would be a pause in future US interest rate hikes, prompting stockmarkets to rebound in early 2019.

Providing investors some relief, albeit only briefly, was a 90-day trade ceasefire between the US and China. Meanwhile, oil prices reached 15-month lows, as expanding US shale output overshadowed planned production curbs led by Saudi Arabia and Russia.

## Portfolio review

At the stock level, Japan's Sysmex weighed on returns the most. The medical equipment supplier reported sluggish sales as a result of slowing fundamentals and one-off issues. We believe the quality of the business remains intact, and growing healthcare needs will result in rising demand for medical diagnostics. US oilfield services Schlumberger fell in tandem with the weaker oil price. We still like its long-term prospects, and added to our position on its share-price weakness. Cigarette-maker British American Tobacco declined following weak US sales volumes, heightened regulatory risk and uncertainty around its next-generation products such as tobacco heating products and vapourisers. We are more optimistic on the firm's sales in the US this year, and believe that its high dividend yield and earnings growth provide attractive returns.

In contrast, our non-benchmark exposure to Banco Bradesco contributed the most to returns. The Brazilian lender rose in tandem with the broader market that was boosted by optimism around President Jair Bolsonaro's reform agenda. US tech firm Oracle Corp advanced despite disappointing first-quarter earnings as the market remained focused on its longer-term growth. Chinese internet giant Tencent was also a top stock contributor thanks to better-than-expected quarterly earnings, driven by good growth in its advertising, mobile payments and cloud businesses. This offset sluggishness from its online games segment, which we had expected given Beijing's clampdown on new game approvals. Our investment case remains unchanged, given the quality of its ecosystem.

In portfolio activity, we sold US cable company Comcast, South African telecom company MTN Group, tobacco firm Philip Morris, mining giant BHP Billiton, Japanese construction and real estate firm Daito Trust Construction, German medical supply firm Fresenius Medical Care, Hong Kong-listed Swire Pacific, and US tech firm Cognizant in favour of better opportunities.

The proceeds were put into the following: US online travel service provider Booking Holdings which has a dominant market position and is a reliable cash generator. Its revenue is expected to continue to grow as such platforms win market share; British speciality chemicals company Croda, a high-quality business well-positioned to benefit from increasing demand for natural ingredients; Global beauty products company Estee Lauder for its well-diversified brand portfolio and attractive long-term growth opportunities; First Republic Bank, a domestically-focused US lender with a healthy capital position and attractive growth prospects; Australia's CSL Behring, which manufactures human plasma products and possesses a competitive advantage in its plasma collection network. The business has delivered solid asset growth and profit margin improvements; PRA Health Sciences, a US contract research organisation that will benefit from the global pharmaceutical trend of outsourced testing and research; and Australia-based winemaker Treasury Wine Estates which is well-positioned to grow internationally and expand its premium range.

## Outlook

The rebound in stocks at the start of the year belies weakening global activity. In the US, the tax cuts-fuelled boost to earnings growth has run its course, and a prolonged federal government shutdown threatened to be a further drag on the economy.

In China, a government crackdown on shadow banking has weakened the domestic economy. While Beijing has since reversed gears and eased credit regulations, it remains to be seen how successful its stimulus measures will be. Further hampering investor sentiment is the uncertainty around US-China friction that now extends beyond trade, though a potential pause in the Fed's balance-sheet reduction programme provides short-term relief.

Growth in corporate earnings, while decent for now, could be affected by the faltering global economy. Amid periods of uncertainty, our quality holdings, which display durable competitive strengths and low debt levels, should stand out. At the same time, with many stocks now trading at attractive valuations, we are on the lookout to pick up those with resilient earnings that could bolster future returns.

## Global Equity Team

February 2019

Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risk of investing in this Fund:
- Exchange rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund’s investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).



## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 91,427          | 125,381      | 161,133      | 159,504      |
| Closing number of shares                  | 38,319,466      | 48,875,780   | 67,076,032   | 76,019,348   |
| Closing net asset value per share (pence) | 238.59          | 256.53       | 240.22       | 209.82       |
| Change in net asset value per share       | (6.99%)         | 6.79%        | 14.49%       | 14.98%       |
| Operating charges                         | 1.63%           | 1.63%        | 1.64%        | 1.64%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 27,505          | 30,456       | 30,575       | 28,614       |
| Closing number of shares                  | 13,533,204      | 13,930,661   | 14,886,904   | 15,902,929   |
| Closing net asset value per share (pence) | 203.24          | 218.63       | 205.38       | 179.93       |
| Change in net asset value per share       | (7.04%)         | 6.45%        | 14.14%       | 14.04%       |
| Operating charges                         | 1.58%           | 1.63%        | 1.64%        | 1.64%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 129,753         | 174,699      | 201,509      | 224,052      |
| Closing number of shares                  | 51,585,273      | 64,754,759   | 80,146,843   | 102,536,357  |
| Closing net asset value per share (pence) | 251.53          | 269.79       | 251.42       | 218.51       |
| Change in net asset value per share       | (6.77%)         | 7.31%        | 15.06%       | 15.55%       |
| Operating charges                         | 1.14%           | 1.13%        | 1.14%        | 1.14%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 7,965           | 9,250        | 8,944        | 9,259        |
| Closing number of shares                  | 5,577,960       | 6,021,439    | 6,198,311    | 7,325,051    |
| Closing net asset value per share (pence) | 142.79          | 153.61       | 144.30       | 126.40       |
| Change in net asset value per share       | (7.04%)         | 6.45%        | 14.16%       | 14.07%       |
| Operating charges                         | 1.12%           | 1.13%        | 1.14%        | 1.14%        |
| L Accumulation shares <sup>A</sup>        | 31 January 2019 | 31 July 2018 | 31 July 2017 |              |
| Closing net asset value (£'000)           | 20              | 22           | 29           |              |
| Closing number of shares                  | 17,318          | 18,200       | 26,000       |              |
| Closing net asset value per share (pence) | 113.20          | 121.26       | 112.65       |              |
| Change in net asset value per share       | (6.65%)         | 7.64%        | -            |              |
| Operating charges                         | 0.88%           | 0.84%        | 0.82%        |              |
| L Income shares <sup>A</sup>              | 31 January 2019 | 31 July 2018 | 31 July 2017 |              |
| Closing net asset value (£'000)           | 1,352           | 1,455        | 1,179        |              |
| Closing number of shares                  | 1,223,969       | 1,224,900    | 1,057,000    |              |
| Closing net asset value per share (pence) | 110.43          | 118.80       | 111.57       |              |
| Change in net asset value per share       | (7.05%)         | 6.48%        | -            |              |
| Operating charges                         | 0.87%           | 0.84%        | 0.82%        |              |

| M Accumulation shares <sup>B</sup>        |  | 31 January 2019 |
|---|--|-----------------|
| Closing net asset value (£'000)           |  | -               |
| Closing number of shares                  |  | 100             |
| Closing net asset value per share (pence) |  | 97.66           |
| Change in net asset value per share       |  | -               |
| Operating charges                         |  | 1.47%           |

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| M Income shares <sup>B</sup>              |  | 31 January 2019 |
|---|--|-----------------|
| Closing net asset value (£'000)           |  | -               |
| Closing number of shares                  |  | 100             |
| Closing net asset value per share (pence) |  | 97.36           |
| Change in net asset value per share       |  | -               |
| Operating charges                         |  | 1.47%           |

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

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

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

<sup>A</sup> L share classes launched on 30 September 2016.

<sup>B</sup> M share classes launched on 30 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                 | Investment                        | Bid-Market<br>Value<br>£'000 | Percentage<br>of total<br>net assets |
|---|-----------------------------------|------------------------------|--------------------------------------|
| <b>Equities (98.45%)</b>                |                                   | <b>256,075</b>               | <b>99.25</b>                         |
| <b>Africa Equities (1.01%)</b>          |                                   | -                            | -                                    |
| <b>South Africa (1.01%)</b>             |                                   | -                            | -                                    |
| <b>Emerging Market Equities (2.38%)</b> |                                   | <b>8,244</b>                 | <b>3.20</b>                          |
| <b>Brazil (2.38%)</b>                   |                                   | <b>8,244</b>                 | <b>3.20</b>                          |
| 873,850                                 | Banco Bradesco ADR                | 8,244                        | 3.20                                 |
| <b>European Equities (16.40%)</b>       |                                   | <b>33,496</b>                | <b>12.97</b>                         |
| <b>Germany (5.41%)</b>                  |                                   | <b>9,094</b>                 | <b>3.52</b>                          |
| 67,700                                  | Henkel                            | 5,003                        | 1.94                                 |
| 241,700                                 | Infineon Technology               | 4,091                        | 1.58                                 |
| <b>Ireland (1.47%)</b>                  |                                   | -                            | -                                    |
| <b>Sweden (2.52%)</b>                   |                                   | <b>6,485</b>                 | <b>2.51</b>                          |
| 197,100                                 | Atlas Copco 'A'                   | 3,904                        | 1.51                                 |
| 354,400                                 | Epiroc                            | 2,581                        | 1.00                                 |
| <b>Switzerland (7.00%)</b>              |                                   | <b>17,917</b>                | <b>6.94</b>                          |
| 79,600                                  | Nestle                            | 5,272                        | 2.04                                 |
| 112,700                                 | Novartis                          | 7,468                        | 2.89                                 |
| 25,600                                  | Roche                             | 5,177                        | 2.01                                 |
| <b>Japanese Equities (11.12%)</b>       |                                   | <b>22,807</b>                | <b>8.84</b>                          |
| 30,800                                  | FANUC                             | 3,949                        | 1.53                                 |
| 264,100                                 | Japan Tobacco                     | 5,071                        | 1.97                                 |
| 14,400                                  | Keyence                           | 5,606                        | 2.17                                 |
| 66,000                                  | Shin-Etsu Chemical                | 4,228                        | 1.64                                 |
| 93,600                                  | Sysmex                            | 3,953                        | 1.53                                 |
| <b>Middle East Equities (1.99%)</b>     |                                   | <b>4,918</b>                 | <b>1.91</b>                          |
| <b>Israel (1.99%)</b>                   |                                   | <b>4,918</b>                 | <b>1.91</b>                          |
| 57,800                                  | Check Point Software Technologies | 4,918                        | 1.91                                 |

| Holding                                | Investment                        | Bid-Market<br>Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|-----------------------------------|------------------------------|--------------------------------------|
| <b>North America Equities (36.39%)</b> |                                   | <b>87,596</b>                | <b>33.95</b>                         |
| <b>Canada (1.51%)</b>                  |                                   | <b>5,241</b>                 | <b>2.03</b>                          |
| 133,220                                | Nutrien                           | 5,241                        | 2.03                                 |
| <b>Mexico (2.01%)</b>                  |                                   | <b>5,071</b>                 | <b>1.97</b>                          |
| 73,300                                 | Fomento Economico Mexicano SAB de | 5,071                        | 1.97                                 |
| <b>United States (32.87%)</b>          |                                   | <b>77,284</b>                | <b>29.95</b>                         |
| 7,207                                  | Alphabet 'A'                      | 6,169                        | 2.39                                 |
| 54,328                                 | Amdocs                            | 2,308                        | 0.89                                 |
| 2,900                                  | Booking Holdings                  | 4,041                        | 1.57                                 |
| 19,000                                 | CME                               | 2,632                        | 1.02                                 |
| 83,800                                 | EOG Resources                     | 6,318                        | 2.45                                 |
| 52,300                                 | Estee Lauder                      | 5,423                        | 2.10                                 |
| 39,600                                 | First Republic Bank               | 2,909                        | 1.13                                 |
| 86,000                                 | Intercontinental Exchange         | 5,019                        | 1.94                                 |
| 34,200                                 | Johnson & Johnson                 | 3,485                        | 1.35                                 |
| 40,100                                 | M&T Bank                          | 5,015                        | 1.94                                 |
| 139,200                                | Oracle                            | 5,315                        | 2.06                                 |
| 60,150                                 | PepsiCo                           | 5,152                        | 2.00                                 |
| 36,100                                 | PRA Health Sciences               | 2,905                        | 1.13                                 |
| 197,700                                | Schlumberger                      | 6,644                        | 2.58                                 |
| 141,000                                | TJX                               | 5,321                        | 2.06                                 |
| 84,100                                 | Visa                              | 8,628                        | 3.34                                 |
| <b>Pacific Basin Equities (17.77%)</b> |                                   | <b>60,606</b>                | <b>23.49</b>                         |
| <b>Australia (0.00%)</b>               |                                   | <b>6,717</b>                 | <b>2.60</b>                          |
| 26,200                                 | CSL                               | 2,828                        | 1.10                                 |
| 455,600                                | Treasury Wine Estates             | 3,889                        | 1.50                                 |
| <b>China (0.97%)</b>                   |                                   | <b>11,125</b>                | <b>4.31</b>                          |
| 174,600                                | Tencent                           | 5,849                        | 2.27                                 |
| 190,200                                | Yum China                         | 5,276                        | 2.04                                 |
| <b>Hong Kong (4.60%)</b>               |                                   | <b>9,120</b>                 | <b>3.53</b>                          |
| 773,000                                | AIA                               | 5,275                        | 2.04                                 |
| 75,700                                 | Jardine Matheson                  | 3,845                        | 1.49                                 |

| Holding                        | Investment                          | Bid-Market<br>Value<br>£'000 | Percentage<br>of total<br>net assets |
|--------------------------------|-------------------------------------|------------------------------|--------------------------------------|
| <b>India (3.59%)</b>           |                                     | <b>8,445</b>                 | <b>3.28</b>                          |
| 236,100                        | Housing Development Finance         | 4,842                        | 1.88                                 |
| 1,211,500                      | ITC                                 | 3,603                        | 1.40                                 |
| <b>Singapore (1.42%)</b>       |                                     | <b>4,806</b>                 | <b>1.86</b>                          |
| 739,271                        | Oversea-Chinese Banking Corp        | 4,806                        | 1.86                                 |
| <b>South Korea (2.52%)</b>     |                                     | <b>8,451</b>                 | <b>3.28</b>                          |
| 330,300                        | Samsung Electronics (Preference)    | 8,451                        | 3.28                                 |
| <b>Taiwan (2.58%)</b>          |                                     | <b>6,131</b>                 | <b>2.38</b>                          |
| 1,123,705                      | Taiwan Semiconductors Manufacturing | 6,131                        | 2.38                                 |
| <b>Thailand (2.09%)</b>        |                                     | <b>5,811</b>                 | <b>2.25</b>                          |
| 1,194,100                      | Kasikornbank (Alien Market)         | 5,811                        | 2.25                                 |
| <b>UK Equities (11.39%)</b>    |                                     | <b>38,408</b>                | <b>14.89</b>                         |
| <b>Basic Materials (1.02%)</b> |                                     | <b>8,123</b>                 | <b>3.15</b>                          |
| 59,500                         | Croda                               | 2,868                        | 1.11                                 |
| 42,400                         | Linde                               | 5,255                        | 2.04                                 |
| <b>Consumer Goods (3.51%)</b>  |                                     | <b>9,700</b>                 | <b>3.76</b>                          |
| 199,000                        | British American Tobacco            | 5,346                        | 2.07                                 |
| 150,100                        | Diageo                              | 4,354                        | 1.69                                 |
| <b>Industrials (1.50%)</b>     |                                     | <b>7,928</b>                 | <b>3.08</b>                          |
| 206,000                        | Experian                            | 3,938                        | 1.53                                 |
| 451,300                        | Rolls-Royce                         | 3,990                        | 1.55                                 |
| <b>Financials (1.42%)</b>      |                                     | <b>4,334</b>                 | <b>1.68</b>                          |
| 706,000                        | Standard Chartered                  | 4,334                        | 1.68                                 |
| <b>Health Care (0.00%)</b>     |                                     | -                            | -                                    |
| 1,500                          | Sinclair Research                   | -                            | -                                    |

| Holding                                      | Investment  | Bid-Market<br>Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|------------------------------|--------------------------------------|
| <b>Oil &amp; Gas (1.47%)</b>                 |   | <b>3,566</b>                 | <b>1.38</b>                          |
| 150,600                                      | Royal Dutch Shell 'B'   | 3,566                        | 1.38                                 |
| <b>Telecommunications (2.47%)</b>            |   | <b>4,757</b>                 | <b>1.84</b>                          |
| 3,433,300                                    | Vodafone  | 4,757                        | 1.84                                 |
| <b>Collective Investment Schemes (0.84%)</b> |   | <b>335</b>                   | <b>0.13</b>                          |
| 335  | Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund <sup>†</sup> | 335                          | 0.13                                 |
| <b>Total investment assets</b>               |   | <b>256,410</b>               | <b>99.38</b>                         |
| Net other assets                             |   | 1,612                        | 0.62                                 |
| <b>Total Net Assets</b>                      |   | <b>258,022</b>               | <b>100.00</b>                        |

<sup>†</sup> Managed by subsidiaries of Standard Life Aberdeen plc.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                 | 31 January 2018 |               |
|---|-----------------|-----------------|-----------------|---------------|
|   | £'000           | £'000           | £'000           | £'000         |
| Income:   |                 |                 |                 |               |
| Net capital (losses)/gains  |                 | (21,471)        |                 | 15,043        |
| Revenue   | 2,610           |                 | 3,027           |               |
| Expenses  | (1,893)         |                 | (2,699)         |               |
| Interest payable and similar charges  | (1)             |                 | -               |               |
| Net revenue before taxation   | 716             |                 | 328             |               |
| Taxation  | (195)           |                 | (240)           |               |
| Net revenue after taxation  |                 | 521             |                 | 88            |
| <b>Total return before distributions</b>  |                 | <b>(20,950)</b> |                 | <b>15,131</b> |
| Distributions   |                 | (522)           |                 | (295)         |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(21,472)</b> |                 | <b>14,836</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>341,263</b> |                 | <b>403,370</b> |
| Amounts receivable on the issue of shares  | 4,398           |                | 1,016           |                |
| Amounts payable on the cancellation of shares  | (66,597)        |                | (35,857)        |                |
|  |                 | (62,199)       |                 | (34,841)       |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (21,472)       |                 | 14,836         |
| Retained distribution on accumulation shares   |                 | 426            |                 | 265            |
| Unclaimed distributions  |                 | 4              |                 | 3              |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>258,022</b> |                 | <b>383,633</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 256,410        |              | 338,843        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 1,561           |                | 7,598        |                |
| Cash and bank balances                         | 1,417           |                | 1,856        |                |
|  |                 | 2,978          |              | 9,454          |
| Total assets                                   |                 | 259,388        |              | 348,297        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Creditors                                      | (1,324)         |                | (6,865)      |                |
| Distribution payable                           | (42)            |                | (169)        |                |
|  |                 | (1,366)        |              | (7,034)        |
| Total liabilities                              |                 | (1,366)        |              | (7,034)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>258,022</b> |              | <b>341,263</b> |



## Distribution table

For the six months ended 31 January 2019

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.1089                                | -                                       | 0.1089*                                      | -  |
| Group 2                      | 0.0333                                | 0.0756                                  | 0.1089*                                      | -  |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.0928                                | -                                       | 0.0928**                                     | -  |
| Group 2                      | 0.0330                                | 0.0598                                  | 0.0928**                                     | -  |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.7443                                | -                                       | 0.7443*                                      | 0.3512                                       |
| Group 2                      | 0.3047                                | 0.4396                                  | 0.7443*                                      | 0.3512                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4238                                | -                                       | 0.4238**                                     | 0.2016                                       |
| Group 2                      | 0.1783                                | 0.2455                                  | 0.4238**                                     | 0.2016                                       |
| <b>L Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 0.4808                                | -                                       | 0.4808*                                      | 0.3453                                       |
| Group 2                      | 0.4808                                | -                                       | 0.4808*                                      | 0.3453                                       |
| <b>L Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4710                                | -                                       | 0.4710**                                     | 0.3420                                       |
| Group 2                      | 0.4710                                | -                                       | 0.4710**                                     | 0.3420                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.3000                                | -                                       | 0.3000*                                      |  |
| Group 2 <sup>B</sup>         | 0.3000                                | -                                       | 0.3000*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.3000                                | -                                       | 0.3000**                                     |  |
| Group 2 <sup>B</sup>         | 0.3000                                | -                                       | 0.3000**                                     |  |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> shares created for initial seeding of the share class prior to 30 November 2018.<sup>B</sup> shares purchased between 30 November 2018 and 31 January 2019.

# Aberdeen World Equity Income Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

To provide income and capital appreciation for investors over the long term in companies worldwide.

The investment policy is to invest primarily in equity and equity related securities of companies worldwide which offer attractive yields and sustainable dividends. The Fund may also invest up to 10% of its assets in fixed income securities including non-Investment grade debt. The Fund may also invest in derivatives, including credit default swaps, money market instruments, cash, near cash, deposits and shares in collective investment schemes.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen World Equity Income Fund – A Income Shares decreased by 2.13% compared to a decrease of 5.04% in the benchmark, the MSCI World Index benchmark.

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

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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

## Market review

Global equities declined during the six months under review, with most markets ending the period in the red. Positive economic data initially spurred stockmarkets higher, with good earnings growth and a strengthening US dollar propelling the US S&P 500 index to its longest bull run in history. These early gains were, however, erased in the last few months of 2018 as a spike in US Treasury yields compelled investors to re-assess global stock valuations. Contracting economies in Japan and Germany, along with China's slower-than-expected growth, also raised concerns over a global economic slowdown. The US Federal Reserve (Fed) withstood political pressure and raised rates again, sending the US S&P 500 index into bear-market territory. It then indicated there would be a pause in future US interest rate hikes, prompting stockmarkets to rebound in early 2019.

Providing investors some relief, albeit only briefly, was a 90-day trade ceasefire between the US and China. Meanwhile, oil prices reached 15-month lows, as expanding US shale output overshadowed planned production curbs led by Saudi Arabia and Russia.

## Portfolio review

At the stock level, the Fund's overweight to Banco Bradesco contributed the most to the outperformance. The Brazilian lender rose in tandem with the broader market that was boosted by optimism around President Jair Bolsonaro's reform agenda.

US derivatives exchange operator CME Group benefited from increased trading that resulted from uncertainty in economic growth and the future path of interest rates. Telefonica Brasil advanced after reporting higher-than-expected quarterly profits despite weak revenue growth due to solid cost-cutting efforts.

Conversely, MTN Group was the biggest stock detractor. The Johannesburg-listed telco fell after Nigeria's central bank ordered the telecoms giant and its banks to return more than US\$8 billion to the country, claiming that the funds had been transferred illegally. The company denies all allegations and has begun legal proceedings. Given the uncertainty this creates and the potential for a lengthy period of litigation before the issue can be resolved, we took the decision to exit the holding. British satellite telecommunications firm Inmarsat's shares weakened amid a tough trading environment, particularly in marine. Meanwhile, cigarette-maker British American Tobacco declined following weak US sales volumes, heightened regulatory risk and uncertainty around its next-generation products such as tobacco heating products and vapourisers. We are more optimistic on the firm's sales in the US this year, and believe that its high dividend yield and earnings growth provide attractive returns.

In portfolio activity, we initiated Samsung Electronics for its high dividend growth and low valuations, and Mexican airport operator Grupo Asur on share-price weakness. We also introduced oilfield services provider Schlumberger as it provides an attractive yield of 4.5% and its business generates good cashflow.

Against this, we exited the aforementioned South African telecom MTN Group given rising political risk. We believe this compromises the quality threshold required for inclusion in the portfolio. We also divested Hong Kong-listed Swire Pacific which had faced a difficult management transition, and French energy services giant Engie for better dividend growth opportunities elsewhere.

## Outlook

The rebound in stocks at the start of the year belies weakening global activity. In the US, the tax cuts-fuelled boost to earnings growth has run its course, and a prolonged federal government shutdown threatened to be a further drag on the economy. In China, a government crackdown on shadow banking has weakened the domestic economy. While Beijing has since reversed gears and eased credit regulations, it remains to be seen how successful its stimulus measures will be. Further hampering investor sentiment is the uncertainty around US-China friction that now extends beyond trade, though a potential pause in the Fed's balance-sheet reduction programme provides short-term relief.

Growth in corporate earnings, while decent for now, could be affected by the faltering global economy. Amid periods of uncertainty, our quality holdings, which display durable competitive strengths and low debt levels, should stand out. At the same time, with many stocks now trading at attractive valuations, we are on the lookout to pick up those with resilient earnings that could bolster future returns.

## Global Equity Team

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risk of investing in this Fund:
  - Exchange rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 4,119           | 4,295        | 4,566        | 4,585        |
| Closing number of shares                  | 2,950,068       | 3,025,883    | 3,259,856    | 3,639,426    |
| Closing net asset value per share (pence) | 139.62          | 141.96       | 140.07       | 125.99       |
| Change in net asset value per share       | (1.65%)         | 1.35%        | 11.18%       | 16.22%       |
| Operating charges                         | 1.61%           | 1.64%        | 1.65%        | 1.65%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 30,397          | 32,124       | 30,344       | 12,330       |
| Closing number of shares                  | 48,270,375      | 49,382,956   | 45,537,796   | 19,817,166   |
| Closing net asset value per share (pence) | 62.97           | 65.05        | 66.63        | 62.22        |
| Change in net asset value per share       | (3.20%)         | (2.37%)      | 7.09%        | 11.23%       |
| Operating charges                         | 1.61%           | 1.64%        | 1.65%        | 1.65%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 2,285           | 2,508        | 3,071        | 4,402        |
| Closing number of shares                  | 1,683,608       | 1,821,803    | 2,272,599    | 3,638,830    |
| Closing net asset value per share (pence) | 135.71          | 137.65       | 135.15       | 120.97       |
| Change in net asset value per share       | (1.41%)         | 1.85%        | 11.72%       | 16.83%       |
| Operating charges                         | 1.12%           | 1.14%        | 1.15%        | 1.15%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 36,785          | 44,243       | 54,419       | 61,403       |
| Closing number of shares                  | 55,749,424      | 65,068,025   | 78,522,778   | 95,354,690   |
| Closing net asset value per share (pence) | 65.98           | 67.99        | 69.30        | 64.39        |
| Change in net asset value per share       | (2.96%)         | (1.89%)      | 7.63%        | 11.79%       |
| Operating charges                         | 1.12%           | 1.14%        | 1.15%        | 1.15%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 100.46          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.65%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 99.80           |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.65%           |              |              |              |

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

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

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

<sup>A</sup> Share class launched on 30 November 2018.

## Portfolio Statement

As at 31 January 2019

| Holding                                  | Investment                          | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|-------------------------------------|-----------------------|--------------------------------------|
| <b>Equities (100.33%)</b>                |                                     | <b>72,599</b>         | <b>98.66</b>                         |
| <b>Africa Equities (1.92%)</b>           |                                     | -                     | -                                    |
| <b>South Africa (1.92%)</b>              |                                     | -                     | -                                    |
| <b>Emerging Market Equities (11.14%)</b> |                                     | <b>9,972</b>          | <b>13.55</b>                         |
| <b>Brazil (7.23%)</b>                    |                                     | <b>7,112</b>          | <b>9.66</b>                          |
| 406,300                                  | Banco Bradesco ADR                  | 3,833                 | 5.21                                 |
| 259,400                                  | Telefonica Brasil                   | 2,642                 | 3.59                                 |
| 53,100                                   | Ultrapar Participacoes              | 637                   | 0.86                                 |
| <b>Chile (3.91%)</b>                     |                                     | <b>2,860</b>          | <b>3.89</b>                          |
| 88,300                                   | Sociedad Quimica y Minera de Chile* | 2,860                 | 3.89                                 |
| <b>European Equities (14.81%)</b>        |                                     | <b>8,769</b>          | <b>11.91</b>                         |
| <b>France (4.34%)</b>                    |                                     | <b>1,422</b>          | <b>1.93</b>                          |
| 34,000                                   | TOTAL                               | 1,422                 | 1.93                                 |
| <b>Germany (1.05%)</b>                   |                                     | <b>597</b>            | <b>0.81</b>                          |
| 10,326                                   | Bayer                               | 597                   | 0.81                                 |
| <b>Poland (1.38%)</b>                    |                                     | <b>1,114</b>          | <b>1.51</b>                          |
| 49,200                                   | Bank Polska Kasa Opieki             | 1,114                 | 1.51                                 |
| <b>Sweden (3.13%)</b>                    |                                     | <b>2,304</b>          | <b>3.13</b>                          |
| 83,400                                   | Atlas Copco 'B'                     | 1,515                 | 2.06                                 |
| 116,300                                  | Epiroc                              | 789                   | 1.07                                 |
| <b>Switzerland (4.91%)</b>               |                                     | <b>3,332</b>          | <b>4.53</b>                          |
| 21,300                                   | Novartis                            | 1,411                 | 1.92                                 |
| 9,500                                    | Roche                               | 1,921                 | 2.61                                 |

| Holding                                | Investment                      | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---------------------------------|-----------------------|--------------------------------------|
| <b>Japanese Equities (6.41%)</b>       |                                 | <b>4,568</b>          | <b>6.21</b>                          |
| 22,800                                 | Daito Trust Construction        | 2,410                 | 3.28                                 |
| 112,400                                | Japan Tobacco                   | 2,158                 | 2.93                                 |
| <b>North America Equities (22.49%)</b> |                                 | <b>18,620</b>         | <b>25.31</b>                         |
| <b>Bermuda (1.18%)</b>                 |                                 | <b>785</b>            | <b>1.07</b>                          |
| 91,500                                 | Wilson Sons (BDR)               | 785                   | 1.07                                 |
| <b>Canada (4.56%)</b>                  |                                 | <b>3,333</b>          | <b>4.53</b>                          |
| 46,800                                 | Nutrien                         | 1,841                 | 2.50                                 |
| 56,100                                 | TELUS                           | 1,492                 | 2.03                                 |
| <b>United States (15.10%)</b>          |                                 | <b>11,379</b>         | <b>15.46</b>                         |
| 24,000                                 | CME                             | 3,324                 | 4.52                                 |
| 31,700                                 | Intel                           | 1,135                 | 1.54                                 |
| 7,200                                  | Johnson & Johnson               | 734                   | 1.00                                 |
| 16,400                                 | PepsiCo                         | 1,405                 | 1.91                                 |
| 27,400                                 | Philip Morris                   | 1,598                 | 2.17                                 |
| 21,500                                 | Schlumberger                    | 723                   | 0.98                                 |
| 58,800                                 | Verizon Communications          | 2,460                 | 3.34                                 |
| <b>Mexico (1.65%)</b>                  |                                 | <b>3,123</b>          | <b>4.25</b>                          |
| 135,400                                | Grupo Aeroportuario del Sureste | 1,873                 | 2.55                                 |
| 981,000                                | Kimberly-Clark de Mexico        | 1,250                 | 1.70                                 |
| <b>Pacific Basin Equities (25.41%)</b> |                                 | <b>19,876</b>         | <b>27.01</b>                         |
| <b>Australia (1.50%)</b>               |                                 | <b>1,070</b>          | <b>1.45</b>                          |
| 231,000                                | Coca-Cola Amatil                | 1,070                 | 1.45                                 |
| <b>Hong Kong (3.04%)</b>               |                                 | <b>797</b>            | <b>1.08</b>                          |
| 188,000                                | MTR                             | 797                   | 1.08                                 |
| <b>Indonesia (3.10%)</b>               |                                 | <b>3,268</b>          | <b>4.44</b>                          |
| 1,290,700                              | Indocement Tunggul Prakarsa     | 1,350                 | 1.83                                 |
| 705,800                                | Unilever Indonesia              | 1,918                 | 2.61                                 |

| Holding                        | Investment                          | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|--------------------------------|-------------------------------------|-----------------------|--------------------------------------|
| <b>Malaysia (1.63%)</b>        |                                     | <b>903</b>            | <b>1.23</b>                          |
| 127,200                        | British American Tobacco Malaysia   | 903                   | 1.23                                 |
| <b>New Zealand (2.04%)</b>     |                                     | <b>1,879</b>          | <b>2.55</b>                          |
| 489,600                        | Auckland International Airport      | 1,879                 | 2.55                                 |
| <b>Singapore (3.89%)</b>       |                                     | <b>2,803</b>          | <b>3.81</b>                          |
| 158,600                        | Oversea-Chinese Banking             | 1,031                 | 1.40                                 |
| 1,041,000                      | Singapore Telecommunications        | 1,772                 | 2.41                                 |
| <b>South Korea (0.00%)</b>     |                                     | <b>1,583</b>          | <b>2.15</b>                          |
| 2,500                          | Samsung Electronics                 | 1,583                 | 2.15                                 |
| <b>Taiwan (6.85%)</b>          |                                     | <b>4,692</b>          | <b>6.38</b>                          |
| 820,000                        | Taiwan Mobile                       | 2,212                 | 3.01                                 |
| 86,700                         | Taiwan Semiconductor Manufacturing  | 2,480                 | 3.37                                 |
| <b>Thailand (3.36%)</b>        |                                     | <b>2,881</b>          | <b>3.92</b>                          |
| 573,000                        | Siam Commercial Bank (Alien Market) | 1,847                 | 2.51                                 |
| 2,247,600                      | Tesco Lotus Retail Growth           | 1,034                 | 1.41                                 |
| <b>UK Equities (18.15%)</b>    |                                     | <b>10,794</b>         | <b>14.67</b>                         |
| <b>Basic Materials (2.14%)</b> |                                     | <b>1,587</b>          | <b>2.16</b>                          |
| 93,900                         | BHP                                 | 1,587                 | 2.16                                 |
| <b>Consumer Goods (2.61%)</b>  |                                     | <b>1,848</b>          | <b>2.51</b>                          |
| 68,800                         | British American Tobacco            | 1,848                 | 2.51                                 |
| <b>Financials (4.90%)</b>      |                                     | <b>2,168</b>          | <b>2.95</b>                          |
| 166,200                        | HSBC                                | 1,062                 | 1.44                                 |
| 180,166                        | Standard Chartered                  | 1,106                 | 1.51                                 |

| Holding                           | Investment            | Market Value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|-----------------------|-----------------------|--------------------------------------|
| <b>Oil &amp; Gas (3.34%)</b>      |                       | <b>2,176</b>          | <b>2.96</b>                          |
| 91,900                            | Royal Dutch Shell 'B' | 2,176                 | 2.96                                 |
| <b>Telecommunications (5.16%)</b> |                       | <b>3,015</b>          | <b>4.09</b>                          |
| 325,500                           | Inmarsat              | 1,202                 | 1.63                                 |
| 1,308,300                         | Vodafone              | 1,813                 | 2.46                                 |
| <b>Total investment assets</b>    |                       | <b>72,599</b>         | <b>98.66</b>                         |
| Net other assets                  |                       | 988                   | 1.34                                 |
| <b>Total Net Assets</b>           |                       | <b>73,587</b>         | <b>100.00</b>                        |

\* A portion of this security is on loan at the period end.  
Comparative figures are as at 31 July 2018.



**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |                | 31 January 2018 |              |
|---|-----------------|----------------|-----------------|--------------|
|   | £'000           | £'000          | £'000           | £'000        |
| Income:   |                 |                |                 |              |
| Net capital (losses)/gains  |                 | (2,164)        |                 | 2,015        |
| Revenue   | 1,419           |                | 1,555           |              |
| Expenses  | (516)           |                | (622)           |              |
| Net revenue before taxation   | 903             |                | 933             |              |
| Taxation  | (137)           |                | (89)            |              |
| Net revenue after taxation  |                 | 766            |                 | 844          |
| <b>Total return before distributions</b>  |                 | <b>(1,398)</b> |                 | <b>2,859</b> |
| Distributions   |                 | (1,206)        |                 | (1,382)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(2,604)</b> |                 | <b>1,477</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |               | 31 January 2018 |               |
|--|-----------------|---------------|-----------------|---------------|
|  | £'000           | £'000         | £'000           | £'000         |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>83,170</b> |                 | <b>92,400</b> |
| Amounts receivable on the issue of shares  | 960             |               | 2,146           |               |
| Amounts payable on the cancellation of shares  | (8,039)         |               | (6,480)         |               |
|  |                 | (7,079)       |                 | (4,334)       |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (2,604)       |                 | 1,477         |
| Retained distribution on accumulation shares   |                 | 99            |                 | 110           |
| Unclaimed distributions  |                 | 1             |                 | 1             |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>73,587</b> |                 | <b>89,654</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |               | 31 July 2018 |               |
|--|-----------------|---------------|--------------|---------------|
|  | £'000           | £'000         | £'000        | £'000         |
| <b>Assets:</b>                                 |                 |               |              |               |
| Fixed assets:                                  |                 |               |              |               |
| Investment assets                              |                 | 72,599        |              | 83,444        |
| Current assets:                                |                 |               |              |               |
| Debtors  | 533             |               | 782          |               |
| Cash and bank balances                         | 1,162           |               | 204          |               |
|  |                 | 1,695         |              | 986           |
| Total assets                                   |                 | 74,294        |              | 84,430        |
| <b>Liabilities:</b>                            |                 |               |              |               |
| Creditors                                      | (187)           |               | (310)        |               |
| Distribution payable                           | (520)           |               | (950)        |               |
|  |                 | (707)         |              | (1,260)       |
| Total liabilities                              |                 | (707)         |              | (1,260)       |
| <b>Net assets attributable to shareholders</b> |                 | <b>73,587</b> |              | <b>83,170</b> |

**Distribution table****For the three months ended 31 October 2018**

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 October 2018

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.0979                                | -                                       | 1.0979*                                      | 1.1784                                       |
| Group 2                      | 0.5884                                | 0.5095                                  | 1.0979*                                      | 1.1784                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.5031                                | -                                       | 0.5031**                                     | 0.5606                                       |
| Group 2                      | 0.1216                                | 0.3815                                  | 0.5031**                                     | 0.5606                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.0642                                | -                                       | 1.0642*                                      | 1.1375                                       |
| Group 2                      | 0.4174                                | 0.6468                                  | 1.0642*                                      | 1.1375                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.5257                                | -                                       | 0.5257**                                     | 0.5833                                       |
| Group 2                      | 0.2574                                | 0.2683                                  | 0.5257**                                     | 0.5833                                       |

\* Distribution accumulated on 31 October 2018.

\*\* Distribution paid on 31 January 2019.

**For the three months ended 31 January 2019**

Group 1 - shares purchased prior to 1 November 2018

Group 2 - shares purchased between 1 November 2018 and 31 January 2019

|                              | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.0740                                | -                                       | 1.0740*                                      | 0.9835                                       |
| Group 2                      | 0.2231                                | 0.8509                                  | 1.0740*                                      | 0.9835                                       |
| <b>A Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.4879                                | -                                       | 0.4879**                                     | 0.4641                                       |
| Group 2                      | 0.0138                                | 0.4741                                  | 0.4879**                                     | 0.4641                                       |
| <b>I Accumulation shares</b> |                                       |   |  |  |
| Group 1                      | 1.0444                                | -                                       | 1.0444*                                      | 0.9510                                       |
| Group 2                      | 0.3834                                | 0.6610                                  | 1.0444*                                      | 0.9510                                       |
| <b>I Income shares</b>       |                                       |   |  |  |
| Group 1                      | 0.5100                                | -                                       | 0.5100**                                     | 0.4837                                       |
| Group 2                      | 0.2215                                | 0.2885                                  | 0.5100**                                     | 0.4837                                       |
| <b>M Accumulation shares</b> |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.6500                                | -                                       | 0.6500*                                      |  |
| Group 2 <sup>B</sup>         | 0.6500                                | -                                       | 0.6500*                                      |  |
| <b>M Income shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>         | 0.6500                                | -                                       | 0.6500**                                     |  |
| Group 2 <sup>B</sup>         | 0.6500                                | -                                       | 0.6500**                                     |  |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 30 November 2018.<sup>B</sup> Shares purchased between 30 November 2018 and 31 January 2019.

# Aberdeen World Opportunistic Bond Fund

For the period 1 August 2018 to 31 January 2019

## Investment objective and policy

The Fund's investment objective is long-term total return to be achieved by investing primarily in a diversified portfolio of global investment and sub-investment grade debt and debt related securities issued by companies, governments, government related bodies and supranational institutions.

Additionally, the Fund may invest in other transferable securities and units in collective investments schemes, including those managed by the ACD or companies affiliated with the ACD.

The Fund's assets will primarily be either denominated in Sterling or denominated in currencies other than Sterling and hedged back to Sterling.

The Fund may use financial derivative instruments for investment purposes or efficient portfolio management including hedging where appropriate.

Note: The term 'total return' means a combination of income and capital growth and no positive return is implied.

## Performance review

For the period 1 August 2018 to 31 January 2019, the value of Aberdeen World Opportunistic Bond Fund – A Accumulation Shares increased by 0.69% compared to an increase of 1.37% in the benchmark, the Bloomberg Barclays Global Aggregate Credit (Hedged GBP 100%) Index.

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

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

## Market review

Global credit spreads widened over the majority of the period and total return was negative. However global corporate markets started 2019 with credit spreads close to the peak levels of 2016. This was coupled with recuperating risk appetite, which was reflected in the sharp recovery in risk assets.

The same themes continued to dominate the global bond market over the review period. The ongoing trade war between the US and China was a prominent factor. For much of the period, Italy were on a collision course with the European Union (EU) over continued disagreements on fiscal spending, although Rome and Brussels appeared to have hammered out a compromise during December. Meanwhile, Brexit travails continued, as the UK government appeared no closer to agreeing a withdrawal agreement acceptable both to Westminster and the EU.

## Portfolio review

The Fund underperformed over the review period, driven by a modest overweight credit position.

Most noticeable over the review period was the volatility seen in the fourth quarter of 2018. Credit spreads widened across financial and non-financial issuers, as well as higher beta segments of the market. While we maintained the Fund's long exposure to credit

risk during the volatility, we continued to seek opportunities to move up the quality spectrum or into cheaper and more attractive parts of the curve. In line with our view that markets may be over-complacent regarding risks associated with trade, the economic cycle or Brexit. A positive amidst the year-end volatility was a recovery in Italian assets, reflecting a receding threat that the European Union would impose an 'excessive deficit procedure' on the country. This proved beneficial for the Fund's exposure to Unicredit bonds. Then came the new year, with investor sentiment recovering significantly from its year-end lows on a more dovish tone from the Fed, oil bouncing off the lows and lower-than-expected January issuance of new debt.

Within financials, the portfolios insurance exposure detracted with life insurance names such as AIG pressured due to larger than expected catastrophe losses in both the US and Japan. However, issuers that continued to print stronger quarterly results, such as Metlife and Lloyds, made positive performance contributions. Royal Bank of Scotland (RBS) led the underperformance of UK banks within the portfolio as the overhang of Brexit-related tail risks continued to weigh on valuations. While we fundamentally still favour the issuer, its exposure to UK small and medium-sized business implies monthly pricing will likely reflect the evolution of Brexit sentiment.

Away from financials, with the fall in oil over the period, energy bonds generated negative spread return in 2018. However, spreads have partially recovered in January as market sentiment improves, which has benefitted the Fund due to exposure to higher beta energy names, including Continental Resources and Williams Companies.

Turning to emerging markets, a leading return detractor over the period was the Fund's exposure to Mexican state-owned oil producer Petroleos Mexicanos. This reflected the sharp pull back in oil prices in November, which weighed on global oil producers. It was also due to the ongoing repricing of Mexican risk assets as the country transitions to a new populist government. Towards the end of the period, our position in the Brazilian steel raw material supplier Vale, detracted from performance as a dam used in the production of iron ore collapsed. Given the magnitude of the loss of life and the credit being put on negative review by rating agencies, we sold out of our position. Subsequently the bond was downgraded by Moody's. Exposure to Chinese property issuer Shimao and Indonesia sovereign were among of the top performers during the period.

## Outlook

We are optimistic about the outlook for global IG corporate bonds. Valuations remain reasonable and the recent switch by the US Federal Reserve to a more dovish tone is certainly welcome because it effectively removes the near term risk of excessive tightening. On the global trade front, we also see some scope for a US-China trade deal in the coming months, which could act as another positive-sentiment catalyst.

However, more supportive factors need to be considered alongside some continuing sources of risk. In the UK, the Article 50 deadline is fast approaching and this could be a driver of increasing volatility the longer that no new deal is agreed. Our base case continues to be that a deal will be reached and that a damaging cliff-edge Brexit scenario will be averted. Clearly weakening growth in the Eurozone is another key concern. Although the silver lining in this regard is that this should at least mitigate the risk of the European Central Bank trying to tighten conditions beyond the recent removal of its buying support.

On balance, we are cautiously optimistic based on our more sanguine US economic outlook, improved valuations and the upside sentiment factors noted earlier. However, the technical picture is not helped by the less supportive global monetary policy backdrop, which we feel has diminished investors' traditional inclination to 'buy the dips'. As such, coupled with continuing political uncertainties and a slower global economic growth backdrop, we are anticipating increased market volatility going forward. We will continue to be selective in our buying activity, while remaining defensively positioned in terms of cyclical risk sectors, which we have actively been reducing exposure to in recent months. We have also reduced BBB rated non-financial corporates - given higher leverage levels in this portion of the IG market, we think it has the potential to become a pressure.

The risks and the rewards of spreads and yields at these levels justify a long positioning in global credit. The team remains focused on maintaining the earning power and quality of the portfolio.

**Global IG and Aggregate Team**

February 2019

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2019

- This Fund is ranked at 3 because funds of this type have experienced low to medium rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. The indicator does not take into account the following risks of investing in this Fund:
  - Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
  - Derivatives: This Fund can use derivatives in order to meet its investment objective. The use of derivatives may result in greater fluctuations in the value of the Fund, and may increase the magnitude of any losses.
  - Exchange rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
  - Emerging markets: Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries and this may mean your money is at greater risk.
- A full list of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Sub-fund which is available on the website at [aberdeenstandard.com](http://aberdeenstandard.com).

## Comparative tables

| A Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
|---|-----------------|--------------|--------------|--------------|
| Closing net asset value (£'000)           | 137             | 138          | 143          | 141          |
| Closing number of shares                  | 122,379         | 123,868      | 126,768      | 126,668      |
| Closing net asset value per share (pence) | 112.08          | 111.13       | 112.86       | 111.18       |
| Change in net asset value per share       | 0.85%           | (1.53%)      | 1.51%        | 4.76%        |
| Operating charges                         | 1.10%           | 1.12%        | 1.13%        | 1.13%        |
| A Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | -               | 6            | 2            | 4            |
| Closing number of shares                  | 499             | 6,469        | 1,569        | 4,569        |
| Closing net asset value per share (pence) | 92.87           | 93.53        | 97.95        | 99.64        |
| Change in net asset value per share       | (0.71%)         | (4.51%)      | (1.70%)      | 1.69%        |
| Operating charges                         | 1.10%           | 1.12%        | 1.13%        | 1.13%        |
| I Accumulation shares                     | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 301             | 328          | 389          | 597          |
| Closing number of shares                  | 261,411         | 287,659      | 338,459      | 529,359      |
| Closing net asset value per share (pence) | 115.12          | 113.88       | 115.07       | 112.79       |
| Change in net asset value per share       | 1.09%           | (1.03%)      | 2.02%        | 5.28%        |
| Operating charges                         | 0.61%           | 0.62%        | 0.63%        | 0.63%        |
| I Income shares                           | 31 January 2019 | 31 July 2018 | 31 July 2017 | 31 July 2016 |
| Closing net asset value (£'000)           | 71              | 72           | 109          | 148          |
| Closing number of shares                  | 74,069          | 75,082       | 108,482      | 145,782      |
| Closing net asset value per share (pence) | 95.55           | 96.00        | 100.03       | 101.24       |
| Change in net asset value per share       | (0.47%)         | (4.03%)      | (1.20%)      | 2.20%        |
| Operating charges                         | 0.62%           | 0.62%        | 0.63%        | 0.63%        |
| M Accumulation shares <sup>A</sup>        | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 102.70          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.00%           |              |              |              |
| M Income shares <sup>A</sup>              | 31 January 2019 |              |              |              |
| Closing net asset value (£'000)           | -               |              |              |              |
| Closing number of shares                  | 100             |              |              |              |
| Closing net asset value per share (pence) | 102.10          |              |              |              |
| Change in net asset value per share       | -               |              |              |              |
| Operating charges                         | 0.00%           |              |              |              |



| <b>Z Accumulation shares</b>              | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> | <b>31 July 2016</b> |
|---|------------------------|---------------------|---------------------|---------------------|
| Closing net asset value (£'000)           | 4,528                  | 4,467               | 4,488               | 116,400             |
| Closing number of shares                  | 4,110,328              | 4,109,848           | 4,106,643           | 109,140,151         |
| Closing net asset value per share (pence) | 110.16                 | 108.70              | 109.29              | 106.65              |
| Change in net asset value per share       | 1.34%                  | (0.54%)             | 2.48%               | 5.81%               |
| Operating charges                         | 0.11%                  | 0.12%               | 0.13%               | 0.13%               |

| <b>Z Gross Accumulation shares<sup>B</sup></b> | <b>31 January 2019</b> | <b>31 July 2018</b> | <b>31 July 2017</b> |
|--|------------------------|---------------------|---------------------|
| Closing net asset value (£'000)                | 109,648                | 107,662             | 126,300             |
| Closing number of shares                       | 106,422,252            | 105,903,100         | 123,564,400         |
| Closing net asset value per share (pence)      | 103.03                 | 101.66              | 102.21              |
| Change in net asset value per share            | 1.35%                  | (0.54%)             | -                   |
| Operating charges                              | 0.11%                  | 0.12%               | 0.13%               |

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

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

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

<sup>A</sup> M share classes launched on 30 November 2018.

<sup>B</sup> Z Gross Accumulation share class launched on 1 August 2016.

## Portfolio Statement

As at 31 January 2019

| Holding  | Investment                            | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---------------------------------------|------------------------------|--------------------------------------|
| <b>Bonds (97.81%)</b>                              |                                       | <b>109,362</b>               | <b>95.35</b>                         |
| <b>Australian Dollar Denominated Bonds (1.40%)</b> |                                       | <b>1,151</b>                 | <b>1.01</b>                          |
| <b>Corporate Bonds (0.86%)</b>                     |                                       | <b>560</b>                   | <b>0.49</b>                          |
| less than 5 years to maturity                      |                                       |                              |                                      |
| 1,000,000  | Credit Suisse 3.5% 2020               | 560                          | 0.49                                 |
| <b>Government Bonds (0.54%)</b>                    |                                       | <b>591</b>                   | <b>0.52</b>                          |
| less than 5 years to maturity                      |                                       |                              |                                      |
| 1,050,000  | EXIM Bank of Korea 4.25% 2020         | 591                          | 0.52                                 |
| <b>Canadian Dollar Denominated Bonds (1.42%)</b>   |                                       | <b>815</b>                   | <b>0.71</b>                          |
| <b>Corporate Bonds (1.42%)</b>                     |                                       | <b>815</b>                   | <b>0.71</b>                          |
| less than 5 years to maturity                      |                                       |                              |                                      |
| 660,000  | Citigroup 3.39% 2021                  | 388                          | 0.34                                 |
| 590,000  | Molson Coors International 2.84% 2023 | 334                          | 0.29                                 |
| between 15 and 25 years to maturity                |                                       |                              |                                      |
| 130,000  | Rogers Communications 6.11% 2040      | 93                           | 0.08                                 |
| <b>Euro Denominated Bonds (16.67%)</b>             |                                       | <b>33,089</b>                | <b>28.84</b>                         |
| <b>Corporate Bonds (15.65%)</b>                    |                                       | <b>28,153</b>                | <b>24.54</b>                         |
| less than 5 years to maturity                      |                                       |                              |                                      |
| 249,000  | Abbott Ireland Financing 0.875% 2023  | 218                          | 0.19                                 |
| 793,000  | Arion Banki 1% 2023                   | 663                          | 0.58                                 |
| 400,000  | Atos 0.75% 2022                       | 349                          | 0.30                                 |
| 361,000  | BMW Finance 0.875% 2023               | 313                          | 0.27                                 |
| 220,000  | Castellum 2.125% 2023                 | 195                          | 0.17                                 |
| 394,000  | CEZ 0.875% 2022                       | 344                          | 0.30                                 |
| 630,000  | China National Chemical 1.75% 2022    | 545                          | 0.48                                 |
| 278,000  | Chorus 1.125% 2023                    | 242                          | 0.21                                 |
| 345,000  | Commerzbank 0.5% 2023                 | 297                          | 0.26                                 |

| Holding                            | Investment                                 | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|--|------------------------------|--------------------------------------|
| 260,000                            | Danske Bank 0.875% 2023                    | 219                          | 0.19                                 |
| 306,000                            | FCA Bank Ireland 1% 2022                   | 264                          | 0.23                                 |
| 885,000                            | FCC Aqualia 1.413% 2022                    | 772                          | 0.67                                 |
| 570,000                            | Lloyds Banking Group 0.625% 2024           | 481                          | 0.42                                 |
| 189,000                            | Mitsubishi UFJ Financial 0.98% 2023        | 166                          | 0.14                                 |
| 530,000                            | Nykredit Realkredit 0.5% 2022              | 457                          | 0.40                                 |
| 100,000                            | Orange 0.5% 2022                           | 88                           | 0.08                                 |
| 250,000                            | Petroleos Mexicanos 2.5% 2021              | 217                          | 0.19                                 |
| 315,000                            | Petroleos Mexicanos 2.5% 2022              | 265                          | 0.23                                 |
| 451,000                            | RCI Banque 0.75% 2022                      | 388                          | 0.34                                 |
| 160,000                            | Royal Bank of Scotland Group 2% 2023       | 142                          | 0.12                                 |
| 474,000                            | Takeda Pharmaceutical 1.125% 2022          | 418                          | 0.36                                 |
| 642,000                            | Teva Pharmaceutical 0.375% 2020            | 553                          | 0.48                                 |
| 350,000                            | Vale 3.75% 2023                            | 320                          | 0.28                                 |
| 606,000                            | Volkswagen Bank 0.75% 2023                 | 512                          | 0.45                                 |
| 223,000                            | Volkswagen Leasing 1% 2023                 | 191                          | 0.17                                 |
| 549,000                            | Yorkshire Building Society 0.875% 2023     | 467                          | 0.41                                 |
| between 5 and 10 years to maturity |  |                              |                                      |
| 600,000                            | ABN Amro 2.875% 2028                       | 550                          | 0.48                                 |
| 399,000                            | Amphenol Technologies Holding 2% 2028      | 354                          | 0.31                                 |
| 619,000                            | Anheuser-Busch InBev 1.15% 2027            | 532                          | 0.46                                 |
| 400,000                            | APT Pipelines 2% 2027                      | 347                          | 0.30                                 |
| 200,000                            | Atos 2.5% 2028                             | 180                          | 0.16                                 |
| 445,000                            | Barclays 2% 2028                           | 364                          | 0.32                                 |
| 500,000                            | BPCE 0.875% 2024                           | 429                          | 0.37                                 |
| 300,000                            | BPCE 1.375% 2026                           | 258                          | 0.22                                 |
| 700,000                            | CaixaBank 2.375% 2024                      | 621                          | 0.54                                 |
| 458,000                            | Cheung Kong Infrastructure Finance 1% 2024 | 387                          | 0.34                                 |
| 289,000                            | Citigroup FRN 2026                         | 253                          | 0.22                                 |
| 377,000                            | DP World 2.375% 2026                       | 329                          | 0.29                                 |
| 183,000                            | Emirates Telecom 2.75% 2026                | 175                          | 0.15                                 |
| 740,000                            | Experian Finance 1.375% 2026               | 646                          | 0.56                                 |
| 363,000                            | Italgas 1.625% 2029                        | 299                          | 0.26                                 |
| 100,000                            | JAB Holdings 1.75% 2026                    | 87                           | 0.08                                 |
| 402,000                            | Mondi Finance 1.625% 2026                  | 352                          | 0.31                                 |
| 669,000                            | Morgan Stanley FRN 2026                    | 577                          | 0.50                                 |
| 220,000                            | Mylan 2.25% 2024                           | 192                          | 0.17                                 |
| 200,000                            | Orange 1.125% 2024                         | 177                          | 0.15                                 |
| 418,000                            | Schlumberger 1% 2026                       | 369                          | 0.32                                 |
| 1,494,000                          | SELP Finance 1.5% 2025                     | 1,258                        | 1.10                                 |

|                                     |   | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|---|------------------------------|--------------------------------------|
| Holding                             | Investment  |                              |                                      |
| 230,000                             | Smiths 2% 2027                                      | 199                          | 0.17                                 |
| 212,000                             | Telecom Italia 4% 2024                              | 186                          | 0.16                                 |
| 500,000                             | Telefonica 1.447% 2027                              | 428                          | 0.37                                 |
| 330,000                             | Thermo Fisher Scientific 0.75% 2024                 | 284                          | 0.25                                 |
| 316,000                             | Thermo Fisher Scientific 1.4% 2026                  | 276                          | 0.24                                 |
| 250,000                             | UniCredit 4.375% 2027                               | 219                          | 0.19                                 |
| 487,000                             | United Technologies 1.15% 2024                      | 423                          | 0.37                                 |
| 700,000                             | Unitymedia 4% 2025                                  | 635                          | 0.55                                 |
| 320,000                             | Vesteda Finance 2% 2026                             | 279                          | 0.24                                 |
| 200,000                             | Vinci 1.625% 2029                                   | 177                          | 0.15                                 |
| 200,000                             | Volkswagen International Finance 2.625% 2027        | 175                          | 0.15                                 |
| 699,000                             | Volkswagen Leasing 1.125% 2024                      | 593                          | 0.52                                 |
| between 10 and 15 years to maturity |   |                              |                                      |
| 116,000                             | Assicurazioni Generali 3.875% 2029                  | 102                          | 0.09                                 |
| 100,000                             | Bayer 2.125% 2029                                   | 87                           | 0.08                                 |
| 400,000                             | Coentreprise de Transport d'Electricite 2.125% 2032 | 352                          | 0.31                                 |
| 200,000                             | JAB 2.5% 2029                                       | 177                          | 0.15                                 |
| 235,000                             | Nederlandse Waterschapsbank 0.625% 2029             | 203                          | 0.18                                 |
| 214,000                             | Prologis International Funding II 2.375% 2030       | 193                          | 0.17                                 |
| 136,000                             | Royal Schiphol Group 1.5% 2030                      | 122                          | 0.11                                 |
| between 15 and 25 years to maturity |   |                              |                                      |
| 400,000                             | AT&T 3.15% 2036                                     | 345                          | 0.30                                 |
| 200,000                             | RTE Réseau de Transport d'Electricite 2.125% 2038   | 183                          | 0.16                                 |
| greater than 25 years to maturity   |   |                              |                                      |
| 905,000                             | BHP Billiton Finance FRN 2076                       | 847                          | 0.74                                 |
| 160,000                             | NN Group FRN 2044                                   | 151                          | 0.13                                 |
| 880,000                             | Volvo Treasury FRN 2075                             | 795                          | 0.69                                 |
| Perpetual                           |   |                              |                                      |
| 400,000                             | Credit Agricole Assurances FRN Perpetual            | 362                          | 0.32                                 |
| 100,000                             | Engie 3.25% Perpetual                               | 88                           | 0.08                                 |
| 1,200,000                           | Societe Generale 9.375% fixed to floating Perpetual | 1,096                        | 0.96                                 |
| 500,000                             | Telefonica FRN Perpetual                            | 415                          | 0.36                                 |
| 680,000                             | TOTAL 2.25% Perpetual                               | 604                          | 0.53                                 |
| 400,000                             | Volkswagen International Finance 3.375% Perpetual   | 335                          | 0.29                                 |

| Holding                                    | Investment                                | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|---------------------------|--------------------------------------|
| <b>Government Bonds (1.02%)</b>            |   | <b>4,936</b>              | <b>4.30</b>                          |
| less than 5 years to maturity              |   |                           |                                      |
| 2,560,000                                  | European Stability Mechanism 0% 2022      | 2,245                     | 1.96                                 |
| between 5 and 10 years to maturity         |   |                           |                                      |
| 829,000                                    | European Investment Bank 0.625% 2029      | 726                       | 0.63                                 |
| 920,000                                    | Indonesia (Republic of) 2.15% 2024        | 829                       | 0.72                                 |
| between 15 and 25 years to maturity        |   |                           |                                      |
| 1,300,000                                  | European Investment Bank 1.125% 2036      | 1,136                     | 0.99                                 |
| <b>Sterling Denominated Bonds (15.67%)</b> |   | <b>11,629</b>             | <b>10.14</b>                         |
| <b>Corporate Bonds (15.67%)</b>            |   | <b>11,367</b>             | <b>9.91</b>                          |
| less than 5 years to maturity              |   |                           |                                      |
| 905,000                                    | Barclays 2.375% 2023                      | 885                       | 0.77                                 |
| 170,000                                    | Citigroup 2.75% 2024                      | 172                       | 0.15                                 |
| 311,000                                    | CPUK 4.25% 2022                           | 303                       | 0.26                                 |
| 600,000                                    | Deutsche Bank 1.75% 2021                  | 575                       | 0.50                                 |
| 600,000                                    | Petróleos Mexicanos 8.25% 2022            | 660                       | 0.58                                 |
| 302,000                                    | Tesco 6.125% 2022                         | 334                       | 0.29                                 |
| 200,000                                    | Volkswagen Financial Services 1.875% 2021 | 197                       | 0.17                                 |
| 560,000                                    | Western Power 3.625% 2023                 | 583                       | 0.51                                 |
| 900,000                                    | Xstrata 7.375% 2020                       | 962                       | 0.84                                 |
| between 5 and 10 years to maturity         |   |                           |                                      |
| 233,000                                    | Bank of Ireland 3.125% 2027               | 221                       | 0.19                                 |
| 407,000                                    | Credit Suisse FRN 2025                    | 390                       | 0.34                                 |
| 282,000                                    | CYBG 5% 2026                              | 276                       | 0.24                                 |
| 500,000                                    | HSBC 6.75% 2028                           | 633                       | 0.55                                 |
| 171,000                                    | Land Securities 2.375% 2029               | 173                       | 0.15                                 |
| 235,000                                    | Lloyds Banking Group 2.25% 2024           | 228                       | 0.20                                 |
| 340,000                                    | Petroleos Mexicanos 3.75% 2025            | 305                       | 0.27                                 |
| 570,000                                    | Royal Bank of Scotland 2.875% 2026        | 554                       | 0.48                                 |
| 186,000                                    | Saga 3.375% 2024                          | 167                       | 0.15                                 |
| 320,000                                    | Stagecoach Group 4% 2025                  | 328                       | 0.29                                 |

| Holding                                     | Investment                                  | Bid-market value<br>£'000 | Percentage<br>of total<br>net assets |
|---|---|---------------------------|--------------------------------------|
| between 10 and 15 years to maturity         |   |                           |                                      |
| 530,000                                     | Deutsche Telekom 2.25% 2029                 | 503                       | 0.44                                 |
| 220,000                                     | Smith (DS) 2.875% 2029                      | 209                       | 0.18                                 |
| between 15 and 25 years to maturity         |   |                           |                                      |
| 600,000                                     | CNP Assurances 7.375% 2041                  | 666                       | 0.58                                 |
| 225,000                                     | Connect Plus 2.607% 2039                    | 227                       | 0.20                                 |
| 250,000                                     | E.ON Finance 5.875% 2037                    | 337                       | 0.29                                 |
| 242,000                                     | Tesco 5.744% 2040                           | 275                       | 0.24                                 |
| greater than 25 years to maturity           |   |                           |                                      |
| 150,000                                     | America Movil 6.375% fixed to floating 2073 | 158                       | 0.14                                 |
| 208,000                                     | Prudential FRN 2051                         | 217                       | 0.19                                 |
| 165,000                                     | Vodafone 3.375% 2049                        | 149                       | 0.13                                 |
| 241,000                                     | Vodafone FRN 2078                           | 231                       | 0.20                                 |
| Perpetual                                   |   |                           |                                      |
| 450,000                                     | SSE 3.875% fixed to floating Perpetual      | 449                       | 0.39                                 |
| <b>Government Bonds (0.00%)</b>             |   | <b>262</b>                | <b>0.23</b>                          |
| between 15 and 25 years to maturity         |   |                           |                                      |
| 200,000                                     | UK (Govt of) 3.25% 2044                     | 262                       | 0.23                                 |
| <b>US Dollar Denominated Bonds (62.65%)</b> |   | <b>62,678</b>             | <b>54.65</b>                         |
| <b>Corporate Bonds (59.18%)</b>             |   | <b>61,850</b>             | <b>53.93</b>                         |
| less than 5 years to maturity               |   |                           |                                      |
| 288,000                                     | American Express 3.7% 2021                  | 223                       | 0.19                                 |
| 6,000                                       | Ball 4.375% 2020                            | 5                         | -                                    |
| 388,000                                     | Ball 5% 2022                                | 305                       | 0.27                                 |
| 401,000                                     | Bank of America FRN 2023                    | 301                       | 0.26                                 |
| 540,000                                     | Bank Rakyat Indonesia 4.625% 2023           | 417                       | 0.36                                 |
| 340,000                                     | BBVA Bancomer 6.5% 2021                     | 268                       | 0.23                                 |
| 120,000                                     | Capital One Financial 3.9% 2024             | 92                        | 0.08                                 |
| 540,000                                     | CCO 5.125% 2023                             | 415                       | 0.36                                 |

| Holding   | Investment  | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------|---|------------------------------|--------------------------------------|
| 1,560,000 | Citigroup FRN 2023                                | 1,164                        | 1.02                                 |
| 613,000   | Citizens Bank 3.7% 2023                           | 470                          | 0.41                                 |
| 700,000   | CNOOC 4.5% 2023                                   | 553                          | 0.48                                 |
| 900,000   | CNPC 2.75% 2019                                   | 684                          | 0.60                                 |
| 450,000   | Continental Resources 4.5% 2023                   | 348                          | 0.30                                 |
| 632,000   | Continental Resources 5% 2022                     | 483                          | 0.42                                 |
| 392,000   | Country Garden Holdings 8% 2024                   | 302                          | 0.26                                 |
| 517,000   | Crown Castle International 2.25% 2021             | 382                          | 0.33                                 |
| 591,000   | CVS Health 3.5% 2022                              | 454                          | 0.40                                 |
| 200,000   | Danske Bank 5.375% 2024                           | 154                          | 0.13                                 |
| 420,000   | Deutsche Telekom 2.82% 2022                       | 315                          | 0.27                                 |
| 605,000   | Dollar Tree 3.7% 2023                             | 455                          | 0.40                                 |
| 309,000   | eBay 2.75% 2023                                   | 227                          | 0.20                                 |
| 360,000   | Edison International 2.4% 2022                    | 248                          | 0.22                                 |
| 666,000   | Energy Transfer Operating 3.6% 2023               | 501                          | 0.44                                 |
| 609,000   | Exelon 3.497% 2022                                | 459                          | 0.40                                 |
| 740,000   | Export-Import Bank of India 2.75% 2020            | 558                          | 0.49                                 |
| 1,033,000 | Express Scripts 2.6% 2020                         | 776                          | 0.68                                 |
| 700,000   | First Abu Dhabi Bank 3% 2022                      | 522                          | 0.46                                 |
| 361,000   | Huntington National Bank 3.55% 2023               | 276                          | 0.24                                 |
| 700,000   | ICICI Bank 3.5% 2020                              | 531                          | 0.46                                 |
| 710,000   | Indian Railway 3.917% 2019                        | 540                          | 0.47                                 |
| 700,000   | Industrial & Commercial Bank of China 2.452% 2021 | 518                          | 0.45                                 |
| 757,000   | Kraft Heinz 3.5% 2022                             | 576                          | 0.50                                 |
| 710,000   | Lennar 4.75% 2021                                 | 547                          | 0.48                                 |
| 200,000   | Lukoil International Finance 4.563% 2023          | 152                          | 0.13                                 |
| 350,000   | Mexichem 4.875% 2022                              | 271                          | 0.24                                 |
| 280,000   | MGM Resorts International 6.625% 2021             | 225                          | 0.20                                 |
| 214,000   | Nordea Bank 3.75% 2023                            | 162                          | 0.14                                 |
| 660,000   | NTPC 5.625% 2021                                  | 525                          | 0.46                                 |
| 974,000   | Penske Truck Leasing 3.375% 2022                  | 734                          | 0.64                                 |
| 488,000   | Perrigo Finance 3.5% 2021                         | 358                          | 0.31                                 |
| 500,000   | Sabine Pass Liquefaction 6.25% 2022               | 405                          | 0.35                                 |
| 94,000    | Sealed Air 4.875% 2022                            | 73                           | 0.06                                 |
| 687,000   | Shimao Property 8.375% 2022                       | 546                          | 0.48                                 |
| 777,000   | Shire Acquisitions Investments Ireland 2.4% 2021  | 575                          | 0.50                                 |
| 788,000   | Svenska Handelsbanken 2.45% 2021                  | 591                          | 0.51                                 |
| 300,000   | Tenet Healthcare 4.375% 2021                      | 228                          | 0.20                                 |
| 800,000   | Thai Oil 3.625% 2023                              | 606                          | 0.53                                 |

| Holding                            | Investment   | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|------------------------------------|--|------------------------------|--------------------------------------|
| between 5 and 10 years to maturity |  |                              |                                      |
| 800,000                            | ABN Amro FRN 2028                                      | 602                          | 0.53                                 |
| 585,000                            | American Tower 4% 2025                                 | 447                          | 0.39                                 |
| 345,000                            | Anglo American Capital 3.625% 2024                     | 254                          | 0.22                                 |
| 729,000                            | Anheuser-Busch InBev 3.65% 2026                        | 545                          | 0.47                                 |
| 756,000                            | Apple 2.9% 2027  | 557                          | 0.49                                 |
| 720,000                            | APT Pipelines 4.2% 2025                                | 550                          | 0.48                                 |
| 514,000                            | Athene 4.125% 2028                                     | 366                          | 0.32                                 |
| 900,000                            | Bank of America 3.248% 2027                            | 654                          | 0.57                                 |
| 409,000                            | Bayer US Finance 4.25% 2025                            | 310                          | 0.27                                 |
| 423,000                            | Bayer US Finance 4.375% 2028                           | 315                          | 0.27                                 |
| 325,000                            | Boston Properties 4.5% 2028                            | 256                          | 0.22                                 |
| 1,543,000                          | Capital One Financial 3.3% 2024                        | 1,141                        | 0.99                                 |
| 281,000                            | Cardinal Health 3.079% 2024                            | 204                          | 0.18                                 |
| 372,000                            | Centene 4.75% 2025                                     | 287                          | 0.25                                 |
| 435,000                            | Citigroup 4.4% 2025                                    | 337                          | 0.29                                 |
| 34,000                             | Citizens Financial 4.3% 2025                           | 26                           | 0.02                                 |
| 182,000                            | Comcast 3.7% 2024                                      | 142                          | 0.12                                 |
| 208,000                            | Continental Resources 3.8% 2024                        | 156                          | 0.14                                 |
| 300,000                            | Continental Resources 4.375% 2028                      | 227                          | 0.20                                 |
| 674,000                            | Credit Agricole 3.25% 2024                             | 490                          | 0.43                                 |
| 515,000                            | CSC Holdings 10.875% 2025                              | 451                          | 0.39                                 |
| 400,000                            | Dell International 6.02% 2026                          | 318                          | 0.28                                 |
| 512,000                            | Digital Realty Trust 4.45% 2028                        | 394                          | 0.34                                 |
| 890,000                            | EDF 4.5% 2028  | 677                          | 0.59                                 |
| 600,000                            | Electronic Arts 4.8% 2026                              | 476                          | 0.42                                 |
| 300,000                            | Energy Transfer Operating 4.05% 2025                   | 225                          | 0.20                                 |
| 291,000                            | Enterprise Products Operating 3.7% 2026                | 221                          | 0.19                                 |
| 600,000                            | Express Scripts 3.4% 2027                              | 439                          | 0.38                                 |
| 1,124,000                          | General Motors Financial 4% 2026                       | 785                          | 0.68                                 |
| 995,000                            | JPMorgan Chase FRN 2024                                | 775                          | 0.68                                 |
| 520,000                            | JPMorgan Chase FRN 2024                                | 402                          | 0.35                                 |
| 1,429,000                          | JPMorgan Chase FRN 2028                                | 1,063                        | 0.93                                 |
| 136,000                            | Kilroy Realty 3.45% 2024                               | 100                          | 0.09                                 |
| 1,755,000                          | Metropolitan Life Global Funding I 3% 2027             | 1,273                        | 1.11                                 |
| 390,000                            | MPLX 4.875% 2025                                       | 308                          | 0.27                                 |
| 400,000                            | National Rural Utilities Cooperative Finance 3.4% 2028 | 302                          | 0.26                                 |
| 861,000                            | Oracle 2.95% 2024                                      | 648                          | 0.57                                 |
| 560,000                            | Sabine Pass Liquefaction 4.2% 2028                     | 418                          | 0.36                                 |
| 250,000                            | Sabine Pass Liquefaction 5.625% 2025                   | 205                          | 0.18                                 |
| 400,000                            | Santos 4.125% 2027                                     | 279                          | 0.24                                 |



| Holding                             | Investment                                       | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|-------------------------------------|--|------------------------------|--------------------------------------|
| 150,000                             | Schlumberger 3.75% 2024                          | 115                          | 0.10                                 |
| 540,000                             | Shire Acquisitions Investments Ireland 3.2% 2026 | 385                          | 0.34                                 |
| 384,000                             | Suzano Austria 6% 2029                           | 306                          | 0.27                                 |
| 200,000                             | Syngenta Finance 4.892% 2025                     | 149                          | 0.13                                 |
| 393,000                             | Texas Instruments 2.625% 2024                    | 294                          | 0.26                                 |
| 430,000                             | Trans-Allegheny Interstate Line 3.85% 2025       | 329                          | 0.29                                 |
| 421,000                             | United Technologies 3.95% 2025                   | 328                          | 0.29                                 |
| 91,000                              | UnitedHealth 3.5% 2024                           | 70                           | 0.06                                 |
| 290,000                             | Verizon Communications 4.329% 2028               | 228                          | 0.20                                 |
| 470,000                             | Welltower 4.25% 2026                             | 359                          | 0.31                                 |
| 29,000                              | Western Gas Partners 4.65% 2026                  | 22                           | 0.02                                 |
| 137,000                             | WestRock 4.65% 2026                              | 107                          | 0.09                                 |
| between 10 and 15 years to maturity |  |                              |                                      |
| 302,000                             | Entergy Texas 4% 2029                            | 231                          | 0.20                                 |
| 105,000                             | Eversource Energy 4.25% 2029                     | 83                           | 0.07                                 |
| 200,000                             | Experian Finance 4.25% 2029                      | 153                          | 0.13                                 |
| 317,000                             | Kraft Heinz 6.75% 2032                           | 276                          | 0.24                                 |
| 333,000                             | Moody's 4.25% 2029                               | 259                          | 0.23                                 |
| 587,000                             | Progressive 4% 2029                              | 465                          | 0.41                                 |
| 325,000                             | Sappi Papier 7.5% 2032                           | 250                          | 0.22                                 |
| between 15 and 25 years to maturity |  |                              |                                      |
| 300,000                             | 21st Century Fox America 6.4% 2035               | 291                          | 0.25                                 |
| 730,000                             | American International 6.25% 2036                | 631                          | 0.55                                 |
| 190,000                             | Anheuser-Busch InBev Worldwide 5.45% 2039        | 151                          | 0.13                                 |
| 350,000                             | Bank of America 5.875% 2042                      | 323                          | 0.28                                 |
| 560,000                             | Charter Communications 6.384% 2035               | 455                          | 0.40                                 |
| 500,000                             | Citigroup 8.125% 2039                            | 554                          | 0.48                                 |
| 178,000                             | Comcast 4.6% 2038                                | 140                          | 0.12                                 |
| 4,280,000                           | GreenPoint Mortgage Loan Trust 2004-1 FRN 2034   | 219                          | 0.19                                 |
| 300,000                             | JPMorgan Chase 6.4% 2038                         | 287                          | 0.25                                 |
| 394,000                             | Morgan Stanley 6.375% 2042                       | 383                          | 0.33                                 |
| 3,230,000                           | STARM Mortgage Loan Trust 2007-2 FRN 2037        | 253                          | 0.22                                 |
| 100,000                             | Tesco 6.15% 2037                                 | 79                           | 0.07                                 |
| 426,000                             | Union Pacific 4.375% 2038                        | 328                          | 0.29                                 |
| 353,000                             | United Technologies 4.45% 2038                   | 271                          | 0.24                                 |
| 2,810,000                           | WaMu Mortgage Series 2006-AR12 Trust FRN 2036    | 256                          | 0.22                                 |
| 3,315,000                           | WaMu Mortgage Series 2006-AR18 Trust FRN 2037    | 420                          | 0.37                                 |
| 2,200,000                           | WaMu Mortgage Series 2007-HY7 Trust FRN 2037     | 255                          | 0.22                                 |

| Holding                           | Investment   | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|-----------------------------------|--|------------------------------|--------------------------------------|
| greater than 25 years to maturity |  |                              |                                      |
| 204,000                           | Alfa 6.875% 2044                                       | 159                          | 0.14                                 |
| 241,000                           | American Water Capital 4.2% 2048                       | 182                          | 0.16                                 |
| 120,000                           | Anadarko Petroleum 6.6% 2046                           | 109                          | 0.10                                 |
| 436,000                           | Anheuser-Busch InBev 4.9% 2046                         | 316                          | 0.28                                 |
| 510,000                           | Apple 3.45% 2045                                       | 356                          | 0.31                                 |
| 215,000                           | AXA Equitable Holdings 5% 2048                         | 153                          | 0.13                                 |
| 3,030,000                         | Bear Stearns ARM Trust 2007-4 FRN 2047                 | 294                          | 0.26                                 |
| 190,000                           | Burlington Northern Santa Fe 4.15% 2048                | 147                          | 0.13                                 |
| 199,000                           | Burlington Northern Santa Fe 4.7% 2045                 | 165                          | 0.14                                 |
| 346,000                           | Comcast 3.969% 2047                                    | 245                          | 0.21                                 |
| 554,000                           | CVS Health 5.05% 2048                                  | 431                          | 0.38                                 |
| 190,000                           | Dartmouth-Hitchcock Health 4.178% 2048                 | 141                          | 0.12                                 |
| 289,000                           | DowDuPont 5.419% 2048                                  | 239                          | 0.21                                 |
| 465,000                           | DTE Electric 4.05% 2048                                | 356                          | 0.31                                 |
| 160,000                           | Energy Transfer Operating 5.3% 2047                    | 114                          | 0.10                                 |
| 227,000                           | Enterprise Products Operating 4.8% 2049                | 177                          | 0.15                                 |
| 612,000                           | Florida Power & Light 4.125% 2048                      | 479                          | 0.42                                 |
| 206,000                           | Halfmoon Parent 4.9% 2048                              | 160                          | 0.14                                 |
| 835,000                           | Halliburton 5% 2045                                    | 659                          | 0.57                                 |
| 900,000                           | JP Morgan Mortgage Trust 2018-6 3.5% 2048              | 642                          | 0.56                                 |
| 152,585                           | JP Morgan Mortgage Trust 2018-9 4% 2049                | 115                          | 0.10                                 |
| 87,000                            | Kansas City Power & Light 4.2% 2047                    | 64                           | 0.06                                 |
| 208,000                           | Kansas City Power & Light 4.2% 2048                    | 154                          | 0.13                                 |
| 365,000                           | Kroger 3.875% 2046                                     | 225                          | 0.20                                 |
| 298,000                           | Moody's 4.875% 2048                                    | 236                          | 0.21                                 |
| 430,000                           | MPLX 5.5% 2049   | 333                          | 0.29                                 |
| 182,000                           | National Rural Utilities Cooperative Finance 4.4% 2048 | 143                          | 0.12                                 |
| 180,000                           | Phillips 66 Partners 4.68% 2045                        | 129                          | 0.11                                 |
| 180,000                           | Plains All American Pipeline 4.9% 2045                 | 125                          | 0.11                                 |
| 265,000                           | Port Authority of New York & New Jersey 4.031% 2048    | 201                          | 0.18                                 |
| 670,000                           | Prudential Financial 3.935% 2049                       | 472                          | 0.41                                 |
| 610,000                           | Quest Diagnostics 4.7% 2045                            | 441                          | 0.38                                 |
| 260,000                           | Rogers Communications 5% 2044                          | 208                          | 0.18                                 |
| 719,566                           | Sequoia Mortgage Trust 2018-6 4% 2048                  | 509                          | 0.44                                 |
| 708,000                           | Southern Power 4.95% 2046                              | 521                          | 0.45                                 |
| 567,000                           | Southwestern Electric Power 3.85% 2048                 | 387                          | 0.34                                 |
| 210,000                           | Sunoco Logistics Partners Operations 5.4% 2047         | 151                          | 0.13                                 |
| 150,000                           | UnitedHealth 4.25% 2048                                | 118                          | 0.10                                 |
| 143,000                           | UnitedHealth 4.45% 2048                                | 116                          | 0.10                                 |
| 343,000                           | Verizon Communications 5.012% 2049                     | 272                          | 0.24                                 |

| Holding                                    | Investment                                      | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|------------------------------|--------------------------------------|
| 410,000                                    | Verizon Communications 5.012% 2054              | 319                          | 0.28                                 |
| 373,000                                    | Virginia Electric & Power 4% 2046               | 273                          | 0.24                                 |
| 95,000                                     | Virginia Electric & Power 4.6% 2048             | 76                           | 0.07                                 |
| 306,000                                    | Vulcan Materials 4.7% 2048                      | 206                          | 0.18                                 |
| 375,000                                    | Walmart 4.05% 2048                              | 293                          | 0.26                                 |
| 480,000                                    | Walt Disney 7.55% 2093                          | 433                          | 0.38                                 |
| 237,000                                    | Western Gas Partners 5.3% 2048                  | 161                          | 0.14                                 |
| 418,000                                    | Williams Partners 5.1% 2045                     | 317                          | 0.28                                 |
| Perpetual                                  |   |                              |                                      |
| 760,000                                    | JPMorgan Chase FRN Perpetual                    | 576                          | 0.50                                 |
| 1,328,000                                  | Nordea Bank FRN Perpetual                       | 1,008                        | 0.88                                 |
| 942,000                                    | Rabobank Nederland FRN Perpetual                | 738                          | 0.64                                 |
| 204,000                                    | UBS Group Funding Switzerland FRN Perpetual     | 156                          | 0.14                                 |
| <b>Government Bonds (3.47%)</b>            |   | <b>828</b>                   | <b>0.72</b>                          |
| between 10 and 15 years to maturity        |   |                              |                                      |
| 392,000                                    | Saudi Arabia (Kingdom of) 4.375% 2029           | 304                          | 0.27                                 |
| 300,000                                    | Saudi Arabia (Kingdom of) 4.5% 2030             | 233                          | 0.20                                 |
| between 15 and 25 years to maturity        |   |                              |                                      |
| 100,000                                    | Chicago Transit Authority 6.899% 2040           | 97                           | 0.08                                 |
| greater than 25 years to maturity          |   |                              |                                      |
| 250,000                                    | US Treasury 3.125% 2048                         | 194                          | 0.17                                 |
| <b>Derivatives (-0.81%)</b>                |   | <b>3,746</b>                 | <b>3.27</b>                          |
| <b>Forward Currency Contracts (-0.79%)</b> |   |                              |                                      |
|  | Buy CAD 301,000 Sell GBP 175,572 14/02/2019     | (1)                          | -                                    |
|  | Buy CAD 1,072,000 Sell GBP 635,322 14/02/2019   | (15)                         | (0.01)                               |
|  | Buy EUR 113,000 Sell GBP 101,531 14/02/2019     | (3)                          | -                                    |
|  | Buy EUR 114,000 Sell GBP 103,017 14/02/2019     | (3)                          | -                                    |
|  | Buy EUR 285,000 Sell GBP 248,364 14/02/2019     | -                            | -                                    |
|  | Buy EUR 300,000 Sell GBP 264,715 14/02/2019     | (3)                          | -                                    |
|  | Buy GBP 1,138,265 Sell AUD 2,052,000 14/02/2019 | 1                            | -                                    |

| Holding | Investment  | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|---------|---|------------------------------|--------------------------------------|
|         | Buy GBP 33,956 Sell CAD 58,000 14/02/2019         | -                            | -                                    |
|         | Buy GBP 56,376 Sell CAD 95,000 14/02/2019         | 1                            | -                                    |
|         | Buy GBP 1,555,215 Sell CAD 2,649,000 14/02/2019   | 22                           | 0.02                                 |
|         | Buy GBP 68,054 Sell EUR 78,000 14/02/2019         | -                            | -                                    |
|         | Buy GBP 78,518 Sell EUR 88,000 14/02/2019         | 2                            | -                                    |
|         | Buy GBP 79,730 Sell EUR 92,000 14/02/2019         | (1)                          | -                                    |
|         | Buy GBP 103,382 Sell EUR 115,000 14/02/2019       | 3                            | -                                    |
|         | Buy GBP 113,054 Sell EUR 128,000 14/02/2019       | 1                            | -                                    |
|         | Buy GBP 429,497 Sell EUR 475,000 14/02/2019       | 15                           | 0.01                                 |
|         | Buy GBP 593,376 Sell EUR 664,000 14/02/2019       | 14                           | 0.01                                 |
|         | Buy GBP 706,675 Sell EUR 802,000 14/02/2019       | 7                            | 0.01                                 |
|         | Buy GBP 1,035,896 Sell EUR 1,176,000 14/02/2019   | 10                           | 0.01                                 |
|         | Buy GBP 2,288,471 Sell EUR 2,609,000 14/02/2019   | 12                           | 0.01                                 |
|         | Buy GBP 14,571,422 Sell EUR 16,129,000 14/02/2019 | 496                          | 0.43                                 |
|         | Buy GBP 14,572,325 Sell EUR 16,130,000 14/02/2019 | 496                          | 0.43                                 |
|         | Buy GBP 68,323 Sell USD 90,000 14/02/2019         | -                            | -                                    |
|         | Buy GBP 80,057 Sell USD 105,000 14/02/2019        | -                            | -                                    |
|         | Buy GBP 102,466 Sell USD 132,000 14/02/2019       | 2                            | -                                    |
|         | Buy GBP 112,864 Sell USD 144,000 14/02/2019       | 3                            | -                                    |
|         | Buy GBP 123,454 Sell USD 159,000 14/02/2019       | 3                            | -                                    |
|         | Buy GBP 135,457 Sell USD 171,000 14/02/2019       | 7                            | -                                    |
|         | Buy GBP 148,911 Sell USD 195,000 14/02/2019       | 1                            | -                                    |
|         | Buy GBP 151,826 Sell USD 194,000 14/02/2019       | 4                            | 0.01                                 |
|         | Buy GBP 158,760 Sell USD 203,000 14/02/2019       | 5                            | 0.01                                 |
|         | Buy GBP 161,883 Sell USD 207,000 14/02/2019       | 5                            | 0.01                                 |
|         | Buy GBP 192,980 Sell USD 253,000 14/02/2019       | 1                            | -                                    |
|         | Buy GBP 248,351 Sell USD 324,000 14/02/2019       | 2                            | -                                    |
|         | Buy GBP 435,744 Sell USD 556,000 14/02/2019       | 13                           | 0.01                                 |
|         | Buy GBP 22,142,465 Sell USD 28,034,000 14/02/2019 | 846                          | 0.74                                 |
|         | Buy GBP 22,162,335 Sell USD 28,035,000 14/02/2019 | 865                          | 0.76                                 |
|         | Buy GBP 22,163,612 Sell USD 28,034,000 14/02/2019 | 867                          | 0.76                                 |
|         | Buy USD 105,000 Sell GBP 79,620 14/02/2019        | -                            | -                                    |
|         | Buy USD 131,000 Sell GBP 101,893 14/02/2019       | (2)                          | -                                    |
|         | Buy USD 158,000 Sell GBP 123,556 14/02/2019       | (3)                          | -                                    |
|         | Buy USD 162,000 Sell GBP 126,685 14/02/2019       | (4)                          | -                                    |
|         | Buy USD 263,000 Sell GBP 207,298 14/02/2019       | (7)                          | (0.01)                               |
|         | Buy USD 263,000 Sell GBP 207,321 14/02/2019       | (8)                          | (0.01)                               |
|         | Buy USD 307,000 Sell GBP 240,062 14/02/2019       | (7)                          | (0.01)                               |
|         | Buy USD 330,000 Sell GBP 252,564 14/02/2019       | (2)                          | -                                    |
|         | Buy USD 344,000 Sell GBP 268,923 14/02/2019       | (8)                          | (0.01)                               |
|         | Buy USD 610,000 Sell GBP 470,066 14/02/2019       | (7)                          | (0.01)                               |
|         | Buy USD 1,200,000 Sell GBP 917,915 14/02/2019     | (6)                          | (0.01)                               |

| Holding  | Investment                                    | Bid-market<br>value<br>£'000 | Percentage<br>of total<br>net assets |
|--|---|------------------------------|--------------------------------------|
| <b>Futures (-0.02%)</b>                        |   | <b>122</b>                   | <b>0.11</b>                          |
| 7  | Long 10 Year Mini JGB Future 12/03/2019       | 4                            | -                                    |
| 19   | Long Australian 3 Year Bond Future 15/03/2019 | 7                            | 0.01                                 |
| 25   | Long Canadian 10 Year Bond Future 20/03/2019  | 55                           | 0.05                                 |
| (12)   | Short Euro Bond Future 07/03/2019             | (15)                         | (0.01)                               |
| (31)   | Short Euro-BOBL Future 07/03/2019             | (5)                          | -                                    |
| 5  | Long Euro BUXL 30 Year Future 07/03/2019      | 35                           | 0.03                                 |
| 30   | Long Euro SCHATZ Future 07/03/2019            | (1)                          | -                                    |
| (17)   | Short Long Gilt Future 27/03/2019             | (25)                         | (0.02)                               |
| (1)  | Short US 2 Year Note Future 29/03/2019        | -                            | -                                    |
| 19   | Long US 5 Year Note Future 29/03/2019         | 10                           | 0.01                                 |
| 7  | Long US 10 Year Ultra Future 20/03/2019       | 5                            | -                                    |
| 17   | Long US Long Bond (CBT) Future 20/03/2019     | 47                           | 0.04                                 |
| 11   | Long US Ultra Bond (CBT) Future 20/03/2019    | 5                            | -                                    |
| <b>Total investment assets and liabilities</b> |   | <b>113,108</b>               | <b>98.62</b>                         |
| Net other assets                               |   | 1,577                        | 1.38                                 |
| <b>Total Net Assets</b>                        |   | <b>114,685</b>               | <b>100.00</b>                        |

Currently forward positions are not collateralised.  
Comparative figures are as at 31 July 2018.

**Statement of total return**

For the period 1 August 2018 to 31 January 2019

|   | 31 January 2019 |              | 31 January 2018 |              |
|---|-----------------|--------------|-----------------|--------------|
|   | £'000           | £'000        | £'000           | £'000        |
| Income:   |                 |              |                 |              |
| Net capital losses  |                 | (229)        |                 | (947)        |
| Revenue   | 1,825           |              | 1,994           |              |
| Expenses  | (64)            |              | (89)            |              |
| Interest payable and similar charges  | (1)             |              | -               |              |
| Net revenue before taxation   | 1,760           |              | 1,905           |              |
| Taxation  | (5)             |              | (2)             |              |
| Net revenue after taxation  |                 | 1,755        |                 | 1,903        |
| <b>Total return before distributions</b>  |                 | <b>1,526</b> |                 | <b>956</b>   |
| Distributions   |                 | (1,758)      |                 | (1,905)      |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                 | <b>(232)</b> |                 | <b>(949)</b> |

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

For the period 1 August 2018 to 31 January 2019

|  | 31 January 2019 |                | 31 January 2018 |                |
|--|-----------------|----------------|-----------------|----------------|
|  | £'000           | £'000          | £'000           | £'000          |
| <b>Opening net assets attributable to shareholders</b>                                   |                 | <b>112,673</b> |                 | <b>131,431</b> |
| Amounts receivable on the issue of shares  | 575             |                | 318             |                |
| Amounts payable on the cancellation of shares  | (94)            |                | (2,322)         |                |
|  |                 | 481            |                 | (2,004)        |
| Change in net assets attributable to shareholders from investment activities (see above) |                 | (232)          |                 | (949)          |
| Retained distribution on accumulation shares   |                 | 1,763          |                 | 1,894          |
| <b>Closing net assets attributable to shareholders</b>                                   |                 | <b>114,685</b> |                 | <b>130,372</b> |

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

## Balance sheet

As at 31 January 2019

|  | 31 January 2019 |                | 31 July 2018 |                |
|--|-----------------|----------------|--------------|----------------|
|  | £'000           | £'000          | £'000        | £'000          |
| <b>Assets:</b>                                 |                 |                |              |                |
| Fixed assets:                                  |                 |                |              |                |
| Investment assets                              |                 | 113,234        |              | 110,262        |
| Current assets:                                |                 |                |              |                |
| Debtors  | 2,029           |                | 3,100        |                |
| Cash and bank balances                         | 894             |                | 1,652        |                |
|  |                 | 2,923          |              | 4,752          |
| Total assets                                   |                 | 116,157        |              | 115,014        |
| <b>Liabilities:</b>                            |                 |                |              |                |
| Investment liabilities                         |                 | (126)          |              | (965)          |
| Creditors                                      | (1,345)         |                | (1,375)      |                |
| Distribution payable                           | (1)             |                | (1)          |                |
|  |                 | (1,346)        |              | (1,376)        |
| Total liabilities                              |                 | (1,472)        |              | (2,341)        |
| <b>Net assets attributable to shareholders</b> |                 | <b>114,685</b> |              | <b>112,673</b> |

## Distribution table

For the six months ended 31 January 2019

Group 1 - shares purchased prior to 1 August 2018

Group 2 - shares purchased between 1 August 2018 and 31 January 2019

|                                    | Net Income<br>2019<br>pence per share | Equalisation<br>2019<br>pence per share | Distribution paid<br>2019<br>pence per share | Distribution paid<br>2018<br>pence per share |
|------------------------------------|---------------------------------------|---|--|--|
| <b>A Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.7280                                | -                                       | 1.7280*                                      | 1.6488                                       |
| Group 2                            | 0.9785                                | 0.7495                                  | 1.7280*                                      | 1.6488                                       |
| <b>A Income shares</b>             |                                       |   |  |  |
| Group 1                            | 1.4719                                | -                                       | 1.4719**                                     | 1.4309                                       |
| Group 2                            | 1.4719                                | -                                       | 1.4719**                                     | 1.4309                                       |
| <b>I Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.7726                                | -                                       | 1.7726*                                      | 1.6829                                       |
| Group 2                            | 0.6091                                | 1.1635                                  | 1.7726*                                      | 1.6829                                       |
| <b>I Income shares</b>             |                                       |   |  |  |
| Group 1                            | 1.4943                                | -                                       | 1.4943**                                     | 1.4629                                       |
| Group 2                            | 0.2864                                | 1.2079                                  | 1.4943**                                     | 1.4629                                       |
| <b>M Accumulation shares</b>       |                                       |   |  |  |
| Group 1 <sup>A</sup>               | 0.6000                                | -                                       | 0.6000*                                      |  |
| Group 2 <sup>B</sup>               | 0.6000                                | -                                       | 0.6000*                                      |  |
| <b>M Income shares</b>             |                                       |   |  |  |
| Group 1 <sup>A</sup>               | 0.6000                                | -                                       | 0.6000**                                     |  |
| Group 2 <sup>B</sup>               | 0.6000                                | -                                       | 0.6000**                                     |  |
| <b>Z Accumulation shares</b>       |                                       |   |  |  |
| Group 1                            | 1.6942                                | -                                       | 1.6942*                                      | 1.6005                                       |
| Group 2                            | 0.8243                                | 0.8699                                  | 1.6942*                                      | 1.6005                                       |
| <b>Z Gross Accumulation shares</b> |                                       |   |  |  |
| Group 1                            | 1.5845                                | -                                       | 1.5845*                                      | 1.4969                                       |
| Group 2                            | 0.4281                                | 1.1564                                  | 1.5845*                                      | 1.4969                                       |

\* Distribution accumulated on 31 January 2019.

\*\* Distribution paid on 30 April 2019.

<sup>A</sup> Shares created for initial seeding of the share class prior to 30 November 2018.<sup>B</sup> Shares purchased between 30 November 2018 and 31 January 2019.



## Securities Financing Transactions disclosure

The Company engages in Securities Financing Transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending for the accounting year ended 31 January 2019 are detailed below:

### Absolute value of assets engaged in SFTs

| Fund  | Market value of securities on loan<br>£'000 | % of lendable assets | % of assets under management |
|---|---|----------------------|------------------------------|
| Aberdeen European High Yield Bond Fund              | 2,631                                       | 3.80                 | 3.23                         |
| Aberdeen European Smaller Companies Equity Fund     | 1,394                                       | 2.74                 | 2.65                         |
| Aberdeen Global High Yield bond                     | 9,021                                       | 1.82                 | 1.53                         |
| Aberdeen Multi Asset Fund                           | 406   | 0.31                 | 0.30                         |
| Aberdeen Responsible UK Equity Fund                 | 364   | 1.59                 | 1.48                         |
| Aberdeen Sterling Opportunistic Corporate Bond Fund | 254   | 0.11                 | 0.10                         |
| Aberdeen UK Equity Fund                             | 4,470                                       | 2.36                 | 2.31                         |
| Aberdeen UK Mid Cap Equity Fund                     | 358   | 1.18                 | 0.99                         |
| Aberdeen World Equity Fund                          | 2,838                                       | 4.95                 | 1.10                         |

## Top ten collateral Issuers

| Issuers                                       | Market value<br>of collateral<br>received<br>£'000 | Issuers  | Market value<br>of collateral<br>received<br>£'000 | Issuers  | Market value<br>of collateral<br>received<br>£'000 |
|---|--|--|--|--|--|
| <b>Aberdeen European High Yield Bond Fund</b> |  | <b>Aberdeen European Smaller Companies Equity Fund</b> |  | <b>Aberdeen Global High Yield bond</b>                     |  |
| Canada (Gov't of)                             | 927  | Canada (Gov't of)                                      | 421  | United States Treasury Notes                               | 1,785  |
| United States Treasury Notes                  | 925  | United States Treasury Notes                           | 418  | Canada (Gov't of)  | 1,785  |
| Swiss Confederation                           | 757  | HPC  | 120  | Swiss (Gov't of)   | 1,785  |
| BPER Banca                                    | 107  | Public Stores  | 120  | Deutsche Lufthansa   | 400  |
| Unipol Gruppo Finanziario                     | 76   | Netherlands (Gov't of)                                 | 70   | Associated British Foods                                   | 400  |
|   |  | France (Gov't of)                                      | 70   | Royal Dutch Shell 'B'                                      | 400  |
|   |  | Canada (Gov't of)                                      | 65   | Admiral  | 400  |
|   |  | Unipol Gruppo Finanziario                              | 60   | British American Tobacco                                   | 400  |
|   |  | BPER Banca   | 60   | Informa  | 400  |
|   |  | Avalonbay  | 51   | 3i   | 400  |
| <b>Aberdeen Multi Asset Fund</b>              |  | <b>Aberdeen Responsible UK Equity Fund</b>             |  | <b>Aberdeen Sterling Opportunistic Corporate Bond Fund</b> |  |
| British American Tobacco                      | 50   | British American Tobacco                               | 40   | United States Treasury Notes                               | 89   |
| Ashtead                                       | 50   | National Grid  | 40   | Canada (Gov't of)  | 89   |
| Deutsche Lufthansa                            | 50   | Royal Dutch Shell 'B'                                  | 40   | Swiss (Gov't of)   | 89   |
| Associated British Foods                      | 50   | Deutsche Lufthansa                                     | 40   | France (Gov't of)  | 1  |
| Vonovia                                       | 50   | Vonovia  | 40   |  |  |
| easyJet                                       | 50   | easyJet  | 40   |  |  |
| GlaxoSmithKline                               | 50   | Rio Tinto  | 40   |  |  |
| Fresenius                                     | 50   | Fresenius  | 40   |  |  |
| Royal Dutch Shell 'B'                         | 50   | Ashtead  | 40   |  |  |
| Cummins                                       | 50   | Cummins  | 40   |  |  |
| <b>Aberdeen UK Equity Fund</b>                |  | <b>Aberdeen UK Mid Cap Equity Fund</b>                 |  | <b>Aberdeen World Equity Fund</b>                          |  |
| Deutsche Lufthansa                            | 450  | British American Tobacco                               | 40   | Canada (Gov't of)  | 496  |
| CRH   | 450  | Associated British Foods                               | 40   | United States Treasury Notes                               | 494  |
| Associated British Foods                      | 450  | Royal Dutch Shell 'B'                                  | 40   | Swiss (Gov't of)   | 446  |
| British American Tobacco                      | 450  | Deutsche Lufthansa                                     | 40   | British American Tobacco                                   | 150  |
| Ashtead                                       | 450  | Vonovia  | 40   | Ashtead  | 150  |
| Vonovia                                       | 450  | Informa  | 40   | Informa  | 150  |
| National Grid                                 | 450  | Ashtead  | 40   | Deutsche Lufthansa   | 150  |
| Fresenius                                     | 450  | Fresenius  | 40   | Rio Tinto  | 150  |
| Royal Dutch Shell 'B'                         | 450  | Barratt Developments                                   | 40   | Vonovia  | 150  |
| Informa                                       | 439  | Rolls Royce  | 33   | easyJet  | 150  |

## Top ten counterparties per type of SFT

| Counterparty                                  | Market value<br>of securities<br>on loan<br>£'000 | Counterparty   | Market value<br>of securities<br>on loan<br>£'000 | Counterparty   | Market value<br>of securities<br>on loan<br>£'000 |
|---|---|--|---|--|---|
| <b>Aberdeen European High Yield Bond Fund</b> |   | <b>Aberdeen European Smaller Companies Equity Fund</b> |   | <b>Aberdeen Global High Yield bond</b>                     |   |
| Citigroup Global Markets Limited              | 2,792   | Bank of Nova Scotia (London Branch)                    | 210   | Bank of Nova Scotia (London Branch)                        | 4,326   |
|   |   | Citigroup Global Markets Limited                       | 1,277   | Citigroup Global Markets Limited                           | 5,355   |
| <b>Aberdeen Multi Asset Fund</b>              |   | <b>Aberdeen Responsible UK Equity Fund</b>             |   | <b>Aberdeen Sterling Opportunistic Corporate Bond Fund</b> |   |
| Bank of Nova Scotia (London Branch)           | 540   | Bank of Nova Scotia (London Branch)                    | 432   | Citigroup Global Markets Limited                           | 268   |
| <b>Aberdeen UK Equity Fund</b>                |   | <b>Aberdeen UK Mid Cap Equity Fund</b>                 |   | <b>Aberdeen World Equity Fund</b>                          |   |
| Bank of Nova Scotia (London Branch)           | 4,860   | Bank of Nova Scotia (London Branch)                    | 433   | Bank of Nova Scotia (London Branch)                        | 1,620   |
|   |   |  |   | Citigroup Global Markets Limited                           | 1,492   |

| Counterparty   | Countries of counterparty establishment | Type            | Quality             | Collateral currency | Settlement and Clearing | Custodian  | Market value of collateral received £'000 |
|--|---|-----------------|---------------------|---------------------|-------------------------|------------|---|
| <b>Aberdeen European High Yield Bond Fund</b>          |   |                 |                     |                     |                         |            |   |
| Citigroup Global Markets Limited                       | United States                           | Government Bond | Main market listing | CAD                 | Tri-party               | BNY Mellon | 927                                       |
| Citigroup Global Markets Limited                       | United States                           | Government Bond | Main market listing | CHF                 | Tri-party               | BNY Mellon | 757                                       |
| Citigroup Global Markets Limited                       | United States                           | Equity          | Main market listing | EUR                 | Tri-party               | BNY Mellon | 183                                       |
| Citigroup Global Markets Limited                       | United States                           | Government Bond | Main market listing | USD                 | Tri-party               | BNY Mellon | 925                                       |
| <b>Aberdeen European Smaller Companies Equity Fund</b> |   |                 |                     |                     |                         |            |   |
| Bank of Nova Scotia (London Branch)                    | Canada                                  | Government Bond | Main market listing | CAD                 | Tri-party               | BNY Mellon | 65  |
| Bank of Nova Scotia (London Branch)                    | Canada                                  | Government Bond | Main market listing | EUR                 | Tri-party               | BNY Mellon | 144                                       |
| Bank of Nova Scotia (London Branch)                    | Canada                                  | Government Bond | Main market listing | USD                 | Tri-party               | BNY Mellon | 1   |
| Citigroup Global Markets Limited                       | United States                           | Government Bond | Main market listing | CAD                 | Tri-party               | BNY Mellon | 421                                       |
| Citigroup Global Markets Limited                       | United States                           | Equity          | Main market listing | EUR                 | Tri-party               | BNY Mellon | 120                                       |
| Citigroup Global Markets Limited                       | United States                           | Government Bond | Main market listing | USD                 | Tri-party               | BNY Mellon | 417                                       |
| Citigroup Global Markets Limited                       | United States                           | Equity          | Main market listing | USD                 | Tri-party               | BNY Mellon | 319                                       |
| <b>Aberdeen Global High Yield bond</b>                 |   |                 |                     |                     |                         |            |   |
| Bank of Nova Scotia (London Branch)                    | Canada                                  | Equity          | Main market listing | CAD                 | Tri-party               | BNY Mellon | 126                                       |
| Bank of Nova Scotia (London Branch)                    | Canada                                  | Equity          | Main market listing | EUR                 | Tri-party               | BNY Mellon | 1,000                                     |
| Bank of Nova Scotia (London Branch)                    | Canada                                  | Equity          | Main market listing | USD                 | Tri-party               | BNY Mellon | 3,200                                     |
| Citigroup Global Markets Limited                       | United States                           | Government bond | Main market listing | CAD                 | Tri-party               | BNY Mellon | 1,784                                     |
| Citigroup Global Markets Limited                       | United States                           | Government bond | Main market listing | CHF                 | Tri-party               | BNY Mellon | 1,785                                     |
| Citigroup Global Markets Limited                       | United States                           | Government bond | Main market listing | EUR                 | Tri-party               | BNY Mellon | 1   |
| Citigroup Global Markets Limited                       | United States                           | Government bond | Main market listing | USD                 | Tri-party               | BNY Mellon | 1,785                                     |

| Counterparty   | Countries of<br>counterparty<br>establishment | Type            | Quality             | Collateral<br>currency | Settlement<br>and Clearing | Custodian  | Market value<br>of collateral<br>received<br>£'000 |
|--|---|-----------------|---------------------|------------------------|----------------------------|------------|--|
| <b>Aberdeen Multi Asset Fund</b>                           |   |                 |                     |                        |                            |            |  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Government bond | Main market listing | EUR                    | Tri-party                  | BNY Mellon | -  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Equity          | Main market listing | EUR                    | Tri-party                  | BNY Mellon | 150  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Equity          | Main market listing | GBP                    | Tri-party                  | BNY Mellon | 340  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Equity          | Main market listing | USD                    | Tri-party                  | BNY Mellon | 50   |
| <b>Aberdeen Responsible UK Equity Fund</b>                 |   |                 |                     |                        |                            |            |  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Equity          | Main market listing | EUR                    | Tri-party                  | BNY Mellon | 120  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Equity          | Main market listing | GBP                    | Tri-party                  | BNY Mellon | 240  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Equity          | Main market listing | USD                    | Tri-party                  | BNY Mellon | 72   |
| <b>Aberdeen Sterling Opportunistic Corporate Bond Fund</b> |   |                 |                     |                        |                            |            |  |
| Citigroup Global Markets<br>Limited                        | United States                                 | Government bond | Main market listing | CAD                    | Tri-party                  | BNY Mellon | 89   |
| Citigroup Global Markets<br>Limited                        | United States                                 | Government bond | Main market listing | CHF                    | Tri-party                  | BNY Mellon | 89   |
| Citigroup Global Markets<br>Limited                        | United States                                 | Government bond | Main market listing | EUR                    | Tri-party                  | BNY Mellon | 1  |
| Citigroup Global Markets<br>Limited                        | United States                                 | Government bond | Main market listing | USD                    | Tri-party                  | BNY Mellon | 89   |
| <b>Aberdeen UK Equity Fund</b>                             |   |                 |                     |                        |                            |            |  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Equity          | Main market listing | EUR                    | Tri-party                  | BNY Mellon | 1,350  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Equity          | Main market listing | GBP                    | Tri-party                  | BNY Mellon | 3,510  |
| <b>Aberdeen UK Mid Cap Equity Fund</b>                     |   |                 |                     |                        |                            |            |  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Equity          | Main market listing | GBP                    | Tri-party                  | BNY Mellon | 293  |
| <b>Aberdeen World Equity Fund</b>                          |   |                 |                     |                        |                            |            |  |
| Bank of Nova Scotia<br>(London Branch)                     | Canada  | Equity          | Main market listing | GBP                    | Tri-party                  | BNY Mellon | 1,170  |

| Maturity Tenor of collateral and SFTs (remaining period to maturity) | Less than one day<br>£'000 | One day to one week<br>£'000 | One week to one month<br>£'000 | One to three months<br>£'000 | Three months to one year<br>£'000 | Above one year<br>£'000 | Open maturity<br>£'000 | Total<br>£'000 |
|--|----------------------------|------------------------------|--------------------------------|------------------------------|-----------------------------------|-------------------------|------------------------|----------------|
| Aberdeen European High Yield Bond Fund                               | -                          | -                            | -                              | -                            | -                                 | 2,609                   | 183                    | 2,792          |
| Aberdeen European Smaller Companies Equity Fund                      | -                          | -                            | -                              | -                            | 69                                | 979                     | 439                    | 1,487          |
| Aberdeen Global High Yield bond                                      | -                          | -                            | -                              | -                            | -                                 | 5,355                   | 4,326                  | 9,681          |
| Aberdeen Multi Asset Fund  | -                          | -                            | -                              | -                            | -                                 | -                       | 540                    | 540            |
| Aberdeen Responsible UK Equity Fund                                  | -                          | -                            | -                              | -                            | -                                 | -                       | 432                    | 432            |
| Aberdeen Sterling Opportunistic Corporate Bond Fund                  | -                          | -                            | -                              | -                            | -                                 | 269                     | -                      | 269            |
| Aberdeen UK Equity Fund  | -                          | -                            | -                              | -                            | -                                 | -                       | 4,860                  | 4,860          |
| Aberdeen UK Mid Cap Equity Fund                                      | -                          | -                            | -                              | -                            | -                                 | -                       | 433                    | 433            |
| Aberdeen World Equity Fund   | -                          | -                            | -                              | -                            | -                                 | 1,436                   | 1,675                  | 3,111          |

## Return and cost per type of SFT

| Fund  | Total gross amount of securities lending income<br>£'000 | Direct costs deducted by securities lending agent<br>£'000 | Net amount of securities lending income<br>£'000 | Return of the securities lending agent<br>% | Return of the Fund<br>% |
|---|--|--|--|---|-------------------------|
| Aberdeen European High Yield Bond Fund              | 70   | 14   | 56   | 25.00                                       | 100.00                  |
| Aberdeen European Smaller Companies Equity Fund     | 0  | 0  | 0  | 25.00                                       | 100.00                  |
| Aberdeen Global High Yield bond                     | 80   | 16   | 64   | 25.00                                       | 100.00                  |
| Aberdeen Multi Asset Fund                           | 3  | 1  | 2  | 25.00                                       | 100.00                  |
| Aberdeen Responsible UK Equity Fund                 | 1  | 0  | 1  | 25.00                                       | 100.00                  |
| Aberdeen Sterling Opportunistic Corporate Bond Fund | 29   | 6  | 23   | 25.00                                       | 100.00                  |
| Aberdeen UK Equity Fund                             | 5  | 1  | 4  | 25.00                                       | 100.00                  |
| Aberdeen UK Mid Cap Equity Fund                     | 1  | 0  | 1  | 25.00                                       | 100.00                  |
| Aberdeen World Equity Fund                          | 6  | 1  | 5  | 25.00                                       | 100.00                  |

## Further Information

### Constitution

The Aberdeen Investment Funds ICVC (formerly the Murray Open-Ended Investment Company) was incorporated on 15 January 1998, incorporated under the ECA Regulations. The Company is an open-ended investment company (OEIC) with variable capital under regulation 14 (authorisation) of the OEIC Regulations. The Aberdeen Investment Funds ICVC Prospectus and Key Investor Information Documents (KIIDs), which contain full details for investors, are available for inspection at the offices of the ACD and available to download at [aberdeenstandard.com](http://aberdeenstandard.com).

### Documentation

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the Aberdeen OEIC funds, together with the latest Annual (and if issued later the interim) Report and Accounts for any fund, are available to download at [aberdeenstandard.com](http://aberdeenstandard.com). A paper copy of the Report and Accounts is available on request from the ACD.

The Annual Report of the Company will be published on or before 30 November and the half-yearly report on or before 31 March in each year.

Shareholders will also receive a half-yearly statement prepared as at 5 April and 5 October each year, and issued within twenty five business days of these dates. The statement will show details of all transactions effected during the previous six months, and include a valuation of the Account based on the redemption prices as at 5 April and 5 October as applicable.

### Notices/Correspondence

Please send any notices to Aberdeen Standard Fund Managers Limited, PO Box 12233, Chelmsford, Essex CM99 2EE. Any notice to the ACD will only be effective when actually received by the ACD. All notices will be sent to the investor at the address set out in the Application form or the latest address which the investor has notified to the ACD, and will be deemed to have been received three days after posting. Events detailed in these terms and conditions will be carried out on the dates specified, unless the dates are a non-business day, when they will be carried out on the next business day.

### Complaints and Compensation

Complaints about the operation of the Company and the Funds may be made by the investor by writing to the ACD or the Depositary.

Any complaint will be investigated and the outcome will be notified to the investor, within eight weeks. If the investor is not satisfied with the outcome, he may also write directly to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London, E14 9GE. If the ACD cannot meet its financial obligations to the investor, the investor may be entitled to compensation under the Investor's Compensation Scheme, under the Financial Services Markets Act 2000. Details of the investor's rights to compensation can be obtained from the ACD on request.

### Personal taxation

Unless your shares are held within an ISA, if you sell your shares this is treated as a disposal for Capital Gains Tax purposes. Tax rules can change. The value to an investor of the tax advantages of an ISA will depend on personal circumstances, which may change.

Shareholders are recommended to consult with their professional tax advisers if they are in any doubt about their position.

### Registrar name change

The Registrar changed its name from International Financial Data Services (UK) Limited to DST Financial Services Europe Limited on 14 August 2017.

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#### **Important Information**

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