

# Standard Life Investment Company

Annual Report & Financial Statements  
For the year ended 28 February 2019



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\* These items comprise the Manager’s Report for the purposes of the rules contained in the Collective Investment Schemes sourcebook (‘the Sourcebook’).

## Company Information

### Head Office

1 George Street  
Edinburgh  
EH2 2LL

### Director

The Authorised Corporate Director (ACD) is Aberdeen Standard Fund Managers Limited which is the sole director and is authorised and regulated by the Financial Conduct Authority for investment business.

### Authorised Corporate Director (ACD)\*

Aberdeen Standard Fund Managers Limited  
Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

### Board of Directors of the ACD

Mr Jamie Matheson  
Mr Gary Marshall  
Ms Allison Donaldson  
Mr Aron Mitchell  
Ms Carolan Dobson

### Depository

Citibank  
Europe plc  
UK Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

### Independent Auditor

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

### Registrar

DST Financial Services Europe Limited  
DST House  
St Nicholas Lane  
Basildon  
Essex  
SS15 5FS

### Investment Adviser

Standard Life  
Investments  
Limited  
1 George Street  
Edinburgh  
EH2 2LL

\* The ACD changed on 10 December 2018, from Standard Life Investments (Mutual Funds) Limited to Aberdeen Standard Fund Managers Limited. Unitholders were given notice of this change in October 2018.

## Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

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

## Authorised Corporate Director's Report

The ACD is Aberdeen Standard Fund Managers Limited which is the sole director, authorised and regulated by the Financial Conduct Authority, for investment business.

Standard Life Investment Company ("the Company") is an Open-Ended Investment Company with variable capital under Regulation 12 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 ("the Regulations"). The shareholders are not liable for the debts of the Company.

Standard Life Investment Company is structured as an umbrella company. Each sub-fund ("Fund") has the investment powers equivalent to those of a securities company.

Standard Life Investment Company is a protected cell company. As such the assets and liabilities of individual Funds are ringfenced, with assets of a particular Fund not to be used to discharge the liabilities of, or claims against, the Umbrella company or any other Fund.

The following items within each fund report form part of the Authorised Corporate Director's report: Investment Report, Comparative Tables, Ongoing Charges Figure, Portfolio Statement and Treatment by Corporate Shareholders.

Distributions are made from positive net revenue where gross revenue exceeds expenses and tax. The total return consists of investment and currency gains and losses in addition to net revenue. In situations where Funds have a negative total return but a positive net revenue position, there will be a distribution.

Material differences may arise between a Fund's net revenue after tax and its distribution if the ACD's periodic charge and transaction costs are borne by the capital property of the Fund for distribution purposes. The expenses in the Statement of Total Return includes these expenses even if they are met from the capital property of the Fund. In such cases, the amount a Fund has to distribute will exceed its net revenue and this is detailed in the notes to the financial statements where it occurs.

Names and addresses of the ACD, Independent Auditor, Registrar and Investment Advisor are contained on page 3 of the Annual Report and Financial Statements. The investment objectives of each Fund, how they were achieved and investment activities during the period are disclosed within the individual Funds' reports.

The Prospectus for the Company is available online at [aberdeenstandard.com](http://aberdeenstandard.com).

The ACD has elected to dispense with the holding of an Annual General Meeting for the Company for this and all future years. Shareholders have been given sixty days' written notice of this election in accordance with The Open-Ended Investment Companies (Amendment) Regulations 2005. In the future, the Company may launch other Funds.

I hereby certify the Annual Report and Financial Statements on behalf of the Directors of Aberdeen Standard Fund Managers Limited.



**Aron Mitchell**

**Director**

Aberdeen Standard Fund Managers Limited

24 June 2019

## Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Standard life Investment Company ("the Company") for the year ended 28 February 2019

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

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

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

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



**Citibank Europe plc**  
UK Branch, London  
24 June 2019

# Independent auditor's report to the shareholders of Standard Life Investment Company ("the Company")

## Opinion

We have audited the financial statements of the Company for the year ended 28 February 2019 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on Contents page and the accounting policies set out on pages 13 to 15.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of each of the sub-funds as at 28 February 2019 and of the net revenue/deficit of revenue and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

## Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the company's and its sub-funds' business model, including the impact of Brexit, and analysed how those risks might affect the company's and its sub-funds' financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company or its sub-funds will continue in operation.

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

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

### Other information

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

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

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

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

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

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

### Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 4 the Authorised Corporate Director is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

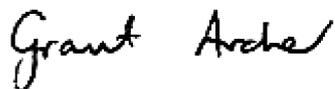
### Auditor's responsibilities

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

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

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

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



Grant Archer  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
319 St Vincent Street  
Glasgow  
G2 5AS  
24 June 2019

# Investment Report

1 March 2018 - 28 February 2019

## Global Overview

Global equities were slightly up over the reporting period. Stock markets in Latin America and US turned in the best performances. By contrast, Japanese equities performed badly over the 12 months.

Political concerns, from Brexit and European elections to the threat of a trade war between the US and others, played a part. Other topics that worried investors included the sustainability of economic growth and the speed at which the US Federal Reserve (Fed) plans to raise US interest rates.

Early in the period, market volatility increased as investors grew concerned about interest rates rising more rapidly than anticipated. This resulted in a sell-off among equity markets. The widespread sell-off was arrested by a strong corporate reporting season in the US that carried through to the summer. Soothing words from the Fed about the trajectory of interest rates and a reassessment of the economic environment pushed markets higher.

However, the mounting threat of a trade war between China and the US and its perceived impact caused uncertainty, with investor confidence shifting depending on whether tariffs were lower or higher than expected. The year ended poorly for many markets, with sharp declines occurring in December. These occurred after the Fed hiked US interest rates. In January, however, hints that the US central bank may pause its rate-raising cycle boosted confidence and equity markets rose once again.

## Individual market overviews

**UK equities** endured a difficult 12 months, as the stock market weathered political upheaval and Brexit-related uncertainty. The pound fluctuated over the year, with periods of weakness helping to lift firms that make their revenues overseas. The main index of large UK companies was slightly up in sterling terms. At the sector level, healthcare and utilities companies were the best performers. Conversely, telecoms and financials were the worst.

Despite a challenging year, **US equities** outperformed other major equity markets. The impetus was positive corporate results and consistently strong economic data. It was not all plain sailing, however. A sell-off meant that US equities suffered their worst fourth quarter return since 2011. Markets did subsequently bounce back in early-2019. With global growth challenges rising, the Fed softened its tone on its interest rate policy. Growing optimism that there would be a resolution to the US-China trade dispute further lifted investors' confidence.

**European equities** fell sharply towards the end of 2018 before bouncing sharply in early-2019. At the start of the period, markets were volatile due to fears that rising inflation would necessitate higher interest rates. The trade dispute between the US and China also weighed heavily on sentiment. As the year progressed, economic signs and business confidence deteriorated. Germany posted negative GDP growth towards the end of 2018 and Italy entered recession in early 2019. Only one month after ending its monetary stimulus programme in December, the European Central Bank (ECB) indicated it may have to reverse policy. Despite this, the European equity market enjoyed a positive start to 2019. A softer tone from the Fed and progress in the China-US trade dispute sent share prices higher.

**Japanese equities** finished down over the 12 months. The main negative factors were concerns around global trade, weak economic data and recent yen strength. However, conditions improved in 2019. The Fed's decision to put interest rises on hold lifted markets. There was also renewed optimism about a breakthrough in the US-China trade war.

**Asian equities** were also down for the last 12 months, albeit fractionally. Higher US interest rates, a weakening Chinese economy and concerns around China-US trade drove negative sentiment. However, markets made a bright start to 2019, which helped erase most of the losses.

## Bond markets

Central bank actions and rhetoric dominated **bond markets** over the last year. The same underlying themes caused concern for much of the period. These included the US-China trade war and a volatile oil price. Unease over Brexit and Italy's clash with the European Union over fiscal spending also weighed on sentiment. The main factors affecting global government bonds were the economic growth outlook and uncertainty over US monetary policy. For the most part, corporate bonds struggled in the risk-off environment.

### Outlook for equities

Global equity markets have made a strong start to 2019. However, given the drivers of this performance, we remain cautious. The initial boost came after the US Federal Reserve said it was putting interest rate-rises on hold. While good for asset prices, this also acknowledges that the US and global economies face challenges. Similarly, central bankers in China and Europe have sought to support their struggling economies. Meanwhile, European politics remain a source of tension, while Brexit is going down to the wire. On the upside, hopes of an eventual trade deal between the US and China have grown. This would provide a boost for markets around the world.

### Outlook for bonds

US and Japanese government bonds look expensive. US Treasury yields have fallen significantly in recent months, pushing them to unattractive levels. Yields on Japanese government bonds are very low compared with other markets. We are neutral on gilts and Eurozone bonds; while the UK economy is growing slowly, the Bank of England is still warning about future interest rate increases. Meanwhile, European Central Bank policymakers have become wary of recent economic weakness, further delaying their plans to tighten monetary policy. With government bond yields down sharply, the hunt for yield has supported corporate bonds. This should provide support for the rest of 2019.

# Ethical Funds Advisory Group Report

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

## The Standard Life Ethical Funds Advisory Group

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

This involves:

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

## Funds' criteria

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

## Issues Arising

The Group discussed a number of issues during the period relating to companies' individual approaches to corporate responsibility. Due consideration was given to reviewing the ethical funds' policy. Topics discussed by the Group included the 2018 annual investor survey, climate change, fossil fuels, carbon foot prints, employment issues, garment supply chains, plastics, and a number of specific company reviews.

## Voting record – Standard Life Investments UK Ethical Fund

We voted against remuneration resolutions at the AGMs of Accesso Technology Group, Aveva, Melrose Industries, NMC Health, Relx, and Telecom Plus. In the case of Melrose and Relx, we also voted against the re-election of the members of the Remuneration Committee to emphasise our views. In the case of Accesso Technology Group, we also voted against the Chairman of the remuneration committee to underline our concerns.

At the AGM of Vodafone Group last year we voted against the re-appointment of the auditors PWC as we were aware that PWC took on the administration of Phones 4u knowing that they were to be appointed auditors of Vodafone. It was already clear then that there would be a conflict of interest as the Phones 4u case would involve a making significant claims against Vodafone. We believe that an auditor should take action to avoid such conflicts of interest as they have the potential to compromise the independence of the auditors and thus undermine their role in protecting the interests of shareholders. Given our concerns about their appointment as auditors in 2014 it seemed logical to vote against the resolution to approve their remuneration as auditors. We voted the same way this year as the issues are ongoing and unresolved.

At the AGM of Gamma Communications, we voted against the re-election of the Chair due to concerns over the number of this other directorships.

At the AGM of John Laing Group we voted against the resolution to approve the financial statements and statutory reports as we were concerned by poor disclosure on diversity. We were also aware that the Chief Executive had previously made a public commitment in this regard.

We voted against remuneration resolutions at the AGMs of Virgin Money Holdings, Entertainment One, Clinigen, Bellway, ITE Group and TUI. In the case of Entertainment One, we have had concerns about the remuneration policy for some time after further engagement with the remuneration committee chair, we also voted against all of the members of that committee. At the AGM of TUI we also voted against the discharge of the chair due to concerns about the level of governance practices when compared to the requirements in the UK.

As last year we voted against the four of the non-executive directors who represent the major shareholders Piedmont and Elpida on the Mitchells & Butlers board. In addition we voted against the re-election of the Chair of the company as we were concerned by the lack of progress on succession planning, improving the independence of the board and improving board gender diversity during the year.

We also took voting action at the AGMs of Kainos Group due to lack of diversity on the Board and at Countryside Properties in relation to the length of tenure of the auditor.

#### **Investor opinion**

Investors in the ethical funds continue to make a valuable contribution to the Groups understanding of ethical concerns, in particular, through participation of investors on the Advisory Group and the annual survey of investors' views. The 2018 investor survey focused on a number of issues, including fossil fuels, alcohol, employment issues, and environmental degradation. The survey continues to inform the policy of the ethical funds.

#### **Further information**

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

#### **Amanda Young**

Secretary to the Ethical Funds Advisory Group  
26 April 2019

## Accounting Policies for all Funds

### a. Basis of Preparation

- I. The financial statements have been prepared on a going concern basis in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014. All of the Funds are presented on a going concern basis with the exception of the Global Emerging Markets Equity Unconstrained Fund ("the Terminating Fund") which the Authorised Corporate Director intends to terminate once all its residual assets and liabilities are settled (see Going Concern sub-heading below for details).
- II. The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments in compliance with FRS102, and in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

### Going Concern

The Global Emerging Markets Equity Unconstrained Fund ("the Terminating Fund") closed on 14 January 2016. It is the intention of the ACD to terminate this Fund at a later date once the residual assets and liabilities are settled. As a result the financial statements of this Fund have been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities of the Terminating Fund continue to be stated at their fair values which materially equate to their residual values. No further adjustments were necessary in the Terminating Fund's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. No liabilities have been recorded for costs of the termination of the Fund as the intention is that the ACD will bear any such costs which may arise.

The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies to reflect the presentation of the Terminating Fund's financial statements as at 28 February 2019 on a basis other than going concern.

### b. Revenue

- I. Dividend revenue is recognised when the securities are first quoted on an ex-dividend basis.
- II. Interest from fixed interest securities, interest rate swaps and short-term deposits is recognised on a daily accruals basis.
- III. Underwriting commission is recognised as part of the income property of the Funds unless it has been necessary to take up all or part of the shares underwritten in which case an appropriate proportion is deducted from the cost of those shares.
- IV. Where stocks are received in lieu of cash dividends the value of that dividend is recognised in the gross revenue of the Fund. Where enhanced scrip dividends are received the value of the enhancement is not recognised as revenue within the Funds but is recognised in capital. Any ordinary element of scrip dividends received is treated as revenue and will form part of the distribution.
- V. Revenue from debt securities is accounted for on an effective yield basis in accordance with the policy detailed below (see note (i)).
- VI. Special dividends are treated as either revenue or capital depending on the nature of each individual case.
- VII. Equalisation from collective investment scheme distributions is treated as a return of capital, within the Funds.
- VIII. Management fee rebates received from underlying pooled funds are recognised as revenue or capital on a consistent basis to how the underlying pooled funds account for the management fee. Where such rebates are revenue in nature, the income forms part of the distribution.

### c. Treatment of management expenses

- I. The ACD's periodic charges are charged to the revenue property of the Funds (with the exception of the UK Equity High Alpha Fund (capital), the UK Equity High Income Fund (capital), the Corporate Bond Fund (capital), the Global Emerging Markets Equity Income Fund (income in respect of accumulation shares and capital in respect of income shares), Global Equity Income Fund (income in respect of accumulation shares and capital in respect of income shares), the UK Smaller Companies Fund (income in respect of accumulation shares and capital in respect of income shares) and the European Equity Income Fund (income in respect of accumulation shares and capital in respect of income shares) American Equity Income Fund (income in respect of accumulation shares and capital in respect of income shares)).
- II. Handling charges are borne by the capital property of the Funds for distribution purposes.

**d. Distribution policy**

- I. All of the net revenue available for distribution at the end of both the interim (where applicable) and final distribution periods will be distributed to shareholders or reinvested in the Fund.
- II. Where the ACD has discretion about the extent to which income and expenses are recognised within the distributable income property of the Fund, the approach adopted, at all times, will be governed by the aim of maximising the total return to shareholders through limiting avoidable taxation costs.
- III. Where expenses are in capital, this will increase the distribution with a corresponding reduction to capital. For the purposes of calculating the distribution, on these classes, the effect of marginal tax relief between capital and revenue is not incorporated.

**e. Basis of valuation of investments**

- I. The listed investments of the Fund have been valued at bid price at the close of business on the reporting date. Unquoted investments are valued based on the Manager's opinion of fair value, the intention of which is to estimate market value.
- II. Any open positions in derivative contracts or forward foreign currency transactions at the year-end are included in the Balance Sheet at their mark to market value.

**f. Exchange rates**

- I. Assets and liabilities denominated in foreign currencies are translated into Sterling at the prevailing exchange rates on the reporting date.
- II. Income receipts denominated in foreign currencies are translated into Sterling at the prevailing exchange rates when the income is received.

**g. Taxation**

- I. Tax is calculated using the marginal basis i.e. the tax effect of income and expenditure is allocated between capital and revenue on the same basis as the particular item to which it relates.
- II. Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax is not recognised on permanent differences. Deferred tax assets are only recognised where it is more likely than not that there will be suitable taxable profits against which the future reversal of underlying timing differences can be deducted.
- III. Withholding tax on accrued overseas dividends is netted off against accrued revenue in the debtors note. The tax charge relating to the movement in withholding tax on accrued overseas dividends is disclosed as current tax.
- IV. The Funds; Asian Pacific Growth Fund, Global Equity Unconstrained, European Equity Income Fund and European Equity Growth Fund are party to certain claims and proceedings to recover tax suffered in respect of overseas income. These claims and proceedings are considered to be contingent assets of the Funds and have not been recognised in these Financial Statements as the outcome of the claims and the potential recoveries are not sufficiently certain.

**h. Derivatives**

The Funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where the transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the statement of total return. Where the transactions are undertaken to protect or enhance investments, the gains/losses are treated as capital and included within gains/losses on investments in the statement of total return.

**i. Effective yield**

- I. The Funds apply the concept of effective yield in daily pricing and for the periodic distribution of revenue, in accordance with the IMA SORP May 2014.
- II. Effective yield as defined by the IMA SORP, is an income calculation that takes into account amortisation of any discount or premium on the purchase price over the remaining life of the security.
- III. Applying effective yield to the income calculation may result in either higher or lower revenue than would be recognised on a coupon basis.
- IV. Where the Funds holds more bonds purchased at a discount to their par value, revenue is likely to be higher. Where the Fund holds more bonds purchased at a premium, revenue is likely to be lower. This will affect the distributions of the Funds.

**j. Equalisation**

In order that each shareholder in the same share class shall receive the same rate of distribution per share the buying price of each share contains an amount called equalisation. This is equivalent to the net of distributable income less expenses accrued in the Fund at the time of purchase. As part of the distribution payment the average amount of this equalisation is returned to Group 2 shareholders. The equalisation element of the distribution to Group 2 shareholders is treated as a repayment of capital and is therefore not liable to income tax. This amount should, however, be deducted from the cost of the shares for capital gains tax purposes.

**k. Cash**

Cash comprises bank balances, as well as any short term deposits and cash held as collateral.

**l. Hedged share classes**

The Japanese Equity Growth Fund offered hedged share classes. Hedged share classes in this Fund use a range of financial instruments with the intention of mitigating the risk of sterling-yen exchange rate volatility. These share classes closed on 14 December 2017.

**m. Dilution**

In certain circumstances the ACD may apply a dilution adjustment on subscriptions and redemptions of shares. If applied, the dilution adjustment is paid to the fund. See Prospectus for full details.

# AAA Income Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Daniel McKernan and Ross Hutchison
<b>Launch Date</b>	6 April 1999
<b>Benchmark</b>	iBoxx GBP Non-Gilts AAA rated Index

### Investment objective

The objective of the Fund is to provide a competitive level of income. Capital appreciation is of secondary importance.

### Investment policy

The investment policy of the Fund is to invest in a portfolio consisting mostly of sterling fixed interest securities. Investment will predominantly be made in securities with a credit rating of "AAA" from major rating agencies such as Standard & Poor's, Moody's and Fitch. Up to 20% of the Fund may be invested in UK government bonds which are excluded from the rating criteria. The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund tends to have quite a concentrated number of holdings, however the high credit quality nature of the portfolio affords investors a high degree of protection from the risk of default. Whilst the level of income provision is likely to be relatively stable, the investor must be able to accept temporary capital losses due to the volatile nature of the investments, and should therefore have an investment time horizon of 3 to 5 years.

### Performance

The AAA Income Fund returned 1.33% during the period, in comparison with the IMA £ Corporate Bond Sector return of 1.35%. Please note Fund returns are net of fees, while benchmark returns are gross. (Source: Morningstar, basic rate taxpayer, bid to bid basis. Benchmark source: Morningstar).

At an individual security level, by far the top positive contributor in the twelve-month review period was the Fund's conviction overweight in Wellcome Trust. This is the UK's largest charitable foundation and one of the world's largest funders of medical research. The second top contributor was the Fund's overweight in UK-based property development and investment company, British Land. In addition, the Fund benefitted from its off-benchmark exposure to UK gilts, which performed well in risk-off periods, particularly in the latter months 2018.

On the negative side, the worst performer for the Fund was its off-benchmark holdings in Trafford Centre, a large indoor shopping centre and leisure complex in Trafford in the UK. The Fund's underweight in the European Investment Bank, which comprises well over a quarter of index weight, also detracted from returns, as did off-benchmark exposure to US software giant Microsoft.

### Investment activity

Trading was relatively limited over the period. In the primary market, we participated in new issues from the US insurer New York Life and the multilateral development bank, the Asian Development Bank, as well as the state-owned German regional development bank, L-Bank.

In the secondary market, purchases included the bonds of Oxford University and Cambridge University and another state-owned German regional development bank, KfW. Sales in the period included Trafford Centre and the bonds of UK financials, Clydesdale Bank, Nationwide Building Society and Lloyds.

### Synthetic Risk & Reward Indicator

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

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

#### Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.41	94.89	91.08
Return before operating charges*	1.55	0.50	5.01
Operating charges	(0.98)	(0.98)	(0.98)
Return after operating charges*	0.57	(0.48)	4.03
Distributions	(1.47)	(1.32)	(1.38)
Retained distributions on accumulation share	1.47	1.32	1.16
Closing net asset value per share	94.98	94.41	94.89
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.60%	(0.51%)	4.42%
<b>Other information</b>			
Closing net asset value (£'000)	9,315	10,220	15,178
Closing number of shares	9,807,474	10,824,918	15,996,508
Operating charges	1.03%	1.03%	1.04%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	95.92	96.92	98.46
Lowest share price	93.74	93.85	90.28

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	101.66	101.76	97.32
Return before operating charges*	1.67	0.53	5.35
Operating charges	(0.63)	(0.63)	(0.62)
Return after operating charges*	1.04	(0.10)	4.73
Distributions	(2.02)	(1.85)	(1.90)
Retained distributions on accumulation share	2.02	1.85	1.61
Closing net asset value per share	102.70	101.66	101.76
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.02%	(0.10%)	4.86%
<b>Other information</b>			
Closing net asset value (£'000)	7,849	9,247	17,399
Closing number of shares	7,643,067	9,095,565	17,098,285
Operating charges	0.61%	0.61%	0.62%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	103.7	104.2	105.4
Lowest share price	101.2	101.1	96.49

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Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.50	57.57	55.95
Return before operating charges*	0.92	0.33	3.06
Operating charges	(0.58)	(0.60)	(0.60)
Return after operating charges*	0.34	(0.27)	2.46
Distributions	(0.88)	(0.80)	(0.84)
Closing net asset value per share	55.96	56.50	57.57
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.60%	(0.47%)	4.40%
<b>Other information</b>			
Closing net asset value (£'000)	2,506	2,826	3,126
Closing number of shares	4,478,941	5,001,772	5,429,353
Operating charges	1.03%	1.03%	1.04%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	57.15	58.50	60.28
Lowest share price	55.66	56.40	55.46

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Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.87	57.96	56.32
Return before operating charges*	0.93	0.32	3.10
Operating charges	(0.35)	(0.36)	(0.36)
Return after operating charges*	0.58	(0.04)	2.74
Distributions	(1.12)	(1.05)	(1.10)
Closing net asset value per share	56.33	56.87	57.96
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.02%	(0.07%)	4.87%
<b>Other information</b>			
Closing net asset value (£'000)	6,340	8,970	50,801
Closing number of shares	11,255,422	15,771,866	87,654,799
Operating charges	0.61%	0.61%	0.62%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	57.59	58.96	60.72
Lowest share price	56.06	56.83	55.84

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Retail CAT accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	95.21	95.65	91.79
Return before operating charges*	1.56	0.52	5.04
Operating charges	(0.96)	(0.96)	(0.95)
Return after operating charges*	0.60	(0.44)	4.09
Distributions	(1.52)	(1.37)	(1.43)
Retained distributions on accumulation share	1.52	1.37	1.20
Closing net asset value per share	95.81	95.21	95.65
* after direct transaction costs of:			
	-	-	-
<b>Performance</b>			
Return after charges	0.63%	(0.46%)	4.46%
<b>Other information</b>			
Closing net asset value (£'000)	25,825	28,208	30,408
Closing number of shares	26,954,716	29,627,127	31,789,183
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	96.76	97.72	99.24
Lowest share price	94.55	94.64	90.99

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

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

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Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.28	54.30	52.77
Return before operating charges*	0.99	0.25	2.86
Operating charges	(0.02)	(0.02)	(0.02)
Return after operating charges*	0.97	0.23	2.84
Distributions	(1.50)	(1.25)	(1.31)
Closing net asset value per share	52.75	53.28	54.30
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.82%	0.42%	5.38%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	189	2,000	2,000
Operating charges	0.03%	0.03%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	54.03	55.30	56.95
Lowest share price	52.58	53.28	52.33

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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<sup>^</sup> The closing net asset value of Standard Life income is £100.

Retail CAT income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.86	57.94	56.31
Return before operating charges*	0.93	0.32	3.08
Operating charges	(0.57)	(0.58)	(0.58)
Return after operating charges*	0.36	(0.26)	2.50
Distributions	(0.90)	(0.82)	(0.87)
Closing net asset value per share	56.32	56.86	57.94
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.63%	(0.45%)	4.44%
<b>Other information</b>			
Closing net asset value (£'000)	4,900	5,479	6,037
Closing number of shares	8,699,190	9,636,126	10,419,027
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	57.53	58.89	60.67
Lowest share price	56.03	56.77	55.82

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

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

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.32	74.02	70.49
Return before operating charges*	1.22	0.38	3.89
Operating charges	(0.08)	(0.08)	(0.09)
Return after operating charges*	1.14	0.30	3.80
Distributions	(1.86)	(1.73)	(1.75)
Retained distributions on accumulation share	1.86	1.73	1.48
Closing net asset value per share	75.46	74.32	74.02
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.54%	0.41%	5.39%
<b>Other information</b>			
Closing net asset value (£'000)	117	149	181
Closing number of shares	155,089	199,922	244,273
Operating charges	0.11%	0.11%	0.12%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	76.17	75.96	76.46
Lowest share price	74.21	73.79	69.90

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

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

Institutional regulated accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.16	74.08	70.73
Return before operating charges*	1.22	0.39	3.90
Operating charges	(0.31)	(0.31)	(0.31)
Return after operating charges*	0.91	0.08	3.59
Distributions	(1.63)	(1.50)	(1.53)
Retained distributions on accumulation share	1.63	1.50	1.29
Closing net asset value per share	75.07	74.16	74.08
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.23%	0.11%	5.08%
<b>Other information</b>			
Closing net asset value (£'000)	3,808	3,803	5,092
Closing number of shares	5,072,823	5,128,376	6,873,651
Operating charges	0.41%	0.41%	0.42%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	75.80	75.91	76.64
Lowest share price	73.92	73.71	70.12

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

Standard Life B accumulation <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	76.40	75.99	72.29
Return before operating charges*	0.46	0.41	3.99
Operating charges	-	-	-
Return after operating charges*	0.46	0.41	3.99
Distributions	(0.48)	(1.85)	(1.88)
Retained distributions on accumulation share	0.48	1.85	1.59
Redemption value as at 7 June 2018	(76.86)	-	-
Closing net asset value per share	-	76.40	75.99
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.60%	0.54%	5.52%
<b>Other information</b>			
Closing net asset value (£'000)	-	3	3
Closing number of shares	-	4,000	4,000
Operating charges	0.03%	0.00%	0.00%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	77.54	78.04	78.45
Lowest share price	76.35	75.76	71.68

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<sup>^</sup> Share class closed on 7 June 2018.

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	60.03	60.11	57.52
Return before operating charges*	0.99	0.32	3.15
Operating charges	(0.40)	(0.40)	(0.40)
Return after operating charges*	0.59	(0.08)	2.75
Distributions	(1.16)	(1.06)	(1.09)
Retained distributions on accumulation share	1.16	1.06	0.93
Closing net asset value per share	60.62	60.03	60.11
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.98%	(0.14%)	4.78%
<b>Other information</b>			
Closing net asset value (£'000)	5,953	7,685	8,228
Closing number of shares	9,821,056	12,801,026	13,688,218
Operating charges	0.66%	0.66%	0.67%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	61.21	61.52	62.26
Lowest share price	59.74	59.67	57.02

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

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	53.83	54.86	53.32
Return before operating charges*	0.89	0.29	2.92
Operating charges	(0.36)	(0.36)	(0.37)
Return after operating charges*	0.53	(0.07)	2.55
Distributions	(1.04)	(0.96)	(1.01)
Closing net asset value per share	53.32	53.83	54.86
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.98%	(0.13%)	4.78%
<b>Other information</b>			
Closing net asset value (£'000)	2,980	3,530	12,609
Closing number of shares	5,588,233	6,557,599	22,982,935
Operating charges	0.66%	0.66%	0.67%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	54.51	55.81	57.48
Lowest share price	53.06	53.79	52.86

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

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Institutional S accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.86	53.81	51.40
Return before operating charges*	0.88	0.26	2.79
Operating charges	(0.21)	(0.21)	(0.21)
Return after operating charges*	0.67	0.05	2.58
Distributions	(1.19)	(1.07)	(1.09)
Retained distributions on accumulation share	1.19	1.07	0.92
Closing net asset value per share	54.53	53.86	53.81
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.24%	0.10%	5.02%
<b>Other information</b>			
Closing net asset value (£'000)	5,063	6,200	1
Closing number of shares	9,284,839	11,511,712	2,200
Operating charges	0.39%	0.39%	0.40%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	55.06	55.12	55.69
Lowest share price	53.69	53.53	50.96

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

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

Institutional S income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	51.55	52.53	51.05
Return before operating charges*	0.84	0.30	2.80
Operating charges	(0.20)	(0.21)	(0.21)
Return after operating charges*	0.64	0.09	2.59
Distributions	(1.13)	(1.07)	(1.11)
Closing net asset value per share	51.06	51.55	52.53
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.24%	0.17%	5.07%
<b>Other information</b>			
Closing net asset value (£'000)	98,959	94,522	44,842
Closing number of shares	193,809,856	183,354,619	85,358,318
Operating charges	0.39%	0.39%	0.40%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	52.23	53.47	55.06
Lowest share price	50.83	51.54	50.62

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (96.31%)</b>		<b>168,727</b>	<b>97.18</b>
<b>Euro Denominated Bonds (2.07%)</b>		<b>4,274</b>	<b>2.46</b>
<b>Corporate Bonds (1.56%)</b>		<b>3,373</b>	<b>1.94</b>
between 5 and 10 years to maturity			
1,650,000	Microsoft 3.125% 2028	1,701	0.98
1,950,000	Taurus 2018-3 DEU DAC FRN 2029	1,672	0.96
<b>Government Bonds (0.51%)</b>		<b>901</b>	<b>0.52</b>
between 5 and 10 years to maturity			
1,000,000	Temasek 1.5% 2028	901	0.52
<b>Sterling Denominated Bonds (90.02%)</b>		<b>156,589</b>	<b>90.19</b>
<b>Corporate Bonds (62.67%)</b>		<b>108,526</b>	<b>62.51</b>
less than 5 years to maturity			
530,000	Aareal Bank 1% 2020	527	0.30
4,000,000	Bank Nederlandse Gemeenten 1% 2022	3,963	2.28
7,571,000	Bank Nederlandse Gemeenten 5.375% 2021	8,269	4.76
4,000,000	Barclays 4.25% 2022	4,310	2.48
675,000	Inter-American Development Bank 1.25% 2023	672	0.39
1,000,000	KFW 0.375% 2020	988	0.57
1,390,000	KFW 0.875% 2022	1,377	0.79
2,600,000	KFW 5.55% 2021	2,857	1.65
741,000	Landeskreditbank Baden-Wuerttemberg Foerderbank 1.375% 2023	739	0.43
940,000	Lloyds Bank 1.75% 2022	947	0.55
1,190,000	New York Life Global Funding 1% 2021	1,173	0.68
1,933,000	New York Life Global Funding 1.75% 2022	1,943	1.12
700,000	Newday Funding 2018-2 FRN 2026	692	0.40
1,000,000	Penarth Master Issuer 0.76281% 2022	999	0.58
750,000	Royal Bank of Canada 1.125% 2021	743	0.43
3,477,000	Royal Bank of Scotland 5.125% 2024	4,023	2.32
5,025,000	Wellcome Trust 4.75% 2021	5,402	3.11
1,440,000	Westpac Banking 1% 2022	1,414	0.81
between 5 and 10 years to maturity			
4,141,000	Abbey National 5.75% 2026	5,198	2.99
1,803,000	Asian Development Bank 1.375% 2025	1,795	1.03
700,000	Bank of Scotland 4.875% 2024	818	0.47
1,925,000	BL Superstores 4.482% 2025	787	0.45
2,100,000	Clydesdale Bank 4.625% 2026	2,498	1.44
5,048,000	Commonwealth Bank of Australia 3% 2026	5,453	3.14
2,320,000	Credit Foncier 5.5% 2027	2,927	1.69
1,000,000	Johnson & Johnson 5.5% 2024	1,202	0.69
1,265,000	KFW 5.5% 2025	1,570	0.90

Holding	Investment	Market value £'000	Percentage of total net assets
1,700,000	KFW 6% 2028	2,364	1.36
1,174,000	Lloyds Bank 4.875% 2027	1,422	0.82
2,000,000	Lloyds Bank 5.125% 2025	2,377	1.37
2,380,000	Lloyds Bank 6% 2029	3,186	1.84
2,000,000	National Australia Bank 3% 2026	2,170	1.25
2,500,000	Nationwide Building Society 5.625% 2026	3,133	1.80
between 10 and 15 years to maturity			
610,000	Broadgate Financing 4.821% 2033	772	0.44
800,000	Broadgate Financing 4.851% 2031	986	0.57
5,130,000	Broadgate Financing 4.949% 2029	2,968	1.71
1,595,000	Canary Wharf Finance 6.455% 2033	423	0.24
2,200,000	KFW 5.75% 2032	3,223	1.86
6,980,000	Meadowhall Finance 4.986% 2032	6,147	3.54
2,000,000	Nederlandse Waterschapsbank 5.375% 2032	2,769	1.60
between 15 and 25 years to maturity			
1,700,000	SLM Student Loan Trust 5.15% 2039	1,597	0.92
1,333,000	Temasek 5.125% 2040	1,921	1.11
3,000,000	Trafford Centre FRN 2038	2,627	1.51
1,300,000	Wellcome Trust 4.625% 2036	1,733	1.00
greater than 25 years to maturity			
801,000	Paragon 1.43044% 2050	786	0.45
700,000	RMAC 1.54306% 2046	632	0.36
644,000	University of Cambridge 2.35% 2078	602	0.35
680,000	University of Cambridge 3.75% 2052	881	0.51
1,250,000	University of Oxford 2.544% 2117	1,152	0.66
521,000	Wellcome Trust 2.517% 2118	480	0.28
630,000	Wellcome Trust 4% 2059	889	0.51
<b>Government Bonds (27.35%)</b>		<b>48,063</b>	<b>27.68</b>
less than 5 years to maturity			
740,000	European Investment Bank 0.875% 2023	725	0.42
1,900,000	European Investment Bank 1.125% 2021	1,900	1.09
800,000	European Investment Bank 2.25% 2020	810	0.47
2,800,000	European Investment Bank 4.25% 2021	3,032	1.75
740,000	European Investment Bank 5.375% 2019	740	0.43
1,200,000	International Bank for Reconstruction & Development 1.375% 2020	1,207	0.69
1,500,000	KFW 1.125% 2019	1,501	0.86
1,430,000	KFW 1.625% 2020	1,441	0.83
between 5 and 10 years to maturity			
750,000	European Bank for Reconstruction & Development 5.625% 2028	1,015	0.58
2,000,000	European Investment Bank 1% 2026	1,921	1.11
4,741,000	European Investment Bank 5.5% 2025	5,850	3.37

Holding	Investment	Market value £'000	Percentage of total net assets
1,200,000	European Investment Bank 6% 2028	1,660	0.96
1,670,000	UK (Govt of) 2.75% 2024	1,826	1.05
980,000	UK (Govt of) 6% 2028	1,405	0.81
between 10 and 15 years to maturity			
2,250,000	European Investment Bank 4.5% 2029	2,832	1.63
2,900,000	European Investment Bank 5.625% fixed to floating 2032	4,161	2.40
1,750,000	Tenn Valley Authority 5.625% 2032	2,402	1.38
between 15 and 25 years to maturity			
3,210,000	European Investment Bank 3.875% 2037	4,127	2.38
3,000,000	European Investment Bank 5% 2039	4,482	2.58
greater than 25 years to maturity			
1,500,000	European Investment Bank 4.5% 2044	2,207	1.27
1,700,000	European Investment Bank 4.625% fixed to floating 2054	2,819	1.62
<b>US Dollar Denominated Bonds (4.22%)</b>		<b>7,864</b>	<b>4.53</b>
<b>Corporate Bonds (4.22%)</b>		<b>7,864</b>	<b>4.53</b>
less than 5 years to maturity			
2,500,000	Aareal Bank 1.875% 2019	1,878	1.08
between 5 and 10 years to maturity			
1,300,000	Johnson & Johnson 2.45% 2026	933	0.54
between 15 and 25 years to maturity			
3,250,000	Johnson & Johnson 5.95% 2037	3,082	1.77
2,680,000	Microsoft 3.5% 2035	1,971	1.14
<b>Collective Investment Schemes (2.35%)</b>		<b>1,989</b>	<b>1.15</b>
131	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund+	112	0.07
1,877	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	1,877	1.08
<b>Derivatives (0.10%)</b>		<b>574</b>	<b>0.33</b>
<b>Forward Currency Contracts (-0.16%)</b>		<b>257</b>	<b>0.15</b>
	Buy GBP 4,379,754 Sell EUR 4,977,552 10/05/2019	108	0.06
	Buy GBP 251,258 Sell USD 325,554 10/05/2019	8	0.01
	Buy GBP 7,962,430 Sell USD 10,442,305 10/05/2019	141	0.08
<b>Futures (0.02%)</b>		<b>66</b>	<b>0.04</b>
105	Long Australian 10 Year Bond Future 15/03/2019	49	0.03
158	Long US 2 Year Note Future 28/06/2019	(21)	(0.01)
(20)	Short Euro Bond Future 07/03/2019	(53)	(0.03)
(17)	Short Long Gilt Future 26/06/2019	24	0.01
(59)	Short US 10 Year Note Future 19/06/2019	15	0.01
(63)	Short US 10 Year Ultra Future 19/06/2019	19	0.01
(47)	Short US Long Bond (CBT) Future 19/06/2019	33	0.02

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Interest Rate Swaps (0.24%)</b>		<b>251</b>	<b>0.14</b>
SEK 13,650,000	Pay fixed 1.4175% receive floating SEK-STIBOR 08/07/2029	(36)	(0.02)
SEK 27,300,000	Pay fixed 1.4225% receive floating SEK-STIBOR 09/07/2029	(72)	(0.04)
SEK 13,650,000	Pay fixed 1.455% receive floating SEK-STIBOR 09/07/2029	(40)	(0.02)
SEK 20,900,000	Pay floating SEK-STIBOR receive fixed 0.1813% 24/01/2021	-	-
EUR 2,620,000	Pay floating EURIBOR receive fixed 1.0785% 09/07/2029	68	0.04
EUR 1,310,000	Pay floating EURIBOR receive fixed 1.0825% 08/07/2029	34	0.01
EUR 1,310,000	Pay floating EURIBOR receive fixed 1.1075% 09/07/2029	37	0.02
GBP 4,000,000	Pay floating GBP-LIBOR receive fixed 2.6% 25/10/2023	260	0.15
<b>Total investment assets and liabilities</b>		<b>171,290</b>	<b>98.66</b>
<b>Net other assets</b>		<b>2,325</b>	<b>1.34</b>
<b>Total Net Assets</b>		<b>173,615</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

### Statement of Total Return

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital losses	2	(1,689)	(3,491)
Revenue	4	4,610	4,712
Expenses	5	(1,035)	(1,197)
Interest payable and similar charges	6	-	(116)
Net revenue before taxation		3,575	3,399
Taxation	7	-	-
Net revenue after taxation		3,575	3,399
<b>Total return before distributions</b>		<b>1,886</b>	<b>(92)</b>
Distributions	8	(3,575)	(3,399)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,689)</b>	<b>(3,491)</b>

### Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>180,843</b>	<b>193,906</b>
Amounts receivable on the issue of shares	16,581	71,620
Amounts payable on the cancellation of shares	(23,187)	(82,305)
	(6,606)	(10,685)
Dilution adjustment	-	(1)
Change in net assets attributable to shareholders from investment activities (see above)	(1,689)	(3,491)
Retained distribution on accumulation shares	1,067	1,113
Unclaimed distributions	-	1
<b>Closing net assets attributable to shareholders</b>	<b>173,615</b>	<b>180,843</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			171,512		179,033
<b>Current assets:</b>					
Debtors	9	2,911		3,036	
Cash and bank balances	10	344		206	
			3,255		3,242
<b>Total assets</b>			<b>174,767</b>		<b>182,275</b>
<b>Liabilities:</b>					
Investment liabilities			(222)		(432)
Creditors	11	(316)		(337)	
Distribution payable		(614)		(663)	
			(930)		(1,000)
<b>Total liabilities</b>			<b>(1,152)</b>		<b>(1,432)</b>
<b>Net assets attributable to shareholders</b>			<b>173,615</b>		<b>180,843</b>

## Notes to the Financial Statements

### 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

### 2 Net Capital Losses

	2019 £'000	2018 £'000
Non-derivative securities	(1,092)	(4,490)
Derivative contracts	(398)	464
Forward currency contracts	(202)	551
Other gains/(losses)	8	(10)
Handling charges taken from the capital account	(5)	(6)
<b>Net capital losses</b>	<b>(1,689)</b>	<b>(3,491)</b>

### 3 Purchases, Sales and Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Bonds	10,581	18,549
Collective investment schemes	32,915	45,463
<b>Sales</b>		
Bonds	12,265	19,641
Collective investment schemes	35,173	51,032

There were corporate actions (net sales) of £1,210,000 in the year (2018: £899,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.41% (2018: 0.37%), this is representative of the average spread on the assets held during the year.

### 4 Revenue

	2019 £'000	2018 £'000
Taxable distributions on offshore funds	8	-
Interest on debt securities	4,517	4,695
Derivative revenue	71	-
Bank interest	14	17
<b>Total revenue</b>	<b>4,610</b>	<b>4,712</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	839	1,000
Dealing charge	36	30
Registration fees	107	112
	982	1,142
<i>Payable to the Depository or associates of the Depository, and agents of either of them:</i>		
Depository's fees	28	30
Safe custody fee	13	14
	41	44
<b>Other:</b>		
Audit fee	12	11
<b>Total expenses</b>	<b>1,035</b>	<b>1,197</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	-	1
Derivative expense	-	115
<b>Total interest payable &amp; similar charges</b>	<b>-</b>	<b>116</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Total current tax	-	-
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	3,575	3,399
Corporation tax at 20% (2018: 20%)	715	680
Effects of:		
Distributions treated as tax deductible	(715)	(680)
<b>Total tax charge for year (note 7a)</b>	<b>-</b>	<b>-</b>

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

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
First interim distribution	909	815
Second interim distribution	896	810
Third interim distribution	881	787
Final distribution	867	979
	3,553	3,391
Add: Income deducted on cancellation of shares	69	259
Deduct: Income received on issue of shares	(47)	(251)
<b>Net distribution for the year</b>	<b>3,575</b>	<b>3,399</b>

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

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	48	19
Accrued revenue	2,863	3,017
<b>Total debtors</b>	<b>2,911</b>	<b>3,036</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Amounts held at futures clearing houses and brokers	402	177
Cash and bank balances	186	43
Collateral cash	(244)	(14)
<b>Total cash and bank balances</b>	<b>344</b>	<b>206</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	223	243
Accrued expenses payable to ACD	72	77
Accrued expenses payable to the Depositary or associates of the Depositary	6	5
Other accrued expenses	15	12
<b>Total creditors</b>	<b>316</b>	<b>337</b>

## 12 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	10,824,918	215,991	(1,243,890)	10,455	9,807,474
Institutional accumulation	9,095,565	26,528	(1,479,369)	343	7,643,067
Retail income	5,001,772	102,902	(667,164)	41,431	4,478,941
Institutional income	15,771,866	324,655	(5,207,514)	366,415	11,255,422
Retail CAT accumulation	29,627,127	144,189	(2,816,600)	-	26,954,716
Standard Life income	2,000	378	(2,189)	-	189
Retail CAT income	9,636,126	2,178	(939,114)	-	8,699,190
Standard Life accumulation	199,922	51,667	(96,500)	-	155,089
Institutional regulated accumulation	5,128,376	1,724,438	(1,779,991)	-	5,072,823
Standard Life B accumulation	4,000	-	(4,000)	-	-
Platform 1 accumulation	12,801,026	404,741	(3,387,931)	3,220	9,821,056
Platform 1 income	6,557,599	471,313	(1,440,679)	-	5,588,233
Institutional S accumulation	11,511,712	791,770	(3,018,643)	-	9,284,839
Institutional S income	183,354,619	26,628,026	(16,422,170)	249,381	193,809,856

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	8,575	160,152	-	4,320	169,843	-
Collective Investment Schemes	-	1,989	-	-	4,245	-
Derivatives	140	656	-	170	455	-
<b>Total investment assets</b>	<b>8,715</b>	<b>162,797</b>	<b>-</b>	<b>4,490</b>	<b>174,543</b>	<b>-</b>
Derivatives	(74)	(148)	-	(140)	(292)	-
<b>Total investment liabilities</b>	<b>(74)</b>	<b>(148)</b>	<b>-</b>	<b>(140)</b>	<b>(292)</b>	<b>-</b>

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

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

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

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

## 15 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

### a. Market price risk

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

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

Value at Risk (VaR) is a measure of the maximum potential loss to the Fund due to market risk. More particularly, VaR measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

2019	Minimum	Maximum	Average
VaR 99% 1 Month	1.84%	2.51%	2.12%

2018	Minimum	Maximum	Average
VaR 99% 1 Month	2.26%	3.02%	2.59%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 2.03%, £3,531,000 (2018: 2.43%, £4,397,000) within a one month period.

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

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets/(liabilities)	
	2019 £'000	2018 £'000
Australian Dollar	49	89
Canadian Dollar	-	6
Euro	165	52
Swedish Krona	(148)	-
US Dollar	(100)	(3)

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

Bond yields are affected by market and economic conditions, including inflation rates and government policy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets/(liabilities) £'000	Fixed rate financial assets/(liabilities) £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>				
<b>Currency</b>				
UK Sterling	9,870	149,257	14,522	173,649
Australian Dollar	-	-	49	49
Euro	1,863	2,602	(4,300)	165
Swedish Krona	(148)	-	-	(148)
US Dollar	3	7,864	(7,967)	(100)
<b>2018</b>				
<b>Currency</b>				
UK Sterling	13,617	153,888	13,193	180,698
Australian Dollar	(2)	130	(39)	89
Canadian Dollar	-	6	-	6
Euro	1,105	2,674	(3,726)	53
US Dollar	-	7,639	(7,642)	(3)

**d. Credit risk**

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

	Bid market value 2019 £'000	Bid market value 2018 £'000
<b>Credit Rating Analysis</b>		
Investment Grade Bonds	168,727	174,163
<b>Total Value of Bonds</b>	<b>168,727</b>	<b>174,163</b>

**e. Financial Derivatives Instrument Risk**

At the year end the Fund held derivatives for the purposes of efficient portfolio management (including hedging). These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the Fund's prospectus.

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

	2019 £'000	2018 £'000
<b>Market Exposure</b>		
Forward Currency Contracts	12,337	12,277
Futures	54,406	79,995
Interest Rate Swaps	14,635	48,742
<b>Total Market Exposure</b>	<b>81,378</b>	<b>141,014</b>

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

**Counterparty Exposure**

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange. Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

Exposure is reduced by the exchange of margin on a daily basis for cleared derivatives and by the collateral held/pledged on a bilateral transaction.

Counterparty or clearer	2019			2018		
	Collateral (held)/pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000	Collateral (held)/pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000
Bank of America Merrill Lynch	(111)	-	141	-	-	4
BNP Paribas	-	-	-	-	-	(30)
Citigroup	-	-	-	-	-	-
Goldman Sachs	97	383	57	-	691	175
HSBC	-	-	-	99	-	(259)
JP Morgan	(130)	-	108	-	-	-
Morgan Stanley	(297)	-	260	(286)	-	288
Royal Bank of Canada	-	-	-	(14)	-	15
Societe Generale	-	-	8	-	-	-
<b>Total</b>	<b>(441)</b>	<b>383</b>	<b>574</b>	<b>(201)</b>	<b>691</b>	<b>193</b>

Margin exchanged or collateral held or pledged is in the form of high quality liquid assets e.g. cash/gilts. Positions are fully collateralised at all times. Restrictions are placed on the right of either party to reuse collateral assets.

#### f. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the three months ended 31 May 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 May 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.3666	-	0.3666*	0.3088
Group 2	0.2076	0.1590	0.3666*	0.3088
<b>Institutional accumulation</b>				
Group 1	0.5030	-	0.5030*	0.4401
Group 2	0.3051	0.1979	0.5030*	0.4401
<b>Retail income</b>				
Group 1	0.2194	-	0.2194**	0.1880
Group 2	0.0970	0.1224	0.2194**	0.1880
<b>Institutional income</b>				
Group 1	0.2813	-	0.2813**	0.2510
Group 2	0.1343	0.1470	0.2813**	0.2510
<b>Retail CAT accumulation</b>				
Group 1	0.3779	-	0.3779*	0.3189
Group 2	0.2263	0.1516	0.3779*	0.3189
<b>Standard Life income</b>				
Group 1	0.3345	-	0.3345**	0.3030
Group 2	-	-	-	-
<b>Retail CAT income</b>				
Group 1	0.2257	-	0.2257**	0.1932
Group 2	0.1302	0.0955	0.2257**	0.1932
<b>Standard Life accumulation</b>				
Group 1	0.4622	-	0.4622*	0.4147
Group 2	0.2898	0.1724	0.4622*	0.4147
<b>Institutional regulated accumulation</b>				
Group 1	0.4045	-	0.4045*	0.3585
Group 2	0.2245	0.1800	0.4045*	0.3585

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Standard Life B accumulation</b>				
Group 1	0.4845	-	0.4845*	0.4485
Group 2	-	-	-	-
<b>Platform 1 accumulation</b>				
Group 1	0.2894	-	0.2894*	0.2527
Group 2	0.1194	0.1700	0.2894*	0.2527
<b>Platform 1 income</b>				
Group 1	0.2595	-	0.2595**	0.2306
Group 2	0.1373	0.1222	0.2595**	0.2306
<b>Institutional S accumulation</b>				
Group 1	0.2965	-	0.2965*	0.2450
Group 2	0.1769	0.1196	0.2965*	0.2450
<b>Institutional S income</b>				
Group 1	0.2838	-	0.2838**	0.2580
Group 2	0.1526	0.1312	0.2838**	0.2580

\* Distribution accumulated on 31 May 2018

\*\* Distribution paid on 31 July 2018

For the three months ended 31 August 2018

Group 1 - shares purchased prior to 1 June 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.3699	-	0.3699*	0.3017
Group 2	0.1672	0.2027	0.3699*	0.3017
<b>Institutional accumulation</b>				
Group 1	0.5077	-	0.5077*	0.4335
Group 2	0.2781	0.2296	0.5077*	0.4335
<b>Retail income</b>				
Group 1	0.2205	-	0.2205**	0.1818
Group 2	0.1089	0.1116	0.2205**	0.1818
<b>Institutional income</b>				
Group 1	0.2827	-	0.2827**	0.2464
Group 2	0.1419	0.1408	0.2827**	0.2464
<b>Retail CAT accumulation</b>				
Group 1	0.3812	-	0.3812*	0.3134
Group 2	0.2446	0.1366	0.3812*	0.3134
<b>Standard Life income</b>				
Group 1	0.3445	-	0.3445**	0.2975
Group 2	-	-	-	-
<b>Retail CAT income</b>				
Group 1	0.2268	-	0.2268**	0.1892
Group 2	0.1378	0.0890	0.2268**	0.1892
<b>Standard Life accumulation</b>				
Group 1	0.4666	-	0.4666*	0.4097
Group 2	0.1246	0.3420	0.4666*	0.4097
<b>Institutional regulated accumulation</b>				
Group 1	0.4086	-	0.4086*	0.3524
Group 2	0.0906	0.3180	0.4086*	0.3524

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Standard Life B accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.4395
Group 2	-	-	-	-
<b>Platform 1 accumulation</b>				
Group 1	0.2920	-	0.2920*	0.2477
Group 2	0.1169	0.1751	0.2920*	0.2477
<b>Platform 1 income</b>				
Group 1	0.2607	-	0.2607**	0.2249
Group 2	0.1356	0.1251	0.2607**	0.2249
<b>Institutional S accumulation</b>				
Group 1	0.2995	-	0.2995*	0.2454
Group 2	0.1425	0.1570	0.2995*	0.2454
<b>Institutional S income</b>				
Group 1	0.2851	-	0.2851**	0.2510
Group 2	0.1224	0.1627	0.2851**	0.2510

\*Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

<sup>^</sup> Share class closed on 7 June 2018

For the three months ended 30 November 2018

Group 1 - shares purchased prior to 1 September 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.3722	-	0.3722*	0.3055
Group 2	0.2261	0.1461	0.3722*	0.3055
<b>Institutional accumulation</b>				
Group 1	0.5088	-	0.5088*	0.4355
Group 2	0.2103	0.2985	0.5088*	0.4355
<b>Retail income</b>				
Group 1	0.2210	-	0.2210**	0.1847
Group 2	0.0655	0.1555	0.2210**	0.1847
<b>Institutional income</b>				
Group 1	0.2819	-	0.2819**	0.2468
Group 2	0.1437	0.1382	0.2819**	0.2468
<b>Retail CAT accumulation</b>				
Group 1	0.3830	-	0.3830*	0.3170
Group 2	0.2355	0.1475	0.3830*	0.3170
<b>Standard Life income</b>				
Group 1	0.3808	-	0.3808**	0.2960
Group 2	0.2858	0.0950	0.3808**	-
<b>Retail CAT income</b>				
Group 1	0.2269	-	0.2269**	0.1908
Group 2	0.1308	0.0961	0.2269**	0.1908
<b>Standard Life accumulation</b>				
Group 1	0.4667	-	0.4667*	0.4123
Group 2	0.2775	0.1892	0.4667*	-
<b>Institutional regulated accumulation</b>				
Group 1	0.4089	-	0.4089*	0.3558
Group 2	0.1489	0.2600	0.4089*	0.3558

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Standard Life B accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.4455
Group 2	-	-	-	-
<b>Platform 1 accumulation</b>				
Group 1	0.2928	-	0.2928*	0.2501
Group 2	0.1565	0.1363	0.2928*	0.2501
<b>Platform 1 income</b>				
Group 1	0.2601	-	0.2601**	0.2268
Group 2	0.1461	0.1140	0.2601**	0.2268
<b>Institutional S accumulation</b>				
Group 1	0.2996	-	0.2996*	0.2610
Group 2	0.1384	0.1612	0.2996*	0.2610
<b>Institutional S income</b>				
Group 1	0.2838	-	0.2838**	0.2530
Group 2	0.1380	0.1458	0.2838**	0.2530

\* Distribution accumulated on 30 November 2018

\*\* Distribution paid on 31 January 2019

<sup>^</sup> Share class closed on 7 June 2018

For the three months ended 28 February 2019

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution payable 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.3652	-	0.3652*	0.4059
Group 2	0.2061	0.1591	0.3652*	0.4059
<b>Institutional accumulation</b>				
Group 1	0.5012	-	0.5012*	0.5429
Group 2	0.2335	0.2677	0.5012*	0.5429
<b>Retail income</b>				
Group 1	0.2161	-	0.2161**	0.2439
Group 2	0.0600	0.1561	0.2161**	0.2439
<b>Institutional income</b>				
Group 1	0.2763	-	0.2763**	0.3054
Group 2	0.0605	0.2158	0.2763**	0.3054
<b>Retail CAT accumulation</b>				
Group 1	0.3764	-	0.3764*	0.4171
Group 2	0.2078	0.1686	0.3764*	0.4171
<b>Standard Life income</b>				
Group 1	0.4390	-	0.4390**	0.3560
Group 2	0.4390	-	0.4390**	-
<b>Retail CAT income</b>				
Group 1	0.2223	-	0.2223**	0.2502
Group 2	0.1279	0.0944	0.2223**	0.2502
<b>Standard Life accumulation</b>				
Group 1	0.4612	-	0.4612*	0.4902
Group 2	0.4612	-	0.4612*	0.4902
<b>Institutional regulated accumulation</b>				
Group 1	0.4035	-	0.4035*	0.4326
Group 2	0.3218	0.0817	0.4035*	0.4326

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution payable 2019 pence per share	Distribution paid 2018 pence per share
<b>Standard Life B accumulation<sup>^</sup></b>				
Group 1		-	-	0.5167
Group 2			-	-
<b>Platform 1 accumulation</b>				
Group 1	0.2883	-	0.2883*	0.3132
Group 2	0.1620	0.1263	0.2883*	0.3132
<b>Platform 1 income</b>				
Group 1	0.2549	-	0.2549**	0.2823
Group 2	0.0872	0.1677	0.2549**	0.2823
<b>Institutional S accumulation</b>				
Group 1	0.2957	-	0.2957*	0.3170
Group 2	0.2009	0.0948	0.2957*	0.3170
<b>Institutional S income</b>				
Group 1	0.2785	-	0.2785**	0.3053
Group 2	0.1028	0.1757	0.2785**	0.3053

\* Distribution accumulated on 28 February 2019

\*\* Distribution payable on 30 April 2019

<sup>^</sup> Share class closed on 7 June 2018

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# American Equity Income Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Scott Eun
<b>Launch Date</b>	15 June 2016
<b>Benchmark</b>	S & P 500 Index

### Investment objective

The objective of the Fund is to generate a combination of income and capital appreciation over the longer term.

### Investment policy

The investment policy of the Fund is to invest mainly in equities and equity type investments of companies incorporated or domiciled in the US or which, in the opinion of the ACD, derive a significant proportion of their revenue or profits from US operations or have a significant proportion of their assets there. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. Additionally, the Fund may also invest in equities and equity type investments of companies listed in the US or incorporated, domiciled or listed in Canada or Latin America. The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives (for the purpose of efficient portfolio management (including hedging)) and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential for income and capital growth opportunities afforded by the main US markets. The investor must be able to accept significant temporary losses due to the volatile nature of equity and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

For the period under review, the Fund returned 5.86% (platform 1, accumulation). This compared to the S&P 500 Index total return of 8.44%.

Beverage firm Constellation Brands weighed on performance, as a fall in earnings heightened investors' concerns about the business. However, we still believe in the fundamentals of the company and its beer brands continue to take market share. Semiconductor maker Marvel Technology dipped due to worries about revenues following its acquisition of Cavium. Meanwhile, Kraft Heinz struggled along with the wider food sector. Investors are concerned the US retail environment will deteriorate in the wake of Amazon's takeover of Whole Foods. Increased promotional and brand activity could also affect profitability. We no longer hold Kraft-Heinz. Positions in DowDuPont, Goldman Sachs and Steel Dynamics also disappointed.

On the upside, American Tower (wireless towers) reported healthier performance from the Americas. It also reached a settlement with Tata in India, which had been a worry. Investors shifting towards companies that can offer stable growth and a decent dividend yield further lifted the stock. MasterCard was another successful holding. The payment solutions business saw revenues gather pace with the rapid growth in card transactions. Meanwhile, CMS Energy performed well as utilities were a 'safe haven' during US market volatility in Q4. Further highlights included CSX, Pfizer and Nextera Energy.

### Investment activity

Key additions included the purchase of shares in Wells Fargo, one of the big six banks in the US. We expect 2019 revenues to expand at a faster-than-expected pace. Elsewhere, we purchased shares in Baxter International, a supplier of renal and intravenous products to hospitals. The rollout of new products should drive revenues higher and see profit margins expand. We also bought Deere & Company. In our view, investors don't appreciate the positive impact the agricultural equipment replacement cycle will have on the firm's profits.

We sold Goldman Sachs, where the current trading conditions are likely to restrain profits. General Dynamics faced additional competition for its largest and most profitable fleet of planes. This prompted us to sell our stake in the firm. Finally, we took advantage of recent strength to exit cable and media group Comcast.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←					→	
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation+	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	63.66	63.74	50.00
Return before operating charges*	4.78	0.78	14.52
Operating charges	(0.92)	(0.86)	(0.78)
Return after operating charges*	3.86	(0.08)	13.74
Distributions	(0.45)	(0.37)	(0.24)
Retained distributions on accumulation share	0.45	0.37	0.24
Closing net asset value per share	67.52	63.66	63.74
* after direct transaction costs of:	0.03	0.06	0.01
<b>Performance</b>			
Return after charges	6.06%	(0.13%)	27.48%
<b>Other information</b>			
Closing net asset value (£'000)	47	18	4
Closing number of shares	69,952	27,330	6,171
Operating charges	1.35%	1.35%	1.34%
Direct transaction costs	0.05%	0.09%	0.02%
<b>Prices</b>			
Highest share price	72.58	66.19	63.84
Lowest share price	59.16	60.23	48.37

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

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

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

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

+Share class launched on 16 June 2016.

Institutional accumulation+	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	64.16	63.95	50.00
Return before operating charges*	4.81	0.77	14.46
Operating charges	(0.59)	(0.56)	(0.51)
Return after operating charges*	4.22	0.21	13.95
Distributions	(0.76)	(0.66)	(0.43)
Retained distributions on accumulation share	0.76	0.66	0.43
Closing net asset value per share	68.38	64.16	63.95
* after direct transaction costs of:	0.03	0.06	0.01
<b>Performance</b>			
Return after charges	6.58%	0.33%	27.90%
<b>Other information</b>			
Closing net asset value (£'000)	5,956	29,159	28,999
Closing number of shares	8,711,396	45,445,743	45,345,254
Operating charges	0.88%	0.88%	0.87%
Direct transaction costs	0.05%	0.09%	0.02%
<b>Prices</b>			
Highest share price	73.36	66.67	64.05
Lowest share price	59.65	60.69	48.38

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

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

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

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

+Share class launched on 16 June 2016.

Retail income+	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	61.70	62.94	50.00
Return before operating charges*	4.64	0.79	14.49
Operating charges	(0.85)	(0.84)	(0.77)
Return after operating charges*	3.79	(0.05)	13.72
Distributions	(1.28)	(1.19)	(0.78)
Closing net asset value per share	64.21	61.70	62.94
* after direct transaction costs of:	0.03	0.05	0.01
<b>Performance</b>			
Return after charges	6.14%	(0.08%)	27.44%
<b>Other information</b>			
Closing net asset value (£'000)	5	8	1
Closing number of shares	7,086	12,698	2,200
Operating charges	1.35%	1.35%	1.34%
Direct transaction costs	0.05%	0.09%	0.02%
<b>Prices</b>			
Highest share price	69.69	64.71	63.29
Lowest share price	57.36	58.60	48.37

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

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

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

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

+Share class launched on 16 June 2016.

Institutional income+	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	62.17	63.13	50.00
Return before operating charges*	4.66	0.75	14.40
Operating charges	(0.57)	(0.55)	(0.50)
Return after operating charges*	4.09	0.20	13.90
Distributions	(1.28)	(1.16)	(0.77)
Closing net asset value per share	64.98	62.17	63.13
* after direct transaction costs of:	0.03	0.05	0.01
<b>Performance</b>			
Return after charges	6.58%	0.32%	27.80%
<b>Other information</b>			
Closing net asset value (£'000)	15,763	24,208	24,836
Closing number of shares	24,257,979	38,941,637	39,342,021
Operating charges	0.88%	0.88%	0.87%
Direct transaction costs	0.05%	0.09%	0.02%
<b>Prices</b>			
Highest share price	70.39	64.92	63.48
Lowest share price	57.81	59.02	48.38

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

+Share class launched on 16 June 2016.

Standard Life income+	2019 pence per share	2018 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	48.54	50.00
Return before operating charges*	3.65	(0.58)
Operating charges	(0.03)	(0.02)
Return after operating charges*	3.62	(0.60)
Distributions	(1.00)	(0.86)
Closing net asset value per share	51.16	48.54
* after direct transaction costs of:	0.03	0.04
<b>Performance</b>		
Return after charges	7.46%	(1.20%)
<b>Other information</b>		
Closing net asset value (£'000)	11,364	10,786
Closing number of shares	22,213,109	22,223,059
Operating charges	0.05%	0.05%
Direct transaction costs	0.05%	0.09%
<b>Prices</b>		
Highest share price	55.23	50.59
Lowest share price	45.16	46.06

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

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

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

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

+ Share class launched on 15 March 2017.

Standard Life accumulation+	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.01	64.31	50.00
Return before operating charges*	4.87	0.78	14.38
Operating charges	(0.09)	(0.08)	(0.07)
Return after operating charges*	4.78	0.70	14.31
Distributions	(1.30)	(1.15)	(0.96)
Retained distributions on accumulation share	1.30	1.15	0.96
Closing net asset value per share	69.79	65.01	64.31
* after direct transaction costs of:	0.03	0.06	0.01
<b>Performance</b>			
Return after charges	7.35%	1.09%	28.64%
<b>Other information</b>			
Closing net asset value (£'000)	54	71	28
Closing number of shares	77,457	109,605	43,243
Operating charges	0.13%	0.13%	0.12%
Direct transaction costs	0.05%	0.09%	0.02%
<b>Prices</b>			
Highest share price	74.66	67.49	64.41
Lowest share price	60.47	61.47	48.38

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

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

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

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

+Share class launched on 16 June 2016.

Platform 1 accumulation+	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	64.13	63.94	50.00
Return before operating charges*	4.81	0.78	14.47
Operating charges	(0.64)	(0.59)	(0.53)
Return after operating charges*	4.17	0.19	13.94
Distributions	(0.73)	(0.63)	(0.43)
Retained distributions on accumulation share	0.73	0.63	0.43
Closing net asset value per share	68.30	64.13	63.94
* after direct transaction costs of:	0.03	0.06	0.01
<b>Performance</b>			
Return after charges	6.50%	0.30%	27.88%
<b>Other information</b>			
Closing net asset value (£'000)	200	69	11
Closing number of shares	292,192	107,901	16,816
Operating charges	0.93%	0.93%	0.92%
Direct transaction costs	0.05%	0.09%	0.02%
<b>Prices</b>			
Highest share price	73.30	66.64	64.04
Lowest share price	59.62	60.66	43.38

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

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

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

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

+Share class launched on 16 June 2016.

<b>Platform 1 income+</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	62.14	63.14	50.00
Return before operating charges*	4.65	0.74	14.46
Operating charges	(0.60)	(0.58)	(0.53)
Return after operating charges*	4.05	0.16	13.93
Distributions	(1.25)	(1.16)	(0.79)
Closing net asset value per share	64.94	62.14	63.14
* after direct transaction costs of:	0.03	0.05	0.01
<b>Performance</b>			
Return after charges	6.52%	0.25%	27.86%
<b>Other information</b>			
Closing net asset value (£'000)	34	9	2
Closing number of shares	51,996	14,526	3,562
Operating charges	0.93%	0.93%	0.92%
Direct transaction costs	0.05%	0.09%	0.02%
<b>Prices</b>			
Highest share price	70.36	64.93	63.50
Lowest share price	57.79	58.99	48.38

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

+Share class launched on 16 June 2016.

Institutional S accumulation+	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	58.56	58.24	50.00
Return before operating charges*	4.25	0.76	8.65
Operating charges	(0.43)	(0.44)	(0.41)
Return after operating charges*	3.82	0.32	8.24
Distributions	(0.63)	(0.73)	(0.30)
Retained distributions on accumulation share	0.63	0.73	0.30
Closing net asset value per share	62.38	58.56	58.24
* after direct transaction costs of:	0.03	0.05	0.01
<b>Performance</b>			
Return after charges	6.52%	0.55%	16.48%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	200	2,200	2,200
Operating charges	0.70%	0.76%	0.75%
Direct transaction costs	0.05%	0.09%	0.02%
<b>Prices</b>			
Highest share price	67.06	60.83	58.32
Lowest share price	54.45	55.39	50.00

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

+Share class launched on 16 June 2016.

<sup>^</sup> The closing net asset value of Institutional S accumulation is £125.

Institutional S income+	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.01	57.76	50.00
Return before operating charges*	4.29	0.76	8.63
Operating charges	(0.42)	(0.43)	(0.41)
Return after operating charges*	3.87	0.33	8.22
Distributions	(1.23)	(1.08)	(0.46)
Closing net asset value per share	59.65	57.01	57.76
* after direct transaction costs of:	0.03	0.05	0.01
<b>Performance</b>			
Return after charges	6.79%	0.57%	16.44%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	200	2,200	2,200
Operating charges	0.70%	0.76%	0.75%
Direct transaction costs	0.05%	0.09%	0.02%
<b>Prices</b>			
Highest share price	64.65	59.47	58.08
Lowest share price	53.02	54.12	50.00

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

+ Share class launched on 19 September 2016.

<sup>^</sup> The closing net asset value of Institutional S income is £119.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>North American Equities (98.85%)</b>		<b>32,604</b>	<b>97.55</b>
4,125	Accenture	501	1.50
8,262	Activision Blizzard	262	0.78
8,271	Alimentation Couche-Tard 'B'	349	1.05
3,456	Allegion	234	0.70
2,284	Allergan	236	0.71
6,756	American Tower	894	2.68
6,700	Anadarko Petroleum	219	0.66
2,968	Anthem	671	2.01
8,948	Apple	1,165	3.49
46,920	Bank of America	1,026	3.07
8,225	Baxter International	462	1.38
11,940	Bristol-Myers Squibb	464	1.39
3,293	Broadcom	682	2.04
4,747	Celanese	365	1.09
11,468	Chevron	1,031	3.09
31,109	Cisco Systems	1,211	3.62
9,111	Citigroup	438	1.31
16,695	CMS Energy	683	2.04
17,571	Coca-Cola	599	1.79
25,329	Comcast	737	2.20
2,683	Constellation	341	1.02
7,977	CSX	436	1.30
4,825	Deere & Co	595	1.78
6,365	Eli Lilly	604	1.81
1,924	Equinix	612	1.83
5,009	First Republic Bank	395	1.18
4,073	Home Depot	567	1.70
10,487	Johnson & Johnson	1,077	3.22
2,421	Lockheed Martin	563	1.68
20,542	Marathon Oil	256	0.77
1,829	Martin Marietta Materials	258	0.77
34,110	Marvell Technology	512	1.53
6,802	Mastercard	1,149	3.44
10,167	Medtronic	692	2.07
9,639	Merck & Co	589	1.76
8,013	Meredith	345	1.03
24,892	Microsoft	2,097	6.27
20,934	Mondelez	742	2.22

Holding	Investment	Market value £'000	Percentage of total net assets
5,216	NextEra Energy	736	2.20
5,597	Occidental Petroleum	278	0.83
19,068	Pfizer	621	1.86
8,409	Procter & Gamble	623	1.86
4,305	Raytheon	604	1.81
13,200	Restaurant Brands International	627	1.88
7,450	Schlumberger	247	0.74
15,241	Schwab (Charles)	527	1.58
13,181	Service Corporation International	410	1.23
6,636	Steel Dynamics	186	0.56
12,489	TELUS	341	1.02
10,169	TJX	392	1.17
26,959	Umpqua Holdings	368	1.10
5,017	United Health	913	2.73
21,039	Verizon Communications	900	2.69
20,584	Wells Fargo	772	2.31
<b>Collective Investment Schemes (1.21%)</b>		<b>884</b>	<b>2.64</b>
884	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	884	2.64
<b>Total investment assets</b>		<b>33,488</b>	<b>100.19</b>
<b>Net other liabilities</b>		<b>(65)</b>	<b>(0.19)</b>
<b>Total Net Assets</b>		<b>33,423</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

### Statement of Total Return

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital gains/(losses)	2	4,032	(190)
Revenue	4	1,214	1,284
Expenses	5	(362)	(468)
Net revenue before taxation		852	816
Taxation	6	(168)	(172)
Net revenue after taxation		684	644
<b>Total return before distributions</b>		<b>4,716</b>	<b>454</b>
Distributions	7	(850)	(849)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>3,866</b>	<b>(395)</b>

### Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>64,330</b>	<b>53,883</b>
Amounts receivable on the issue of shares	1,416	14,464
Amounts payable on the cancellation of shares	(36,419)	(3,937)
	(35,003)	10,527
Dilution adjustment	18	15
Change in net assets attributable to shareholders from investment activities (see above)	3,866	(395)
Retained distribution on accumulation shares	212	300
<b>Closing net assets attributable to shareholders</b>	<b>33,423</b>	<b>64,330</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		33,488	64,371
<b>Current assets:</b>			
Debtors	8	77	172
Cash and bank balances		8	23
		85	195
<b>Total assets</b>		<b>33,573</b>	<b>64,566</b>
<b>Liabilities:</b>			
Creditors	9	(27)	(104)
Distribution payable		(123)	(132)
		(150)	(236)
<b>Total liabilities</b>		<b>(150)</b>	<b>(236)</b>
<b>Net assets attributable to shareholders</b>		<b>33,423</b>	<b>64,330</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital Gains/(Losses)**

	2019 £'000	2018 £'000
Non-derivative securities	4,014	(156)
Forward currency contracts	-	4
Other gains/(losses)	27	(32)
Handling charges taken from the capital account	(9)	(6)
<b>Net capital gains/(losses)</b>	<b>4,032</b>	<b>(190)</b>

**3 Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	16,875	47,593
Commissions	8	25
<b>Total purchase transaction costs</b>	<b>8</b>	<b>25</b>
<b>Purchases including transaction costs</b>	<b>16,883</b>	<b>47,618</b>
<b>Sales</b>		
Gross sales before transaction costs	51,413	36,056
Commissions	(17)	(25)
Taxes & Other Fees	(1)	(1)
<b>Total sale transaction costs</b>	<b>(18)</b>	<b>(26)</b>
<b>Total sales net of transaction costs</b>	<b>51,395</b>	<b>36,030</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.05%	0.05%
<b>Sales</b>		
Commissions	0.03%	0.07%
Taxes & Other Fees	0.00%	0.00%
	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.02%	0.04%
<b>Sales</b>		
Commissions	0.03%	0.04%
Taxes & Other Fees	0.00%	0.00%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	16,883	47,618
Collective Investment Schemes	21,556	10,175
<b>Sales</b>		
Equities	51,395	36,030
Collective Investment Schemes	21,451	10,816

There were corporate actions (net sales) of £486,000 in the year (2018: £nil).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.02% (2018: 0.20%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
Overseas dividends	1,206	1,279
Taxable distributions on offshore funds	3	-
Bank interest	5	5
<b>Total revenue</b>	<b>1,214</b>	<b>1,284</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	309	404
Registration fees	33	43
	342	447
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	9	10
Safe custody fee	2	3
	11	13
<b>Other:</b>		
Audit fee	9	8
<b>Total expenses</b>	<b>362</b>	<b>468</b>

## 6 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	168	172
<b>Total current tax</b>	<b>168</b>	<b>172</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less (2018: higher) than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	852	816
Corporation tax at 20% (2018: 20%)	170	163
Effects of:		
Revenue not subject to taxation	(233)	(250)
Overseas taxes	168	172
Overseas tax expensed	(1)	-
Excess allowable expenses	64	87
<b>Total tax charge for year (note 6a)</b>	<b>168</b>	<b>172</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £210,000 (2018: £146,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

## 7 Distributions

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
First interim distribution	259	214
Second interim distribution	242	218
Third interim distribution	166	241
Final distribution	138	180
	805	853
Add: Income deducted on cancellation of shares	48	8
Deduct: Income received on issue of shares	(3)	(12)
<b>Net distribution for the year</b>	<b>850</b>	<b>849</b>
Details of the distribution per share are set out in this Fund's distribution tables.		
Net revenue after taxation	684	644
Annual ACD charge to capital	150	185
Registration fees taken from the capital account	16	20
<b>Total distributions</b>	<b>850</b>	<b>849</b>

## 8 Debtors

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	15	-
Sales awaiting settlement	-	61
Accrued revenue	62	111
<b>Total debtors</b>	<b>77</b>	<b>172</b>

## 9 Creditors

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	2	-
Purchases awaiting settlement	-	60
Accrued expenses payable to ACD	14	34
Other accrued expenses	9	8
Accrued Expenses payable to the Depository	2	2
<b>Total creditors</b>	<b>27</b>	<b>104</b>

## 10 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 8 and 9.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 9.

## 11 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	27,330	47,758	(5,136)	-	69,952
Institutional accumulation	45,445,743	12,840	(36,747,187)	-	8,711,396
Retail income	12,698	7,217	(19,085)	6,256	7,086
Institutional income	38,941,637	1,372,281	(16,055,939)	-	24,257,979
Standard Life income	22,223,059	-	(2,000)	(7,950)	22,213,109
Standard Life accumulation	109,605	38,672	(70,820)	-	77,457
Platform 1 accumulation	107,901	479,363	(295,072)	-	292,192
Platform 1 income	14,526	236,556	(199,086)	-	51,996
Institutional S accumulation	2,200	-	(2,000)	-	200
Institutional S income	2,200	-	(2,000)	-	200

## 12 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	32,604	-	-	63,593	-	-
Collective Investment Schemes	-	884	-	-	778	-
<b>Total investment assets</b>	<b>32,604</b>	<b>884</b>	<b>-</b>	<b>63,593</b>	<b>778</b>	<b>-</b>

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

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

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

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

## 13 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

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

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £1,674,000 (2018: £3,219,000). A five per cent decrease would have an equal and opposite effect.

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £1,633,000 (2018: £3,186,000). A five per cent decrease would have an equal and opposite effect.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Canadian Dollar	690	-
US Dollar	31,977	63,725

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	892	(136)	756
Canadian Dollar	-	690	690
US Dollar	-	31,977	31,977
<b>2018</b>			
<b>Currency</b>			
UK Sterling	1,558	(953)	605
US Dollar	21	63,704	63,725

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

### e. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the three months ended 31 May 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 May 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.1214	-	0.1214*	0.1130
Group 2	0.0665	0.0549	0.1214*	0.1130
<b>Institutional accumulation</b>				
Group 1	0.1988	-	0.1988*	0.1886
Group 2	-	-	-	0.1886
<b>Retail income</b>				
Group 1	0.3174	-	0.3174**	0.3219
Group 2	0.1803	0.1371	0.3174**	-
<b>Institutional income</b>				
Group 1	0.3205	-	0.3205**	0.3167
Group 2	0.2439	0.0766	0.3205**	0.3167
<b>Standard Life income</b>				
Group 1	0.2489	-	0.2489**	0.1952
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.3224	-	0.3224*	0.3108
Group 2	0.1908	0.1316	0.3224*	0.3108
<b>Platform 1 accumulation</b>				
Group 1	0.1904	-	0.1904*	0.1815
Group 2	0.1028	0.0876	0.1904*	0.1815
<b>Platform 1 income</b>				
Group 1	0.3213	-	0.3213**	0.3201
Group 2	0.2270	0.0943	0.3213**	0.3201
<b>Institutional S accumulation</b>				
Group 1	0.2140	-	0.2140*	0.2052
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.2977	-	0.2977**	0.2939
Group 2	-	-	-	-

\* Distribution accumulated on 31 May 2018

\*\* Distribution paid on 31 July 2018

For the three months ended 31 August 2018

Group 1 - shares purchased prior to 1 June 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.1230	-	0.1230*	0.1236
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.1992	-	0.1992*	0.1982
Group 2	0.1680	0.0312	0.1992*	0.1982
<b>Retail income</b>				
Group 1	0.3327	-	0.3327**	0.3281
Group 2	-	-	-	-
<b>Institutional income</b>				
Group 1	0.3320	-	0.3320**	0.3251
Group 2	0.2607	0.0713	0.3320**	0.3251
<b>Standard Life income</b>				
Group 1	0.2624	-	0.2624**	0.2532
Group 2	-	-	-	0.2532
<b>Standard Life accumulation</b>				
Group 1	0.3367	-	0.3367*	0.3210
Group 2	0.2422	0.0945	0.3367*	0.3210
<b>Platform 1 accumulation</b>				
Group 1	0.1915	-	0.1915*	0.1920
Group 2	0.1444	0.0471	0.1915*	0.1920
<b>Platform 1 income</b>				
Group 1	0.2985	-	0.2985**	0.3280
Group 2	0.1696	0.1289	0.2985**	0.3280
<b>Institutional S accumulation</b>				
Group 1	0.2268	-	0.2268*	0.2127
Group 2	-	-	-	0.1920
<b>Institutional S income</b>				
Group 1	0.3145	-	0.3145**	0.2995
Group 2	-	-	-	0.3280

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

For the three months ended 30 November 2018

Group 1 - shares purchased prior to 1 September 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.1169	-	0.1169*	0.0909
Group 2	-	-	-	0.0909
<b>Institutional accumulation</b>				
Group 1	0.1979	-	0.1979*	0.1640
Group 2	0.1717	0.0262	0.1979*	0.1640
<b>Retail income</b>				
Group 1	0.3279	-	0.3279**	0.2995
Group 2	-	-	-	0.2995
<b>Institutional income</b>				
Group 1	0.3314	-	0.3314**	0.2889
Group 2	0.1444	0.1870	0.3314**	0.2889
<b>Standard Life income</b>				
Group 1	0.2575	-	0.2575**	0.2329
Group 2	-	-	-	0.2329
<b>Standard Life accumulation</b>				
Group 1	0.3369	-	0.3369*	0.2912
Group 2	0.2267	0.1102	0.3369*	0.2912
<b>Platform 1 accumulation</b>				
Group 1	0.1923	-	0.1923*	0.1445
Group 2	0.1090	0.0833	0.1923*	0.1445
<b>Platform 1 income</b>				
Group 1	0.3386	-	0.3386**	0.2931
Group 2	0.2059	0.1327	0.3386**	0.2931
<b>Institutional S accumulation</b>				
Group 1	0.1750	-	0.1750*	0.1822
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.2150	-	0.2150**	0.2654
Group 2	-	-	-	-

\* Distribution accumulated on 30 November 2018

\*\* Distribution paid on 31 January 2019

For the three months ended 28 February 2019

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.0908	-	0.0908*	0.0472
Group 2	-	-	-	0.0472
<b>Institutional accumulation</b>				
Group 1	0.1646	-	0.1646*	0.1070
Group 2	0.1419	0.0227	0.1646*	0.1070
<b>Retail income</b>				
Group 1	0.2974	-	0.2974**	0.2405
Group 2	0.2658	0.0316	0.2974**	0.2405
<b>Institutional income</b>				
Group 1	0.2941	-	0.2941**	0.2335
Group 2	0.1751	0.1190	0.2941**	0.2335
<b>Standard Life income</b>				
Group 1	0.2302	-	0.2302**	0.1822
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.3000	-	0.3000*	0.2283
Group 2	0.1909	0.1091	0.3000*	-
<b>Platform 1 accumulation</b>				
Group 1	0.1590	-	0.1590*	0.1096
Group 2	0.0766	0.0824	0.1590*	0.1096
<b>Platform 1 income</b>				
Group 1	0.2956	-	0.2956**	0.2230
Group 2	0.1863	0.1093	0.2956**	0.2230
<b>Institutional S accumulation</b>				
Group 1	0.0150	-	0.0150*	0.1309
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.4000	-	0.4000**	0.2177
Group 2	-	-	-	-

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

**Equalisation**

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

**Treatment by Corporate Shareholders (unaudited)**

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

	1st Interim Dividend	2nd Interim Dividend	3rd Interim Dividend	Final Dividend
Treat as a UK corporate dividend	100.00%	100.00%	100.00%	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%	0.00%	0.00%	0.00%

# American Equity Unconstrained Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Jeff Morris
<b>Launch Date</b>	16 November 1998
<b>Benchmark</b>	IA North America Sector

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on a US or Canadian stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the USA or Canada. Additionally, up to 20% of the Fund may from time-to-time be invested in equities and equity type investments of companies which in the opinion of the ACD carry on a significant part of their operations in Latin America (including Central America). "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. The Fund will not be restricted by index weightings, sector constraints or company size. The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by the main US markets. The nature of the portfolio affords investors a focused investment approach, whilst affording proper diversification of mainly US Equity exposure. The investor must also be able to accept temporary capital losses due to the volatile nature of bond markets, and the potentially restricted investment universe enforced by the ethical criteria and should therefore have an investment time horizon of at least 5 years.

### Performance

For the period under review, the Fund returned 2.94%. This compared to the IM North American Sector return of 6.97%.

Mohawk Industries reported weaker-than-expected earnings, as the company was unable to increase prices in line with cost inflation. Revenue was also lower than expected, due to temporary difficulties sourcing some product lines. We no longer hold the stock. Electronic Arts detracted from relative returns. There was a broad sell-off among video game publishers amid concerns about sales growth. Semiconductor maker Marvel Technology dipped due to worries about revenue following its acquisition of Cavium. Elsewhere, Marathon Oil struggled due to pressure from turbulent commodity pricing. However, the company remained focused on its cost discipline and capital allocation plans. It also posted higher-than-expected production numbers. Positions in Steel Dynamics, DowDuPont and Lear Corporation also disappointed.

On the upside, Boston Scientific pleased the market when it announced that it would proceed with the launch of a key new heart-valve product. Rail transportation company CSX demonstrated stronger volume growth and service improvements. This will drive earnings over the long term. Elsewhere, American Tower (wireless towers) reported healthier performance from the Americas. It also reached a settlement with Tata in India, which had been a worry. Investors shifting towards companies that can offer stable growth and a decent dividend yield further lifted the stock. Additional highlights included Mastercard, CMS Energy and First Data.

### Investment activity

Purchases during the period included payments firm Worldpay, where revenue synergy from the merger with Vantiv is proving to be greater than investors expected. We also added banking giant Wells Fargo. Growth is likely to improve over the next year and we believe the bank will be rewarded for its solid credit quality. In telecoms, an improving competitive environment and new revenue streams from 5G prompted us to buy Verizon Communications.

Turning to sales, we removed Adobe. Its valuation has grown after a strong multi-year run and much of our original investment thesis had played out. We also exited biotechnology group Vertex, as the potential to expand in Europe had diminished. Remaining in the sector, we exited Neurocrine Biosciences after it endured a significant product disappointment with its Ingrezza treatment for Tourette Syndrome. General Dynamics faced additional competition for its largest and most profitable business jet. This prompted us to sell our stake in the firm. Finally, we took advantage of recent strength to exit cable and media concern Comcast.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	140.57	142.42	103.12
Return before operating charges*	6.07	0.05	40.95
Operating charges	(1.92)	(1.90)	(1.65)
Return after operating charges*	4.15	(1.85)	39.30
Closing net asset value per share	144.72	140.57	142.42
* after direct transaction costs of:	0.11	0.10	0.06
<b>Performance</b>			
Return after charges	2.95%	(1.30%)	38.11%
<b>Other information</b>			
Closing net asset value (£'000)	28,385	30,807	36,665
Closing number of shares	19,614,130	21,915,755	25,744,063
Operating charges	1.33%	1.32%	1.33%
Direct transaction costs	0.08%	0.07%	0.05%
<b>Prices</b>			
Highest share price	155.9	149.1	143.0
Lowest share price	129.0	134.5	103.1

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

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

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

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

<b>Institutional accumulation</b>	<b>2019</b> pence per share	<b>2018</b> pence per share	<b>2017</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	164.52	165.91	119.53
Return before operating charges*	7.11	0.05	47.62
Operating charges	(1.46)	(1.44)	(1.24)
Return after operating charges*	5.65	(1.39)	46.38
Distributions	(0.72)	(0.59)	(0.30)
Retained distributions on accumulation share	0.72	0.59	0.30
Closing net asset value per share	170.17	164.52	165.91
* after direct transaction costs of:	0.13	0.12	0.07
<b>Performance</b>			
Return after charges	3.43%	(0.84%)	38.80%
<b>Other information</b>			
Closing net asset value (£'000)	36,134	100,804	113,245
Closing number of shares	21,234,107	61,270,507	68,255,146
Operating charges	0.86%	0.85%	0.86%
Direct transaction costs	0.08%	0.07%	0.05%
<b>Prices</b>			
Highest share price	182.9	174.4	166.6
Lowest share price	151.5	157.3	119.5

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	2019	2018	2017
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	69.59	70.50	51.05
Return before operating charges*	3.00	0.03	20.27
Operating charges	(0.95)	(0.94)	(0.82)
Return after operating charges*	2.05	(0.91)	19.45
Closing net asset value per share	71.64	69.59	70.50
* after direct transaction costs of:	0.05	0.05	0.03
<b>Performance</b>			
Return after charges	2.95%	(1.29%)	38.10%
<b>Other information</b>			
Closing net asset value (£'000)	951	1,083	1,171
Closing number of shares	1,327,871	1,556,474	1,661,470
Operating charges	1.33%	1.32%	1.33%
Direct transaction costs	0.08%	0.07%	0.05%
<b>Prices</b>			
Highest share price	77.18	73.79	70.80
Lowest share price	63.90	66.56	51.05

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

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

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

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

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	145.40	147.17	106.09
Return before operating charges*	6.40	0.05	42.47
Operating charges	(0.05)	(0.04)	(0.04)
Return after operating charges*	6.35	0.01	42.43
Distributions	(1.99)	(1.78)	(1.35)
Closing net asset value per share	149.76	145.40	147.17
* after direct transaction costs of:	0.12	0.11	0.07
<b>Performance</b>			
Return after charges	4.37%	0.01%	39.99%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	3	3
Closing number of shares	63	2,000	2,000
Operating charges	0.03%	0.02%	0.03%
Direct transaction costs	0.08%	0.07%	0.05%
<b>Prices</b>			
Highest share price	162.3	155.8	149.1
Lowest share price	134.9	140.7	106.0

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

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

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

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

<sup>^</sup> The closing net asset value of Standard Life income is £94.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	145.15	145.29	103.88
Return before operating charges*	6.28	0.01	41.55
Operating charges	(0.17)	(0.15)	(0.14)
Return after operating charges*	6.11	(0.14)	41.41
Distributions	(1.76)	(1.62)	(1.21)
Retained distributions on accumulation share	1.76	1.62	1.21
Closing net asset value per share	151.26	145.15	145.29
* after direct transaction costs of:	0.12	0.11	0.07
<b>Performance</b>			
Return after charges	4.21%	(0.10%)	39.86%
<b>Other information</b>			
Closing net asset value (£'000)	1,210	2,000	1,668
Closing number of shares	799,650	1,378,064	1,148,155
Operating charges	0.11%	0.10%	0.11%
Direct transaction costs	0.08%	0.07%	0.06%
<b>Prices</b>			
Highest share price	162.0	153.7	145.9
Lowest share price	134.5	138.8	103.9

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

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

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

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

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	121.59	122.68	88.43
Return before operating charges*	5.26	0.03	35.22
Operating charges	(1.14)	(1.12)	(0.97)
Return after operating charges*	4.12	(1.09)	34.25
Distributions	(0.47)	(0.37)	(0.17)
Retained distributions on accumulation share	0.47	0.37	0.17
Closing net asset value per share	125.71	121.59	122.68
* after direct transaction costs of:	0.10	0.09	0.05
<b>Performance</b>			
Return after charges	3.39%	(0.89%)	38.73%
<b>Other information</b>			
Closing net asset value (£'000)	27,758	43,610	42,714
Closing number of shares	22,080,869	35,865,920	34,817,781
Operating charges	0.91%	0.90%	0.91%
Direct transaction costs	0.08%	0.07%	0.05%
<b>Prices</b>			
Highest share price	135.1	128.9	123.2
Lowest share price	112.0	116.3	88.3

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

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

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

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

Institutional S accumulation+	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.80	66.29	50.00
Return before operating charges*	2.88	0.03	16.68
Operating charges	(0.49)	(0.52)	(0.39)
Return after operating charges*	2.39	(0.49)	16.29
Distributions	(0.42)	(0.29)	(0.18)
Retained distributions on accumulation share	0.42	0.29	0.18
Closing net asset value per share	68.19	65.80	66.29
* after direct transaction costs of:	0.05	0.05	0.03
<b>Performance</b>			
Return after charges	3.63%	(0.74%)	32.58%
<b>Other information</b>			
Closing net asset value (£'000)	1	2	1
Closing number of shares	965	2,965	2,200
Operating charges	0.72%	0.78%	0.79%
Direct transaction costs	0.08%	0.07%	0.05%
<b>Prices</b>			
Highest share price	73.19	69.72	66.56
Lowest share price	60.70	62.91	49.60

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

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

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

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

+Share class launched on 26 April 2016.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>North American Equities (99.16%)</b>		<b>94,317</b>	<b>99.87</b>
<b>Bermuda (0.00%)</b>		<b>3,777</b>	<b>4.00</b>
251,827	Marvell Technology	3,777	4.00
<b>Canada (1.67%)</b>		<b>4,069</b>	<b>4.31</b>
23,584	Alimentation Couche-Tard 'B'	997	1.06
64,644	Restaurant Brands International	3,072	3.25
<b>United States (97.49%)</b>		<b>86,471</b>	<b>91.56</b>
4,898	Alphabet 'C'	4,127	4.37
26,186	American Tower	3,467	3.67
11,250	Anadarko Petroleum	368	0.39
5,568	Anthem	1,259	1.33
75,610	Bank of America	1,653	1.75
65,791	Baxter International	3,695	3.91
6,643	Boeing	2,197	2.33
1,554	Booking Holdings	1,983	2.10
116,551	Boston Scientific	3,515	3.72
12,058	Broadcom	2,497	2.64
15,246	Burlington	1,946	2.06
41,795	Celanese	3,214	3.40
16,116	Chevron	1,449	1.53
44,575	Cisco Systems	1,735	1.84
22,516	Citigroup	1,083	1.15
61,736	CMS Energy	2,524	2.67
8,921	Constellation	1,134	1.20
28,545	CSX	1,559	1.65
24,752	Deere & Co	3,052	3.23
13,365	Dollar Tree	968	1.02
75,927	DowDuPont	3,038	3.22
13,306	Equinix	4,233	4.48
43,313	First Republic Bank	3,418	3.62
13,662	FLIR	529	0.56
12,129	Intercontinental Exchange	703	0.74
12,177	Johnson & Johnson	1,251	1.33
160,529	Marathon Oil	2,002	2.12
18,875	Mastercard	3,189	3.38
54,902	Microsoft	4,625	4.90
29,987	Mondelez	1,063	1.13
7,435	Netflix	2,001	2.12
7,675	NextEra Energy	1,083	1.15

Holding	Investment	Market value £'000	Percentage of total net assets
28,386	Raytheon	3,980	4.21
20,726	Schlumberger	686	0.73
78,814	Schwab (Charles)	2,727	2.89
28,505	Service Corporation International	886	0.94
16,572	United Health	3,015	3.19
34,145	Verizon Communications	1,461	1.55
48,817	Wells Fargo	1,831	1.94
18,400	Worldpay	1,325	1.40
<b>Collective Investment Schemes (0.80%)</b>		<b>1,589</b>	<b>1.68</b>
1,589	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	1,589	1.68
<b>Total investment assets</b>		<b>95,906</b>	<b>101.55</b>
<b>Net other liabilities</b>		<b>(1,467)</b>	<b>(1.55)</b>
<b>Total Net Assets</b>		<b>94,439</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

### Statement of Total Return

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital gains/(losses)	2		(1,504)
Revenue	4	2,064	2,633
Expenses	5	(1,356)	(1,844)
Interest payable and similar charges	6	-	(2)
Net revenue before taxation		708	787
Taxation	7	(288)	(253)
Net revenue after taxation		420	534
<b>Total return before distributions</b>		<b>4,433</b>	<b>(970)</b>
Distributions	8	(436)	(574)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>3,997</b>	<b>(1,544)</b>

### Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>178,309</b>	<b>195,467</b>
Amounts receivable on the issue of shares	8,301	17,767
Amounts payable on the cancellation of shares	(96,525)	(33,917)
	(88,224)	(16,150)
Dilution adjustment	88	19
Change in net assets attributable to shareholders from investment activities (see above)	3,997	(1,544)
Retained distribution on accumulation shares	269	517
<b>Closing net assets attributable to shareholders</b>	<b>94,439</b>	<b>178,309</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		95,906	178,238
<b>Current assets:</b>			
Debtors	9	154	190
Cash and bank balances		108	93
		262	283
<b>Total assets</b>		<b>96,168</b>	<b>178,521</b>
<b>Liabilities:</b>			
Creditors	10	(1,729)	(212)
		(1,729)	(212)
<b>Total liabilities</b>		<b>(1,729)</b>	<b>(212)</b>
<b>Net assets attributable to shareholders</b>		<b>94,439</b>	<b>178,309</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital Gains/(Losses)**

	2019 £'000	2018 £'000
Non-derivative securities	3,999	(1,156)
Forward currency contracts	-	13
Other gains/(losses)	26	(349)
Handling charges taken from the capital account	(12)	(12)
Net capital gains/(losses)	4,013	(1,504)

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	93,989	135,886
Commissions	40	62
Total purchase transaction costs	40	62
Purchases including transaction costs	94,029	135,948
<b>Sales</b>		
Gross sales before transaction costs	180,562	145,058
Commissions	(66)	(77)
Taxes & Other Fees	(3)	-
Total sale transaction costs	(69)	(77)
Total sales net of transaction costs	180,493	144,981

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.04%	0.05%
<b>Sales</b>		
Commissions	0.04%	0.05%
Taxes & Other Fees	0.00%	0.00%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.03%	0.03%
<b>Sales</b>		
Commissions	0.05%	0.04%
Taxes & Other Fees	0.00%	0.00%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	94,029	135,948
Collective Investment Schemes	83,213	65,167
<b>Sales</b>		
Equities	180,493	144,981
Collective Investment Schemes	83,043	68,144

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.03% (2018: 0.21%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
Overseas dividends	2,050	2,611
Taxable distributions on offshore funds	5	-
Bank interest	9	22
<b>Total revenue</b>	<b>2,064</b>	<b>2,633</b>

#### 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	1,215	1,657
Dealing charge	18	22
Registration fees	88	129
	1,321	1,808
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	19	21
Safe custody fee	6	8
	25	29
<b>Other:</b>		
Audit fee	10	7
<b>Total expenses</b>	<b>1,356</b>	<b>1,844</b>

#### 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	-	2
<b>Total interest payable &amp; similar charges</b>	<b>-</b>	<b>2</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	288	253
<b>Total current tax</b>	<b>288</b>	<b>253</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is the greater than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	708	787
Corporation tax at 20% (2018: 20%)	142	157
Effects of:		
Revenue not subject to taxation	(368)	(495)
Overseas taxes	288	253
Overseas tax expensed	(6)	(3)
Excess allowable expenses	232	341
<b>Total tax charge for year (note 7a)</b>	<b>288</b>	<b>253</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,730,000 (2018: £1,498,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

## 8 Distributions

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	269	517
Add: Income deducted on cancellation of shares	185	97
Deduct: Income received on issue of shares	(18)	(40)
<b>Net distribution for the year</b>	<b>436</b>	<b>574</b>
Details of the distribution per share are set out in this Fund's distribution table.		
Net revenue after taxation	420	534
Shortfall transfer from capital to revenue	16	40
<b>Total distributions</b>	<b>436</b>	<b>574</b>

## 9 Debtors

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	3	23
Accrued revenue	151	167
<b>Total debtors</b>	<b>154</b>	<b>190</b>

## 10 Creditors

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	1,640	72
Accrued expenses payable to ACD	73	126
Accrued expenses payable to the Depositary or associates of the Depositary	4	6
Other accrued expenses	12	8
<b>Total creditors</b>	<b>1,729</b>	<b>212</b>

## 11 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 10.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 10.

## 12 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	21,915,755	783,897	(3,100,905)	15,383	19,614,130
Institutional accumulation	61,270,507	2,553,939	(42,608,569)	18,230	21,234,107
Retail income	1,556,474	26,777	(168,751)	(86,629)	1,327,871
Standard Life income	2,000	63	(2,000)	-	63
Standard Life accumulation	1,378,064	213,455	(791,869)	-	799,650
Platform 1 accumulation	35,865,920	2,083,880	(15,875,967)	7,036	22,080,869
Institutional S accumulation	2,965	-	(2,000)	-	965

## 13 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	94,317	-	-	176,819	-	-
Collective Investment Schemes	-	1,589	-	-	1,419	-
<b>Total investment assets</b>	<b>94,317</b>	<b>1,589</b>	<b>-</b>	<b>176,819</b>	<b>1,419</b>	<b>-</b>

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

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

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

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

#### 14 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

##### a. Market price risk

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

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £4,795,000 (2018: £8,911,900). A five per cent decrease would have an equal and opposite effect.

##### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £4,726,000 (2018: 8,850,000). A five per cent decrease would have an equal and opposite effect.

##### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Canadian Dollar	996	2,973
Euro	4	4
US Dollar	93,526	174,030

##### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	1,640	(1,727)	(87)
Canadian Dollar	-	996	996
Euro	4	-	4
US Dollar	54	93,472	93,526
<b>2018</b>			
<b>Currency</b>			
UK Sterling	1,491	(189)	1,302
Canadian Dollar	-	2,973	2,973
Euro	4	-	4
US Dollar	17	174,013	174,030

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

#### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

#### e. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Table**

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution payable 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.7160	-	0.7160*	0.5883
Group 2	0.2413	0.4747	0.7160*	0.5883
<b>Retail income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Standard Life income</b>				
Group 1	1.9949	-	1.9949**	1.7770
Group 2	0.9653	1.0296	1.9949**	-
<b>Standard Life accumulation</b>				
Group 1	1.7580	-	1.7580*	1.6240
Group 2	1.3946	0.3634	1.7580*	1.6240
<b>Platform 1 accumulation</b>				
Group 1	0.4662	-	0.4662*	0.3727
Group 2	0.2724	0.1938	0.4662*	0.3727
<b>Institutional S accumulation</b>				
Group 1	0.4156	-	0.4156*	0.2910
Group 2	-	-	-	0.2910

\* Distribution accumulated on 28 February 2019

\*\* Distribution payable on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

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

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

# Asia Pacific Growth Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Fiona Manning
<b>Launch Date</b>	16 November 1998
<b>Benchmark</b>	IA Asia Pacific excluding Japan Sector

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies other than Japanese companies listed on any stock exchange in the Asia/Pacific Basin Area or which, in the opinion of the ACD, carry on a significant part of their operations in the Asia/Pacific Basin Area. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by the main Asian Pacific (currently excluding Japan) markets. The nature of the portfolio affords investors a focused investment approach, whilst affording proper diversification of mainly Asian Pacific Equity exposure. The investor must be able to accept significant temporary losses due to the volatile nature of equity and currency markets, and should therefore have an investment time horizon of at least 5 years

### Performance

For the period under review, the Fund returned -6.8% (platform 1, accumulation). This compared to the MSCI AC Pacific Free ex Japan return of -3.5% (source: Morningstar, basic-rate taxpayer, bid-to-bid basis).

It was a challenging year for Asian equities and the Fund. A number of factors weighed on sentiment. These included higher US interest rates, a strong US dollar, concerns about global growth and the US/China trade war.

A holding in Chinese auto parts producer Minth weighed on Fund returns, after the company released underwhelming results. It also lowered guidance on profit margins. Mozambique graphite producer Syrah Resources detracted from performance. It endured issues at a new mine, as well as land procurement delays. In addition, a recent production update reflected continued

operational weakness. Technology stock JD.com also detracted, as heightened risk aversion and profit-taking pressured the sector. Meanwhile, not holding India's Reliance Industries proved costly, as its refining, petrochemicals, telecoms and retail divisions exceeded expectations. Holdings in Metals X, Tejas Network and Haitian International further disappointed.

By contrast, integrated property provider Goodman Group had an excellent 12 months. First-half full-year 2019 numbers were up over 10% from the prior corresponding period. The company is seeing increased demand for high-quality industrial real estate, while earnings from its management business also impressed. Elsewhere, Chinese financial holding China Merchants Bank contributed positively. Its share price climbed after the government extended credit to smaller businesses. Earnings at the bank were also healthy. BHP Billiton lifted the Fund's returns, as the Australian miner benefited from recovering commodity prices. The self-help story continues to play out, with BHP's management remaining fully committed to divesting non-core assets.

### Investment activity

Early in the period, we bought Australia's Cochlear, the global leader in implants to treat hearing loss. It possesses significant intellectual property and continues to pursue research and development. The company also has a well-established distribution network and embedded relationships with surgeons. In Hong Kong, we added to three stocks. Weichai Power has a leading position in China's heavy-duty truck engine market. Its prospects are underpinned by replacement demand owing to more stringent emissions standards on mainland China. Ping An Insurance continues to demonstrate its ability to leverage on technology to build a robust financial supermarket. Sands China is an attractively valued business that brings exposure to the growing gaming industry in Macau.

Against this, we took advantage of relative price strength to top-slice President Chain Store. We also exited Huaneng Power.

In December, we restructured the Fund to align with our long-term quality investment approach.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Sub-fund invests. Historical data may not be a reliable indication of the future.

The current rating is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

	2019	2018	2017
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	357.24	308.79	215.70
Return before operating charges*	(21.85)	53.53	96.86
Operating charges	(4.81)	(5.08)	(3.77)
Return after operating charges*	(26.66)	48.45	93.09
Distributions	(4.54)	(2.55)	(3.17)
Retained distributions on accumulation share	4.54	2.55	3.17
Closing net asset value per share	330.58	357.24	308.79
* after direct transaction costs of:			
	0.26	0.63	0.93
<b>Performance</b>			
Return after charges	(7.46%)	15.69%	43.16%
<b>Other information</b>			
Closing net asset value (£'000)	13,276	14,990	13,919
Closing number of shares	4,015,987	4,195,975	4,507,554
Operating charges	1.41%	1.49%	1.50%
Direct transaction costs	0.08%	0.19%	0.35%
<b>Prices</b>			
Highest share price	370.9	373.1	311.4
Lowest share price	308.1	304.6	215.7

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	408.86	351.75	244.50
Return before operating charges*	(25.04)	61.09	110.40
operating charges	(3.69)	(3.98)	(3.15)
Return after operating charges*	(28.73)	57.11	107.25
Distributions	(7.04)	(4.74)	(5.10)
Retained distributions on accumulation share	7.04	4.74	5.10
Closing net asset value per share	380.13	408.86	351.75
* after direct transaction costs of:	0.30	0.72	1.07
<b>Performance</b>			
Return after charges	(7.03%)	16.24%	43.87%
<b>Other information</b>			
Closing net asset value (£'000)	20,805	31,394	27,062
Closing number of shares	5,473,077	7,678,325	7,693,532
Operating charges	0.94%	1.02%	1.03%
Direct transaction costs	0.08%	0.19%	0.35%
<b>Prices</b>			
Highest share price	425.0	426.7	354.7
Lowest share price	353.7	347.2	244.5

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

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

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

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

<b>Retail income</b>	<b>2019</b> pence per share	<b>2018</b> pence per share	<b>2017</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.11	73.23	51.69
Return before operating charges*	(5.15)	12.69	23.19
Operating charges	(1.13)	(1.21)	(0.90)
Return after operating charges*	(6.28)	11.48	22.29
Distributions	(1.07)	(0.60)	(0.75)
Closing net asset value per share	76.76	84.11	73.23
* after direct transaction costs of:	0.06	0.15	0.22
<b>Performance</b>			
Return after charges	(7.47%)	15.68%	43.12%
<b>Other information</b>			
Closing net asset value (£'000)	1,264	1,437	1,345
Closing number of shares	1,647,006	1,708,776	1,837,054
Operating charges	1.41%	1.49%	1.50%
Direct transaction costs	0.08%	0.19%	0.34%
<b>Prices</b>			
Highest share price	87.31	88.47	74.60
Lowest share price	72.54	72.28	51.69

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

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

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

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

Standard Life income <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	148.45	129.12	90.98
Return before operating charges*	5.84	22.61	41.29
Operating charges	(0.07)	(0.28)	(0.23)
Return after operating charges*	5.77	22.33	41.06
Distributions	-	(3.00)	(2.92)
Redemption value as at 7 June 2018	(154.22)	-	-
Closing net asset value per share	-	148.45	129.12
* after direct transaction costs of:	0.05	0.27	0.40
<b>Performance</b>			
Return after charges	3.89%	17.29%	45.13%
<b>Other information</b>			
Closing net asset value (£'000)	-	3	3
Closing number of shares	-	2,115	2,115
Operating charges	0.11%	0.19%	0.20%
Direct transaction costs	0.08%	0.19%	0.35%
<b>Prices</b>			
Highest share price	154.4	157.9	133.1
Lowest share price	139.7	127.7	90.98

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

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

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

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

<sup>^</sup> Share class closed on 7 June 2018.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	149.20	127.39	87.89
Return before operating charges*	(9.16)	22.20	39.81
Operating charges	(0.28)	(0.39)	(0.31)
Return after operating charges*	(9.44)	21.81	39.50
Distributions	(3.65)	(2.78)	(2.67)
Retained distributions on accumulation share	3.65	2.78	2.67
Closing net asset value per share	139.76	149.20	127.39
* after direct transaction costs of:	0.11	0.26	0.39
<b>Performance</b>			
Return after charges	(6.33%)	17.12%	44.94%
<b>Other information</b>			
Closing net asset value (£'000)	690	774	528
Closing number of shares	493,912	518,800	414,670
Operating charges	0.19%	0.27%	0.28%
Direct transaction costs	0.08%	0.19%	0.35%
<b>Prices</b>			
Highest share price	155.4	155.6	128.4
Lowest share price	129.7	125.9	87.89

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

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

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

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

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	107.41	92.46	64.30
Return before operating charges*	(6.57)	16.05	29.03
Operating charges	(1.02)	(1.10)	(0.87)
Return after operating charges*	(7.59)	14.95	28.16
Distributions	(1.80)	(1.19)	(1.30)
Retained distributions on accumulation share	1.80	1.19	1.30
Closing net asset value per share	99.82	107.41	92.46
* after direct transaction costs of:	0.08	0.19	0.28
<b>Performance</b>			
Return after charges	(7.07%)	16.17%	43.79%
<b>Other information</b>			
Closing net asset value (£'000)	9,233	10,630	10,325
Closing number of shares	9,249,170	9,896,216	11,166,191
Operating charges	0.99%	1.07%	1.08%
Direct transaction costs	0.08%	0.19%	0.35%
<b>Prices</b>			
Highest share price	111.6	112.1	93.23
Lowest share price	92.90	91.26	64.30

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

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

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

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

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Pacific Basin Equities (96.43%)</b>		<b>44,839</b>	<b>99.05</b>
<b>Australia (17.69%)</b>		<b>7,973</b>	<b>17.61</b>
43,706	Aristocrat Leisure	575	1.27
49,620	Australia & New Zealand Bank	735	1.62
114,549	Bapcor	368	0.81
59,063	BHP	1,031	2.28
5,150	Cochlear	468	1.03
21,600	Commonwealth Bank of Australia	852	1.88
9,762	CSL	1,004	2.22
87,177	Goodman	591	1.31
431,764	Karoon Gas Australia	245	0.54
1,017,604	Metals X	166	0.37
8,900	Rio Tinto	458	1.01
252,481	Syrah Resources	184	0.41
70,999	Treasury Wine Estates	567	1.25
50,773	Westpac Banking	729	1.61
<b>China (27.60%)</b>		<b>13,483</b>	<b>29.78</b>
13,223	Alibaba	1,819	4.02
90,336	Angel Yeast	280	0.62
147,000	Anhui Conch Cement	632	1.40
112,124	ANTA Sports Products	493	1.09
833,552	China Construction Bank	556	1.23
94,400	China International Travel Service	676	1.49
184,538	China Merchants Bank	635	1.40
701,655	China Petroleum	456	1.01
11,856	Ctrip.com ADR	304	0.67
549,898	Dali Foods	282	0.62
274,195	Haitian International	451	1.00
168,200	Hangzhou Hikvision Digital Technology	652	1.44
18,564	Huazhu Group	489	1.08
9,800	Kweichow Moutai	831	1.84
132,480	Mint	394	0.87
869	NetEase	146	0.32
161,058	Ping An Insurance	1,275	2.82
91,167	Shanghai International Airport	586	1.29
65,653	Tencent	2,112	4.66
4,752,000	Tianhe Chemicals*	-	-
396,139	Weichai Power	414	0.91

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Hong Kong (13.40%)</b>		<b>5,501</b>	<b>12.15</b>
195,310	AIA	1,468	3.24
60,700	ASM Pacific Technology	483	1.07
424,000	China High Precision Automation*	0	0.00
147,000	China Metal Recycling*	0	0.00
56,673	China Mobile	449	0.99
361,093	China Resources Land	1,013	2.24
147,307	Hang Lung Properties	261	0.58
23,300	Hong Kong Exchanges & Clearing	604	1.33
15,300	Jardine Strategic Holdings	453	1.00
367,398	SITC	267	0.59
504,194	Texhong Textile	503	1.11
<b>India (6.59%)</b>		<b>4,143</b>	<b>9.15</b>
56,702	Cyient	384	0.85
45,890	Housing Development Finance	893	1.97
223,100	ITC	652	1.44
40,200	Kotak Mahindra Bank	515	1.14
34,936	Larsen & Toubro	480	1.06
26,400	Tata Consultancy Services	553	1.22
130,213	Tejas Networks	216	0.48
74,926	Voltas	450	0.99
<b>Indonesia (1.16%)</b>		<b>878</b>	<b>1.94</b>
589,109	AKR Corporindo	175	0.39
476,900	Bank Central Asia	703	1.55
<b>Macau (0.00%)</b>		<b>434</b>	<b>0.96</b>
115,701	Sands China	434	0.96
<b>Malaysia (0.00%)</b>		<b>447</b>	<b>0.99</b>
96,700	Public Bank	447	0.99
<b>Philippines (0.00%)</b>		<b>469</b>	<b>1.04</b>
733,800	Ayala Land	469	1.04
<b>Singapore (4.08%)</b>		<b>1,990</b>	<b>4.40</b>
284,236	Capitaland	539	1.19
35,975	DBS	497	1.10
84,200	Oversea-Chinese Banking Corp	518	1.15
31,322	United Overseas Bank	436	0.96

Holding	Investment	Market value £'000	Percentage of total net assets
<b>South Korea (12.99%)</b>		<b>5,355</b>	<b>11.83</b>
15,475	KB Financial	459	1.01
29,988	Nexen Tire	192	0.43
15,136	Orange Life Insurance	361	0.80
49,000	Samsung Electronics	1,477	3.26
37,500	Samsung Electronics (Preference)	902	1.99
1,931	Samsung SDI	306	0.68
14,090	Shinhan Finance	410	0.91
15,113	SK Hynix	707	1.56
24,652	Woory Industrial	541	1.19
<b>Taiwan (8.85%)</b>		<b>3,062</b>	<b>6.76</b>
28,852	President Chain Store	224	0.50
170,000	Taiwan Mobile	455	1.00
409,005	Taiwan Semiconductors Manufacturing	2,383	5.26
<b>Thailand (4.07%)</b>		<b>1,104</b>	<b>2.44</b>
54,070	Advanced Info Service	235	0.52
108,515	Kasikornbank	510	1.13
310,020	PTT	359	0.79
<b>Collective Investment Schemes (2.30%)</b>		<b>446</b>	<b>0.99</b>
446	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	446	0.99
<b>Total investment assets</b>		<b>45,285</b>	<b>100.04</b>
<b>Net other liabilities</b>		<b>(17)</b>	<b>(0.04)</b>
<b>Total Net Assets</b>		<b>45,268</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

\* Delisted

+ Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(5,113)		7,715
Revenue	4	1,599		1,342	
Expenses	5	(563)		(634)	
Interest payable and similar charges	6	(1)		(2)	
Net revenue before taxation		1,035		706	
Taxation	7	(103)		(83)	
Net revenue after taxation			932		623
<b>Total return before distributions</b>			<b>(4,181)</b>		<b>8,338</b>
Distributions	8		(932)		(623)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(5,113)</b>		<b>7,715</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>59,228</b>		<b>53,182</b>
Amounts receivable on the issue of shares	1,710		2,760	
Amounts payable on the cancellation of shares	(11,344)		(5,043)	
		(9,634)		(2,283)
Dilution adjustment		35		11
Change in net assets attributable to shareholders from investment activities (see above)		(5,113)		7,715
Retained distribution on accumulation shares		752		603
<b>Closing net assets attributable to shareholders</b>		<b>45,268</b>		<b>59,228</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		45,285	58,474
<b>Current assets:</b>			
Debtors	9	95	124
Cash and bank balances	10	77	812
		172	936
<b>Total assets</b>		<b>45,457</b>	<b>59,410</b>
<b>Liabilities:</b>			
Creditors	11	(171)	(171)
Bank overdrafts		-	(1)
Distribution payable		(18)	(10)
		(189)	(182)
<b>Total liabilities</b>		<b>(189)</b>	<b>(182)</b>
<b>Net assets attributable to shareholders</b>		<b>45,268</b>	<b>59,228</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(5,090)	7,848
Forward currency contracts	-	(2)
Other losses	(10)	(106)
Handling charges taken from the capital account	(13)	(25)
<b>Net capital (losses)/gains</b>	<b>(5,113)</b>	<b>7,715</b>

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	13,572	21,684
Commissions	6	34
Taxes & Other Fees	7	6
<b>Total purchase transaction costs</b>	<b>13</b>	<b>40</b>
<b>Purchases including transaction costs</b>	<b>13,585</b>	<b>21,724</b>
<b>Sales</b>		
Gross sales before transaction costs	20,747	23,472
Commissions	(7)	(39)
Taxes & Other Fees	(22)	(26)
<b>Total sale transaction costs</b>	<b>(29)</b>	<b>(65)</b>
<b>Total sales net of transaction costs</b>	<b>20,718</b>	<b>23,407</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.04%	0.16%
Taxes & Other Fees	0.05%	0.03%
<b>Sales</b>		
Commissions	0.03%	0.17%
Taxes & Other Fees	0.11%	0.11%
	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.01%	0.06%
Taxes & Other Fees	0.01%	0.01%
<b>Sales</b>		
Commissions	0.01%	0.07%
Taxes & Other Fees	0.04%	0.05%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	13,585	21,724
Collective investment schemes	9,375	11,625
<b>Sales</b>		
Equities	20,718	23,407
Collective investment schemes	10,292	11,562

There were corporate actions (net sales) of £46,000 in the year (2018: £7,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.27% (2018: 0.82%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	58	48
Overseas dividends	1,533	1,292
Taxable distributions on offshore funds	3	-
Bank interest	5	2
<b>Total revenue</b>	<b>1,599</b>	<b>1,342</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	481	512
Dealing charge	5	5
Registration fees	31	33
	517	550
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	8	12
Safe custody fee	23	27
	31	39
<b>Other:</b>		
Professional fees	6	29
Audit fee	9	16
	15	45
<b>Total expenses</b>	<b>563</b>	<b>634</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	1	2
Total interest payable & similar charges	1	2

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	103	83
<b>Total current tax</b>	<b>103</b>	<b>83</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	1,035	706
Corporation tax at 20% (2018: 20%)	207	141
Effects of:		
Revenue not subject to taxation	(315)	(260)
Overseas taxes	103	83
Excess allowable expenses	108	119
<b>Total tax charge for year (note 7a)</b>	<b>103</b>	<b>83</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £635,000 (2018: £527,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	769	614
Add: Income deducted on cancellation of shares	180	30
Deduct: Income received on issue of shares	(17)	(21)
<b>Net distribution for the year</b>	<b>932</b>	<b>623</b>

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

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	3	7
Sales awaiting settlement	6	-
Accrued revenue	86	117
<b>Total debtors</b>	<b>95</b>	<b>124</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Cash and bank balances	77	812
<b>Total cash and bank balances</b>	<b>77</b>	<b>812</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	74	117
Purchases awaiting settlement	50	-
Accrued expenses payable to ACD	35	43
Accrued expenses payable to the Depositary or associates of the Depositary	2	8
Other accrued expenses	10	3
<b>Total creditors</b>	<b>171</b>	<b>171</b>

**12 Related Party Transactions**

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	4,195,975	70,750	(241,147)	(9,591)	4,015,987
Institutional accumulation	7,678,325	64,617	(2,276,372)	6,507	5,473,077
Retail income	1,708,776	51,768	(128,552)	15,014	1,647,006
Standard Life income	2,115	-	(2,115)	-	-
Standard Life accumulation	518,800	65,799	(90,687)	-	493,912
Platform 1 accumulation	9,896,216	944,127	(1,586,518)	(4,655)	9,249,170

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	44,839	-	-	57,111	-	-
Collective Investment Schemes	-	446	-	-	1,363	-
<b>Total investment assets</b>	<b>44,839</b>	<b>446</b>	<b>-</b>	<b>57,111</b>	<b>1,363</b>	<b>-</b>

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

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

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

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

## 15 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

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

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £2,264,000 (2018: £2,924,000). A five per cent decrease would have an equal and opposite effect.

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £2,196,000 (2018: £2,853,000). A five per cent decrease would have an equal and opposite effect.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Australian Dollar	6,963	9,501
China Renminbi	3,025	428
Hong Kong Dollar	13,181	18,538
Indian Rupee	4,143	3,904
Indonesian Rupiah	878	687
Malaysian Ringgit	447	-
Philippines Peso	469	-
Singapore Dollar	1,990	2,413
South Korean Won	5,433	7,805
Taiwan Dollar	3,075	5,799
Thai Baht	1,108	2,410
US Dollar	3,216	5,574

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets/(liabilities) £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	448	892	1,340
Australian Dollar	11	6,952	6,963
China Renminbi	-	3,025	3,025
Hong Kong Dollar	-	13,181	13,181
Indian Rupee	50	4,093	4,143
Indonesian Rupiah	-	878	878
Malaysian Ringgit	-	447	447
Philippines Peso	-	469	469
Singapore Dollar	-	1,990	1,990
South Korean Won	-	5,433	5,433
Taiwan Dollar	13	3,062	3,075
Thai Baht	-	1,108	1,108
US Dollar	-	3,216	3,216
<b>2018</b>			
<b>Currency</b>			
UK Sterling	1,365	804	2,169
Australian Dollar	(1)	9,502	9,501
China Renminbi	-	428	428
Hong Kong Dollar	-	18,538	18,538
Indian Rupee	-	3,904	3,904
Indonesian Rupiah	-	687	687
Singapore Dollar	-	2,413	2,413
South Korean Won	-	7,805	7,805
Taiwan Dollar	558	5,241	5,799
Thai Baht	-	2,410	2,410
US Dollar	252	5,322	5,574

#### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

#### e. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

### Distribution Table

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	4.5400	-	4.5400*	2.5495
Group 2	1.6290	2.9110	4.5400*	2.5495
<b>Institutional accumulation</b>				
Group 1	7.0380	-	7.0380*	4.7384
Group 2	3.8621	3.1759	7.0380*	4.7384
<b>Retail income</b>				
Group 1	1.0686	-	1.0686**	0.6043
Group 2	0.4035	0.6651	1.0686**	0.6043
<b>Standard Life income<sup>^</sup></b>				
Group 1	-	-	-	2.9997
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	3.6471	-	3.6471*	2.7826
Group 2	2.6677	0.9794	3.6471*	2.7826
<b>Platform 1 accumulation</b>				
Group 1	1.7974	-	1.7974*	1.1926
Group 2	0.7482	1.0492	1.7974*	1.1926

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 7 June 2018.

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

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

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

# Corporate Bond Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Adam Walker
<b>Launch Date</b>	31 October 2015
<b>Benchmark</b>	IA £ Corporate Bond Sector

### Investment objective

The objective of the Fund is to provide a return from income and capital appreciation.

### Investment policy

The investment policy of the Fund is to invest mostly in sterling fixed interest securities issued by corporations. The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives (for the purpose of efficient portfolio management (including hedging)) and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential return afforded by investing in an actively managed portfolio of mainly investment grade corporate assets, with some exposure to higher yielding securities. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of mainly corporate bond exposure, which provides a degree of protection from default risk, and who do not desire a high degree of stock specific risk. Whilst the income generated should remain relatively stable, the investor must be able to accept some fluctuations in the income due to the higher risk nature of some of the securities held in the Fund. The investor must also be able to accept temporary capital losses due to the volatile nature of the markets in which the Fund invests, and should therefore have an investment time horizon of at least 5 years.

### Performance

The Corporate Bond Fund returned 1.90% during the period, in comparison with the IA Corporate Bond Sector return of 1.35%. (Source: Morningstar, basic rate taxpayer, bid to bid basis. Please note the Fund return is net of fees, whereas the benchmark return is gross.)

Our overweight exposure to UK government bonds benefited from investor demand for perceived safe-haven assets. The high-yield-rated supermarket chain Tesco made a positive contribution, as better-than-expected results provided further evidence that its turnaround strategy was taking hold. Furthermore, the company announced a tender to buy back existing debt, causing our holdings to rally. Among other positive contributors was our position in UK supermarket giant Sainsbury. Its takeover bid for rival Asda was well-received by both debt and equity investors. Our exposures to South Water Services (Finance) and Rotch Property also performed well.

The largest detractor from Fund performance over the year was our overweight position in UK insurer Direct Line. The typically volatile insurance sector underperformed, as investors' appetite for risk waned. Similarly, our position in British American Tobacco dragged

on performance. This stemmed from concerns that the company's efforts to grow lower-margin 'next generation' products (such as e-cigarettes and 'heat-not-burn' products) might adversely affect profitability. Other negative contributors were administrative services provider Intertrust and Yorkshire Building Society.

### Investment activity

In the first half of the period, we participated in several new issues. These were the perpetual bonds of Spanish telecoms giant Telefonica, the 2021 bonds of Volkswagen Financial Services and the 2028 senior bonds of Energy Transfer Partners, a US natural gas and propane company. In the secondary market, we added exposure to German pharmaceuticals giant Bayer, after spreads widened significantly. This followed news of lawsuits in the US, linking its subsidiary Monsanto's weed killer, 'Roundup', to cancer. In our view, the market was overreacting. We used the weakness to buy Bayer, as we believed it to be a high-quality credit name at a reasonable level. We also added some exposure to commercial and residential real estate company Aroundtown and Gatwick Funding, the funding arm of the UK's Gatwick Airport.

Turning to sales, having created overweight exposure to US cable giant Comcast in June, we reduced this in August, after the bonds performed well. Moreover, we were growing concerned that potential M&A activity might destabilise the firm's credit profile. Following a period of improved performance, we trimmed some of our exposure to Tesco in June. However, we retained our overweight holding in the company. We reduced exposure to a number of US banks, including JP Morgan Chase, Bank of America and Citigroup.

During the second half of the review period, we added to our financial holdings. Taking advantage of recent market weakness, we bought attractively priced subordinated debt from Prudential and new issuance from CYBG and HSBC. We subsequently added to the senior bank holding company debt of Lloyds, as well as the AT1 (Additional Tier-1) bonds of CYBG and Lloyds. UK banks had suffered amid Brexit uncertainty but fundamentals remained positive. We purchased two defensive new issues. One was an infrastructure deal to fund a transmission link to windfarms off the Norfolk coast. The other was Center Parcs, which benefited from high occupancy rates during the last recession. In December, we initiated a new position in UK property developer Hammerson. This is a well-run business, whose spreads already reflected the headwinds of structural change and slower retail spending. We later bought short-dated bonds from transport company First Group and a new issue from Orange, both attractively priced. We added to housing sector bonds. These had lagged because of new issuance but, from a long-term perspective, the sector is defensive.

Sales included reducing our holdings in the tobacco sector in view of growing technical and regulatory pressures. We took profits in Volkswagen bonds after good performance. Likewise, we steadily reduced our exposure to US dollar AT1 bonds, which had performed well during the year. For example, we sold HSBC AT1 bonds, where sterling returns no longer looked attractive.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←						→
1	2	3	<b>4</b>	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	339.39	333.39	295.25
Return before operating charges*	7.38	9.51	43.32
Operating charges	(3.50)	(3.51)	(3.30)
Return after operating charges*	3.88	6.00	40.02
Distributions	(12.09)	(11.30)	(12.48)
Retained distributions on accumulation share	12.09	11.30	10.60
Closing net asset value per share	343.27	339.39	333.39
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.14%	1.80%	13.55%
<b>Other information</b>			
Closing net asset value (£'000)	58,696	54,664	57,174
Closing number of shares	17,098,799	16,106,661	17,149,234
Operating charges	1.03%	1.03%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	345.7	348.0	341.2
Lowest share price	334.4	333.4	297.9

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.72	55.48	48.91
Return before operating charges*	1.24	1.59	7.20
Operating charges	(0.35)	(0.35)	(0.32)
Return after operating charges*	0.89	1.24	6.88
Distributions	(2.02)	(1.88)	(2.07)
Retained distributions on accumulation share	2.02	1.88	1.76
Closing net asset value per share	57.61	56.72	55.48
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.57%	2.23%	14.07%
<b>Other information</b>			
Closing net asset value (£'000)	105,206	112,647	120,701
Closing number of shares	182,615,780	198,603,341	217,540,007
Operating charges	0.61%	0.61%	0.60%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	58.02	58.12	56.66
Lowest share price	56.06	55.49	49.35

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Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	103.40	104.99	96.05
Return before operating charges*	2.21	3.01	14.01
Operating charges	(1.05)	(1.09)	(1.06)
Return after operating charges*	1.16	1.92	12.95
Distributions	(3.63)	(3.51)	(4.01)
Closing net asset value per share	100.93	103.40	104.99
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.12%	1.83%	13.48%
<b>Other information</b>			
Closing net asset value (£'000)	27,470	39,096	43,138
Closing number of shares	27,218,270	37,810,618	41,087,437
Operating charges	1.03%	1.03%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	104.3	108.1	110.1
Lowest share price	99.21	103.4	96.92

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

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	52.47	53.05	48.32
Return before operating charges*	1.13	1.53	7.07
Operating charges	(0.32)	(0.33)	(0.32)
Return after operating charges*	0.81	1.20	6.75
Distributions	(1.85)	(1.78)	(2.02)
Closing net asset value per share	51.43	52.47	53.05
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.54%	2.26%	13.97%
<b>Other information</b>			
Closing net asset value (£'000)	5,156	5,800	13,923
Closing number of shares	10,026,675	11,055,336	26,243,677
Operating charges	0.61%	0.61%	0.60%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	52.97	54.72	55.52
Lowest share price	50.50	52.47	48.77

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

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

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

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.18	53.45	48.41
Return before operating charges*	1.04	1.56	7.14
Operating charges	(0.02)	(0.02)	(0.05)
Return after operating charges*	1.02	1.54	7.09
Distributions	(1.88)	(1.81)	(2.05)
Closing net asset value per share	52.32	53.18	53.45
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.92%	2.88%	14.65%
<b>Other information</b>			
Closing net asset value (£'000)	16,396	4,017	1
Closing number of shares	31,336,541	7,552,845	2,200
Operating charges	0.03%	0.03%	0.10%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	53.74	55.31	55.76
Lowest share price	51.41	53.19	48.85

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

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

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

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

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.42	55.90	49.01
Return before operating charges*	1.25	1.58	7.27
Operating charges	(0.06)	(0.06)	(0.05)
Return after operating charges*	1.19	1.52	7.22
Distributions	(2.05)	(1.91)	(2.13)
Retained distributions on accumulation share	2.05	1.91	1.80
Closing net asset value per share	58.61	57.42	55.90
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	2.07%	2.72%	14.73%
<b>Other information</b>			
Closing net asset value (£'000)	39	9	6
Closing number of shares	66,915	16,138	10,695
Operating charges	0.11%	0.11%	0.10%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	59.03	58.79	56.89
Lowest share price	56.97	55.88	49.45

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	147.56	144.42	127.41
Return before operating charges*	3.22	4.11	18.73
Operating charges	(0.98)	(0.97)	(0.91)
Return after operating charges*	2.24	3.14	17.82
Distributions	(5.26)	(4.90)	(5.39)
Retained distributions on accumulation share	5.26	4.90	4.58
Closing net asset value per share	149.80	147.56	144.42
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.52%	2.17%	13.99%
<b>Other information</b>			
Closing net asset value (£'000)	13,153	13,434	15,359
Closing number of shares	8,780,254	9,104,179	10,634,850
Operating charges	0.66%	0.66%	0.65%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	150.9	151.2	147.5
Lowest share price	145.8	144.4	128.6

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

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

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

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

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	115.17	116.51	106.17
Return before operating charges*	2.46	3.35	15.54
Operating charges	(0.75)	(0.78)	(0.75)
Return after operating charges*	1.71	2.57	14.79
Distributions	(4.05)	(3.91)	(4.45)
Closing net asset value per share	112.83	115.17	116.51
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.48%	2.21%	13.93%
<b>Other information</b>			
Closing net asset value (£'000)	11,389	13,659	15,583
Closing number of shares	10,094,824	11,860,227	13,374,729
Operating charges	0.66%	0.66%	0.65%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	116.3	120.1	122.0
Lowest share price	110.8	115.2	107.1

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

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

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

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

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Bid-market value £'000	Percentage of total net assets
<b>Bonds (98.36%)</b>		<b>229,173</b>	<b>96.50</b>
<b>Euro Denominated Bonds (1.66%)</b>		<b>1,280</b>	<b>0.54</b>
<b>Corporate Bonds (1.66%)</b>		<b>1,280</b>	<b>0.54</b>
between 10 and 15 years to maturity			
1,000,000	Bayer 2.125% 2029	862	0.36
Perpetual			
500,000	Volkswagen International Finance 3.375% Perpetual	418	0.18
<b>Sterling Denominated Bonds (94.21%)</b>		<b>220,868</b>	<b>93.00</b>
<b>Corporate Bonds (88.40%)</b>		<b>216,403</b>	<b>91.12</b>
less than 5 years to maturity			
1,260,000	AA Bond 2.75% 2023	1,125	0.47
3,008,000	AA Bond 2.875% 2022	2,818	1.19
1,700,000	Asciano Finance 5% 2023	1,844	0.78
1,500,000	Barclays 10% 2021	1,727	0.73
2,120,000	Barclays 3.125% 2024	2,126	0.90
750,000	British American Tobacco 1.75% 2021	744	0.31
586,000	Citigroup 2.75% 2024	597	0.25
2,600,000	Deutsche Bank 1.875% 2020	2,582	1.09
920,000	FirstGroup 8.75% 2021	1,028	0.43
2,000,000	Heathrow Funding 6% 2020	2,087	0.88
2,000,000	Heathrow Funding 7.125% 2024	2,402	1.01
2,000,000	Highbury Finance 7.017% 2023	1,602	0.67
1,750,000	Intu (SGS) Finance 4.125% 2023	1,706	0.72
1,217,000	Lloyds Bank 9.625% 2023	1,538	0.65
1,000,000	Merrill Lynch 5.5% 2021	1,090	0.46
1,500,000	Telefonica Emisiones 5.289% 2022	1,672	0.70
2,000,000	Tesco 6.125% 2022	2,207	0.93
590,000	Volkswagen Financial Services 1.5% 2021	583	0.25
1,000,000	Volkswagen Financial Services 1.75% 2020	999	0.42
1,790,000	Volkswagen Financial Services 1.75% 2022	1,751	0.74
400,000	Volkswagen Financial Services 1.875% 2021	396	0.17
500,000	Volkswagen Financial Services 2.75% 2023	500	0.21
1,750,000	Wells Fargo 2.125% 2022	1,758	0.74
1,500,000	Wells Fargo 5.25% 2023	1,684	0.71
between 5 and 10 years to maturity			
634,000	A.P. Moller-Maersk 4% 2025	644	0.27
956,000	Aroundtown 3.25% 2027	937	0.39
338,000	Assura Financing 3% 2028	339	0.14
1,030,000	Bank of America 2.3% 2025	1,028	0.43
1,500,000	Bank of Ireland 3.125% 2027	1,418	0.60

Holding	Investment	Bid-market value £'000	Percentage of total net assets
2,000,000	Barclays 3.25% 2027	1,962	0.83
1,250,000	BP 2.03% 2025	1,250	0.53
750,000	British American Tobacco 2.125% 2025	711	0.30
1,700,000	CPUK 3.588% 2025	1,772	0.75
886,000	CPUK 3.69% 2028	906	0.38
330,000	CYBG 3.125% 2025	308	0.13
670,000	CYBG 4% 2026	649	0.27
2,000,000	CYBG 5% 2026	1,972	0.83
2,260,000	Delamare 5.5457% 2029	2,199	0.93
2,400,000	Enel 5.625% 2024	2,744	1.16
620,000	Experian 2.125% 2024	622	0.26
1,190,000	Go-Ahead 2.5% 2024	1,145	0.48
1,250,000	Hammerson 3.5% 2025	1,241	0.52
2,400,000	HSBC 2.625% 2028	2,364	1.00
1,500,000	HSBC 6.75% 2028	1,900	0.80
2,000,000	Imperial Brands 5.5% 2026	2,285	0.96
1,750,000	Koninklijke KPN 5% 2026	1,873	0.79
580,000	Land Securities 2.399% 2029	581	0.24
1,500,000	Lloyds Bank 7.625% 2025	1,889	0.80
780,000	Lloyds Banking Group 2.25% 2024	760	0.32
500,000	London & Quadrant Housing Trust 2.625% 2026	504	0.21
960,000	Morgan Stanley 2.625% 2027	965	0.41
2,000,000	Morrison (Wm) 3.5% 2026	2,092	0.88
1,110,000	National Grid 2.125% 2028	1,056	0.44
1,043,000	Nationwide Building Society 3.25% 2028	1,114	0.47
600,000	NewRiver REIT 3.5% 2028	572	0.24
1,500,000	Rabobank 5.25% 2027	1,723	0.73
1,750,000	Royal Bank of Scotland 2.875% 2026	1,730	0.73
1,000,000	Saga 3.375% 2024	906	0.38
1,710,000	Santander UK Group 3.625% 2026	1,760	0.74
890,000	Shaftesbury Chinatown 2.348% 2027	853	0.36
1,500,000	Society of Lloyd's 4.75% 2024	1,599	0.67
460,000	Stagecoach Group 4% 2025	469	0.20
760,000	Thames Water 2.875% 2027	726	0.31
1,150,000	Thames Water 3.5% 2028	1,199	0.50
733,000	Unite Group 3.5% 2028	737	0.31
700,000	Wells Fargo 2% 2025	689	0.29
1,250,000	Welltower 4.8% 2028	1,413	0.59
1,500,000	Yorkshire Building Society 3.375% 2028	1,345	0.57
1,400,000	Yorkshire Building Society 4.125% 2024	1,415	0.60
1,435,000	Yorkshire Power 7.25% 2028	1,990	0.84

Holding	Investment	Bid- market value £'000	Percentage of total net assets
between 10 and 15 years to maturity			
1,350,000	Abbey National 3.875% 2029	1,514	0.64
2,300,000	America Movil 4.948% 2033	2,838	1.19
2,000,000	Anheuser-Busch InBev 2.25% 2029	1,880	0.79
560,000	Annington Funding 3.184% 2029	554	0.23
1,700,000	Arqiva 4.882% 2032	1,753	0.74
2,000,000	AT&T 5.2% 2033	2,327	0.98
2,200,000	Barclays 3.25% 2033	2,029	0.85
2,000,000	Broadgate Financing 5.098% 2035	2,147	0.90
750,000	Comcast 5.5% 2029	961	0.40
500,000	CRH 4.125% 2029	552	0.23
830,000	Digital Stout 3.3% 2029	814	0.34
702,000	Digital Stout 3.75% 2030	707	0.30
287,000	Digital Stout 3.75% 2030	288	0.12
500,000	DONG Energy 4.875% 2032	612	0.26
510,000	Great Rolling Stock 6.5% 2031	550	0.23
1,700,000	HSBC Bank 5.375% 2030	1,939	0.82
1,500,000	London & Quadrant Housing Trust 2.25% 2029	1,426	0.60
2,600,000	Longstone Finance 4.791% 2030	1,741	0.73
3,700,000	Longstone Finance 4.896% 2031	4,150	1.75
500,000	Orange 3.25% 2032	510	0.21
1,008,000	Pension Insurance 5.625% 2030	986	0.42
2,600,000	Premiertel 6.175% 2032	2,720	1.15
1,000,000	Quadgas Finance 3.375% 2029	990	0.42
1,500,000	Rabobank 4.625% 2029	1,658	0.70
1,210,000	Severn Trent 2.75% 2031	1,196	0.50
528,507	Shaftesbury Carnaby 2.487% 2031	493	0.21
2,705,000	Telereal 6.1645% 2031	3,032	1.28
1,500,000	Thames Water 5.75% 2030	1,628	0.69
400,000	Volkswagen International Finance 4.125% 2031	412	0.17
1,450,000	Western Power 5.75% 2032	1,876	0.79
between 15 and 25 years to maturity			
1,500,000	Annington Funding 3.685% 2034	1,503	0.63
1,100,000	Aviva 6.125% 2036	1,218	0.51
1,000,000	Citigroup 6.8% 2038	1,545	0.65
900,000	Connect 5.404% 2034	735	0.31
446,000	Direct Line 9.25% 2042	525	0.22
1,000,000	DONG Energy 5.75% 2040	1,418	0.60
2,500,000	E.ON Finance 6.75% 2039	3,698	1.56
1,500,000	Enel 5.75% 2040	1,872	0.79
1,500,000	Eversholt 3.529% 2042	1,423	0.60

Holding	Investment	Bid-market value £'000	Percentage of total net assets
1,500,000	Eversholt 6.697% 2035	1,887	0.79
2,000,000	Gatwick 5.75% 2037	2,671	1.12
252,000	GE Capital 6.25% 2038	327	0.14
1,500,000	Great Rolling Stock 6.875% 2035	1,405	0.59
610,000	Libra (Longhurst) 3.25% 2043	599	0.25
750,000	Morhomes 3.4% 2038	733	0.31
1,500,000	Munich Re 6.625% fixed to floating 2042	1,699	0.72
1,750,000	RL Finance 6.125% fixed to floating 2043	1,931	0.81
2,000,000	RWE 6.125% 2039	2,793	1.18
1,110,000	Segro 2.875% 2037	1,047	0.44
511,000	TC Dudgeon Ofto 3.158% 2038	525	0.22
1,200,000	Tesco 5.744% 2040	1,362	0.57
1,000,000	Thames Water 5.5% 2041	1,307	0.55
1,250,000	Yorkshire Water 6.375% 2039	1,870	0.79
greater than 25 years to maturity			
1,500,000	AT&T 4.875% 2044	1,678	0.71
1,620,000	Aviva 5.125% 2050	1,645	0.69
705,000	Blend Funding 3.459% 2047	716	0.30
2,000,000	British American Tobacco 2.25% 2052	1,311	0.55
556,000	Bromford Housing 3.125% 2048	547	0.23
470,000	Channel Link 3.043% 2050	461	0.19
618,000	Clarion Housing 3.125% 2048	603	0.25
1,400,000	Dignity 4.6956% 2049	1,221	0.51
750,000	EDF 5.125% 2050	959	0.40
1,200,000	EDF 6% 2114	1,658	0.70
1,000,000	GlaxoSmithKline 4.25% 2045	1,211	0.51
450,000	Heathrow Funding 2.75% 2049	409	0.17
750,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	660	0.28
2,000,000	NGG 5.625% fixed to floating 2073	2,133	0.90
423,000	Peabody Capital 3.25% 2048	413	0.17
590,000	Penarian Housing Finance 3.212% 2052	564	0.24
2,000,000	Prudential 5% 2055	2,107	0.89
744,000	Prudential 5.625% FRN 2051	771	0.32
1,500,000	University of Oxford 2.544% 2117	1,383	0.58
1,200,000	Vodafone 3% 2056	974	0.41
1,000,000	Vodafone 4.875% FRN 2078	967	0.41
520,000	Wellcome Trust 2.517% 2118	479	0.20
Perpetual			
2,000,000	Aviva 6.125% fixed to floating Perpetual	2,130	0.90
1,000,000	AXA 6.6862% fixed to floating Perpetual	1,141	0.48
1,250,000	CYBG 8% Perpetual	1,200	0.51
2,000,000	Direct Line 4.75% Perpetual	1,587	0.67

Holding	Investment	Bid- market value £'000	Percentage of total net assets
1,000,000	EDF 5.875% fixed to floating Perpetual	996	0.42
1,500,000	EDF 6% Perpetual	1,541	0.65
1,500,000	ELM 6.3024% fixed to floating Perpetual	1,510	0.64
1,300,000	HSBC 5.844% fixed to floating Perpetual	1,644	0.69
785,000	HSBC 5.875% fixed to Floating Perpetual	791	0.33
800,000	Lloyds Banking Group 7% fixed to floating Perpetual	805	0.34
1,250,000	Lloyds Banking Group 7.625% fixed to floating Perpetual	1,333	0.56
1,000,000	Orange 5.75% fixed to floating Perpetual	1,067	0.45
990,000	Pennon 2.875% Perpetual	990	0.42
1,200,000	RWE 7% fixed to floating Perpetual	1,203	0.51
1,287,000	SSE 3.875% fixed to floating Perpetual	1,288	0.54
1,000,000	Virgin Money FRN Perpetual	1,009	0.42
<b>Government Bonds (5.81%)</b>		<b>4,465</b>	<b>1.88</b>
between 15 and 25 years to maturity			
1,700,000	UK (Govt of) 3.25% 2044	2,182	0.92
1,500,000	UK (Govt of) 4.5% 2042	2,283	0.96
<b>US Dollar Denominated Bonds (2.49%)</b>		<b>7,025</b>	<b>2.96</b>
<b>Corporate Bonds (2.49%)</b>		<b>7,025</b>	<b>2.96</b>
between 5 and 10 years to maturity			
691,000	Energy Transfer Partners 4.95% 2028	531	0.23
504,000	Syngenta Finance 4.892% 2025	377	0.16
1,970,000	UBS 4.125% 2026	1,503	0.63
Perpetual			
1,520,000	HSBC 6% Perpetual	1,116	0.47
1,200,000	Swedbank 5.5% Perpetual	882	0.37
2,750,000	UBS 5% Perpetual	1,800	0.76
1,078,000	UBS Group Funding (Switzerland) AG FRN Perpetual	816	0.34
<b>Collective Investment Schemes (0.46%)</b>		<b>7,060</b>	<b>2.97</b>
7,060	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	7,060	2.97
<b>Derivatives (0.10%)</b>		<b>153</b>	<b>0.06</b>
<b>Forward Currency Contracts (0.06%)</b>		<b>153</b>	<b>0.06</b>
	Buy GBP 44,488 Sell EUR 50,452 02/05/2019	1	-
	Buy GBP 1,885,087 Sell EUR 2,144,265 02/05/2019	45	0.02
	Buy GBP 7,864,637 Sell USD 10,329,863 02/05/2019	125	0.05
	Buy USD 431,550 Sell GBP 334,423 02/05/2019	(11)	(0.01)
	Buy USD 499,345 Sell GBP 380,882 02/05/2019	(7)	-

Holding	Investment	Bid- market value £'000	Percentage of total net assets
	<b>Futures (0.04%)</b>	-	-
	<b>Total investment assets and liabilities</b>	<b>236,386</b>	<b>99.53</b>
	<b>Net other assets</b>	<b>1,119</b>	<b>0.47</b>
	<b>Total Net Assets</b>	<b>237,505</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

### Statement of Total Return

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital losses	2	(3,447)	(1,259)
Revenue	4	8,546	8,766
Expenses	5	(1,800)	(2,007)
Interest payable and similar charges	6	(1)	-
Net revenue before taxation		6,745	6,759
Taxation	7	-	-
Net revenue after taxation		6,745	6,759
<b>Total return before distributions</b>		<b>3,298</b>	<b>5,500</b>
Distributions	8	(8,481)	(8,699)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(5,183)</b>	<b>(3,199)</b>

### Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>243,326</b>	<b>265,885</b>
Amounts receivable on the issue of shares	24,397	6,795
Amounts payable on the cancellation of shares	(31,618)	(32,456)
	(7,221)	(25,661)
Dilution adjustment	135	76
Change in net assets attributable to shareholders from investment activities (see above)	(5,183)	(3,199)
Retained distribution on accumulation shares	6,448	6,225
<b>Closing net assets attributable to shareholders</b>	<b>237,505</b>	<b>243,326</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		236,404	240,929
<b>Current assets:</b>			
Debtors	9	4,661	3,508
Cash and bank balances	10	150	1
		4,811	3,509
<b>Total assets</b>		<b>241,215</b>	<b>244,438</b>
<b>Liabilities:</b>			
Investment liabilities		(18)	(226)
Creditors	11	(3,148)	(365)
Distribution payable		(544)	(521)
		(3,692)	(886)
<b>Total liabilities</b>		<b>(3,710)</b>	<b>(1,112)</b>
<b>Net assets attributable to shareholders</b>		<b>237,505</b>	<b>243,326</b>

## Notes to the Financial Statements

### 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

### 2 Net Capital Losses

	2019 £'000	2018 £'000
Non-derivative securities	(3,453)	(1,501)
Derivative contracts	397	(118)
Forward currency contracts	(393)	366
Other gains	8	-
Handling charges taken from the capital account	(6)	(6)
<b>Net capital losses</b>	<b>(3,447)</b>	<b>(1,259)</b>

### 3 Purchases, Sales and Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Bonds	84,008	82,478
Collective investment schemes	82,393	74,815
<b>Sales</b>		
Bonds	89,446	96,188
Collective investment schemes	76,457	80,320

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.75% (2018: 0.72%), this is representative of the average spread on the assets held during the year.

### 4 Revenue

	2019 £'000	2018 £'000
Taxable distributions on offshore funds	7	-
Interest on debt securities	8,530	8,734
Bank interest	9	32
<b>Total revenue</b>	<b>8,546</b>	<b>8,766</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	1,610	1,796
Dealing charge	13	15
Registration fees	113	129
	1,736	1,940
<i>Payable to the Depository or associates of the Depository, and agents of either of them:</i>		
Depository's fees	34	38
Safe custody fee	18	19
	52	57
<b>Other:</b>		
Audit fee	12	10
<b>Total expenses</b>	<b>1,800</b>	<b>2,007</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	1	-
<b>Total interest payable &amp; similar charges</b>	<b>1</b>	<b>-</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Total current tax	-	-
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	6,744	6,759
Corporation tax at 20% (2018: 20%)	1,349	1,352
Effects of:		
Distributions treated as tax deductible	(1,349)	(1,352)
<b>Total tax charge for year (note 7a)</b>	<b>-</b>	<b>-</b>

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

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
First interim distribution	2,101	2,248
Second interim distribution	2,122	2,187
Third interim distribution	2,126	2,083
Final distribution	2,119	2,013
	8,468	8,531
Add: Income deducted on cancellation of shares	95	184
Deduct: Income received on issue of shares	(82)	(16)
<b>Net distribution for the year</b>	<b>8,481</b>	<b>8,699</b>
Details of the distribution per share are set out in this Fund's distribution tables.		
Net revenue after taxation	6,745	6,759
Annual ACD charge to capital	1,610	1,796
Registration fees taken from the capital account	113	130
Dealing Charges taken from the capital account	13	14
<b>Total distributions</b>	<b>8,481</b>	<b>8,699</b>

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	235	1
Sales awaiting settlement	912	-
Accrued revenue	3,514	3,507
<b>Total debtors</b>	<b>4,661</b>	<b>3,508</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Amounts held at futures clearing houses and brokers	148	311
Cash and bank balances	2	2
Collateral cash	-	(312)
<b>Total cash and bank balances</b>	<b>150</b>	<b>1</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	211	207
Purchases awaiting settlement	2,786	-
Accrued expenses payable to ACD	128	140
Accrued expenses payable to the Depositary or associates of the Depositary	7	7
Other accrued expenses	16	11
<b>Total creditors</b>	<b>3,148</b>	<b>365</b>

## 12 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	16,106,661	59,179	(1,422,938)	2,355,897	17,098,799
Institutional accumulation	198,603,341	370,879	(16,366,855)	8,415	182,615,780
Retail income	37,810,618	62,913	(2,846,484)	(7,808,777)	27,218,270
Institutional income	11,055,336	364,669	(1,420,980)	27,650	10,026,675
Standard Life income	7,552,845	24,967,620	(1,183,924)	-	31,336,541
Standard Life accumulation	16,138	65,936	(15,159)	-	66,915
Platform 1 accumulation	9,104,179	1,730,369	(2,058,809)	4,515	8,780,254
Platform 1 income	11,860,227	213,223	(1,963,294)	(15,332)	10,094,824

## 14 Fair Value Hierarchy

	2019 £'000 Level 1	2019 £'000 Level 2	2019 £'000 Level 3	2018 £'000 Level 1	2018 £'000 Level 2	2018 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	4,465	224,708	-	9,146	230,201	-
Collective Investment Schemes	-	7,060	-	-	1,122	-
Derivatives	-	171	-	87	373	-
<b>Total investment assets</b>	<b>4,465</b>	<b>231,939</b>	<b>-</b>	<b>9,233</b>	<b>231,696</b>	<b>-</b>
Derivatives	-	(18)	-	-	(226)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>(226)</b>	<b>-</b>

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

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

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

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

## 15 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

### a. Market price risk

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

In the current market conditions certain securities have become difficult to price. For these securities, reliance has therefore been placed on single broker prices. This has not resulted in any adjustment to the financial statements.

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

Value at Risk (VaR) is a measure of the maximum potential loss to the Fund due to market risk. More particularly, VaR measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

2019	Minimum	Maximum	Average
VaR 99% 1 Month	2.49%	3.16%	2.71%

2018	Minimum	Maximum	Average
VaR 99% 1 Month	2.81%	3.29%	3.06%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 2.49%, £5,923,000 (2018: 3.19%, £7,762,000) within a one month period.

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

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Euro	10	22
US Dollar	70	52

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

Bond yields are affected by market and economic conditions, including inflation rates and government policy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>				
<b>Currency</b>				
UK Sterling	46,245	174,772	16,408	237,425
Euro	418	862	(1,270)	10
US Dollar	4,614	2,411	(6,955)	70
<b>2018</b>				
<b>Currency</b>				
UK Sterling	35,153	195,223	12,876	243,252
Euro	1,584	2,459	(4,021)	22
US Dollar	4,605	1,447	(6,000)	52

#### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

	Bid market value 2019 £'000	Bid market value 2018 £'000
<b>Credit Rating Analysis</b>		
Investment Grade Bonds	201,793	215,870
Below Investment Grade Bonds	22,595	19,699
Unrated Bonds	4,785	3,778
<b>Total Value of Bonds</b>	<b>229,173</b>	<b>239,347</b>

#### e. Financial Derivatives Instrument Risk

At the year end the Fund held derivatives for the purposes of efficient portfolio management (including hedging). These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the Fund's prospectus.

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

	2019 £'000	2018 £'000
<b>Market Exposure</b>		
Forward Currency Contracts	10,320	48,871
Futures	-	18,162
<b>Total Market Exposure</b>	<b>10,320</b>	<b>67,033</b>

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

#### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange. Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

Exposure is reduced by the exchange of margin on a daily basis for cleared derivatives and by the collateral held/pledged on a bilateral transaction.

Counterparty or clearer	2019			2018		
	Collateral (held)/ pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000	Collateral (held)/ pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000
Bank of America Merrill Lynch	-	-	125	19	-	(18)
BNP Paribas	-	-	(11)	-	-	4
Citigroup	-	-	(7)	(42)	-	64
Deutsche Bank	-	-	-	-	-	(1)
Goldman Sachs	-	-	-	-	398	87
JP Morgan	-	-	45	-	-	-
Lloyds	-	-	-	-	-	(10)
Nomura	-	-	1	-	-	-
Royal Bank of Canada	-	-	-	-	-	(54)
Societe Generale	-	-	-	(270)	-	206
StateStreet	-	-	-	-	-	(2)
UBS	-	-	-	-	-	(42)
<b>Total</b>	-	-	<b>153</b>	<b>(293)</b>	<b>398</b>	<b>234</b>

Margin exchanged or collateral held or pledged is in the form of high quality liquid assets e.g. cash/gilts. Positions are fully collateralised at all times. Restrictions are placed on the right of either party to reuse collateral assets.

#### f. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the three months ended 31 May 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 May 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	2.9662	-	2.9662*	2.8731
Group 2	1.7798	1.1864	2.9662*	2.8731
<b>Institutional accumulation</b>				
Group 1	0.4960	-	0.4960*	0.4784
Group 2	0.0821	0.4139	0.4960*	0.4784
<b>Retail income</b>				
Group 1	0.9037	-	0.9037**	0.9048
Group 2	0.3907	0.5130	0.9037**	0.9048
<b>Institutional income</b>				
Group 1	0.4587	-	0.4587**	0.4575
Group 2	0.1480	0.3107	0.4587**	0.4575
<b>Standard Life income</b>				
Group 1	0.4654	-	0.4654**	0.4600
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.5024	-	0.5024*	0.4830
Group 2	0.3779	0.1245	0.5024*	0.4830
<b>Platform 1 accumulation</b>				
Group 1	1.2902	-	1.2902*	1.2452
Group 2	0.7576	0.5326	1.2902*	1.2452
<b>Platform 1 income</b>				
Group 1	1.0070	-	1.0070**	1.0045
Group 2	0.4072	0.5998	1.0070**	1.0045

\* Distribution accumulated on 31 May 2018

\*\* Distribution paid on 31 July 2018

For the three months ended 31 August 2018

Group 1 - shares purchased prior to 1 June 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	3.0366	-	3.0366*	2.8347
Group 2	1.7303	1.3063	3.0366*	2.8347
<b>Institutional accumulation</b>				
Group 1	0.5071	-	0.5071*	0.4725
Group 2	0.0993	0.4078	0.5071*	0.4725
<b>Retail income</b>				
Group 1	0.9090	-	0.9090**	0.8851
Group 2	0.2894	0.6196	0.9090**	0.8851
<b>Institutional income</b>				
Group 1	0.4651	-	0.4651**	0.4480
Group 2	0.4237	0.0414	0.4651**	0.4480
<b>Standard Life income</b>				
Group 1	0.4723	-	0.4723**	0.4600
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.5133	-	0.5133*	0.4779
Group 2	0.0539	0.4594	0.5133*	0.4779
<b>Platform 1 accumulation</b>				
Group 1	1.3186	-	1.3186*	1.2290
Group 2	0.7348	0.5838	1.3186*	1.2290
<b>Platform 1 income</b>				
Group 1	1.0203	-	1.0203**	0.9835
Group 2	0.4614	0.5589	1.0203**	0.9835

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

For the three months ended 30 November 2018

Group 1 - shares purchased prior to 1 September 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	3.0309	-	3.0309*	2.7879
Group 2	2.0296	1.0013	3.0309*	2.7879
<b>Institutional accumulation</b>				
Group 1	0.5079	-	0.5079*	0.4650
Group 2	0.0284	0.4795	0.5079*	0.4650
<b>Retail income</b>				
Group 1	0.9075	-	0.9075**	0.8635
Group 2	0.7658	0.1417	0.9075**	0.8635
<b>Institutional income</b>				
Group 1	0.4617	-	0.4617**	0.4374
Group 2	-	-	-	0.4374
<b>Standard Life income</b>				
Group 1	0.4698	-	0.4698**	0.4459
Group 2	0.0052	0.4646	0.4698**	0.4459
<b>Standard Life accumulation</b>				
Group 1	0.5145	-	0.5145*	0.4713
Group 2	0.3301	0.1844	0.5145*	0.4713
<b>Platform 1 accumulation</b>				
Group 1	1.3203	-	1.3203*	1.2106
Group 2	0.3171	1.0032	1.3203*	1.2106
<b>Platform 1 income</b>				
Group 1	1.0131	-	1.0131**	0.9603
Group 2	0.3458	0.6673	1.0131**	0.9603

\* Distribution accumulated on 30 November 2018

\*\* Distribution paid on 31 January 2019

For the three months ended 28 February 2019

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	3.0567	-	3.0567*	2.8031
Group 2	1.9203	1.1364	3.0567*	2.8031
<b>Institutional accumulation</b>				
Group 1	0.5123	-	0.5123*	0.4682
Group 2	0.1625	0.3498	0.5123*	0.4682
<b>Retail income</b>				
Group 1	0.9071	-	0.9071**	0.8610
Group 2	0.4028	0.5043	0.9071**	0.8610
<b>Institutional income</b>				
Group 1	0.4616	-	0.4616**	0.4368
Group 2	-	-	-	-
<b>Standard Life income</b>				
Group 1	0.4728	-	0.4728**	0.4424
Group 2	0.2175	0.2553	0.4728**	-
<b>Standard Life accumulation</b>				
Group 1	0.5207	-	0.5207*	0.4760
Group 2	0.3259	0.1948	0.5207*	0.4760
<b>Platform 1 accumulation</b>				
Group 1	1.3340	-	1.3340*	1.2180
Group 2	0.6294	0.7046	1.3340*	1.2180
<b>Platform 1 income</b>				
Group 1	1.0134	-	1.0134**	0.9585
Group 2	0.3407	0.6727	1.0134**	0.9585

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Emerging Market Debt Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Kieran Curtis and Mark Baker
<b>Launch Date</b>	24 October 2012
<b>Benchmark</b>	JP Morgan EMBI Global Diversified Index

### Investment objective

The objective of the Fund is to provide a return from both capital appreciation and income.

### Investment policy

The investment policy of the Fund is to invest primarily in bonds issued by Emerging Market countries and companies listed on an emerging market stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in emerging market countries.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives (including currency forwards, interest rate and credit default swaps) and collective investment schemes.

### Risk

The Fund is intended for investors who are seeking exposure primarily from emerging market bonds. The investor must be able to accept temporary capital losses due to the volatile nature of the emerging market bond markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

The Emerging Market Debt Fund returned 5.65% over the reporting period compared with a 6.75% return from the JP Morgan EMBI Global Diversified Index. (Fund return source: Morningstar, basic rate taxpayer, bid-to-bid basis, net of fees and index return source: Factset, gross.)

As the US dollar strengthened, investors started to focus on those countries deemed more reliant on foreign portfolio inflows. Countries where local issues were also problematic proved particularly vulnerable. Among these were Argentina and Turkey. Argentina, one of our largest positions, was one of the worst performers over the year. However, the underweight position in Turkey partially offset this. Our overweight position in Zambia dragged on performance. Investors remained sceptical about the direction of government spending and debt levels. Other negatives included Uruguay and our off-benchmark position in Buenos Aires.

Our exposures in Costa Rica, Qatar and Kenya delivered positive returns, driven by a mixture of positive local developments and technical factors. Ecuador was also among the best performing credits after reaching a staff-level agreement with the IMF on an 'Extended Fund Facility'. Additionally, the country received larger-than-expected funding commitments from multilaterals.

### Investment activity

During the first half of the review period, we participated in new deals from Qatar and Egypt, as well as a 2030 bond from Abu Dhabi National Energy. Sub-Saharan Africa is the Fund's most significant regional overweight, and we still see good value in oil-exporting countries. Given this view, we participated in new deals from Angola and Ghana, and added to our position in Nigeria and Senegal via the secondary market.

With global oil prices continuing to rise in the period, we also added some off-benchmark exposure to top global producer Saudi Arabia, which also stands to benefit from inclusion in the JP Morgan indices in the near future. Other secondary market purchases included Tunisia, Georgia and Zambia. Given their weakness, we purchased some Turkey bonds, but remain markedly underweight compared to the index. We trimmed our exposure to Argentinian bonds, following their poor performance.

During the following six months, we added exposure to Ecuador, which continues to benefit from high oil prices and improved policymaking. Improved valuations and the strong oil price prompted us to close our underweight position in Mexican state oil company Pemex. We participated in new issuance from Papua New Guinea. We added exposure to Oman via the primary market and increased positions in short-dated and long-dated bonds in Ecuador. We added some exposure to Costa Rica, following a period of pronounced underperformance. Oil prices slumped from October through to December. We used this weakness to add oil-related credits at attractive levels. We participated in the new seven-year issue from Nigeria, and added new positions in Angola and National Oil & Gas Authority (NOGA), the state-owned oil and gas company of Bahrain. Similarly, we added exposure to Gabon, which should benefit from IMF support, reforms and improved fiscal prudence. Other purchases included the sovereign bonds of Namibia and Paraguay.

Given its improving current account outlook and the prospect of new IMF lending, we added exposure to Pakistan in early January. The bonds performed well and we took profits before month-end. In February, we increased our position in Mexican bonds anticipating the slowing economy would bring forward interest rate cuts.

We reduced positions in Russia as, in our view, valuations did not adequately reflect the risk of the country being hit by more sanctions. We sold our position in Zambia, reflecting our concerns about increased external financing. Also, we exited our Sri Lankan exposure prior to the break-up of the government. We pared back exposure to Ukraine and Brazil, and further reduced the position in Argentina.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←						→
1	2	3	<b>4</b>	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	67.96	71.54	57.34
Return before operating charges*	4.13	(2.70)	15.26
Operating charges	(0.87)	(0.88)	(0.81)
Return after operating charges*	3.26	(3.58)	14.45
Distributions	(2.83)	(2.37)	(2.50)
Retained distributions on accumulation share	2.83	2.37	2.25
Closing net asset value per share	71.22	67.96	71.54
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.80%	(5.00%)	25.20%
<b>Other information</b>			
Closing net asset value (£'000)	2,922	1,901	1,976
Closing number of shares	4,101,984	2,796,510	2,762,034
Operating charges	1.25%	1.24%	1.24%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	73.44	73.18	73.60
Lowest share price	65.63	66.24	56.99

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	70.00	73.36	58.53
Return before operating charges*	4.26	(2.80)	15.63
Operating charges	(0.55)	(0.56)	(0.52)
Return after operating charges*	3.71	(3.36)	15.11
Distributions	(3.25)	(2.77)	(2.89)
Retained distributions on accumulation share	3.25	2.77	2.61
Closing net asset value per share	73.71	70.00	73.36
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.30%	(4.58%)	25.82%
<b>Other information</b>			
Closing net asset value (£'000)	1,401	7,300	1,099
Closing number of shares	1,900,736	10,428,518	1,498,809
Operating charges	0.78%	0.77%	0.77%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	76.00	75.06	75.32
Lowest share price	67.64	68.22	58.18

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	55.18	60.10	52.34
Return before operating charges*	3.35	(2.87)	8.49
Operating charges	(0.69)	(0.73)	(0.73)
Return after operating charges*	2.66	(3.60)	7.76
Distributions	(2.30)	(1.32)	0.00
Closing net asset value per share	55.54	55.18	60.10
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.82%	(5.99%)	14.83%
<b>Other information</b>			
Closing net asset value (£'000)	2	3	1
Closing number of shares	3,386	5,386	2,000
Operating charges	1.25%	1.24%	1.24%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	58.48	61.47	65.01
Lowest share price	53.30	54.70	52.00

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.98	63.17	52.28
Return before operating charges*	3.50	(2.33)	13.90
Operating charges	(0.46)	(0.48)	(0.46)
Return after operating charges*	3.04	(2.81)	13.44
Distributions	(2.67)	(2.38)	(2.55)
Closing net asset value per share	58.35	57.98	63.17
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.24%	(4.45%)	25.71%
<b>Other information</b>			
Closing net asset value (£'000)	3,579	1,912	25,226
Closing number of shares	6,132,586	3,297,876	39,933,727
Operating charges	0.78%	0.77%	0.77%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	61.56	64.60	66.17
Lowest share price	56.02	57.61	51.96

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.76	63.21	52.30
Return before operating charges*	3.47	(2.32)	13.94
Operating charges	(0.03)	(0.02)	(0.02)
Return after operating charges*	3.44	(2.34)	13.92
Distributions	(3.01)	(3.11)	(3.01)
Closing net asset value per share	58.19	57.76	63.21
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.96%	(3.70%)	26.62%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	3,365
Closing number of shares	174	2,000	5,323,927
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	61.51	64.85	66.29
Lowest share price	55.84	57.66	52.00

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

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

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

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

<sup>^</sup> The closing net asset value of Standard Life income is £101.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	71.99	74.95	59.45
Return before operating charges*	4.41	(2.87)	15.92
Operating charges	(0.09)	(0.09)	(0.08)
Return after operating charges*	4.32	(2.96)	15.84
Distributions	(3.84)	(3.33)	(3.40)
Retained distributions on accumulation share	3.84	3.33	3.06
Closing net asset value per share	76.31	71.99	74.95
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.00%	(3.95%)	26.64%
<b>Other information</b>			
Closing net asset value (£'000)	92,144	94,518	133,697
Closing number of shares	120,756,496	131,284,934	178,378,134
Operating charges	0.12%	0.12%	0.12%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	78.65	76.95	76.77
Lowest share price	69.59	70.15	59.11

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	69.84	73.22	58.46
Return before operating charges*	4.25	(2.79)	15.59
Operating charges	(0.59)	(0.59)	(0.55)
Return after operating charges*	3.66	(3.38)	15.04
Distributions	(3.21)	(2.73)	(2.84)
Retained distributions on accumulation share	3.21	2.73	2.56
Closing net asset value per share	73.50	69.84	73.22
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.24%	(4.62%)	25.73%
<b>Other information</b>			
Closing net asset value (£'000)	4,149	6,345	9,314
Closing number of shares	5,645,209	9,085,190	12,721,665
Operating charges	0.82%	0.82%	0.82%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	75.78	74.90	75.20
Lowest share price	67.47	68.06	58.10

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

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

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

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

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	58.04	63.21	52.43
Return before operating charges*	3.49	(2.32)	13.81
Operating charges	(0.48)	(0.51)	(0.49)
Return after operating charges*	3.01	(2.83)	13.32
Distributions	(2.64)	(2.34)	(2.54)
Closing net asset value per share	58.41	58.04	63.21
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.19%	(4.48%)	25.41%
<b>Other information</b>			
Closing net asset value (£'000)	3,933	4,388	3,250
Closing number of shares	6,733,185	7,559,876	5,140,846
Operating charges	0.82%	0.82%	0.82%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	61.61	64.66	66.22
Lowest share price	56.08	57.66	52.00

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

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

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

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

Institutional S accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	68.91	72.11	57.45
Return before operating charges*	4.23	(2.75)	15.39
Operating charges	(0.39)	(0.45)	(0.43)
Return after operating charges*	3.84	(3.20)	14.96
Distributions	(3.34)	(2.83)	(2.94)
Retained distributions on accumulation share	3.34	2.83	2.64
Closing net asset value per share	72.75	68.91	72.11
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.58%	(4.44%)	26.04%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	2	2
Closing number of shares	200	2,200	2,200
Operating charges	0.59%	0.65%	0.65%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	74.96	73.84	73.99
Lowest share price	66.59	67.17	57.11

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

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

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

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

<sup>^</sup> The closing net asset value of Institutional S accumulation is £145.

Institutional S income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	58.06	63.24	52.33
Return before operating charges*	3.61	(2.32)	13.92
Operating charges	(0.34)	(0.42)	(0.39)
Return after operating charges*	3.27	(2.74)	13.53
Distributions	(2.88)	(2.44)	(2.62)
Closing net asset value per share	58.45	58.06	63.24
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.63%	(4.33%)	25.86%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	200	2,200	2,200
Operating charges	0.59%	0.65%	0.65%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	61.83	64.69	66.25
Lowest share price	56.11	57.73	52.01

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^</sup> The closing net asset value of Institutional S income is £117.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (91.75%)</b>		<b>101,471</b>	<b>93.84</b>
<b>Euro Denominated Bonds (1.06%)</b>		<b>2,497</b>	<b>2.31</b>
<b>Government Bonds (1.06%)</b>		<b>2,497</b>	<b>2.31</b>
less than 5 years to maturity			
1,327,000	Provincia de Buenos 5.375% 2023	975	0.90
between 5 and 10 years to maturity			
1,198,000	Senegal (Republic of) 4.75% 2028	998	0.92
between 10 and 15 years to maturity			
651,000	Egypt (Arab Republic of) 5.625% 2030	524	0.49
<b>Malaysia Ringgit Denominated Bonds (2.12%)</b>		-	-
<b>Government Bonds (2.12%)</b>		-	-
<b>Uruguayan Peso Denominated Bonds (0.80%)</b>		-	-
<b>Government Bonds (0.80%)</b>		-	-
<b>US Dollar Denominated Bonds (87.77%)</b>		<b>98,974</b>	<b>91.53</b>
<b>Corporate Bonds (3.20%)</b>		<b>9,847</b>	<b>9.10</b>
less than 5 years to maturity			
515,000	China National Chemical 4.625% 2023	397	0.37
1,250,000	Petroleos Mexicanos FRN 2022	963	0.89
between 5 and 10 years to maturity			
3,177,000	Central Bank of Tunisia 5.75% 2025	2,134	1.97
710,000	ICD Sukuk 5% 2027	534	0.49
1,302,000	Oil and Gas Holding Company 7.625% 2024	1,064	0.99
3,650,000	Petroleos Mexicanos 6.5% 2027	2,653	2.45
between 10 and 15 years to maturity			
750,000	Abu Dhabi National Energy 4.875% 2030	588	0.54
between 15 and 25 years to maturity			
3,547,000	Petróleos de Venezuela 5.5% 2037	607	0.56
greater than 25 years to maturity			
1,390,000	Petroleos Mexicanos 6.75% 2047	907	0.84
<b>Government Bonds (84.57%)</b>		<b>89,127</b>	<b>82.43</b>
less than 5 years to maturity			
2,020,000	Argentina (Republic of) 6.875% 2021	1,443	1.33
737,000	Costa Rica (Republic of) 4.25% 2023	526	0.49
3,023,000	Croatia (Republic of) 5.5% 2023	2,435	2.25
1,694,000	Ecuador (Republic of) 10.75% 2022	1,390	1.29
2,892,000	Egypt (Arab Republic of) 6.125% 2022	2,206	2.04

Holding	Investment	Market value £'000	Percentage of total net assets
1,910,000	Georgia (Republic of) 6.875% 2021	1,512	1.40
1,790,000	Hungary (Republic of) 5.375% 2023	1,441	1.33
1,833,000	Lebanon (Republic of) 6% 2023	1,228	1.14
1,389,000	Mongolia (Govt of) 5.625% 2023	1,048	0.97
2,910,000	Morocco (Govt of) 4.25% 2022	2,220	2.05
798,000	Namibia (Republic of) 5.5% 2021	607	0.56
944,000	Paraguay (Republic of) 4.625% 2023	725	0.67
1,580,000	Qatar (Govt of) 3.875% 2023	1,217	1.13
1,367,000	Serbia (Republic of) 4.875% 2020	1,037	0.96
1,338,000	Serbia (Republic of) 7.25% 2021	1,090	1.01
647,000	Ukraine (Republic of) 7.75% 2023	467	0.43
2,593,000	Uruguay (Republic of) 8% 2022	2,203	2.04
1,272,000	Vietnam (Socialist Republic of) 6.75% 2020	984	0.91
between 5 and 10 years to maturity			
695,000	Angola (Republic of) 9.5% 2025	594	0.55
3,966,000	Argentina (Republic of) 6.875% 2027	2,470	2.28
488,000	Armenia (Republic of) 7.15% 2025	404	0.37
1,314,000	Bahamas (Commonwealth of) 6% 2028	1,017	0.94
3,418,000	Dominican Republic 5.5% 2025	2,618	2.42
1,600,000	Ecuador (Republic of) 7.95% 2024	1,194	1.10
1,060,000	Ecuador (Republic of) 10.75% 2029	871	0.81
1,120,000	Egypt (Arab Republic of) 6.2004% 2024	854	0.79
4,523,000	El Salvador (Republic of) 5.875% 2025	3,306	3.06
2,068,000	Ghana (Republic of) 6.375% 2024	1,500	1.39
919,000	Indonesia (Republic of) 3.875% 2024	686	0.63
2,209,000	Indonesia (Republic of) 4.125% 2025	1,672	1.55
952,000	Ivory Coast (Govt of) 5.375% 2024	698	0.65
2,198,000	Kazakhstan (Republic of) 4.85% 2027	1,682	1.56
1,811,000	Kenya (Republic of) 6.875% 2024	1,399	1.29
3,014,000	Mexico (United Mexican States) 3.75% 2028	2,171	2.01
1,029,000	Namibia (Republic of) 5.25% 2025	739	0.68
740,000	Nigeria (Fed Rep of) 7.625% 2025	591	0.55
959,000	Oman Sovereign Sukuk 5.932% 2025	720	0.67
2,337,000	Panama (Republic of) 3.875% 2028	1,785	1.65
1,313,933	Papua New Guinea (Govt of) 8.375% 2028	1,050	0.97
3,153,000	Perusahaan Penerbit SBSN Indonesia III 4.55% 2026	2,416	2.23
1,400,000	Saudi Arabia (Kingdom of) 3.625% 2028	1,027	0.95
401,000	Senegal (Republic of) 6.25% 2024	311	0.29
2,504,000	South Africa (Republic of) 4.3% 2028	1,751	1.62

Holding	Investment	Market value £'000	Percentage of total net assets
3,582,000	Turkey (Republic of) 6.125% 2028	2,557	2.37
2,319,000	Ukraine (Republic of) 7.75% 2026	1,611	1.49
2,774,700	Venezuela (Republic of) 11.75% 2026	647	0.60
760,000	Vietnam (Socialist Republic of) 4.8% 2024	598	0.55
between 10 and 15 years to maturity			
1,146,800	Belize (Govt of) 4.9375% 2034	504	0.47
508,000	Egypt (Arab Republic of) 7.6003% 2029	391	0.36
2,252,000	Ivory Coast (Govt of) 6.125% 2033	1,571	1.45
2,068,000	Nigeria (Fed Rep of) 7.143% 2030	1,551	1.43
2,355,000	Peru (Republic of) 8.75% 2033	2,691	2.49
816,000	Saudi Arabia (Kingdom of) 4.375% 2029	627	0.58
762,000	Senegal (Republic of) 6.25% 2033	545	0.50
1,000,000	Turkey (Republic of) 7.625% 2029	783	0.72
1,821,000	Ukraine (Republic of) 7.375% 2032	1,186	1.10
387,000	Uruguay (Republic of) 4.375% 2031	297	0.27
between 15 and 25 years to maturity			
2,066,000	Indonesia (Republic of) 5.25% 2042	1,620	1.50
greater than 25 years to maturity			
1,236,000	Brazil (Fed Rep of) 5% 2045	845	0.78
1,611,000	Costa Rica (Republic of) 7% 2044	1,153	1.07
744,000	Costa Rica (Republic of) 7.158% 2045	542	0.50
1,583,000	Dominican Republic 7.45% 2044	1,314	1.22
2,129,000	Egypt (Arab Republic of) 8.5% 2047	1,634	1.51
1,048,000	Egypt (Arab Republic of) 8.7002% 2049	817	0.76
1,317,000	Ghana (Republic of) 8.627% 2049	940	0.87
1,238,000	Nigeria (Fed Rep of) 7.625% 2047	904	0.84
1,627,000	Oman (Govt of) 6.75% 2048	1,108	1.02
1,400,000	Paraguay (Republic of) 5.4% 2050	1,069	0.99
200,000	Paraguay (Republic of) 6.1% 2044	166	0.15
1,480,000	Qatar (Govt of) 5.103% 2048	1,201	1.11
1,984,000	Saudi Arabia (Kingdom of) 4.625% 2047	1,451	1.34
443,000	Saudi Arabia (Kingdom of) 5% 2049	339	0.31
1,655,000	Uruguay (Republic of) 4.125% 2045	1,160	1.07
<b>Collective Investment Schemes (0.00%)</b>		-	-
-	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund+*	-	-
-	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+*	-	-

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Derivatives (0.00%)</b>		<b>12</b>	<b>0.01</b>
<b>Forward Currency Contracts (0.00%)</b>		<b>12</b>	<b>0.01</b>
	Buy INR 2,261,611 Sell USD 31,388 25/04/2019	-	-
	Buy USD 3,649,659 Sell EUR 3,175,304 25/04/2019	12	0.01
<b>Total investment assets</b>		<b>101,483</b>	<b>93.85</b>
<b>Net other assets</b>		<b>6,647</b>	<b>6.15</b>
<b>Total Net Assets</b>		<b>108,130</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

\* Market value of Aberdeen Standard Liquidity Fund (Lux) - Euro Fund is £2 and the market value of Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund is £73.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital gains/(losses)	2		398		(14,064)
Revenue	4	5,568		7,761	
Expenses	5	(231)		(406)	
Interest payable and similar charges	6	(1)		(11)	
Net revenue before taxation		5,336		7,344	
Taxation	7	-		-	
Net revenue after taxation			5,336		7,344
<b>Total return before distributions</b>			<b>5,734</b>		<b>(6,720)</b>
Distributions	8		(5,336)		(7,344)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>398</b>		<b>(14,064)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>116,371</b>		<b>177,931</b>
Amounts receivable on the issue of shares	7,948		25,437	
Amounts payable on the cancellation of shares	(21,605)		(78,924)	
		(13,657)		(53,487)
Dilution adjustment		28		204
Change in net assets attributable to shareholders from investment activities (see above)		398		(14,064)
Retained distribution on accumulation shares		4,990		5,787
<b>Closing net assets attributable to shareholders</b>		<b>108,130</b>		<b>116,371</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			101,483		106,839
<b>Current assets:</b>					
Debtors	9	1,580		2,477	
Cash and bank balances	10	5,874		7,284	
			7,454		9,761
<b>Total assets</b>			<b>108,937</b>		<b>116,600</b>
<b>Liabilities:</b>					
Investment liabilities			-		(65)
Creditors	11	(617)		(42)	
Bank overdrafts		(16)		-	
Distribution payable		(174)		(122)	
			(807)		(164)
<b>Total liabilities</b>			<b>(807)</b>		<b>(229)</b>
<b>Net assets attributable to shareholders</b>			<b>108,130</b>		<b>116,371</b>

## Notes to the Financial Statements

### 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

### 2 Net Capital Gains/(Losses)

	2019 £'000	2018 £'000
Non-derivative securities	55	(12,823)
Forward currency contracts	207	(84)
Other gains/(losses)	147	(1,145)
Handling charges taken from the capital account	(11)	(12)
<b>Net capital gains/(losses)</b>	<b>398</b>	<b>(14,064)</b>

### 3 Purchases, Sales and Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Bonds	54,228	249,488
Collective Investment Scheme	110	110
<b>Sales</b>		
Bonds	59,087	276,477
Collective Investment Scheme	110	110

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.45% (2018: 0.51%), this is representative of the average spread on the assets held during the year.

### 4 Revenue

	2019 £'000	2018 £'000
Interest on debt securities	5,477	7,602
Bank interest	91	159
<b>Total revenue</b>	<b>5,568</b>	<b>7,761</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	110	220
Dealing charge	4	6
Registration fees	82	129
	196	355
<i>Payable to the Depository or associates of the Depository, and agents of either of them:</i>		
Depository's fees	19	28
Safe custody fee	4	12
	23	40
<b>Other:</b>		
Audit fee	12	11
<b>Total expenses</b>	<b>231</b>	<b>406</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	1	11
<b>Total interest payable &amp; similar charges</b>	<b>1</b>	<b>11</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Total current tax (note 7b)	-	-
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	5,336	7,344
Corporation tax at 20% (2018: 20%)	1,067	1,469
Effects of:		
Distributions treated as tax deductible	(1,067)	(1,469)
<b>Total tax charge for year (note 7a)</b>	<b>-</b>	<b>-</b>

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

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Interim distribution	2,536	3,952
Final distribution	2,749	2,535
	5,285	6,487
Add: Income deducted on cancellation of shares	157	1,084
Deduct: Income received on issue of shares	(106)	(227)
<b>Net distribution for the year</b>	<b>5,336</b>	<b>7,344</b>

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

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	74	167
Sales awaiting settlement	-	756
Accrued revenue	1,506	1,554
<b>Total debtors</b>	<b>1,580</b>	<b>2,477</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Cash and bank balances	5,874	7,284
Bank overdrafts	(16)	-
<b>Total cash and bank balances</b>	<b>5,858</b>	<b>7,284</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	35	6
Purchases awaiting settlement	545	-
Accrued expenses payable to ACD	16	19
Accrued expenses payable to the Depositary or associates of the Depositary	4	6
Other accrued expenses	16	11
Capital gains tax payable	1	-
<b>Total creditors</b>	<b>617</b>	<b>42</b>

**12 Related Party Transactions**

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Closing shares 2019
Retail accumulation	2,796,510	2,220,374	(914,900)	4,101,984
Institutional accumulation	10,428,518	1,074,429	(9,602,211)	1,900,736
Retail income	5,386	-	(2,000)	3,386
Institutional income	3,297,876	4,823,683	(1,988,973)	6,132,586
Standard Life income	2,000	174	(2,000)	174
Standard Life accumulation	131,284,934	24,353	(10,552,791)	120,756,496
Platform 1 accumulation	9,085,190	2,411,278	(5,851,259)	5,645,209
Platform 1 income	7,559,876	1,929,993	(2,756,684)	6,733,185
Institutional S accumulation	2,200	-	(2,000)	200
Institutional S income	2,200	-	(2,000)	200

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	-	101,471	-	-	106,768	-
Derivatives	-	12	-	-	71	-
<b>Total investment assets</b>	-	<b>101,483</b>	-	-	<b>106,839</b>	-
Derivatives	-	-	-	-	(65)	-
<b>Total investment liabilities</b>	-	-	-	-	<b>(65)</b>	-

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

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

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

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

## 15 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

## a. Market price risk

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

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

Value at Risk (VaR) is a measure of the maximum potential loss to the Fund due to market risk. More particularly, VaR measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

2019	Minimum	Maximum	Average
VaR 99% 1 Month	6.06%	6.93%	6.46%

2018	Minimum	Maximum	Average
VaR 99% 1 Month	6.93%	8.12%	7.51%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 6.06%, £6,150,000 (2018: 6.97%, £8,111,000) within a one month period.

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

#### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

#### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets/(liabilities)	
	2019 £'000	2018 £'000
Euro	(241)	(92)
Indian Rupee	25	26
Indonesian Rupiah	(1)	-
Malaysian Ringgit	-	2,496
Uruguay Peso	-	945
US Dollar	108,534	112,885

#### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

Bond yields are affected by market and economic conditions, including inflation rates and government policy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets/(liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>				
<b>Currency</b>				
UK Sterling	(16)	-	(171)	(187)
Euro	-	2,497	(2,738)	(241)
Indian Rupee	-	-	25	25
Indonesian Rupiah	-	-	(1)	(1)
US Dollar	7,341	97,507	3,686	108,534
<b>2018</b>				
<b>Currency</b>				
UK Sterling	108	-	3	111
Euro	146	1,234	(1,472)	(92)
Indian Rupee	-	-	26	26
Malaysian Ringgit	-	2,469	27	2,496
Uruguay Peso	-	928	17	945
US Dollar	7,031	101,493	4,361	112,885

#### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

	Bid market value 2019 £'000	Bid market value 2018 £'000
<b>Credit Rating Analysis</b>		
Investment Grade Bonds	38,011	75,841
Below Investment Grade Bonds	60,362	28,674
Unrated Bonds	3,098	2,253
<b>Total Value of Bonds</b>	<b>101,471</b>	<b>106,768</b>

#### e. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the six months ended 31 August 2018

Group 1 - shares purchased prior to 1 March 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	1.3637	-	1.3637*	1.2268
Group 2	0.8528	0.5109	1.3637*	1.2268
<b>Institutional accumulation</b>				
Group 1	1.5724	-	1.5724*	1.4329
Group 2	0.9143	0.6581	1.5724*	1.4329
<b>Retail income</b>				
Group 1	1.1134	-	1.1134**	-
Group 2	-	-	-	-
<b>Institutional income</b>				
Group 1	1.3045	-	1.3045**	1.2342
Group 2	0.8565	0.4480	1.3045**	1.2342
<b>Standard Life income</b>				
Group 1	1.5105	-	1.5105**	1.4704
Group 2	-	-	-	1.4704
<b>Standard Life accumulation</b>				
Group 1	1.8600	-	1.8600*	1.7129
Group 2	1.4823	0.3777	1.8600*	1.7129
<b>Platform 1 accumulation</b>				
Group 1	1.5510	-	1.5510*	1.4127
Group 2	0.6442	0.9068	1.5510*	1.4127
<b>Platform 1 income</b>				
Group 1	1.2948	-	1.2948**	1.2193
Group 2	0.6281	0.6667	1.2948**	1.2193
<b>Institutional S accumulation</b>				
Group 1	1.6177	-	1.6177*	1.4650
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	1.3454	-	1.3454**	1.2750
Group 2	-	-	-	-

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

For the six months ended 28 February 2019

Group 1 - shares purchased prior to 1 September 2018

Group 2 - shares purchased between 1 September 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	1.4615	-	1.4615*	1.1389
Group 2	0.6969	0.7646	1.4615*	1.1389
<b>Institutional accumulation</b>				
Group 1	1.6802	-	1.6802*	1.3390
Group 2	0.7117	0.9685	1.6802*	1.3390
<b>Retail income</b>				
Group 1	1.1816	-	1.1816**	1.3227
Group 2	-	-	-	1.3227
<b>Institutional income</b>				
Group 1	1.3610	-	1.3610**	1.1431
Group 2	0.3658	0.9952	1.3610**	1.1431
<b>Standard Life income</b>				
Group 1	1.4957	-	1.4957**	1.6380
Group 2	1.2822	0.2135	1.4957**	1.6380
<b>Standard Life accumulation</b>				
Group 1	1.9786	-	1.9786*	1.6160
Group 2	1.0634	0.9152	1.9786*	1.6160
<b>Platform 1 accumulation</b>				
Group 1	1.6576	-	1.6576*	1.3194
Group 2	0.7621	0.8955	1.6576*	1.3194
<b>Platform 1 income</b>				
Group 1	1.3476	-	1.3476**	1.1159
Group 2	0.2192	1.1284	1.3476**	1.1159
<b>Institutional S accumulation</b>				
Group 1	1.7200	-	1.7200*	1.3640
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	1.5300	-	1.5300**	1.1600
Group 2	-	-	-	-

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Europe EX UK Smaller Companies Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Andrew Paisley
<b>Launch Date</b>	1 November 2007
<b>Benchmark</b>	Euromoney Smaller Europe excluding UK Index

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest primarily in equities and equity type investments of smaller companies listed on European markets (which might include emerging markets of Europe), excluding the UK, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives (for the purpose of efficient portfolio management (including hedging)) and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by investing in an actively managed portfolio of primarily smaller companies from European equity markets (which might include emerging markets of Europe), excluding the UK. The focused nature of the portfolio makes it suitable for investors who are willing to accept a relatively high degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of this area of European equity markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

For the period under review, the Fund returned -6.8% (platform 1, accumulation shares). This compared to the IA European Smaller Companies Sector return of -9.5%. Source: Morningstar, basic-rate taxpayer, bid-to-bid basis.

It was a challenging 12 months for the Fund and European smaller companies. A number of factors weighed on sentiment. These included higher US interest rates, concerns about global growth and the US/China trade war. The European economy also showed signs of weakness.

Wessanen, a Dutch food producer with a focus on organic products, underperformed following the release of disappointing results. The company suffered from increased competition in its

biggest market, France. Nevertheless, overall market growth remained buoyant. The company missed out on opportunities as a supplier to supermarkets. However, we believe the experienced management team will remedy the situation. Automotive equipment manufacturer Plastic Omnium was also weak. The sector fell out of favour amid concerns about Chinese demand and the fallout from an emissions scandal. That said, Plastic Omnium was positive in its medium-term growth aspirations. It expects plastic content within vehicles to increase at the expense of heavier metals. We therefore remain comfortable with our core position. A further drag on the Fund's return was Jungheinrich. As a materials-handling business it is exposed to the economic cycle. It underperformed as investors grew concerned about its prospects in Europe. Nonetheless, we retain confidence in the business as there is a structural growth opportunity in the warehouse market. Positions in Takkt, Implenla and Stabius also disappointed.

Software developer Nemetschek was positive. The company's results were ahead of forecasts, with margins stable despite higher capital expenditure. The business benefits from structural growth in the building-information modelling software market. Nemetschek also has potential to expand by market segment, product and geography. Staying in the sector, Simcorp performed well after it announced several new licence agreements. We continue to like the growth potential as it expands its product suite. French fragrance manufacturer Interparfums added to returns. The company announced better-than-expected trading for 2018. This resulted in a material rise in its forecast earnings. We expect growth to be ahead of expectations given increased brand investment. Additional highlights included Teleperformance, Kesko and Fincepobank.

### Investment activity

Activity was light for most of the period.

We purchased shares in German pharmaceuticals company Dermapharm. Investors underestimate the growth potential of the business, as it has a strong pipeline of patent-free branded drugs. In addition, the group is enhancing its product offering through acquisitions.

We exited the position in Italian clothing company OVS following disappointing news in relation to the investment it made in Switzerland's Charles Vogele. We reduced the holding in Implenla, the Swiss construction engineer. The company has suffered from project overruns. We have concerns about the quality of the business, as it has written down a number of contracts. The Matrix (our quant-based research tool) score had fallen into negative territory. We continued to reduce the Fund's position in the French industrial firm LISI. The company's interim results were disappointing and its Matrix score dropped into negative territory.

### Synthetic Risk & Reward Indicator

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication for the future. The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

#### Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	291.08	244.11	196.36
Return before operating charges*	(14.57)	50.84	50.84
Operating charges	(3.93)	(3.87)	(3.09)
Return after operating charges*	(18.50)	46.97	47.75
Distributions	(2.74)	(2.80)	(2.39)
Retained distributions on accumulation share	2.74	2.80	2.39
Closing net asset value per share	272.58	291.08	244.11
* after direct transaction costs of:	0.12	0.16	0.17
<b>Performance</b>			
Return after charges	(6.36%)	19.24%	24.32%
<b>Other information</b>			
Closing net asset value (£'000)	5,775	6,511	5,791
Closing number of shares	2,118,604	2,236,689	2,372,248
Operating charges	1.37%	1.38%	1.37%
Direct transaction costs	0.04%	0.06%	0.08%
<b>Prices</b>			
Highest share price	317.4	304.5	250.6
Lowest share price	246.4	247.1	195.4

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	79.53	66.38	53.14
Return before operating charges*	(3.99)	13.85	13.79
Operating charges	(0.71)	(0.70)	(0.55)
Return after operating charges*	(4.70)	13.15	13.24
Distributions	(0.94)	(0.94)	(0.80)
Retained distributions on accumulation share	0.94	0.94	0.80
Closing net asset value per share	74.83	79.53	66.38
* after direct transaction costs of:	0.03	0.04	0.05
<b>Performance</b>			
Return after charges	(5.91%)	19.81%	24.92%
<b>Other information</b>			
Closing net asset value (£'000)	12,859	17,005	11,197
Closing number of shares	17,184,305	21,382,004	16,866,638
Operating charges	0.90%	0.91%	0.90%
Direct transaction costs	0.04%	0.06%	0.08%
<b>Prices</b>			
Highest share price	86.94	83.16	68.03
Lowest share price	67.58	67.23	52.90

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

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

	2019	2018	2017
Standard Life accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.98	67.09	53.30
Return before operating charges*	(4.10)	14.02	13.88
Operating charges	(0.12)	(0.13)	(0.09)
Return after operating charges*	(4.22)	13.89	13.79
Distributions	(1.31)	(1.31)	(1.05)
Retained distributions on accumulation share	1.31	1.31	1.05
Closing net asset value per share	76.76	80.98	67.09
* after direct transaction costs of:	0.03	0.04	0.05
<b>Performance</b>			
Return after charges	(5.21%)	20.70%	25.87%
<b>Other information</b>			
Closing net asset value (£'000)	712	752	389
Closing number of shares	926,978	929,088	579,447
Operating charges	0.15%	0.16%	0.15%
Direct transaction costs	0.04%	0.06%	0.08%
<b>Prices</b>			
Highest share price	88.85	84.62	68.55
Lowest share price	69.23	68.01	53.07

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

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

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

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

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	312.25	260.77	208.84
Return before operating charges*	(15.68)	54.37	54.21
Operating charges	(2.93)	(2.89)	(2.28)
Return after operating charges*	(18.61)	51.48	51.93
Distributions	(3.62)	(3.60)	(3.08)
Retained distributions on accumulation share	3.62	3.60	3.08
Closing net asset value per share	293.64	312.25	260.77
* after direct transaction costs of:	0.13	0.17	0.19
<b>Performance</b>			
Return after charges	(5.96%)	19.74%	24.87%
<b>Other information</b>			
Closing net asset value (£'000)	32,685	37,775	28,419
Closing number of shares	11,131,197	12,097,728	10,898,444
Operating charges	0.95%	0.96%	0.95%
Direct transaction costs	0.04%	0.06%	0.08%
<b>Prices</b>			
Highest share price	341.2	326.5	267.3
Lowest share price	265.2	264.1	207.9

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

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

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

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

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (95.96%)</b>		<b>50,007</b>	<b>96.11</b>
<b>European Equities (ex UK) (95.96%)</b>		<b>50,007</b>	<b>96.11</b>
<b>Austria (1.46%)</b>		-	-
<b>Denmark (1.48%)</b>		<b>1,924</b>	<b>3.70</b>
28,440	SimCorp A/S	1,924	3.70
<b>Finland (3.67%)</b>		<b>3,020</b>	<b>5.80</b>
67,624	Kesko	3,020	5.80
<b>France (16.08%)</b>		<b>10,168</b>	<b>19.54</b>
9,077	Eurazeo	513	0.99
70,459	Interparfums	2,714	5.22
11,715	LISI	268	0.51
20,745	Nexity	762	1.46
28,252	ORPEA	2,505	4.81
26,524	Plastic Omnium	560	1.08
21,174	Teleperformance	2,846	5.47
<b>Germany (29.84%)</b>		<b>15,398</b>	<b>29.60</b>
3,069	Cewe Stiftung & Co	216	0.42
13,265	CTS Eventim	446	0.86
15,496	Dermapharm	365	0.70
19,873	Grenke	1,519	2.92
45,250	Jungheinrich	1,054	2.03
27,916	Nemetschek	3,061	5.88
13,440	NORMA	543	1.04
25,398	OHB	712	1.37
95,906	PATRIZIA Immobilien	1,562	3.00
3,114	Rational	1,529	2.94
11,370	Sixt	788	1.51
58,561	Takkt	732	1.41
63,012	VIB Vermoegen	1,224	2.35
6,392	Xing	1,647	3.17
<b>Ireland (5.84%)</b>		<b>3,208</b>	<b>6.17</b>
1,977,382	Hibernia REIT	2,163	4.16
121,281	Irish Continental	515	0.99
114,808	Origin Enterprises	530	1.02

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Italy (16.27%)</b>		<b>8,226</b>	<b>15.81</b>
13,744	Diasorin	1,014	1.95
69,830	DoBank	770	1.48
63,147	Fila	775	1.49
273,095	FinecoBank	2,548	4.90
15,800	IMA	759	1.46
64,203	Interpump	1,562	3.00
45,120	MARR	798	1.53
<b>Luxembourg (2.92%)</b>		<b>418</b>	<b>0.80</b>
9,604	Stabilus	418	0.80
<b>Netherlands (3.98%)</b>		<b>2,005</b>	<b>3.85</b>
46,755	Corbion	1,077	2.07
122,509	Wessanen	928	1.78
<b>Norway (1.07%)</b>		<b>684</b>	<b>1.31</b>
96,396	Borregaard	684	1.31
<b>Spain (1.06%)</b>		<b>999</b>	<b>1.92</b>
22,129	CIE Automotive	473	0.91
62,623	Fluidra	526	1.01
<b>Sweden (6.14%)</b>		<b>2,077</b>	<b>3.99</b>
60,977	Bulten	411	0.79
68,542	Troax	1,666	3.20
<b>Switzerland (6.15%)</b>		<b>1,880</b>	<b>3.62</b>
7,984	Bachem	675	1.30
6,400	Komax	1,205	2.32
<b>Collective Investment Schemes (3.79%)</b>		<b>2,172</b>	<b>4.17</b>
495	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund+	424	0.81
1,748	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	1,748	3.36
<b>Total investment assets</b>		<b>52,179</b>	<b>100.28</b>
<b>Net other liabilities</b>		<b>(148)</b>	<b>(0.28)</b>
<b>Total Net Assets</b>		<b>52,031</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital (losses)/gains	2	(4,439)	8,829
Revenue	4	1,201	1,075
Expenses	5	(565)	(550)
Interest payable and similar charges	6	(1)	-
Net revenue before taxation		635	525
Taxation	7	(110)	(73)
Net revenue after taxation		525	452
<b>Total return before distributions</b>		<b>(3,914)</b>	<b>9,281</b>
Distributions	8	(724)	(643)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(4,638)</b>	<b>8,638</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>62,043</b>	<b>45,796</b>
Amounts receivable on the issue of shares	5,708	12,103
Amounts payable on the cancellation of shares	(11,786)	(5,205)
	(6,078)	6,898
Dilution adjustment	(2)	29
Change in net assets attributable to shareholders from investment activities (see above)	(4,638)	8,638
Retained distribution on accumulation shares	706	682
<b>Closing net assets attributable to shareholders</b>	<b>52,031</b>	<b>62,043</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		52,179	61,887
<b>Current assets:</b>			
Debtors	9	121	196
Cash and bank balances	10	52	42
		173	238
<b>Total assets</b>		<b>52,352</b>	<b>62,125</b>
<b>Liabilities:</b>			
Creditors	11	(321)	(82)
		(321)	(82)
<b>Total liabilities</b>		<b>(321)</b>	<b>(82)</b>
<b>Net assets attributable to shareholders</b>		<b>52,031</b>	<b>62,043</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(4,402)	8,822
Other (losses)/gains	(20)	17
Handling charges taken from the capital account	(17)	(10)
<b>Net capital (losses)/gains</b>	<b>(4,439)</b>	<b>8,829</b>

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	6,866	11,834
Commissions	6	15
Taxes & Other Fees	8	11
<b>Total purchase transaction costs</b>	<b>14</b>	<b>26</b>
<b>Purchases including transaction costs</b>	<b>6,880</b>	<b>11,860</b>
<b>Sales</b>		
Gross sales before transaction costs	11,129	4,775
Commissions	(12)	(7)
<b>Total sale transaction costs</b>	<b>(12)</b>	<b>(7)</b>
<b>Total sales net of transaction costs</b>	<b>11,117</b>	<b>4,768</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.09%	0.13%
Taxes & Other Fees	0.12%	0.09%
<b>Sales</b>		
Commissions	0.11%	0.14%
	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.01%	0.03%
Taxes & Other Fees	0.01%	0.02%
<b>Sales</b>		
Commissions	0.02%	0.01%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchase</b>		
Equities	6,880	11,860
Collective Investment Schemes	16,579	13,607
<b>Sales</b>		
Equities	11,117	4,768
Collective Investment Schemes	16,743	13,546

There were corporate actions (net sales) of £901,000 in the year (2018: £203,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.21% (2018: 0.75%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
Overseas dividends	1,188	1,065
Taxable distributions on offshore funds	3	-
Bank interest	10	9
Other	-	1
<b>Total revenue</b>	<b>1,201</b>	<b>1,075</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	478	456
Dealing charge	18	17
Registration fees	43	41
	539	514
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	12	11
Safe custody fee	5	5
	17	16
<b>Other:</b>		
Professional fees	-	3
Audit fee	9	17
	9	20
<b>Total expenses</b>	<b>565</b>	<b>550</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	1	-
<b>Total interest payable &amp; similar charges</b>	<b>1</b>	<b>-</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	110	73
<b>Total current tax</b>	<b>110</b>	<b>73</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	635	525
Corporation tax at 20% (2018: 20%)	127	105
Effects of:		
Revenue not subject to taxation	(238)	(213)
Overseas taxes	110	73
Excess allowable expenses	111	108
<b>Total tax charge for year (note 7a)</b>	<b>110</b>	<b>73</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax Asset of £322,000 (2018: £211,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax Asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Interim distribution	706	681
Final distribution	-	1
	706	682
Add: Income deducted on cancellation of shares	41	9
Deduct: Income received on issue of shares	(23)	(48)
<b>Net distribution for the year</b>	<b>724</b>	<b>643</b>
Net revenue after taxation	525	452
Shortfall transfer from capital to revenue	199	191
<b>Total distributions</b>	<b>724</b>	<b>643</b>

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

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	34	128
Accrued revenue	-	1
Foreign withholding tax recoverable	87	67
<b>Total debtors</b>	<b>121</b>	<b>196</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Cash and bank balances	52	42
<b>Total cash and bank balances</b>	<b>52</b>	<b>42</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	55	-
Purchases awaiting settlement	217	28
Accrued expenses payable to ACD	36	43
Accrued expenses payable to the Depositary or associates of the Depositary	2	3
Other accrued expenses	11	8
<b>Total creditors</b>	<b>321</b>	<b>82</b>

**12 Related Party Transactions**

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	2,236,689	154,398	(272,483)	-	2,118,604
Institutional accumulation	21,382,004	654,390	(4,897,980)	45,891	17,184,305
Standard Life accumulation	929,088	229,865	(231,975)	-	926,978
Platform 1 accumulation	12,097,728	1,457,592	(2,412,431)	(11,692)	11,131,197

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	50,007	-	-	59,538	-	-
Collective Investment Schemes	-	2,172	-	-	2,349	-
<b>Total investment assets</b>	<b>50,007</b>	<b>2,172</b>	<b>-</b>	<b>59,538</b>	<b>2,349</b>	<b>-</b>

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

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

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

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

## 15 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

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

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £2,609,000 (2018: £3,094,000). A five per cent decrease would have an equal and opposite effect.

**b. Foreign currency risk**

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £2,518,000 (2018: £2,998,000). A five per cent decrease would have an equal and opposite effect.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Danish Krone	1,926	920
Euro	43,724	50,685
Norwegian Krone	696	670
Swedish Krona	2,093	3,827
Swiss Franc	1,913	3,857

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	1,749	(70)	1,679
Danish Krone	-	1,926	1,926
Euro	426	43,298	43,724
Norwegian Krone	-	696	696
Swedish Krona	16	2,077	2,093
Swiss Franc	33	1,880	1,913
<b>2018</b>			
<b>Currency</b>			
UK Sterling	2,009	75	2,084
Danish Krone	-	920	920
Euro	343	50,342	50,685
Norwegian Krone	-	670	670
Swedish Krona	17	3,810	3,827
Swiss Franc	22	3,835	3,857

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

### e. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

### Distribution Tables

For the six months ended 31 August 2018

Group 1 - shares purchased prior to 1 March 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	2.7424	-	2.7424*	2.7983
Group 2	1.8583	0.8841	2.7424*	2.7983
<b>Institutional accumulation</b>				
Group 1	0.9416	-	0.9416*	0.9366
Group 2	0.3181	0.6235	0.9416*	0.9366
<b>Standard Life accumulation</b>				
Group 1	1.2734	-	1.2734*	1.2263
Group 2	0.6425	0.6309	1.2734*	1.2263
<b>Platform 1 accumulation</b>				
Group 1	3.6180	-	3.6180*	3.6015
Group 2	1.4676	2.1504	3.6180*	3.6015

\* Distribution accumulated on 31 August 2018

For the six months ended 28 February 2019

Group 1 - shares purchased prior to 1 September 2018

Group 2 - shares purchased between 1 September 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.0412	-	0.0412*	0.0788
Group 2	0.0382	0.0030	0.0412*	0.0788
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

\* Distribution accumulated on 28 February 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

**Treatment by Corporate Shareholders (unaudited)**

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

	<b>Interim Dividend</b>	<b>Final Dividend</b>
Treat as a UK corporate dividend	100.00%	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%	0.00%

# European Equity Growth Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Jonathan Fearon
<b>Launch Date</b>	16 November 1998
<b>Benchmark</b>	IA Europe Excluding UK Sector

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on the main European markets or which, in the opinion of the ACD, carry on a significant part of their operations in Europe (including the UK). Up to 10% of the Fund may be invested in smaller emerging European markets, as included in the MSCI Emerging Markets Index from time-to-time. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors a focused investment approach, with an emphasis on stock selection whilst affording proper diversification of mainly European Equity exposure. The investor must be able to accept significant temporary losses due to the volatile nature of equity and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

For the period under review, the Fund returned -7.6%. This compares with the IA Europe (ex UK) sector return of -6.0%. Source: Morningstar, basic rate taxpayer, bid-to-bid basis, retail accumulation share class.

It was a challenging 12 months for the Fund and European smaller companies. A number of factors weighed on sentiment. These included higher US interest rates, concerns about global growth and the US/China trade war. The European economy also showed signs of weakness.

A lack of exposure to outperforming pharmaceuticals firm Novartis detracted from returns. The company reported strong sales, notably for heart medication Entresto, and forecast

mid-single digit sales growth for 2019. A holding in polymer manufacturer Covestro was negative. It announced a profit warning driven by increased competition in some key products. Danske Bank struggled in the face of a money laundering investigation at its Baltic operations in Estonia. This risks tarnishing its reputation and the progress it has made in its core Danish business. Another drag on performance came from Signify, the Dutch lighting company. It suffered from challenging industry trends and poor execution of the strategy in its consumer business. Holdings in TUI, Credit Suisse and UBS also disappointed.

By contrast, Scandinavian healthcare specialist Ambu was a notable contributor to performance. Initial findings by US regulatory bodies supported the case for single-use endoscopes at the expense of multi-use devices. Further value came from consumer-related stocks, including nutrition producer Glanbia. This followed the acquisition of Slimfast, a move that drove earnings upgrades. Electricity and gas distributor Enel outperformed after it set out better-than-expected dividend commitments at a capital markets day. Additional highlights included Kering, Scout24 and BNP Paribas.

### Investment activity

We used the sell-off in technology-related companies to buy French computer games developer Ubisoft. We see growth potential from its upcoming release catalogue and the opportunity to monetise these games more efficiently. Elsewhere, we increased our holding in food ingredient and vitamin manufacturer DSM. We believe there is potential for the company to transform via the divestment of its chemicals business. In the wake of a de-rating, we invested in Swedish Match. This boosts our exposure to the consumer staples sector. Fears that regulatory action would damage its US cigar business had a negative impact. However, we think investors overreacted and believe the company can grow strongly.

In terms of sales, we took profits in German healthcare companies Fresenius and Merck. In both cases, relative valuations looked stretched. We removed utility firm E.ON following solid performance. We were concerned that the rise in European power prices could have a detrimental impact on profits. In other moves, we sold chemicals giant BASF due to softening demand in China. Human resources group Randstad was another sale. We felt that employment growth in the US and Europe had peaked. We also have misgivings about the role digital disruptors will have on its market.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←					→	
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

	2019 pence per share	2018 pence per share	2017 pence per share
<b>Retail accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	200.91	177.36	141.84
Return before operating charges*	(14.00)	26.24	37.73
Operating charges	(2.64)	(2.69)	(2.21)
Return after operating charges*	(16.64)	23.55	35.52
Distributions	(2.81)	(3.33)	(2.98)
Retained distributions on accumulation share	2.81	3.33	2.98
Closing net asset value per share	184.27	200.91	177.36
* after direct transaction costs of:	0.19	0.27	0.21
<b>Performance</b>			
Return after charges	(8.28%)	13.28%	25.04%
<b>Other information</b>			
Closing net asset value (£'000)	36,496	40,637	37,016
Closing number of shares	19,806,111	20,227,024	20,870,914
Operating charges	1.36%	1.36%	1.38%
Direct transaction costs	0.10%	0.14%	0.13%
<b>Prices</b>			
Highest share price	212.4	209.1	180.2
Lowest share price	174.2	178.7	140.9

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

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

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

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

<b>Institutional accumulation</b>	<b>2019</b> pence per share	<b>2018</b> pence per share	<b>2017</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	234.37	205.93	163.89
Return before operating charges*	(16.37)	30.49	43.72
Operating charges	(2.03)	(2.05)	(1.68)
Return after operating charges*	(18.40)	28.44	42.04
Distributions	(4.35)	(4.95)	(4.36)
Retained distributions on accumulation share	4.35	4.95	4.36
Closing net asset value per share	215.97	234.37	205.93
* after direct transaction costs of:	0.22	0.32	0.24
<b>Performance</b>			
Return after charges	(7.85%)	13.81%	25.65%
<b>Other information</b>			
Closing net asset value (£'000)	34,181	60,307	49,460
Closing number of shares	15,826,865	25,731,533	24,018,034
Operating charges	0.88%	0.89%	0.91%
Direct transaction costs	0.10%	0.14%	0.13%
<b>Prices</b>			
Highest share price	248.4	243.4	209.2
Lowest share price	204.0	207.7	163.0

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

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

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

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

Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	68.14	61.17	49.76
Return before operating charges*	(4.74)	9.05	13.23
Operating charges	(0.90)	(0.93)	(0.77)
Return after operating charges*	(5.64)	8.12	12.46
Distributions	(0.96)	(1.15)	(1.05)
Closing net asset value per share	61.54	68.14	61.17
* after direct transaction costs of:	0.06	0.09	0.07
<b>Performance</b>			
Return after charges	(8.28%)	13.27%	25.04%
<b>Other information</b>			
Closing net asset value (£'000)	629	1,568	1,485
Closing number of shares	1,022,576	2,300,629	2,427,006
Operating charges	1.36%	1.36%	1.38%
Direct transaction costs	0.10%	0.14%	0.12%
<b>Prices</b>			
Highest share price	72.04	72.08	63.22
Lowest share price	59.09	61.63	49.42

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

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

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

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

Standard Life income <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	107.26	96.23	78.16
Return before operating charges*	2.80	14.31	20.97
Operating charges	(0.06)	(0.06)	(0.07)
Return after operating charges*	2.74	14.25	20.90
Distributions	-	(3.22)	(2.83)
Redemption value as at 14 June 2018	(110.00)	-	-
Closing net asset value per share	-	107.26	96.23
* after direct transaction costs of:	0.05	0.15	0.12
<b>Performance</b>			
Return after charges	2.55%	14.81%	26.74%
<b>Other information</b>			
Closing net asset value (£'000)	-	2	2
Closing number of shares	-	2,156	2,156
Operating charges	0.06%	0.06%	0.08%
Direct transaction costs	0.10%	0.14%	0.14%
<b>Prices</b>			
Highest share price	112.0	114.6	100.5
Lowest share price	101.5	97.16	77.90

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

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

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

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

<sup>^</sup> Share class closed on 14 June 2018.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	171.34	149.42	118.02
Return before operating charges*	(12.03)	22.15	31.61
Operating charges	(0.23)	(0.23)	(0.21)
Return after operating charges*	(12.26)	21.92	31.40
Distributions	(4.44)	(4.86)	(4.15)
Retained distributions on accumulation share	4.44	4.86	4.15
Closing net asset value per share	159.08	171.34	149.42
* after direct transaction costs of:	0.16	0.23	0.18
<b>Performance</b>			
Return after charges	(7.16%)	14.67%	26.61%
<b>Other information</b>			
Closing net asset value (£'000)	1,014	1,250	845
Closing number of shares	637,373	729,425	565,287
Operating charges	0.14%	0.14%	0.16%
Direct transaction costs	0.10%	0.14%	0.13%
<b>Prices</b>			
Highest share price	182.2	177.8	151.6
Lowest share price	150.1	150.8	117.6

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

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

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

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

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	104.98	92.29	73.48
Return before operating charges*	(7.32)	13.66	19.61
Operating charges	(0.96)	(0.97)	(0.80)
Return after operating charges*	(8.28)	12.69	18.81
Distributions	(1.90)	(2.17)	(1.91)
Retained distributions on accumulation share	1.90	2.17	1.91
Closing net asset value per share	96.70	104.98	92.29
* after direct transaction costs of:	0.10	0.14	0.11
<b>Performance</b>			
Return after charges	(7.89%)	13.75%	25.60%
<b>Other information</b>			
Closing net asset value (£'000)	8,614	10,144	8,604
Closing number of shares	8,908,006	9,662,134	9,322,855
Operating charges	0.94%	0.94%	0.96%
Direct transaction costs	0.10%	0.14%	0.13%
<b>Prices</b>			
Highest share price	111.2	109.1	93.74
Lowest share price	91.36	93.05	73.07

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

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

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

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

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.96%)</b>		<b>78,706</b>	<b>97.25</b>
<b>European Equities (98.96%)</b>		<b>78,706</b>	<b>97.25</b>
<b>Austria (1.27%)</b>		<b>2,480</b>	<b>3.06</b>
54,286	BAWAG Group	1,796	2.22
24,225	Erste	684	0.84
<b>Belgium (2.39%)</b>		<b>1,407</b>	<b>1.74</b>
43,246	Umicore	1,407	1.74
<b>Denmark (7.04%)</b>		<b>6,129</b>	<b>7.57</b>
66,397	Ambu	1,172	1.45
17,189	Coloplast	1,290	1.59
67,550	Novo Nordisk	2,488	3.07
57,707	Tryg	1,179	1.46
<b>Finland (0.00%)</b>		<b>927</b>	<b>1.15</b>
75,903	Wartsila	927	1.15
<b>France (18.75%)</b>		<b>21,026</b>	<b>25.98</b>
15,866	Air Liquide	1,489	1.84
22,453	Airbus	2,183	2.70
34,927	Amundi	1,747	2.16
101,653	AXA	1,940	2.40
35,747	Bouygues	1,016	1.25
5,537	Kering	2,276	2.81
136,933	Orange	1,575	1.95
14,386	Orpea	1,275	1.58
19,578	Renault	1,009	1.25
30,762	Schneider Electric	1,801	2.22
9,659	Teleperformance	1,298	1.60
49,884	Total	2,135	2.64
23,577	Ubisoft Entertainment	1,282	1.58
<b>Germany (21.25%)</b>		<b>11,290</b>	<b>13.95</b>
35,481	Bayer	2,137	2.64
19,359	Covestro	832	1.03
66,283	Deutsche Post	1,552	1.92
22,947	Fresenius	971	1.20
59,398	Infineon Technology	981	1.21
23,354	Siemens	1,922	2.38
72,048	ThyssenKrupp	812	1.00

Holding	Investment	Market value £'000	Percentage of total net assets
111,598	TUI	892	1.10
11,635	Wirecard	1,191	1.47
<b>Ireland (6.64%)</b>		<b>4,496</b>	<b>5.56</b>
58,126	CRH	1,383	1.71
20,157	Kerry	1,562	1.93
17,729	Paddy Power Betfair	1,078	1.33
45,517	Ryanair	473	0.59
<b>Italy (3.99%)</b>		<b>3,717</b>	<b>4.59</b>
377,597	Enel	1,717	2.12
120,734	Mediobanca	911	1.13
70,885	Prysmian	1,089	1.34
<b>Netherlands (8.18%)</b>		<b>6,504</b>	<b>8.04</b>
16,800	Akzo Nobel	1,147	1.42
17,366	ASML	2,395	2.96
39,966	ASR Nederland	1,322	1.63
20,302	Koninklijke DSM	1,640	2.03
<b>Portugal (1.43%)</b>		<b>1,214</b>	<b>1.50</b>
98,303	Galp Energia	1,214	1.50
<b>Spain (7.09%)</b>		<b>5,402</b>	<b>6.67</b>
17,912	Amadeus	1,015	1.25
503,275	Banco Santander	1,849	2.29
166,607	Bankinter	1,030	1.27
66,381	Inditex	1,508	1.86
<b>Sweden (7.75%)</b>		<b>3,737</b>	<b>4.62</b>
65,849	Essity	1,382	1.71
63,611	Swedbank	876	1.08
41,825	Swedish Match	1,479	1.83
<b>Switzerland (13.18%)</b>		<b>10,377</b>	<b>12.82</b>
182,090	Credit Suisse	1,696	2.09
27,757	Julius Baer	913	1.13
55,335	Nestle	3,773	4.66
2,465	Partners	1,343	1.66
12,672	Roche	2,652	3.28

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (1.44%)</b>		<b>2,113</b>	<b>2.61</b>
2,113	Aberdeen Sterling Liquidity Fund (Lux) - Sterling Fund+	2,113	2.61
<b>Total investment assets</b>		<b>80,819</b>	<b>99.86</b>
<b>Net other assets</b>		<b>115</b>	<b>0.14</b>
<b>Total Net Assets</b>		<b>80,934</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital (losses)/gains	2	(10,057)	11,318
Revenue	4	3,275	3,168
Expenses	5	(1,036)	(1,177)
Interest payable and similar charges	6	-	(3)
Net revenue before taxation		2,239	1,988
Taxation	7	(376)	213
Net revenue after taxation		1,863	2,201
<b>Total return before distributions</b>		<b>(8,194)</b>	<b>13,519</b>
Distributions	8	(1,863)	(2,201)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(10,057)</b>	<b>11,318</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>113,908</b>	<b>97,412</b>
Amounts receivable on the issue of shares	2,927	8,669
Amounts payable on the cancellation of shares	(27,348)	(5,694)
	(24,421)	2,975
Dilution adjustment	64	-
Compensation	-	11
Change in net assets attributable to shareholders from investment activities (see above)	(10,057)	11,318
Retained distribution on accumulation shares	1,440	2,192
<b>Closing net assets attributable to shareholders</b>	<b>80,934</b>	<b>113,908</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		80,819	114,363
<b>Current assets:</b>			
Debtors	9	304	333
Cash and bank balances	10	27	44
		331	377
<b>Total assets</b>		<b>81,150</b>	<b>114,740</b>
<b>Liabilities:</b>			
Creditors	11	(151)	(805)
Bank overdrafts		(55)	-
Distribution payable		(10)	(27)
		(216)	(832)
<b>Total liabilities</b>		<b>(216)</b>	<b>(832)</b>
<b>Net assets attributable to shareholders</b>		<b>80,934</b>	<b>113,908</b>

## Notes to the Financial Statements

## 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

## 2 Net Capital (Losses)/Gains

	2019 £'000	2018 £'000
Non-derivative securities	(10,012)	11,274
Forward currency contracts	-	(1)
Other (losses)/gains	(29)	61
Handling charges taken from the capital account	(16)	(16)
<b>Net capital (losses)/gains</b>	<b>(10,057)</b>	<b>11,318</b>

## 3 Equity Purchases, Sales and Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	32,526	52,140
Commissions	22	53
Taxes & Other Fees	41	56
<b>Total purchase transaction costs</b>	<b>63</b>	<b>109</b>
<b>Purchases including transaction costs</b>	<b>32,589</b>	<b>52,249</b>
<b>Sales</b>		
Gross sales before transaction costs	56,702	46,778
Commissions	(32)	(46)
<b>Total sale transaction costs</b>	<b>(32)</b>	<b>(46)</b>
<b>Total sales net of transaction costs</b>	<b>56,670</b>	<b>46,732</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.07%	0.10%
Taxes & Other Fees	0.13%	0.11%
<b>Sales</b>		
Commissions	0.06%	0.10%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.02%	0.05%
Taxes & Other Fees	0.04%	0.05%
<b>Sales</b>		
Commissions	0.03%	0.04%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	32,589	52,249
Collective investment schemes	23,388	23,789
<b>Sales</b>		
Equities	56,670	46,732
Collective investment schemes	22,913	23,151

There were corporate actions (net purchases) of £103,000 in the year (2018: £285,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.05% (2018: 0.71%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
Overseas dividends	3,268	2,972
Taxable distributions on offshore funds	4	-
Bank interest	3	196
<b>Total revenue</b>	<b>3,275</b>	<b>3,168</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	945	1,067
Dealing charge	5	4
Registration fees	46	56
	996	1,127
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	19	21
Safe custody fee	12	13
	31	34
<b>Other:</b>		
Professional fees	-	8
Audit fee	9	8
	9	16
<b>Total expenses</b>	<b>1,036</b>	<b>1,177</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	-	3
<b>Total interest payable &amp; similar charges</b>	<b>-</b>	<b>3</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge/(credit) in year</b>		
Overseas taxes	376	(213)
<b>Total current tax</b>	<b>376</b>	<b>(213)</b>
<b>(b) Factors affecting current tax charge/(credit) for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	2,239	1,988
Corporation tax at 20% (2018: 20%)	448	398
Effects of:		
Revenue not subject to taxation	(645)	(582)
Overseas taxes	376	(213)
Overseas tax expensed	(1)	(2)
Excess allowable expenses	198	186
<b>Total tax charge/(credit) for year (note 7a)</b>	<b>376</b>	<b>(213)</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,565,000 (2018: £1,367,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	1,450	2,219
Add: Income deducted on cancellation of shares	451	88
Deduct: Income received on issue of shares	(38)	(106)
<b>Net distribution for the year</b>	<b>1,863</b>	<b>2,201</b>

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

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	1	21
Foreign withholding tax recoverable	303	312
<b>Total debtors</b>	<b>304</b>	<b>333</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Cash and bank balances	27	44
Bank overdrafts	(55)	-
<b>Total cash and bank balances</b>	<b>(28)</b>	<b>44</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	70	263
Purchases awaiting settlement	-	441
Accrued expenses payable to ACD	65	87
Accrued expenses payable to the Depositary or associates of the Depositary	3	6
Other accrued expenses	13	8
<b>Total creditors</b>	<b>151</b>	<b>805</b>

**12 Related Party Transactions**

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	20,227,024	442,126	(1,275,708)	412,669	19,806,111
Institutional accumulation	25,731,533	209,517	(10,122,354)	8,169	15,826,865
Retail income	2,300,629	160,381	(184,589)	(1,253,845)	1,022,576
Standard Life income	2,156	-	(2,156)	-	-
Standard Life accumulation	729,425	65,535	(157,587)	-	637,373
Platform 1 accumulation	9,662,134	470,905	(1,230,777)	5,744	8,908,006

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	78,706	-	-	112,725	-	-
Collective Investment Schemes	-	2,113	-	-	1,638	-
<b>Total investment assets</b>	<b>78,706</b>	<b>2,113</b>	<b>-</b>	<b>112,725</b>	<b>1,638</b>	<b>-</b>

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

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

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

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

## 15 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

## a. Market price risk

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

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at 28 February by £4,041,000 (2018: £5,718,000). A five per cent decrease would have an equal and opposite effect.

**b. Foreign currency risk**

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at 28 February by £3,949,000 (2018: £5,632,000). A five per cent decrease would have an equal and opposite effect.

**Currency exposure**

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Danish Krone	6,254	8,120
Euro	58,552	80,559
Swedish Krona	3,737	8,831
Swiss Franc	10,406	15,123
US Dollar	25	-

**c. Interest rate risk**

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets/(liabilities) £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	2	1,958	1,960
Danish Krone	-	6,254	6,254
Euro	(55)	58,607	58,552
Swedish Krona	-	3,737	3,737
Swiss Franc	-	10,406	10,406
US Dollar	25	-	25
<b>2018</b>			
<b>Currency</b>			
UK Sterling	1,639	(364)	1,275
Danish Krone	-	8,120	8,120
Euro	43	80,516	80,559
Swedish Krona	-	8,831	8,831
Swiss Franc	-	15,123	15,123

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

**d. Credit risk**

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

**e. Liquidity risk**

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Table**

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	2.8053	-	2.8053*	3.3283
Group 2	0.4195	2.3858	2.8053*	3.3283
<b>Institutional accumulation</b>				
Group 1	4.3453	-	4.3453*	4.9514
Group 2	2.4389	1.9064	4.3453*	4.9514
<b>Retail income</b>				
Group 1	0.9579	-	0.9579**	1.1482
Group 2	0.0898	0.8681	0.9579**	1.1482
<b>Standard Life income<sup>^</sup></b>				
Group 1	-	-	-	3.2151
Group 2	-	-	-	3.2151
<b>Standard Life accumulation</b>				
Group 1	4.4350	-	4.4350*	4.8587
Group 2	1.3967	3.0383	4.4350*	4.8587
<b>Platform 1 accumulation</b>				
Group 1	1.8951	-	1.8951*	2.1670
Group 2	0.5289	1.3662	1.8951*	2.1670

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 14 June 2018.**Equalisation**

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

**Treatment by Corporate Shareholders (unaudited)**

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

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

# European Equity Income Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Will James
<b>Launch Date</b>	3 April 2009
<b>Benchmark</b>	IA Europe (ex UK) Sector

### Investment objective

The objective of the Fund is to provide a high level of income with some capital appreciation over the longer term.

### Investment policy

The investment policy of the Fund is to invest mostly in high yielding equities and equity type investments of European Companies or companies which, in the opinion of the ACD, carry on a substantial part of their operations in Europe. A significant proportion of the Fund may also be invested in fixed interest securities. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. "European companies" will include companies incorporated in Europe or companies listed on a European stock exchange which may not be incorporated in Europe or have the majority of their economic activity in Europe.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the opportunity to achieve a high level of income with some capital appreciation over the longer term afforded by investing in an actively managed portfolio of mainly European equities. The investor must be able to accept significant temporary losses due to the volatile nature of equity and currency markets and should therefore have an investment time horizon of at least 5 years.

### Performance

For the period under review, the Fund returned -8.0% (Platform 1, accumulation). This compared to the IA Europe (ex-UK) Sector return of -6.0%. Source: Morningstar, basic-rate taxpayer, bid-to-bid basis, retail accumulation share class.

It was a challenging 12 months for the Fund and European equities. A number of factors weighed on sentiment. These included higher US interest rates, concerns about global growth and the US/China trade war. The European economy also showed signs of weakness.

Shares in Danske Bank tumbled in the wake of a money laundering investigation related to its Baltic operations. This could lead to a fine, damaging the bank's balance sheet and reputation.

Electronics manufacturer Siltronic struggled due to a cyclical sell-off amid rising concerns about global demand for semiconductors. This was despite solid earnings numbers and management making encouraging remarks about its outlook. UK travel agent TUI was also negative for the Fund. Overcapacity in the industry was a concern, while issues at Thomas Cook further weighed on sentiment. However, we are confident this should be positive for TUI in the long term. Positions in Nestle, Paddy Power Betfair and Scandinavian Tobacco also disappointed.

On a more positive note, Italian utility Enel performed well. It had the double benefit of an attractive price and stable earnings during a spell of higher volatility. These defensive characteristics, and an earnings upgrade, helped the shares do well. Swedish Match added value. The tobacco company was re-rated as investors decided that regulatory risk was overstated and the growth opportunity underappreciated. A position in Zurich Insurance boosted Fund returns. Investors appreciated the company's attractive dividend yield and profitable exposure to the US. Additional highlights included Tryg, Coloplast and Kesko.

### Investment activity

We bought Mowi, a Norwegian seafood supplier with a focus on salmon. Regulations have improved the sector's supply-demand balance, while its dividend yield of 6-7% is attractive. There is the additional benefit of the stock having commodity-like uncorrelated returns. We also purchased RWE, the German utility company. The pricing of the business now reflects its legacy coal business. However, the opportunity for the company to grow as it rebalances to renewables is underappreciated. This should drive attractive cashflow dynamics and lead to higher dividends.

We sold hygiene and health group Essity. Raw material price volatility has dogged the firm, despite encouraging progress elsewhere. Investors have also overlooked its merits as a defensive business. We closed industrial firm Epiroc. Its valuation was too high and we questioned its ability to navigate the current dynamics of the market. Given the Fund's income strategy, Epiroc's future dividend policy was unclear. We therefore took the opportunity to book a profit.

**Synthetic Risk & Reward Indicator**

← Typically lower rewards, lower risk				Typically higher rewards, higher risk →		
1	2	3	4	<b>5</b>	6	7

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	132.73	118.42	96.88
Return before operating charges*	(9.20)	16.04	22.99
Operating charges	(1.70)	(1.73)	(1.45)
Return after operating charges*	(10.90)	14.31	21.54
Distributions	(2.97)	(3.12)	(3.06)
Retained distributions on accumulation share	2.97	3.12	3.06
Closing net asset value per share	121.83	132.73	118.42
* after Direct transaction costs	0.12	0.23	0.21
<b>Performance</b>			
Return after charges	(8.21%)	12.08%	22.23%
<b>Other information</b>			
Closing net asset value (£'000)	8,674	11,322	12,272
Closing number of shares	7,119,360	8,530,134	10,363,333
Operating charges	1.33%	1.33%	1.32%
Direct transaction costs	0.09%	0.17%	0.19%
<b>Prices</b>			
Highest share price	137.9	137.4	120.8
Lowest share price	115.0	119.3	96.88

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	140.38	124.68	101.49
Return before operating charges*	(9.75)	16.89	24.17
Operating charges	(1.17)	(1.19)	(0.98)
Return after operating charges*	(10.92)	15.70	23.19
Distributions	(3.78)	(3.92)	(3.78)
Retained distributions on accumulation share	3.78	3.92	3.78
Closing net asset value per share	129.46	140.38	124.68
* after Direct transaction costs	0.13	0.24	0.22
<b>Performance</b>			
Return after charges	(7.78%)	12.59%	22.85%
<b>Other information</b>			
Closing net asset value (£'000)	200,244	360,986	235,219
Closing number of shares	154,677,587	257,153,773	188,662,761
Operating charges	0.86%	0.86%	0.85%
Direct transaction costs	0.09%	0.17%	0.19%
<b>Prices</b>			
Highest share price	146.2	145.3	127.2
Lowest share price	122.1	125.7	101.5

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Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	92.19	85.36	72.90
Return before operating charges*	(6.23)	11.48	16.88
Operating charges	(1.16)	(1.22)	(1.06)
Return after operating charges*	(7.39)	10.26	15.82
Distributions	(3.19)	(3.43)	(3.36)
Closing net asset value per share	81.61	92.19	85.36
* after Direct transaction costs	0.08	0.16	0.16
<b>Performance</b>			
Return after charges	(8.02%)	12.02%	21.70%
<b>Other information</b>			
Closing net asset value (£'000)	1,763	2,674	3,598
Closing number of shares	2,160,145	2,900,990	4,215,305
Operating charges	1.33%	1.33%	1.32%
Direct transaction costs	0.09%	0.17%	0.20%
<b>Prices</b>			
Highest share price	94.90	96.12	87.44
Lowest share price	77.53	86.01	70.98

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Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	97.85	90.18	76.64
Return before operating charges*	(6.62)	12.14	17.80
Operating charges	(0.80)	(0.84)	(0.72)
Return after operating charges*	(7.42)	11.30	17.08
Distributions	(3.39)	(3.63)	(3.54)
Closing net asset value per share	87.04	97.85	90.18
* after Direct transaction costs	0.09	0.17	0.16
<b>Performance</b>			
Return after charges	(7.58%)	12.53%	22.29%
<b>Other information</b>			
Closing net asset value (£'000)	460,527	597,881	503,374
Closing number of shares	529,094,088	610,995,938	558,175,031
Operating charges	0.86%	0.86%	0.85%
Direct transaction costs	0.09%	0.17%	0.19%
<b>Prices</b>			
Highest share price	100.8	101.9	92.33
Lowest share price	82.62	90.92	74.75

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Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	105.32	96.29	80.46
Return before operating charges*	(7.18)	12.93	18.65
Operating charges	(0.03)	(0.03)	(0.02)
Return after operating charges*	(7.21)	12.90	18.63
Distributions	(3.65)	(3.87)	(2.80)
Closing net asset value per share	94.46	105.32	96.29
* after Direct transaction costs	0.09	0.18	0.16
<b>Performance</b>			
Return after charges	(6.85%)	13.40%	23.15%
<b>Other information</b>			
Closing net asset value (£'000)	11,119	12,908	4
Closing number of shares	11,770,889	12,255,981	4,000
Operating charges	0.03%	0.03%	0.02%
Direct transaction costs	0.09%	0.17%	0.18%
<b>Prices</b>			
Highest share price	108.7	109.4	98.44
Lowest share price	89.54	97.20	55.52

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

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

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	149.22	131.56	106.12
Return before operating charges*	(10.41)	17.81	25.56
Operating charges	(0.15)	(0.15)	(0.12)
Return after operating charges*	(10.56)	17.66	25.44
Distributions	(5.12)	(5.23)	(4.97)
Retained distributions on accumulation share	5.12	5.23	4.97
Closing net asset value per share	138.66	149.22	131.56
* after Direct transaction costs	0.13	0.25	0.21
<b>Performance</b>			
Return after charges	(7.08%)	13.42%	23.97%
<b>Other information</b>			
Closing net asset value (£'000)	1,040	21,820	22,157
Closing number of shares	749,863	14,622,355	16,842,286
Operating charges	0.11%	0.11%	0.10%
Direct transaction costs	0.09%	0.17%	0.17%
<b>Prices</b>			
Highest share price	156.0	154.3	134.0
Lowest share price	130.6	132.8	106.1

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

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	104.72	93.05	75.78
Return before operating charges*	(7.29)	12.61	18.04
Operating charges	(0.92)	(0.94)	(0.77)
Return after operating charges*	(8.21)	11.67	17.27
Distributions	(2.77)	(2.87)	(2.78)
Retained distributions on accumulation share	2.77	2.87	2.78
Closing net asset value per share	96.51	104.72	93.05
* after Direct transaction costs	0.09	0.18	0.17
<b>Performance</b>			
Return after charges	(7.84%)	12.54%	22.79%
<b>Other information</b>			
Closing net asset value (£'000)	41,202	85,026	66,618
Closing number of shares	42,692,928	81,197,406	71,595,346
Operating charges	0.91%	0.91%	0.90%
Direct transaction costs	0.09%	0.17%	0.20%
<b>Prices</b>			
Highest share price	109.0	108.4	94.90
Lowest share price	91.06	93.80	75.78

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

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

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	84.54	77.95	66.28
Return before operating charges*	(5.74)	10.48	15.39
Operating charges	(0.73)	(0.76)	(0.66)
Return after operating charges*	(6.47)	9.72	14.73
Distributions	(2.93)	(3.13)	(3.06)
Closing net asset value per share	75.14	84.54	77.95
* after Direct transaction costs	0.07	0.15	0.14
<b>Performance</b>			
Return after charges	(7.65%)	12.47%	22.22%
<b>Other information</b>			
Closing net asset value (£'000)	41,309	66,948	67,972
Closing number of shares	54,973,232	79,189,716	87,195,532
Operating charges	0.91%	0.91%	0.90%
Direct transaction costs	0.09%	0.17%	0.19%
<b>Prices</b>			
Highest share price	87.09	88.02	79.81
Lowest share price	71.33	78.59	64.63

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

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

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

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

Institutional S accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	77.49	68.22	55.44
Return before operating charges*	(5.91)	9.84	13.24
Operating charges	(0.51)	(0.57)	(0.46)
Return after operating charges*	(6.42)	9.27	12.78
Distributions	(2.21)	(5.81)	(2.17)
Retained distributions on accumulation share	2.21	5.81	2.17
Closing net asset value per share	71.07	77.49	68.22
* after Direct transaction costs	0.07	0.13	0.12
<b>Performance</b>			
Return after charges	(8.28%)	13.32%	23.05%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	2	2
Closing number of shares	200	2,200	2,200
Operating charges	0.66%	0.74%	0.73%
Direct transaction costs	0.09%	0.17%	0.19%
<b>Prices</b>			
Highest share price	80.39	79.59	69.59
Lowest share price	67.14	68.79	55.42

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

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

<sup>^</sup> The closing net asset value of Institutional S accumulation is £142.

Institutional A income <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	62.85	60.16	51.03
Return before operating charges*	1.47	6.06	11.91
Operating charges	(0.50)	(1.01)	(0.41)
Return after operating charges*	0.97	5.05	11.50
Distributions	(1.40)	(2.36)	(2.37)
Redemption value as at 14 June 2018	(62.42)	-	-
Closing net asset value per share	-	62.85	60.16
* after Direct transaction costs	0.03	0.11	0.11
<b>Performance</b>			
Return after charges	1.54%	8.39%	22.54%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	2,200	2,200
Operating charges	1.61%	1.61%	1.60%
Direct transaction costs	0.09%	0.17%	0.19%
<b>Prices</b>			
Highest share price	64.66	65.60	61.58
Lowest share price	59.33	58.81	49.81

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

<sup>^</sup> Share class closed on 14 June 2018.

Institutional S income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.45	58.37	49.94
Return before operating charges*	(4.43)	10.11	11.61
Operating charges	(0.41)	(0.49)	(0.88)
Return after operating charges*	(4.84)	9.62	10.73
Distributions	(2.71)	(2.54)	(2.30)
Closing net asset value per share	57.90	65.45	58.37
* after Direct transaction costs	0.06	0.12	0.11
<b>Performance</b>			
Return after charges	(7.39%)	16.46%	21.49%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	200	2,200	2,200
Operating charges	0.66%	0.74%	0.73%
Direct transaction costs	0.09%	0.17%	0.20%
<b>Prices</b>			
Highest share price	67.35	68.05	59.79
Lowest share price	55.25	60.68	48.59

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<sup>^</sup> The closing net asset value of Institutional S income is £116.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (2.08%)</b>		-	-
<b>Euro Denominated Bonds (2.08%)</b>		-	-
<b>Equities (97.41%)</b>		<b>766,701</b>	<b>100.10</b>
<b>European Equities (97.41%)</b>		<b>766,701</b>	<b>100.10</b>
<b>Austria (1.21%)</b>		<b>12,922</b>	<b>1.69</b>
390,632	BAWAG Group	12,922	1.69
<b>Belgium (4.34%)</b>		<b>20,038</b>	<b>2.61</b>
615,948	Umicore	20,038	2.61
<b>Denmark (11.95%)</b>		<b>82,109</b>	<b>10.72</b>
468,740	Ambu	8,272	1.08
222,480	Coloplast	16,690	2.18
679,008	Novo Nordisk	25,013	3.26
1,217,484	Scandinavian Tobacco Group	12,077	1.58
981,468	Tryg	20,057	2.62
<b>Finland (7.39%)</b>		<b>57,306</b>	<b>7.48</b>
420,410	Kesko	18,773	2.45
402,059	Kone	14,739	1.92
2,734,727	Nokia	12,465	1.63
313,146	Sampo	11,329	1.48
<b>France (12.11%)</b>		<b>101,223</b>	<b>13.22</b>
216,939	Airbus	21,090	2.75
67,057	Amundi	3,354	0.44
1,118,850	AXA	21,355	2.79
41,079	LVMH	10,621	1.39
1,211,827	Orange	13,938	1.82
721,277	TOTAL	30,865	4.03
<b>Germany (13.00%)</b>		<b>62,126</b>	<b>8.11</b>
45,393	Adidas	8,309	1.08
203,588	Bayer	12,260	1.60
511,607	Deutsche Post	11,975	1.56
441,491	RWE	8,107	1.06
120,802	Siltronic	8,871	1.16
1,577,680	TUI	12,604	1.65

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Ireland (4.27%)</b>		<b>14,782</b>	<b>1.93</b>
243,194	Paddy Power Betfair	14,782	1.93
<b>Italy (7.60%)</b>		<b>58,413</b>	<b>7.63</b>
5,085,338	Enel	23,118	3.02
1,807,468	FinecoBank	16,866	2.20
2,441,178	Mediobanca	18,429	2.41
<b>Netherlands (6.41%)</b>		<b>92,647</b>	<b>12.10</b>
243,361	Akzo Nobel	16,609	2.17
165,449	ASML	22,815	2.98
553,712	ASR Nederland	18,317	2.39
1,888,855	CNH Industrial	15,398	2.01
98,712	Koninklijke DSM	7,976	1.04
283,210	Unilever	11,532	1.51
<b>Norway (1.88%)</b>		<b>42,386</b>	<b>5.53</b>
815,521	DNB Bank	11,765	1.54
663,145	Mowi	11,516	1.50
1,302,031	Telenor	19,105	2.49
<b>Spain (7.27%)</b>		<b>48,952</b>	<b>6.39</b>
104,668	Amadeus	5,932	0.78
878,462	Banco Santander	3,228	0.42
2,544,848	Bankinter	15,726	2.05
394,986	Inditex	8,974	1.17
1,165,565	Repsol	15,092	1.97
<b>Sweden (12.71%)</b>		<b>85,233</b>	<b>11.13</b>
196,288	Atlas Copco	3,998	0.52
313,023	Lundin Petroleum	7,666	1.00
447,851	Swedbank	6,168	0.81
653,622	Swedish Match	23,115	3.02
1,361,925	Tele2	13,494	1.76
702,037	Thule Group	11,688	1.53
1,724,636	Volvo	19,104	2.49
<b>Switzerland (7.27%)</b>		<b>88,564</b>	<b>11.56</b>
230,637	Nestle	15,728	2.05
38,652	Partners	21,061	2.75
118,034	Roche	24,701	3.23
108,742	Zurich	27,074	3.53

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (0.07%)</b>		<b>6,179</b>	<b>0.81</b>
7,217	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund+	6,178	0.81
1	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	1	-
<b>Total investment assets</b>		<b>772,880</b>	<b>100.91</b>
<b>Net other liabilities</b>		<b>(7,002)</b>	<b>(0.91)</b>
<b>Total Net Assets</b>		<b>765,878</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.  
The percentage figures in brackets show the comparative holding as at 28 February 2018  
+ Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital (losses)/gains	2	(107,118)	90,665
Revenue	4	39,848	40,511
Expenses	5	(8,156)	(9,477)
Interest payable and similar charges	6	(34)	(10)
Net revenue before taxation		31,658	31,024
Taxation	7	(2,948)	(421)
Net revenue after taxation		28,710	30,603
<b>Total return before distributions</b>		<b>(78,408)</b>	<b>121,268</b>
Distributions	8	(33,640)	(36,130)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(112,048)</b>	<b>85,138</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>1,159,569</b>	<b>911,218</b>
Amounts receivable on the issue of shares	17,885	258,504
Amounts payable on the cancellation of shares	(310,509)	(108,261)
	(292,624)	150,243
Dilution adjustment	475	141
Stamp duty reserve tax	-	(4)
Change in net assets attributable to shareholders from investment activities (see above)	(112,048)	85,138
Retained distribution on accumulation shares	10,506	12,833
<b>Closing net assets attributable to shareholders</b>	<b>765,878</b>	<b>1,159,569</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		772,880	1,154,411
<b>Current assets:</b>			
Debtors	9	13,711	16,461
Cash and bank balances	10	1,334	2
		15,045	16,463
<b>Total assets</b>		<b>787,925</b>	<b>1,170,874</b>
<b>Liabilities:</b>			
Creditors	11	(18,607)	(8,078)
Bank overdrafts		(267)	-
Distribution payable		(3,173)	(3,227)
		(22,047)	(11,305)
<b>Total liabilities</b>		<b>(22,047)</b>	<b>(11,305)</b>
<b>Net assets attributable to shareholders</b>		<b>765,878</b>	<b>1,159,569</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(107,180)	89,890
Forward currency contracts	2	(3)
Other gains	93	815
Handling charges taken from the capital account	(33)	(37)
<b>Net capital (losses)/gains</b>	<b>(107,118)</b>	<b>90,665</b>

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	443,228	737,529
Commissions	294	770
Taxes & Other Fees	193	522
<b>Total purchase transaction costs</b>	<b>487</b>	<b>1,292</b>
<b>Purchases including transaction costs</b>	<b>443,715</b>	<b>738,821</b>
<b>Sales</b>		
Gross sales before transaction costs	697,679	597,966
Commissions	(398)	(652)
<b>Total sale transaction costs</b>	<b>(398)</b>	<b>(652)</b>
<b>Total sales net of transaction costs</b>	<b>697,281</b>	<b>597,314</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.07%	0.10%
Taxes & Other Fees	0.04%	0.07%
<b>Sales</b>		
Commissions	0.06%	0.11%
	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.03%	0.07%
Taxes & Other Fees	0.02%	0.05%
<b>Sales</b>		
Commissions	0.04%	0.06%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Bonds	3,490	11,047
Equities	443,715	738,821
Collective investment schemes	333,932	175,839
<b>Sales</b>		
Bonds	24,515	-
Equities	697,281	597,314
Collective investment schemes	329,007	175,837

There were corporate actions (net sales) of £4,808,000 in the year (2018 (net purchases): £2,747,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.05% (2018: 0.62%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
Overseas dividends	39,208	38,803
Interest on debt securities	636	1,072
Bank interest	4	636
<b>Total revenue</b>	<b>39,848</b>	<b>40,511</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	7,136	8,263
Dealing charge	55	78
Registration fees	747	879
	7,938	9,220
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	81	81
Safe custody fee	118	126
	199	207
<b>Other:</b>		
Professional fees	10	41
Audit fee	9	9
	19	50
<b>Total expenses</b>	<b>8,156</b>	<b>9,477</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	34	10
<b>Total interest payable &amp; similar charges</b>	<b>34</b>	<b>10</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	2,948	421
<b>Total current tax</b>	<b>2,948</b>	<b>421</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	31,658	31,024
Corporation tax at 20% (2018: 20%)	6,332	6,205
Effects of:		
Revenue not subject to taxation	(7,842)	(7,644)
Overseas taxes	2,948	421
Overseas tax expensed	-	(18)
Excess allowable expenses	1,510	1,457
<b>Total tax charge for year (note 7a)</b>	<b>2,948</b>	<b>421</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £7,184,000 (2018: £5,674,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
First interim distribution	23,068	25,530
Second interim distribution	3,287	4,069
Third interim distribution	1,994	3,236
Final distribution	4,192	4,521
	32,541	37,356
Add: Income deducted on cancellation of shares	1,173	244
Deduct: Income received on issue of shares	(74)	(1,470)
<b>Net distribution for the year</b>	<b>33,640</b>	<b>36,130</b>
Details of the distribution per share are set out in this Fund's distribution tables.		
Net revenue after taxation	28,710	30,603
Annual ACD charge to capital	4,434	4,967
Undistributed revenue brought forward	-	(1)
Registration fees taken from the capital account	470	526
Dealing charges taken from the capital account	26	35
<b>Total distributions</b>	<b>33,640</b>	<b>36,130</b>

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	-	971
Sales awaiting settlement	9,208	9,996
Accrued revenue	777	1,589
Foreign withholding tax recoverable	3,726	3,905
<b>Total debtors</b>	<b>13,711</b>	<b>16,461</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Cash and bank balances	1,334	2
Bank overdrafts	(267)	-
<b>Total cash and bank balances</b>	<b>1,067</b>	<b>2</b>

## 11 Creditors

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	4,593	3,240
Purchases awaiting settlement	13,475	4,065
Accrued expenses payable to ACD	497	724
Accrued expenses payable to the Depositary or associates of the Depositary	20	32
Other accrued expenses	8	3
Corporation tax payable	14	14
<b>Total creditors</b>	<b>18,607</b>	<b>8,078</b>

## 12 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	8,530,134	431,724	(1,842,005)	(493)	7,119,360
Institutional accumulation	257,153,773	1,043,908	(103,638,109)	118,015	154,677,587
Retail income	2,900,990	88,727	(828,629)	(943)	2,160,145
Institutional income	610,995,938	14,941,470	(96,875,756)	32,436	529,094,088
Standard Life income	12,255,981	-	(485,092)	-	11,770,889
Standard Life accumulation	14,622,355	80,268	(13,952,760)	-	749,863
Platform 1 accumulation	81,197,406	530,496	(38,592,198)	(442,776)	42,692,928
Platform 1 income	79,189,716	657,725	(24,968,668)	94,459	54,973,232
Institutional S accumulation	2,200	-	(2,000)	-	200
Institutional A income	2,200	-	(2,200)	-	-
Institutional S income	2,200	-	(2,000)	-	200

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	-	-	-	-	24,114	-
Equities	766,701	-	-	1,129,484	-	-
Collective Investment Schemes	-	6,179	-	-	813	-
<b>Total investment assets</b>	<b>766,701</b>	<b>6,179</b>	<b>-</b>	<b>1,129,484</b>	<b>24,927</b>	<b>-</b>

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

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

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

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

## 15 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

### a. Market price risk

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

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £38,644,000 (2018: £57,721,000). A five per cent decrease would have an equal and opposite effect.

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £38,722,000 (2018: £58,276,000). A five per cent decrease would have an equal and opposite effect.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Danish Krone	84,477	140,423
Euro	471,269	771,634
Norwegian Krone	42,538	21,757
Swedish Krona	86,611	147,350
Swiss Franc	89,554	84,360

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets/(liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>				
<b>Currency</b>				
UK Sterling	(266)	-	(8,305)	(8,571)
Danish Krone	-	-	84,477	84,477
Euro	7,512	-	463,757	471,269
Norwegian Krone	-	-	42,538	42,538
Swedish Krona	-	-	86,611	86,611
Swiss Franc	-	-	89,554	89,554
<b>2018</b>				
<b>Currency</b>				
UK Sterling	319	-	(6,274)	(5,955)
Danish Krone	-	-	140,423	140,423
Euro	496	24,114	747,024	771,634
Norwegian Krone	-	-	21,757	21,757
Swedish Krona	-	-	147,350	147,350
Swiss Franc	-	-	84,360	84,360

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

### e. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the three months ended 31 May 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 May 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	2.5320	-	2.5320*	2.7165
Group 2	1.8729	0.6591	2.5320*	2.7165
<b>Institutional accumulation</b>				
Group 1	2.8417	-	2.8417*	3.0166
Group 2	1.4656	1.3761	2.8417*	3.0166
<b>Retail income</b>				
Group 1	2.0539	-	2.0539**	2.2517
Group 2	1.4724	0.5815	2.0539**	2.2517
<b>Institutional income</b>				
Group 1	2.1812	-	2.1812**	2.3802
Group 2	1.3851	0.7961	2.1812**	2.3802
<b>Standard Life income</b>				
Group 1	2.3461	-	2.3461**	2.5482
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	3.3032	-	3.3032*	3.4475
Group 2	2.3180	0.9852	3.3032*	3.4475
<b>Platform 1 accumulation</b>				
Group 1	2.1066	-	2.1066*	2.2389
Group 2	1.4322	0.6744	2.1066*	2.2389
<b>Platform 1 income</b>				
Group 1	1.8842	-	1.8842**	2.0573
Group 2	1.0338	0.8504	1.8842**	2.0573
<b>Institutional S accumulation</b>				
Group 1	1.6463	-	1.6463*	1.6762
Group 2	-	-	-	-
<b>Institutional A income</b>				
Group 1	1.3990	-	1.3990**	1.5443
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	1.4600	-	1.4600**	1.5934
Group 2	-	-	-	-

\* Distribution accumulated on 31 May 2018

\*\* Distribution paid on 31 July 2018

For the three months ended 31 August 2018

Group 1 - shares purchased prior to 1 June 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.1124	-	0.1124*	0.1410
Group 2	-	0.1124	0.1124*	0.1410
<b>Institutional accumulation</b>				
Group 1	0.2744	-	0.2744*	0.3141
Group 2	-	0.2744	0.2744*	0.3141
<b>Retail income</b>				
Group 1	0.3745	-	0.3745**	0.4027
Group 2	0.0719	0.3026	0.3745**	0.4027
<b>Institutional income</b>				
Group 1	0.3990	-	0.3990**	0.4260
Group 2	0.0941	0.3049	0.3990**	0.4260
<b>Standard Life income</b>				
Group 1	0.4271	-	0.4271**	0.4457
Group 2	-	-	-	0.4457
<b>Standard Life accumulation</b>				
Group 1	0.5930	-	0.5930*	0.5949
Group 2	0.1496	0.4434	0.5930*	0.5949
<b>Platform 1 accumulation</b>				
Group 1	0.1939	-	0.1939*	0.2209
Group 2	-	0.1939	0.1939*	0.2209
<b>Platform 1 income</b>				
Group 1	0.3420	-	0.3420**	0.3677
Group 2	0.0786	0.2634	0.3420**	0.3677
<b>Institutional S accumulation</b>				
Group 1	0.2659	-	0.2659*	0.1982
Group 2	-	-	-	-
<b>Institutional A income<sup>^</sup></b>				
Group 1	-	-	-	0.2719
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.2636	-	0.2636**	0.2781
Group 2	-	-	-	-

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

<sup>^</sup> Share class closed on 14 June 2018.

For the three months ended 30 November 2018

Group 1 - shares purchased prior to 1 September 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	-	-	-	0.0581
Group 2	-	-	-	0.0581
<b>Institutional accumulation</b>				
Group 1	0.1260	-	0.1260*	0.2158
Group 2	-	0.1260	0.1260*	0.2158
<b>Retail income</b>				
Group 1	0.2575	-	0.2575**	0.3370
Group 2	0.1224	0.1351	0.2575**	0.3370
<b>Institutional income</b>				
Group 1	0.2741	-	0.2741**	0.3573
Group 2	0.1186	0.1555	0.2741**	0.3573
<b>Standard Life income</b>				
Group 1	0.2974	-	0.2974**	0.3828
Group 2	-	-	-	0.3828
<b>Standard Life accumulation</b>				
Group 1	0.4027	-	0.4027*	0.5110
Group 2	0.2094	0.1933	0.4027*	0.5110
<b>Platform 1 accumulation</b>				
Group 1	0.0814	-	0.0814*	0.1478
Group 2	0.0213	0.0601	0.0814*	0.1478
<b>Platform 1 income</b>				
Group 1	0.2366	-	0.2366**	0.3086
Group 2	0.0939	0.1427	0.2366**	0.3086
<b>Institutional S accumulation</b>				
Group 1	0.0800	-	0.0800*	0.1490
Group 2	-	-	-	-
<b>Institutional A income<sup>^</sup></b>				
Group 1	-	-	-	0.2290
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.2600	-	0.2600**	0.3554
Group 2	-	-	-	-

\* Distribution accumulated on 30 November 2018

\*\* Distribution paid on 31 January 2019

<sup>^</sup> Share class closed on 14 June 2018.

For the three months ended 28 February 2019

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.3305	-	0.3305*	0.2000
Group 2	0.1527	0.1778	0.3305*	0.2000
<b>Institutional accumulation</b>				
Group 1	0.5332	-	0.5332*	0.3742
Group 2	0.3222	0.2110	0.5332*	0.3742
<b>Retail income</b>				
Group 1	0.5033	-	0.5033**	0.4376
Group 2	0.2862	0.2171	0.5033**	0.4376
<b>Institutional income</b>				
Group 1	0.5365	-	0.5365**	0.4642
Group 2	0.3168	0.2197	0.5365**	0.4642
<b>Standard Life income</b>				
Group 1	0.5828	-	0.5828**	0.4951
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.8220	-	0.8220*	0.6755
Group 2	0.5789	0.2431	0.8220*	0.6755
<b>Platform 1 accumulation</b>				
Group 1	0.3856	-	0.3856*	0.2661
Group 2	0.2372	0.1484	0.3856*	0.2661
<b>Platform 1 income</b>				
Group 1	0.4633	-	0.4633**	0.4011
Group 2	0.2360	0.2273	0.4633**	0.4011
<b>Institutional S accumulation</b>				
Group 1	0.2150	-	0.2150*	3.6136
Group 2	-	-	-	-
<b>Institutional A income<sup>^</sup></b>				
Group 1	-	-	-	0.3168
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.7300	-	0.7300**	0.3063
Group 2	-	-	-	-

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 14 June 2018.

**Equalisation**

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

**Treatment by Corporate Shareholders (unaudited)**

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

	1st Interim Dividend	2nd Interim Dividend	3rd Interim Dividend	Final Dividend
Treat as a UK corporate dividend	100.00%	100.00%	100.00%	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%	0.00%	0.00%	0.00%

# Global Advantage Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Multi Asset Investing Team
<b>Launch Date</b>	26 September 1990
<b>Benchmark</b>	IA Mixed Investment 40-85% Shares Sector

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mostly in global equities, equity type investments and fixed interest securities. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by investing in an actively managed portfolio of mainly UK and global equities, together with strategic holdings in fixed interest securities. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of equity and fixed interest exposure, and who do not desire a high degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of equity, bond and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

During the period under review, the Fund returned -2.04% (platform 1, accumulation), compared with the IA Mixed Investment 40-85% Shares Sector return of -0.06% (source: Morningstar, basic rate taxpayer, bid-to-bid basis).

#### Equities

In the UK portfolio, pub operator Ei Group was among the top performers. Having cut debt and stabilised the business, management is now investing for growth. Biopharma firm Shire performed strongly after finally accepting a bid from Japanese pharmaceutical firm Takeda. Our zero-weighting in advertising agency WPP was rewarded. The company underperformed after losing its CEO and reporting disappointing results and guidance. Gaming companies 888 and GVC ranked among the negative

contributors, reflecting concerns about the likely impact of the planned increase in UK Remote Gaming Duty. Elsewhere, Spire Healthcare fell after issuing another profits warning, stemming from cost overruns and high capital expenditure.

In the European portfolio, medical equipment supplier Ambu delivered positive returns after reporting above-forecast sales and margins. Scandinavian insurer Tryg moved steadily higher, reporting a series of favourable results and further improvement in its loss ratio. Business support services provider Teleperformance was rewarded for its sound track record, growing market share and successful acquisition strategy. Our underweight position in pharma company Novartis dragged on returns. The shares performed well as the company continued to shift towards higher-value opportunities. Rising input costs hurt German chemical producer Covestro as global styrene supplies dwindled. Technology services firm Atos also fell, on weak results and lower guidance.

In the US portfolio, financial services firm First Data Corp performed strongly on news of its acquisition of peer Fiserv. Medical equipment company Boston Scientific contributed positively after a patent infringement ruling went in its favour. Shares in rail transport company CSX Corp climbed higher, thanks to solid operational performance and share buy-backs. Negative contributors included DowDuPont as higher-than-expected input prices and Chinese trade tariffs prompted earnings downgrades. Games software designer Activision Blizzard lost ground as growth slowed and investors lost faith in the company's mobile opportunities. Similarly, Lear Corp fell when, for the first time in 18 quarters, the autoparts company failed to beat consensus forecasts.

#### Government bonds

Turning to the government bond portfolio, performance was broadly flat over the period. Early in the year, the strengthening global economy drove interest rate expectations higher. In turn, this pushed up government bond yields across most markets. However, as the year progressed, a combination of slower global growth and rising trade concerns prompted a sell-off in riskier assets, while reinvigorating demand for safe-haven assets like government bonds. Bond yields moved lower as a result. This hurt our performance, as the portfolio had a bias towards higher yields. Through tactical trading and keen risk-reduction into the end of the review period, we were able to mitigate losses. Also helpful were our positions in Canadian and Australian bonds, which both delivered positive returns.

We remain cautiously positioned for higher rates in the UK. However, the extent to which global bonds will sell off is significantly hampered by global central bank policy. This has turned more accommodative recently in response to signs of weakness in the global economy. Therefore, interest rates are likely to remain subdued for the time being.

### Investment activity

In the UK, we started a new position in aerospace and defence company Rolls Royce. The shares are attractively valued, and management's production and cost initiatives in recent years should start to bear fruit. We bought energy company Energean, anticipating upside from additional sales contracts and, in particular, near-field exploration. We added to our position in defence electronics firm Ultra which, under its new CEO, should see operational improvements over the medium term. We sold pharmaceuticals company Shire, which had performed strongly on news of its takeover by Japanese peer Takeda. Other sales included Aviva, where we saw no clear strategy or catalyst to cause the share price to appreciate. We also sold our position in Ashtead, taking profits after good performance.

Among the European purchases was pharmaceutical firm Novartis. We are optimistic about the new CEO's focus on operational improvements, strategic direction and simplification of the business. We added travel technology firm Amadeus. The company's acquisition of Navitaire should boost volumes and cross-selling opportunities, driving revenue growth. We bought construction design software firm Nemetschek, whose growth potential is, in our view, underestimated by the market. In particular, new regulatory demands on its customers should drive earnings upgrades. We exited Essilor International, after a meeting with management undermined our confidence in the investment case. We sold out of Swedish investment company Investor AB, as its valuation had become less compelling. We also exited pharmaceutical giant Bayer, as we became less convinced of the benefits of its deal with Monsanto.

US purchases included Microsoft. We expect profit margins to exceed forecasts, as its Azure cloud offering and Office 365 transition drive growth. We also bought payment processing firm Worldpay. We believe revenue synergies from its merger with Vantiv are underestimated by the market. We added Deere & Company, where we believe the replacement cycle for large agricultural equipment will be stronger than market expectations, driving positive margin surprise. We sold software designer Adobe, whose share price now adequately reflects the long-term growth opportunity in digital media. Financial services provider First Data Corp had performed well after announcing its acquisition of peer Fiserv, and we took profits. We exited Kraft Heinz well-ahead of its share price collapse on 22 February. Fundamentals had deteriorated and the likelihood of the company making a value-enhancing acquisition had, in our view, diminished.

### Synthetic Risk & Reward Indicator

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

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication for the future.

The current rating is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

### Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	170.99	161.12	132.74
Return before operating charges*	(1.86)	11.62	29.89
Operating charges	(1.75)	(1.75)	(1.51)
Return after operating charges*	(3.61)	9.87	28.38
Distributions	(2.35)	(1.77)	(1.98)
Retained distributions on accumulation shares*	2.35	1.77	1.98
Closing net asset value per share	167.38	170.99	161.12
* after direct transaction costs of:	0.08	0.20	0.17
<b>Performance</b>			
Return after charges	(2.11%)	6.13%	21.38%
<b>Other information</b>			
Closing net asset value (£'000)	314,917	343,182	342,826
Closing number of shares	188,142,906	200,707,517	212,772,079
Operating charges	1.02%	1.03%	1.03%
Direct transaction costs	0.05%	0.12%	0.12%
<b>Prices</b>			
Highest share price	181.4	178.9	161.1
Lowest share price	158.5	160.2	132.4

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	190.94	179.17	146.94
Return before operating charges*	(2.08)	12.93	33.22
Operating charges	(1.16)	(1.16)	(0.99)
Return after operating charges*	(3.24)	11.77	32.23
Distributions	(3.43)	(2.76)	(2.93)
Retained distributions on accumulation shares*	3.43	2.76	2.93
Closing net asset value per share	187.70	190.94	179.17
* after direct transaction costs of:	0.09	0.22	0.19
<b>Performance</b>			
Return after charges	(1.70%)	6.57%	21.93%
<b>Other information</b>			
Closing net asset value (£'000)	24,949	26,616	28,232
Closing number of shares	13,291,799	13,939,416	15,756,745
Operating charges	0.60%	0.61%	0.61%
Direct transaction costs	0.05%	0.12%	0.12%
<b>Prices</b>			
Highest share price	203.0	199.6	179.2
Lowest share price	177.6	178.2	146.6

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Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	113.40	107.97	90.10
Return before operating charges*	(1.16)	7.78	20.23
Operating charges	(1.16)	(1.17)	(1.02)
Return after operating charges*	(2.32)	6.61	19.21
Distributions	(1.55)	(1.18)	(1.34)
Closing net asset value per share	109.53	113.40	107.97
* after direct transaction costs of:	0.05	0.13	0.12
<b>Performance</b>			
Return after charges	(2.05%)	6.12%	21.32%
<b>Other information</b>			
Closing net asset value (£'000)	1,588	1,626	1,575
Closing number of shares	1,450,215	1,434,162	1,458,283
Operating charges	1.02%	1.03%	1.03%
Direct transaction costs	0.05%	0.12%	0.12%
<b>Prices</b>			
Highest share price	120.3	119.0	108.0
Lowest share price	104.2	107.4	89.92

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Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	111.76	106.40	88.77
Return before operating charges*	(1.15)	7.69	19.98
Operating charges	(0.67)	(0.69)	(0.59)
Return after operating charges*	(1.82)	7.00	19.39
Distributions	(2.00)	(1.64)	(1.76)
Closing net asset value per share*	107.94	111.76	106.40
* after direct transaction costs of:	0.05	0.13	0.12
<b>Performance</b>			
Return after charges	(1.63%)	6.58%	21.84%
<b>Other information</b>			
Closing net asset value (£'000)	674	570	390
Closing number of shares	624,600	509,755	366,257
Operating charges	0.60%	0.61%	0.61%
Direct transaction costs	0.05%	0.12%	0.12%
<b>Prices</b>			
Highest share price	118.8	117.5	106.8
Lowest share price	102.9	105.9	88.62

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Retail CAT accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	129.30	121.81	100.30
Return before operating charges*	(1.40)	8.78	22.62
Operating charges	(1.30)	(1.29)	(1.11)
Return after operating charges*	(2.70)	7.49	21.51
Distributions	(1.80)	(1.37)	(1.55)
Retained distributions on accumulation shares*	1.80	1.37	1.55
Closing net asset value per share	126.60	129.30	121.81
* after direct transaction costs of:	0.06	0.15	0.13
<b>Performance</b>			
Return after charges	(2.09%)	6.15%	21.45%
<b>Other information</b>			
Closing net asset value (£'000)	179,691	193,732	192,167
Closing number of shares	141,937,179	149,834,853	157,756,768
Operating charges	1.00%	1.01%	1.01%
Direct transaction costs	0.05%	0.12%	0.12%
<b>Prices</b>			
Highest share price	137.2	135.3	121.8
Lowest share price	119.9	121.1	100.1

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Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	79.60	74.36	60.68
Return before operating charges*	(0.95)	5.33	13.75
Operating charges	(0.08)	(0.09)	(0.07)
Return after operating charges*	(1.03)	5.24	13.68
Distributions	(1.77)	(1.50)	(1.55)
Retained distributions on accumulation shares*	1.77	1.50	1.55
Closing net asset value per share	78.57	79.60	74.36
* after direct transaction costs of:	0.04	0.09	0.08
<b>Performance</b>			
Return after charges	(1.29%)	7.05%	22.54%
<b>Other information</b>			
Closing net asset value (£'000)	2,241	2,368	2,222
Closing number of shares	2,852,501	2,975,576	2,987,920
Operating charges	0.10%	0.11%	0.11%
Direct transaction costs	0.05%	0.12%	0.12%
<b>Prices</b>			
Highest share price	84.80	83.18	74.36
Lowest share price	74.29	73.97	60.58

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

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

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	90.24	84.72	69.52
Return before operating charges*	(0.98)	6.11	15.71
Operating charges	(0.59)	(0.59)	(0.51)
Return after operating charges*	(1.57)	5.52	15.20
Distributions	(1.58)	(1.26)	(1.35)
Retained distributions on accumulation shares*	1.58	1.26	1.35
Closing net asset value per share	88.67	90.24	84.72
* after direct transaction costs of:	0.04	0.10	0.09
<b>Performance</b>			
Return after charges	(1.74%)	6.52%	21.86%
<b>Other information</b>			
Closing net asset value (£'000)	14,737	14,297	12,142
Closing number of shares	16,620,905	15,842,864	14,331,917
Operating charges	0.65%	0.66%	0.66%
Direct transaction costs	0.05%	0.12%	0.12%
<b>Prices</b>			
Highest share price	95.93	94.36	84.72
Lowest share price	83.91	84.27	69.37

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

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	81.95	78.02	65.09
Return before operating charges*	(0.84)	5.63	14.66
Operating charges	(0.53)	(0.54)	(0.47)
Return after operating charges*	(1.37)	5.09	14.19
Distributions	(1.43)	(1.16)	(1.26)
Closing net asset value per share*	79.15	81.95	78.02
* after direct transaction costs of:	0.04	0.10	0.09
<b>Performance</b>			
Return after charges	(1.67%)	6.52%	21.80%
<b>Other information</b>			
Closing net asset value (£'000)	1,345	1,238	1,121
Closing number of shares	1,698,647	1,510,487	1,436,941
Operating charges	0.65%	0.66%	0.66%
Direct transaction costs	0.05%	0.12%	0.13%
<b>Prices</b>			
Highest share price	87.11	86.14	78.32
Lowest share price	75.42	77.65	64.98

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## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (10.14%)</b>		<b>57,820</b>	<b>10.70</b>
<b>Euro Denominated Bonds (0.06%)</b>		<b>262</b>	<b>0.05</b>
<b>Corporate Bonds (0.06%)</b>		<b>262</b>	<b>0.05</b>
less than 5 years to maturity			
100,000	Standard Chartered FRN 2023	85	0.02
between 5 and 10 years to maturity			
100,000	UBS 4.75% 2026	91	0.02
between 10 and 15 years to maturity			
100,000	Bayer 2.125% 2029	86	0.01
<b>Sterling Denominated Bonds (8.38%)</b>		<b>47,124</b>	<b>8.72</b>
<b>Corporate Bonds (4.18%)</b>		<b>22,468</b>	<b>4.16</b>
less than 5 years to maturity			
100,000	AA Bond 2.75% 2023	89	0.02
100,000	Abbey National 1.875% 2020	100	0.02
33,000	Atlantia 6.25% 2022	36	0.01
150,000	Bank of America 6.125% 2021	166	0.03
90,000	Bank of Scotland 9.375% 2021	103	0.02
150,000	Barclays 3.125% 2024	150	0.03
100,000	Barclays 4.25% 2022	108	0.02
41,000	BASF 1.375% 2022	41	0.01
108,000	BMW 1.875% 2023	107	0.02
100,000	British American Tobacco 6% 2022	111	0.02
100,000	British Sky Broadcasting 2.875% 2020	102	0.02
100,000	BUPA 3.375% 2021	104	0.02
100,000	Citigroup 2.75% 2024	102	0.02
60,000	Commerzbank 6.625% 2019	61	0.01
100,000	Credit Agricole 7.375% 2023	122	0.02
100,000	Credit Suisse 3% 2022	103	0.02
140,000	Daimler 2.375% 2021	141	0.03
100,000	Deutsche Bank 1.875% 2020	99	0.02
100,000	First Hydro 9% 2021	116	0.02
300,000	FMS Wertmanagement 1.125% 2019	300	0.05
100,000	Friends Life 8.25% 2022	118	0.02
174,000	General Electric 6.25% 2020	185	0.03
100,000	Global Switch 4.375% 2022	107	0.02
200,000	Heathrow Funding 7.125% 2024	240	0.04
100,000	HSBC 2.175% 2023	99	0.02
50,000	Iberdrola 7.375% 2024	62	0.01
100,000	Intesa Sanpaolo 5.25% 2022	105	0.02
200,000	Intu (SGS) Finance 4.125% 2023	195	0.04

Holding	Investment	Market value £'000	Percentage of total net assets
75,000	John Lewis 8.375% 2019	76	0.01
100,000	JPMorgan Chase 1.875% 2020	101	0.02
50,000	Lend Lease Europe 6.125% 2021	54	0.01
150,000	LVMH 1% 2022	148	0.03
100,000	National Australia Bank 1.375% 2022	99	0.02
150,000	New York Life Global Funding 1% 2021	148	0.03
60,000	Northern Powergrid 7.25% 2022	72	0.01
69,000	Petróleos Mexicanos 8.25% 2022	76	0.01
150,000	Royal Bank of Scotland 5.125% 2024	174	0.03
100,000	RWE 5.5% 2022	112	0.02
100,000	Scania 1.875% 2022	98	0.02
117,000	Southern Gas Networks 4.875% 2023	132	0.02
100,000	SPI Australia Assets 5.125% 2021	106	0.02
62,000	Volkswagen Financial Services 1.5% 2021	61	0.01
100,000	Volkswagen Financial Services 1.625% 2022	98	0.02
100,000	Volkswagen Financial Services 1.875% 2021	99	0.02
100,000	Western Power 3.625% 2023	104	0.02
150,000	Western Power 5.25% 2023	168	0.03
72,000	Xstrata 7.375% 2020	77	0.01
between 5 and 10 years to maturity			
100,000	A.P. Moller-Maersk 4% 2025	101	0.02
100,000	Abbey National 5.75% 2026	126	0.02
150,000	ABP 6.25% 2026	180	0.03
100,000	APT Pipelines 4.25% 2024	108	0.02
107,000	Aroundtown 3.25% 2027	105	0.02
100,000	Bank of America 7% 2028	136	0.03
180,000	Barclays 3.25% 2027	177	0.03
100,000	Bazalgette Finance 2.375% 2027	99	0.02
190,000	BP 2.03% 2025	190	0.04
70,000	Citigroup 5.15% 2026	82	0.02
100,000	Citigroup 5.875% 2024	116	0.02
100,000	Clydesdale Bank 4.625% 2026	119	0.02
100,000	CPUK 3.588% 2025	104	0.02
200,000	CYBG 3.125% 2025	187	0.03
210,000	Enel 5.625% 2024	240	0.04
100,000	Experian 2.125% 2024	100	0.02
100,000	Gatwick 6.125% 2026	123	0.02
100,000	HSBC 2.256% 2026	97	0.02
100,000	HSBC 2.625% 2028	98	0.02
100,000	Land Securities 2.375% 2029	101	0.02
100,000	Lloyds Bank 4.875% 2027	121	0.02
118,000	Lloyds Bank 7.625% 2025	149	0.03

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	London & Quadrant Housing Trust 2.625% 2026	101	0.02
100,000	Morgan Stanley 2.625% 2027	101	0.02
100,000	National Grid 2.125% 2028	95	0.02
100,000	Nationwide Building Society 3.25% 2028	107	0.02
50,000	Orange 5.25% 2025	59	0.01
110,000	Santander UK Group 3.625% 2026	113	0.02
100,000	Scentre Management 3.875% 2026	107	0.02
100,000	Shaftesbury Chinatown 2.348% 2027	96	0.02
100,000	Society of Lloyd's 4.75% 2024	107	0.02
100,000	Stagecoach Group 4% 2025	102	0.02
100,000	Thames Water 2.875% 2027	95	0.02
100,000	Thames Water 3.5% 2028	104	0.02
94,000	Total Capital 1.75% 2025	94	0.02
100,000	Tritax Big Box REIT 2.625% 2026	98	0.02
119,000	Unite Group 3.5% 2028	120	0.02
89,000	United Utilities 5.625% 2027	111	0.02
69,000	Vodafone 5.625% fixed to floating 2025	83	0.02
100,000	Welltower 4.8% 2028	113	0.02
100,000	Yorkshire Building Society 4.125% 2024	101	0.02
50,000	Yorkshire Power 7.25% 2028	69	0.01
between 10 and 15 years to maturity			
280,000	Anheuser-Busch InBev 2.25% 2029	263	0.05
100,000	Annington Funding 3.184% 2029	99	0.02
100,000	APT Pipelines 3.5% 2030	103	0.02
100,000	Arqiva 4.882% 2032	103	0.02
150,000	AT&T 4.375% 2029	162	0.03
110,000	Barclays 3.25% 2033	101	0.02
100,000	BPCE 5.25% 2029	116	0.02
100,000	Broadgate Financing 4.851% 2033	123	0.02
35,000	Canary Wharf Finance 6.455% 2033	9	-
100,000	CRH 4.125% 2029	110	0.02
100,000	Digital Stout 3.3% 2029	98	0.02
100,000	Digital Stout 3.75% 2030	101	0.02
160,000	DONG Energy 4.875% 2032	196	0.04
100,000	E.ON Finance 6.375% 2032	135	0.02
100,000	GlaxoSmithKline 5.25% 2033	130	0.02
100,000	Great Rolling Stock 6.5% 2031	108	0.02
130,000	Greene King FRN 2033	97	0.02
100,000	HSBC 5.375% 2030	114	0.02
69,000	HSBC 5.375% 2033	84	0.02
100,000	Innogy 4.75% 2034	118	0.02
97,000	McDonald's 5.875% 2032	129	0.02

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Orange 3.25% 2032	102	0.02
139,000	Orange 5.625% 2034	180	0.03
133,000	Pension Insurance 5.625% 2030	130	0.02
80,000	Quadrant Housing 7.93% 2033	106	0.02
100,000	Rabobank 4.625% 2029	111	0.02
150,000	RWE 6.25% 2030	195	0.04
100,000	Shaftesbury Carnaby 2.487% 2031	93	0.02
100,000	South Eastern Power Networks 5.625% 2030	127	0.02
87,000	Southern Gas Networks 4.875% 2029	104	0.02
100,000	Telefonica Emisiones 5.445% 2029	121	0.02
150,000	Telereal 4.0902% fixed to floating 2033	155	0.03
100,000	Telereal Secured 4.01% 2033	81	0.02
174,000	Thames Water 5.75% 2030	189	0.03
100,000	Time Warner Cable 5.75% 2031	116	0.02
140,000	Western Power 5.75% 2032	181	0.03
between 15 and 25 years to maturity			
100,000	Affinity Sutton 4.25% 2042	118	0.02
100,000	Affordable Housing 2.893% 2043	112	0.02
100,000	Annington Funding 3.685% 2034	100	0.02
111,000	Aspire Defence 4.674% 2040 'A'	123	0.02
59,000	Aspire Defence 4.674% 2040 'B'	66	0.01
100,000	Aster Treasury 4.5% 2043	122	0.02
50,000	AT&T 7% 2040	71	0.01
100,000	Aviva 6.625% fixed to floating 2041	108	0.02
90,000	British American Tobacco 6% 2034	111	0.02
110,000	Connect Plus 2.607% 2039	111	0.02
120,000	Direct Line 9.25% 2042	141	0.03
100,000	Dwr Cymru Financing 2.5% 2036	98	0.02
200,000	E.ON Finance 5.875% 2037	268	0.05
100,000	Eversholt 3.529% 2042	95	0.02
120,000	Eversholt 6.697% 2035	151	0.03
100,000	Gatwick 5.75% 2037	134	0.02
10,000	GE Capital 6.25% 2038	13	0.00
50,000	General Electric 5.375% 2040	59	0.01
50,000	GlaxoSmithKline 5.25% 2042	68	0.01
188,000	HSBC 6% 2040	239	0.04
100,000	John Lewis 4.25% 2034	88	0.02
110,000	Land Securities 2.625% 2037	107	0.02
100,000	Morhomes 3.4% 2038	98	0.02
100,000	Munich Re 6.625% fixed to floating 2042	113	0.02
100,000	National Grid 2.625% 2038	92	0.02
138,000	Northumbrian Water 5.125% 2042	179	0.03

Holding	Investment	Market value £'000	Percentage of total net assets
131,000	Octagon Healthcare 5.333% 2035	134	0.02
54,076	Peel 8.375% 2040	75	0.01
129,000	QBE Insurance 6.115% 2042	138	0.02
110,000	RL Finance 6.125% fixed to floating 2043	121	0.02
41,000	RMPA Services 5.337% 2038	40	0.01
42,000	RSA Insurance 9.375% fixed to floating 2039	43	0.01
100,000	Sovereign Housing Capital 5.705% 2039	138	0.03
50,000	SSE 6.25% fixed to floating 2038	70	0.01
100,000	TC Dudgeon Ofco 3.158% 2038	103	0.02
210,000	Thames Water 5.125% 2037	258	0.05
100,000	Veolia Environment 6.125% 2037	142	0.03
100,000	Verizon Communications 3.375% 2036	102	0.02
100,000	Wal-Mart 5.25% 2035	140	0.03
50,000	Wells Fargo 4.625% 2035	62	0.01
50,000	Western Power 5.75% 2040	69	0.01
greater than 25 years to maturity			
100,000	AT&T 4.875% 2044	112	0.02
100,000	Aviva 5.125% 2050	102	0.02
100,000	AXA 5.625% 2054	110	0.02
100,000	Blend Funding 3.459% 2047	101	0.02
100,000	BPHA 4.816% 2044	125	0.02
100,000	British American Tobacco 2.25% 2052	66	0.01
100,000	Bromford Housing 3.125% 2048	98	0.02
50,000	Channel Link 6.341% 2046	59	0.01
150,000	EDF 5.125% 2050	192	0.04
100,000	EDF 6% 2114	138	0.03
50,000	Engie 5% 2060	73	0.01
100,000	Heathrow Funding 2.75% 2049	91	0.02
100,000	Heathrow Funding 4.625% 2046	125	0.02
100,000	Legal & General 5.5% 2064	102	0.02
100,000	NGG 5.625% fixed to floating 2073	107	0.02
100,000	Optivo Finance 3.283% 2048	100	0.02
100,000	Paragon 3.625% 2047	104	0.02
100,000	Prudential 5.7% fixed to floating 2063	114	0.02
100,000	RMAC 1.54306% 2046	90	0.02
100,000	SSE 3.625% 2077	98	0.02
100,000	University of Cambridge 2.35% 2078	93	0.02
120,000	Vodafone 3.375% 2049	106	0.02
100,000	Wellcome Trust 2.517% 2118	92	0.02
100,000	Wheatley 4.375% 2044	114	0.02
Perpetual			
100,000	Assicurazioni Generali 6.416% fixed to floating Perpetual	103	0.02

Holding	Investment	Market value £'000	Percentage of total net assets
105,000	Aviva 5.9021% fixed to floating Perpetual	108	0.02
111,000	AXA 5.453% fixed to floating Perpetual	118	0.02
100,000	EDF 5.875% fixed to floating Perpetual	100	0.02
100,000	Orange 5.75% fixed to floating Perpetual	107	0.02
100,000	Pennon 2.875% Perpetual	100	0.02
<b>Government Bonds (4.20%)</b>		<b>24,656</b>	<b>4.56</b>
less than 5 years to maturity			
376,000	KFW 1.375% 2021	378	0.07
535,000	UK (Govt of) 0.5% 2022	528	0.10
3,186,000	UK (Govt of) 1.75% 2019	3,198	0.59
335,000	UK (Govt of) 1.75% 2022	345	0.06
553,000	UK (Govt of) 2% 2020	562	0.10
428,000	UK (Govt of) 2.25% 2023	452	0.08
67,000	UK (Govt of) 3.75% 2020	70	0.01
296,000	UK (Govt of) 3.75% Index-Linked 2019	300	0.06
521,000	UK (Govt of) 4% 2022	570	0.11
417,000	UK (Govt of) 4.75% 2020	434	0.08
between 5 and 10 years to maturity			
246,000	UK (Govt of) 1% 2024	246	0.05
874,000	UK (Govt of) 1.5% 2026	898	0.17
308,000	UK (Govt of) 1.625% 2028	317	0.06
493,000	UK (Govt of) 2% 2025	523	0.10
1,333,000	UK (Govt of) 2.75% 2024	1,458	0.27
613,000	UK (Govt of) 5% 2025	755	0.14
341,000	UK (Govt of) 6% 2028	489	0.09
between 10 and 15 years to maturity			
623,434	UK (Govt of) 4.25% 2032	827	0.15
703,773	UK (Govt of) 4.75% 2030	958	0.18
between 15 and 25 years to maturity			
330,000	UK (Govt of) 1.75% 2037	330	0.06
482,797	UK (Govt of) 3.25% 2044	620	0.11
530,000	UK (Govt of) 4.25% 2036	731	0.14
600,000	UK (Govt of) 4.25% 2039	857	0.16
447,152	UK (Govt of) 4.25% 2040	647	0.12
712,000	UK (Govt of) 4.5% 2034	993	0.18
467,613	UK (Govt of) 4.5% 2042	712	0.13
488,781	UK (Govt of) 4.75% 2038	736	0.14
greater than 25 years to maturity			
435,927	UK (Govt of) 1.5% 2047	405	0.07
122,000	UK (Govt of) 1.625% 2071	119	0.02
57,000	UK (Govt of) 1.75% 2049	56	0.01

Holding	Investment	Market value £'000	Percentage of total net assets
63,228	UK (Govt of) 1.75% 2057	64	0.01
514,263	UK (Govt of) 2.5% 2065	645	0.12
429,065	UK (Govt of) 3.5% 2045	576	0.11
522,016	UK (Govt of) 3.5% 2068	832	0.15
416,610	UK (Govt of) 3.75% 2052	625	0.12
400,032	UK (Govt of) 4% 2060	668	0.12
405,577	UK (Govt of) 4.25% 2046	619	0.12
352,678	UK (Govt of) 4.25% 2049	556	0.10
331,024	UK (Govt of) 4.25% 2055	557	0.10
<b>US Dollar Denominated Bonds (1.70%)</b>		<b>10,434</b>	<b>1.93</b>
<b>Corporate Bonds (0.13%)</b>		<b>545</b>	<b>0.10</b>
between 5 and 10 years to maturity			
220,000	Charter Communications 4.908% 2025	171	0.03
200,000	UBS 4.125% 2026	153	0.03
between 15 and 25 years to maturity			
100,000	CVS Health 4.875% 2035	74	0.01
greater than 25 years to maturity			
200,000	Swedbank 6% 2049	147	0.03
<b>Government Bonds (1.57%)</b>		<b>9,889</b>	<b>1.83</b>
between 5 and 10 years to maturity			
9,800,000	US Treasury 1.75% Index-Linked 2028	9,575	1.77
greater than 25 years to maturity			
405,400	US Treasury 1% Index-Linked 2046	314	0.06
<b>Equities (63.52)</b>		<b>318,639</b>	<b>58.99</b>
<b>European Equities (ex UK) (20.46%)</b>		<b>99,712</b>	<b>18.46</b>
<b>Belgium (0.30%)</b>		<b>1,236</b>	<b>0.23</b>
38,001	Umicore	1,236	0.23
<b>Denmark (1.51%)</b>		<b>8,174</b>	<b>1.51</b>
112,213	Ambu	1,980	0.37
19,148	Coloplast	1,437	0.26
54,102	Novo Nordisk	1,993	0.37
24,997	Orsted	1,370	0.25
68,198	Tryg	1,394	0.26
<b>Finland (0.00%)</b>		<b>759</b>	<b>0.14</b>
62,114	Wartsila	759	0.14
<b>France (3.25%)</b>		<b>14,520</b>	<b>2.69</b>
24,080	Airbus	2,341	0.43
26,438	Amundi	1,322	0.25

Holding	Investment	Market value £'000	Percentage of total net assets
4,110	Kering	1,689	0.31
100,881	Orange	1,160	0.21
11,036	ORPEA	978	0.18
26,359	Plastic Omnium	557	0.10
7,493	SEB	968	0.18
9,446	Teleperformance	1,270	0.24
9,071	Thales	840	0.16
60,261	TOTAL	2,579	0.48
15,005	Ubisoft Entertainment	816	0.15
<b>Germany (2.94%)</b>		<b>11,085</b>	<b>2.05</b>
11,739	Allianz	1,962	0.36
18,733	Covestro	806	0.15
55,942	Deutsche Post	1,309	0.24
5,065	Hypoport	725	0.13
76,509	Infineon Technology	1,264	0.23
9,593	Nemetschek	1,052	0.20
2,544	Puma	1,079	0.20
38,046	Rocket Internet	672	0.13
24,295	Siemens Healthineers	738	0.14
14,438	Wirecard	1,478	0.27
<b>Ireland (1.46%)</b>		<b>4,305</b>	<b>0.80</b>
12,306	Allegion	832	0.15
36,099	CRH	860	0.16
13,286	Kerry	1,029	0.19
23,275	Medtronic	1,584	0.30
<b>Italy (0.81%)</b>		<b>3,834</b>	<b>0.71</b>
304,862	Enel	1,386	0.26
111,809	FincoBank	1,043	0.19
30,761	Interpump	749	0.14
42,700	Prysmian	656	0.12
<b>Luxembourg (0.18%)</b>		<b>2,146</b>	<b>0.40</b>
48,293	ArcelorMittal	835	0.16
28,857	Millicom International Cellular	1,311	0.24
<b>Netherlands (3.66%)</b>		<b>21,362</b>	<b>3.95</b>
20,967	Akzo Nobel	1,431	0.26
16,191	ASML	2,233	0.41
37,042	ASR Nederland	1,225	0.23
15,355	Koninklijke DSM	1,241	0.23
185,011	Royal Dutch Shell 'A'	4,346	0.81

Holding	Investment	Market value £'000	Percentage of total net assets
332,232	Royal Dutch Shell 'B'	7,854	1.45
43,563	Unilever (Netherlands listing)	1,774	0.33
25,354	Wolters Kluwer	1,258	0.23
<b>Norway (0.21%)</b>		<b>969</b>	<b>0.18</b>
66,038	Telenor	969	0.18
<b>Portugal (0.10%)</b>		<b>503</b>	<b>0.09</b>
40,714	Galp Energia	503	0.09
<b>Spain (1.32%)</b>		<b>4,807</b>	<b>0.89</b>
30,476	Amadeus	1,727	0.32
159,044	Bankinter	983	0.18
44,978	CIE Automotive	962	0.18
49,982	Inditex	1,135	0.21
<b>Sweden (1.30%)</b>		<b>6,080</b>	<b>1.13</b>
67,953	Assa Abloy	1,057	0.20
217,339	Ericsson 'B'	1,499	0.28
49,634	Essity	1,042	0.19
36,080	Swedbank	497	0.09
25,165	Swedish Match	890	0.17
98,850	Volvo	1,095	0.20
<b>Switzerland (3.42%)</b>		<b>19,932</b>	<b>3.69</b>
67,633	Coca-Cola HBC	1,715	0.32
1,345,060	IWG	3,096	0.57
25,081	Julius Baer	825	0.15
48,023	Nestle	3,275	0.61
46,531	Novartis	3,197	0.59
2,760	Partners	1,504	0.28
12,003	Roche	2,512	0.47
16,590	Swiss Re	1,237	0.23
8,017	Temenos	875	0.16
6,812	Zurich	1,696	0.31
<b>North American Equities (18.52%)</b>		<b>95,949</b>	<b>17.76</b>
<b>Bermuda (0.16%)</b>		<b>1,403</b>	<b>0.26</b>
93,528	Marvell Technology	1,403	0.26
<b>Canada (0.19%)</b>		<b>2,576</b>	<b>0.47</b>
22,054	Alimentation Couche-Tard 'B'	932	0.17
34,606	Restaurant Brands International	1,644	0.30

Holding	Investment	Market value £'000	Percentage of total net assets
<b>United States (18.17%)</b>		<b>91,970</b>	<b>17.03</b>
20,016	Activision Blizzard	634	0.12
6,040	Allergan	625	0.12
6,014	Alphabet 'A'	5,094	0.94
2,716	Amazon.com	3,348	0.62
18,032	American Tower	2,388	0.44
8,416	AmerisourceBergen 'A'	527	0.10
13,749	Anadarko Petroleum	449	0.08
5,998	Anthem	1,356	0.25
18,048	Apple	2,350	0.43
98,664	Bank of America	2,157	0.40
38,453	Baxter International	2,160	0.40
6,738	Boeing	2,228	0.41
1,240	Booking Holdings	1,582	0.29
36,560	Boston Scientific	1,102	0.20
28,843	Bristol-Myers Squibb	1,120	0.21
7,527	Broadcom	1,559	0.29
10,594	Burlington	1,352	0.25
14,242	Celanese	1,095	0.20
29,683	Chevron	2,668	0.49
44,640	Cisco Systems	1,738	0.32
40,414	CMS Energy	1,653	0.31
86,692	Comcast	2,521	0.47
8,900	Constellation	1,131	0.21
24,152	CSX	1,319	0.24
14,229	Deere & Co	1,754	0.33
25,773	DowDuPont	1,031	0.19
8,411	Electronic Arts	606	0.11
18,288	Eli Lilly	1,736	0.32
6,192	Equinix	1,970	0.37
17,673	Facebook	2,146	0.40
27,162	First Republic Bank	2,144	0.40
13,336	Intercontinental Exchange	773	0.14
26,440	Johnson & Johnson	2,717	0.50
182,061	Kosmos Energy	856	0.16
7,755	Lear	886	0.16
104,444	Marathon Oil	1,303	0.24
13,499	Mastercard	2,281	0.42
8,053	McDonald's	1,113	0.21
61,124	MGM Resorts International	1,229	0.23
58,565	Microsoft	4,934	0.91
60,620	Mondelez	2,149	0.40

Holding	Investment	Market value £'000	Percentage of total net assets
6,329	Netflix	1,703	0.32
16,726	NextEra Energy	2,360	0.44
7,894	NVIDIA	916	0.17
14,661	Raytheon	2,056	0.38
25,585	Schlumberger	847	0.16
47,363	Schwab (Charles)	1,639	0.30
43,657	Steel Dynamics	1,225	0.23
34,242	TJX	1,320	0.24
16,633	United Health	3,026	0.56
47,862	Verizon Communications	2,048	0.38
58,521	Wells Fargo	2,195	0.41
11,806	Worldpay	851	0.16
<b>UK Equities (24.54%)</b>		<b>122,978</b>	<b>22.77</b>
<b>Basic Materials (1.81%)</b>		<b>9,984</b>	<b>1.85</b>
73,057	Anglo American	1,463	0.27
1,077,407	Glencore	3,274	0.61
52,129	Johnson Matthey	1,612	0.30
1,174,142	Petra Diamonds	261	0.05
77,821	Rio Tinto	3,374	0.62
<b>Consumer Goods (5.05%)</b>		<b>20,355</b>	<b>3.76</b>
57,192	Bellway	1,729	0.32
1,183,140	Boohoo.com*	2,072	0.38
222,400	Bovis Homes	2,404	0.44
163,777	British American Tobacco	4,517	0.84
233,191	Countryside Properties	760	0.14
1,010,623	Dixons Carphone	1,341	0.25
44,755	Fever Tree Drinks*	1,198	0.22
194,293	Inchcape	1,097	0.20
222,752	JD Sports	1,037	0.19
41,269	Reckitt Benckiser	2,380	0.44
201,407	Redrow	1,253	0.23
109,646	SuperGroup	567	0.11
<b>Consumer Services (2.69%)</b>		<b>12,498</b>	<b>2.32</b>
1,295,983	888 Holdings	2,294	0.43
1,818,359	EI Group	3,673	0.68
515,343	GVC	3,381	0.63
909,411	ITV	1,192	0.22
181,081	Just Eat	1,351	0.25
501,999	Saga	607	0.11

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Financials (6.85%)</b>		<b>33,149</b>	<b>6.14</b>
306,967	Aviva	1,299	0.24
1,450,161	Barclays	2,380	0.44
57,425	Close Brothers	866	0.16
1,269,404	Grainger	3,133	0.58
1,963,917	Hansteen REIT	1,924	0.36
1,253,578	HSBC	7,682	1.42
906,651	International Personal Finance	1,819	0.34
271,946	John Laing Group	1,044	0.19
25,361	London Stock Exchange	1,143	0.21
411,499	Onesavings Bank	1,614	0.30
159,761	Phoenix	1,116	0.21
185,062	Prudential	2,941	0.54
268,549	Standard Chartered	1,615	0.30
1,310,182	Standard Life	4,573	0.85
<b>Health Care (2.02%)</b>		<b>11,537</b>	<b>2.14</b>
30,576	AstraZeneca	1,877	0.35
117,058	Clinigen*	1,119	0.21
97,436	ConvaTec	129	0.02
67,509	Genus	1,477	0.27
89,606	GlaxoSmithKline	1,342	0.25
34,545	Hutchison China MediTech*	1,309	0.24
1,106,099	Indivior	1,187	0.22
77,600	NMC Healthcare	2,097	0.39
784,865	Spire Healthcare	1,000	0.19
<b>Industrials (2.90%)</b>		<b>15,519</b>	<b>2.87</b>
81,904	Bodycote	621	0.12
394,085	Essentra	1,484	0.27
572,704	Melrose Industries	996	0.18
1,855,097	Mitie Group	2,389	0.44
384,290	Polypipe	1,596	0.29
138,746	Rolls-Royce	1,325	0.25
409,265	RPC	3,241	0.60
505,389	Smith (DS)	1,695	0.31
93,896	Ultra Electronics	1,163	0.22
166,197	Vesuvius	1,009	0.19
<b>Oil &amp; Gas (2.14%)</b>		<b>13,853</b>	<b>2.56</b>
1,505,462	BP	8,044	1.49
1,187,818	Cairn Energy	2,409	0.45
87,672	Energear Oil & Gas	577	0.11

Holding	Investment	Market value £'000	Percentage of total net assets
200,993	Hunting	1,099	0.20
399,790	Tullow Oil	881	0.16
162,056	Wood Group	843	0.15
<b>Technology (0.00%)</b>		<b>1,031</b>	<b>0.19</b>
34,273	AVEVA	1,031	0.19
<b>Telecommunications (0.73%)</b>		<b>2,960</b>	<b>0.55</b>
121,882	Inmarsat	487	0.09
1,841,954	Vodafone	2,473	0.46
<b>Utilities (0.35%)</b>		<b>2,092</b>	<b>0.39</b>
246,789	National Grid	2,092	0.39
<b>Collective Investment Schemes (24.57%)</b>		<b>124,406</b>	<b>23.03</b>
804,156	SLI Emerging Market Local Currency Debt SICAV +	9,655	1.79
5,231,564	SLI Global Bond SICAV +	46,401	8.59
263,898	SLI Global REIT Focus SICAV +	3,053	0.56
71,494,361	SLTM Japan Trust +	29,856	5.53
23,517,699	SLTM Pacific Basin Trust +	35,441	6.56
<b>Derivatives (0.15%)</b>		<b>1,804</b>	<b>0.34</b>
<b>Credit Default Swaps (0.00%)</b>		<b>743</b>	<b>0.14</b>
USD 5,257,216	Sell CDX Emerging Markets Series 30 20/12/2023 1%	(102)	(0.02)
EUR 4,440,000	Sell iTraxx Europe Series 30 20/12/2023 5%	407	0.08
EUR 4,770,000	Sell iTraxx Europe Series 30 20/12/2023 5%	438	0.08
<b>Forward Currency Contracts (-0.06%)</b>		<b>90</b>	<b>0.02</b>
	Buy GBP 266,779 Sell EUR 306,361 11/04/2019	4	-
	Buy GBP 11,635 Sell USD 15,067 11/04/2019	-	-
	Buy GBP 118,839 Sell USD 158,394 11/04/2019	-	-
	Buy GBP 448,860 Sell USD 593,370 11/04/2019	4	-
	Buy GBP 707,564 Sell USD 935,363 11/04/2019	6	-
	Buy GBP 9,585,826 Sell USD 12,671,955 11/04/2019	80	0.02
	Buy USD 177,801 Sell GBP 134,775 11/04/2019	(1)	-
	Buy USD 210,694 Sell GBP 160,884 11/04/2019	(3)	-
<b>Futures (0.21%)</b>		<b>971</b>	<b>0.18</b>
81	Long Australian 10 Year Bond Future 15/03/2019	162	0.03
538	Long E-mini MSCI Emerging Market Index Future 15/03/2019	1,462	0.27
1	Long Euro Buxl 30 Year Future 07/03/2019	-	-
10	Long Euro-Oat Future 07/03/2019	6	-
5	Long Long Gilt Future 26/06/2019	(7)	-
1	Long Long Gilt Future 26/06/2019	(1)	-

Holding	Investment	Market value £'000	Percentage of total net assets
6	Long Topix Index Future 07/03/2019	15	-
40	Long US 2 Year Note Future 28/06/2019	(5)	-
(23)	Short Euro Bond Future 07/03/2019	(9)	-
(1)	Short Euro Bond Future 07/03/2019	(3)	-
(11)	Short Euro Bond Future 07/03/2019	-	-
(152)	Short Euro Stoxx 50 Index Future 15/03/2019	(364)	(0.07)
(31)	Short Euro Stoxx 50 Index Future 15/03/2019	32	0.01
(3)	Short Japan 10 Year Bond (TSE) Future 13/03/2019	(3)	-
(78)	Short Long Gilt Future 26/06/2019	113	0.02
(56)	Short S&P 500 Index E-mini Future 15/03/2019	(443)	(0.08)
(4)	Short US 10 Year Note Future 19/06/2019	1	-
(34)	Short US 10 Year Note Future 19/06/2019	8	-
(19)	Short US 10 Year Ultra Future 19/06/2019	6	-
(2)	Short US Long Bond (CBT) Future 19/06/2019	1	-
<b>Total investment assets and liabilities</b>		<b>502,669</b>	<b>93.06</b>
<b>Net other assets</b>		<b>37,473</b>	<b>6.94</b>
<b>Total Net Assets</b>		<b>540,142</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

\*AIM listed

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(19,346)		28,868
Revenue	4	14,250		12,574	
Expenses	5	(5,573)		(5,790)	
Interest payable and similar charges	6	(13)		(3)	
Net revenue before taxation		8,664		6,781	
Taxation	7	(596)		(350)	
Net revenue after taxation			8,068		6,431
<b>Total return before distributions</b>			<b>(11,278)</b>		<b>35,299</b>
Distributions	8		(8,068)		(6,431)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(19,346)</b>		<b>28,868</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>583,629</b>		<b>580,675</b>
Amounts receivable on the issue of shares	7,279		8,690	
Amounts payable on the cancellation of shares	(39,382)		(41,000)	
		(32,103)		(32,310)
Dilution adjustment		63		81
Change in net assets attributable to shareholders from investment activities (see above)		(19,346)		28,868
Retained distribution on accumulation shares		7,899		6,315
<b>Closing net assets attributable to shareholders</b>		<b>540,142</b>		<b>583,629</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			503,610		574,981
<b>Current assets:</b>					
Debtors	9	2,403		2,159	
Cash and bank balances	10	37,483		7,931	
			39,886		10,090
<b>Total assets</b>			<b>543,496</b>		<b>585,071</b>
<b>Liabilities:</b>					
Investment liabilities			(941)		(790)
Creditors	11	(2,021)		(637)	
Bank overdrafts		(370)		-	
Distribution payable		(22)		(15)	
			(2,413)		(652)
<b>Total liabilities</b>			<b>(3,354)</b>		<b>(1,442)</b>
<b>Net assets attributable to shareholders</b>			<b>540,142</b>		<b>583,629</b>

## Notes to the Financial Statements

## 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

## 2 Net Capital (Losses)/Gains

	2019 £'000	2018 £'000
Non-derivative securities	(15,330)	26,481
Derivative contracts	(3,575)	2,578
Forward currency contracts	(504)	(204)
Other gains	89	44
Handling charges taken from the capital account	(26)	(31)
<b>Net capital (losses)/gains</b>	<b>(19,346)</b>	<b>28,868</b>

## 3 Equity Purchases, Sales and Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	113,237	189,320
Commissions	65	157
Taxes & Other Fees	124	365
<b>Total purchase transaction costs</b>	<b>189</b>	<b>522</b>
<b>Purchases including transaction costs</b>	<b>113,426</b>	<b>189,842</b>
<b>Sales</b>		
Gross sales before transaction costs	154,302	202,711
Commissions	(76)	(163)
Taxes & Other Fees	(1)	(2)
<b>Total sale transaction costs</b>	<b>(77)</b>	<b>(165)</b>
<b>Total sales net of transaction costs</b>	<b>154,225</b>	<b>202,546</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.06%	0.08%
Taxes & Other Fees	0.11%	0.19%
<b>Sales</b>		
Commissions	0.05%	0.08%
Taxes & Other Fees	0.00%	0.00%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.01%	0.03%
Taxes & Other Fees	0.02%	0.06%
<b>Sales</b>		
Commissions	0.01%	0.03%
Taxes & Other Fees	0.00%	0.00%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Bonds	21,721	24,036
Equities	113,426	189,842
Collective investment schemes	18,865	-
<b>Sales</b>		
Bonds	22,941	24,841
Equities	154,225	202,546
Collective investment schemes	34,164	11,105

There were corporate actions (net sales) of £804,000 in the year (2018: £1,368,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.15% (2018: 0.65%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	5,651	5,183
Overseas dividends	4,981	4,908
Franked dividend distributions	943	502
Interest distributions	446	-
Interest on debt securities	1,504	1,344
Derivative revenue	-	1
Bank interest	126	27
ACD fee rebate on collective investment scheme holdings	599	609
<b>Total revenue</b>	<b>14,250</b>	<b>12,574</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	5,431	5,649
Dealing charge	8	7
Registration fees	37	35
	5,476	5,691
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	60	64
Safe custody fee	25	21
	85	85
<b>Other:</b>		
Professional fees	-	3
Audit fee	12	11
	12	14
<b>Total expenses</b>	<b>5,573</b>	<b>5,790</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	3	3
Derivative expense	10	-
<b>Total interest payable &amp; similar charges</b>	<b>13</b>	<b>3</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	596	350
Total current tax	596	350
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	8,664	6,781
Corporation tax at 20% (2018: 20%)	1,733	1,356
Effects of:		
Revenue not subject to taxation	(2,267)	(1,128)
Overseas taxes	596	350
Overseas tax expensed	(3)	(2)
Excess allowable expenses	537	740
Revenue taxable in other periods	-	(1)
Non taxable overseas dividends	-	(965)
<b>Total tax charge for year (note 7a)</b>	<b>596</b>	<b>350</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,980,000 (2018: £4,442,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Interim distribution	5,106	4,281
Final distribution	2,850	2,074
	7,956	6,355
Add: Income deducted on cancellation of shares	141	102
Deduct: Income received on issue of shares	(29)	(26)
<b>Net distribution for the year</b>	<b>8,068</b>	<b>6,431</b>

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

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	-	48
Sales awaiting settlement	766	457
Accrued revenue	1,341	1,407
Accrued rebate of Management fees on underlying investments	48	-
Foreign withholding tax recoverable	248	247
<b>Total debtors</b>	<b>2,403</b>	<b>2,159</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Amounts held at futures clearing houses and brokers	704	1,377
Cash and bank balances	36,779	6,554
Collateral cash	(370)	-
<b>Total cash and bank balances</b>	<b>37,113</b>	<b>7,931</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	275	181
Purchases awaiting settlement	1,307	-
Accrued expenses payable to ACD	407	433
Accrued expenses payable to the Depositary or associates of the Depositary	14	12
Other accrued expenses	18	11
<b>Total creditors</b>	<b>2,021</b>	<b>637</b>

## 12 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

A portion of the management fee rebate by the Fund is from other Standard Life Aberdeen Group companies related to investments in funds managed by those Standard Life Aberdeen Group companies. During the period £599,000 (2018: £609,000) has been recognised and is included in the total rebate amounts in note 4. The balance due to the Fund at the period end in respect of this amounted to £48,000 (2018: nil) and is included in the total rebate amount disclosed in note 9.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	200,707,517	91,592	(12,489,439)	(166,764)	188,142,906
Institutional accumulation	13,939,416	385,310	(1,085,905)	52,978	13,291,799
Retail income	1,434,162	2,392	(120,196)	133,857	1,450,215
Institutional income	509,755	160,754	(46,569)	660	624,600
Retail CAT accumulation	149,834,853	2,240,459	(10,136,403)	(1,730)	141,937,179
Standard Life accumulation	2,975,576	70,007	(193,082)	-	2,852,501
Platform 1 accumulation	15,842,864	2,930,127	(2,190,513)	38,427	16,620,905
Platform 1 income	1,510,487	344,122	(155,062)	(900)	1,698,647

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	34,545	23,275	-	33,343	25,897	-
Equities	318,639	-	-	370,703	3	-
Collective Investment Schemes	-	124,406	-	-	143,377	-
Derivatives	1,806	939	-	1,657	1	-
<b>Total investment assets</b>	<b>354,990</b>	<b>148,620</b>	<b>-</b>	<b>405,703</b>	<b>169,278</b>	<b>-</b>
Derivatives	(835)	(106)	-	(444)	(346)	-
<b>Total investment liabilities</b>	<b>(835)</b>	<b>(106)</b>	<b>-</b>	<b>(444)</b>	<b>(346)</b>	<b>-</b>

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

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

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

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

## 15 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk. The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

#### a. Market price risk

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

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

Value at Risk (VaR) is a measure of the maximum potential loss to the Fund due to market risk. More particularly, VaR measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

2019	Minimum	Maximum	Average
VaR 99% 1 Month	5.87%	6.92%	6.32%

2018	Minimum	Maximum	Average
VaR 99% 1 Month	5.95%	6.74%	6.28%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 6.50%, £35,125,000 (2018: 6.15%, £35,922,000) within a one month period.

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

#### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

#### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets/(liabilities)	
	2019 £'000	2018 £'000
Australian Dollar	149	(3)
Canadian Dollar	932	1,101
Danish Krone	8,277	8,890
Euro	51,696	68,818
Japanese Yen	13	9
Norwegian Krone	969	1,196
Swedish Krona	7,390	7,569
Swiss Franc	15,121	14,644
US Dollar	144,225	166,948

#### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate

securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets/(liabilities) £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>				
<b>Currency</b>				
UK Sterling	39,771	44,460	227,139	311,370
Australian Dollar	(13)	-	162	149
Canadian Dollar	-	-	932	932
Danish Krone	-	-	8,277	8,277
Euro	428	86	51,182	51,696
Japanese Yen	-	-	13	13
Norwegian Krone	-	-	969	969
Swedish Krona	-	-	7,390	7,390
Swiss Franc	-	-	15,121	15,121
US Dollar	9,575	545	134,105	144,225
<b>2018</b>				
<b>Currency</b>				
UK Sterling	10,955	45,894	257,607	314,456
Australian Dollar	(3)	-	-	(3)
Canadian Dollar	-	-	1,101	1,101
Danish Krone	-	-	8,890	8,890
Euro	180	182	68,456	68,818
Japanese Yen	-	-	9	9
Norwegian Krone	-	-	1,196	1,196
Swedish Krona	-	-	7,569	7,569
Swiss Franc	-	-	14,644	14,644
US Dollar	180	9,781	156,988	166,949

#### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

	Bid market value 2019 £'000	Bid market value 2018 £'000
<b>Credit Rating Analysis</b>		
Investment Grade Bonds	56,117	58,248
Below Investment Grade Bonds	537	107
Unrated Bonds	1,166	881
<b>Total Value of Bonds</b>	<b>57,820</b>	<b>59,236</b>

#### e. Financial Derivatives Instrument Risk

At the year end the Fund held derivatives for the purposes of efficient portfolio management (including hedging). These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the Fund's prospectus.

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

Market Exposure	2019 £'000	2018 £'000
Credit Default Swaps	11,732	2,589
Forward Currency Contracts	11,336	10,585
Futures	72,030	70,034
<b>Total Market Exposure</b>	<b>95,098</b>	<b>83,208</b>

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

#### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange. Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

Exposure is reduced by the exchange of margin on a daily basis for cleared derivatives and by the collateral held/pledged on a bilateral transaction.

Counterparty or clearer	2019			2018		
	Collateral (held)/ pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000	Collateral (held)/ pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000
Bank of America Merrill Lynch	-	-	-	-	-	(17)
BNP Paribas	120	-	(102)	-	-	-
Citigroup	(353)	-	406	-	-	-
Goldman Sachs	110	701	1,409	-	2,576	1,213
HSBC	-	-	-	113	-	(295)
Royal Bank of Canada	-	-	-	-	-	(33)
Nomura	-	-	91	-	-	-
<b>Total</b>	<b>(123)</b>	<b>1,780</b>	<b>1,804</b>	<b>113</b>	<b>2,576</b>	<b>868</b>

Margin exchanged or collateral held or pledged is in the form of high quality liquid assets e.g. cash/gilts. Positions are fully collateralised at all times. Restrictions are placed on the right of either party to reuse collateral assets.

#### f. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

### Distribution Tables

For the six months ended 31 August 2018

Group 1 - shares purchased prior to 1 March 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	1.4980	-	1.4980*	1.1933
Group 2	0.8422	0.6558	1.4980*	1.1933
<b>Institutional accumulation</b>				
Group 1	2.0886	-	2.0886*	1.7205
Group 2	0.9869	1.1017	2.0886*	1.7205
<b>Retail income</b>				
Group 1	0.9935	-	0.9935**	0.8000
Group 2	0.5328	0.4607	0.9935**	0.8000
<b>Institutional income</b>				
Group 1	1.2225	-	1.2225**	1.0222
Group 2	0.7020	0.5205	1.2225**	1.0222
<b>Retail CAT accumulation</b>				
Group 1	1.1474	-	1.1474*	0.9190
Group 2	0.6149	0.5325	1.1474*	0.9190
<b>Standard Life accumulation</b>				
Group 1	1.0385	-	1.0385*	0.8883
Group 2	0.3953	0.6432	1.0385*	0.8883
<b>Platform 1 accumulation</b>				
Group 1	0.9637	-	0.9637*	0.7913
Group 2	0.4305	0.5332	0.9637*	0.7913
<b>Platform 1 income</b>				
Group 1	0.8750	-	0.8750**	0.7290
Group 2	0.3311	0.5439	0.8750**	0.7290

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

For the six months ended 28 February 2019

Group 1 - shares purchased prior to 1 September 2018

Group 2 - shares purchased between 1 September 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution payable 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.8486	-	0.8486*	0.5745
Group 2	0.5371	0.3115	0.8486*	0.5745
<b>Institutional accumulation</b>				
Group 1	1.3429	-	1.3429*	1.0429
Group 2	1.0570	0.2859	1.3429*	1.0429
<b>Retail income</b>				
Group 1	0.5578	-	0.5578**	0.3823
Group 2	0.3447	0.2131	0.5578**	0.3823
<b>Institutional income</b>				
Group 1	0.7774	-	0.7774**	0.6142
Group 2	0.6357	0.1417	0.7774**	0.6142
<b>Retail CAT accumulation</b>				
Group 1	0.6555	-	0.6555*	0.4461
Group 2	0.4205	0.2350	0.6555*	0.4461
<b>Standard Life accumulation</b>				
Group 1	0.7305	-	0.7305*	0.6136
Group 2	0.4494	0.2811	0.7305*	0.6136
<b>Platform 1 accumulation</b>				
Group 1	0.6124	-	0.6124*	0.4704
Group 2	0.3812	0.2312	0.6124*	0.4704
<b>Platform 1 income</b>				
Group 1	0.5504	-	0.5504**	0.4295
Group 2	0.3667	0.1837	0.5504**	0.4295

\* Distribution accumulated on 28 February 2019

\*\* Distribution payable on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

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

	Interim Dividend	Final Dividend
Treat as a UK corporate dividend	100.00%	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%	0.00%

# Global Emerging Markets Equity Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Matthew Williams
<b>Launch Date</b>	28 May 2012
<b>Benchmark</b>	IA Global Emerging Markets Sector

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mainly in equities and equity type investments of companies listed on an emerging market stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in emerging market countries. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by investing in an actively managed portfolio of companies mainly from global emerging market countries. The investor must be able to accept significant temporary losses due to the volatile nature of this area of global equity markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

For the period under review, the Fund returned -10.0% (Platform 1, accumulation). This compared with the IA Global Emerging Markets benchmark return of -7.9%. Source: Morningstar, basic-rate taxpayer, bid-to-bid basis.

It was a challenging year for emerging market equities and the Fund. A number of factors weighed on sentiment. These included higher US interest rates, a strong US dollar, concerns about global growth and the US/China trade war. Weakness in Chinese domestic growth also weighed on sentiment, prompting Beijing to implement a raft of easing measures.

A position in United Laboratories weighed on Fund returns. The company sold off on worries that the Chinese government's centralised drug-procurement programme would hurt profitability. This is negative for the near-term outlook. However, healthcare penetration in the mainland remains poor and presents opportunities for growth over the longer term. Australian graphite miner Syrah Resources faced a series of one-off setbacks. These included a fire, theft of equipment and evacuation issues. As a

result, the company struggled to meet its production targets. It also had to raise funds to cover cash requirements. Since then, Syrah has adopted various actions to mitigate these headwinds. Output levels are up as a result. Elsewhere, Goodbaby International underperformed. The liquidation of Toys R Us hit the stock, with the subsequent inventory clearance hurting US earnings. Positions in Tejas Networks, Vodacom Group and KB Financial also disappointed.

Our decision to sell internet giant Baidu proved beneficial for relative Fund performance. Its shares tumbled with the wider rout in the tech sector. The company also cautioned on its earnings outlook. Shares in Anta Sports climbed following news of favourable sales momentum. The company has invested in research and development, resulting in a stronger product offering. Rosneft Oil was a positive. Its shares climbed with the rising oil price over the first-half of the year. However, the oil price has since fallen back. Additional highlights included Weichai Power, Sea Limited and Tech Mahindra.

### Investment activity

We bought shares in Sands China. Its Parisian investment is now complete, lessening future capex requirements. It has also built an attractive leisure complex, which should prove popular and therefore profitable. We purchased airline Copa Holdings. This represents a material valuation opportunity in absolute terms and relative to rival firm Azul. We believe the pricing power for this business is far higher than currently anticipated. Elsewhere, we initiated a position in Chroma Ate, a global provider of technology-testing solutions. We expect the company to continue to benefit from technology upgrades and structural trends, such as autonomous driving.

Meanwhile, we top-sliced our holding in CVC Brasil, given the rising operational risks with its expansion into Argentina. We reduced our exposure to Minh Group on the back of escalating US/China trade tensions. In Mexico, we exited Unifin, a financial services firm. Ratings agencies downgraded the company on concerns about competition.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←					→	
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

	2019	2018	2017
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	91.56	74.78	51.65
Return before operating charges*	(7.84)	17.96	24.05
Operating charges	(1.16)	(1.18)	(0.92)
Return after operating charges*	(9.00)	16.78	23.13
Distributions	(1.14)	(0.67)	(0.47)
Retained distributions on accumulation shares*	1.14	0.67	0.47
Closing net asset value per share	82.56	91.56	74.78
* after direct transaction costs of:	0.07	0.15	0.19
<b>Performance</b>			
Return after charges	(9.83%)	22.44%	44.78%
<b>Other information</b>			
Closing net asset value (£'000)	51,466	54,194	27,491
Closing number of shares	62,336,727	59,186,585	36,760,921
Operating charges	1.39%	1.40%	1.41%
Direct transaction costs	0.08%	0.18%	0.29%
<b>Prices</b>			
Highest share price	93.25	94.08	75.92
Lowest share price	74.61	74.58	51.65

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	95.05	77.34	53.17
Return before operating charges*	(8.18)	18.52	24.80
Operating charges	(0.80)	(0.81)	(0.63)
Return after operating charges*	(8.98)	17.71	24.17
Distributions	(1.56)	(1.07)	(0.82)
Retained distributions on accumulation shares*	1.56	1.07	0.82
Closing net asset value per share	86.07	95.05	77.34
* after direct transaction costs of:	0.07	0.16	0.19
<b>Performance</b>			
Return after charges	(9.45%)	22.90%	45.46%
<b>Other information</b>			
Closing net asset value (£'000)	74,265	103,793	65,832
Closing number of shares	86,284,972	109,202,645	85,117,250
Operating charges	0.92%	0.93%	0.94%
Direct transaction costs	0.08%	0.18%	0.28%
<b>Prices</b>			
Highest share price	96.83	97.63	78.46
Lowest share price	77.66	77.13	53.17

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Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.29	68.06	46.43
Return before operating charges*	(7.28)	16.37	21.74
Operating charges	(0.13)	(0.14)	(0.11)
Return after operating charges*	(7.41)	16.23	21.63
Distributions	(1.95)	(1.52)	(1.16)
Retained distributions on accumulation shares*	1.95	1.52	1.16
Closing net asset value per share	76.88	84.29	68.06
* after direct transaction costs of:	0.06	0.14	0.17
<b>Performance</b>			
Return after charges	(8.79%)	23.85%	46.59%
<b>Other information</b>			
Closing net asset value (£'000)	1,077	1,101	820
Closing number of shares	1,401,120	1,305,745	1,204,527
Operating charges	0.17%	0.18%	0.19%
Direct transaction costs	0.08%	0.18%	0.29%
<b>Prices</b>			
Highest share price	85.89	86.54	69.06
Lowest share price	69.18	67.96	46.43

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

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

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

Standard Life B accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.65	80.35	54.74
Return before operating charges*	(8.64)	19.32	25.63
Operating charges	(0.01)	(0.02)	(0.02)
Return after operating charges*	(8.65)	19.30	25.61
Distributions	(2.42)	(1.90)	(1.47)
Retained distributions on accumulation shares*	2.42	1.90	1.47
Closing net asset value per share	91.00	99.65	80.35
* after direct transaction costs of:	0.07	0.17	0.20
<b>Performance</b>			
Return after charges	(8.68%)	24.02%	46.78%
<b>Other information</b>			
Closing net asset value (£'000)	87,709	93,910	75,794
Closing number of shares	96,380,715	94,239,710	94,324,663
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs	0.08%	0.18%	0.29%
<b>Prices</b>			
Highest share price	101.6	102.3	81.53
Lowest share price	81.86	80.26	54.74

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

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

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

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

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.40	76.85	52.86
Return before operating charges*	(8.12)	18.40	24.65
Operating charges	(0.83)	(0.85)	(0.66)
Return after operating charges*	(8.95)	17.55	23.99
Distributions	(1.51)	(1.02)	(0.78)
Retained distributions on accumulation shares*	1.51	1.02	0.78
Closing net asset value per share	85.45	94.40	76.85
* after direct transaction costs of:	0.07	0.16	0.19
<b>Performance</b>			
Return after charges	(9.48%)	22.84%	45.38%
<b>Other information</b>			
Closing net asset value (£'000)	2,624	3,177	2,125
Closing number of shares	3,071,319	3,365,337	2,765,540
Operating charges	0.97%	0.98%	0.99%
Direct transaction costs	0.08%	0.18%	0.28%
<b>Prices</b>			
Highest share price	96.17	96.98	77.97
Lowest share price	77.11	76.64	52.86

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

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

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Europe, Middle East &amp; Africa Equities (14.92%)</b>		<b>27,861</b>	<b>12.83</b>
<b>Georgia (0.79%)</b>		<b>2,159</b>	<b>0.99</b>
89,780	Bank of Georgia	1,503	0.69
59,511	Georgia Capital	656	0.30
<b>Hungary (1.05%)</b>		-	-
<b>Luxembourg (0.00%)</b>		<b>2,021</b>	<b>0.93</b>
6,720,466	Safaricom	1,213	0.56
40,448	Tenaris	808	0.37
<b>Nigeria (0.31%)</b>		-	-
<b>Russia (5.36%)</b>		<b>12,948</b>	<b>5.96</b>
391,381	Globaltrans Investment	2,916	1.34
23,237,330	Inter RAO	1,036	0.48
48,048	LUKOIL	3,005	1.38
70,328	Mail.Ru	1,253	0.58
127,406	MMC Norilsk Nickel	2,050	0.94
280,172	Sberbank of Russia ADR	2,688	1.24
<b>South Africa (5.69%)</b>		<b>9,745</b>	<b>4.49</b>
687,636	Firststrand	2,362	1.09
29,017	Naspers	4,725	2.18
428,061	Vodacom	2,658	1.22
<b>Switzerland (0.36%)</b>		-	-
<b>Turkey (1.36%)</b>		<b>988</b>	<b>0.46</b>
12,494	AEFES	35	0.02
47,114	Tupras	953	0.44
<b>Latin America Equities (13.71%)</b>		<b>29,702</b>	<b>13.67</b>
<b>Brazil (8.11%)</b>		<b>13,380</b>	<b>6.16</b>
458,861	Banco Bradesco (Preference)	3,980	1.83
518,386	Cyrela Brazil Realty	1,776	0.82
120,914	Estácio	668	0.31
928,600	T4F Entretenimento	1,337	0.61
157,153	Telefonica Brasil (Preference)	1,474	0.68
439,510	Vale	4,145	1.91
<b>Chile (0.93%)</b>		<b>2,200</b>	<b>1.01</b>
16,808,067	Enel Americas	2,200	1.01

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Mexico (2.54%)</b>		<b>7,675</b>	<b>3.53</b>
521,119	FEMSA	3,547	1.63
582,772	Grupo Financiero Banorte	2,386	1.10
1,548,999	PLA Administradora Industrial	1,742	0.80
<b>Panama (0.87%)</b>		<b>2,705</b>	<b>1.25</b>
40,809	Copa Holdings	2,705	1.25
<b>Peru (1.26%)</b>		<b>3,742</b>	<b>1.72</b>
20,474	Credicorp	3,742	1.72
<b>Pacific Basin Equities (66.38%)</b>		<b>157,015</b>	<b>72.32</b>
<b>Australia (0.81%)</b>		<b>302</b>	<b>0.14</b>
413,600	Syrah Resources	302	0.14
<b>China (27.74%)</b>		<b>67,433</b>	<b>31.05</b>
54,828	58.com	3,006	1.38
87,098	Alibaba ADR	11,985	5.52
838,954	Angel Yeast	2,598	1.20
723,905	ANTA Sports Products	3,186	1.47
17,306	Autohome	1,223	0.56
11,810,369	China Construction Bank	7,884	3.63
848,000	CSPC Pharmaceutical	1,087	0.50
97,993	Ctrip.com ADR	2,514	1.16
1,616,154	Dali Foods	828	0.38
4,212,012	Goodbaby International	1,142	0.53
1,369,445	Haitian International	2,251	1.04
116,444	Huazhu Group	3,070	1.41
306,784	Minth	912	0.42
912,283	Ping An Insurance	7,222	3.32
413,208	Tencent	13,289	6.12
6,850,000	Tianhe Chemicals*	-	-
2,016,875	Weichai Power	2,106	0.97
2,307,930	Xiabu Xiabu	3,130	1.44
<b>Hong Kong (2.62%)</b>		<b>8,809</b>	<b>4.06</b>
75,111	ASM Pacific Technology	598	0.28
649,777	China Metal Recycling**	-	-
332,215	China Mobile	2,628	1.21
1,021,121	China Resources Land	2,866	1.32
2,044,000	SITC	1,486	0.68
2,735,185	United Laboratories	1,231	0.57

Holding	Investment	Market value £'000	Percentage of total net assets
<b>India (8.48%)</b>		<b>17,777</b>	<b>8.19</b>
104,974	Apollo Hospitals	1,265	0.58
547,334	Coal India	1,324	0.61
115,202	Housing Development Finance	2,241	1.03
1,372,343	ITC	4,008	1.85
113,836	Kotak Mahindra Bank	1,460	0.67
181,722	Larsen & Toubro	2,497	1.15
23,570	Piramal Enterprises	577	0.27
280,585	Tech Mahindra	2,455	1.13
500,278	Tejas Networks	830	0.38
186,553	Voltas	1,120	0.52
<b>Indonesia (1.06%)</b>		<b>2,144</b>	<b>0.99</b>
3,517,381	AKR Corporindo	1,043	0.48
5,347,900	Bank Rakyat Indonesia	1,101	0.51
<b>Macau (0.00%)</b>		<b>2,953</b>	<b>1.36</b>
787,600	Sands China	2,953	1.36
<b>Singapore (0.58%)</b>		-	-
<b>South Korea (13.48%)</b>		<b>31,666</b>	<b>14.58</b>
123,313	KB Financial	3,656	1.68
19,321	LG Chemical Preference KRW 5000	2,835	1.31
161,944	Nexen Tire	1,038	0.48
69,725	Orange Life Insurance	1,662	0.76
4,824	POSCO	846	0.39
268,921	Samsung Electronics	8,107	3.73
192,237	Samsung Electronics (Preference)	4,626	2.13
79,471	Shinhan Finance	2,314	1.07
105,145	SK Hynix	4,920	2.27
75,807	Woory Industrial	1,662	0.76
<b>Taiwan (8.27%)</b>		<b>18,173</b>	<b>8.37</b>
586,000	Chroma ATE	1,832	0.84
216,000	Globalwafers	1,765	0.81
539,035	Hon Hai Precision	956	0.44
191,094	President Chain Store	1,487	0.69
2,082,580	Taiwan Semiconductors Manufacturing	12,133	5.59
<b>Thailand (3.34%)</b>		<b>7,758</b>	<b>3.58</b>
808,068	Advanced Info Service	3,509	1.62
2,686,820	PTT (Alien Market)	3,109	1.43
101,246	Siam Cement	1,140	0.53

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (3.82%)</b>		<b>1,042</b>	<b>0.48</b>
1,042	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	1,042	0.48
<b>Total investment assets</b>		<b>215,620</b>	<b>99.30</b>
<b>Net other assets</b>		<b>1,521</b>	<b>0.70</b>
<b>Total Net Assets</b>		<b>217,141</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

\* Suspended

\*\* Delisted

+ Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(29,094)		39,954
Revenue	4	6,987		4,864	
Expenses	5	(1,559)		(1,326)	
Interest payable and similar charges	6	(9)		(3)	
Net revenue before taxation		5,419		3,535	
Taxation	7	(654)		(421)	
Net revenue after taxation			4,765		3,114
<b>Total return before distributions</b>			<b>(24,329)</b>		<b>43,068</b>
Distributions	8		(4,765)		(3,115)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(29,094)</b>		<b>39,953</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>256,175</b>		<b>172,062</b>
Amounts receivable on the issue of shares	14,389		44,244	
Amounts payable on the cancellation of shares	(28,892)		(3,649)	
		(14,503)		40,595
Dilution adjustment		98		157
Change in net assets attributable to shareholders from investment activities (see above)		(29,094)		39,953
Retained distribution on accumulation shares		4,465		3,408
<b>Closing net assets attributable to shareholders</b>		<b>217,141</b>		<b>256,175</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		215,620	253,178
<b>Current assets:</b>			
Debtors	9	826	965
Cash and bank balances	10	854	2,966
		1,680	3,931
<b>Total assets</b>		<b>217,300</b>	<b>257,109</b>
<b>Liabilities:</b>			
Creditors	11	(159)	(934)
		(159)	(934)
<b>Total liabilities</b>		<b>(159)</b>	<b>(934)</b>
<b>Net assets attributable to shareholders</b>		<b>217,141</b>	<b>256,175</b>

## Notes to the Financial Statements

## 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

## 2 Net Capital (Losses)/Gains

	2019 £'000	2018 £'000
Non-derivative securities	(28,982)	40,615
Forward currency contracts	(34)	12
Other losses	(41)	(633)
Handling charges taken from the capital account	(37)	(40)
<b>Net capital (losses)/gains</b>	<b>(29,094)</b>	<b>39,954</b>

## 3 Equity Purchases, Sales and Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	74,993	92,255
Commissions	38	156
Taxes & Other Fees	39	57
<b>Total purchase transaction costs</b>	<b>77</b>	<b>213</b>
<b>Purchases including transaction costs</b>	<b>75,070</b>	<b>92,477</b>
<b>Sales</b>		
Gross sales before transaction costs	75,017	57,964
Commissions	(46)	(95)
Taxes & Other Fees	(68)	(80)
<b>Total sale transaction costs</b>	<b>(114)</b>	<b>(175)</b>
<b>Total sales net of transaction costs</b>	<b>74,903</b>	<b>57,789</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.05%	0.17%
Taxes & Other Fees	0.05%	0.06%
<b>Sales</b>		
Commissions	0.06%	0.16%
Taxes & Other Fees	0.09%	0.14%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.02%	0.07%
Taxes & Other Fees	0.02%	0.03%
<b>Sales</b>		
Commissions	0.02%	0.04%
Taxes & Other Fees	0.03%	0.04%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	75,070	92,468
Collective Investment Schemes	44,216	66,756
<b>Sales</b>		
Equities	74,903	57,789
Collective Investment Schemes	52,950	59,460

There were corporate actions (net sales) of £1,000 in the year (2018: £65,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.16% (2018: 0.91%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	499	268
Overseas dividends	6,470	4,579
Taxable distributions on offshore funds	4	-
Bank interest	14	17
<b>Total revenue</b>	<b>6,987</b>	<b>4,864</b>

#### 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	1,374	1,154
Dealing charge	2	1
Registration fees	75	70
	1,451	1,225
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	18	14
Safe custody fee	79	75
	97	99
<b>Other:</b>		
Professional fees	6	9
Audit fee	5	3
	11	12
<b>Total expenses</b>	<b>1,559</b>	<b>1,326</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	9	3
<b>Total interest payable &amp; similar charges</b>	<b>9</b>	<b>3</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	654	421
<b>Total current tax</b>	<b>654</b>	<b>421</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	5,419	3,535
Corporation tax at 20% (2018: 20%)	1,084	707
Effects of:		
Revenue not subject to taxation	(1,277)	(887)
Overseas taxes	654	421
Overseas tax expensed	(13)	(10)
Excess allowable expenses	206	197
Revenue taxable in other periods	-	(7)
<b>Total tax charge for year (note 7a)</b>	<b>654</b>	<b>421</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,041,000 (2018: £835,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

## 8 Distributions

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	4,465	3,407
Add: Income deducted on cancellation of shares	409	23
Deduct: Income received on issue of shares	(109)	(315)
<b>Net distribution for the year</b>	<b>4,765</b>	<b>3,115</b>
Details of the distribution per share are set out in this Fund's distribution table.		
Net revenue after taxation	4,765	3,114
Undistributed revenue carried forward	-	1
<b>Total distributions</b>	<b>4,765</b>	<b>3,115</b>

## 9 Debtors

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	63	381
Sales awaiting settlement	8	-
Accrued revenue	755	577
Expenses reimbursement receivable from the ACD	-	7
<b>Total debtors</b>	<b>826</b>	<b>965</b>

## 10 Cash and Bank Balances

	2019 £'000	2018 £'000
Cash and bank balances	854	2,966
<b>Total cash and bank balances</b>	<b>854</b>	<b>2,966</b>

## 11 Creditors

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	5	113
Purchases awaiting settlement	32	673
Accrued expenses payable to ACD	103	117
Accrued expenses payable to the Depositary or associates of the Depositary	7	27
Other accrued expenses	12	4
<b>Total creditors</b>	<b>159</b>	<b>934</b>

## 12 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Closing shares 2019
Retail accumulation	59,186,585	11,811,743	(8,661,601)	62,336,727
Institutional accumulation	109,202,645	1,429,993	(24,347,666)	86,284,972
Standard Life accumulation	1,305,745	243,841	(148,466)	1,401,120
Standard Life B accumulation	94,239,710	2,143,005	(2,000)	96,380,715
Platform 1 accumulation	3,365,337	1,568,941	(1,862,959)	3,071,319

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	214,578	-	-	243,402	-	-
Collective Investment Schemes	-	1,042	-	-	9,776	-
<b>Total investment assets</b>	<b>214,578</b>	<b>1,042</b>	<b>-</b>	<b>243,402</b>	<b>9,776</b>	<b>-</b>

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

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

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

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

## 15 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

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

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at 28 February 2019 by £10,781,000 (2018: £12,659,000). A five per cent decrease would have an equal and opposite effect.

**b. Foreign currency risk**

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at 28 February 2019 by £10,700,000 (2018: £12,173,000). A five per cent decrease would have an equal and opposite effect.

**Currency exposure**

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Australian Dollar	310	2,081
Brazilian Real	13,513	17,736
Chilean Peso	2,200	2,395
China Renminbi	2,598	2,302
Euro	-	84
Hong Kong Dollar	54,798	48,167
Hungarian Forint	-	2,693
Indian Rupee	17,777	21,741
Indonesian Rupiah	2,144	2,720
Mexican Peso	7,675	6,697
Russian Ruble	1,004	1,918
Singapore Dollar	-	1,738
South Africa Rand	9,745	14,564
South Korean Won	32,213	34,976
Taiwan Dollar	18,229	22,014
Thai Baht	7,815	8,565
Turkish Lira	988	3,475
US Dollar	42,999	49,599

**c. Interest rate risk**

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets/(liabilities) £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	1,043	2,090	3,133
Australian Dollar	-	310	310
Brazilian Real	-	13,513	13,513
Chilean Peso	-	2,200	2,200
China Renminbi	-	2,598	2,598
Hong Kong Dollar	-	54,798	54,798
Indian Rupee	-	17,777	17,777
Indonesian Rupiah	-	2,144	2,144
Mexican Peso	-	7,675	7,675
Russian Ruble	-	1,004	1,004
South Africa Rand	-	9,745	9,745
South Korean Won	-	32,213	32,213
Taiwan Dollar	56	18,173	18,229
Thai Baht	-	7,815	7,815
Turkish Lira	-	988	988
US Dollar	797	42,202	42,999
<b>2018</b>			
<b>Currency</b>			
UK Sterling	9,779	2,931	12,710
Australian Dollar	-	2,081	2,081
Brazilian Real	-	17,736	17,736
Chilean Peso	-	2,395	2,395
China Renminbi	-	2,302	2,302
Euro	84	-	84
Hong Kong Dollar	-	48,167	48,167
Hungarian Forint	-	2,693	2,693
Indian Rupee	20	21,721	21,741
Indonesian Rupiah	-	2,720	2,720
Mexican Peso	197	6,500	6,697
Russian Ruble	-	1,918	1,918
Singapore Dollar	-	1,738	1,738
South Africa Rand	-	14,564	14,564
South Korean Won	(1)	34,977	34,976
Taiwan Dollar	834	21,180	22,014
Thai Baht	-	8,565	8,565
Turkish Lira	-	3,475	3,475
US Dollar	1,829	47,770	49,599

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

**d. Credit risk**

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

**e. Liquidity risk**

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Table**

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	1.1437	-	1.1437*	0.6651
Group 2	0.4271	0.7166	1.1437*	0.6651
<b>Institutional accumulation</b>				
Group 1	1.5631	-	1.5631*	1.0673
Group 2	1.1065	0.4566	1.5631*	1.0673
<b>Standard Life accumulation</b>				
Group 1	1.9484	-	1.9484*	1.5157
Group 2	0.9343	1.0141	1.9484*	1.5157
<b>Standard Life B accumulation</b>				
Group 1	2.4174	-	2.4174*	1.9035
Group 2	2.2762	0.1412	2.4174*	1.9035
<b>Platform 1 accumulation</b>				
Group 1	1.5097	-	1.5097*	1.0181
Group 2	0.7319	0.7778	1.5097*	1.0181

\* Distribution accumulated on 28 February 2019

**Equalisation**

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

**Treatment by Corporate Shareholders (unaudited)**

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

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

# Global Emerging Markets Equity Income Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Matthew Williams
<b>Launch Date</b>	13 December 2012
<b>Benchmark</b>	IA Global Emerging Markets Sector

### Investment objective

The objective of the Fund is to provide a high level of income with some capital appreciation over the longer term.

### Investment policy

The investment policy of the Fund is to invest mainly in high yielding equities, equity type investments and fixed interest securities of companies listed on an emerging market stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in emerging market countries. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the opportunity to achieve a high level of income with some capital appreciation over the longer term afforded by investing in an actively managed portfolio of mainly global emerging market equities. The investor must be able to accept significant temporary losses due to the volatile nature of this area of global equity markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

Over the period under review, the Fund returned -7.8% (Platform 1, accumulation). This compared with the IA Global Emerging Markets benchmark return of -7.9%. Source: Morningstar, basic-rate taxpayer, bid-to-bid basis.

It was a challenging year for emerging market equities and the Fund. A number of factors weighed on sentiment. These included higher US interest rates, a strong US dollar, concerns about global growth and the US/China trade war. Weakness in Chinese domestic growth also weighed on sentiment, prompting Beijing to implement a raft of easing measures.

A position in Smiles, the Brazilian loyalty program manager, held back performance. It suffered a downgrade to its outlook after its parent company, Gol, announced it was taking Smiles private. Haitian International, the Chinese plastic injection-moulding manufacture, was negative. This was due to concerns that trade

frictions would start to affect the business. However, it also released robust half-year results and upbeat comments about achieving a full order book. We also think the likelihood of tariffs is remote and therefore continue to hold the stock. Meanwhile, Goodbaby International underperformed. The liquidation of Toys R Us hit the stock, with the subsequent inventory clearance hurting US earnings. Positions in Samsung Electronics, KB Financial and Minth also disappointed.

By contrast, Chinese financial holding China Merchants Bank was positive. Its share price climbed after the government extended credit to smaller businesses. Earnings at the bank were also healthy. Our decision to sell internet giant Baidu proved beneficial for relative Fund performance. Its shares tumbled with the wider rout in the tech sector. The company also cautioned on its earnings outlook. Lukoil performed well thanks to the rising oil price over the first-half of the year. Additional highlights included Anta Sports, Realtek and Weichai Power.

### Investment activity

We bought shares in GlobalWafers after they dropped more than 60%. This was due to concerns about silicon wafer supply at a time when investors expected demand to deteriorate. However, our conversations with senior management teams suggested they will take a rational, orders-based approach to supply. As a result, we believe investors will reappraise the company's outlook and its shares will rerate. We bought Sands China. Its Parisian investment is now complete, lessening future capex requirements. It has also built an attractive leisure complex, which should prove popular and therefore profitable.

By contrast, we sold Huaneng Power. The company is not able to raise profitability levels due to government influence in setting tariffs. We reduced our exposure to Minth Group on the back of escalating US-China trade tensions. In Mexico, we exited financial services firm Unifin after ratings agencies downgraded the company on concerns about competition.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

	2019	2018	2017
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.43	68.06	48.21
Return before operating charges*	(5.27)	17.46	20.69
Operating charges	(1.07)	(1.09)	(0.84)
Return after operating charges*	(6.34)	16.37	19.85
Distributions	(1.85)	(1.10)	(1.02)
Retained distributions on accumulation share	1.85	1.10	1.02
Closing net asset value per share	78.09	84.43	68.06
* after direct transaction costs of:	0.05	0.12	0.18
<b>Performance</b>			
Return after charges	(7.51%)	24.05%	41.17%
<b>Other information</b>			
Closing net asset value (£'000)	3,555	3,243	1,508
Closing number of shares	4,552,241	3,841,015	2,215,097
Operating charges	1.37%	1.39%	1.40%
Direct transaction costs	0.06%	0.16%	0.30%
<b>Prices</b>			
Highest share price	85.81	86.32	70.10
Lowest share price	70.70	68.23	48.60

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	87.48	70.15	49.44
Return before operating charges*	(5.70)	18.07	21.28
Operating charges	(0.73)	(0.74)	(0.57)
Return after operating charges*	(6.43)	17.33	20.71
Distributions	(2.13)	(1.51)	(1.33)
Retained distributions on accumulation share	2.13	1.51	1.33
Closing net asset value per share	81.05	87.48	70.15
* after direct transaction costs of:	0.05	0.13	0.19
<b>Performance</b>			
Return after charges	(7.35%)	24.70%	41.89%
<b>Other information</b>			
Closing net asset value (£'000)	278,128	264,336	119,826
Closing number of shares	343,163,470	302,155,108	170,813,671
Operating charges	0.90%	0.92%	0.93%
Direct transaction costs	0.06%	0.16%	0.31%
<b>Prices</b>			
Highest share price	88.92	89.40	72.13
Lowest share price	73.42	70.41	49.84

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<b>Retail income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	72.67	60.07	43.84
Return before operating charges*	(4.70)	15.40	18.59
Operating charges	(0.90)	(0.95)	(0.75)
Return after operating charges*	(5.60)	14.45	17.84
Distributions	(2.34)	(1.85)	(1.61)
Closing net asset value per share	64.73	72.67	60.07
* after direct transaction costs of:	0.04	0.11	0.16
<b>Performance</b>			
Return after charges	(7.71%)	24.06%	40.69%
<b>Other information</b>			
Closing net asset value (£'000)	449	85	37
Closing number of shares	692,966	117,611	60,922
Operating charges	1.37%	1.39%	1.40%
Direct transaction costs	0.06%	0.16%	0.30%
<b>Prices</b>			
Highest share price	73.88	74.62	62.43
Lowest share price	59.49	60.31	44.22

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

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

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

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

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	75.20	61.86	44.93
Return before operating charges*	(4.93)	15.88	19.09
Operating charges	(0.62)	(0.64)	(0.51)
Return after operating charges*	(5.55)	15.24	18.58
Distributions	(2.35)	(1.90)	(1.65)
Closing net asset value per share	67.30	75.20	61.86
* after direct transaction costs of:	0.04	0.11	0.17
<b>Performance</b>			
Return after charges	(7.38%)	24.64%	41.35%
<b>Other information</b>			
Closing net asset value (£'000)	21,425	29,048	14,482
Closing number of shares	31,836,444	38,630,011	23,408,331
Operating charges	0.90%	0.92%	0.93%
Direct transaction costs	0.06%	0.16%	0.31%
<b>Prices</b>			
Highest share price	76.45	77.18	64.19
Lowest share price	61.73	62.15	45.32

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.38	63.95	46.06
Return before operating charges*	(5.18)	16.47	19.61
Operating charges	(0.05)	(0.07)	(0.06)
Return after operating charges*	(5.23)	16.40	19.55
Distributions	(2.42)	(1.97)	(1.66)
Closing net asset value per share	70.73	78.38	63.95
* after direct transaction costs of:	0.04	0.12	0.17
<b>Performance</b>			
Return after charges	(6.67%)	25.65%	42.44%
<b>Other information</b>			
Closing net asset value (£'000)	7,433	8,239	1
Closing number of shares	10,509,712	10,511,712	2,200
Operating charges	0.07%	0.09%	0.10%
Direct transaction costs	0.06%	0.16%	0.30%
<b>Prices</b>			
Highest share price	79.71	80.39	66.20
Lowest share price	64.66	64.33	46.46

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

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

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

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

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	90.48	72.01	50.41
Return before operating charges*	(5.96)	18.61	21.71
Operating charges	(0.13)	(0.14)	(0.11)
Return after operating charges*	(6.09)	18.47	21.60
Distributions	(2.77)	(2.11)	(1.78)
Retained distributions on accumulation share	2.77	2.11	1.78
Closing net asset value per share	84.39	90.48	72.01
* after direct transaction costs of:	0.05	0.13	0.19
<b>Performance</b>			
Return after charges	(6.73%)	25.65%	42.85%
<b>Other information</b>			
Closing net asset value (£'000)	402,903	432,014	343,786
Closing number of shares	477,451,030	477,458,683	477,401,155
Operating charges	0.15%	0.17%	0.18%
Direct transaction costs	0.06%	0.16%	0.30%
<b>Prices</b>			
Highest share price	92.04	92.46	73.88
Lowest share price	76.26	72.39	50.82

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	87.18	69.95	49.32
Return before operating charges*	(5.68)	18.01	21.23
Operating charges	(0.77)	(0.78)	(0.60)
Return after operating charges*	(6.45)	17.23	20.63
Distributions	(2.08)	(1.46)	(1.30)
Retained distributions on accumulation share	2.08	1.46	1.30
Closing net asset value per share	80.73	87.18	69.95
* after direct transaction costs of:	0.05	0.13	0.19
<b>Performance</b>			
Return after charges	(7.40%)	24.63%	41.83%
<b>Other information</b>			
Closing net asset value (£'000)	24,027	25,189	8,218
Closing number of shares	29,763,576	28,892,663	11,748,944
Operating charges	0.95%	0.97%	0.98%
Direct transaction costs	0.06%	0.16%	0.31%
<b>Prices</b>			
Highest share price	88.61	89.10	71.95
Lowest share price	73.14	70.20	49.72

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

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

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

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

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	74.99	61.72	44.85
Return before operating charges*	(4.93)	15.88	19.07
Operating charges	(0.65)	(0.69)	(0.54)
Return after operating charges*	(5.58)	15.19	18.53
Distributions	(2.34)	(1.92)	(1.66)
Closing net asset value per share	67.07	74.99	61.72
* after direct transaction costs of:	0.04	0.11	0.17
<b>Performance</b>			
Return after charges	(7.44%)	24.61%	41.32%
<b>Other information</b>			
Closing net asset value (£'000)	27,082	22,727	5,325
Closing number of shares	40,377,117	30,308,721	8,627,680
Operating charges	0.95%	0.97%	0.98%
Direct transaction costs	0.06%	0.16%	0.31%
<b>Prices</b>			
Highest share price	76.24	76.97	64.06
Lowest share price	61.53	62.01	45.24

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

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

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

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

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Europe, Middle East &amp; African Equities (18.38%)</b>		<b>120,876</b>	<b>15.80</b>
<b>Curacao (0.88%)</b>		-	-
<b>Georgia (0.92%)</b>		<b>6,979</b>	<b>0.91</b>
275,853	Bank of Georgia	4,620	0.60
214,121	Georgia Capital	2,359	0.31
<b>Hungary (1.49%)</b>		<b>3,454</b>	<b>0.45</b>
2,752,809	Magyar Telekom	3,454	0.45
<b>Jersey (0.26%)</b>		-	-
<b>Luxembourg (0.00%)</b>		<b>9,086</b>	<b>1.19</b>
35,837,924	Safaricom	6,469	0.85
131,094	Tenaris	2,617	0.34
<b>Nigeria (0.39%)</b>		<b>2,855</b>	<b>0.37</b>
2,388,761	Seplat Petroleum Development	2,855	0.37
<b>Romania (0.53%)</b>		-	-
<b>Russia (5.87%)</b>		<b>60,770</b>	<b>7.95</b>
1,514,334	Globaltrans Investment	11,283	1.48
120,102,809	Inter RAO	5,354	0.70
288,687	LUKOIL	18,053	2.36
394,728	MMC Norilsk Nickel	6,351	0.83
648,535	Rosneft Oil	2,937	0.39
4,517,682	Sberbank of Russia (Preference)	9,292	1.21
642,189	Severstal	7,500	0.98
<b>South Africa (6.55%)</b>		<b>32,677</b>	<b>4.27</b>
2,984,476	Firststrand	10,250	1.34
65,609	Naspers	10,684	1.39
850,250	Sanlam	3,576	0.47
1,315,238	Vodacom	8,167	1.07
<b>Turkey (1.49%)</b>		<b>5,055</b>	<b>0.66</b>
249,933	Tupras	5,055	0.66
<b>Latin American Equities (15.67%)</b>		<b>121,262</b>	<b>15.85</b>
<b>Argentina (0.51%)</b>		<b>1,854</b>	<b>0.24</b>
48,815	Banco Macro	1,854	0.24

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Brazil (9.05%)</b>		<b>62,115</b>	<b>8.12</b>
1,329,570	AmBev	4,590	0.60
1,399,528	Banco Bradesco (Preference)	12,140	1.59
1,161,416	Cyrela Brazil Realty	3,979	0.52
420,542	Estácio	2,323	0.30
2,931,637	Itaúsa	7,270	0.95
900,198	Petrol Brasileiros (Preference)	4,880	0.64
381,131	Smiles Fidelidade	3,668	0.48
1,213,014	TAESA	6,067	0.79
293,133	Telefonica Brasil (Preference)	2,749	0.36
1,531,892	Vale	14,449	1.89
<b>Chile (0.99%)</b>		<b>5,787</b>	<b>0.76</b>
44,215,565	Enel Americas	5,787	0.76
<b>Mexico (3.50%)</b>		<b>31,650</b>	<b>4.14</b>
904,516	FEMSA	6,157	0.81
2,693,432	Grupo Financiero Banorte	11,028	1.44
2,393,313	Grupo México	4,522	0.59
8,842,780	PLA Administradora Industrial	9,943	1.30
<b>Panama (0.40%)</b>		<b>8,756</b>	<b>1.14</b>
132,080	Copa Holdings	8,756	1.14
<b>Peru (1.22%)</b>		<b>11,100</b>	<b>1.45</b>
60,726	Credicorp	11,100	1.45
<b>Pacific Basin Equities (63.77%)</b>		<b>399,537</b>	<b>52.23</b>
<b>Australia (0.31%)</b>		<b>915</b>	<b>0.12</b>
1,253,046	Syrah Resources	915	0.12
<b>China (27.83%)</b>		<b>197,673</b>	<b>25.84</b>
217,151	Alibaba ADR	29,880	3.91
1,551,089	Angel Yeast	4,804	0.63
2,805,904	ANTA Sports Products	12,348	1.61
32,071,284	China Construction Bank	21,410	2.80
3,957,471	China Merchants Bank	13,626	1.78
3,885,322	China Petroleum	2,523	0.33
2,958,000	CSPC Pharmaceutical	3,791	0.50
11,958,872	Dali Foods	6,128	0.80
12,505,988	Goodbaby International	3,390	0.44
4,356,496	Haitian International	7,160	0.94

Holding	Investment	Market value £'000	Percentage of total net assets
437,452	Huazhu Group	11,534	1.51
1,075,172	Minth	3,197	0.42
3,025,927	Ping An Insurance	23,953	3.13
3,383,527	Red Star Macalline	2,524	0.33
484,008	Sunny Optical Technology	4,309	0.56
1,073,723	Tencent	34,533	4.51
14,664,682	Tianhe Chemicals*	0.00	0.00
6,286,415	Weichai Power	6,563	0.86
4,424,500	Xiabu Xiabu	6,000	0.78
<b>Hong Kong (2.98%)</b>		<b>32,737</b>	<b>4.28</b>
263,965	ASM Pacific Technology	2,101	0.28
22,038,000	China Lumena New Materials*	-	-
88,800	China Metal Recycling**	-	-
1,159,965	China Mobile	9,177	1.20
3,115,853	China Resources Land	8,744	1.14
14,731,537	SITC	10,709	1.40
2,010,276	Texhong Textile	2,006	0.26
<b>India (6.04%)</b>		<b>47,577</b>	<b>6.22</b>
271,158	Bajaj	9,078	1.19
1,790,311	Coal India	4,329	0.57
2,060,000	IRB InvIT	1,454	0.19
3,421,779	ITC	9,994	1.31
494,486	Larsen & Toubro	6,795	0.89
81,979	Piramal Enterprises	2,006	0.26
913,123	Tech Mahindra	7,990	1.04
987,697	Voltas	5,931	0.77
<b>Indonesia (2.40%)</b>		<b>9,729</b>	<b>1.27</b>
19,761,837	AKR Corporindo	5,862	0.77
18,794,600	Bank Rakyat Indonesia	3,867	0.50
<b>Macau (0.85%)</b>		<b>12,358</b>	<b>1.62</b>
3,295,747	Sands China	12,358	1.62
<b>Malaysia (0.54%)</b>		<b>3,683</b>	<b>0.48</b>
8,738,323	UOA Development	3,683	0.48
<b>South Korea (10.37%)</b>		<b>94,865</b>	<b>12.40</b>
375,865	KB Financial	11,143	1.46
22,049	LG Chemical Preference KRW 5000	3,235	0.42

Holding	Investment	Market value £'000	Percentage of total net assets
276,728	Orange Life Insurance	6,595	0.86
24,576	POSCO	4,313	0.56
413,070	Samsung Electronics	12,453	1.63
1,318,417	Samsung Electronics (Preference)	31,728	4.15
234,446	Shinhan Finance	6,825	0.89
352,369	SK Hynix	16,488	2.16
95,089	Woory Industrial	2,085	0.27
<b>Taiwan (8.76%)</b>		<b>69,912</b>	<b>9.14</b>
16,160	Chicony Electronics Co	27	0.00
2,443,000	Chroma ATE	7,639	1.00
872,000	Globalwafers	7,125	0.93
2,800,167	Hon Hai Precision	4,966	0.65
388,743	President Chain Store	3,025	0.40
1,185,589	Realtek	5,155	0.67
6,616,091	Taiwan Semiconductors Manufacturing	38,546	5.04
1,785,927	Wistron NeWeb	3,429	0.45
<b>Thailand (3.69%)</b>		<b>37,211</b>	<b>4.86</b>
2,482,778	Advanced Info Service	10,781	1.41
703,625	Kasikornbank	3,307	0.43
8,040,300	PTT (Alien Market)	9,303	1.22
504,766	Siam Cement	5,684	0.74
18,862,836	Star Petroleum Refining	4,635	0.60
7,486,616	Supalai	3,501	0.46
<b>Collective Investment Schemes (1.18%)</b>		<b>7,196</b>	<b>0.94</b>
7,196	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	7,196	0.94
<b>Total investment assets</b>		<b>755,994</b>	<b>98.82</b>
<b>Net other assets</b>		<b>9,008</b>	<b>1.18</b>
<b>Total Net Assets</b>		<b>765,002</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

\* Suspended

\*\* Delisted

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(76,377)		125,740
Revenue	4	28,420		19,188	
Expenses	5	(3,667)		(2,953)	
Interest payable and similar charges	6	(7)		(4)	
Net revenue before taxation		24,746		16,231	
Taxation	7	(2,561)		(1,637)	
Net revenue after taxation			22,185		14,594
<b>Total return before distributions</b>			<b>(54,192)</b>		<b>140,334</b>
Distributions	8		(22,608)		(14,899)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(76,800)</b>		<b>125,435</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>784,881</b>		<b>493,183</b>
Amounts receivable on the issue of shares	67,466		157,959	
Amounts payable on the cancellation of shares	(31,575)		(6,650)	
		35,891		151,309
Dilution adjustment		158		676
Change in net assets attributable to shareholders from investment activities (see above)		(76,800)		125,435
Retained distribution on accumulation shares		20,872		14,278
<b>Closing net assets attributable to shareholders</b>		<b>765,002</b>		<b>784,881</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			755,994		777,004
<b>Current assets:</b>					
Debtors	9	2,942		2,616	
Cash and bank balances		6,947		7,318	
			9,889		9,934
<b>Total assets</b>			<b>765,883</b>		<b>786,938</b>
<b>Liabilities:</b>					
Creditors	10	(559)		(1,805)	
Distribution payable		(322)		(252)	
			(881)		(2,057)
<b>Total liabilities</b>			<b>(881)</b>		<b>(2,057)</b>
<b>Net assets attributable to shareholders</b>			<b>765,002</b>		<b>784,881</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(75,914)	126,827
Forward currency contracts	(14)	1
Other losses	(404)	(1,030)
Handling charges taken from the capital account	(45)	(58)
<b>Net capital (losses)/gains</b>	<b>(76,377)</b>	<b>125,740</b>

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	204,297	289,827
Commissions	116	378
Taxes & Other Fees	102	176
<b>Total purchase transaction costs</b>	<b>218</b>	<b>554</b>
<b>Purchases including transaction costs</b>	<b>204,515</b>	<b>290,381</b>
<b>Sales</b>		
Gross sales before transaction costs	147,761	135,307
Commissions	(109)	(231)
Taxes & Other Fees	(110)	(243)
<b>Total sale transaction costs</b>	<b>(219)</b>	<b>(474)</b>
<b>Total sales net of transaction costs</b>	<b>147,542</b>	<b>134,833</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.06%	0.13%
Taxes & Other Fees	0.05%	0.06%
<b>Sales</b>		
Commissions	0.07%	0.17%
Taxes & Other Fees	0.07%	0.18%
	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.02%	0.06%
Taxes & Other Fees	0.01%	0.03%
<b>Sales</b>		
Commissions	0.01%	0.04%
Taxes & Other Fees	0.01%	0.04%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	204,515	290,381
Collective investment schemes	144,872	185,761
<b>Sales</b>		
Equities	147,542	134,833
Collective investment schemes	146,931	178,909

There were corporate actions (net purchases) of £8,000 in the year (2018 (net sales): £461,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.19% (2018: 0.97%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	1,894	1,398
Overseas dividends	26,481	17,757
Taxable distributions on offshore funds	18	-
Bank interest	27	33
<b>Total revenue</b>	<b>28,420</b>	<b>19,188</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	2,563	1,918
Dealing charge	24	15
Registration fees	589	516
	3,176	2,449
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	61	54
Safe custody fee	416	432
	477	486
<b>Other:</b>		
Professional fees	5	10
Audit fee	9	8
	14	18
<b>Total expenses</b>	<b>3,667</b>	<b>2,953</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	7	4
<b>Total interest payable &amp; similar charges</b>	<b>7</b>	<b>4</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	2,561	1,637
<b>Total current tax (note 7b)</b>	<b>2,561</b>	<b>1,637</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	24,746	16,231
Corporation tax at 20% (2018: 20%)	4,949	3,246
Effects of:		
Revenue not subject to taxation	(5,152)	(3,372)
Overseas taxes	2,561	1,637
Overseas tax expensed	(55)	(42)
Excess allowable expenses	257	249
Revenue taxable in other periods	-	(81)
Previous Year Excess Expense Adjustment	1	-
<b>Total tax charge for year (note 7a)</b>	<b>2,561</b>	<b>1,637</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £497,000 (2018: £241,000) due to surplus expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
First interim distribution	6,452	3,342
Second interim distribution	8,731	6,973
Third interim distribution	3,988	2,603
Final distribution	3,642	2,454
	22,813	15,372
Add: Income deducted on cancellation of shares	129	21
Deduct: Income received on issue of shares	(334)	(494)
<b>Net distribution for the year</b>	<b>22,608</b>	<b>14,899</b>
Details of the distribution per share are set out in this Fund's distribution tables.		
Net revenue after taxation	22,185	14,594
Annual ACD charge to capital	373	269
Undistributed revenue brought forward	-	1
Undistributed revenue carried forward	(1)	(1)
Registration fees taken from the capital account	39	29
Dealing charges taken from the capital account	12	7
<b>Total distributions</b>	<b>22,608</b>	<b>14,899</b>

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	103	239
Sales awaiting settlement	29	-
Accrued revenue	2,810	2,377
<b>Total debtors</b>	<b>2,942</b>	<b>2,616</b>

**10 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	148	64
Purchases awaiting settlement	64	1,402
Accrued expenses payable to ACD	259	244
Accrued expenses payable to the Depositary or associates of the Depositary	17	90
Other accrued expenses	71	5
<b>Total creditors</b>	<b>559</b>	<b>1,805</b>

**11 Related Party Transactions**

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 10.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 10.

**12 Shares in issue reconciliation**

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	3,841,015	2,171,074	(1,459,848)	-	4,552,241
Institutional accumulation	302,155,108	53,165,031	(12,556,378)	399,709	343,163,470
Retail income	117,611	732,918	(157,563)	-	692,966
Institutional income	38,630,011	10,350,887	(17,332,338)	187,884	31,836,444
Standard Life income	10,511,712	-	(2,000)	-	10,509,712
Standard Life accumulation	477,458,683	59,584	(67,237)	-	477,451,030
Platform 1 accumulation	28,892,663	7,632,232	(6,360,050)	(401,269)	29,763,576
Platform 1 income	30,308,721	14,659,321	(4,402,430)	(188,495)	40,377,117

**13 Fair Value Hierarchy**

	2019 £'000 Level 1	2019 £'000 Level 2	2019 £'000 Level 3	2018 £'000 Level 1	2018 £'000 Level 2	2018 £'000 Level 3
Fair value of investment assets						
Equities	748,798	-	-	767,749	-	-
Collective Investment Schemes	-	7,196	-	-	9,255	-
<b>Total investment assets</b>	<b>748,798</b>	<b>7,196</b>	<b>-</b>	<b>767,749</b>	<b>9,255</b>	<b>-</b>

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

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

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

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

**14 Risk Management Policies & Numerical Disclosures**

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

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

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £37,800,000 (2018: £38,852,000). A five per cent decrease would have an equal and opposite effect.

#### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £37,422,000 (2018: £38,187,000). A five per cent decrease would have an equal and opposite effect.

#### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Australian Dollar	944	2,439
Brazilian Real	63,016	65,281
Chilean Peso	5,787	7,746
China Renminbi	4,804	3,793
Hong Kong Dollar	199,803	191,256
Hungarian Forint	3,454	11,657
Indian Rupee	47,982	47,598
Indonesian Rupiah	9,915	19,021
Malaysian Ringgit	3,683	4,210
Mexican Peso	32,468	27,874
Russian Ruble	25,019	21,559
South Africa Rand	32,677	51,314
South Korean Won	96,540	82,708
Taiwan Dollar	70,083	74,958
Thai Baht	37,387	28,964
Turkish Lira	5,055	11,707
US Dollar	109,819	111,652

#### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	7,453	9,113	16,566
Australian Dollar	-	944	944
Brazilian Real	1	63,015	63,016
Chilean Peso	-	5,787	5,787
China Renminbi	-	4,804	4,804
Hong Kong Dollar	3,253	196,550	199,803
Hungarian Forint	-	3,454	3,454
Indian Rupee	404	47,578	47,982
Indonesian Rupiah	186	9,729	9,915
Malaysian Ringgit	-	3,683	3,683
Mexican Peso	818	31,650	32,468
Russian Ruble	-	25,019	25,019
South Africa Rand	-	32,677	32,677
South Korean Won	-	96,540	96,540
Taiwan Dollar	171	69,912	70,083
Thai Baht	-	37,387	37,387
Turkish Lira	-	5,055	5,055
US Dollar	1,857	107,962	109,819
<b>2018</b>			
<b>Currency</b>			
UK Sterling	18,519	2,625	21,144
Australian Dollar	-	2,439	2,439
Brazilian Real	1	65,280	65,281
Chilean Peso	-	7,746	7,746
China Renminbi	-	3,793	3,793
Hong Kong Dollar	-	191,256	191,256
Hungarian Forint	-	11,657	11,657
Indian Rupee	158	47,440	47,598
Indonesian Rupiah	184	18,837	19,021
Malaysian Ringgit	-	4,210	4,210
Mexican Peso	382	27,492	27,874
Russian Ruble	-	21,559	21,559
South Africa Rand	-	51,314	51,314
South Korean Won	-	82,708	82,708
Taiwan Dollar	6,229	68,729	74,958
Thai Baht	-	28,964	28,964
Turkish Lira	-	11,707	11,707
US Dollar	356	111,296	111,652

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

**d. Credit risk**

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

**e. Liquidity risk**

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the three months ended 31 May 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 May 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.5280	-	0.5280*	0.2498
Group 2	0.3931	0.1349	0.5280*	0.2498
<b>Institutional accumulation</b>				
Group 1	0.6422	-	0.6422*	0.3436
Group 2	0.3608	0.2814	0.6422*	0.3436
<b>Retail income</b>				
Group 1	0.6801	-	0.6801**	0.4242
Group 2	0.3830	0.2971	0.6801**	0.4242
<b>Institutional income</b>				
Group 1	0.7009	-	0.7009**	0.4368
Group 2	0.3047	0.3962	0.7009**	0.4368
<b>Standard Life income</b>				
Group 1	0.6702	-	0.6702**	0.4582
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.7779	-	0.7779*	0.4940
Group 2	0.3599	0.4180	0.7779*	0.4940
<b>Platform 1 accumulation</b>				
Group 1	0.6247	-	0.6247*	0.3333
Group 2	0.3927	0.2320	0.6247*	0.3333
<b>Platform 1 income</b>				
Group 1	0.6922	-	0.6922**	0.4357
Group 2	0.3631	0.3291	0.6922**	0.4357

\* Distribution accumulated on 31 May 2018

\*\* Distribution paid on 31 July 2018

For the three months ended 31 August 2018

Group 1 - shares purchased prior to 1 June 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.6844	-	0.6844*	0.6789
Group 2	0.2410	0.4434	0.6844*	0.6789
<b>Institutional accumulation</b>				
Group 1	0.8192	-	0.8192*	0.7927
Group 2	0.2481	0.5711	0.8192*	0.7927
<b>Retail income</b>				
Group 1	0.8375	-	0.8375**	0.8142
Group 2	0.4790	0.3585	0.8375**	0.8142
<b>Institutional income</b>				
Group 1	0.8453	-	0.8453**	0.8379
Group 2	0.2587	0.5866	0.8453**	0.8379
<b>Standard Life income</b>				
Group 1	0.9466	-	0.9466**	0.8217
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	1.0628	-	1.0628*	0.9155
Group 2	0.5247	0.5381	1.0628*	0.9155
<b>Platform 1 accumulation</b>				
Group 1	0.8101	-	0.8101*	0.7818
Group 2	0.3512	0.4589	0.8101*	0.7818
<b>Platform 1 income</b>				
Group 1	0.8522	-	0.8522**	0.8399
Group 2	0.3409	0.5113	0.8522**	0.8399

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

For the three months ended 30 November 2018

Group 1 - shares purchased prior to 1 September 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.2358	-	0.2358*	0.0805
Group 2	-	0.2358	0.2358*	0.0805
<b>Institutional accumulation</b>				
Group 1	0.3354	-	0.3354*	0.1766
Group 2	0.0373	0.2981	0.3354*	0.1766
<b>Retail income</b>				
Group 1	0.4049	-	0.4049**	0.3016
Group 2	0.1406	0.2643	0.4049**	0.3016
<b>Institutional income</b>				
Group 1	0.4154	-	0.4154**	0.3028
Group 2	0.1174	0.2980	0.4154**	0.3028
<b>Standard Life income</b>				
Group 1	0.4280	-	0.4280**	0.4056
Group 2	-	-	-	0.4056
<b>Standard Life accumulation</b>				
Group 1	0.4964	-	0.4964*	0.3812
Group 2	0.1454	0.3510	0.4964*	0.3812
<b>Platform 1 accumulation</b>				
Group 1	0.3222	-	0.3222*	0.1610
Group 2	0.0663	0.2559	0.3222*	0.1610
<b>Platform 1 income</b>				
Group 1	0.4141	-	0.4141**	0.3234
Group 2	0.1180	0.2961	0.4141**	0.3234

\* Distribution accumulated on 30 November 2018

\*\* Distribution paid on 31 January 2019

For the three months ended 28 February 2019

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.4003	-	0.4003*	0.0913
Group 2	0.1244	0.2759	0.4003*	0.0913
<b>Institutional accumulation</b>				
Group 1	0.3323	-	0.3323*	0.2010
Group 2	0.0884	0.2439	0.3323*	0.2010
<b>Retail income</b>				
Group 1	0.4126	-	0.4126**	0.3132
Group 2	0.1027	0.3099	0.4126**	0.3132
<b>Institutional income</b>				
Group 1	0.3916	-	0.3916**	0.3255
Group 2	0.1308	0.2608	0.3916**	0.3255
<b>Standard Life income</b>				
Group 1	0.3731	-	0.3731**	0.2799
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.4325	-	0.4325*	0.3218
Group 2	0.1454	0.2871	0.4325*	0.3218
<b>Platform 1 accumulation</b>				
Group 1	0.3266	-	0.3266*	0.1871
Group 2	0.1653	0.1613	0.3266*	0.1871
<b>Platform 1 income</b>				
Group 1	0.3826	-	0.3826**	0.3186
Group 2	0.2726	0.1100	0.3826**	0.3186

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

**Treatment by Corporate Shareholders (unaudited)**

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

	1st Interim Dividend	2nd Interim Dividend	3rd Interim Dividend	Final Dividend
Treat as a UK corporate dividend	100.00%	100.00%	87.73%	93.83%
Treat as an annual payment net of Income tax at 20%	0.00%	0.00%	12.27%	6.17%

# Global Emerging Markets Equity Unconstrained Fund

## Investment Report

### Fund Information

**Launch Date** 21 October 2014

**Closure Date** 14 January 2016

All shares in the Fund were redeemed and cancelled. The Fund will formally terminate at a later date after all residual assets and liabilities are settled. The Fund is not open to new investors.

**Portfolio Statement**

As at 28 February 2019

Holding	Investment	Bid-market value £'000	Percentage of total net assets
<b>Pacific Basin Equities (0.00%)</b>		-	-
<b>China (0.00%)</b>		-	-
5,196,000	Tianhe Chemicals*	-	-
<b>Total investment assets</b>		-	-
<b>Net other assets</b>		-	-
<b>Total Net Assets</b>		-	-

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.  
The percentage figures in brackets show the comparative holding as at 28 February 2018.

\* Suspended

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital losses	2		-		-
Revenue	4	1		-	
Expenses	5	(1)		-	
Net revenue before taxation		-		-	
Taxation	6	-		-	
Net revenue after taxation			-		-
<b>Total return before distributions</b>			-		-
Distributions	7		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>			-		-

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		-
Amounts receivable on issue of shares	-		-	
Amounts payable on cancellation of shares	-		-	
Dilution adjustment		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
Change in provision for Fund closure		-		-
<b>Closing net assets attributable to shareholders</b>		-		-

**Balance Sheet**

As at 28 February 2019

	Notes	2019 £'000	2018 £'000	2018 £'000
<b>Assets:</b>				
<b>Current assets:</b>				
Debtors		-	-	
Cash and bank balances		1	4	
			1	4
<b>Total assets</b>			<b>1</b>	<b>4</b>
<b>Liabilities:</b>				
Creditors	8	(1)	(4)	
			(1)	(4)
<b>Total liabilities</b>			<b>(1)</b>	<b>(4)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>	<b>-</b>

## Notes to the Financial Statements

## 1 Accounting Policies

Please refer to pages 13 to 15 for notes on accounting policies.

## 2 Net Capital Losses

	2019 £'000	2018 £'000
Non-derivative securities	-	-
Handling charges taken from the capital account	-	-
<b>Net capital losses</b>	-	-

## 3 Transaction Costs

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
Purchases in year before transaction costs	-	-
Commissions	-	-
Taxes & Other Fees	-	-
Total purchase transaction costs	-	-
Purchases including transaction costs	-	-
Gross sales before transaction costs	-	-
Commissions	-	-
Taxes & Other Fees	-	-
Total sale transaction costs	-	-
Total sales net of transaction costs	-	-

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.00%	0.00%
Taxes & Other Fees	0.00%	0.00%
<b>Sales</b>		
Commissions	0.00%	0.00%
Taxes & Other Fees	0.00%	0.00%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.00%	0.00%
Taxes & Other Fees	0.00%	0.00%
<b>Sales</b>		
Commissions	0.00%	0.00%
Taxes & Other Fees	0.00%	0.00%

During the year the total purchases and sales across different major assets classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	-	-
<b>Sales</b>		
Equities	-	-

#### 4 Revenue

	2019 £'000	2018 £'000
Overseas dividends	-	-
Other	1	-
<b>Total revenue</b>	<b>1</b>	<b>-</b>

#### 5 Expenses

	2019 £'000	2018 £'000
<b>Other:</b>		
Audit fee	-	-
Legal expenses	(1)	-
<b>Total expenses</b>	<b>(1)</b>	<b>-</b>

#### 6 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in the year</b>		
Overseas withholding tax	-	-
<b>Total taxation</b>	<b>-</b>	<b>-</b>
<b>(b) Factors affecting current tax charge for year</b>		
The tax assessed for the year is the same as the standard rate of corporation tax for Open-Ended Investment Companies 'OEICs' (20%). The differences are explained below:		
Net revenue before taxation	-	-
Corporation tax at 20% (2017: 20%)	-	-
Effects of:		
Non taxable overseas dividends	-	-
Overseas withholding tax	-	-
Excess allowable expenses	-	-
<b>Current tax charge (Note 6(a))</b>	<b>-</b>	<b>-</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £51,000 (2017: £51,000) due to surplus expenses. It is unlikely that the Fund will generate sufficient axable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

## 7 Distributions

(a) The distribution takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprises:

	2019 £'000	2018 £'000
<b>Net distribution for the year</b>	-	-
<b>(b) Difference between net revenue and distribution</b>		
Net revenue after taxation for the year	-	-
Add: Revenue transferred to capital	-	-
<b>Net distribution for the year</b>	-	-

## 8 Creditors

	2019 £'000	2018 £'000
Other accrued expenses	-	2
Residual payment due in respect of ongoing Fund closure	1	2
<b>Total creditors</b>	<b>1</b>	<b>4</b>

# Global Equity Income Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Dominic Byrne
<b>Launch Date</b>	1 May 1986
<b>Benchmark</b>	IA Global Equity Income Sector

### Investment objective

The objective of the Fund is to provide income with some capital appreciation over the longer term.

### Investment policy

The investment policy of the Fund is to invest mostly in a focused portfolio of high yielding global equities, equity type investments and fixed interest securities. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the opportunity to achieve income with some capital appreciation over the longer term afforded by investing in an actively managed and focused portfolio of mainly global equities which may, from time to time, take tactical holdings in fixed interest securities. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of equity exposure at a country and sector level. The investor must be able to accept significant temporary losses due to the volatile nature of equity markets and should therefore have an investment time horizon of at least 5 years.

### Performance

During the period under review, the Fund returned -0.88% (Platform 1 accumulation), compared with the IA Global Equity sector, which returned 2.05% (source: Morningstar, basic rate taxpayer, bid-to-bid basis).

Travel company TUI was one of the largest detractors from performance. Growing concerns about overcapacity in the industry, exacerbated by fears of Thomas Cook going out of business, had a negative impact. Kraft Heinz weighed on relative performance following weak results. The branded-food company experienced sluggish growth in earnings, with a decline in organic revenues. Scant newsflow on management's next steps also heightened worries. Vodafone also underperformed when the mobile operator reported disappointing earnings. The lack of growth raised concerns again about the sustainability of its dividend. Investors remain sceptical that the company can maintain its payout ratio and at the same time deliver on its

investment goals. We remain confident that management will be able to manage the cost base to maintain the dividend. Lastly, Danske Bank dragged on performance after it released the findings of its internal investigation into money laundering. The scale of the problem exceeded expectations and increased nervousness about the potential impact on its balance sheet.

On the upside, US firm American Tower, a specialist owner of real estate for wireless companies, added to returns. It posted good numbers showing continued growth in the US. More importantly, it announced a resolution to negotiations with its Indian partners that opened the way for expansion there. Pfizer, the pharmaceutical company, also performed well. Its drugs under development look promising and should become more so when data is released that highlight their efficacy. Furthermore, the defensive characteristics of the business were helpful during a volatile period. A further positive was NextEra Energy, the largest renewable energy provider in the US. NextEra demonstrated how its earnings profiles of existing projects offset the decline in renewable tax credits. As a result, investors gained greater confidence in the company's long-term targets.

### Investment activity

Activity during the period included buying shares in Microsoft. The US software business is a major beneficiary of the shift to Cloud computing. The acceleration of this move is starting to feed through to margin improvement. Cashflow is expected to grow in the next few years as capital expenditure looks to have peaked. We also bought oil exploration & production company Occidental. We believe it will be disciplined with its capital allocation over the coming years. This should drive higher returns-on-capital. US defence contractor Raytheon was another company where we believe the valuation underestimates the sustainability of its earnings growth. We think there is scope for an increase in US military expenditure as both sides of the political divide in the US are broadly supportive of an increase to the defence budget. This should heighten the chances of Raytheon winning more military contracts. Lastly, we bought Restaurant Brands International, owner of Tim Horton and Burger King. Remodelling of Tim Horton stores, increased advertising and improved franchisee relationships should be rewarded with improved revenues.

Selling activity involved CSX, the rail operator with a focus on the eastern US. It has completed the process of improving operational efficiency. While profit margins have risen, the scope for additional improvement appears limited. We switched into another rail operator, Union Pacific. Another major sale was Brazil's Banco Bradesco. The presidential election result was considered positive for markets. However, it only reduced short-term risks in our view, so we took the opportunity to exit the position. Elsewhere, we sold Danish jewellery designer and retailer Pandora. An earnings update showed no real change to trends in developed markets, while a slowdown in China was a sizeable negative. This reduced our conviction in the stock and we decided to exit the position.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk			Typically higher rewards, higher risk					
←	1	2	3	<b>4</b>	5	6	7	→

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation – Founder	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	261.21	258.98	206.34
Return before operating charges*	2.16	5.01	55.16
Operating charges	(2.75)	(2.78)	(2.52)
Return after operating charges*	(0.59)	2.23	52.64
Distributions	(4.99)	(4.28)	(4.91)
Retained distributions on accumulation shares*	4.99	4.28	4.91
Closing net asset value per share	260.62	261.21	258.98
* after direct transaction costs of:	0.21	0.35	0.36
<b>Performance</b>			
Return after charges	(0.23%)	0.86%	25.51%
<b>Other information</b>			
Closing net asset value (£'000)	81,360	87,965	95,292
Closing number of shares	31,217,167	33,675,927	36,794,983
Operating charges	1.04%	1.04%	1.08%
Direct transaction costs	0.08%	0.13%	0.15%
<b>Prices</b>			
Highest share price	280.2	276.1	258.8
Lowest share price	246.3	251.9	207.1

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

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

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

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

Institutional accumulation – Founder	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	285.10	281.47	223.29
Return before operating charges*	2.35	5.44	59.77
Operating charges	(1.79)	(1.81)	(1.59)
Return after operating charges*	0.56	3.63	58.18
Distributions	(6.67)	(5.88)	(6.42)
Retained distributions on accumulation shares*	6.67	5.88	6.42
Closing net asset value per share	285.66	285.10	281.47
* after direct transaction costs of:	0.23	0.38	0.39
<b>Performance</b>			
Return after charges	0.20%	1.29%	26.06%
<b>Other information</b>			
Closing net asset value (£'000)	6,870	7,718	8,176
Closing number of shares	2,404,940	2,707,210	2,904,760
Operating charges	0.62%	0.62%	0.63%
Direct transaction costs	0.08%	0.13%	0.15%
<b>Prices</b>			
Highest share price	306.4	301.2	281.5
Lowest share price	268.9	274.8	224.1

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

Retail income – Founder	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	82.52	83.97	69.03
Return before operating charges*	0.73	1.68	18.18
Operating charges	(0.86)	(0.89)	(0.83)
Return after operating charges*	(0.13)	0.79	17.35
Distributions	(2.39)	(2.24)	(2.41)
Closing net asset value per share*	80.00	82.52	83.97
* after direct transaction costs of:	0.06	0.11	0.12
<b>Performance</b>			
Return after charges	(0.16%)	0.94%	25.13%
<b>Other information</b>			
Closing net asset value (£'000)	835	861	811
Closing number of shares	1,043,936	1,043,788	965,803
Operating charges	1.04%	1.04%	1.08%
Direct transaction costs	0.08%	0.13%	0.16%
<b>Prices</b>			
Highest share price	87.64	88.15	84.36
Lowest share price	76.60	79.94	69.33

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

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

Institutional income – Founder	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.84	85.98	70.38
Return before operating charges*	0.75	1.69	18.55
Operating charges	(0.53)	(0.55)	(0.49)
Return after operating charges*	0.22	1.14	18.06
Distributions	(2.46)	(2.28)	(2.46)
Closing net asset value per share*	82.60	84.84	85.98
* after direct transaction costs of:	0.07	0.12	0.12
<b>Performance</b>			
Return after charges	0.26%	1.33%	25.66%
<b>Other information</b>			
Closing net asset value (£'000)	231	261	624
Closing number of shares	280,083	307,376	726,255
Operating charges	0.62%	0.62%	0.63%
Direct transaction costs	0.08%	0.13%	0.15%
<b>Prices</b>			
Highest share price	90.28	90.37	86.37
Lowest share price	79.03	82.16	70.68

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

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

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

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	85.58	85.49	69.57
Return before operating charges*	0.30	2.27	18.36
Operating charges	(0.04)	(0.04)	(0.04)
Return after operating charges*	0.26	2.23	18.32
Distributions	(2.54)	(2.14)	(2.40)
Closing net asset value per share*	83.30	85.58	85.49
* after direct transaction costs of:	0.07	0.11	0.12
<b>Performance</b>			
Return after charges	0.30%	2.61%	26.33%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	2	14,756
Closing number of shares	113	2,000	17,260,431
Operating charges	0.04%	0.04%	0.05%
Direct transaction costs	0.08%	0.13%	0.15%
<b>Prices</b>			
Highest share price	174.5	90.43	85.89
Lowest share price	79.78	83.75	69.87

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^</sup> The closing net asset value of Standard Life income is £94.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	86.00	83.59	66.72
Return before operating charges*	0.70	2.52	16.97
Operating charges	(0.11)	(0.11)	(0.10)
Return after operating charges*	0.59	2.41	16.87
Distributions	(2.44)	(2.21)	(1.85)
Retained distributions on accumulation shares*	2.44	2.21	1.85
Closing net asset value per share	86.59	86.00	83.59
* after direct transaction costs of:	0.07	0.11	0.12
<b>Performance</b>			
Return after charges	0.69%	2.88%	25.28%
<b>Other information</b>			
Closing net asset value (£'000)	292	400	379
Closing number of shares	337,519	465,580	453,131
Operating charges	0.12%	0.12%	0.13%
Direct transaction costs	0.08%	0.13%	0.16%
<b>Prices</b>			
Highest share price	92.62	90.78	84.46
Lowest share price	81.15	82.75	66.97

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

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

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

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	97.12	96.58	77.19
Return before operating charges*	0.81	1.87	20.57
Operating charges	(1.31)	(1.33)	(1.18)
Return after operating charges*	(0.50)	0.54	19.39
Distributions	(1.56)	(1.30)	(1.57)
Retained distributions on accumulation shares*	1.56	1.30	1.57
Closing net asset value per share	96.62	97.12	96.58
* after direct transaction costs of:	0.08	0.13	0.13
<b>Performance</b>			
Return after charges	(0.51%)	0.56%	25.12%
<b>Other information</b>			
Closing net asset value (£'000)	7,751	9,443	10,461
Closing number of shares	8,022,491	9,721,951	10,831,093
Operating charges	1.34%	1.34%	1.35%
Direct transaction costs	0.08%	0.13%	0.15%
<b>Prices</b>			
Highest share price	104.1	102.7	96.51
Lowest share price	91.57	93.67	77.48

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	101.31	100.28	79.75
Return before operating charges*	0.84	1.93	21.32
Operating charges	(0.89)	(0.90)	(0.79)
Return after operating charges*	(0.05)	1.03	20.53
Distributions	(2.11)	(1.84)	(2.07)
Retained distributions on accumulation shares*	2.11	1.84	2.07
Closing net asset value per share	101.26	101.31	100.28
* after direct transaction costs of:	0.08	0.14	0.14
<b>Performance</b>			
Return after charges	(0.05%)	1.03%	25.74%
<b>Other information</b>			
Closing net asset value (£'000)	4,658	7,143	5,080
Closing number of shares	4,600,338	7,050,840	5,065,519
Operating charges	0.87%	0.87%	0.88%
Direct transaction costs	0.08%	0.13%	0.15%
<b>Prices</b>			
Highest share price	108.8	107.1	100.2
Lowest share price	95.55	97.68	80.05

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.21	81.87	67.50
Return before operating charges*	0.71	1.61	17.73
Operating charges	(1.07)	(1.12)	(1.01)
Return after operating charges*	(0.36)	0.49	16.72
Distributions	(2.32)	(2.15)	(2.35)
Closing net asset value per share*	77.53	80.21	81.87
* after direct transaction costs of:	0.06	0.11	0.12
<b>Performance</b>			
Return after charges	(0.45%)	0.60%	24.77%
<b>Other information</b>			
Closing net asset value (£'000)	336	325	719
Closing number of shares	433,061	405,525	878,112
Operating charges	1.34%	1.34%	1.35%
Direct transaction costs	0.08%	0.13%	0.16%
<b>Prices</b>			
Highest share price	85.08	85.86	82.24
Lowest share price	74.28	77.69	67.79

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.59	84.93	69.68
Return before operating charges*	0.74	1.67	18.36
Operating charges	(0.73)	(0.75)	(0.68)
Return after operating charges*	0.01	0.92	17.68
Distributions	(2.42)	(2.26)	(2.43)
Closing net asset value per share*	81.18	83.59	84.93
* after direct transaction costs of:	0.07	0.11	0.12
<b>Performance</b>			
Return after charges	0.01%	1.08%	25.37%
<b>Other information</b>			
Closing net asset value (£'000)	724	907	1,376
Closing number of shares	892,196	1,085,499	1,619,975
Operating charges	0.87%	0.87%	0.88%
Direct transaction costs	0.08%	0.13%	0.15%
<b>Prices</b>			
Highest share price	88.84	89.19	85.32
Lowest share price	77.70	80.97	69.98

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

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

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

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.12	98.16	78.10
Return before operating charges*	0.83	1.89	20.88
Operating charges	(0.92)	(0.93)	(0.82)
Return after operating charges*	(0.09)	0.96	20.06
Distributions	(2.01)	(1.75)	(1.98)
Retained distributions on accumulation shares*	2.01	1.75	1.98
Closing net asset value per share	99.03	99.12	98.16
* after direct transaction costs of:	0.08	0.13	0.14
<b>Performance</b>			
Return after charges	(0.09%)	0.98%	25.69%
<b>Other information</b>			
Closing net asset value (£'000)	14,364	24,759	23,869
Closing number of shares	14,504,662	24,977,958	24,315,599
Operating charges	0.92%	0.92%	0.93%
Direct transaction costs	0.08%	0.13%	0.16%
<b>Prices</b>			
Highest share price	106.4	104.8	98.09
Lowest share price	93.48	95.57	78.40

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

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

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

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

Platform 1 income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.24	84.61	69.45
Return before operating charges*	0.74	1.67	18.31
Operating charges	(0.77)	(0.79)	(0.72)
Return after operating charges*	(0.03)	0.88	17.59
Distributions	(2.41)	(2.25)	(2.43)
Closing net asset value per share*	80.80	83.24	84.61
* after direct transaction costs of:	0.07	0.11	0.12
<b>Performance</b>			
Return after charges	(0.04%)	1.04%	25.33%
<b>Other information</b>			
Closing net asset value (£'000)	4,731	7,065	7,356
Closing number of shares	5,854,701	8,487,064	8,694,031
Operating charges	0.92%	0.92%	0.93%
Direct transaction costs	0.08%	0.13%	0.15%
<b>Prices</b>			
Highest share price	88.46	88.85	85.00
Lowest share price	77.35	80.63	69.75

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Institutional A accumulation <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	63.41	63.22	50.61
Return before operating charges*	2.21	1.26	13.54
Operating charges	(0.31)	(1.07)	(0.93)
Return after operating charges*	1.90	0.19	12.61
Distributions	(0.40)	(0.67)	(0.89)
Retained distributions on accumulation shares*	0.40	0.67	0.89
Redemption value as at 14 June 2018	65.31	-	-
Closing net asset value per share	-	63.41	63.22
* after direct transaction costs of:	0.05	0.09	0.09
<b>Performance</b>			
Return after charges	3.00%	0.30%	24.92%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	2,200	2,200
Operating charges	0.49%	1.62%	1.63%
Direct transaction costs	0.08%	0.13%	0.16%
<b>Prices</b>			
Highest share price	65.53	67.08	63.18
Lowest share price	59.78	61.17	50.80

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^</sup> Share class closed on 14 June 2018.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.46%)</b>		<b>119,415</b>	<b>97.76</b>
<b>Emerging Market Equities (1.86%)</b>		-	-
<b>Brazil (1.86%)</b>		-	-
<b>European Equities (24.22%)</b>		<b>29,123</b>	<b>23.84</b>
<b>Belgium (0.00%)</b>		<b>1,037</b>	<b>0.85</b>
31,886	Umicore	1,037	0.85
<b>Denmark (2.73%)</b>		<b>2,192</b>	<b>1.79</b>
107,276	Tryg	2,192	1.79
<b>Finland (3.91%)</b>		<b>4,830</b>	<b>3.95</b>
62,079	Kesko	2,772	2.27
56,136	Kone	2,058	1.68
<b>France (3.87%)</b>		<b>740</b>	<b>0.61</b>
64,330	Orange	740	0.61
<b>Germany (1.87%)</b>		<b>1,471</b>	<b>1.20</b>
89,078	Infineon Technology	1,471	1.20
<b>Ireland (1.72%)</b>		<b>1,025</b>	<b>0.84</b>
15,061	Medtronic	1,025	0.84
<b>Italy (1.47%)</b>		<b>3,004</b>	<b>2.46</b>
660,862	Enel	3,004	2.46
<b>Netherlands (3.09%)</b>		<b>6,303</b>	<b>5.16</b>
12,890	ASML	1,778	1.45
92,538	ASR Nederland	3,061	2.51
18,117	Koninklijke DSM	1,464	1.20
<b>Norway (0.00%)</b>		<b>2,575</b>	<b>2.11</b>
175,486	Telenor	2,575	2.11
<b>Portugal (1.74%)</b>		<b>625</b>	<b>0.51</b>
50,606	Galp Energia	625	0.51
<b>Sweden (2.56%)</b>		<b>990</b>	<b>0.81</b>
71,916	Swedbank	990	0.81

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Switzerland (1.26%)</b>		<b>4,331</b>	<b>3.55</b>
19,362	Ferguson	1,011	0.83
13,335	Zurich	3,320	2.72
<b>Japanese Equities (7.26%)</b>		<b>7,682</b>	<b>6.29</b>
2,249	GLP J-REIT	1,765	1.45
124,902	JXTG	439	0.36
427,331	Mitsubishi UFJ Financial	1,663	1.36
16,422	Murata Manufacturing	1,920	1.57
174,299	ORIX	1,895	1.55
<b>North American Equities (46.79%)</b>		<b>71,277</b>	<b>58.35</b>
<b>Canada (0.24%)</b>		<b>2,802</b>	<b>2.29</b>
58,954	Restaurant Brands International	2,802	2.29
<b>United States (46.55%)</b>		<b>68,475</b>	<b>56.06</b>
14,787	American Tower	1,958	1.60
128,593	Bank of America	2,811	2.30
36,136	Baxter International	2,030	1.66
11,222	Broadcom	2,324	1.90
26,825	Chevron	2,411	1.97
83,676	Cisco Systems	3,258	2.67
87,009	CMS Energy	3,558	2.91
85,638	Coca-Cola	2,919	2.39
12,690	Constellation	1,613	1.32
25,575	Eli Lilly	2,428	1.99
8,128	Equinix	2,586	2.12
29,186	First Republic Bank	2,303	1.89
35,217	Johnson & Johnson	3,618	2.96
13,694	JPMorgan Chase	1,074	0.88
27,251	Kraft Heinz	680	0.56
147,221	Marvell Technology	2,208	1.81
16,510	McDonald's	2,281	1.87
30,168	Merck & Co	1,844	1.51
49,797	Microsoft	4,195	3.43
22,864	NextEra Energy	3,227	2.64
55,205	Occidental Petroleum	2,745	2.25
106,421	Pfizer	3,466	2.84
18,855	Raytheon	2,644	2.17
31,465	Service Corporation International	978	0.80
21,722	Union Pacific	2,739	2.24
15,040	United Health	2,737	2.24
89,741	Verizon Communications	3,840	3.14

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Pacific Basin Equities (5.66%)</b>		<b>4,747</b>	<b>3.89</b>
<b>Australia (2.37%)</b>		<b>4,747</b>	<b>3.89</b>
125,214	Aristocrat Leisure	1,648	1.35
28,607	Rio Tinto	1,471	1.21
203,733	Treasury Wine Estates	1,628	1.33
<b>China (0.87%)</b>		-	-
8,100,000	Tianhe Chemicals*	-	-
<b>South Korea (0.87%)</b>		-	-
<b>Taiwan (1.55%)</b>		-	-
<b>UK Equities (12.67%)</b>		<b>6,586</b>	<b>5.39</b>
<b>Basic Materials (0.00%)</b>		-	-
<b>Consumer Goods (2.03%)</b>		-	-
<b>Consumer Services (0.00%)</b>		<b>958</b>	<b>0.79</b>
343,550	Cineworld	958	0.79
<b>Financials (1.87%)</b>		<b>1,188</b>	<b>0.97</b>
74,760	Prudential	1,188	0.97
<b>Industrials (4.94%)</b>		<b>600</b>	<b>0.49</b>
178,992	Smith (DS)	600	0.49
<b>Oil &amp; Gas (2.14%)</b>		<b>2,859</b>	<b>2.34</b>
535,182	BP	2,859	2.34
<b>Telecommunications (1.69%)</b>		<b>981</b>	<b>0.80</b>
730,370	Vodafone	981	0.80
<b>Total investment assets</b>		<b>119,415</b>	<b>97.76</b>
<b>Net other assets</b>		<b>2,737</b>	<b>2.24</b>
<b>Total Net Assets</b>		<b>122,152</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 28 February 2018.

\* Suspended

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital losses	2		(2,846)		(698)
Revenue	4	4,408		4,835	
Expenses	5	(1,339)		(1,548)	
Interest payable and similar charges	6	(2)		(2)	
Net revenue before taxation		3,067		3,285	
Taxation	7	(425)		(457)	
Net revenue after taxation			2,642		2,828
<b>Total return before distributions</b>			<b>(204)</b>		<b>2,130</b>
Distributions	8		(2,713)		(2,925)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(2,917)</b>		<b>(795)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>146,850</b>		<b>168,900</b>
Amounts receivable on the issue of shares	3,978		12,513	
Amounts payable on the cancellation of shares	(28,220)		(36,164)	
		(24,242)		(23,651)
Dilution adjustment		39		27
Change in net assets attributable to shareholders from investment activities (see above)		(2,917)		(795)
Retained distribution on accumulation shares		2,422		2,369
<b>Closing net assets attributable to shareholders</b>		<b>122,152</b>		<b>146,850</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		119,415	144,586
<b>Current assets:</b>			
Debtors	9	500	2,259
Cash and bank balances	10	2,532	1,940
		3,032	4,199
<b>Total assets</b>		<b>122,447</b>	<b>148,785</b>
<b>Liabilities:</b>			
Creditors	11	(255)	(1,887)
Bank overdrafts		-	(3)
Distribution payable		(40)	(45)
		(295)	(1,935)
<b>Total liabilities</b>		<b>(295)</b>	<b>(1,935)</b>
<b>Net assets attributable to shareholders</b>		<b>122,152</b>	<b>146,850</b>

## Notes to the Financial Statements

## 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

## 2 Net Capital Losses

	2019 £'000	2018 £'000
Non-derivative securities	(2,879)	(638)
Forward currency contracts	6	(5)
Other gains/(losses)	42	(39)
Handling charges taken from the capital account	(15)	(16)
<b>Net capital losses</b>	<b>(2,846)</b>	<b>(698)</b>

## 3 Equity Purchases, Sales and Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

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

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	71,239	66,189
Commissions	28	56
Taxes & Other Fees	24	94
<b>Total purchase transaction costs</b>	<b>52</b>	<b>150</b>
<b>Purchases including transaction costs</b>	<b>71,291</b>	<b>66,339</b>
<b>Sales</b>		
Gross sales before transaction costs	93,667	86,528
Commissions	(44)	(58)
Taxes & Other Fees	(10)	(5)
<b>Total sale transaction costs</b>	<b>(54)</b>	<b>(63)</b>
<b>Total sales net of transaction costs</b>	<b>93,613</b>	<b>86,465</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.04%	0.08%
Taxes & Other Fees	0.03%	0.14%
<b>Sales</b>		
Commissions	0.05%	0.07%
Taxes & Other Fees	0.01%	0.01%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.02%	0.03%
Taxes & Other Fees	0.02%	0.06%
<b>Sales</b>		
Commissions	0.03%	0.04%
Taxes & Other Fees	0.01%	0.00%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchase</b>		
Equities	71,291	66,339
<b>Sales</b>		
Equities	93,613	86,465

There were corporate actions (net purchases) of £86,000 in the year (2018 (net sales): £224,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.07% (2018: 0.50%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	563	431
Overseas dividends	3,841	4,399
Bank interest	4	5
<b>Total revenue</b>	<b>4,408</b>	<b>4,835</b>

#### 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	1,253	1,439
Dealing charge	13	17
Registration fees	32	40
	1,298	1,496
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	20	24
Safe custody fee	11	16
	31	40
<b>Other:</b>		
Professional fees	1	4
Audit fee	9	8
	10	12
<b>Total expenses</b>	<b>1,339</b>	<b>1,548</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	2	2
<b>Total interest payable &amp; similar charges</b>	<b>2</b>	<b>2</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	425	457
<b>Total current tax</b>	<b>425</b>	<b>457</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	3,067	3,285
Corporation tax at 20% (2018: 20%)	614	657
Effects of:		
Revenue not subject to taxation	(831)	(894)
Overseas taxes	425	457
Overseas tax expensed	(7)	(10)
Excess allowable expenses	224	257
Revenue taxable in other periods	-	(10)
<b>Total tax charge for year (note 7a)</b>	<b>425</b>	<b>457</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,106,000 (2018: £1,882,000)\* due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

\* Prior year figure has been restated.

## 8 Distributions

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
First interim distribution	1,075	1,428
Second interim distribution	634	772
Third interim distribution	485	352
Final distribution	449	353
	2,643	2,905
Add: Income deducted on cancellation of shares	80	54
Deduct: Income received on issue of shares	(10)	(34)
<b>Net distribution for the year</b>	<b>2,713</b>	<b>2,925</b>
Details of the distribution per share are set out in this Fund's distribution tables.		
Net revenue after taxation	2,642	2,828
Annual ACD charge to capital	62	86
Registration fees taken from the capital account	9	11
<b>Total distributions</b>	<b>2,713</b>	<b>2,925</b>

## 9 Debtors

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	55	25
Sales awaiting settlement	-	1,772
Accrued revenue	328	361
Foreign withholding tax recoverable	117	101
<b>Total debtors</b>	<b>500</b>	<b>2,259</b>

## 10 Cash and Bank Balances

	2019 £'000	2018 £'000
Cash and bank balances	2,532	1,940
<b>Total cash and bank balances</b>	<b>2,532</b>	<b>1,940</b>

## 11 Creditors

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	149	98
Purchases awaiting settlement	-	1,666
Accrued expenses payable to ACD	92	108
Accrued expenses payable to the Depositary or associates of the Depositary	5	7
Other accrued expenses	9	8
<b>Total creditors</b>	<b>255</b>	<b>1,887</b>

## 12 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation - Founder	33,675,927	211,274	(2,496,452)	(173,582)	31,217,167
Institutional accumulation - Founder	2,707,210	80,372	(513,977)	131,335	2,404,940
Retail income - Founder	1,043,788	25,803	(25,655)	-	1,043,936
Institutional income - Founder	307,376	30,216	(57,509)	-	280,083
Standard Life income	2,000	113	(2,000)	-	113
Standard Life accumulation	465,580	8,519	(136,580)	-	337,519
Retail accumulation	9,721,951	476,347	(2,175,807)	-	8,022,491
Institutional accumulation	7,050,840	660,573	(3,193,307)	82,232	4,600,338
Retail income	405,525	75,462	(43,908)	(4,018)	433,061
Institutional income	1,085,499	175,647	(397,574)	28,624	892,196
Platform 1 accumulation	24,977,958	754,373	(11,221,941)	(5,728)	14,504,662
Platform 1 income	8,487,064	448,013	(3,055,490)	(24,886)	5,854,701
Institutional A accumulation	2,200	-	(2,200)	-	-

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	119,415	-	-	144,586	-	-
<b>Total investment assets</b>	<b>119,415</b>	<b>-</b>	<b>-</b>	<b>144,586</b>	<b>-</b>	<b>-</b>

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

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

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

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

## 15 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

## a. Market price risk

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

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £5,971,000 (2018: £7,229,000). A five per cent decrease would have an equal and opposite effect.

#### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £5,615,000 (2018: £6,413,000). A five per cent decrease would have an equal and opposite effect.

#### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Australian Dollar	4,747	2,814
Brazilian Real	6	2,780
Canadian Dollar	-	351
Danish Krone	2,274	4,080
Euro	18,131	26,074
Hong Kong Dollar	-	1,285
Japanese Yen	7,717	10,706
Norwegian Krone	2,575	-
Swedish Krona	990	4,198
Swiss Franc	3,320	1,885
Taiwan Dollar	-	2,332
US Dollar	72,533	71,750

#### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	2,506	7,353	9,859
Australian Dollar	-	4,747	4,747
Brazilian Real	-	6	6
Danish Krone	-	2,274	2,274
Euro	6	18,125	18,131
Japanese Yen	-	7,717	7,717
Norwegian Krone	-	2,575	2,575
Swedish Krona	-	990	990
Swiss Franc	-	3,320	3,320
US Dollar	22	72,511	72,533
<b>2018</b>			
<b>Currency</b>			
UK Sterling	1,573	17,022	18,595
Australian Dollar	40	2,774	2,814
Brazilian Real	-	2,780	2,780
Canadian Dollar	-	351	351
Danish Krone	-	4,080	4,080
Euro	213	25,861	26,074
Hong Kong Dollar	-	1,285	1,285
Japanese Yen	-	10,706	10,706
Swedish Krona	-	4,198	4,198
Swiss Franc	38	1,847	1,885
Taiwan Dollar	52	2,280	2,332
US Dollar	21	71,729	71,750

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

#### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

#### e. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the three months ended 31 May 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 May 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation - Founder</b>				
Group 1	1.9687	-	1.9687*	2.0900
Group 2	0.9856	0.9831	1.9687*	2.0900
<b>Institutional accumulation - Founder</b>				
Group 1	2.4481	-	2.4481*	2.5738
Group 2	1.1472	1.3009	2.4481*	2.5738
<b>Retail income - Founder</b>				
Group 1	0.8273	-	0.8273**	0.8916
Group 2	0.1774	0.6499	0.8273**	0.8916
<b>Institutional income - Founder</b>				
Group 1	0.8510	-	0.8510**	0.9134
Group 2	0.2587	0.5923	0.8510**	0.9134
<b>Standard Life income</b>				
Group 1	0.9465	-	0.9465**	0.9089
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.8460	-	0.8460*	0.8811
Group 2	0.5307	0.3153	0.8460*	0.8811
<b>Retail accumulation</b>				
Group 1	0.6593	-	0.6593*	0.7053
Group 2	0.5183	0.1410	0.6593*	0.7053
<b>Institutional accumulation</b>				
Group 1	0.8066	-	0.8066*	0.8528
Group 2	0.2698	0.5368	0.8066*	0.8528
<b>Retail income</b>				
Group 1	0.8040	-	0.8040**	0.8690
Group 2	0.4338	0.3702	0.8040**	0.8690
<b>Institutional income</b>				
Group 1	0.8383	-	0.8383**	0.9020
Group 2	0.3382	0.5001	0.8383**	0.9020
<b>Platform 1 accumulation</b>				
Group 1	0.7769	-	0.7769*	0.8222
Group 2	0.3713	0.4056	0.7769*	0.8222
<b>Platform 1 income</b>				
Group 1	0.8347	-	0.8347**	0.8985
Group 2	0.5144	0.3203	0.8347**	0.8985
<b>Institutional A accumulation</b>				
Group 1	0.3986	-	0.3986*	0.4211
Group 2	-	-	-	-

\* Distribution accumulated on 31 May 2018

\*\* Distribution paid on 31 July 2018

For the three months ended 31 August 2018

Group 1 - shares purchased prior to 1 June 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation - Founder</b>				
Group 1	1.1857	-	1.1857*	1.0822
Group 2	0.6286	0.5571	1.1857*	1.0822
<b>Institutional accumulation - Founder</b>				
Group 1	1.6107	-	1.6107*	1.4910
Group 2	0.6244	0.9863	1.6107*	1.4910
<b>Retail income - Founder</b>				
Group 1	0.5856	-	0.5856**	0.5675
Group 2	0.2060	0.3796	0.5856**	0.5675
<b>Institutional income - Founder</b>				
Group 1	0.6031	-	0.6031**	0.5778
Group 2	0.1900	0.4131	0.6031**	0.5778
<b>Standard Life income</b>				
Group 1	0.6115	-	0.6115**	0.5671
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.5923	-	0.5923*	0.5543
Group 2	0.3247	0.2676	0.5923*	0.5543
<b>Retail accumulation</b>				
Group 1	0.3635	-	0.3635*	0.3281
Group 2	0.0785	0.2850	0.3635*	0.3281
<b>Institutional accumulation</b>				
Group 1	0.5026	-	0.5026*	0.4706
Group 2	0.1690	0.3336	0.5026*	0.4706
<b>Retail income</b>				
Group 1	0.5686	-	0.5686**	0.5523
Group 2	0.2985	0.2701	0.5686**	0.5523
<b>Institutional income</b>				
Group 1	0.5914	-	0.5914**	0.5726
Group 2	0.2968	0.2946	0.5914**	0.5726
<b>Platform 1 accumulation</b>				
Group 1	0.4798	-	0.4798*	0.4418
Group 2	0.1844	0.2954	0.4798*	0.4418
<b>Platform 1 income</b>				
Group 1	0.5896	-	0.5896**	0.5720
Group 2	0.2435	0.3461	0.5896**	0.5720
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.1607
Group 2	-	-	-	-

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

<sup>^</sup> Share class closed on 14 June 2018

For the three months ended 30 November 2018

Group 1 - shares purchased prior to 1 September 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation - Founder</b>				
Group 1	0.9368	-	0.9368*	0.5455
Group 2	0.4635	0.4733	0.9368*	0.5455
<b>Institutional accumulation - Founder</b>				
Group 1	1.3297	-	1.3297*	0.9008
Group 2	0.6410	0.6887	1.3297*	0.9008
<b>Retail income - Founder</b>				
Group 1	0.4972	-	0.4972**	0.3873
Group 2	-	-	-	0.3873
<b>Institutional income - Founder</b>				
Group 1	0.5126	-	0.5126**	0.3971
Group 2	0.1966	0.3160	0.5126**	0.3971
<b>Standard Life income</b>				
Group 1	0.4244	-	0.4244**	0.0395
Group 2	0.2859	0.1385	0.4244**	-
<b>Standard Life accumulation</b>				
Group 1	0.5154	-	0.5154*	0.3856
Group 2	0.3128	0.2026	0.5154*	0.3856
<b>Retail accumulation</b>				
Group 1	0.2738	-	0.2738*	0.1282
Group 2	0.1285	0.1453	0.2738*	0.1282
<b>Institutional accumulation</b>				
Group 1	0.4075	-	0.4075*	0.2555
Group 2	0.2182	0.1893	0.4075*	0.2555
<b>Retail income</b>				
Group 1	0.4824	-	0.4824**	0.3770
Group 2	0.2685	0.2139	0.4824**	0.3770
<b>Institutional income</b>				
Group 1	0.5032	-	0.5032**	0.3919
Group 2	0.2092	0.2940	0.5032**	0.3919
<b>Platform 1 accumulation</b>				
Group 1	0.3855	-	0.3855*	0.2373
Group 2	0.2419	0.1436	0.3855*	0.2373
<b>Platform 1 income</b>				
Group 1	0.5020	-	0.5020**	0.3903
Group 2	0.2024	0.2996	0.5020**	0.3903
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.0463
Group 2	-	-	-	-

\* Distribution accumulated on 30 November 2018

\*\* Distribution paid on 31 January 2019

<sup>^</sup> Share class closed on 14 June 2018

For the three months ended 28 February 2019

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation - Founder</b>				
Group 1	0.9037	-	0.9037*	0.5622
Group 2	0.7083	0.1954	0.9037*	0.5622
<b>Institutional accumulation - Founder</b>				
Group 1	1.2846	-	1.2846*	0.9183
Group 2	0.8138	0.4708	1.2846*	0.9183
<b>Retail income - Founder</b>				
Group 1	0.4765	-	0.4765**	0.3890
Group 2	0.0209	0.4556	0.4765**	0.3890
<b>Institutional income - Founder</b>				
Group 1	0.4919	-	0.4919**	0.3926
Group 2	0.2630	0.2289	0.4919**	0.3926
<b>Standard Life income</b>				
Group 1	0.5571	-	0.5571**	0.6285
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.4874	-	0.4874*	0.3853
Group 2	0.3657	0.1217	0.4874*	0.3853
<b>Retail accumulation</b>				
Group 1	0.2640	-	0.2640*	0.1343
Group 2	0.2151	0.0489	0.2640*	0.1343
<b>Institutional accumulation</b>				
Group 1	0.3931	-	0.3931*	0.2617
Group 2	0.3121	0.0810	0.3931*	0.2617
<b>Retail income</b>				
Group 1	0.4618	-	0.4618**	0.3512
Group 2	0.3322	0.1296	0.4618**	0.3512
<b>Institutional income</b>				
Group 1	0.4830	-	0.4830**	0.3936
Group 2	0.2674	0.2156	0.4830**	0.3936
<b>Platform 1 accumulation</b>				
Group 1	0.3709	-	0.3709*	0.2438
Group 2	0.2930	0.0779	0.3709*	0.2438
<b>Platform 1 income</b>				
Group 1	0.4808	-	0.4808**	0.3921
Group 2	0.4018	0.0790	0.4808**	0.3921
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.0377
Group 2	-	-	-	-

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 14 June 2018

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

	1st Interim Dividend Distribution	2nd Interim Dividend Distribution	3rd Interim Dividend Distribution	Final Dividend Distribution
Treat as a UK corporate dividend	100.00%	100.00%	100.00%	100.00%
Treat as an annual payment net of income tax at 20%	0.00%	0.00%	0.00%	0.00%

# Global Equity Unconstrained Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Donal Reynolds
<b>Launch Date</b>	16 November 1998
<b>Benchmark</b>	IA Global Sector

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mostly in global equities and equity type investments. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. The Fund will not be restricted by index weightings, sector constraints or company size. The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by global markets. The nature of the portfolio affords investors a focused investment approach, with an emphasis on stock selection whilst affording proper diversification of mainly global equity exposure. The investor must be able to accept significant temporary losses due to the volatile nature of equity and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

During the period under review, the Fund returned -1.98% (Platform 1 accumulation), compared with the IA Global Equity sector, which returned 1.94% (source: Morningstar, basic rate taxpayer, bid-to-bid basis).

Japanese commodity and electronic materials company Mitsui Mining & Smelting was the largest detractor from performance. Its share price dropped after it announced a significant downgrade to its forecast earnings. This was due to inventory revaluation in the wake of falling commodity prices. A substantial drop in the expected demand for the components it supplies to high-end smartphones also hurt the firm. A position in Prysmian, an Italian-listed cable manufacturer for energy, telecoms and industrial applications, disappointed. Its shares fell due to a combination of peers reporting weaker metrics, general concerns around the Italian equity market and a delay and cost overrun in one of its projects. Elsewhere, the Chinese provider of travel services Ctrip.Com suffered when the renminbi weakened. Australian-listed wine producer Treasury Wine Estates, along with Knight-Swift Transportation and Ryanair, also held back performance.

Despite the disappointing performance, there were some success stories. US-listed medical device firm Boston Scientific boosted returns amid rumours that Stryker would announce a takeover bid for the group. Another highlight was US firm American Tower, a specialist owner of real estate for wireless companies. It posted good numbers that showed it continues to grow in the US. More importantly, it announced a resolution to negotiations with its Indian partners that opened the way for expansion there. Lastly, US railroad operator CSX Corporation performed well. Its earnings provided further evidence that the company continues to successfully execute its improvement programme.

### Investment activity

Activity during the period included buying shares in US-listed data-centre provider Equinix. The stock has been weak due to rising interest rates. There were also concerns around long-term revenue growth and the level of investment needed. Despite this, we think Equinix is in a unique position to benefit as companies increasingly move to the Cloud, while its asset base is among the best in the industry. US defence contractor Raytheon was another company where we believed the valuation underestimated the sustainability of its earnings growth. We think there is scope for an increase in US military expenditure as both sides of the political divide in the US are broadly supportive of an increase to the defence budget. This should heighten the chances of Raytheon winning more contracts from the military. Lastly, we added to Hong Kong-listed textile manufacturer Shenzhou International. In our view, the ramp up in new facilities in Vietnam should offset margin pressures elsewhere. Meanwhile, the level of investment in new facilities and technology has raised the barriers to entry.

In terms of sales, we took profits in German internet classified-advertising group Scout24. We were concerned about a change of senior management. The timing of the new appointment surprised investors given the increased level of corporate activity. We eliminated our position in Paddy Power Betfair, the UK-listed gambling company. Its results were disappointing, illuminating weakness in its core markets and the need for increased expenditure on marketing. Elsewhere, we sold Danish jewellery designer and retailer Pandora. An earnings update showed no real change to trends in developed markets, while a slowdown in China was a sizeable negative. This reduced our conviction in the stock and we decided to exit the position. Finally, we decided to exit CSX as its valuation adjusted to reflect its successful new strategy.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	129.12	125.60	101.19
Return before operating charges*	(0.77)	5.33	25.98
Operating charges	(1.79)	(1.81)	(1.57)
Return after operating charges*	(2.56)	3.52	24.41
Distributions	(0.61)	(0.07)	(0.02)
Retained distributions on accumulation share	0.61	0.07	0.02
Closing net asset value per share	126.56	129.12	125.60
* after direct transaction costs of:	0.18	0.25	0.21
<b>Performance</b>			
Return after charges	(1.98%)	2.80%	24.12%
<b>Other information</b>			
Closing net asset value (£'000)	15,106	21,234	26,232
Closing number of shares	11,935,395	16,445,186	20,885,808
Operating charges	1.39%	1.38%	1.38%
Direct transaction costs	0.14%	0.19%	0.18%
<b>Prices</b>			
Highest share price	139.0	136.6	125.5
Lowest share price	115.1	122.2	101.3

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

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

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

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

<b>Institutional accumulation</b>	<b>2019 pence per share</b>	<b>2018 pence per share</b>	<b>2017 pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	146.04	141.40	113.36
Return before operating charges*	(0.88)	5.99	29.21
Operating charges	(1.35)	(1.35)	(1.17)
Return after operating charges*	(2.23)	4.64	28.04
Distributions	(1.38)	(0.77)	(0.51)
Retained distributions on accumulation share	1.38	0.77	0.51
Closing net asset value per share	143.81	146.04	141.40
* after direct transaction costs of:	0.21	0.29	0.23
<b>Performance</b>			
Return after charges	(1.53%)	3.28%	24.74%
<b>Other information</b>			
Closing net asset value (£'000)	21,131	35,225	43,192
Closing number of shares	14,693,474	24,119,704	30,546,058
Operating charges	0.92%	0.91%	0.91%
Direct transaction costs	0.14%	0.19%	0.18%
<b>Prices</b>			
Highest share price	157.5	154.4	141.4
Lowest share price	130.7	137.7	113.5

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

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

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

Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	64.94	63.20	50.92
Return before operating charges*	(0.39)	2.69	13.08
Operating charges	(0.90)	(0.91)	(0.79)
Return after operating charges*	(1.29)	1.78	12.29
Distributions	(0.31)	(0.04)	(0.01)
Closing net asset value per share	63.34	64.94	63.20
* after direct transaction costs of:	0.09	0.13	0.11
<b>Performance</b>			
Return after charges	(1.99%)	2.82%	24.14%
<b>Other information</b>			
Closing net asset value (£'000)	976	1,169	998
Closing number of shares	1,541,464	1,800,393	1,578,522
Operating charges	1.39%	1.38%	1.38%
Direct transaction costs	0.14%	0.19%	0.19%
<b>Prices</b>			
Highest share price	69.89	68.75	63.20
Lowest share price	57.89	61.50	50.95

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

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

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

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

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	125.18	120.23	95.62
Return before operating charges*	(0.76)	5.09	24.73
Operating charges	(0.15)	(0.14)	(0.12)
Return after operating charges*	(0.91)	4.95	24.61
Distributions	(2.19)	(1.67)	(1.29)
Retained distributions on accumulation share	2.19	1.67	1.29
Closing net asset value per share	124.27	125.18	120.23
* after direct transaction costs of:	0.18	0.25	0.20
<b>Performance</b>			
Return after charges	(0.73%)	4.12%	25.74%
<b>Other information</b>			
Closing net asset value (£'000)	3,993	4,353	4,598
Closing number of shares	3,213,198	3,477,046	3,824,593
Operating charges	0.12%	0.11%	0.11%
Direct transaction costs	0.14%	0.19%	0.18%
<b>Prices</b>			
Highest share price	135.5	132.2	120.2
Lowest share price	112.8	117.2	95.71

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

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

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

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

Institutional regulated accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	130.39	125.73	100.39
Return before operating charges*	(0.79)	5.33	25.92
Operating charges	(0.68)	(0.67)	(0.58)
Return after operating charges*	(1.47)	4.66	25.34
Distributions	(1.76)	(1.22)	(0.90)
Retained distributions on accumulation share	1.76	1.22	0.90
Closing net asset value per share	128.92	130.39	125.73
* after direct transaction costs of:	0.19	0.26	0.21
<b>Performance</b>			
Return after charges	(1.13%)	3.71%	25.24%
<b>Other information</b>			
Closing net asset value (£'000)	73,123	93,641	107,010
Closing number of shares	56,719,756	71,817,992	85,108,939
Operating charges	0.52%	0.51%	0.51%
Direct transaction costs	0.14%	0.19%	0.19%
<b>Prices</b>			
Highest share price	140.9	137.8	125.7
Lowest share price	117.1	122.5	100.5

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

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

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

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

<b>Platform 1 accumulation</b>	<b>2019</b> pence per share	<b>2018</b> pence per share	<b>2017</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	106.04	102.76	82.47
Return before operating charges*	(0.64)	4.37	21.23
Operating charges	(1.08)	(1.09)	(0.94)
Return after operating charges*	(1.72)	3.28	20.29
Distributions	(0.90)	(0.46)	(0.28)
Retained distributions on accumulation share	0.90	0.46	0.28
Closing net asset value per share	104.32	106.04	102.76
* after direct transaction costs of:	0.15	0.21	0.17
<b>Performance</b>			
Return after charges	(1.62%)	3.19%	24.60%
<b>Other information</b>			
Closing net asset value (£'000)	35,371	59,414	68,168
Closing number of shares	33,907,096	56,032,293	66,333,207
Operating charges	1.02%	1.01%	1.01%
Direct transaction costs	0.14%	0.19%	0.18%
<b>Prices</b>			
Highest share price	114.3	112.1	102.8
Lowest share price	94.83	100.1	82.53

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

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

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

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

Institutional S accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.06	62.96	50.45
Return before operating charges*	(0.39)	2.67	13.00
Operating charges	(0.57)	(0.57)	(0.49)
Return after operating charges*	(0.96)	2.10	12.51
Distributions	(0.65)	(0.38)	(0.25)
Retained distributions on accumulation share	0.65	0.38	0.25
Closing net asset value per share	64.10	65.06	62.96
* after direct transaction costs of:	0.09	0.13	0.11
<b>Performance</b>			
Return after charges	(1.48%)	3.34%	24.80%
<b>Other information</b>			
Closing net asset value (£'000)	3,033	13,585	14,012
Closing number of shares	4,730,465	20,880,448	22,256,548
Operating charges	0.87%	0.86%	0.86%
Direct transaction costs	0.14%	0.19%	0.19%
<b>Prices</b>			
Highest share price	70.18	68.79	62.96
Lowest share price	58.25	61.31	50.49

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

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

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

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

Institutional A accumulation <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	63.55	62.00	50.09
Return before operating charges*	3.26	2.67	12.87
Operating charges	(0.32)	(1.12)	(0.96)
Return after operating charges*	2.95	1.55	11.91
Distributions	-	-	(0.01)
Retained distributions on accumulation share	-	-	0.01
Redemption value as at 14 June 2018	(66.50)	-	-
Closing net asset value per share	-	63.55	62.00
* after direct transaction costs of:	0.03	0.13	0.10
<b>Performance</b>			
Return after charges	4.64%	2.50%	23.78%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	2,200	2,200
Operating charges	1.71%	1.71%	1.71%
Direct transaction costs	0.14%	0.19%	0.18%
<b>Prices</b>			
Highest share price	67.03	67.30	62.00
Lowest share price	60.43	60.32	50.12

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

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

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

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

<sup>^</sup> Share class closed on 14 June 2018.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Emerging Market Equities (1.95%)</b>		-	-
Brazil (1.95%)		-	-
<b>European Equities (35.43%)</b>		<b>29,243</b>	<b>19.14</b>
Belgium (1.25%)		2,631	1.72
80,883	Umicore	2,631	1.72
Denmark (2.66%)		-	-
Finland (1.92%)		3,819	2.50
104,175	Kone	3,819	2.50
France (4.35%)		7,478	4.90
54,273	ORPEA	4,811	3.15
49,053	Ubisoft Entertainment	2,667	1.75
Germany (5.40%)		-	-
Ireland (9.25%)		-	-
Italy (2.56%)		4,556	2.98
296,465	Prysmian	4,556	2.98
Netherlands (2.82%)		7,277	4.76
16,983	ASML	2,342	1.53
149,188	ASR Nederland	4,935	3.23
Sweden (2.78%)		-	-
Switzerland (2.44%)		3,482	2.28
66,705	Ferguson	3,482	2.28
Japanese Equities (4.35%)		6,510	4.26
698,224	JXTG Holdings	2,453	1.60
84,600	Shionogi	4,057	2.66
<b>North America Equities (49.03%)</b>		<b>92,987</b>	<b>60.88</b>
Bermuda (2.39%)		-	-
Canada (2.03%)		9,302	6.09
110,984	Alimentation Couche-Tard 'B'	4,690	3.07
97,046	Restaurant Brands International	4,612	3.02

Holding	Investment	Market value £'000	Percentage of total net assets
<b>United States (44.61%)</b>		<b>83,685</b>	<b>54.79</b>
6,508	Alphabet 'C'	5,483	3.59
25,735	American Tower	3,408	2.23
201,397	Bank of America	4,403	2.88
75,597	Baxter International	4,246	2.78
126,577	Boston Scientific	3,817	2.50
42,023	Celanese	3,231	2.12
27,818	Constellation	3,537	2.32
19,161	Equinix	6,096	3.99
49,251	First Republic Bank	3,887	2.54
62,421	GrubHub	3,828	2.51
24,174	Martin Marietta Materials	3,413	2.24
372,988	Marvell Technology	5,594	3.66
33,298	Mastercard	5,626	3.68
34,128	NextEra Energy	4,816	3.15
41,420	Raytheon	5,808	3.80
35,276	Union Pacific	4,448	2.91
24,197	United Health	4,403	2.88
16,668	Vertex Pharmaceuticals	2,365	1.55
19,694	Worldpay	1,419	0.93
53,384	Worldpay	3,857	2.53
<b>Pacific Basin Equities (5.15%)</b>		<b>16,749</b>	<b>10.97</b>
<b>Australia (2.69%)</b>		<b>4,638</b>	<b>3.04</b>
580,373	Treasury Wine Estates	4,638	3.04
<b>China (0.43%)</b>		<b>12,111</b>	<b>7.93</b>
166,485	Ctrip.com ADR	4,272	2.80
412,579	Shenzhou	3,870	2.53
123,400	Tencent	3,969	2.60
23,966,000	Tianhe Chemicals**	-	-

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Hong Kong (0.00%)</b>			
1,055,400	China Metal Recycling*	-	-
<b>South Korea (2.03%)</b>			
<b>UK Equities (4.61%)</b>			
<b>Consumer Services (0.00%)</b>			
1,139,436	Cineworld	3,177	2.08
<b>Financials (2.54%)</b>			
<b>Health care (2.07%)</b>			
<b>Collective Investment Schemes (0.97%)</b>			
4,361	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	4,361	2.86
<b>Total investment assets</b>		<b>153,027</b>	<b>100.19</b>
<b>Net other liabilities</b>		<b>(294)</b>	<b>(0.19)</b>
<b>Total Net Assets</b>		<b>152,733</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

\* Delisted

\*\* Suspended

+ Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(4,318)		7,574
Revenue	4	3,792		3,732	
Expenses	5	(1,420)		(2,121)	
Interest payable and similar charges	6	(2)		(2)	
Net revenue before taxation		2,370		1,609	
Taxation	7	(287)		21	
Net revenue after taxation			2,083		1,630
<b>Total return before distributions</b>			<b>(2,235)</b>		<b>9,204</b>
Distributions	8		(2,083)		(1,630)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(4,318)</b>		<b>7,574</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>228,622</b>		<b>264,211</b>
Amounts receivable on the issue of shares	6,670		24,677	
Amounts payable on the cancellation of shares	(80,075)		(69,411)	
		(73,405)		(44,734)
Dilution adjustment		156		107
Change in net assets attributable to shareholders from investment activities (see above)		(4,318)		7,574
Retained distribution on accumulation shares		1,678		1,464
<b>Closing net assets attributable to shareholders</b>		<b>152,733</b>		<b>228,622</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			153,027		232,019
<b>Current assets:</b>					
Debtors	9	460		10,892	
Cash and bank balances	10	8		5	
			468		10,897
<b>Total assets</b>			<b>153,495</b>		<b>242,916</b>
<b>Liabilities:</b>					
Creditors	11	(757)		(14,290)	
Bank overdrafts		-		(3)	
Distribution payable		(5)		(1)	
			(762)		(14,294)
<b>Total liabilities</b>			<b>(762)</b>		<b>(14,294)</b>
<b>Net assets attributable to shareholders</b>			<b>152,733</b>		<b>228,622</b>

## Notes to the Financial Statements

## 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

## 2 Net Capital (Losses)/Gains

	2019 £'000	2018 £'000
Non-derivative securities	(4,484)	7,652
Forward currency contracts	9	(22)
Other gains/(losses)	177	(39)
Handling charges taken from the capital account	(20)	(17)
<b>Net capital (losses)/gains</b>	<b>(4,318)</b>	<b>7,574</b>

## 3 Equity Purchases, Sales and Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	139,292	153,025
Commissions	63	138
Taxes & Other Fees	62	216
<b>Total purchase transaction costs</b>	<b>125</b>	<b>354</b>
<b>Purchases including transaction costs</b>	<b>139,417</b>	<b>153,379</b>
<b>Sales</b>		
Gross sales before transaction costs	216,219	191,349
Commissions	(107)	(133)
Taxes & Other Fees	(25)	(19)
<b>Total sale transaction costs</b>	<b>(132)</b>	<b>(152)</b>
<b>Total sales net of transaction costs</b>	<b>216,087</b>	<b>191,197</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.05%	0.09%
Taxes & Other Fees	0.04%	0.14%
<b>Sales</b>		
Commissions	0.05%	0.07%
Taxes & Other Fees	0.01%	0.01%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.03%	0.05%
Taxes & Other Fees	0.03%	0.08%
<b>Sales</b>		
Commissions	0.06%	0.05%
Taxes & Other Fees	0.01%	0.01%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	139,417	153,379
Collective Investment Schemes	101,866	80,675
<b>Sales</b>		
Equities	216,087	191,197
Collective Investment Schemes	99,722	83,697

There were corporate actions (net purchases) of £414,000 in the year (2018 (net sales): £538,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.09% (2018: 0.61%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	368	108
Overseas dividends	3,410	3,613
Taxable distributions on offshore funds	5	-
Bank interest	9	11
<b>Total revenue</b>	<b>3,792</b>	<b>3,732</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	1,213	1,827
Dealing charge	26	38
Registration fees	130	187
	1,369	2,052
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	25	32
Safe custody fee	17	28
	42	60
<b>Other:</b>		
Professional fees	-	2
Audit fee	9	7
	9	9
<b>Total expenses</b>	<b>1,420</b>	<b>2,121</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	2	2
<b>Total interest payable &amp; similar charges</b>	<b>2</b>	<b>2</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge/(credit) in year</b>		
Overseas taxes	287	(21)
<b>Total current tax (note 7b)</b>	<b>287</b>	<b>(21)</b>
<b>(b) Factors affecting current tax charge/(credit) for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	2,370	1,609
Corporation tax at 20% (2018: 20%)	474	322
Effects of:		
Revenue not subject to taxation	(710)	(670)
Overseas taxes	287	(21)
Overseas tax expensed	(7)	(10)
Excess allowable expenses	243	381
Revenue taxable in other periods	-	(23)
<b>Total tax charge/(credit) for year (note 7a)</b>	<b>287</b>	<b>(21)</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,817,000 (2018: £1,574,000)\* due to surplus expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

\* Prior year figure has been restated.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	1,682	1,464
Add: Income deducted on cancellation of shares	453	270
Deduct: Income received on issue of shares	(52)	(104)
<b>Net distribution for the year</b>	<b>2,083</b>	<b>1,630</b>

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

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	30	398
Sales awaiting settlement	-	9,973
Accrued revenue	268	390
Foreign withholding tax recoverable	162	131
<b>Total debtors</b>	<b>460</b>	<b>10,892</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Cash and bank balances	8	5
Bank overdrafts	-	(3)
<b>Total cash and bank balances</b>	<b>8</b>	<b>2</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	649	2,131
Purchases awaiting settlement	-	12,001
Accrued expenses payable to ACD	89	140
Accrued expenses payable to the Depositary or associates of the Depositary	6	9
Other accrued expenses	13	9
<b>Total creditors</b>	<b>757</b>	<b>14,290</b>

**12 Related Party Transactions**

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	16,445,186	216,575	(4,703,471)	(22,895)	11,935,395
Institutional accumulation	24,119,704	459,821	(9,928,043)	41,992	14,693,474
Retail income	1,800,393	169,450	(428,379)	-	1,541,464
Standard Life accumulation	3,477,046	146,130	(409,978)	-	3,213,198
Institutional regulated accumulation	71,817,992	3,456,176	(18,554,412)	-	56,719,756
Platform 1 accumulation	56,032,293	810,312	(22,905,417)	(30,092)	33,907,096
Institutional S accumulation	20,880,448	12,700	(16,162,683)	-	4,730,465
Institutional A accumulation	2,200	-	(2,200)	-	-

## 14 Fair Value Hierarchy

	2019 £'000 Level 1	2019 £'000 Level 2	2019 £'000 Level 3	2018 £'000 Level 1	2018 £'000 Level 2	2018 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	148,666	-	-	229,802	-	-
Collective Investment Schemes	-	4,361	-	-	2,217	-
<b>Total investment assets</b>	<b>148,666</b>	<b>4,361</b>	<b>-</b>	<b>229,802</b>	<b>2,217</b>	<b>-</b>

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

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

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

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

## 15 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

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

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £7,651,000 (2018: £11,601,000). A five per cent decrease would have an equal and opposite effect.

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £6,929,000 (2018: £10,273,000). A five per cent decrease would have an equal and opposite effect.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Australian Dollar	4,638	6,144
Brazilian Real	-	4,579
Canadian Dollar	4,690	4,643
Danish Krone	117	9,715
Euro	25,944	55,929
Hong Kong Dollar	7,839	-
Japanese Yen	6,510	9,957
South Korean Won	-	5,725
Swedish Krona	-	5,020
Swiss Franc	1	1
US Dollar	88,839	103,739

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	4,363	9,792	14,155
Australian Dollar	-	4,638	4,638
Canadian Dollar	-	4,690	4,690
Danish Krone	-	117	117
Euro	-	25,944	25,944
Hong Kong Dollar	-	7,839	7,839
Japanese Yen	-	6,510	6,510
Swiss Franc	-	1	1
US Dollar	7	88,832	88,839
<b>2018</b>			
<b>Currency</b>			
UK Sterling	2,214	20,956	23,170
Australian Dollar	-	6,144	6,144
Brazilian Real	-	4,579	4,579
Canadian Dollar	-	4,643	4,643
Danish Krone	-	9,715	9,715
Euro	-	55,929	55,929
Japanese Yen	-	9,957	9,957
South Korean Won	-	5,725	5,725
Swedish Krona	-	5,020	5,020
Swiss Franc	-	1	1
US Dollar	5	103,734	103,739

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

#### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

#### e. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

### Distribution Table

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.6109	-	0.6109*	0.0680
Group 2	0.0309	0.5800	0.6109*	0.0680
<b>Institutional accumulation</b>				
Group 1	1.3804	-	1.3804*	0.7747
Group 2	0.5707	0.8097	1.3804*	0.7747
<b>Retail income</b>				
Group 1	0.3078	-	0.3078**	0.0365
Group 2	0.0060	0.3018	0.3078**	0.0365
<b>Standard Life accumulation</b>				
Group 1	2.1937	-	2.1937*	1.6692
Group 2	1.2779	0.9158	2.1937*	1.6692
<b>Institutional regulated accumulation</b>				
Group 1	1.7579	-	1.7579*	1.2162
Group 2	0.6143	1.1436	1.7579*	1.2162
<b>Platform 1 accumulation</b>				
Group 1	0.8957	-	0.8957*	0.4556
Group 2	0.2814	0.6143	0.8957*	0.4556
<b>Institutional S accumulation</b>				
Group 1	0.6481	-	0.6481*	0.3778
Group 2	0.3570	0.2911	0.6481*	0.3778
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 14 June 2018.

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

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

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

# Global Smaller Companies Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Alan Rowsell
<b>Launch Date</b>	19 January 2012
<b>Benchmark</b>	IA Global Sector

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mainly in global smaller company equities (excluding Investment Trusts) and equity type investments. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by investing in an actively managed portfolio of mainly smaller companies from global equity markets. The focused nature of the portfolio makes it suitable for investors who are willing to accept a relatively high degree of stock specific risk.

The investor must be able to accept significant temporary losses due to the volatile nature of this area of global equity markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

During the period under review, the Fund returned 2.6% (platform 1, accumulation shares), compared to the IA Global sector return of 1.9% (source: Morningstar, basic-rate taxpayer, bid-to-bid basis).

Alarm.com was one of the Fund's best performers, as it delivered results ahead of expectations. Demand for interactive home security continues to grow. The business is now expanding into commercial security and international markets with characteristics similar to the UK. Paylocity was also a top contributor to performance thanks to results that beat market expectations. It is a provider of technology solutions for HR and payroll through its Cloud-based software. The company is gaining market share from legacy installed software providers. Lastly, HMS was another holding that produced an excellent set of results. The US auditor of healthcare payments is winning new health-plan customers and selling additional products, such as patient management and engagement solutions.

On the downside Japan Lifeline, a specialist cardiovascular medical-devices manufacturer, detracted from returns. Weaker sales forecasts for its heart pacemakers and the launch of a competitor's product in drug-eluting stents led investors to sell the shares. CVS Group shares weakened after a trading update highlighted rising wage inflation. The UK vet surgeries business has benefited from rising expenditure on pets, but it has revealed a shortage of vets to do the work. This is putting pressure on profit margins. A further drag on the Fund's return was Jungheinrich. As a materials handling business it is sensitive to changes in the economic cycle. It underperformed as concerns grew about its prospects for growth in Europe. However, we retain confidence in the business as there is a structural growth opportunity in the warehouse market. This is based on the move in the retail market from the high street to online shopping.

### Investment activity

Buying activity included the purchase of Kemper, the US multi-line insurance company that specialises in non-standard auto insurance (higher-risk younger drivers). Kemper's competitive advantage is its ability to leverage data and technology to better analyse trends. It can therefore set pricing more profitably. Its restructuring in the past 12 months is paying off. The company has the best operational efficiency in the sector and is building market share. UK manufacturer Rotork was another purchase. It is the market leader in actuators, controllers of fluid flow used in many industries. While demand is growing for its products, management has a strong focus on improving margins. We also bought Dentium, a Korean dental implants company. It is gaining market share thanks to good relationships with dentists and a high-quality, competitively priced product.

Selling activity involved US dental equipment company Align Technology. Its share price reached a point that reflected its earnings potential. Similarly, we exited the US aerospace and avionics manufacturer Heico. It was trading on a record-high valuation that was difficult to justify. A further sale was Sunny Optical, the Chinese manufacturer of camera lenses. After strong performance, it is no longer part of the smaller companies universe. Finally, we sold US maker of instrument panels for cars Visteon. Trade tariffs and a slowing Chinese economy resulted in falling auto sales around the world. This led to earnings downgrades for the company.

### Synthetic Risk & Reward Indicator

Typically lower rewards, lower risk				Typically higher rewards, higher risk				
←	1	2	3	4	<b>5</b>	6	7	→

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

#### Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	128.93	107.54	79.45
Return before operating charges*	5.45	23.17	29.48
Operating charges	(2.01)	(1.78)	(1.39)
Return after operating charges*	3.44	21.39	28.09
Distributions	-	-	-
Retained distributions on accumulation share	-	-	-
Closing net asset value per share	132.37	128.93	107.54
* after direct transaction costs of:	0.13	0.15	0.09
<b>Performance</b>			
Return after charges	2.67%	19.89%	35.36%
<b>Other information</b>			
Closing net asset value (£'000)	199,176	145,052	105,843
Closing number of shares	150,472,730	112,501,094	98,418,296
Operating charges	1.47%	1.47%	1.48%
Direct transaction costs	0.10%	0.13%	0.10%
<b>Prices</b>			
Highest share price	155.9	131.8	108.2
Lowest share price	116.1	105.6	79.45

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	135.00	112.02	82.30
Return before operating charges*	5.68	24.19	30.65
Operating charges	(1.38)	(1.21)	(0.93)
Return after operating charges*	4.30	22.98	29.72
Distributions	-	-	(0.13)
Retained distributions on accumulation share	-	-	0.13
Closing net asset value per share	139.30	135.00	112.02
* after direct transaction costs of:	0.14	0.16	0.10
<b>Performance</b>			
Return after charges	3.19%	20.51%	36.11%
<b>Other information</b>			
Closing net asset value (£'000)	163,516	173,783	96,400
Closing number of shares	117,384,210	128,729,440	86,059,286
Operating charges	0.95%	0.95%	0.96%
Direct transaction costs	0.10%	0.13%	0.10%
<b>Prices</b>			
Highest share price	163.6	137.9	112.7
Lowest share price	122.1	110.1	82.30

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	142.37	117.14	85.34
Return before operating charges*	5.95	25.37	31.91
Operating charges	(0.15)	(0.14)	(0.11)
Return after operating charges*	5.80	25.23	31.80
Distributions	(1.06)	(1.06)	(1.00)
Retained distributions on accumulation share	1.06	1.06	1.00
Closing net asset value per share	148.17	142.37	117.14
* after direct transaction costs of:	0.15	0.17	0.10
<b>Performance</b>			
Return after charges	4.07%	21.54%	37.26%
<b>Other information</b>			
Closing net asset value (£'000)	95,691	49,909	23,863
Closing number of shares	64,580,344	35,055,625	20,371,898
Operating charges	0.10%	0.10%	0.11%
Direct transaction costs	0.10%	0.13%	0.10%
<b>Prices</b>			
Highest share price	173.3	145.3	117.8
Lowest share price	129.7	115.3	85.34

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

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

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

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	129.83	107.84	79.31
Return before operating charges*	5.46	23.27	29.52
Operating charges	(1.45)	(1.28)	(0.99)
Return after operating charges*	4.01	21.99	28.53
Distributions	-	-	(0.03)
Retained distributions on accumulation share	-	-	0.03
Closing net asset value per share	133.84	129.83	107.84
* after direct transaction costs of:	0.13	0.15	0.09
<b>Performance</b>			
Return after charges	3.09%	20.39%	35.97%
<b>Other information</b>			
Closing net asset value (£'000)	297,485	163,376	88,789
Closing number of shares	222,265,852	125,842,301	82,337,004
Operating charges	1.05%	1.05%	1.06%
Direct transaction costs	0.10%	0.13%	0.10%
<b>Prices</b>			
Highest share price	157.3	132.7	108.5
Lowest share price	117.3	106.0	79.31

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

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

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

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

Institutional S accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.18	82.16	60.27
Return before operating charges*	4.16	17.75	22.45
Operating charges	(0.82)	(0.73)	(0.56)
Return after operating charges*	3.34	17.02	21.89
Distributions	(0.02)	(0.12)	(0.22)
Retained distributions on accumulation share	0.02	0.12	0.22
Closing net asset value per share	102.52	99.18	82.16
* after direct transaction costs of:	0.10	0.12	0.07
<b>Performance</b>			
Return after charges	3.37%	20.72%	36.32%
<b>Other information</b>			
Closing net asset value (£'000)	556,635	312,360	159,682
Closing number of shares	542,931,531	314,935,186	194,358,447
Operating charges	0.78%	0.78%	0.79%
Direct transaction costs	0.10%	0.13%	0.10%
<b>Prices</b>			
Highest share price	120.3	101.3	82.63
Lowest share price	89.84	80.77	60.27

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

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

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

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

Institutional A accumulation <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.35	70.54	52.27
Return before operating charges*	11.85	15.22	19.38
Operating charges	-	(1.41)	(1.11)
Return after operating charges*	11.85	13.81	18.27
Redemption value as at 14 June 2018	(96.20)	-	-
Closing net asset value per share	-	84.35	70.54
* after direct transaction costs of:	0.03	0.10	0.06
<b>Performance</b>			
Return after charges	14.05%	19.58%	34.95%
<b>Other information</b>			
Closing net asset value (£'000)	-	2	2
Closing number of shares	-	2,200	2,200
Operating charges	1.80%	1.80%	1.81%
Direct transaction costs	0.10%	0.13%	0.10%
<b>Prices</b>			
Highest share price	96.20	86.27	70.97
Lowest share price	82.65	69.27	52.27

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^</sup> Share class closed on 14 June 2018.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (95.01%)</b>		<b>1,286,413</b>	<b>98.01</b>
<b>European Equities (19.60%)</b>		<b>202,730</b>	<b>15.44</b>
<b>France (2.09%)</b>		<b>45,150</b>	<b>3.44</b>
335,916	Teleperformance	45,150	3.44
<b>Germany (6.31%)</b>		<b>78,770</b>	<b>6.00</b>
482,129	Grenke	36,859	2.81
811,213	Jungheinrich	18,890	1.44
209,921	Nemetschek	23,021	1.75
<b>Ireland (1.16%)</b>		-	-
<b>Italy (8.12%)</b>		<b>60,800</b>	<b>4.63</b>
1,482,990	DoBank	16,352	1.24
2,994,221	FinecoBank	27,941	2.13
678,464	Interpump	16,507	1.26
<b>Netherlands (1.62%)</b>		<b>1,416</b>	<b>0.11</b>
186,907	Wessanen	1,416	0.11
<b>Spain (0.00%)</b>		<b>16,594</b>	<b>1.26</b>
775,954	CIE Automotive	16,594	1.26
<b>Sweden (0.30%)</b>		-	-
<b>Japanese Equities (11.95%)</b>		<b>95,386</b>	<b>7.27</b>
169,700	Disco	17,570	1.34
596,753	GMO Payment Gateway	26,640	2.03
1,038,094	MonotaRO	18,355	1.40
1,072,804	Pigeon	32,821	2.50
<b>North American Equities (39.61%)</b>		<b>560,697</b>	<b>42.72</b>
<b>United States (39.61%)</b>		<b>560,697</b>	<b>42.72</b>
131,923	ABIOMED	33,164	2.53
792,497	Alarm.com	39,104	2.98
543,058	Aspen Technology	41,098	3.13
211,788	Balchem	14,115	1.08
670,716	Chegg	19,989	1.52
786,408	Cognex	31,566	2.41
2,020,981	Evolent Health	20,026	1.53
430,989	GrubHub	26,428	2.01
1,602,561	HMS	41,483	3.16
200,471	Insulet	14,154	1.08

Holding	Investment	Market value £'000	Percentage of total net assets
656,886	Kemper	41,040	3.13
1,199,131	LKQ	24,972	1.90
122,694	MarketAxess Holdings	22,496	1.71
469,686	MAXIMUS	24,941	1.90
610,704	Paylocity	40,193	3.06
31,996	Poolcorp	3,838	0.29
357,832	Primo Water	3,933	0.30
746,936	Service Corporation International	23,209	1.77
1,150,271	ServiceMaster	39,054	2.97
459,283	Wabtec	25,297	1.93
552,425	Wintrust	30,597	2.33
<b>Pacific Basin Equities (10.58%)</b>		<b>238,389</b>	<b>18.16</b>
<b>Australia (2.04%)</b>		<b>63,814</b>	<b>4.86</b>
8,159,949	ALS	34,131	2.60
1,073,967	Altium	18,945	1.44
861,583	Appen	10,738	0.82
<b>China (7.07%)</b>		<b>102,287</b>	<b>7.79</b>
421,076	51job	22,876	1.74
364,820	Noah Holdings	15,829	1.21
4,251,971	Shenzhou	39,889	3.04
17,470,666	Xiabu Xiabu	23,693	1.80
<b>South Korea (0.00%)</b>		<b>19,045</b>	<b>1.45</b>
457,308	Dentium	19,045	1.45
<b>Taiwan (1.47%)</b>		<b>53,243</b>	<b>4.06</b>
2,733,009	TCI	31,412	2.40
1,573,394	Voltronic Power Technology	21,831	1.66
<b>UK Equities (13.27%)</b>		<b>189,211</b>	<b>14.42</b>
<b>Consumer Goods (5.12%)</b>		<b>68,448</b>	<b>5.22</b>
1,117,288	Fever Tree Drinks	29,910	2.28
8,277,067	JD Sports	38,538	2.94
<b>Consumer Services (4.28%)</b>		<b>9,096</b>	<b>0.69</b>
3,895,341	Domino's Pizza	9,096	0.69
<b>Industrials (2.02%)</b>		<b>76,032</b>	<b>5.79</b>
1,028,169	Halma	15,967	1.22
10,614,493	Rotork	30,188	2.30
6,336,501	RWS	29,877	2.27

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Technology (1.85%)</b>		<b>35,635</b>	<b>2.72</b>
292,411	First Derivatives	6,374	0.49
5,983,769	GB	29,261	2.23
<b>Collective Investment Schemes (3.14%)</b>		<b>32,626</b>	<b>2.49</b>
32,626	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	32,626	2.49
<b>Total investment assets</b>		<b>1,319,039</b>	<b>100.50</b>
<b>Net other liabilities</b>		<b>(6,536)</b>	<b>(0.50)</b>
<b>Total Net Assets</b>		<b>1,312,503</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.  
The percentage figures in brackets show the comparative holding as at 28 February 2018.  
+ Managed by subsidiaries of Standard Life Aberdeen plc

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital (losses)/gains	2	(9,147)	111,030
Revenue	4	9,822	5,396
Expenses	5	(11,326)	(6,203)
Interest payable and similar charges	6	(20)	(7)
Net expense before taxation		(1,524)	(814)
Taxation	7	(584)	60
Net expense after taxation		(2,108)	(754)
<b>Total return before distributions</b>		<b>(11,255)</b>	<b>110,276</b>
Distributions	8	(244)	(254)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(11,499)</b>	<b>110,022</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>844,482</b>	<b>474,579</b>
Amounts receivable on the issue of shares	680,970	304,011
Amounts payable on the cancellation of shares	(203,840)	(45,819)
	477,130	258,192
Dilution adjustment	1,590	949
Change in net assets attributable to shareholders from investment activities (see above)	(11,499)	110,022
Retained distribution on accumulation shares	800	740
<b>Closing net assets attributable to shareholders</b>	<b>1,312,503</b>	<b>844,482</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			1,319,039		828,868
<b>Current assets:</b>					
Debtors	9	4,517		7,204	
Cash and bank balances	10	2,038		9,959	
			6,555		17,163
<b>Total assets</b>			<b>1,325,594</b>		<b>846,031</b>
<b>Liabilities:</b>					
Creditors	11	(13,091)		(1,549)	
			(13,091)		(1,549)
<b>Total liabilities</b>			<b>(13,091)</b>		<b>(1,549)</b>
<b>Net assets attributable to shareholders</b>					
			<b>1,312,503</b>		<b>844,482</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(9,127)	111,067
Forward currency contracts	18	(4)
Other gains/(losses)	1	(15)
Handling charges taken from the capital account	(39)	(18)
<b>Net capital (losses)/gains</b>	<b>(9,147)</b>	<b>111,030</b>

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	808,428	441,787
Commissions	453	342
Taxes & Other Fees	507	198
<b>Total purchase transaction costs</b>	<b>960</b>	<b>540</b>
<b>Purchases including transaction costs</b>	<b>809,388</b>	<b>442,327</b>
<b>Sales</b>		
Gross sales before transaction costs	316,377	212,210
Commissions	(183)	(233)
Taxes & Other Fees	(22)	(39)
<b>Total sale transaction costs</b>	<b>(205)</b>	<b>(272)</b>
<b>Total sales net of transaction costs</b>	<b>316,172</b>	<b>211,938</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.06%	0.08%
Taxes & Other Fees	0.06%	0.04%
<b>Sales</b>		
Commissions	0.06%	0.11%
Taxes & Other Fees	0.01%	0.02%
	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases,Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.04%	0.05%
Taxes & Other Fees	0.04%	0.03%
<b>Sales</b>		
Commissions	0.02%	0.04%
Taxes & Other Fees	-	0.01%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	809,388	442,327
Collective Investment Schemes	422,432	270,534
<b>Sales</b>		
Equities	316,172	211,938
Collective Investment Schemes	416,286	254,254

There were corporate actions (net purchases) of £69,000 in the year (2018 (net sales): £18,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.20% (2018: 0.66%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	1,603	616
Overseas dividends	7,958	4,733
Taxable distributions on offshore funds	113	-
Bank interest	148	47
<b>Total revenue</b>	<b>9,822</b>	<b>5,396</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	10,018	5,529
Dealing charge	275	131
Registration fees	821	416
	11,114	6,076
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	80	54
Safe custody fee	120	63
	200	117
<b>Other:</b>		
Professional fees	3	2
Audit fee	9	8
	12	10
<b>Total expenses</b>	<b>11,326</b>	<b>6,203</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	20	7
<b>Total interest payable &amp; similar charges</b>	<b>20</b>	<b>7</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge/(credit) in year</b>		
Overseas taxes	584	(60)
<b>Total current tax</b>	<b>584</b>	<b>(60)</b>
<b>(b) Factors affecting current tax charge/(credit) for the year</b>		
The tax assessed for the year is the greater than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net expense before taxation	(1,524)	(814)
Corporation tax at 20% (2018: 20%)	(305)	(163)
Effects of:		
Revenue not subject to taxation	(1,912)	(1,070)
Overseas taxes	584	(60)
Excess allowable expenses	2,217	1,233
<b>Total tax charge/(credit) for year (note 7a)</b>	<b>584</b>	<b>(60)</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £5,948,000 (2018: £3,731,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	800	740
Add: Income deducted on cancellation of shares	66	73
Deduct: Income received on issue of shares	(622)	(559)
<b>Net distribution for the year</b>	<b>244</b>	<b>254</b>
Net expense after taxation	(2,108)	(754)
Shortfall transfer from capital to revenue	2,352	1,008
<b>Total distributions</b>	<b>244</b>	<b>254</b>

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

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	1,106	5,856
Sales awaiting settlement	2,797	1,053
Accrued revenue	451	186
Foreign withholding tax recoverable	163	109
<b>Total debtors</b>	<b>4,517</b>	<b>7,204</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Cash and bank balances	2,038	9,959
<b>Total cash and bank balances</b>	<b>2,038</b>	<b>9,959</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	912	93
Purchases awaiting settlement	11,237	850
Accrued expenses payable to ACD	883	571
Accrued expenses payable to the Depositary or associates of the Depositary	24	15
Other accrued expenses	35	20
<b>Total creditors</b>	<b>13,091</b>	<b>1,549</b>

**12 Related Party Transactions**

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

**13 Shares in issue reconciliation**

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	112,501,094	50,490,832	(11,022,227)	(1,496,969)	150,472,730
Institutional accumulation	128,729,440	60,192,375	68,723,916	(140,261,521)	117,384,210
Standard Life accumulation	35,055,625	31,910,046	(2,385,327)	-	64,580,344
Platform 1 accumulation	125,842,301	109,171,972	(10,989,424)	(1,758,997)	222,265,852
Institutional S accumulation	314,935,186	92,864,868	(59,758,812)	194,890,289	542,931,531
Institutional A accumulation	2,200	-	(2,200)	-	-

**14 Fair Value Hierarchy**

	2019 £'000 Level 1	2019 £'000 Level 2	2019 £'000 Level 3	2018 £'000 Level 1	2018 £'000 Level 2	2018 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	1,286,413	-	-	802,389	-	-
Collective Investment Schemes	-	32,626	-	-	26,479	-
<b>Total investment assets</b>	<b>1,286,413</b>	<b>32,626</b>	<b>-</b>	<b>-</b>	<b>26,479</b>	<b>-</b>

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

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

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

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

**15 Risk Management Policies & Numerical Disclosures**

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

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

In the current market conditions certain securities have become difficult to price. For these securities, reliance has therefore been placed on single broker prices. This has not resulted in any adjustment to the financial statements.

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

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £65,952,000 (2018: £41,443,000). A five per cent decrease would have an equal and opposite effect.

**b. Foreign currency risk**

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £54,822,000 (2018: £35,038,000). A five per cent decrease would have an equal and opposite effect.

**Currency exposure**

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Australian Dollar	63,832	17,200
Euro	204,843	163,965
Hong Kong Dollar	63,583	42,159
Japanese Yen	95,649	101,140
South Korean Won	19,084	-
Swedish Krona	-	2,560
Taiwan Dollar	53,243	21,628
US Dollar	596,209	352,100

**c. Interest rate risk**

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	32,627	183,433	216,060
Australian Dollar	-	63,832	63,832
Euro	894	203,949	204,843
Hong Kong Dollar	-	63,583	63,583
Japanese Yen	-	95,649	95,649
South Korean Won	-	19,084	19,084
Taiwan Dollar	-	53,243	53,243
US Dollar	1,142	595,067	596,209
<b>2018</b>			
<b>Currency</b>			
UK Sterling	26,525	117,205	143,730
Australian Dollar	-	17,200	17,200
Euro	924	163,041	163,965
Hong Kong Dollar	-	42,159	42,159
Japanese Yen	-	101,140	101,140
Swedish Krona	-	2,560	2,560
Taiwan Dollar	8,191	13,437	21,628
US Dollar	800	351,300	352,100

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

#### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

#### e. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

### Distribution Table

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	1.0623	-	1.0623*	1.0623
Group 2	0.3886	0.6737	1.0623*	1.0623
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional S accumulation</b>				
Group 1	0.0210	-	0.0210*	0.1167
Group 2	0.0210	0.0210	-*	0.1167
<b>Institutional A accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

\* Distribution accumulated on 28 February 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

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

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

# Higher Income Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Steven Logan and Arthur Milson
<b>Launch Date</b>	7 February 2000
<b>Benchmark</b>	BofA ML Eur/GBP Fixed & Floating Non Fin High Yd 3% Const Index (hedged to GBP)

### Investment objective

The objective of the Fund is to provide a high level of income. Capital appreciation is of secondary importance.

### Investment policy

The investment policy of the Fund is to invest mostly in Sterling and Euro denominated high yielding corporate bonds to give a significantly higher income than that generally available on UK Government bonds. The Fund may also invest in Government and public securities and other interest bearing securities anywhere in the world as well as other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential to achieve a high level of income through exposure to a portfolio of mainly high yielding corporate bonds. The nature of the portfolio affords investors a focused investment approach, whilst affording proper diversification of mainly high yield corporate bond exposure, with an emphasis on individual credit analysis. Due to the volatile nature of the assets held and the corresponding risk of default, the investor must be able to accept significant temporary losses to their capital and the possibility of fluctuations in the income level, and should therefore have an investment time horizon of at least 5 years.

### Performance

The Higher Income Fund returned 1.29% during the period, in comparison with the Bank of America Merrill Lynch EUR/GBP Fixed & Floating Non Fin High Yield 3% Const Index (hedged to GBP) return of 1.98%. (Fund return source: Morningstar, basic rate taxpayer, bid-to-bid basis, net of fees. Benchmark Return Source: Factset).

The Fund's relative returns benefited from avoiding a number of underperforming index constituents. In particular, the biggest contributor was zero exposure to the Italian construction company CM Ravenna, which filed for creditor protection in December. Likewise, the Fund benefitted from zero exposure to another Italian builder, Astaldi, which also filed for creditor protection in September. Other contributors included zero exposure to the struggling UK clothing retailer New Look and the French steel piping/tubing manufacturer Vallourec.

On the negative side, the single biggest detractor was the Fund's overweight in the German wind turbine manufacturer Senvion, which suffered due to a combination of intense competition, falling prices and 'operational mistakes'. Another leading detractor was Nystar (Europe's biggest zinc producer), which issued a profits warning in September. Kleopatra Holdings, which is the holding company of German packaging company Kloeckner Pentaplast, was another leading underperformer owing to weak earnings and a credit ratings downgrade.

### Investment activity

In the first half of the period, we took part in a number of primary market deals including OCI NV (a natural gas-based fertiliser producer), InterXion (a data centre operator) and Cirsa (casinos). In the secondary market, we took advantage of volatile episodes to enter into some new positions in existing issuers at more attractive valuations, including Senvion, Nyrstar and Pizza Express. In terms of sales, we offloaded our entire position in the senior secured bonds of packaging company Ardagh, as well as Merlin Entertainment bonds owing to reduced conviction.

As the period progressed, we remained selective in our participation in the primary market; deals purchased included Warner Music Group, UGI International (gas distribution), Intertrust (administrative services) and Verisure (building alarm services). In secondary market trading, we reduced, or sold out of, positions in STADA Healthcare, Lowen Play and Nystar. The position in Altice (holding company) was also sold in anticipation of earnings weakness. Cash proceeds were recycled into short-dated callable bonds, including Sappi (pulp and paper), Centene Corporation (healthcare), GKN (automotive & aerospace) and Greif (packaging).

**Synthetic Risk & Reward Indicator**

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

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	132.22	128.17	113.23
Return before operating charges*	2.72	5.40	17.00
Operating charges	(1.36)	(1.35)	(1.25)
Return after operating charges*	1.36	4.05	15.75
Distributions	(3.65)	(4.03)	(5.19)
Retained distributions on accumulation share	3.65	4.03	4.38
Closing net asset value per share	133.58	132.22	128.17
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.03%	3.16%	13.91%
<b>Other information</b>			
Closing net asset value (£'000)	93,098	101,617	111,071
Closing number of shares	69,695,007	76,854,653	86,659,908
Operating charges	1.03%	1.03%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	134.6	133.7	128.1
Lowest share price	130.0	128.1	113.6

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

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

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

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

<b>Institutional accumulation</b>	<b>2019</b> pence per share	<b>2018</b> pence per share	<b>2017</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	140.22	135.49	119.37
Return before operating charges*	2.90	5.72	17.95
Operating charges	(1.00)	(0.99)	(0.91)
Return after operating charges*	1.90	4.73	17.04
Distributions	(4.33)	(4.71)	(5.90)
Retained distributions on accumulation share	4.33	4.71	4.98
Closing net asset value per share	142.12	140.22	135.49
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.35%	3.49%	14.27%
<b>Other information</b>			
Closing net asset value (£'000)	20,493	22,356	23,587
Closing number of shares	14,420,173	15,943,301	17,409,176
Operating charges	0.71%	0.71%	0.70%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	143.0	141.7	135.4
Lowest share price	138.2	135.5	119.7

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	48.77	48.75	44.61
Return before operating charges*	0.99	2.04	6.65
Operating charges	(0.50)	(0.51)	(0.49)
Return after operating charges*	0.49	1.53	6.16
Distributions	(1.33)	(1.51)	(2.02)
Closing net asset value per share	47.93	48.77	48.75
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.00%	3.14%	13.81%
<b>Other information</b>			
Closing net asset value (£'000)	51,344	59,415	71,985
Closing number of shares	107,115,614	121,821,600	147,664,768
Operating charges	1.03%	1.03%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	49.21	49.93	49.05
Lowest share price	46.96	48.74	44.75

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

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

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

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

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	48.79	48.76	44.63
Return before operating charges*	0.99	2.05	6.62
Operating charges	(0.34)	(0.35)	(0.33)
Return after operating charges*	0.65	1.70	6.29
Distributions	(1.49)	(1.67)	(2.16)
Closing net asset value per share	47.95	48.79	48.76
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.33%	3.49%	14.09%
<b>Other information</b>			
Closing net asset value (£'000)	30,849	33,078	36,352
Closing number of shares	64,337,818	67,801,187	74,550,707
Operating charges	0.71%	0.71%	0.70%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	49.25	49.97	49.10
Lowest share price	46.99	48.76	44.76

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

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

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

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

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	49.73	49.79	45.56
Return before operating charges*	0.93	2.02	6.80
Operating charges	(0.01)	(0.02)	(0.01)
Return after operating charges*	0.92	2.00	6.79
Distributions	(1.84)	(2.06)	(2.56)
Closing net asset value per share	48.81	49.73	49.79
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.85%	4.02%	14.90%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	4,424	42,647
Closing number of shares	201	8,895,749	85,660,288
Operating charges	0.03%	0.03%	0.02%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	50.27	51.00	50.20
Lowest share price	47.87	49.73	45.70

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

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

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

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

<sup>^</sup> The closing net asset value of Standard Life income is £98.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	113.20	108.73	95.31
Return before operating charges*	2.33	4.59	14.35
Operating charges	(0.12)	(0.12)	(0.10)
Return after operating charges*	2.21	4.47	14.25
Distributions	(4.19)	(4.46)	(5.35)
Retained distributions on accumulation share	4.19	4.46	4.52
Closing net asset value per share	115.41	113.20	108.73
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.95%	4.11%	14.95%
<b>Other information</b>			
Closing net asset value (£'000)	148,136	99,104	66,236
Closing number of shares	128,355,724	87,545,460	60,918,174
Operating charges	0.11%	0.11%	0.10%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	115.9	114.4	108.7
Lowest share price	112.1	108.7	95.59

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Institutional regulated accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	204.23	196.75	172.90
Return before operating charges*	4.22	8.31	26.01
Operating charges	(0.84)	(0.83)	(0.75)
Return after operating charges*	3.38	7.48	25.26
Distributions	(6.93)	(7.46)	(9.12)
Retained distributions on accumulation share	6.93	7.46	7.71
Closing net asset value per share	207.61	204.23	196.75
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.65%	3.80%	14.61%
<b>Other information</b>			
Closing net asset value (£'000)	37,754	40,845	43,244
Closing number of shares	18,184,794	19,999,402	21,979,079
Operating charges	0.41%	0.41%	0.40%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	208.7	206.4	196.7
Lowest share price	201.8	196.8	173.4

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

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

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

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

Standard Life B accumulation <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	95.99	92.11	80.68
Return before operating charges*	0.87	3.88	12.14
Operating charges	-	-	-
Return after operating charges*	0.87	3.88	12.14
Distributions	(0.90)	(3.87)	(4.61)
Retained distributions on accumulation share	0.90	3.87	3.90
Redemption value as at 14 June 2018	(96.86)	-	-
Closing net asset value per share	-	95.99	92.11
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.91%	4.21%	15.05%
<b>Other information</b>			
Closing net asset value (£'000)	-	4	4
Closing number of shares	-	4,000	4,000
Operating charges	0.00%	0.00%	0.00%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	97.05	96.97	92.08
Lowest share price	96.15	92.13	80.91

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^</sup> Share class closed on 14 June 2018.

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	73.72	71.27	62.82
Return before operating charges*	1.52	3.01	9.44
Operating charges	(0.56)	(0.56)	(0.51)
Return after operating charges*	0.96	2.45	8.93
Distributions	(2.24)	(2.44)	(3.07)
Retained distributions on accumulation share	2.24	2.44	2.59
Closing net asset value per share	74.68	73.72	71.27
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.30%	3.44%	14.22%
<b>Other information</b>			
Closing net asset value (£'000)	30,610	36,946	34,401
Closing number of shares	40,986,462	50,113,614	48,267,563
Operating charges	0.76%	0.76%	0.75%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	75.19	74.52	71.24
Lowest share price	72.64	71.26	63.00

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

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

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

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

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	57.58	57.55	52.67
Return before operating charges*	1.17	2.42	7.84
Operating charges	(0.43)	(0.44)	(0.42)
Return after operating charges*	0.74	1.98	7.42
Distributions	(1.73)	(1.95)	(2.54)
Closing net asset value per share	56.59	57.58	57.55
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.29%	3.44%	14.09%
<b>Other information</b>			
Closing net asset value (£'000)	39,632	47,891	49,111
Closing number of shares	70,033,718	83,172,570	85,335,487
Operating charges	0.76%	0.76%	0.75%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	58.13	58.98	57.95
Lowest share price	55.45	57.55	52.83

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

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

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

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

Institutional S accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	63.51	61.30	53.97
Return before operating charges*	1.40	2.58	8.09
Operating charges	(0.38)	(0.37)	(0.34)
Return after operating charges*	1.02	2.21	7.75
Distributions	(2.16)	(2.22)	(2.74)
Retained distributions on accumulation share	2.16	2.22	2.32
Closing net asset value per share	64.53	63.51	61.30
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.60%	3.61%	14.36%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	200	2,200	2,200
Operating charges	0.59%	0.59%	0.58%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	64.84	64.17	61.28
Lowest share price	62.71	61.30	54.13

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

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

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

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

<sup>^</sup> The closing net asset value of Institutional S accumulation is £129.

Institutional S income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	52.81	52.79	48.30
Return before operating charges*	1.22	2.23	7.20
Operating charges	(0.31)	(0.32)	(0.30)
Return after operating charges*	0.91	1.91	6.90
Distributions	(1.85)	(1.89)	(2.41)
Closing net asset value per share	51.87	52.81	52.79
* after direct transaction costs of:			
	-	-	-
<b>Performance</b>			
Return after charges	1.72%	3.62%	14.29%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	200	2,200	2,200
Operating charges	0.59%	0.59%	0.58%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	53.35	54.07	53.16
Lowest share price	50.87	52.79	48.44

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

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

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

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

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

Institutional A accumulation <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.75	56.37	49.63
Return before operating charges*	0.66	2.02	7.68
Operating charges	(0.32)	(0.64)	(0.59)
Return after operating charges*	0.34	1.38	7.09
Distributions	(0.38)	(1.72)	(2.24)
Retained distributions on accumulation share	0.38	1.72	1.89
Redemption value as at 14 June 2018	(58.09)	-	-
Closing net asset value per share	-	57.75	56.37
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.59%	2.45%	14.29%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	2,200	2,200
Operating charges	1.11%	1.11%	1.10%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	58.26	58.39	56.00
Lowest share price	57.69	56.01	49.78

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^</sup> Share class closed on 14 June 2018.

Institutional A income <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.60	54.05	49.43
Return before operating charges*	0.63	3.37	7.42
Operating charges	(0.31)	(0.61)	(0.58)
Return after operating charges*	0.32	2.76	6.84
Distributions	(0.37)	(2.21)	(2.22)
Redemption value as at 14 June 2018	(54.55)	-	-
Closing net asset value per share	-	54.60	54.05
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.59%	5.11%	13.84%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	13
Closing number of shares	-	2,200	24,766
Operating charges	1.11%	1.11%	1.10%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	55.08	55.35	54.48
Lowest share price	54.17	54.01	49.58

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^</sup> Share class closed on 14 June 2018.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (92.98%)</b>		<b>415,067</b>	<b>91.84</b>
<b>Australian Dollar Denominated Bonds (0.63%)</b>		-	-
<b>Corporate Bonds (0.37%)</b>		-	-
<b>Government Bonds (0.26%)</b>		-	-
<b>Euro Denominated Bonds (57.96%)</b>		<b>280,131</b>	<b>61.99</b>
<b>Corporate Bonds (57.96%)</b>		<b>280,131</b>	<b>61.99</b>
less than 5 years to maturity			
5,200,000	ADLER Real Estate 1.5% 2021	4,446	0.98
3,250,000	Alliance Data Systems 4.5% 2022	2,830	0.63
2,500,000	Altice 7.25% 2022	2,136	0.47
3,500,000	America Movil 0% 2020	2,969	0.66
1,840,000	Ardagh Packaging 4.125% 2023	1,618	0.36
1,550,000	Arena 2.75% 2023	1,330	0.29
1,805,000	Ball 3.5% 2020	1,625	0.36
3,200,000	Casino Guichard 1.865% Variable 2022	2,601	0.58
1,575,000	Crown European 2.25% 2023	1,393	0.31
2,600,000	Crown European 4% 2022	2,424	0.54
1,400,000	Danske Bank 0.875% 2023	1,166	0.26
6,960,000	DEA Finance 7.5% 2022	6,207	1.37
3,800,000	Dufry 4.5% 2023	3,367	0.74
1,400,000	EC Finance 2.375% 2022	1,205	0.27
3,150,000	Fiat Chrysler 4.75% 2022	2,965	0.66
1,100,000	FMC Finance VIII 5.25% 2019	961	0.21
2,509,000	Getlink 3.625% 2023	2,208	0.49
2,100,000	Greif 7.375% 2021	2,049	0.45
6,600,000	IHO Verwaltungs 2.75% 2021	5,712	1.26
1,405,000	IHO Verwaltungs 3.25% 2023	1,218	0.27
4,790,000	Ineos Finance 4% 2023	4,153	0.92
2,880,000	IPD 3 4.5% 2022	2,519	0.56
1,395,000	IPD 3 FRN 2022	1,202	0.27
2,000,000	K+S 3% 2022	1,782	0.39
2,449,000	LHMC 6.25% 2023	2,201	0.49
7,500,000	Matterhorn Telecom 3.875% 2022	6,392	1.41
650,000	Merlin Entertainments 2.75% 2022	579	0.13
8,370,000	MPT Operating Partnership 4% 2022	7,788	1.72
5,144,000	OCI 5% 2023	4,642	1.03
3,960,000	O-I 6.75% 2020	3,698	0.82
2,801,000	Platin 1426 5.375% 2023	2,289	0.51
580,000	Platin 1426 6.875% 2023	479	0.11
4,850,000	Sappi Papier 3.375% 2022	4,191	0.93
1,900,000	Sappi Papier 4% 2023	1,659	0.37

Holding	Investment	Market value £'000	Percentage of total net assets
2,240,000	Schaeffler Finance 2.5% 2020	1,928	0.43
3,000,000	SMCP 5.875% 2023	1,290	0.29
3,000,000	Smurfit Kappa 4.125% 2020	2,658	0.59
5,090,000	TDC 3.75% 2022	4,824	1.07
3,000,000	Telecom Italia 1.125% 2022	2,451	0.54
542,000	Tesco 1.375% 2019	466	0.10
2,150,000	Tesco 2.125% 2020	1,884	0.42
9,250,000	Teva Pharmaceutical 1.25% 2023	7,401	1.64
3,520,000	Thomas Cook 6.25% 2022	2,444	0.54
4,280,000	UniCredit 6.95% 2022	4,182	0.93
5,513,000	Valeant Pharmaceuticals 4.5% 2023	4,752	1.04
1,500,000	Verisure 5.75% 2023	1,300	0.29
2,219,000	Verisure Holding 3.5% 2023	1,946	0.43
2,200,000	Volvo 3.25% 2021	1,979	0.44
1,900,000	Wind Tre 2.625% 2023	1,527	0.34
8,335,000	Wind Tre 2.75% 2024	6,704	1.48
2,750,000	Worldpay 3.75% 2022	2,534	0.56
between 5 and 10 years to maturity			
2,669,000	Adient 3.5% 2024	1,764	0.39
3,550,000	Ardagh Packaging 6.75% 2024	3,225	0.71
7,550,000	Avantor 4.75% 2024	6,660	1.47
2,108,000	Banff Merger Sub 8.375% 2026	1,780	0.39
4,906,000	Blitz F18-674 6% 2026	4,281	0.95
1,600,000	Casino Guichard 3.248% 2024	1,387	0.31
2,090,000	Crown 3.375% 2025	1,906	0.42
2,830,000	CTC BondCo 5.25% 2025	2,367	0.52
5,900,000	Energizer Gamma Acquisition 4.625% 2026	5,133	1.14
2,030,000	Equinix 2.875% 2025	1,784	0.39
1,840,000	Equinix 2.875% 2026	1,606	0.35
3,400,000	Federal-Mogul 5% 2024	3,045	0.67
1,640,000	Grifols 3.2% 2025	1,417	0.31
3,849,000	International Game Technology 3.5% 2024	3,384	0.75
1,095,000	Intertrust Group 3.375% 2025	957	0.21
7,355,000	InterXion 4.75% 2025	6,656	1.47
781,000	Intralot Capital 5.25% 2024	387	0.09
1,064,000	La Financiere Atalian 5.125% 2025	711	0.16
6,675,000	LGE 7.125% 2024	5,983	1.32
2,980,000	MPT Operating Partnership 3.325% 2025	2,633	0.58
6,315,000	Nassa Topco 2.875% 2024	5,571	1.23
1,150,000	Netflix 3.625% 2027	1,006	0.22
1,855,000	Nidda Healthcare 3.5% 2024	1,572	0.35

Holding	Investment	Market value £'000	Percentage of total net assets
5,260,000	Nomad Foods Bondco 3.25% 2024	4,591	1.02
2,625,000	Paprec 4% 2025	1,905	0.42
2,527,000	ProGroup 3% 2026	2,201	0.49
4,330,000	Quintiles 3.25% 2025	3,786	0.84
2,720,000	Quintiles IMS 3.5% 2024	2,389	0.53
1,160,000	Samsonite 3.5% 2026	972	0.22
1,695,000	Smurfit Kappa 2.75% 2025	1,515	0.33
3,635,000	Superior Industries 6% 2025	2,684	0.59
5,853,000	Tele Columbus 3.875% 2025	4,434	0.98
10,495,000	Teva Pharmaceutical 1.125% 2024	7,867	1.74
3,185,000	Teva Pharmaceutical 1.625% 2028	2,166	0.48
968,000	UGI International 3.25% 2025	855	0.19
5,872,000	Unitymedia 3.5% 2027	5,281	1.17
6,600,000	Unitymedia 3.75% 2027	5,927	1.31
5,305,000	Unitymedia 4% 2025	4,736	1.05
1,542,000	Unitymedia 6.25% 2029	1,313	0.29
964,000	WMG Acquisition 3.625% 2026	845	0.19
2,000,000	WMG Acquisition 4.125% 2024	1,616	0.36
2,000,000	Ziggo 4.25% 2027	1,761	0.39
between 10 and 15 years to maturity			
6,300,000	Telecom Italia 7.75% fixed to floating 2033	6,681	1.48
2,719,000	UPCB Finance VII 3.625% 2029	2,433	0.54
Perpetual			
1,800,000	Danske Bank FRN Perpetual	1,567	0.35
2,400,000	Societe Generale 9.375% fixed to floating Perpetual	2,147	0.47
1,000,000	Solvay 5.869% Perpetual	970	0.21
<b>Sterling Denominated Bonds (27.42%)</b>		<b>106,488</b>	<b>23.56</b>
<b>Corporate Bonds (27.42%)</b>		<b>106,488</b>	<b>23.56</b>
less than 5 years to maturity			
1,300,000	Amigo Luxembourg 7.625% 2024	1,336	0.30
5,301,000	Arqiva 6.75% 2023	5,565	1.23
5,015,000	B&M European Value Retail 4.125% 2022	5,028	1.11
4,000,000	Barclays 10% 2021	4,604	1.02
3,500,000	British Land White 2015 0% 2020	3,396	0.75
400,000	Co-Operative 6.875% 2020	415	0.09
1,437,000	CPUK 4.25% 2022	1,421	0.31
310,000	EI Group 6.875% 2021	328	0.07
6,288,000	Entertainment One 6.875% 2022	6,479	1.43
1,353,000	GKN 6.75% 2019	1,391	0.31
4,600,000	Heathrow Funding 5.375% 2019	4,669	1.03

Holding	Investment	Market value £'000	Percentage of total net assets
3,040,000	Mitchells & Butlers 5.965% 2025	905	0.20
1,615,000	Moto Finance 4.5% 2022	1,565	0.35
5,180,000	TalkTalk 5.375% 2022	5,145	1.14
500,000	Telecom Italia 5.875% 2023	522	0.12
2,000,000	Telecom Italia 6.375% 2019	2,024	0.45
3,500,000	Tesco 5% 2023	3,803	0.84
4,250,000	Tesco 6.125% 2022	4,691	1.04
730,000	Travis Perkins 4.375% 2021	750	0.17
2,250,000	Travis Perkins 4.5% 2023	2,273	0.50
2,200,000	Unique Pub Finance 6.452% 2021	805	0.18
between 5 and 10 years to maturity			
1,550,000	Arrow Global 5.125% 2024	1,482	0.33
1,327,000	CYBG 4% 2026	1,286	0.28
3,063,000	Pinnacle Bidco 6.375% 2025	3,098	0.68
3,012,000	Saga 3.375% 2024	2,730	0.60
1,166,000	Spirit Issuer FRN 2027	524	0.12
1,400,000	Virgin Media 5% 2027	1,391	0.31
4,890,000	Virgin Media 5.5% 2025	4,499	1.00
4,780,000	Virgin Media 6% 2025	5,350	1.18
between 10 and 15 years to maturity			
1,000,000	Telereal FRN 2033	950	0.21
between 15 and 25 years to maturity			
1,825,000	Allied Irish Bank 12.5% 2035	1,320	0.29
1,000,000	Tesco 6.0517% 2039	1,025	0.23
greater than 25 years to maturity			
5,643,000	BHP Billiton 6.5% 2077	6,313	1.40
1,800,000	Enel 7.75% 2075	1,922	0.42
2,000,000	Koninklijke KPN 6.875% 2073	2,068	0.46
Perpetual			
1,500,000	Bank of Scotland 12% Perpetual	1,686	0.37
3,709,000	CYBG 8% Perpetual	3,560	0.79
700,000	Lloyds Bank 13% fixed to floating Perpetual	1,172	0.26
3,020,000	Pennon 2.875% Perpetual	3,019	0.67
3,000,000	RWE 7% fixed to floating Perpetual	3,007	0.66
1,040,000	Santander UK Group 7.375% Perpetual	1,074	0.24
1,800,000	Telefonica 6.75% Perpetual	1,897	0.42

Holding	Investment	Market value £'000	Percentage of total net assets
<b>US Dollar Denominated Bonds (6.97%)</b>		<b>28,448</b>	<b>6.29</b>
<b>Corporate Bonds (6.97%)</b>		<b>28,448</b>	<b>6.29</b>
less than 5 years to maturity			
2,000,000	Altice 7.75% 2022	1,494	0.33
1,500,000	Altice 8.125% 2024	1,139	0.25
1,500,000	Ardagh Packaging 4.25% 2022	1,126	0.25
2,300,000	Centene 4.75% 2022	1,761	0.39
2,300,000	Fresenius Medical Care 4.125% 2020	1,737	0.38
4,315,483	IHO Verwaltungs 4.125% 2021	3,212	0.71
3,060,000	Rite Aid 6.125% 2023	1,963	0.43
1,250,000	Valeant Pharmaceuticals 6.5% 2022	974	0.22
between 5 and 10 years to maturity			
1,000,000	Ardagh Packaging 7.25% 2024	784	0.17
2,400,000	SFR 6.25% 2024	1,805	0.40
1,800,000	SixSigma Networks 7.5% 2025	1,306	0.29
2,977,000	Tullow Oil 7% 2025	2,222	0.49
3,500,000	UPCB Finance 5.375% 2025	2,696	0.60
1,650,000	Valeant Pharmaceuticals 7% 2024	1,307	0.29
greater than 25 years to maturity			
3,350,000	BHP Billiton 6.25% 2075	2,619	0.58
Perpetual			
3,000,000	Lloyds Banking Group FRN Perpetual	2,303	0.51
<b>UK Equities (0%)</b>		-	-
<b>Basic Materials (0%)</b>		-	-
32,987,896,738 Luxfer Holdings		-	-
<b>Collective Investment Schemes (5.04%)</b>		<b>24,090</b>	<b>5.33</b>
5,687	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund+	4,869	1.08
19,221	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	19,221	4.25
<b>Derivatives (-0.31%)</b>		<b>4,707</b>	<b>1.05</b>
<b>Forward Currency Contracts (-0.36%)</b>		<b>4,843</b>	<b>1.08</b>
	Buy EUR 996,277 Sell GBP 865,011 22/03/2019	(11)	-
	Buy EUR 1,642,197 Sell GBP 1,406,813 22/03/2019	-	-
	Buy GBP 78,141,240 Sell EUR 90,000,000 22/03/2019	1,035	0.23
	Buy GBP 83,885,655 Sell EUR 96,616,191 22/03/2019	1,111	0.25
	Buy GBP 130,729,350 Sell EUR 150,000,000 22/03/2019	2,218	0.49
	Buy GBP 29,133,561 Sell USD 38,143,581 22/03/2019	490	0.11
<b>Futures (0.05%)</b>		<b>(136)</b>	<b>(0.03)</b>
(16)	Short Euro Bobl Future 07/03/2019	(8)	-
(49)	Short Euro Bond Future 07/03/2019	(128)	(0.03)

Holding Investment	Market value £'000	Percentage of total net assets
<b>Total investment assets and liabilities</b>	443,864	98.22
<b>Net other assets</b>	8,052	1.78
<b>Total Net Assets</b>	451,916	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital (losses)/gains	2	(8,131)	263
Revenue	4	17,156	19,197
Expenses	5	(2,792)	(3,095)
Interest payable and similar charges	6	(28)	(51)
Net revenue before taxation		14,336	16,051
Taxation	7	-	-
Net revenue after taxation		14,336	16,051
<b>Total return before distributions</b>		6,205	16,314
Distributions	8	(14,336)	(16,051)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(8,131)</b>	<b>263</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>445,684</b>	<b>478,655</b>
Amounts receivable on the issue of shares	57,234	50,216
Amounts payable on the cancellation of shares	(53,682)	(94,073)
	3,552	(43,857)
Dilution adjustment	332	302
Change in net assets attributable to shareholders from investment activities (see above)	(8,131)	263
Retained distribution on accumulation shares	10,477	10,319
Unclaimed distributions	2	2
<b>Closing net assets attributable to shareholders</b>	<b>451,916</b>	<b>445,684</b>

**Balance Sheet**

As at 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			444,011		437,137
<b>Current assets:</b>					
Debtors	9	7,314		6,047	
Cash and bank balances	10	7,887		7,071	
			15,201		13,118
<b>Total assets</b>			<b>459,212</b>		<b>450,255</b>
<b>Liabilities:</b>					
Investment liabilities			(147)		(1,638)
Bank overdrafts	10	(5,617)		-	
Creditors	11	(660)		(1,835)	
Distribution payable		(872)		(1,098)	
			(7,149)		(2,933)
<b>Total liabilities</b>			<b>(7,296)</b>		<b>(4,571)</b>
<b>Net assets attributable to shareholders</b>			<b>451,916</b>		<b>445,684</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(18,386)	5,551
Derivative contracts	(488)	(388)
Forward currency contracts	11,058	(4,908)
Other (losses)/gains	(294)	34
Handling charges taken from the capital account	(21)	(26)
<b>Net capital (losses)/gains</b>	<b>(8,131)</b>	<b>263</b>

**3 Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchase</b>		
Bonds	289,813	340,887
Collective investment schemes	197,591	163,706
<b>Sales</b>		
Bonds	262,806	374,458
Collective investment schemes	196,040	169,795

There were corporate actions (net sales) of £5,378,000 in the year (2018: £4,173,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.79% (2018: 0.71%), this is representative of the average spread on the assets held during the year.

**4 Revenue**

	2019 £'000	2018 £'000
Overseas dividends	135	268
Taxable distributions on offshore funds	57	-
Interest on debt securities	16,868	18,822
Bank interest	96	107
<b>Total revenue</b>	<b>17,156</b>	<b>19,197</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	2,415	2,734
Dealing charge	38	43
Registration fees	241	217
	2,694	2,994
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	54	56
Safe custody fee	33	34
	87	90
<b>Other:</b>		
Audit fee	11	11
<b>Total expenses</b>	<b>2,792</b>	<b>3,095</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	28	51
<b>Total interest payable &amp; similar charges</b>	<b>28</b>	<b>51</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Total current tax	-	-
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	14,335	16,051
Corporation tax at 20% (2018: 20%)	2,867	3,211
Effects of:		
Revenue not subject to taxation	(27)	(54)
Distributions treated as tax deductible	(2,840)	(3,157)
<b>Total tax charge for year (note 7a)</b>	<b>-</b>	<b>-</b>

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

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
First interim distribution	3,358	4,501
Second interim distribution	3,884	4,440
Third interim distribution	3,493	3,514
Final distribution	3,504	3,548
	14,239	16,003
Add: Income deducted on cancellation of shares	200	340
Deduct: Income received on issue of shares	(103)	(292)
<b>Net distribution for the year</b>	<b>14,336</b>	<b>16,051</b>

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

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	132	5
Sales awaiting settlement	1,406	263
Accrued revenue	5,776	5,779
<b>Total debtors</b>	<b>7,314</b>	<b>6,047</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Amounts held at futures clearing houses and brokers	397	(86)
Cash and bank balances	7,490	5,112
Collateral cash	(5,617)	2,045
<b>Total cash and bank balances</b>	<b>2,270</b>	<b>7,071</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	320	566
Purchases awaiting settlement	111	1,023
Accrued expenses payable to ACD	198	221
Accrued expenses payable to the Depositary or associates of the Depositary	12	14
Other accrued expenses	18	11
<b>Total creditors</b>	<b>660</b>	<b>1,835</b>

## 12 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	76,854,653	455,068	(7,655,978)	41,264.00	69,695,007
Institutional accumulation	15,943,301	213,804	(1,802,562)	65,630.00	14,420,173
Retail income	121,821,600	117,791	(14,156,924)	(666,853.00)	107,115,614
Institutional income	67,801,187	7,401,224	(11,134,784)	270,191.00	64,337,818
Standard Life income	8,895,749	201	(8,895,749)	-	201
Standard Life accumulation	87,545,460	40,884,209	(73,945)	-	128,355,724
Institutional regulated accumulation	19,999,402	990,927	(2,805,535)	-	18,184,794
Standard Life B accumulation	4,000	-	(4,000)	-	-
Platform 1 accumulation	50,113,614	3,595,302	(12,751,811)	29,357.00	40,986,462
Platform 1 income	83,172,570	1,466,352	(14,646,024)	40,820.00	70,033,718
Institutional S accumulation	2,200	-	(2,000)	-	200
Institutional S income	2,200	-	(2,000)	-	200
Institutional A accumulation	2,200	-	(2,200)	-	-
Institutional A income	2,200	-	(2,200)	-	-

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	-	415,067	-	-	414,440	-
Collective Investment Schemes	-	24,090	-	-	22,442	-
Derivatives	-	4,854	-	241	14	-
<b>Total investment assets</b>	-	<b>444,011</b>	-	<b>241</b>	<b>436,896</b>	-
Derivatives	(136)	(11)	-	-	(1,638)	-
<b>Total investment liabilities</b>	<b>(136)</b>	<b>(11)</b>	-	-	<b>(1,638)</b>	-

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

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

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

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

## 15 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

### a. Market price risk

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

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

Value at Risk (VaR) is a measure of the maximum potential loss to the Fund due to market risk. More particularly, VaR measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

2019	Minimum	Maximum	Average
VaR 99% 1 Month	0.69%	0.89%	0.79%

2018	Minimum	Maximum	Average
VaR 99% 1 Month	0.70%	0.92%	0.80%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 0.69%, £3,138,000 (2018: 0.80%, £3,484,000) within a one month period.

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

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets/(liabilities)	
	2019 £'000	2018 £'000
Australian Dollar	-	(4)
Euro	5,232	(810)
US Dollar	239	(479)

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

Bond yields are affected by market and economic conditions, including inflation rates and government policy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>				
<b>Currency</b>				
UK Sterling	52,176	73,932	320,337	446,445
Euro	27,591	259,281	(281,640)	5,232
US Dollar	8,134	20,314	(28,209)	239
<b>2018</b>				
<b>Currency</b>				
UK Sterling	71,693	76,983	298,301	446,977
Australian Dollar	-	2,823	(2,827)	(4)
Euro	32,025	227,434	(260,269)	(810)
US Dollar	7,550	25,447	(33,476)	(479)

### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

	Bid market value 2019 £'000	Bid market value 2018 £'000
Credit Rating Analysis		
Investment Grade Bonds	29,390	141,016
Below Investment Grade Bonds	379,829	269,130
Unrated Bonds	5,848	4,294
<b>Total Value of Bonds</b>	<b>415,067</b>	<b>414,440</b>

#### e. Financial Derivatives Instrument Risk

At the year end the Fund held derivatives for the purposes of efficient portfolio management (including hedging). These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the Fund's prospectus.

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

	2019 £'000	2018 £'000
<b>Market Exposure</b>		
Forward Currency Contracts	319,296	306,247
Futures	8,753	13,910
<b>Total Market Exposure</b>	<b>328,049</b>	<b>320,157</b>

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

#### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange. Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

Exposure is reduced by the exchange of margin on a daily basis for cleared derivatives and by the collateral held/pledged on a bilateral transaction.

Counterparty or clearer	2019			2018		
	Collateral (held)/ pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000	Collateral (held)/ pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000
Bank of America Merrill Lynch	-	-	-	-	-	14
Barclays	120	-	-	-	-	-
BNP Paribas	(170)	-	-	-	-	-
Citigroup	(2,873)	-	-	-	-	-
Deutsche Bank	(449)	-	-	-	-	-
Goldman Sachs	-	271	(136)	-	164	241
HSBC	-	-	-	(15)	-	(555)
JP Morgan	(2,119)	-	-	-	-	-
Lloyds	-	-	-	-	-	(1,083)
NatWest Markets	-	-	490	-	-	-
Royal Bank of Canada	-	-	-	2,060	-	-
Societe Generale	-	-	4,364	-	-	-
StateStreet	-	-	(11)	-	-	-
<b>Total</b>	<b>(5,491)</b>	<b>135</b>	<b>4,707</b>	<b>2,045</b>	<b>164</b>	<b>(1,383)</b>

Margin exchanged or collateral held or pledged is in the form of high quality liquid assets e.g. cash/gilts. Positions are fully collateralised at all times. Restrictions are placed on the right of either party to reuse collateral assets.

#### f. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution tables**

For the three months ended 31 May 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 May 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.8999	-	0.8999*	1.0770
Group 2	0.5372	0.3627	0.8999*	1.0770
<b>Institutional accumulation</b>				
Group 1	1.0684	-	1.0684*	1.2493
Group 2	0.6336	0.4348	1.0684*	1.2493
<b>Retail income</b>				
Group 1	0.3319	-	0.3319**	0.4097
Group 2	0.1607	0.1712	0.3319**	0.4097
<b>Institutional income</b>				
Group 1	0.3717	-	0.3717**	0.4496
Group 2	0.1562	0.2155	0.3717**	0.4496
<b>Standard Life income</b>				
Group 1	0.4651	-	0.4651**	0.5455
Group 2	-	-	-	0.5455
<b>Standard Life accumulation</b>				
Group 1	1.0355	-	1.0355*	1.1697
Group 2	0.3248	0.7107	1.0355*	1.1697
<b>Institutional regulated accumulation</b>				
Group 1	1.7121	-	1.7121*	1.9649
Group 2	0.8331	0.8790	1.7121*	1.9649
<b>Standard Life B accumulation</b>				
Group 1	0.8980	-	0.8980*	1.0130
Group 2	-	-	-	1.0130
<b>Platform 1 accumulation</b>				
Group 1	0.5524	-	0.5524*	0.6480
Group 2	0.2833	0.2691	0.5524*	0.6480
<b>Platform 1 income</b>				
Group 1	0.4314	-	0.4314**	0.5233
Group 2	0.2283	0.2031	0.4314**	0.5233

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Institutional S accumulation</b>				
Group 1	0.5109	-	0.5109*	0.5900
Group 2	-	-	-	0.5900
<b>Institutional S income</b>				
Group 1	0.4259	-	0.4259**	0.5350
Group 2	-	-	-	0.5350
<b>Institutional A accumulation</b>				
Group 1	0.3845	-	0.3845*	0.4750
Group 2	-	-	-	0.4750
<b>Institutional A income</b>				
Group 1	0.3659	-	0.3659**	0.7063
Group 2	-	-	-	0.7063

\* Distribution accumulated on 31 May 2018

\*\* Distribution paid on 31 July 2018

For the three months ended 31 August 2018

Group 1 - shares purchased prior to 1 June 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.9722	-	0.9722*	1.0906
Group 2	0.4388	0.5334	0.9722*	1.0906
<b>Institutional accumulation</b>				
Group 1	1.1463	-	1.1463*	1.2662
Group 2	0.7102	0.4361	1.1463*	1.2662
<b>Retail income</b>				
Group 1	0.3561	-	0.3561**	0.4114
Group 2	0.1377	0.2184	0.3561**	0.4114
<b>Institutional income</b>				
Group 1	0.3957	-	0.3957**	0.4517
Group 2	0.1877	0.2080	0.3957**	0.4517
<b>Standard Life income</b>				
Group 1	0.4935	-	0.4935**	0.5481
Group 2	-	-	-	0.5481
<b>Standard Life accumulation</b>				
Group 1	1.1012	-	1.1012*	1.1873
Group 2	0.9383	0.1629	1.1012*	1.1873
<b>Institutional regulated accumulation</b>				
Group 1	1.8273	-	1.8273*	1.9932
Group 2	1.0379	0.7894	1.8273*	1.9932
<b>Standard Life B accumulation ^</b>				
Group 1	-	-	-	1.0285
Group 2	-	-	-	1.0285
<b>Platform 1 accumulation</b>				
Group 1	0.5932	-	0.5932*	0.6568
Group 2	0.3400	0.2532	0.5932*	0.6568
<b>Platform 1 income</b>				
Group 1	0.4599	-	0.4599**	0.5257
Group 2	0.2101	0.2498	0.4599**	0.5257

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Institutional S accumulation</b>				
Group 1	0.5372	-	0.5372*	0.5850
Group 2	-	-	-	0.5850
<b>Institutional S income</b>				
Group 1	0.4600	-	0.4600**	0.5250
Group 2	-	-	-	0.5250
<b>Institutional A accumulation ^</b>				
Group 1	-	-	-	0.4850
Group 2	-	-	-	0.4850
<b>Institutional A income ^</b>				
Group 1	-	-	-	0.7350
Group 2	-	-	-	0.7350

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

^ Share class closed on 14 June 2018

For the three months ended 30 November 2018

Group 1 - shares purchased prior to 1 September 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.8858	-	0.8858*	0.9275
Group 2	0.3872	0.4986	0.8858*	0.9275
<b>Institutional accumulation</b>				
Group 1	1.0546	-	1.0546*	1.0947
Group 2	0.5808	0.4738	1.0546*	1.0947
<b>Retail income</b>				
Group 1	0.3223	-	0.3223**	0.3471
Group 2	0.0727	0.2496	0.3223**	0.3471
<b>Institutional income</b>				
Group 1	0.3613	-	0.3613**	0.3869
Group 2	0.2034	0.1579	0.3613**	0.3869
<b>Standard Life income</b>				
Group 1	0.4377	-	0.4377**	0.4885
Group 2	0.3087	0.1290	0.4377**	0.4885
<b>Standard Life accumulation</b>				
Group 1	1.0267	-	1.0267*	1.0503
Group 2	0.6552	0.3715	1.0267*	1.0503
<b>Institutional regulated accumulation</b>				
Group 1	1.6940	-	1.6940*	1.7452
Group 2	1.0501	0.6439	1.6940*	1.7452
<b>Standard Life B accumulation ^</b>				
Group 1	-	-	-	0.9132
Group 2	-	-	-	0.9132
<b>Platform 1 accumulation</b>				
Group 1	0.5451	-	0.5451*	0.5661
Group 2	0.2657	0.2794	0.5451*	0.5661
<b>Platform 1 income</b>				
Group 1	0.4192	-	0.4192**	0.4491
Group 2	0.2658	0.1534	0.4192**	0.4491

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Institutional S accumulation</b>				
Group 1	0.5200	-	0.5200*	0.5054
Group 2	-	-	-	0.5054
<b>Institutional S income</b>				
Group 1	0.4700	-	0.4700**	0.4040
Group 2	-	-	-	0.4040
<b>Institutional A accumulation ^</b>				
Group 1	-	-	-	0.3609
Group 2	-	-	-	0.3609
<b>Institutional A income ^</b>				
Group 1	-	-	-	0.3890
Group 2	-	-	-	0.3890

\* Distribution accumulated on 30 November 2018

\*\* Distribution paid on 31 January 2019

^ Share class closed on 14 June 2018

For the three months ended 28 February 2019

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.8939	-	0.8939*	0.9326
Group 2	0.5213	0.3726	0.8939*	0.9326
<b>Institutional accumulation</b>				
Group 1	1.0613	-	1.0613*	1.0996
Group 2	0.3907	0.6706	1.0613*	1.0996
<b>Retail income</b>				
Group 1	0.3230	-	0.3230**	0.3464
Group 2	0.1082	0.2148	0.3230**	0.3464
<b>Institutional income</b>				
Group 1	0.3611	-	0.3611**	0.3856
Group 2	0.2478	0.1133	0.3611**	0.3856
<b>Standard Life income</b>				
Group 1	0.4476	-	0.4476**	0.4806
Group 2	-	-	-	0.4806
<b>Standard Life accumulation</b>				
Group 1	1.0297	-	1.0297*	1.0536
Group 2	0.6073	0.4224	1.0297*	1.0536
<b>Institutional regulated accumulation</b>				
Group 1	1.7010	-	1.7010*	1.7530
Group 2	1.0045	0.6965	1.7010*	1.7530
<b>Standard Life B accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.9165
Group 2	-	-	-	0.9165
<b>Platform 1 accumulation</b>				
Group 1	0.5488	-	0.5488*	0.5690
Group 2	0.3212	0.2276	0.5488*	0.5690
<b>Platform 1 income</b>				
Group 1	0.4189	-	0.4189**	0.4479
Group 2	0.2325	0.1864	0.4189**	0.4479

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Institutional S accumulation</b>				
Group 1	0.5950	-	0.5950*	0.5368
Group 2	-	-	-	0.5368
<b>Institutional S income</b>				
Group 1	0.4950	-	0.4950**	0.4290
Group 2	-	-	-	0.4290
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.3995
Group 2	-	-	-	0.3995
<b>Institutional A income<sup>^</sup></b>				
Group 1	-	-	-	0.3831
Group 2	-	-	-	0.3831

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 14 June 2018

### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Investment Grade Corporate Bond Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Daniel McKernan and Mark Munro
<b>Launch Date</b>	20 September 1998
<b>Benchmark</b>	iBoxx Sterling Corporate and Collateralised Index

### Investment objective

The objective of the Fund is to provide a high level of income which is compatible with maintaining the security of capital.

### Investment policy

The investment policy of the Fund is to invest mostly in sterling fixed interest securities issued by corporations. The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The nature of the portfolio affords investors a focused investment approach, whilst diversification across mainly investment grade corporate bond exposure provides a degree of protection from the risk of default. Whilst the level of income provision is likely to be relatively stable, the investor must be able to accept temporary capital losses due to the volatile nature of the bond markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

The Corporate Bond Fund returned 1.72% during the period, in comparison with the IA Corporate Bond Sector return of 1.35% (source: Morningstar, basic rate taxpayer, bid to bid basis. Please note the Fund return is net of fees, whereas the benchmark return is gross).

The single biggest positive contributor was the Fund's underweight exposure to the US industrial conglomerate General Electric (GE), which was downgraded in October following an unexpectedly large goodwill write-down. Amid frequent risk-off episodes, there was also a good contribution from the Fund's off-benchmark exposure to gilts.

On the negative side, the single biggest detractor in the review period was the Fund's overweight in British American Tobacco, which was pressured both by structural industry worries and US proposals to ban menthol cigarettes. The second biggest detractor was the Fund's off-benchmark exposure to the UK department store John Lewis, which reported very poor half-year results in September.

### Investment activity

In the primary market, we took part in a significant number of deals over the review period. This included new issues from the global real estate investment trust (REIT) and data centre operator Digital Realty, as well as Dudgeon OFT, which is the operator of an

electricity grid powered by offshore wind farms in the UK. In addition, we bought new issues from Vodafone and the Additional Tier-1 (AT1) bonds of HSBC.

In the secondary market, towards the end of the period, we bought the shorter dated bonds of Anheuser Busch InBev. The Belgian brewer was downgraded in December, but we felt the price impact was excessive. We also bought the 2021 Tier-2 bonds of Barclays and the Tier-2 bonds of Aviva, where in both cases we felt spread widening was overdone. Furthermore, we added exposure to APT Pipelines. The Australian energy infrastructure company saw spreads widen after a potential acquisition from CKI Infrastructure fell through. While this was disappointing, we felt the spread widening offered an attractive opportunity.

On the sell side, before the end of the calendar year, we used a relief-rally to reduce exposure to Lloyd's 2040 senior bonds, which we felt would be volatile over the coming years. We also continued to reduce our exposure to AT&T. While the company says it is committed to deleveraging, we think there are clear execution risks surrounding this, particularly given its very competitive end markets. Finally, we reduced exposure to Tritax Big Box, which is a UK REIT that specialises in logistics warehouses that service online retail markets. Although this is clearly a structurally growing segment, we decided to reduce our exposure owing to broader concerns about UK property-related bonds.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←						→
1	2	3	<b>4</b>	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	151.16	149.83	134.29
Return before operating charges*	2.44	2.89	17.65
Operating charges	(1.55)	(1.56)	(1.47)
Return after operating charges*	0.89	1.33	16.18
Distributions	(3.88)	(4.01)	(4.23)
Retained distributions on accumulation share	3.88	4.01	3.59
Closing net asset value per share	152.05	151.16	149.83
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.59%	0.89%	12.05%
<b>Other information</b>			
Closing net asset value (£'000)	90,025	101,050	123,395
Closing number of shares	59,208,860	66,848,383	82,358,563
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	153.4	155.4	154.4
Lowest share price	148.8	150.0	134.1

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	162.57	160.45	143.29
Return before operating charges*	2.64	3.10	18.86
Operating charges	(0.99)	(0.98)	(0.92)
Return after operating charges*	1.65	2.12	17.94
Distributions	(4.87)	(4.95)	(5.18)
Retained distributions on accumulation share	4.87	4.95	4.40
Closing net asset value per share	164.22	162.57	160.45
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	1.02%	1.32%	12.52%
<b>Other information</b>			
Closing net asset value (£'000)	112,664	78,174	356,671
Closing number of shares	68,604,773	48,085,444	222,287,009
Operating charges	0.61%	0.60%	0.60%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	165.7	167.0	165.0
Lowest share price	160.6	160.2	143.1

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	62.31	63.41	58.23
Return before operating charges*	0.99	1.23	7.63
Operating charges	(0.63)	(0.65)	(0.63)
Return after operating charges*	0.36	0.58	7.00
Distributions	(1.58)	(1.68)	(1.82)
Closing net asset value per share	61.09	62.31	63.41
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.58%	0.91%	12.02%
<b>Other information</b>			
Closing net asset value (£'000)	28,480	31,957	36,053
Closing number of shares	46,623,613	51,286,468	56,861,501
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	62.79	65.15	66.54
Lowest share price	60.16	62.32	58.17

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

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

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

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

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	62.07	63.16	58.00
Return before operating charges*	0.99	1.23	7.60
Operating charges	(0.37)	(0.38)	(0.37)
Return after operating charges*	0.62	0.85	7.23
Distributions	(1.84)	(1.94)	(2.07)
Closing net asset value per share	60.85	62.07	63.16
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.00%	1.35%	12.47%
<b>Other information</b>			
Closing net asset value (£'000)	121,250	141,799	124,272
Closing number of shares	199,257,359	228,440,123	196,750,215
Operating charges	0.61%	0.60%	0.60%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	62.57	64.97	66.33
Lowest share price	59.93	62.08	57.94

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

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

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

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

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	50.56	51.45	47.24
Return before operating charges*	0.77	1.00	6.21
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	0.76	0.99	6.20
Distributions	(1.80)	(1.88)	(1.99)
Closing net asset value per share	49.52	50.56	51.45
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.50%	1.92%	13.12%
<b>Other information</b>			
Closing net asset value (£'000)	30,400	20,677	41,009
Closing number of shares	61,385,889	40,896,870	79,707,426
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	51.02	53.00	54.08
Lowest share price	48.82	50.56	47.20

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

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

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

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

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	88.30	86.72	77.11
Return before operating charges*	1.43	1.67	10.17
Operating charges	(0.09)	(0.09)	(0.08)
Return after operating charges*	1.34	1.58	10.09
Distributions	(3.09)	(3.15)	(3.21)
Retained distributions on accumulation share	3.09	3.15	2.73
Closing net asset value per share	89.64	88.30	86.72
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.52%	1.82%	13.09%
<b>Other information</b>			
Closing net asset value (£'000)	205	344	223
Closing number of shares	228,818	388,929	257,452
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	90.44	90.65	88.96
Lowest share price	87.55	86.61	77.03

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

Institutional regulated accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	151.49	149.23	133.04
Return before operating charges*	2.46	2.87	17.54
Operating charges	(0.62)	(0.61)	(0.57)
Return after operating charges*	1.84	2.26	16.97
Distributions	(4.84)	(4.95)	(5.11)
Retained distributions on accumulation share	4.84	4.95	4.33
Closing net asset value per share	153.33	151.49	149.23
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.21%	1.51%	12.76%
<b>Other information</b>			
Closing net asset value (£'000)	1,068	1,236	1,428
Closing number of shares	696,275	815,908	956,484
Operating charges	0.40%	0.40%	0.40%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	154.7	155.6	153.3
Lowest share price	149.9	149.0	132.9

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

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

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

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

Standard Life B accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	88.31	86.64	76.99
Return before operating charges*	1.43	1.67	10.14
Operating charges	-	-	-
Return after operating charges*	1.43	1.67	10.14
Distributions	(3.19)	(3.23)	(3.29)
Retained distributions on accumulation share	3.19	3.23	2.80
Closing net asset value per share	89.74	88.31	86.64
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.62%	1.92%	13.17%
<b>Other information</b>			
Closing net asset value (£'000)	2,449	2,626	2,882
Closing number of shares	2,729,034	2,974,079	3,326,293
Operating charges	0.00%	0.00%	0.00%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	90.53	90.65	88.84
Lowest share price	87.62	86.53	76.88

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

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

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

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

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	68.40	67.55	60.35
Return before operating charges*	1.11	1.30	7.95
Operating charges	(0.45)	(0.45)	(0.42)
Return after operating charges*	0.66	0.85	7.53
Distributions	(2.02)	(2.07)	(2.15)
Retained distributions on accumulation share	2.02	2.07	1.82
Closing net asset value per share	69.06	68.40	67.55
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.97%	1.26%	12.48%
<b>Other information</b>			
Closing net asset value (£'000)	70,258	24,929	25,648
Closing number of shares	101,735,996	36,443,885	37,968,755
Operating charges	0.66%	0.65%	0.65%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	69.68	70.28	69.48
Lowest share price	67.54	67.44	60.28

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

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

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

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

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	57.60	58.61	53.82
Return before operating charges*	0.92	1.15	7.06
Operating charges	(0.37)	(0.39)	(0.37)
Return after operating charges*	0.55	0.76	6.69
Distributions	(1.68)	(1.77)	(1.90)
Closing net asset value per share	56.47	57.60	58.61
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.95%	1.30%	12.43%
<b>Other information</b>			
Closing net asset value (£'000)	13,207	16,732	17,096
Closing number of shares	23,389,278	29,047,825	29,168,512
Operating charges	0.66%	0.65%	0.65%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	58.06	60.28	61.54
Lowest share price	55.61	57.60	53.77

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

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

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

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

Institutional S accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	62.32	61.39	54.74
Return before operating charges*	1.02	1.20	7.22
Operating charges	(0.27)	(0.27)	(0.25)
Return after operating charges*	0.75	0.93	6.97
Distributions	(1.96)	(1.98)	(2.10)
Retained distributions on accumulation share	1.96	1.98	1.78
Closing net asset value per share	63.07	62.32	61.39
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.21%	1.51%	12.73%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	200	2,200	2,200
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	63.63	64.03	63.07
Lowest share price	61.66	61.31	54.66

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

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

<sup>^</sup> The closing net asset value of Institutional S accumulation is £126.

Institutional S income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.00	54.95	50.46
Return before operating charges*	0.83	1.09	6.63
Operating charges	(0.23)	(0.24)	(0.23)
Return after operating charges*	0.60	0.85	6.40
Distributions	(1.71)	(1.80)	(1.91)
Closing net asset value per share	52.89	54.00	54.95
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.11%	1.55%	12.68%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	200	2,200	2,200
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	54.45	56.54	57.71
Lowest share price	52.18	54.00	50.41

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^</sup>The closing net asset value of Institutional S income is £106.

Institutional A accumulation <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	55.89	55.55	49.77
Return before operating charges*	0.27	0.96	6.61
Operating charges	(0.31)	(0.62)	(0.59)
Return after operating charges*	(0.04)	0.34	6.02
Distributions	(0.37)	(1.47)	(1.25)
Retained distributions on accumulation share	0.37	1.47	1.01
Redemption value as at 7 June 2018	(55.85)	-	-
Closing net asset value per share	-	55.89	55.55
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.07%)	0.60%	12.10%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	2,200	2,200
Operating charges	1.10%	1.10%	1.10%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	56.31	57.47	57.18
Lowest share price	55.65	55.30	49.67

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^</sup> Share class closed on 7 June 2018.

Institutional A income <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.08	54.01	49.60
Return before operating charges*	0.35	1.07	6.23
Operating charges	(0.30)	(0.60)	(0.58)
Return after operating charges*	0.05	0.47	5.65
Distributions	(0.35)	(1.40)	(1.24)
Redemption value as at 7 June 2018	(52.78)	-	-
Closing net asset value per share	-	53.08	54.01
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.09%	0.87%	11.39%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	2,200	2,200
Operating charges	1.10%	1.10%	1.10%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	53.49	55.51	56.68
Lowest share price	52.71	53.08	49.55

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^</sup> Share class closed on 7 June 2018.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (98.83%)</b>		<b>462,258</b>	<b>98.35</b>
<b>Euro Denominated Bonds (1.35%)</b>		<b>3,898</b>	<b>0.83</b>
<b>Corporate Bonds (1.35%)</b>		<b>3,898</b>	<b>0.83</b>
less than 5 years to maturity			
1,500,000	Standard Chartered FRN 2023	1,273	0.27
between 5 and 10 years to maturity			
900,000	Bayer 1.5% 2026	775	0.17
893,000	UBS 4.75% 2026	815	0.17
between 10 and 15 years to maturity			
1,200,000	Bayer 2.125% 2029	1,035	0.22
<b>Sterling Denominated Bonds (94.97%)</b>		<b>450,238</b>	<b>95.79</b>
<b>Corporate Bonds (93.61%)</b>		<b>439,988</b>	<b>93.61</b>
less than 5 years to maturity			
920,000	AA Bond 2.75% 2023	822	0.18
1,841,000	AA Bond 2.875% 2022	1,725	0.37
1,639,000	Asciano Finance 5% 2023	1,778	0.38
936,000	Atlantia 6.25% 2022	1,020	0.22
1,390,000	Bank of Scotland 9.375% 2021	1,593	0.34
1,700,000	Barclays 10% 2021	1,957	0.42
2,352,000	Barclays 3.125% 2024	2,359	0.50
729,000	Barclays 4.25% 2022	785	0.17
1,794,000	BASF 1.375% 2022	1,792	0.38
900,000	BMW 1.75% 2022	897	0.19
2,633,000	British American Tobacco 1.75% 2021	2,611	0.56
1,277,000	BUPA 3.375% 2021	1,322	0.28
1,135,000	Citigroup 2.75% 2024	1,157	0.25
1,786,000	Close Brothers 3.875% 2021	1,861	0.40
1,697,000	Co-Operative Bank 4.75% 2021	1,799	0.38
1,535,000	Coventry 5.875% 2022	1,738	0.37
1,300,000	Credit Agricole 7.375% 2023	1,592	0.34
1,638,000	Credit Suisse 3% 2022	1,681	0.36
1,786,000	Daimler 2.375% 2021	1,805	0.38
3,400,000	Deutsche Bank 1.875% 2020	3,376	0.72
1,158,000	ENW Finance 6.125% 2021	1,275	0.27
500,000	FCE Bank 2.727% 2022	488	0.10
2,020,000	First Hydro 9% 2021	2,348	0.50
1,047,000	Friends Life 8.25% 2022	1,234	0.26
1,071,000	G4S 7.75% fixed to floating 2019	1,082	0.23
982,000	General Electric 5.5% 2021	1,053	0.22

Holding	Investment	Market value £'000	Percentage of total net assets
1,500,000	Glencore 6% 2022	1,652	0.35
1,992,000	Global Switch 4.375% 2022	2,135	0.45
1,786,000	Heathrow Funding 7.125% 2024	2,145	0.46
3,512,000	HSBC 2.175% 2023	3,490	0.74
1,000,000	Iberdrola 7.375% 2024	1,239	0.26
894,000	Imperial Brands 9% fixed to floating 2022	1,060	0.23
1,100,000	Intesa Sanpaolo 5.25% 2022	1,155	0.25
2,702,000	Intu (SGS) Finance 4.125% 2023	2,634	0.56
1,787,000	Lend Lease Europe 6.125% 2021	1,941	0.41
2,645,000	LVMH 1% 2022	2,602	0.55
1,715,000	Merrill Lynch 5.5% 2021	1,869	0.40
1,295,000	MetLife Global Funding I 2.625% 2022	1,337	0.28
586,000	National Express 6.625% 2020	620	0.13
1,059,000	Petróleos Mexicanos 8.25% 2022	1,168	0.25
3,042,000	Royal Bank of Scotland 5.125% 2024	3,520	0.75
4,100,000	RWE 5.5% 2022	4,577	0.97
549,000	Scania 1.875% 2022	539	0.11
2,000,000	Telefonica Emisiones 5.289% 2022	2,229	0.47
1,120,000	Thames Water 1.875% 2024	1,091	0.23
1,473,000	Volkswagen Financial Services 1.5% 2021	1,455	0.31
1,200,000	Volkswagen Financial Services 1.625% 2022	1,172	0.25
700,000	Volkswagen Financial Services 1.875% 2021	694	0.15
800,000	Volkswagen Financial Services 2.75% 2023	800	0.17
1,447,000	Wessex Water 4% 2021	1,534	0.33
1,956,000	Western Power 3.625% 2023	2,031	0.43
2,349,000	Westpac Banking 2.625% 2022	2,424	0.52
between 5 and 10 years to maturity			
600,000	A.P. Moller-Maersk 4% 2025	609	0.13
1,713,000	ABP 6.25% 2026	2,053	0.44
831,000	America Movil 5% 2026	981	0.21
572,000	Anglian Water 4.5% 2027	659	0.14
895,000	Anglian Water 6.625% 2029	1,205	0.26
1,288,000	Anheuser-Busch InBev 9.75% 2024	1,760	0.37
800,000	APT Pipelines 4.25% 2024	868	0.18
1,239,000	Aroundtown 3.25% 2027	1,214	0.26
2,259,000	Assura Financing 3% 2028	2,269	0.48
2,800,000	AT&T 5.5% 2027	3,271	0.70
2,400,000	Bank of America 7% 2028	3,259	0.69
750,000	Bank of Scotland 4.875% 2024	876	0.19
2,250,000	Barclays 3.25% 2027	2,208	0.47
665,000	Barclays 5.75% fixed to floating 2026	761	0.16

Holding	Investment	Market value £'000	Percentage of total net assets
2,200,000	Bazalgette Finance 2.375% 2027	2,173	0.46
1,434,000	BNP Paribas 3.375% 2026	1,477	0.31
1,227,000	BP 2.03% 2025	1,227	0.26
1,474,000	British American Tobacco 7.25% 2024	1,775	0.38
1,798,000	Citigroup 5.875% 2024	2,085	0.44
1,880,000	Commonwealth Bank of Australia 3% 2026	2,031	0.43
2,665,000	CPUK 3.588% 2025	2,778	0.59
3,422,000	CYBG 3.125% 2025	3,196	0.68
2,373,000	Enel 5.625% 2024	2,713	0.58
2,651,000	Eversholt 6.359% 2025	3,200	0.68
1,216,000	FirstGroup 6.875% 2024	1,394	0.30
1,384,000	Go-Ahead 2.5% 2024	1,332	0.28
3,000,000	Heathrow Funding 6.75% 2026	3,897	0.83
1,093,000	HSBC 2.256% 2026	1,063	0.23
1,072,000	HSBC 2.625% 2028	1,056	0.22
1,786,000	Intu Debenture 5.562% 2027	1,533	0.33
4,120,000	Land Securities 2.399% 2029	4,130	0.88
1,917,000	Lloyds Bank 5.125% 2025	2,278	0.49
1,715,000	Lloyds Bank 5.75% fixed to floating 2025	1,790	0.38
1,600,000	Lloyds Bank 6% 2029	2,142	0.46
2,948,000	Lloyds Bank 7.625% 2025	3,713	0.79
1,300,000	Lloyds Banking Group 2.25% 2024	1,267	0.27
1,161,000	London & Quadrant Housing Trust 2.625% 2026	1,170	0.25
700,000	MetLife Global Funding I 3.5% 2026	769	0.16
2,018,000	Morgan Stanley 2.625% 2027	2,029	0.43
1,346,000	Nationwide Building Society 3.25% 2028	1,438	0.31
826,000	NewRiver REIT 3.5% 2028	788	0.17
1,080,000	Northern Powergrid Yorkshire 2.5% 2025	1,101	0.23
1,561,000	Notting Hill Genesis 2.875% 2029	1,551	0.33
550,000	Orange 8.125% 2028	797	0.17
1,866,000	Royal Bank of Scotland 2.875% 2026	1,845	0.39
3,149,000	Santander UK Group 3.625% 2026	3,241	0.69
1,099,000	Scentre Management 3.875% 2026	1,176	0.25
1,375,000	Shaftesbury Chinatown 2.348% 2027	1,318	0.28
1,000,000	Society of Lloyd's 4.75% 2024	1,066	0.23
810,000	SP Manweb 4.875% 2027	955	0.20
1,482,000	Stagecoach Group 4% 2025	1,512	0.32
1,461,000	Telereal 4.9741% 2033	1,056	0.22
1,500,000	Thames Water 2.875% 2027	1,432	0.30
1,600,000	Thames Water 3.5% 2028	1,668	0.36
1,050,000	THPA Finance 7.127% 2024	570	0.12

Holding	Investment	Market value £'000	Percentage of total net assets
2,183,000	Total Capital 1.75% 2025	2,184	0.46
500,000	Tritax Big Box REIT 2.625% 2026	491	0.10
1,251,000	Unite Group 3.5% 2028	1,257	0.27
1,300,000	United Utilities 5.625% 2027	1,628	0.35
800,000	Volkswagen International Finance 3.375% 2026	805	0.17
1,518,000	Wells Fargo 2% 2025	1,494	0.32
2,100,000	Welltower 4.8% 2028	2,373	0.51
2,150,000	Yorkshire Building Society 3.375% 2028	1,928	0.41
between 10 and 15 years to maturity			
1,000,000	America Movil 5.75% 2030	1,284	0.27
2,822,000	Anheuser-Busch InBev 2.25% 2029	2,652	0.56
2,515,000	Annington Funding 3.184% 2029	2,488	0.53
2,982,000	APT Pipelines 3.5% 2030	3,078	0.65
1,223,000	Arqiva 4.882% 2032	1,261	0.27
1,100,000	Arqiva 5.34% 2030	1,272	0.27
2,633,000	Barclays 3.25% 2033	2,429	0.52
1,300,000	BPCE 5.25% 2029	1,505	0.32
1,035,000	Canary Wharf Finance 6.455% 2033	275	0.06
1,200,000	Comcast 5.5% 2029	1,538	0.33
364,000	CRH 4.125% 2029	402	0.09
2,400,000	Digital Stout 3.3% 2029	2,355	0.50
739,000	Digital Stout 3.75% 2030	744	0.16
647,000	Digital Stout 3.75% 2030	649	0.14
300,000	DONG Energy 4.875% 2032	367	0.08
2,336,000	E.ON Finance 6.375% 2032	3,154	0.67
4,000,000	GlaxoSmithKline 5.25% 2033	5,206	1.11
900,000	Great Rolling Stock 6.5% 2031	970	0.21
700,000	Greater Gabbard 4.137% 2032	679	0.14
3,017,000	Greene King FRN 2033	2,258	0.48
911,000	Gwynt y Môr 2.778% 2034	820	0.17
1,518,000	HSBC 5.375% 2033	1,850	0.39
2,000,000	HSBC Bank 5.375% 2030	2,281	0.48
846,000	Koninklijke KPN 5.75% 2029	944	0.20
893,000	London & Quadrant Housing Trust 4.625% 2033	1,056	0.22
1,575,000	Meadowhall Finance 4.986% 2032	1,387	0.29
1,018,000	Notting Hill Housing Trust 3.75% 2032	1,078	0.23
1,000,000	Orange 3.25% 2032	1,020	0.22
1,873,000	Orange 5.625% 2034	2,423	0.52
2,832,000	Pension Insurance 5.625% 2030	2,770	0.59
2,563,000	Quadgas Finance 3.375% 2029	2,538	0.54
340,000	Quadrant Housing 7.93% 2033	451	0.10

Holding	Investment	Market value £'000	Percentage of total net assets
1,375,000	Rabobank 4.625% 2029	1,520	0.32
1,564,000	RWE 6.25% 2030	2,038	0.43
2,000,000	Severn Trent 2.75% 2031	1,978	0.42
1,200,000	Shaftesbury Carnaby 2.487% 2031	1,118	0.24
1,443,000	Southern Gas Networks 4.875% 2029	1,722	0.37
1,800,000	Telefonica Emisiones 5.445% 2029	2,169	0.46
1,054,000	Telereal 4.0902% fixed to floating 2033	1,091	0.23
1,535,000	Telereal 5.5534% 2033	1,420	0.30
1,071,000	Telereal FRN 2033	1,017	0.22
1,599,000	Telereal Secured 4.01% 2033	1,302	0.28
1,607,000	Time Warner Cable 5.75% 2031	1,863	0.40
2,387,000	Western Power 5.75% 2032	3,088	0.66
800,000	Westfield America Management Ltd 2.625% 2029	784	0.17
300,000	Yorkshire Water 3.625% 2029	327	0.07
between 15 and 25 years to maturity			
1,938,000	Affinity Water 3.278% 2042	2,043	0.43
1,839,000	Anheuser-Busch InBev 2.85% 2037	1,690	0.36
1,241,000	Annington Funding 3.685% 2034	1,243	0.26
1,097,000	Aspire Defence 4.674% 2040 'A'	1,218	0.26
1,845,000	Aspire Defence 4.674% 2040 'B'	2,057	0.44
360,000	Aster Treasury 4.5% 2043	440	0.09
1,975,000	AT&T 4.25% 2043	2,029	0.43
2,200,000	AT&T 7% 2040	3,114	0.66
2,230,000	Aviva 6.125% 2036	2,469	0.53
2,224,000	Aviva 6.625% fixed to floating 2041	2,411	0.51
1,300,000	British American Tobacco 5.75% 2040	1,593	0.34
1,115,000	Broadgate Financing 4.821% 2036	1,411	0.30
2,675,000	Broadgate Financing 5.098% 2035	2,872	0.61
360,000	Canary Wharf Finance 5.952% 2037	500	0.11
800,000	Citigroup 6.8% 2038	1,236	0.26
1,800,000	Connect Plus 2.607% 2039	1,809	0.38
2,452,000	Direct Line 9.25% 2042	2,884	0.61
2,277,000	DONG Energy 5.75% 2040	3,228	0.69
976,000	Dwr Cymru Financing 2.5% 2036	961	0.20
2,150,000	E.ON Finance 6.75% 2039	3,180	0.68
900,000	EDF 5.5% 2037	1,153	0.25
900,000	EDF 6.125% 2034	1,219	0.26
1,128,000	Enel 5.75% 2037	1,382	0.29
1,554,000	Eversholt 3.529% 2042	1,475	0.31
320,000	Eversholt 6.697% 2035	403	0.09
550,000	Futures Treasury 3.375% 2044	548	0.12

Holding	Investment	Market value £'000	Percentage of total net assets
1,000,000	Gatwick 4.625% 2034	1,185	0.25
1,439,000	Gatwick 5.75% 2037	1,922	0.41
328,000	GE Capital 6.25% 2038	425	0.09
400,000	GE Capital 8% 2039	595	0.13
600,000	GlaxoSmithKline 5.25% 2042	817	0.17
1,000,000	GlaxoSmithKline 6.375% 2039	1,501	0.32
2,224,000	Greene King 5.702% fixed to floating 2034	1,889	0.40
700,000	Heathrow Funding 5.875% 2041	995	0.21
2,500,000	HSBC 6% 2040	3,173	0.68
1,098,000	John Lewis 4.25% 2034	962	0.20
1,646,000	Land Securities 2.625% 2037	1,596	0.34
5,000	Lloyds Bank 6.5% 2040	8	0.00
1,702,000	Morhomes 3.4% 2038	1,664	0.35
1,400,000	Munich Re 6.625% fixed to floating 2042	1,586	0.34
2,000,000	National Grid 2.625% 2038	1,831	0.39
1,340,000	Northumbrian Water 5.125% 2042	1,737	0.37
2,000,000	Octagon Healthcare 5.333% 2035	2,050	0.44
766,759	Peel 8.375% 2040	1,067	0.23
2,957,000	QBE Insurance 6.115% 2042	3,168	0.67
580,000	Reseau Ferre de France 5.25% 2035	801	0.17
2,200,000	RL Finance 6.125% fixed to floating 2043	2,427	0.52
1,875,000	RMPA Services 5.337% 2038	1,812	0.39
1,050,000	RWE 6.125% 2039	1,466	0.31
600,000	Sovereign Housing Capital 5.705% 2039	830	0.18
900,000	SSE 6.25% fixed to floating 2038	1,258	0.27
900,000	TC Dudgeon Ofto 3.158% 2038	926	0.20
355,000	Thames Water 4.375% 2034	400	0.09
1,500,000	Thames Water 5.5% 2041	1,960	0.42
1,071,000	Time Warner Cable 5.25% 2042	1,184	0.25
514,000	Vattenfall 6.875% 2039	814	0.17
1,850,000	Veolia Environment 6.125% 2037	2,632	0.56
2,200,000	Verizon Communications 3.125% 2035	2,194	0.47
2,569,000	Wal-Mart 5.625% 2034	3,635	0.77
greater than 25 years to maturity			
1,986,000	Aviva 5.125% 2050	2,016	0.43
893,000	AXA 5.625% 2054	986	0.21
1,610,000	Blend Funding 3.459% 2047	1,634	0.35
1,246,000	BPHA 4.816% 2044	1,561	0.33
793,000	British American Tobacco 2.25% 2052	520	0.11
400,000	British American Tobacco 4% 2055	380	0.08
1,187,000	Bromford Housing 3.125% 2048	1,169	0.25

Holding	Investment	Market value £'000	Percentage of total net assets
1,000,000	Cadent Finance 2.75% 2046	899	0.19
1,500,000	Channel Link 3.043% 2050	1,470	0.31
884,000	Channel Link 6.341% 2046	1,036	0.22
983,000	Circle Anglia 5.2% 2044	1,313	0.28
900,000	Clarion Housing 3.125% 2048	878	0.19
1,600,000	EDF 5.125% 2050	2,046	0.43
2,400,000	EDF 6% 2114	3,317	0.70
1,500,000	Engie 5% 2060	2,182	0.46
1,800,000	Finsbury Square 2018-2 FRN 2068	1,797	0.38
1,000,000	Gatwick 3.25% 2048	985	0.21
2,420,000	Heathrow Funding 4.625% 2046	3,017	0.64
1,486,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	1,308	0.28
400,000	Legal & General 5.5% 2064	407	0.09
1,634,000	NGG 5.625% fixed to floating 2073	1,743	0.37
1,107,000	Notting Hill Housing Trust 4.375% 2054	1,301	0.28
1,679,000	Optivo Finance 3.283% 2048	1,674	0.36
626,000	Paragon FRN 2050	602	0.13
727,000	Peabody Capital 3.25% 2048	709	0.15
1,671,000	Peabody Capital 4.625% 2053	2,095	0.45
1,161,000	Penarian Housing Finance 3.212% 2052	1,110	0.24
2,200,000	Prudential 5% 2055	2,318	0.49
764,000	Prudential 5.625% FRN 2051	791	0.17
1,600,000	RMAC FRN 2046	1,445	0.31
450,000	Sanctuary Capital 5% 2047	597	0.13
820,000	SSE 3.625% 2077	801	0.17
1,442,000	Tolkien Funding Sukuk FRN 2052	1,273	0.27
750,000	University of Cambridge 2.35% 2078	701	0.15
900,000	University of Cambridge 3.75% 2052	1,166	0.25
1,187,000	Vodafone 3% 2056	963	0.20
1,720,000	Vodafone 3.375% 2049	1,526	0.32
1,397,000	Vodafone 4.875% FRN 2078	1,351	0.29
887,000	Wellcome Trust 2.517% 2118	817	0.17
870,000	Wheatley 4.375% 2044	990	0.21
Perpetual			
1,400,000	Assicurazioni Generali 6.269% fixed to floating Perpetual	1,424	0.30
1,698,000	Aviva 5.9021% fixed to floating Perpetual	1,754	0.37
3,000,000	Aviva 6.125% fixed to floating Perpetual	3,195	0.68
1,598,000	AXA 5.453% fixed to floating Perpetual	1,704	0.36
1,000,000	AXA 6.772% fixed to floating Perpetual	1,026	0.22
1,900,000	EDF 6% Perpetual	1,952	0.42
2,272,000	HSBC 5.875% fixed to Floating Perpetual	2,288	0.49

Holding	Investment	Market value £'000	Percentage of total net assets
1,353,000	Legal & General 5.875% fixed to floating Perpetual	1,356	0.29
800,000	Orange 5.75% fixed to floating Perpetual	854	0.18
1,200,000	Orange 5.875% Perpetual	1,281	0.27
2,474,000	Pennon 2.875% Perpetual	2,473	0.53
1,938,000	SSE 3.875% fixed to floating Perpetual	1,940	0.41
<b>Government Bonds (1.36%)</b>		<b>10,250</b>	<b>2.18</b>
between 15 and 25 years to maturity			
1,800,000	European Investment Bank 5% 2039	2,689	0.57
2,554,000	UK (Govt of) 4.5% 2034	3,561	0.76
1,433,000	UK (Govt of) 4.5% 2042	2,181	0.47
600,000	UK (Govt of) 4.75% 2038	903	0.19
greater than 25 years to maturity			
600,000	UK (Govt of) 4.25% 2046	916	0.19
<b>US Dollar Denominated Bonds (2.51%)</b>		<b>8,122</b>	<b>1.73</b>
<b>Corporate Bonds (2.51%)</b>		<b>8,122</b>	<b>1.73</b>
less than 5 years to maturity			
1,662,000	Danske Bank 5.375% 2024	1,285	0.27
between 5 and 10 years to maturity			
744,000	Syngenta Finance 4.892% 2025	557	0.12
1,396,000	UBS 4.125% 2026	1,065	0.23
Perpetual			
2,255,000	SEB 5.75% Perpetual	1,685	0.36
2,800,000	Swedbank 5.5% Perpetual	2,059	0.44
2,000,000	Swedbank 6% Perpetual	1,471	0.31
<b>Collective Investment Schemes (0.05%)</b>		<b>757</b>	<b>0.16</b>
0	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund+*	-	-
757	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	757	0.16
<b>Derivatives (-0.04%)</b>		<b>105</b>	<b>0.02</b>
<b>Forward Currency Contracts (-0.08%)</b>		<b>229</b>	<b>0.05</b>
	Buy EUR 1,005,392 Sell GBP 884,821 10/05/2019	(22)	-
	Buy GBP 87,310 Sell EUR 99,528 10/05/2019	2	-
	Buy GBP 4,847,493 Sell EUR 5,509,133 10/05/2019	119	0.02
	Buy GBP 8,204,420 Sell USD 10,759,662 10/05/2019	146	0.03
	Buy USD 1,080,566 Sell GBP 825,777 10/05/2019	(16)	-

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Futures (0.04%)</b>		<b>(124)</b>	<b>(0.03)</b>
74	Long Long Gilt Future 26/06/2019	(108)	(0.02)
(10)	Short Euro Bond Future 07/03/2019	(26)	(0.01)
(38)	Short US 10 Year Note Future 19/06/2019	10	-
<b>Total investment assets and liabilities</b>		<b>463,120</b>	<b>98.53</b>
<b>Net other assets</b>		<b>6,886</b>	<b>1.47</b>
<b>Total Net Assets</b>		<b>470,006</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

\* Market value of Aberdeen Standard Liquidity Fund (Lux) - Euro Fund is £259.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital losses	2	(7,783)	(8,789)
Revenue	4	15,300	23,349
Expenses	5	(2,969)	(4,284)
Interest payable and similar charges		-	(4)
Net revenue before taxation		12,331	19,061
Taxation	6	-	-
Net revenue after taxation		12,331	19,061
<b>Total return before distributions</b>		<b>4,548</b>	<b>10,272</b>
Distributions	7	(12,331)	(19,061)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(7,783)</b>	<b>(8,789)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>419,528</b>	<b>728,681</b>
Amounts receivable on the issue of shares	115,295	60,032
Amounts payable on the cancellation of shares	(63,716)	(371,973)
	51,579	(311,941)
Dilution adjustment	(8)	987
Change in net assets attributable to shareholders from investment activities (see above)	(7,783)	(8,789)
Retained distribution on accumulation shares	6,688	10,588
Unclaimed distributions	2	2
<b>Closing net assets attributable to shareholders</b>	<b>470,006</b>	<b>419,528</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		463,292	415,018
<b>Current assets:</b>			
Debtors	8	10,746	6,892
Cash and bank balances	9	823	233
		11,569	7,125
<b>Total assets</b>		<b>474,861</b>	<b>422,143</b>
<b>Liabilities:</b>			
Investment liabilities		(172)	(354)
Creditors	10	(3,267)	(682)
Bank overdrafts		(7)	
Distribution payable		(1,409)	(1,579)
		(4,683)	(2,261)
<b>Total liabilities</b>		<b>(4,855)</b>	<b>(2,615)</b>
<b>Net assets attributable to shareholders</b>		<b>470,006</b>	<b>419,528</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital Losses**

	2019 £'000	2018 £'000
Non-derivative securities	(7,685)	(9,616)
Derivative contracts	282	(237)
Forward currency contracts	(350)	1,267
Other losses	(22)	(192)
Handling charges taken from the capital account	(8)	(11)
<b>Net capital losses</b>	<b>(7,783)</b>	<b>(8,789)</b>

**3 Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Bonds	167,098	137,584
Collective investment schemes	110,845	283,736
<b>Sales</b>		
Bonds	108,819	426,863
Collective investment schemes	110,298	286,183

There were corporate actions (net sales) of £946,000 in the year (2018: £1,038,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.74% (2018: 0.74%), this is representative of the average spread on the assets held during the year.

**4 Revenue**

	2019 £'000	2018 £'000
Taxable distributions on offshore funds	12	-
Interest on debt securities	15,280	23,336
Bank interest	8	13
<b>Total revenue</b>	<b>15,300</b>	<b>23,349</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	2,629	3,774
Dealing charge	25	21
Registration fees	221	366
	2,875	4,161
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	51	65
Safe custody fee	32	48
	83	113
<b>Other:</b>		
Audit fee	12	11
Subsidised Fees	(1)	(1)
	11	10
<b>Total expenses</b>	<b>2,969</b>	<b>4,284</b>

## 6 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Total current tax	-	-
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	12,331	19,061
Corporation tax at 20% (2018: 20%)	2,466	3,812
Effects of:		
Distributions treated as tax deductible	(2,466)	(3,812)
<b>Total tax charge for year (note 6a)</b>	<b>-</b>	<b>-</b>

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

**7 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
First interim distribution	3,162	5,754
Second interim distribution	3,002	5,698
Third interim distribution	3,112	3,273
Final distribution	3,290	3,026
	12,566	17,751
Add: Income deducted on cancellation of shares	242	1,556
Deduct: Income received on issue of shares	(477)	(246)
<b>Net distribution for the year</b>	<b>12,331</b>	<b>19,061</b>

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

**8 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	605	73
Sales awaiting settlement	2,412	-
Accrued revenue	7,729	6,819
<b>Total debtors</b>	<b>10,746</b>	<b>6,892</b>

**9 Cash and Bank Balances**

	2019 £'000	2018 £'000
Amounts held at futures clearing houses and brokers	215	173
Cash and bank balances	608	60
Collateral cash	(7)	-
<b>Total cash and bank balances</b>	<b>816</b>	<b>233</b>

**10 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	243	436
Purchases awaiting settlement	2,757	-
Accrued expenses payable to ACD	238	224
Accrued expenses payable to the Depositary or associates of the Depositary	11	11
Other accrued expenses	18	11
<b>Total creditors</b>	<b>3,267</b>	<b>682</b>

## 11 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 8 and 10.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 10.

## 12 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	66,848,383	162,197	(7,560,437)	(241,283)	59,208,860
Institutional accumulation	48,085,444	26,158,925	(5,565,281)	(74,315)	68,604,773
Retail income	51,286,468	233,444	(4,752,021)	(144,278)	46,623,613
Institutional income	228,440,123	19,081,278	(49,369,504)	1,105,462	199,257,359
Standard Life income	40,896,870	21,506,106	(1,017,087)	-	61,385,889
Standard Life accumulation	388,929	5,851	(165,962)	-	228,818
Institutional regulated accumulation	815,908	-	(119,633)	-	696,275
Standard Life B accumulation	2,974,079	84,880	(329,925)	-	2,729,034
Platform 1 accumulation	36,443,885	70,632,709	(5,187,686)	(152,912)	101,735,996
Platform 1 income	29,047,825	1,273,032	(6,930,992)	(587)	23,389,278
Institutional S accumulation	2,200	-	(2,000)	-	200
Institutional S income	2,200	-	(2,000)	-	200
Institutional A accumulation	2,200	-	(2,200)	-	-
Institutional A income	2,200	-	(2,200)	-	-

## 13 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	7,561	454,697	-	5,677	408,959	-
Collective Investment Schemes	-	757	-	-	205	-
Derivatives	10	267	-	177	-	-
<b>Total investment assets</b>	<b>7,571</b>	<b>455,721</b>	<b>-</b>	<b>5,854</b>	<b>409,164</b>	<b>-</b>
Derivatives	(134)	(38)	-	-	(354)	-
<b>Total investment liabilities</b>	<b>(134)</b>	<b>(38)</b>	<b>-</b>	<b>-</b>	<b>(354)</b>	<b>-</b>

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

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

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

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

## 14 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

### a. Market price risk

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

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

Value at Risk (VaR) is a measure of the maximum potential loss to the Fund due to market risk. More particularly, VaR measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

2019	Minimum	Maximum	Average
VaR 99% 1 Month	2.71%	3.33%	2.92%

2018	Minimum	Maximum	Average
VaR 99% 1 Month	3.33%	3.86%	3.61%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 2.71%, £12,721,000 (2018: 3.33%, £13,957,000) within a one month period.

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

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets/(liabilities)	
	2019 £'000	2018 £'000
Euro	(67)	92
US Dollar	735	(59)

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

Bond yields are affected by market and economic conditions, including inflation rates and government policy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>				
<b>Currency</b>				
UK Sterling	76,849	374,362	18,127	469,338
Euro	2,082	1,810	(3,959)	(67)
US Dollar	5,821	2,907	(7,993)	735
<b>2018</b>				
<b>Currency</b>				
UK Sterling	51,841	347,040	20,614	419,495
Euro	5,666	-	(5,574)	92
US Dollar	7,338	3,189	(10,586)	(59)

### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

	Bid market value 2019 £'000	Bid market value 2018 £'000
<b>Credit Rating Analysis</b>		
Investment Grade Bonds	411,412	401,642
Below Investment Grade Bonds	30,522	1,542
Unrated Bonds	20,324	11,452
<b>Total Value of Bonds</b>	<b>462,258</b>	<b>414,636</b>

#### e. Financial Derivatives Instrument Risk

At the year end the Fund held derivatives for the purposes of efficient portfolio management (including hedging). These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the Fund's prospectus.

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

	2019	2018
Market Exposure	£'000	£'000
Forward Currency Contracts	14,544	16,734
Futures	14,209	20,391
<b>Total Market Exposure</b>	<b>28,753</b>	<b>37,125</b>

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

#### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange. Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

Exposure is reduced by the exchange of margin on a daily basis for cleared derivatives and by the collateral held/pledged on a bilateral transaction.

Counterparty or clearer	2019			2018		
	Collateral (held)/pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000	Collateral (held)/pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000
Bank of America Merrill Lynch	(110)	-	146	-	-	(12)
BNP Paribas	-	-	-	-	-	(45)
Goldman Sachs	-	319	(124)	-	350	177
HSBC	-	-	-	103	-	(286)
JP Morgan	-	-	119	-	-	-
Lloyds	-	-	(22)	-	-	-
Morgan Stanley	-	-	-	-	-	(11)
NatWest Markets	-	-	(14)	-	-	-
<b>Total</b>	<b>(110)</b>	<b>195</b>	<b>105</b>	<b>103</b>	<b>350</b>	<b>(177)</b>

Margin exchanged or collateral held or pledged is in the form of high quality liquid assets e.g. cash/gilts. Positions are fully collateralised at all times. Restrictions are placed on the right of either party to reuse collateral assets.

#### f. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the three months ended 31 May 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 May 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.9994	-	0.9994*	1.0237
Group 2	0.6207	0.3787	0.9994*	1.0237
<b>Institutional accumulation</b>				
Group 1	1.2481	-	1.2481*	1.2687
Group 2	0.2880	0.9601	1.2481*	1.2687
<b>Retail income</b>				
Group 1	0.4120	-	0.4120**	0.4332
Group 2	0.2084	0.2036	0.4120**	0.4332
<b>Institutional income</b>				
Group 1	0.4765	-	0.4765**	0.4994
Group 2	0.1788	0.2977	0.4765**	0.4994
<b>Standard Life income</b>				
Group 1	0.4627	-	0.4627**	0.4832
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.7877	-	0.7877*	0.7966
Group 2	0.5098	0.2779	0.7877*	0.7966
<b>Institutional regulated accumulation</b>				
Group 1	1.2399	-	1.2399*	1.2562
Group 2	-	-	-	-
<b>Standard Life B accumulation</b>				
Group 1	0.8132	-	0.8132*	0.8173
Group 2	0.5730	0.2402	0.8132*	0.8173
<b>Platform 1 accumulation</b>				
Group 1	0.5164	-	0.5164*	0.5255
Group 2	0.2515	0.2649	0.5164*	0.5255
<b>Platform 1 income</b>				
Group 1	0.4349	-	0.4349**	0.4560
Group 2	0.2310	0.2039	0.4349**	0.4560

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Institutional S accumulation</b>				
Group 1	0.5172	-	0.5172*	0.5300
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.4463	-	0.4463**	0.4750
Group 2	-	-	-	-
<b>Institutional A accumulation</b>				
Group 1	0.3718	-	0.3718*	0.3845
Group 2	-	-	-	-
<b>Institutional A income</b>				
Group 1	0.3472	-	0.3472**	0.3700
Group 2	-	-	-	-

\* Distribution accumulated on 31 May 2018

\*\* Distribution paid on 31 July 2018

For the three months ended 31 August 2018

Group 1 - shares purchased prior to 1 June 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.9827	-	0.9827*	1.0102
Group 2	0.5110	0.4717	0.9827*	1.0102
<b>Institutional accumulation</b>				
Group 1	1.2320	-	1.2320*	1.2573
Group 2	1.0509	0.1811	1.2320*	1.2573
<b>Retail income</b>				
Group 1	0.4024	-	0.4024**	0.4247
Group 2	0.2262	0.1762	0.4024**	0.4247
<b>Institutional income</b>				
Group 1	0.4667	-	0.4667**	0.4913
Group 2	0.2518	0.2149	0.4667**	0.4913
<b>Standard Life income</b>				
Group 1	0.4544	-	0.4544**	0.4759
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.7827	-	0.7827*	0.7928
Group 2	0.4980	0.2847	0.7827*	0.7928
<b>Institutional regulated accumulation</b>				
Group 1	1.2254	-	1.2254*	1.2470
Group 2	-	-	-	1.2470
<b>Standard Life B accumulation</b>				
Group 1	0.8061	-	0.8061*	0.8148
Group 2	0.5530	0.2531	0.8061*	-
<b>Platform 1 accumulation</b>				
Group 1	0.5094	-	0.5094*	0.5205
Group 2	0.2634	0.2460	0.5094*	0.5205
<b>Platform 1 income</b>				
Group 1	0.4259	-	0.4259**	0.4482
Group 2	0.2293	0.1966	0.4259**	0.4482

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Institutional S accumulation</b>				
Group 1	0.5136	-	0.5136*	0.4929
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.4331	-	0.4331**	0.4450
Group 2	-	-	-	-
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.3850
Group 2	-	-	-	-
<b>Institutional A income<sup>^</sup></b>				
Group 1	-	-	-	0.3631
Group 2	-	-	-	-

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

<sup>^</sup> Share class closed on 7 June 2018

For the three months ended 30 November 2018

Group 1 - shares purchased prior to 1 September 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.9694	-	0.9694*	1.0059
Group 2	0.3108	0.6586	0.9694*	1.0059
<b>Institutional accumulation</b>				
Group 1	1.2155	-	1.2155*	1.2152
Group 2	0.3099	0.9056	1.2155*	1.2152
<b>Retail income</b>				
Group 1	0.3945	-	0.3945**	0.4204
Group 2	0.1546	0.2399	0.3945**	0.4204
<b>Institutional income</b>				
Group 1	0.4570	-	0.4570**	0.4859
Group 2	0.1840	0.2730	0.4570**	0.4859
<b>Standard Life income</b>				
Group 1	0.4447	-	0.4447**	0.4683
Group 2	0.0048	0.4399	0.4447**	-
<b>Standard Life accumulation</b>				
Group 1	0.7698	-	0.7698*	0.7915
Group 2	0.4381	0.3317	0.7698*	0.7915
<b>Institutional regulated accumulation</b>				
Group 1	1.2091	-	1.2091*	1.2427
Group 2	-	-	-	-
<b>Standard Life B accumulation</b>				
Group 1	0.7953	-	0.7953*	0.8121
Group 2	0.4248	0.3705	0.7953*	0.8121
<b>Platform 1 accumulation</b>				
Group 1	0.5036	-	0.5036*	0.5187
Group 2	0.1269	0.3767	0.5036*	0.5187
<b>Platform 1 income</b>				
Group 1	0.4169	-	0.4169**	0.4434
Group 2	0.2516	0.1653	0.4169**	0.4434

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Institutional S accumulation</b>				
Group 1	0.4500	-	0.4500*	0.4886
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.3800	-	0.3800**	0.4600
Group 2	-	-	-	-
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.3359
Group 2	-	-	-	-
<b>Institutional A income<sup>^</sup></b>				
Group 1	-	-	-	0.3472
Group 2	-	-	-	-

\* Distribution accumulated on 30 November 2018

\*\* Distribution paid on 31 January 2019

<sup>^</sup> Share class closed on 7 June 2018

For the three months ended 28 February 2019

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.9284	-	0.9284*	0.9675
Group 2	0.4447	0.4837	0.9284*	0.9675
<b>Institutional accumulation</b>				
Group 1	1.1728	-	1.1728*	1.2114
Group 2	0.8486	0.3242	1.1728*	1.2114
<b>Retail income</b>				
Group 1	0.3755	-	0.3755**	0.4014
Group 2	0.1979	0.1776	0.3755**	0.4014
<b>Institutional income</b>				
Group 1	0.4373	-	0.4373**	0.4656
Group 2	0.1834	0.2539	0.4373**	0.4656
<b>Standard Life income</b>				
Group 1	0.4394	-	0.4394**	0.4537
Group 2	0.3718	0.0676	0.4394**	-
<b>Standard Life accumulation</b>				
Group 1	0.7488	-	0.7488*	0.7678
Group 2	0.2644	0.4844	0.7488*	0.7678
<b>Institutional regulated accumulation</b>				
Group 1	1.1685	-	1.1685*	1.2036
Group 2	-	-	-	-
<b>Standard Life B accumulation</b>				
Group 1	0.7715	-	0.7715*	0.7896
Group 2	-	-	-	0.7896
<b>Platform 1 accumulation</b>				
Group 1	0.4872	-	0.4872*	0.5010
Group 2	0.2918	0.1954	0.4872*	0.5010
<b>Platform 1 income</b>				
Group 1	0.3985	-	0.3985**	0.4250
Group 2	0.0810	0.3175	0.3985**	0.4250

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Institutional S accumulation</b>				
Group 1	0.4750	-	0.4750*	0.4718
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.4500	-	0.4500**	0.4222
Group 2	-	-	-	-
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.3686
Group 2	-	-	-	-
<b>Institutional A income<sup>^</sup></b>				
Group 1	-	-	-	0.3150
Group 2	-	-	-	-

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 7 June 2018

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Japanese Equity Growth Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Sumitomo Mitsui Trust Bank
<b>Launch Date</b>	16 November 1998
<b>Benchmark</b>	IA Japan Sector

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on a Japanese stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in Japan. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The nature of the portfolio affords investors a focused investment approach, whilst affording proper diversification of mainly Japanese Equity exposure. The investor must be able to accept significant temporary losses due to the volatile nature of equity and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

For the period under review, the Fund returned -12.9% (Platform 1, accumulation). This compared to the IA Japan benchmark return of -9.1%. Source: Morningstar, basic-rate taxpayer, bid-to-bid basis.

It was a challenging year for Japanese equities and the Fund. A number of factors weighed on investor sentiment. These included concerns about global growth, geopolitics and the US/China trade war. The Japanese economy also slowed markedly in Q3 (although rebounded in Q4). Meanwhile, yen strength during times of upheaval – investors view the currency as a 'safe haven' – hurt the country's exporters.

A position in Sumco weighed on the Fund's relative returns. Sell-side brokers downgraded the company after it warned the cycle for semiconductors may be peaking. Shares in machinery components manufacturer THK fell on concerns about weakening demand. In addition, intensifying trade tensions have hit stocks with sizeable exposure to China. We no longer hold THK. Similar worries also hurt construction machine-maker Komatsu. Positions in Furukawa Electric, Shima Seiki Manufacturing and JGC also disappointed.

On the upside, Yamaha performed well. It announced robust earnings, driven by rising demand for musical instruments. The stock received further support when the company announced a share buyback programme. Asahi Intecc benefited from news it will directly sell its medical products in the US, rather than through a distribution agreement. This should enhance its earnings. Meanwhile, investors approved of Fuji Oil's acquisition of a US wholesale chocolate manufacturer, lifting the share price. Additional highlights included Shionogi & Co, Chugai Pharmaceuticals and Recruit Holdings.

### Investment activity

We bought engineering company SMC. It is experiencing rising demand for its eco-friendly products. In particular, we see higher potential earnings growth for its pneumatic control products employed in automation processes. We also purchased shares in Amada, a maker of machine tools that help improve manufacturing efficiency through automation. We believe a recent US acquisition will be earnings accretive for Amada. Meanwhile, we added pharmacy chain Matsumoto Kiyoshi to the portfolio. The company's earnings growth is accelerating after productivity improvements and cost reductions. Moreover, we like its overseas expansion plans and strategy of buying local businesses. This leverages its infrastructure in Japan to the benefit of operations abroad, while maintaining local brand recognition.

Selling activity focused on reducing JXTG. Lower returns on capital led us to doubt the company's ability to improve margins. We also sold engineering services designer Kyudenko. This was due to concerns that lower construction activity and increased competition will squeeze its margins. Regulatory change on solar panel pricing was another negative for the business. Lastly, we reduced Resona Holdings. The current flat interest-rate environment is working against the bank, especially the US Federal Reserve's softer tone.

**Synthetic Risk & Reward Indicator**

← Typically lower rewards, lower risk				Typically higher rewards, higher risk →		
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained. For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	106.99	90.59	71.22
Return before operating charges*	(13.90)	17.71	20.47
Operating charges	(1.37)	(1.31)	(1.10)
Return after operating charges*	(15.27)	16.40	19.37
Distributions	(0.29)	(0.09)	(0.05)
Retained distributions on accumulation share	0.29	0.09	0.05
Closing net asset value per share	91.72	106.99	90.59
* after direct transaction costs of:	0.09	0.08	0.09
<b>Performance</b>			
Return after charges	(14.27%)	18.10%	27.20%
<b>Other information</b>			
Closing net asset value (£'000)	4,963	6,027	3,694
Closing number of shares	5,410,669	5,632,797	4,078,189
Operating charges	1.34%	1.34%	1.34%
Direct transaction costs	0.09%	0.09%	0.11%
<b>Prices</b>			
Highest share price	112.6	111.7	92.55
Lowest share price	91.53	88.22	71.11

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	125.25	105.55	82.60
Return before operating charges*	(16.33)	20.68	23.78
Operating charges	(1.05)	(0.98)	(0.83)
Return after operating charges*	(17.38)	19.70	22.95
Distributions	(0.90)	(0.64)	(0.52)
Retained distributions on accumulation share	0.90	0.64	0.52
Closing net asset value per share	107.87	125.25	105.55
* after direct transaction costs of:	0.11	0.10	0.11
<b>Performance</b>			
Return after charges	(13.88%)	18.66%	27.78%
<b>Other information</b>			
Closing net asset value (£'000)	105,462	153,258	141,051
Closing number of shares	97,763,773	122,365,074	133,630,422
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.09%	0.09%	0.12%
<b>Prices</b>			
Highest share price	132.2	130.7	107.7
Lowest share price	107.6	102.9	82.52

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

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

Standard Life income <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.82	63.33	49.76
Return before operating charges*	0.45	12.48	14.40
Operating charges	(0.01)	(0.02)	(0.02)
Return after operating charges*	0.44	12.46	14.38
Distributions	-	(0.97)	(0.81)
Redemption value as at 14 June 2018	(75.26)	-	-
Closing net asset value per share	-	74.82	63.33
* after direct transaction costs of:	0.02	0.06	0.07
<b>Performance</b>			
Return after charges	0.59%	19.67%	28.90%
<b>Other information</b>			
Closing net asset value (£'000)	-	2	1
Closing number of shares	-	2,286	2,286
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.09%	0.09%	0.12%
<b>Prices</b>			
Highest share price	76.20	78.98	65.24
Lowest share price	69.27	61.78	49.75

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

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

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

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

<sup>^</sup> Share class closed on 14 June 2018.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	81.27	67.98	52.80
Return before operating charges*	(10.66)	13.37	15.25
Operating charges	(0.09)	(0.08)	(0.07)
Return after operating charges*	(10.75)	13.29	15.18
Distributions	(1.18)	(0.97)	(0.80)
Retained distributions on accumulation share	1.18	0.97	0.80
Closing net asset value per share	70.52	81.27	67.98
* after direct transaction costs of:	0.07	0.06	0.07
<b>Performance</b>			
Return after charges	(13.23%)	19.55%	28.75%
<b>Other information</b>			
Closing net asset value (£'000)	156,030	194,847	159,708
Closing number of shares	221,249,905	239,763,994	234,944,925
Operating charges	0.12%	0.12%	0.12%
Direct transaction costs	0.09%	0.09%	0.11%
<b>Prices</b>			
Highest share price	86.17	84.69	69.17
Lowest share price	70.30	66.31	52.79

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

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

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

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

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	114.25	96.33	75.41
Return before operating charges*	(14.89)	18.85	21.72
Operating charges	(1.01)	(0.93)	(0.80)
Return after operating charges*	(15.90)	17.92	20.92
Distributions	(0.76)	(0.46)	(0.44)
Retained distributions on accumulation share	0.76	0.46	0.44
Closing net asset value per share	98.35	114.25	96.33
* after direct transaction costs of:	0.10	0.09	0.10
<b>Performance</b>			
Return after charges	(13.92%)	18.60%	27.74%
<b>Other information</b>			
Closing net asset value (£'000)	600	1,366	6,674
Closing number of shares	609,966	1,195,173	6,928,080
Operating charges	0.92%	0.91%	0.92%
Direct transaction costs	0.09%	0.09%	0.11%
<b>Prices</b>			
Highest share price	120.6	119.2	98.29
Lowest share price	98.11	93.86	75.34

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

JEG GBP Retail A Hedged <sup>^^</sup>	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	62.30	56.49
Return before operating charges*	15.42	6.59
Operating charges	(0.72)	(0.78)
Return after operating charges*	14.70	5.81
Redemption value of shares at 14 December	(77.00)	-
Closing net asset value per share	-	62.30
* after direct transaction costs of:	0.05	0.07
<b>Performance</b>		
Return after charges	23.60%	10.29%
<b>Other information</b>		
Closing net asset value (£'000)	-	6
Closing number of shares	-	9,817
Operating charges	1.34%	1.34%
Direct transaction costs	0.09%	0.12%
<b>Prices</b>		
Highest share price	-	63.60
Lowest share price	-	51.68

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

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

<sup>^^</sup> Share class closed on 14 December 2017.

JEG GBP Institutional A Hedged <sup>^^</sup>	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	63.39	57.31
Return before operating charges*	16.11	6.60
Operating charges	(0.50)	(0.52)
Return after operating charges*	15.61	6.08
Distributions	-	(0.29)
Redemption Value of shares at 14 December	(79.00)	
Closing net asset value per share	-	63.39
* after direct transaction costs of:	0.05	0.07
<b>Performance</b>		
Return after charges	24.63%	10.61%
<b>Other information</b>		
Closing net asset value (£'000)	-	24
Closing number of shares	-	38,646
Operating charges	0.87%	0.87%
Direct transaction costs	0.09%	0.12%
<b>Prices</b>		
Highest share price	-	64.70
Lowest share price	-	52.57

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

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

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

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

<sup>^^</sup> Share class closed on 14 December 2017.

JEG GBP Retail Platform A Hedged <sup>^^</sup>	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	64.72	58.60
Return before operating charges*	16.80	6.68
Operating charges	(0.52)	(0.56)
Return after operating charges*	16.28	6.12
Distributions	-	(0.29)
Redemption value of shares at 14 December	(81.00)	
Closing net asset value per share	-	64.72
* after direct transaction costs of:	0.05	0.07
<b>Performance</b>		
Return after charges	25.15%	10.44%
<b>Other information</b>		
Closing net asset value (£'000)	-	113
Closing number of shares	-	175,088
Operating charges	0.92%	0.92%
Direct transaction costs	0.09%	0.12%
<b>Prices</b>		
Highest share price	-	66.06
Lowest share price	-	53.60

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

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

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

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

<sup>^^</sup> Share class closed on 14 December 2017.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Japanese Equities (98.38%)</b>		<b>258,947</b>	<b>96.96</b>
521,700	Amada	4,126	1.54
225,500	Asahi	7,313	2.74
168,400	Asahi Intecc	6,073	2.27
223,500	Bandai Namco	7,140	2.67
69,500	Chugai Pharmaceutical	3,544	1.33
421,600	Dai-ichi Life Insurance	4,798	1.80
320,100	Daiwa House Industry	7,443	2.79
36,200	Disco	3,748	1.40
159,100	Don Quijote	7,113	2.66
268,100	Fuji Electric	6,328	2.37
215,700	Fuji Oil	5,427	2.03
291,100	Hitachi	6,553	2.45
192,100	Itochu Techno-Solutions	3,398	1.27
556,800	JXTG Holdings	1,957	0.73
167,900	Komatsu	3,095	1.16
437,100	Kyowa Hakko Kirin	6,261	2.34
27,100	Kyudenko	696	0.26
284,000	M3	3,535	1.32
286,800	Marui	3,787	1.42
149,200	Matsumotokiyoshi Holdings	3,844	1.44
78,200	Meiji	4,653	1.74
447,400	Mitsubishi	9,476	3.55
2,257,000	Mitsubishi UFJ Financial	8,785	3.29
420,600	Mitsui Fudosan	7,489	2.80
157,100	Nomura Research Institute	4,806	1.80
575,500	NTT Data	4,722	1.77
420,800	Recruit	8,839	3.31
1,064,800	Resona	3,619	1.36
783,600	Ricoh	5,975	2.24
124,500	ROHM Semiconductor	5,911	2.21
473,000	Sanwa	4,118	1.54
381,300	Seibu Holdings	5,089	1.91
147,800	Seven & I	4,883	1.83
156,300	Shionogi	7,495	2.81
128,100	Showa Denko	3,577	1.34
21,700	SMC	5,673	2.12
119,800	Softbank	8,305	3.11
289,700	Sony	10,440	3.91
179,100	Suzuki Motor	6,881	2.58

Holding	Investment	Market value £'000	Percentage of total net assets
308,600	Taiyo Yuden	4,560	1.71
240,600	Takeda Pharmaceutical	7,255	2.72
158,200	Toho	4,247	1.59
443,400	Tokyu	5,648	2.12
232,900	Uni-Charm	5,570	2.09
690,900	Yahoo Japan	1,386	0.52
181,800	Yamaha	6,704	2.51
340,600	Yamato Holdings	6,662	2.49
<b>Forward Currency Contracts (0.00%)</b>		-	-
	Buy GBP 5,174 Sell JPY 730,186 19/03/2019	-	-
<b>Total investment assets</b>		<b>258,947</b>	<b>96.96</b>
<b>Net other assets</b>		<b>8,108</b>	<b>3.04</b>
<b>Total Net Assets</b>		<b>267,055</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 28 February 2018.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(47,097)		55,717
Revenue	4	5,945		5,216	
Expenses	5	(1,456)		(1,516)	
Interest payable and similar charges	6	(2)		(1)	
Net revenue before taxation		4,487		3,699	
Taxation	7	(583)		(531)	
Net revenue after taxation			3,904		3,168
<b>Total return before distributions</b>			<b>(43,193)</b>		<b>58,885</b>
Distributions	8		(3,904)		(3,170)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(47,097)</b>		<b>55,715</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>355,500</b>		<b>311,271</b>
Amounts receivable on the issue of shares	7,092		17,320	
Amounts payable on the cancellation of shares	(51,967)		(31,901)	
		(44,875)		(14,581)
Dilution adjustment		22		(13)
Change in net assets attributable to shareholders from investment activities (see above)		(47,097)		55,715
Retained distribution on accumulation shares		3,505		3,108
<b>Closing net assets attributable to shareholders</b>		<b>267,055</b>		<b>355,500</b>

**Balance Sheet**

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		258,947	349,755
<b>Current assets:</b>			
Debtors	9	7,583	1,596
Cash and bank balances		7,958	5,541
		15,541	7,137
<b>Total assets</b>		<b>274,488</b>	<b>356,892</b>
<b>Liabilities:</b>			
Creditors	10	(7,433)	(1,392)
		(7,433)	(1,392)
<b>Total liabilities</b>		<b>(7,433)</b>	<b>(1,392)</b>
<b>Net assets attributable to shareholders</b>		<b>267,055</b>	<b>355,500</b>

## Notes to the Financial Statements

## 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

## 2 Net Capital (Losses)/Gains

	2019 £'000	2018 £'000
Non-derivative securities	(46,968)	55,776
Forward currency contracts	-	1
Other losses	(97)	(27)
Handling charges taken from the capital account	(32)	(33)
<b>Net capital (losses)/gains</b>	<b>(47,097)</b>	<b>55,717</b>

## 3 Equity Purchases, Sales and Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

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

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	274,115	278,799
Commissions	137	138
<b>Total purchase transaction costs</b>	<b>137</b>	<b>138</b>
<b>Purchases including transaction costs</b>	<b>274,252</b>	<b>278,937</b>
<b>Sales</b>		
Gross sales before transaction costs	318,252	288,953
Commissions	(159)	(144)
<b>Total sale transaction costs</b>	<b>(159)</b>	<b>(144)</b>
<b>Total sales net of transaction costs</b>	<b>318,093</b>	<b>288,809</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.05%	0.05%
<b>Sales</b>		
Commissions	0.05%	0.05%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.04%	0.04%
<b>Sales</b>		
Commissions	0.05%	0.04%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	274,252	278,937
<b>Sales</b>		
Equities	318,093	288,809

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.20% (2018: 0.30%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
Overseas dividends	5,945	5,216
<b>Total revenue</b>	<b>5,945</b>	<b>5,216</b>

#### 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	1,107	1,172
Dealing charge	1	1
Registration fees	256	260
	1,364	1,433
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	37	34
Safe custody fee	41	36
	78	70
<b>Other:</b>		
Professional fees	5	5
Audit fee	9	8
	14	13
<b>Total expenses</b>	<b>1,456</b>	<b>1,516</b>

#### 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	2	1
<b>Total interest payable &amp; similar charges</b>	<b>2</b>	<b>1</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	583	531
<b>Total current tax</b>	<b>583</b>	<b>531</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	4,487	3,699
Corporation tax at 20% (2018: 20%)	897	740
Effects of:		
Revenue not subject to taxation	(1,189)	(1,043)
Overseas taxes	583	531
Excess allowable expenses	292	303
<b>Total tax charge for year (note 7a)</b>	<b>583</b>	<b>531</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax Asset of £1,697,000 (2018: £1,405,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax Asset has been recognised in the year or the prior year.

## 8 Distributions

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	3,505	3,108
Add: Income deducted on cancellation of shares	452	173
Deduct: Income received on issue of shares	(53)	(111)
<b>Net distribution for the year</b>	<b>3,904</b>	<b>3,170</b>
Details of the distribution per share are set out in this Fund's distribution table.		
Net revenue after taxation	3,904	3,168
Shortfall transfer from capital to revenue	-	2
<b>Total distributions</b>	<b>3,904</b>	<b>3,170</b>

## 9 Debtors

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	-	35
Sales awaiting settlement	7,237	1,258
Accrued revenue	346	303
<b>Total debtors</b>	<b>7,583</b>	<b>1,596</b>

## 10 Creditors

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	1	42
Purchases awaiting settlement	7,316	1,222
Accrued expenses payable to ACD	81	109
Accrued expenses payable to the Depositary or associates of the Depositary	9	-
Other accrued expenses	26	9
Accrued Expenses payable to the Depositary	-	10
<b>Total creditors</b>	<b>7,433</b>	<b>1,392</b>

## 11 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 10.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 10.

## 12 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	5,632,797	2,182,820	(2,404,948)	-	5,410,669
Institutional accumulation	122,365,074	1,115,974	(25,717,275)	-	97,763,773
Standard Life income	2,286	-	(2,286)	-	-
Standard Life accumulation	239,763,994	4,041,733	(22,555,822)	-	221,249,905
Platform 1 accumulation	1,195,173	434,146	(1,019,353)	-	609,966

## 13 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	258,947	-	-	349,755	-	-
<b>Total investment assets</b>	<b>258,947</b>	<b>-</b>	<b>-</b>	<b>349,755</b>	<b>-</b>	<b>-</b>

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

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

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

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

#### 14 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

##### a. Market price risk

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

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

Value at Risk (VaR) is a measure of the maximum potential loss to the Fund due to market risk. More particularly, VaR measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

2019	Minimum	Maximum	Average
VaR 99% 1 Month	9.27%	13.07%	10.99%

2018	Minimum	Maximum	Average
VaR 99% 1 Month	8.51%	11.24%	9.76%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 12.64%, £33,756,000 (2018: 10.56%, £37,541,000) within a one month period.

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

##### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

##### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Japanese Yen	264,760	352,982

##### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	2,406	(111)	2,295
Japanese Yen	5,552	259,208	264,760
<b>2018</b>			
<b>Currency</b>			
UK Sterling	2,648	(130)	2,518
Japanese Yen	2,893	350,089	352,982

**d. Credit risk**

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

**e. Liquidity risk**

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Table**

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.2886	-	0.2886*	0.0899
Group 2	-	0.2886	0.2886*	0.0899
<b>Institutional accumulation</b>				
Group 1	0.9046	-	0.9046*	0.6394
Group 2	0.7380	0.1666	0.9046*	0.6394
<b>Standard Life income<sup>^</sup></b>				
Group 1	-	-	-	0.9707
Group 2	-	-	-	0.9707
<b>Standard Life accumulation</b>				
Group 1	1.1754	-	1.1754*	0.9654
Group 2	0.2798	0.8956	1.1754*	0.9654
<b>Platform 1 accumulation</b>				
Group 1	0.7627	-	0.7627*	0.4634
Group 2	0.1684	0.5943	0.7627*	0.4634

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 14 June 2018.**Equalisation**

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

**Treatment by Corporate Shareholders (unaudited)**

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

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

# Short Duration Credit Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Daniel McKernan and Mark Munro
<b>Launch Date</b>	1 May 2003
<b>Benchmark</b>	Barclays Sterling Collateralised & Corporate Index (hedged to 2 Yrs duration)

### Investment objective

The objective of the Fund is to provide a total return from income and capital appreciation.

### Investment policy

The investment policy of the Fund is to invest mostly in fixed interest securities issued by corporations. The Fund may also invest in Government and public securities and other interest bearing securities anywhere in the world as well as other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes. The ACD will use derivatives to reduce the Fund's exposure to interest rate risk with the aim of reducing duration exposure to around two years.

### Risk

The Fund is intended for investors who wish to participate in the potential total return afforded by investing in an actively managed portfolio of mainly investment grade corporate assets, with some exposure to higher yielding securities, but where interest rate risk is managed to a low level. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of mainly corporate bond exposure, which provides a degree of protection from default risk, and who do not desire a high degree of stock specific risk. Whilst the income generated should remain relatively stable, the investor must be able to accept some fluctuations in the income due to the higher risk nature of some of the securities held in the fund. The investor must also be able to accept temporary capital losses due to the volatile nature of bond markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

The Short Duration Credit Fund returned 0.48% during the period, in comparison with its benchmark index (Barclays £ Collateralised & Corp Index hedged to 2 years duration) which returned 0.79%. Please note Fund returns are net of fees, while benchmark returns are gross. (Source: Morningstar, basic rate taxpayer, bid to bid basis. Benchmark source: Factset).

The single biggest positive contributor was the Fund's underweight exposure to the US industrial conglomerate General Electric (GE), which was downgraded in October following an unexpectedly large goodwill write-down. Off-benchmark exposure to Tesco performed well for the Fund, with the supermarket giant's continuing recovery fuelling speculation about a possible upgraded back to Investment Grade. Conversely, lack of exposure to benchmark constituent Intu Properties (a UK real estate investment trust) also helped relative returns. The underlying business of Intu is struggling as tenant demand wanes, defaults mount and valuations worsen.

On the negative side, the single biggest detractor was the Fund's overweight in the UK insurer Direct Line. The company, whose brands include Churchill, Green Flag and Privilege reported weak first half profits in the review period, reflecting tough market conditions and increased weather-related claims. The Fund's overweight in the UK funeral operator Dignity detracted owing to continuing pricing pressures in the sector. Another detractor was the Fund's overweight in British American Tobacco, which was pressured both by structural industry worries and US proposals to ban menthol cigarettes.

### Investment activity

In the early part of the review period, we bought the 2023 senior unsecured bonds of HSBC, the 2021 bonds of Volkswagen Financial Services and the 2039 bonds of Connect Plus, the project company that manages the M25 road network around London. In the latter half of the period, we bought the 2032 euro bonds of the French telecoms company Orange and the 2024 US dollar bonds of Denmark's Danske Bank.

In the secondary market, our decision to sell the US industrial conglomerate General Electric (GE) earlier in the period was vindicated when it was downgraded in October. However, towards the end of the period, given improving newsflow regarding its accelerating asset sales aimed at shoring up its balance sheet, we decided to add some exposure back to GE. Around the middle of the period, we decided to take some profits in our off-benchmark holdings in Tesco. However with the UK supermarket operator continuing to deliver on its turnaround strategy, we retained some exposure in the expectation of further upside.

**Synthetic Risk & Reward Indicator**

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

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	88.32	86.39	79.67
Return before operating charges*	0.92	2.84	7.82
Operating charges	(0.91)	(0.91)	(0.87)
Return after operating charges*	0.01	1.93	6.95
Distributions	(1.41)	(1.13)	(1.46)
Retained distributions on accumulation share	1.41	1.13	1.23
Closing net asset value per share	88.33	88.32	86.39
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.02%	2.24%	8.72%
<b>Other information</b>			
Closing net asset value (£'000)	12,113	12,128	13,640
Closing number of shares	13,712,282	13,732,668	15,789,150
Operating charges	1.03%	1.03%	1.03%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	88.61	89.34	87.05
Lowest share price	86.71	86.71	80.34

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

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

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

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

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	93.26	90.84	83.47
Return before operating charges*	0.97	2.99	8.21
Operating charges	(0.57)	(0.57)	(0.54)
Return after operating charges*	0.40	2.42	7.67
Distributions	(1.88)	(1.58)	(1.91)
Retained distributions on accumulation share	1.88	1.58	1.61
Closing net asset value per share	93.66	93.26	90.84
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.43%	2.67%	9.19%
<b>Other information</b>			
Closing net asset value (£'000)	142,809	153,601	176,086
Closing number of shares	152,470,584	164,704,343	193,837,930
Operating charges	0.61%	0.61%	0.61%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	93.93	94.30	91.53
Lowest share price	91.89	91.18	84.17

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Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.05	53.55	50.11
Return before operating charges*	0.56	1.76	4.89
Operating charges	(0.55)	(0.56)	(0.54)
Return after operating charges*	0.01	1.20	4.35
Distributions	(0.86)	(0.70)	(0.91)
Closing net asset value per share	53.20	54.05	53.55
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.02%	2.24%	8.68%
<b>Other information</b>			
Closing net asset value (£'000)	3,973	4,534	5,210
Closing number of shares	7,466,503	8,388,567	9,727,711
Operating charges	1.03%	1.03%	1.03%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	54.23	54.83	54.20
Lowest share price	52.45	53.75	50.53

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

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

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.99	53.47	50.04
Return before operating charges*	0.56	1.77	4.89
Operating charges	(0.33)	(0.33)	(0.32)
Return after operating charges*	0.23	1.44	4.57
Distributions	(1.08)	(0.92)	(1.14)
Closing net asset value per share	53.14	53.99	53.47
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.43%	2.69%	9.13%
<b>Other information</b>			
Closing net asset value (£'000)	17,915	18,628	27,864
Closing number of shares	33,715,927	34,504,839	52,107,430
Operating charges	0.61%	0.61%	0.61%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	54.20	54.80	54.18
Lowest share price	52.40	53.67	50.46

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

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	31.65	31.37	29.08
Return before operating charges*	0.28	0.99	2.53
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	0.27	0.98	2.52
Distributions	(0.80)	(0.70)	(0.23)
Closing net asset value per share	31.12	31.65	31.37
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.85%	3.12%	8.67%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	319	2,000	2,000
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	31.81	32.14	31.61
Lowest share price	30.76	31.49	29.32

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

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<sup>^</sup> The closing net asset value of Standard Life income is £99.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.83	91.88	84.08
Return before operating charges*	0.99	3.05	8.27
Operating charges	(0.11)	(0.10)	(0.10)
Return after operating charges*	0.88	2.95	8.17
Distributions	(2.39)	(2.07)	(2.37)
Retained distributions on accumulation share	2.39	2.07	2.00
Closing net asset value per share	95.71	94.83	91.88
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.93%	3.21%	9.72%
<b>Other information</b>			
Closing net asset value (£'000)	55	227	59
Closing number of shares	57,957	239,295	63,963
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	95.98	95.85	92.59
Lowest share price	93.82	92.23	84.78

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

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

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	64.14	62.51	57.46
Return before operating charges*	0.67	2.05	5.65
Operating charges	(0.42)	(0.42)	(0.40)
Return after operating charges*	0.25	1.63	5.25
Distributions	(1.26)	(1.05)	(1.29)
Retained distributions on accumulation share	1.26	1.05	1.09
Closing net asset value per share	64.39	64.14	62.51
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.39%	2.60%	9.14%
<b>Other information</b>			
Closing net asset value (£'000)	31,856	22,960	21,723
Closing number of shares	49,474,476	35,796,026	34,751,705
Operating charges	0.66%	0.66%	0.66%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	64.57	64.86	62.98
Lowest share price	63.18	62.74	57.94

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

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

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

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

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	55.78	55.26	51.70
Return before operating charges*	0.58	1.81	5.07
Operating charges	(0.37)	(0.37)	(0.36)
Return after operating charges*	0.21	1.44	4.71
Distributions	(1.09)	(0.92)	(1.15)
Closing net asset value per share	54.90	55.78	55.26
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.38%	2.61%	9.11%
<b>Other information</b>			
Closing net asset value (£'000)	10,657	11,034	8,406
Closing number of shares	19,410,528	19,780,460	15,210,706
Operating charges	0.66%	0.66%	0.66%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	55.99	56.61	55.97
Lowest share price	54.14	55.47	52.14

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

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

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (90.40%)</b>		<b>197,259</b>	<b>89.92</b>
<b>Euro Denominated Bonds (5.02%)</b>		<b>9,387</b>	<b>4.28</b>
<b>Corporate Bonds (5.02%)</b>		<b>9,387</b>	<b>4.28</b>
less than 5 years to maturity			
580,000	Landsbankinn 1.375% 2022	493	0.23
700,000	Teva Pharmaceutical 0.375% 2020	593	0.27
between 5 and 10 years to maturity			
800,000	Bank of Ireland 4.25% 2024	690	0.31
800,000	CaixaBank 3.5% 2027	712	0.32
500,000	Nidda Healthcare 3.5% 2024	424	0.19
975,000	Quintiles 3.25% 2025	852	0.39
800,000	Quintiles IMS 3.5% 2024	703	0.32
517,000	Unitymedia 4% 2025	462	0.21
between 10 and 15 years to maturity			
900,000	Bayer 2.125% 2029	776	0.35
greater than 25 years to maturity			
750,000	AXA 3.25% 2049	650	0.30
Perpetual			
800,000	Aareal Bank 7.625% fixed to floating Perpetual	703	0.32
1,100,000	ABN Amro 5.75% Perpetual	985	0.46
800,000	BBVA 6.75% Perpetual	706	0.32
750,000	Danske Bank 5.75% Perpetual	638	0.29
<b>Sterling Denominated Bonds (82.65%)</b>		<b>184,970</b>	<b>84.32</b>
<b>Corporate Bonds (82.31%)</b>		<b>184,970</b>	<b>84.32</b>
less than 5 years to maturity			
400,000	AA Bond 2.75% 2023	357	0.16
774,000	AA Bond 2.875% 2022	725	0.33
1,300,000	AIG 5% 2023	1,430	0.65
1,454,000	Arqiva 4.04% 2035	1,487	0.68
500,000	Arqiva 6.75% 2023	525	0.24
900,000	Banco Santander 2.75% 2023	903	0.41
1,050,000	Bank of America 6.125% 2021	1,162	0.53
1,150,000	Bank of Montreal 1.375% 2021	1,144	0.52
1,160,000	Bank of Scotland 9.375% 2021	1,330	0.61
900,000	Banque Federative du Credit Mutuel 1.375% 2021	888	0.40
1,400,000	Banque Federative du Credit Mutuel 2.25% 2023	1,405	0.64
600,000	Barclays 10% 2021	691	0.31
700,000	Barclays 2.375% 2023	688	0.31
860,000	Barclays 3.125% 2024	862	0.39
450,000	Barclays 9.5% 2021	517	0.24

Holding	Investment	Market value £'000	Percentage of total net assets
354,000	BASF 1.375% 2022	354	0.16
400,000	BMW 0.875% 2022	387	0.18
952,000	BMW 1.875% 2023	940	0.43
1,040,000	British American Tobacco 1.75% 2021	1,031	0.47
589,000	Citigroup 2.75% 2024	600	0.27
800,000	Close Brothers 3.875% 2021	834	0.38
500,000	Co-Operative Bank 4.75% 2021	530	0.24
710,000	Coventry Building Society 1% 2020	705	0.32
650,000	Credit Agricole 7.375% 2023	796	0.36
800,000	Credit Suisse 3% 2022	821	0.37
650,000	Daimler 2.375% 2021	657	0.30
1,800,000	Deutsche Bank 1.875% 2020	1,787	0.81
600,000	Digital Stout 4.75% 2023	654	0.30
200,000	FCE Bank 2.727% 2022	195	0.09
550,000	First Hydro 9% 2021	639	0.29
976,000	Friends Life 8.25% 2022	1,150	0.52
1,160,000	GE Capital 5.125% 2023	1,268	0.58
800,000	GE Capital 5.875% 2020	850	0.39
1,000,000	Global Switch 4.375% 2022	1,072	0.49
500,000	Heathrow Funding 7.125% 2024	601	0.27
1,673,000	HSBC 2.175% 2023	1,663	0.76
950,000	Iberdrola 6% 2022	1,074	0.49
1,587,000	Innogy 6.5% 2021	1,741	0.79
1,260,000	Intu (SGS) Finance 4.125% 2023	1,228	0.56
1,520,000	John Lewis 8.375% 2019	1,533	0.70
770,000	Lend Lease Europe 6.125% 2021	836	0.38
1,910,000	Lloyds Bank 1.75% 2022	1,925	0.88
400,000	Lloyds Bank 9.625% 2023	505	0.23
360,000	London Power Networks 5.125% 2023	406	0.18
1,030,000	LVMH 1% 2022	1,013	0.46
540,000	Marks & Spencer 6.125% 2021	593	0.27
800,000	MetLife Global Funding I 1.125% 2021	790	0.36
840,000	MetLife Global Funding I 2.625% 2022	867	0.39
1,900,000	Mitchells & Butlers 5.965% 2025	566	0.26
1,125,000	National Grid 1.125% 2021	1,113	0.51
524,000	OP Corporate Bank 2.5% 2022	537	0.24
392,000	Petróleos Mexicanos 8.25% 2022	432	0.20
802,000	Santander UK 1.625% 2021	800	0.36
580,000	Scania 1.875% 2022	569	0.26
800,000	Scentre 2.375% 2022	808	0.37

Holding	Investment	Market value £'000	Percentage of total net assets
249,000	Severn Trent 6.125% 2024	294	0.13
610,000	Southern Gas Networks 4.875% 2023	688	0.31
1,020,000	Swedbank 1.25% 2021	1,005	0.46
800,000	Telefonica Emisiones 5.289% 2022	892	0.41
650,000	Thames Water 2.375% 2023	629	0.29
1,630,000	Thames Water 7.75% 2019	1,638	0.75
1,200,000	Unique Pub Finance 6.452% 2021	439	0.20
580,000	Volkswagen Financial Services 1.5% 2021	573	0.26
1,000,000	Volkswagen Financial Services 1.625% 2022	977	0.45
880,000	Volkswagen Financial Services 1.75% 2020	879	0.40
400,000	Volkswagen Financial Services 1.875% 2021	396	0.18
1,000,000	Western Power 3.625% 2023	1,038	0.47
650,000	Western Power 5.25% 2023	729	0.33
700,000	Westpac Banking 2.625% 2022	722	0.33
between 5 and 10 years to maturity			
350,000	A.P. Moller-Maersk 4% 2025	355	0.16
508,000	Abbey National 5.75% 2026	638	0.29
1,090,000	ABP 6.25% 2026	1,306	0.60
1,160,000	Anheuser-Busch InBev 9.75% 2024	1,585	0.72
1,079,000	APT Pipelines 4.25% 2024	1,170	0.53
931,000	Aroundtown 3.25% 2027	912	0.42
845,000	Assura Financing 3% 2028	849	0.39
1,400,000	AT&T 5.5% 2027	1,636	0.75
660,000	Bank of America 2.3% 2025	659	0.30
500,000	Bank of America 7% 2028	679	0.31
1,000,000	Barclays 3.25% 2027	981	0.45
1,241,000	Bazalgette Finance 2.375% 2027	1,226	0.56
880,000	BP 2.03% 2025	880	0.40
640,000	British American Tobacco 2.125% 2025	607	0.28
440,000	BUPA 2% 2024	433	0.20
500,000	Citigroup 5.15% 2026	588	0.27
1,000,000	Citigroup 5.875% 2024	1,159	0.53
1,100,000	Clydesdale Bank 4.625% 2026	1,308	0.60
619,000	CPUK 3.588% 2025	645	0.29
2,200,000	CYBG 5% 2026	2,170	0.99
850,000	Deutsche Telekom 2.5% 2025	852	0.39
454,000	Enel 5.625% 2024	519	0.24
545,000	Eversholt 6.359% 2025	658	0.30
602,000	Experian 2.125% 2024	604	0.28
750,000	FirstGroup 6.875% 2024	860	0.39

Holding	Investment	Market value £'000	Percentage of total net assets
585,000	GlaxoSmithKline 3.375% 2027	641	0.29
960,000	Go-Ahead 2.5% 2024	924	0.42
1,590,000	Heathrow Funding 6.75% 2026	2,065	0.94
1,000,000	HSBC 2.256% 2026	973	0.44
800,000	HSBC 2.625% 2028	788	0.36
300,000	HSBC 6.75% 2028	380	0.17
720,000	Imperial Brands 5.5% 2026	823	0.37
604,000	John Lewis 6.125% 2025	659	0.30
285,000	Lloyds Bank 5.75% fixed to floating 2025	297	0.14
790,000	Lloyds Banking Group 2.25% 2024	770	0.35
600,000	Nationwide Building Society 3.25% 2028	641	0.29
333,000	Newday Funding 2018 FRN 2026	331	0.15
438,000	NewRiver REIT 3.5% 2028	418	0.19
340,000	Northern Powergrid Yorkshire 2.5% 2025	346	0.16
540,000	Northumbrian Water 1.625% 2026	506	0.23
896,000	Notting Hill Genesis 2.875% 2029	890	0.41
493,000	Orange 5.25% 2025	585	0.27
550,000	Orange 8.125% 2028	797	0.36
400,000	Porterbrook Rail 7.125% 2026	506	0.23
1,042,000	Royal Bank of Scotland 2.875% 2026	1,030	0.47
300,000	Saga 3.375% 2024	272	0.12
700,000	Santander UK Group 3.625% 2026	720	0.33
348,000	South Eastern Power Networks 5.5% 2026	416	0.19
700,000	Stagecoach Group 4% 2025	714	0.33
700,000	Telefonica Emisiones 5.375% 2026	813	0.37
1,713,000	Thames Water 3.5% 2028	1,786	0.81
600,000	Thames Water 4% 2025	650	0.30
600,000	THPA Finance 7.127% 2024	326	0.15
820,000	Total Capital 1.75% 2025	820	0.37
500,000	Unique Pub Finance 5.659% 2027	394	0.18
600,000	Unite (USAF) II 3.921% 2025	654	0.30
735,000	Unite Group 3.5% 2028	739	0.34
610,000	United Utilities 5.625% 2027	764	0.35
350,000	Vicinity Centres 3.375% 2026	363	0.17
600,000	Volkswagen International Finance 3.375% 2026	604	0.28
1,000,000	Wells Fargo 2% 2025	984	0.45
850,000	Welltower 4.8% 2028	961	0.44
740,000	Yorkshire Building Society 3.375% 2028	664	0.30
900,000	Yorkshire Building Society 4.125% 2024	910	0.41

Holding	Investment	Market value £'000	Percentage of total net assets
between 10 and 15 years to maturity			
654,000	America Movil 5.75% 2030	840	0.38
400,000	Anglian Water 6.293% 2030	538	0.25
1,480,000	Anheuser-Busch InBev 2.25% 2029	1,391	0.63
440,000	Annington Funding 3.184% 2029	435	0.20
800,000	AT&T 4.375% 2029	864	0.39
1,917,000	Barclays 3.25% 2033	1,768	0.81
1,200,000	Broadgate Financing 5.098% 2035	1,289	0.59
510,000	CRH 4.125% 2029	563	0.26
1,350,000	Digital Stout 3.3% 2029	1,325	0.60
385,000	Digital Stout 3.75% 2030	386	0.18
721,000	DONG Energy 4.875% 2032	883	0.40
2,144,000	E.ON Finance 6.375% 2032	2,895	1.32
390,000	Great Rolling Stock 6.5% 2031	420	0.19
1,870,000	Greene King FRN 2033	1,400	0.64
1,787,000	Heathrow Funding 6.45% fixed to floating 2033	2,483	1.13
400,000	HSBC 5.375% 2033	487	0.22
820,000	Integrated Accommodation Services 6.48% 2029	609	0.28
600,000	Legal & General 5.875% 2031	806	0.37
880,000	London & Quadrant Housing Trust 2.25% 2029	836	0.38
500,000	London & Quadrant Housing Trust 4.625% 2033	591	0.27
800,000	Meadowhall Finance 4.986% 2032	705	0.32
500,000	Orange 3.25% 2032	510	0.23
999,000	Pension Insurance 5.625% 2030	977	0.45
326,000	Prudential 5.875% 2029	425	0.19
784,000	Quadgas Finance 3.375% 2029	776	0.35
500,000	Rabobank 4.55% 2029	612	0.28
380,000	Rabobank 4.625% 2029	420	0.19
815,000	RWE 6.25% 2030	1,062	0.48
295,000	Telereal 4.0902% fixed to floating 2033	305	0.14
550,000	Telereal FRN 2033	523	0.24
640,000	Telereal Secured 4.01% 2033	521	0.24
367,000	Thames Water 5.75% 2030	398	0.18
505,000	Western Power 5.75% 2032	653	0.30
between 15 and 25 years to maturity			
480,000	Annington Funding 3.685% 2034	481	0.22
947,000	Aspire Defence 4.674% 2040 'B'	1,056	0.48
1,040,000	Aviva 6.625% fixed to floating 2041	1,127	0.51
900,000	British American Tobacco 5.75% 2040	1,103	0.50
450,000	British American Tobacco 6% 2034	556	0.25

Holding	Investment	Market value £'000	Percentage of total net assets
484,000	Citigroup 7.375% 2039	798	0.36
478,000	Connect Plus 2.607% 2039	480	0.22
1,245,000	Direct Line 9.25% 2042	1,465	0.67
400,000	EDF 6.125% 2034	542	0.25
240,000	Enel 5.75% 2037	294	0.13
700,000	Enel 5.75% 2040	874	0.40
610,000	Eversholt 3.529% 2042	579	0.26
600,000	Eversholt 6.697% 2035	755	0.34
725,000	Gatwick 4.625% 2034	859	0.39
126,000	GE Capital 6.25% 2038	163	0.07
400,000	Great Rolling Stock 6.875% 2035	375	0.17
900,000	HSBC 6% 2040	1,142	0.52
500,000	Land Securities 2.625% 2037	485	0.22
300,000	Marston's 5.641% 2035	241	0.11
600,000	Munich Re 6.625% fixed to floating 2042	680	0.31
1,000,000	National Grid 2.625% 2038	916	0.42
500,000	Northumbrian Water 5.125% 2042	648	0.30
1,000,000	QBE Insurance 6.115% 2042	1,071	0.49
500,000	RL Finance 6.125% fixed to floating 2043	552	0.25
1,186,000	RMPA Services 5.337% 2038	1,146	0.52
550,000	RWE 6.125% 2039	768	0.35
300,000	Severn Trent 4.875% 2042	377	0.17
500,000	SSE 6.25% fixed to floating 2038	699	0.32
900,000	Tesco 5.744% 2040	1,022	0.47
greater than 25 years to maturity			
1,600,000	AT&T 4.875% 2044	1,790	0.82
650,000	Aviva 5.125% 2050	660	0.30
700,000	Blend Funding 3.459% 2047	711	0.32
642,000	Bromford Housing 3.125% 2048	632	0.29
222,000	Clarion Housing 3.125% 2048	217	0.10
672,000	NGG 5.625% fixed to floating 2073	717	0.33
978,000	Paragon 1.43044% 2050	959	0.44
417,000	Peabody Capital 3.25% 2048	407	0.19
590,000	Penarian Housing Finance 3.212% 2052	564	0.26
660,000	Prudential 5% 2055	695	0.32
444,000	Prudential 5.625% FRN 2051	460	0.21
1,404,000	RMAC 1.54306% 2046	1,268	0.58
600,000	Sanctuary Capital 5% 2047	797	0.36
360,000	SSE 3.625% 2077	351	0.16
760,000	Tolkien Funding Sukuk 1.43283% 2052	671	0.31

Holding	Investment	Market value £'000	Percentage of total net assets
1,100,000	Vodafone 3.375% 2049	976	0.44
638,000	Vodafone 4.875% FRN 2078	617	0.28
560,000	Wheatley 4.375% 2044	637	0.29
Perpetual			
800,000	Assicurazioni Generali 6.416% fixed to floating Perpetual	825	0.38
690,000	Aviva 5.9021% fixed to floating Perpetual	713	0.32
500,000	Aviva 6.125% fixed to floating Perpetual	532	0.24
571,000	AXA 6.6862% fixed to floating Perpetual	652	0.30
1,114,000	AXA 6.772% fixed to floating Perpetual	1,143	0.52
700,000	CYBG 8% Perpetual	672	0.31
1,021,000	Dignity 4.6956% Perpetual	891	0.41
900,000	Direct Line 4.75% Perpetual	714	0.33
700,000	EDF 5.875% fixed to floating Perpetual	697	0.32
470,000	HSBC 5.875% Fixed to Floating Perpetual	473	0.22
425,000	Lloyds Banking Group 7.625% fixed to floating Perpetual	453	0.21
603,000	Orange 5.75% fixed to floating Perpetual	644	0.29
990,000	Pennon 2.875% Perpetual	990	0.45
800,000	SSE 3.875% fixed to floating Perpetual	801	0.36
600,000	Virgin Money FRN Perpetual	605	0.28
<b>Government Bonds (0.34%)</b>		-	-
<b>US Dollar Denominated Bonds (2.73%)</b>		<b>2,902</b>	<b>1.32</b>
<b>Corporate Bonds (2.73%)</b>		<b>2,902</b>	<b>1.32</b>
less than 5 years to maturity			
877,000	Danske Bank 5.375% 2024	678	0.31
517,241	IHO Verwaltungs 4.125% 2021	385	0.18
430,000	Valeant Pharmaceuticals 6.5% 2022	335	0.15
between 5 and 10 years to maturity			
720,000	SPCM 4.875% 2025	530	0.24
396,000	Syngenta Finance 4.892% 2025	297	0.13
Perpetual			
870,000	Societe Generale 7.375% Perpetual	677	0.31
<b>Collective Investment Schemes (7.04%)</b>		<b>11,302</b>	<b>5.15</b>
1	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund+	1	-
31	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	31	0.01
932,618	SLI Total Return Credit SICAV+	11,270	5.14
<b>Derivatives (-2.45%)</b>		<b>(4,409)</b>	<b>(2.01)</b>
<b>Credit Default Swaps (-0.41%)</b>		<b>(642)</b>	<b>(0.29)</b>
EUR 7,000,000	Buy iTraxx Europe Series 30 20/12/2023 0%	(642)	(0.29)

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Forward Currency Contracts (0.06%)</b>		<b>471</b>	<b>0.21</b>
	Buy EUR 396,114 Sell GBP 349,340 23/04/2019	(10)	-
	Buy EUR 2,930,744 Sell GBP 2,579,081 23/04/2019	(65)	(0.03)
	Buy GBP 266,276 Sell EUR 302,065 23/04/2019	7	-
	Buy GBP 12,593,157 Sell EUR 14,165,200 23/04/2019	443	0.20
	Buy GBP 83,267 Sell USD 106,930 23/04/2019	3	-
	Buy GBP 232,409 Sell USD 302,204 23/04/2019	6	-
	Buy GBP 233,637 Sell USD 302,204 23/04/2019	7	-
	Buy GBP 4,186,697 Sell USD 5,420,497 23/04/2019	124	0.06
	Buy USD 234,526 Sell GBP 181,799 23/04/2019	(6)	-
	Buy USD 585,406 Sell GBP 454,546 23/04/2019	(16)	(0.01)
	Buy USD 820,338 Sell GBP 636,962 23/04/2019	(22)	(0.01)
<b>Interest Rate Swaps (-2.10%)</b>		<b>(4,238)</b>	<b>(1.93)</b>
GBP 3,000,000	Pay fixed 0.9175% receive floating GBP-LIBOR 06/09/2034	296	0.14
GBP 6,000,000	Pay fixed 0.943% receive floating GBP-LIBOR 06/06/2021	30	0.01
GBP 7,200,000	Pay fixed 1.022% receive floating GBP-LIBOR 14/06/2027	246	0.11
GBP 5,250,000	Pay fixed 1.2775% receive floating GBP-LIBOR 25/03/2020	(22)	(0.01)
GBP 18,500,000	Pay fixed 1.329% receive floating GBP-LIBOR 14/04/2020	(89)	(0.04)
GBP 9,000,000	Pay fixed 1.335% receive floating GBP-LIBOR 06/06/2026	45	0.02
GBP 7,000,000	Pay fixed 1.3532% receive floating GBP-LIBOR 08/02/2029	101	0.05
GBP 5,000,000	Pay fixed 1.3742% receive floating GBP-LIBOR 10/11/2027	33	0.02
GBP 1,750,000	Pay fixed 1.4075% receive floating GBP-LIBOR 03/04/2042	85	0.04
GBP 2,140,000	Pay fixed 1.4475% receive floating GBP-LIBOR 17/12/2019	(9)	-
GBP 4,900,000	Pay fixed 1.521% receive floating GBP-LIBOR 18/02/2020	(24)	(0.01)
GBP 2,000,000	Pay fixed 1.5777% receive floating GBP-LIBOR 03/05/2028	(20)	(0.01)
GBP 1,900,000	Pay fixed 1.595% receive floating GBP-LIBOR 25/03/2025	(31)	(0.01)
GBP 2,700,000	Pay fixed 1.59625% receive floating GBP-LIBOR 21/05/2020	(22)	(0.01)
GBP 8,300,000	Pay fixed 1.608% receive floating GBP-LIBOR 28/08/2020	(66)	(0.03)
GBP 3,000,000	Pay fixed 1.6462% receive floating GBP-LIBOR 18/09/2028	(51)	(0.02)
GBP 160,000	Pay fixed 1.9025% receive floating GBP-LIBOR 25/03/2045	(9)	-
GBP 2,200,000	Pay fixed 1.906% receive floating GBP-LIBOR 18/02/2025	(70)	(0.03)
GBP 2,190,000	Pay fixed 1.995% receive floating GBP-LIBOR 08/04/2019	(12)	(0.01)
GBP 3,300,000	Pay fixed 2.035% receive floating GBP-LIBOR 21/05/2025	(141)	(0.07)
GBP 1,500,000	Pay fixed 2.045% receive floating GBP-LIBOR 30/04/2019	(8)	-
GBP 5,100,000	Pay fixed 2.135% receive floating GBP-LIBOR 05/08/2019	(28)	(0.01)
GBP 330,000	Pay fixed 2.2275% receive floating GBP-LIBOR 17/12/2034	(29)	(0.01)
GBP 260,000	Pay fixed 2.258% receive floating GBP-LIBOR 18/02/2045	(34)	(0.02)
GBP 140,000	Pay fixed 2.275% receive floating GBP-LIBOR 17/12/2044	(19)	(0.01)

Holding	Investment	Market value £'000	Percentage of total net assets
GBP 280,000	Pay fixed 2.6675% receive floating GBP-LIBOR 10/11/2044	(62)	(0.03)
GBP 3,200,000	Pay fixed 2.68875% receive floating GBP-LIBOR 05/08/2024	(231)	(0.11)
GBP 1,150,000	Pay fixed 2.761% receive floating GBP-LIBOR 30/04/2024	(90)	(0.04)
GBP 6,000,000	Pay fixed 2.78% receive floating GBP-LIBOR 26/03/2024	(481)	(0.22)
GBP 7,050,000	Pay fixed 2.78% receive floating GBP-LIBOR 30/01/2024	(504)	(0.23)
GBP 6,300,000	Pay fixed 2.955% receive floating GBP-LIBOR 09/01/2024	(506)	(0.23)
GBP 600,000	Pay fixed 3.07125% receive floating GBP-LIBOR 05/08/2044	(183)	(0.08)
GBP 3,200,000	Pay fixed 3.253% receive floating GBP-LIBOR 30/01/2034	(719)	(0.33)
GBP 160,000	Pay fixed 3.275% receive floating GBP-LIBOR 17/06/2044	(56)	(0.03)
GBP 2,600,000	Pay fixed 3.31% receive floating GBP-LIBOR 30/01/2044	(911)	(0.42)
GBP 2,900,000	Pay fixed 3.365% receive floating GBP-LIBOR 09/01/2034	(698)	(0.32)
GBP 3,000,000	Pay floating GBP-LIBOR receive fixed 1.6462% 18/09/2028	51	0.02
<b>Total investment assets and liabilities</b>		<b>204,152</b>	<b>93.06</b>
<b>Net other assets</b>		<b>15,226</b>	<b>6.94</b>
<b>Total Net Assets</b>		<b>219,378</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

## Statement of Total Return

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(3,745)		2,399
Revenue	4	7,519		7,584	
Expenses	5	(1,492)		(1,578)	
Interest payable and similar charges	6	(1,437)		(1,907)	
Net revenue before taxation		4,590		4,099	
Taxation	7	-		-	
Net revenue after taxation			4,590		4,099
<b>Total return before distributions</b>			<b>845</b>		<b>6,498</b>
Distributions	8		(4,590)		(4,099)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(3,745)</b>		<b>2,399</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>223,113</b>		<b>252,989</b>
Amounts receivable on the issue of shares	38,831		25,278	
Amounts payable on the cancellation of shares	(42,847)		(61,005)	
		(4,016)		(35,727)
Dilution adjustment		114		86
Change in net assets attributable to shareholders from investment activities (see above)		(3,745)		2,399
Retained distribution on accumulation shares		3,911		3,365
Unclaimed distributions		1		1
<b>Closing net assets attributable to shareholders</b>		<b>219,378</b>		<b>223,113</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		210,038	218,621
<b>Current assets:</b>			
Debtors	9	4,101	4,009
Cash and bank balances	10	11,543	7,552
		15,644	11,561
<b>Total assets</b>		<b>225,682</b>	<b>230,182</b>
<b>Liabilities:</b>			
Investment liabilities		(5,886)	(6,692)
Creditors	11	(257)	(250)
Bank overdrafts		-	(1)
Distribution payable		(161)	(126)
		(418)	(377)
<b>Total liabilities</b>		<b>(6,304)</b>	<b>(7,069)</b>
<b>Net assets attributable to shareholders</b>		<b>219,378</b>	<b>223,113</b>

## Notes to the Financial Statements

### 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

### 2 Net Capital (Losses)/Gains

	2019 £'000	2018 £'000
Non-derivative securities	(3,751)	(2,250)
Derivative contracts	(145)	4,224
Forward currency contracts	150	495
Other gains/(losses)	11	(58)
Handling charges taken from the capital account	(10)	(12)
<b>Net capital (losses)/gains</b>	<b>(3,745)</b>	<b>2,399</b>

### 3 Purchases, Sales and Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

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

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

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchase</b>		
Bonds	64,177	65,543
Collective investment schemes	65,130	83,114
<b>Sales</b>		
Bonds	62,640	95,658
Collective investment schemes	69,719	79,264

There were corporate actions (net sales) of £752,000 in the year (2018: £560,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.60% (2018: 0.60%), this is representative of the average spread on the assets held during the year.

### 4 Revenue

	2019 £'000	2018 £'000
Taxable distributions on offshore funds	13	-
Interest distributions	431	-
Interest on debt securities	7,021	7,545
Bank interest	54	39
<b>Total revenue</b>	<b>7,519</b>	<b>7,584</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	1,239	1,315
Dealing charge	18	16
Registration fees	172	183
	1,429	1,514
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	33	36
Safe custody fee	18	17
	51	53
<b>Other:</b>		
Audit fee	12	11
<b>Total expenses</b>	<b>1,492</b>	<b>1,578</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	1	4
Derivative expense	1,436	1,903
<b>Total interest payable &amp; similar charges</b>	<b>1,437</b>	<b>1,907</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Total current tax	-	-
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	4,590	4,099
Corporation tax at 20% (2018: 20%)	918	820
Effects of:		
Distributions treated as tax deductible	(918)	(820)
<b>Total tax charge for year (note 7a)</b>	<b>-</b>	<b>-</b>

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

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
First interim distribution	958	1,157
Second interim distribution	1,457	1,071
Third interim distribution	1,032	901
Final distribution	1,096	835
	4,543	3,964
Add: Income deducted on cancellation of shares	147	185
Deduct: Income received on issue of shares	(100)	(50)
<b>Net distribution for the year</b>	<b>4,590</b>	<b>4,099</b>

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

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	190	593
Sales awaiting settlement	451	-
Accrued revenue	3,460	3,416
<b>Total debtors</b>	<b>4,101</b>	<b>4,009</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Amounts held at futures clearing houses and brokers	7,072	7,249
Cash and bank balances	4,471	303
Collateral cash	-	(1)
<b>Total cash and bank balances</b>	<b>11,543</b>	<b>7,551</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	123	126
Accrued expenses payable to ACD	109	106
Accrued expenses payable to the Depositary or associates of the Depositary	7	7
Other accrued expenses	17	11
<b>Total creditors</b>	<b>257</b>	<b>250</b>

## 12 Related Party Transactions

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

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

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	13,732,668	1,880,988	(1,869,669)	(31,705)	13,712,282
Institutional accumulation	164,704,343	19,085,567	(31,480,888)	161,562	152,470,584
Retail income	8,388,567	170,421	(1,045,811)	(46,673)	7,466,503
Institutional income	34,504,839	5,747,584	(6,341,679)	(194,817)	33,715,927
Standard Life income	2,000	319	(2,000)	-	319
Standard Life accumulation	239,295	3,945	(185,283)	-	57,957
Platform 1 accumulation	35,796,026	22,578,259	(8,865,714)	(34,094)	49,474,476
Platform 1 income	19,780,460	2,998,200	(3,420,355)	52,223	19,410,528

## 14 Fair Value Hierarchy

	2019 £'000 Level 1	2019 £'000 Level 2	2019 £'000 Level 3	2018 £'000 Level 1	2018 £'000 Level 2	2018 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	-	197,259	-	-	201,686	-
Collective Investment Schemes	-	11,302	-	-	15,697	-
Derivatives	-	1,477	-	-	1,238	-
<b>Total investment assets</b>	-	<b>210,038</b>	-	-	<b>218,621</b>	-
Derivatives	-	(5,886)	-	-	(6,692)	-
<b>Total investment liabilities</b>	-	<b>(5,886)</b>	-	-	<b>(6,692)</b>	-

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

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

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

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

## 15 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

### a. Market price risk

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

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

Value at Risk (VaR) is a measure of the maximum potential loss to the Fund due to market risk. More particularly, VaR measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

2019	Minimum	Maximum	Average
VaR 99% 1 Month	0.97%	1.25%	1.11%

2018	Minimum	Maximum	Average
VaR 99% 1 Month	1.17%	1.56%	1.35%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 1.01%, £2,217,000 (2018: 1.17%, £2,611,000) within a one month period.

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

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets/(liabilities)	
	2019 £'000	2018 £'000
Euro	(649)	(955)
US Dollar	545	205

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

Bond yields are affected by market and economic conditions, including inflation rates and government policy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>				
<b>Currency</b>				
UK Sterling	55,193	147,881	16,408	219,482
Euro	5,085	4,302	(10,036)	(649)
US Dollar	1,563	1,840	(2,858)	545
<b>2018</b>				
<b>Currency</b>				
UK Sterling	34,613	156,975	32,275	223,863
Euro	1,839	9,358	(12,152)	(955)
US Dollar	3,389	3,008	(6,192)	205

### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

	Bid market value 2019 £'000	Bid market value 2018 £'000
<b>Credit Rating Analysis</b>		
Investment Grade Bonds	174,386	177,832
Below Investment Grade Bonds	18,447	19,668
Unrated Bonds	4,426	4,186
<b>Total Value of Bonds</b>	<b>197,259</b>	<b>201,686</b>

### e. Financial Derivatives Instrument Risk

At the year end the Fund held derivatives for the purposes of efficient portfolio management (including hedging). These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the Fund's prospectus.

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

Market Exposure	2019 £'000	2018 £'000
Credit Default Swaps	5,913	7,967
Forward Currency Contracts	21,088	17,684
Interest Rate Swaps	139,260	139,810
<b>Total Market Exposure</b>	<b>166,261</b>	<b>165,461</b>

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

### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange. Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

Exposure is reduced by the exchange of margin on a daily basis for cleared derivatives and by the collateral held/pledged on a bilateral transaction.

Counterparty or clearer	2019			2018		
	Collateral (held)/ pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000	Collateral (held)/ pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000
Barclays	190	-	(230)	290	-	(296)
Citigroup	80	-	(65)	180	-	(101)
Deutsche Bank	590	-	(538)	590	-	(611)
Goldman Sachs	-	2,118	99	-	2,074	(22)
HSBC	190	-	(140)	290	-	(241)
Morgan Stanley	690	-	(614)	670	-	(812)
NatWest Markets	-	-	(7)	-	-	-
Nomura	-	-	(37)	-	-	-
Societe Generale	-	-	(65)	-	-	-
StateStreet	(530)	-	574	(140)	-	83
UBS	3,770	-	(3,386)	3,350	-	(3,454)
<b>Total</b>	<b>4,980</b>	<b>2,118</b>	<b>(4,409)</b>	<b>5,230</b>	<b>2,074</b>	<b>(5,454)</b>

Margin exchanged or collateral held or pledged is in the form of high quality liquid assets e.g. cash/gilts. Positions are fully collateralised at all times. Restrictions are placed on the right of either party to reuse collateral assets.

### f. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

### Distribution Tables

For the three months ended 31 May 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 May 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.2771	-	0.2771*	0.3121
Group 2	0.1015	0.1756	0.2771*	0.3121
<b>Institutional accumulation</b>				
Group 1	0.3916	-	0.3916*	0.4255
Group 2	0.1485	0.2431	0.3916*	0.4255
<b>Retail income</b>				
Group 1	0.1696	-	0.1696**	0.1934
Group 2	0.0955	0.0741	0.1696**	0.1934
<b>Institutional income</b>				
Group 1	0.2267	-	0.2267**	0.2504
Group 2	0.1354	0.0913	0.2267**	0.2504
<b>Standard Life income</b>				
Group 1	0.1835	-	0.1835**	0.2060
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.5181	-	0.5181*	0.5475
Group 2	0.4195	0.0986	0.5181*	0.5475
<b>Platform 1 accumulation</b>				
Group 1	0.2612	-	0.2612*	0.2848
Group 2	0.1032	0.1580	0.2612*	0.2848
<b>Platform 1 income</b>				
Group 1	0.2272	-	0.2272**	0.2518
Group 2	0.1155	0.1117	0.2272**	0.2518

\* Distribution accumulated on 31 May 2018

\*\* Distribution paid on 31 July 2018

For the three months ended 31 August 2018

Group 1 - shares purchased prior to 1 June 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.4603	-	0.4603*	0.2885
Group 2	0.1675	0.2928	0.4603*	0.2885
<b>Institutional accumulation</b>				
Group 1	0.5857	-	0.5857*	0.4022
Group 2	0.3920	0.1937	0.5857*	0.4022
<b>Retail income</b>				
Group 1	0.2808	-	0.2808**	0.1783
Group 2	0.2263	0.0545	0.2808**	0.1783
<b>Institutional income</b>				
Group 1	0.3376	-	0.3376**	0.2356
Group 2	0.1966	0.1410	0.3376**	0.2356
<b>Standard Life income</b>				
Group 1	0.2475	-	0.2475**	0.1690
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.7156	-	0.7156*	0.5263
Group 2	0.4271	0.2885	0.7156*	0.5263
<b>Platform 1 accumulation</b>				
Group 1	0.3947	-	0.3947*	0.2686
Group 2	0.2152	0.1795	0.3947*	0.2686
<b>Platform 1 income</b>				
Group 1	0.3418	-	0.3418**	0.2366
Group 2	0.2074	0.1344	0.3418**	0.2366

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

For the three months ended 30 November 2018

Group 1 - shares purchased prior to 1 September 2018

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

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.3087	-	0.3087*	0.2795
Group 2	0.1344	0.1743	0.3087*	0.2795
<b>Institutional accumulation</b>				
Group 1	0.4243	-	0.4243*	0.3937
Group 2	0.1761	0.2482	0.4243*	0.3937
<b>Retail income</b>				
Group 1	0.1875	-	0.1875**	0.1719
Group 2	0.0734	0.1141	0.1875**	0.1719
<b>Institutional income</b>				
Group 1	0.2432	-	0.2432**	0.2296
Group 2	0.0879	0.1553	0.2432**	0.2296
<b>Standard Life income</b>				
Group 1	0.1506	-	0.1506**	0.1625
Group 2	0.0981	0.0525	0.1506**	-
<b>Standard Life accumulation</b>				
Group 1	0.5517	-	0.5517*	0.5150
Group 2	0.4262	0.1255	0.5517*	0.5150
<b>Platform 1 accumulation</b>				
Group 1	0.2836	-	0.2836*	0.2609
Group 2	0.1334	0.1502	0.2836*	0.2609
<b>Platform 1 income</b>				
Group 1	0.2444	-	0.2444**	0.2286
Group 2	0.0830	0.1614	0.2444**	0.2286

\* Distribution accumulated on 30 November 2018

\*\* Distribution paid on 31 January 2019

For the three months ended 28 February 2019

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.3589	-	0.3589*	0.2466
Group 2	0.1893	0.1696	0.3589*	0.2466
<b>Institutional accumulation</b>				
Group 1	0.4766	-	0.4766*	0.3575
Group 2	0.2447	0.2319	0.4766*	0.3575
<b>Retail income</b>				
Group 1	0.2171	-	0.2171**	0.1515
Group 2	0.1315	0.0856	0.2171**	0.1515
<b>Institutional income</b>				
Group 1	0.2718	-	0.2718**	0.2079
Group 2	0.1603	0.1115	0.2718**	0.2079
<b>Standard Life income</b>				
Group 1	0.2165	-	0.2165**	0.1580
Group 2	0.2165	-	0.2165**	-
<b>Standard Life accumulation</b>				
Group 1	0.6037	-	0.6037*	0.4810
Group 2	0.6037	-	0.6037*	0.4810
<b>Platform 1 accumulation</b>				
Group 1	0.3200	-	0.3200*	0.2379
Group 2	0.1464	0.1736	0.3200*	0.2379
<b>Platform 1 income</b>				
Group 1	0.2740	-	0.2740**	0.2076
Group 2	0.1097	0.1643	0.2740**	0.2076

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# UK Equity Growth Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Andrew Millington
<b>Launch Date</b>	1 May 1986
<b>Benchmark</b>	IA UK All Companies Sector

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on a UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by investing in an actively managed portfolio of mainly UK equities. The concentrated nature of the portfolio makes it suitable for investors who are willing to accept a relatively high degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of equity markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

During the period under review, the Fund returned -1.07% compared with the IA UK All Companies sector average return of -1.19% (source: Morningstar, basic rate taxpayer, platform one share class, bid-to-bid basis).

Positive highlights included pharmaceutical business Shire. Its share price rose when Takeda of Japan made an offer to buy the company. Infrastructure business John Laing Group also boosted performance. The business delivered net-asset-value growth beyond investors' expectations and made progress in meeting capital return targets. Fever-Tree Drinks was another holding that performed well. The UK-listed premium-mixers maker remained popular with investors for its continued long-term growth profile. This was confirmed when it delivered results ahead of expectations.

On the downside, our holding in Indivior proved negative after the specialty pharmaceuticals company delivered poor results. It also announced that it expected further sales weakness for its newest

drug. Tobacco company BAT also detracted from returns. Its share price suffered when investors turned negative on the industry, worried about increased regulation of vaping in the US. Civil engineer Kier Group was another holding that weighed on the Fund's return. The company announced a rights issue and a dividend cut. We believe that once the business has raised the money it needs, it will have a healthier balance sheet.

### Investment activity

We bought clothing company Superdry at an attractive entry point after its share price weakened when it announced disappointing sales. In our view, investors overreacted as strong online sales and overseas expansion point to a high-growth business. Elsewhere, we bought defence and aerospace company BAE Systems following an encouraging meeting with management. The company is making progress on modernising and increasing innovation. It is also well exposed to improving spending trends on defence. Lastly, we established a position in engineering company Rolls Royce. We believe that investors underappreciate the cultural change taking place in the business. After many years of investment, Rolls Royce is poised to benefit from significant cashflow generation.

Regarding sales, we removed Shire as its acquisition by Takeda of Japan neared completion. We also sold our holding in Virgin Money in the wake of Clydesdale Bank's bid. Both stocks rose during the review period. However, given the tough nature of the UK banking industry, we felt it was prudent to take profits. Finally, we reduced our positions in mining companies Rio Tinto, Anglo American and Glencore.

**Synthetic Risk & Reward Indicator**

← Typically lower rewards, lower risk				Typically higher rewards, higher risk →		
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

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

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	336.66	320.79	279.57
Return before operating charges*	2.17	20.31	45.07
Operating charges	(4.57)	(4.44)	(3.85)
Return after operating charges*	(2.40)	15.87	41.22
Distributions	(8.99)	(7.45)	(7.77)
Retained distributions on accumulation shares*	8.99	7.45	7.77
Closing net asset value per share	334.26	336.66	320.79
* after direct transaction costs of:	0.48	0.77	0.43
<b>Performance</b>			
Return after charges	(0.71%)	4.95%	14.74%
<b>Other information</b>			
Closing net asset value (£'000)	89,945	97,856	102,038
Closing number of shares	26,908,178	29,067,158	31,808,234
Operating charges	1.32%	1.32%	1.32%
Direct transaction costs	0.14%	0.23%	0.15%
<b>Prices</b>			
Highest share price	375.9	361.5	323.0
Lowest share price	305.0	318.5	246.2

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<b>Institutional accumulation</b>	<b>2019</b> pence per share	<b>2018</b> pence per share	<b>2017</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	394.00	373.67	324.06
Return before operating charges*	2.50	23.67	52.49
Operating charges	(3.46)	(3.34)	(2.88)
Return after operating charges*	(0.96)	20.33	49.61
Distributions	(12.45)	(10.54)	(10.71)
Retained distributions on accumulation shares*	12.45	10.54	10.71
Closing net asset value per share	393.04	394.00	373.67
* after direct transaction costs of:	0.57	0.90	0.49
<b>Performance</b>			
Return after charges	(0.24%)	5.44%	15.31%
<b>Other information</b>			
Closing net asset value (£'000)	112,341	114,211	112,234
Closing number of shares	28,582,390	28,987,527	30,034,976
Operating charges	0.86%	0.85%	0.85%
Direct transaction costs	0.14%	0.23%	0.14%
<b>Prices</b>			
Highest share price	440.3	422.8	376.2
Lowest share price	358.4	371.2	285.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	68.26	66.53	59.36
Return before operating charges*	0.35	4.23	9.68
Operating charges	(0.02)	(0.02)	(0.01)
Return after operating charges*	0.33	4.21	9.67
Distributions	(2.75)	(2.48)	(2.50)
Closing net asset value per share*	65.84	68.26	66.53
* after direct transaction costs of:	0.10	0.16	0.09
<b>Performance</b>			
Return after charges	0.48%	6.33%	16.29%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	1	1
Closing number of shares	137	2,000	2,000
Operating charges	0.03%	0.02%	0.02%
Direct transaction costs	0.14%	0.23%	0.14%
<b>Prices</b>			
Highest share price	76.44	75.83	69.46
Lowest share price	62.42	66.18	52.52

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> The closing net asset of Standard Life income is £90.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	128.34	120.81	103.98
Return before operating charges*	0.79	7.66	16.94
Operating charges	(0.14)	(0.13)	(0.11)
Return after operating charges*	0.65	7.53	16.83
Distributions	(5.06)	(4.37)	(4.27)
Retained distributions on accumulation shares*	5.06	4.37	4.27
Closing net asset value per share	128.99	128.34	120.81
* after direct transaction costs of:	0.18	0.29	0.16
<b>Performance</b>			
Return after charges	0.51%	6.23%	16.19%
<b>Other information</b>			
Closing net asset value (£'000)	1,751	1,875	1,795
Closing number of shares	1,357,364	1,460,721	1,485,592
Operating charges	0.11%	0.10%	0.10%
Direct transaction costs	0.14%	0.23%	0.15%
<b>Prices</b>			
Highest share price	143.7	137.6	121.6
Lowest share price	117.5	120.1	91.98

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	122.32	115.52	99.72
Return before operating charges*	4.33	7.29	16.22
Operating charges	(0.52)	(0.49)	(0.42)
Return after operating charges*	3.81	6.80	15.80
Distributions	-	(3.80)	(3.80)
Retained distributions on accumulation shares*	-	3.80	3.80
Closing net asset value per share	126.13	122.32	115.52
* after direct transaction costs of:	0.18	0.28	0.15
<b>Performance+</b>			
Return after charges	3.11%	5.89%	15.84%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	3	2
Closing number of shares	76	2,000	2,000
Operating charges	0.40%	0.40%	0.40%
Direct transaction costs	0.14%	0.23%	0.14%
<b>Prices</b>			
Highest share price	136.8	131.2	116.3
Lowest share price	111.6	114.8	88.13

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> The closing net asset value of Institutional regulated accumulation is £97.

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	79.94	75.85	65.81
Return before operating charges*	0.50	4.81	10.66
Operating charges	(0.74)	(0.72)	(0.62)
Return after operating charges*	(0.24)	4.09	10.04
Distributions	(2.48)	(2.10)	(2.14)
Retained distributions on accumulation shares*	2.48	2.10	2.14
Closing net asset value per share	79.70	79.94	75.85
* after direct transaction costs of:	0.11	0.18	0.10
<b>Performance</b>			
Return after charges	(0.30%)	5.39%	15.26%
<b>Other information</b>			
Closing net asset value (£'000)	9,928	11,368	11,948
Closing number of shares	12,455,683	14,220,474	15,751,888
Operating charges	0.91%	0.90%	0.90%
Direct transaction costs	0.14%	0.23%	0.15%
<b>Prices</b>			
Highest share price	89.33	85.79	76.36
Lowest share price	72.68	75.35	58.06

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional A accumulation <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	60.88	58.17	50.83
Return before operating charges*	6.53	3.68	8.19
Operating charges	(1.02)	(0.97)	(0.85)
Return after operating charges*	5.51	2.71	7.34
Distributions	-	(1.18)	(1.28)
Retained distributions on accumulation shares*	-	1.18	1.28
Redemption value as at 14 June 2018	66.39	-	-
Closing net asset value per share	-	60.88	58.17
* after direct transaction costs of:	0.09	0.14	0.08
<b>Performance</b>			
Return after charges	9.05%	4.66%	14.44%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	2,200	2,200
Operating charges	1.61%	1.60%	1.60%
Direct transaction costs	0.14%	0.23%	0.15%
<b>Prices</b>			
Highest share price	67.94	65.41	58.57
Lowest share price	58.74	57.74	44.74

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> Share class closed on 14 June 2018.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (98.48%)</b>		<b>207,604</b>	<b>97.02</b>
<b>Basic Materials (10.06%)</b>		<b>19,397</b>	<b>9.06</b>
139,493	Anglo American	2,794	1.31
280,044	BHP	4,889	2.28
1,404,478	Glencore	4,268	1.99
103,607	Johnson Matthey	3,204	1.50
97,848	Rio Tinto	4,242	1.98
<b>Consumer Goods (18.05%)</b>		<b>32,716</b>	<b>15.29</b>
70,194	Associated British Foods	1,574	0.74
127,903	Bellway	3,868	1.81
687,591	Boohoo.com*	1,204	0.56
302,125	British American Tobacco	8,333	3.89
450,244	Countryside Properties	1,467	0.68
626,069	Dixons Carphone	831	0.39
90,537	Fever Tree Drinks*	2,424	1.13
101,272	Imperial Brands	2,542	1.19
930,536	McCarthy & Stone	1,149	0.54
112,972	Reckitt Benckiser	6,514	3.04
212,116	Redrow	1,319	0.62
288,200	SuperGroup	1,491	0.70
<b>Consumer Services (6.13%)</b>		<b>12,578</b>	<b>5.88</b>
796,541	888 Holdings	1,410	0.66
465,424	Cineworld	1,297	0.61
252,398	GVC	1,656	0.77
175,302	Just Eat	1,308	0.61
46,819	Mitchells & Butlers	134	0.06
299,158	RELX	5,171	2.42
332,291	Rightmove	1,602	0.75
<b>Financials (22.03%)</b>		<b>48,577</b>	<b>22.70</b>
394,282	Ashmore	1,663	0.78
506,654	Aviva	2,144	1.00
2,123,334	Barclays	3,485	1.63
194,919	Close Brothers	2,941	1.37
684,957	Hansteen REIT	671	0.31
1,970,097	HSBC	12,073	5.64
972,643	John Laing Group	3,733	1.74
1,722,950	Just	1,775	0.83

Holding	Investment	Market value £'000	Percentage of total net assets
46,618	London Stock Exchange	2,101	0.98
485,404	Onesavings Bank	1,904	0.89
431,714	Phoenix	3,017	1.41
473,385	Prudential	7,524	3.52
131,346	St James's Place	1,277	0.60
709,718	Standard Chartered	4,269	2.00
<b>Health Care (13.61%)</b>		<b>22,331</b>	<b>10.44</b>
99,317	AstraZeneca	6,096	2.85
170,722	Clinigen*	1,632	0.76
88,623	Dechra Pharmaceuticals	2,189	1.02
130,245	Genus	2,850	1.33
475,017	GlaxoSmithKline	7,112	3.33
1,369,737	Indivior	1,470	0.69
771,049	Spire Healthcare	982	0.46
<b>Industrials (8.49%)</b>		<b>22,026</b>	<b>10.29</b>
776,973	BAE Systems	3,620	1.69
170,688	Bodycote	1,295	0.61
46,053	Ferguson	2,404	1.12
480,403	IWG	1,106	0.52
427,425	Kier	2,227	1.04
485,130	Polypipe	2,015	0.94
484,678	Rentokil	1,701	0.80
247,240	Rolls-Royce	2,361	1.10
243,297	RPC	1,926	0.90
581,210	Smith (DS)	1,949	0.91
234,276	Vesuvius	1,422	0.66
<b>Oil &amp; Gas (13.99%)</b>		<b>36,885</b>	<b>17.24</b>
2,424,968	BP	12,957	6.06
726,945	Cairn Energy	1,474	0.69
197,715	Hunting	1,081	0.50
311,944	Kosmos Energy	1,499	0.70
558,442	Nostrum Oil & Gas	557	0.26
404,664	Royal Dutch Shell 'A'	9,505	4.44
264,747	Royal Dutch Shell 'B'	6,259	2.93
742,937	Tullow Oil	1,637	0.76
368,320	Wood Group	1,916	0.90
<b>Technology (1.54%)</b>		<b>1,085</b>	<b>0.51</b>
1,194,390	IQE*	1,085	0.51

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Telecommunications (2.91%)</b>		<b>7,872</b>	<b>3.68</b>
285,245	Inmarsat	1,140	0.53
115,234	Telecom Plus	1,630	0.76
3,800,178	Vodafone	5,102	2.39
<b>Utilities (1.67%)</b>		<b>4,137</b>	<b>1.93</b>
433,309	National Grid	3,673	1.71
55,193	United Utilities	464	0.22
<b>Collective Investment Schemes (1.16%)</b>		<b>5,535</b>	<b>2.59</b>
5,535	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	5,535	2.59
<b>Total investment assets</b>		<b>213,139</b>	<b>99.61</b>
<b>Net other assets</b>		<b>826</b>	<b>0.39</b>
<b>Total Net Assets</b>		<b>213,965</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

\* AIM listed

### Statement of Total Return

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital (losses)/gains	2	(7,126)	6,090
Revenue	4	8,922	8,279
Expenses	5	(2,366)	(2,443)
Interest payable and similar charges	6	(1)	-
Net revenue before taxation		6,555	5,836
Taxation	7	(61)	(60)
Net revenue after taxation		6,494	5,776
<b>Total return before distributions</b>		<b>(632)</b>	<b>11,866</b>
Distributions	8	(6,494)	(5,776)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(7,126)</b>	<b>6,090</b>

### Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>225,315</b>	<b>228,019</b>
Amounts receivable on the issue of shares	6,236	3,047
Amounts payable on the cancellation of shares	(16,840)	(17,471)
	(10,604)	(14,424)
Dilution adjustment	23	48
Change in net assets attributable to shareholders from investment activities (see above)	(7,126)	6,090
Retained distribution on accumulation shares	6,357	5,582
<b>Closing net assets attributable to shareholders</b>	<b>213,965</b>	<b>225,315</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		213,139	224,499
<b>Current assets:</b>			
Debtors	9	1,143	1,101
Cash and bank balances	10	1	69
		1,144	1,170
<b>Total assets</b>		<b>214,283</b>	<b>225,669</b>
<b>Liabilities:</b>			
Creditors	11	(318)	(354)
		(318)	(354)
<b>Total liabilities</b>		<b>(318)</b>	<b>(354)</b>
<b>Net assets attributable to shareholders</b>		<b>213,965</b>	<b>225,315</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(7,124)	6,088
Other gains	-	5
Handling charges taken from the capital account	(2)	(3)
<b>Net capital (losses)/gains</b>	<b>(7,126)</b>	<b>6,090</b>

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	51,821	91,519
Commissions	37	75
Taxes & Other Fees	239	368
Total purchase transaction costs	276	443
<b>Purchases including transaction costs</b>	<b>52,097</b>	<b>91,962</b>
<b>Sales</b>		
Gross sales before transaction costs	59,399	100,238
Commissions	(37)	(90)
<b>Total sale transaction costs</b>	<b>(37)</b>	<b>(90)</b>
<b>Total sales net of transaction costs</b>	<b>59,362</b>	<b>101,148</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.07%	0.08%
Taxes & Other Fees	0.46%	0.40%
<b>Sales</b>		
Commissions	0.06%	0.09%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.02%	0.03%
Taxes & Other Fees	0.11%	0.16%
<b>Sales</b>		
Commissions	0.02%	0.04%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	52,097	91,962
Collective investment schemes	40,213	61,551
<b>Sales</b>		
Equities	59,362	100,148
Collective investment schemes	37,295	60,188

There were corporate actions (net purchases) of £114,000 in the year (2018 (net sales): £820,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.07% (2018: 1.18%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	8,028	7,287
Overseas dividends	882	978
Taxable distributions on offshore funds	6	-
Bank interest	6	14
<b>Total revenue</b>	<b>8,922</b>	<b>8,279</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	2,203	2,286
Dealing charge	5	6
Registration fees	103	104
	2,311	2,396
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	33	34
Safe custody fee	13	6
	46	40
<b>Other:</b>		
Audit fee	9	7
<b>Total expenses</b>	<b>2,366</b>	<b>2,443</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	1	-
<b>Total interest payable &amp; similar charges</b>	<b>1</b>	<b>-</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	61	60
<b>Total current tax</b>	<b>61</b>	<b>60</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	6,555	5,836
Corporation tax at 20% (2018: 20%)	1,311	1,167
Effects of:		
Revenue not subject to taxation	(1,769)	(1,653)
Overseas taxes	61	60
Excess allowable expenses	458	486
<b>Total tax charge for year (note 7a)</b>	<b>61</b>	<b>60</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

**(c) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £11,915,000 (2018: £11,457,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	6,357	5,582
Add: Income deducted on cancellation of shares	283	234
Deduct: Income received on issue of shares	(146)	(40)
<b>Net distribution for the year</b>	<b>6,494</b>	<b>5,776</b>

Details of the distribution per share are set out in this Fund's distribution table.

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	-	11
Accrued revenue	1,106	1,048
Foreign withholding tax recoverable	37	42
<b>Total debtors</b>	<b>1,143</b>	<b>1,101</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Cash and bank balances	1	69
<b>Total cash and bank balances</b>	<b>1</b>	<b>69</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	134	162
Accrued expenses payable to ACD	168	180
Accrued expenses payable to the Depositary or associates of the Depositary	7	4
Other accrued expenses	9	8
<b>Total creditors</b>	<b>318</b>	<b>354</b>

**12 Related Party Transactions**

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the Fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	29,067,158	253,611	(2,358,759)	(53,832)	26,908,178
Institutional accumulation	28,987,527	1,300,620	(1,740,778)	35,021	28,582,390
Standard Life income	2,000	137	(2,000)	-	137
Standard Life accumulation	1,460,721	24,435	(127,792)	-	1,357,364
Institutional regulated accumulation	2,000	76	(2,000)	-	76
Platform 1 accumulation	14,220,474	243,601	(2,061,777)	53,385	12,455,683
Institutional A accumulation	2,200	-	(2,200)	-	-

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	207,604	-	-	221,882	-	-
Collective Investment Schemes	-	5,535	-	-	2,617	-
<b>Total investment assets</b>	<b>207,604</b>	<b>5,535</b>	<b>-</b>	<b>221,882</b>	<b>2,617</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

## 15 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

Each Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Fund Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the Fund.

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £10,657,000 (2018: £11,225,000). A five per cent decrease would have an equal and opposite effect.

**b. Foreign currency risk**

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £112,000 (2018: £40,000). A five per cent decrease would have an equal and opposite effect.

#### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Euro	15	79
US Dollar	2,219	718

#### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	5,536	206,195	211,731
Euro	-	15	15
US Dollar	-	2,219	2,219
<b>2018</b>			
<b>Currency</b>			
UK Sterling	2,619	221,899	224,518
Euro	50	29	79
US Dollar	17	701	718

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

#### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

#### e. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

### Distribution Table

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	8.9949	-	8.9949*	7.4476
Group 2	4.4984	4.4965	8.9949*	7.4476
<b>Institutional accumulation</b>				
Group 1	12.4490	-	12.4490*	10.5372
Group 2	2.8629	9.5861	12.4490*	10.5372
<b>Standard Life income</b>				
Group 1	2.7523	-	2.7523**	2.4750
Group 2	1.0028	1.7495	2.7523**	-
<b>Standard Life accumulation</b>				
Group 1	5.0599	-	5.0599*	4.3733
Group 2	2.3575	2.7024	5.0599*	4.3733
<b>Institutional regulated accumulation</b>				
Group 1	-	-	-	3.7960
Group 2	-	-	-	-
<b>Platform 1 accumulation</b>				
Group 1	2.4842	-	2.4842*	2.0987
Group 2	1.1454	1.3388	2.4842*	2.0987
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	1.1840
Group 2	-	-	-	-

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 14 June 2018

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

Corporate shareholders should account for the current year's dividend shown in the distribution table as follows:

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

# UK Equity High Alpha Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Frederik Nassauer
<b>Launch Date</b>	31 January 1992
<b>Benchmark</b>	IA UK All Companies Sector

### Investment objective

The objective of the Fund is to maximise returns whilst maintaining a balance between capital appreciation and income.

### Investment policy

The investment policy of the Fund is to invest mostly in UK equities and equity type investments of companies listed on the UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. The Fund may also invest in fixed interest securities as well as in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by investing in an actively managed portfolio of mainly UK equities. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of UK equity exposure. The investor must be able to accept significant temporary losses due to the volatile nature of equity markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

During the period under review, the Fund returned -5.15%, compared to the IA UK All Companies sector average return of -1.19% (source: Morningstar, basic rate taxpayer, Platform One share class, bid-to-bid basis).

On the downside, our holding in Indivior proved negative after the specialty pharmaceuticals company delivered poor results. It also announced that it expected further sales weakness for its newest drug. UK clothing retailer Superdry also detracted from performance. The business delivered three profit warnings, with the latest one blaming unseasonably warm weather in Europe. Elsewhere, electronics firm Dixons Carphone Warehouse declined. Investors fretted about falling demand for its products. However, the company announced that it had re-negotiated new contracts on favourable terms. Holdings in online gambling company 888.com and fixed-fee estate agent Purplebrick also weighed the Fund's return.

Positive highlights included pharmaceutical business Shire. Its share price rose when Takeda of Japan made an offer to buy the company. Pub company EI Group also added to returns. It benefited from good summer weather across the UK, underpinned by England's performance during the football world cup. Having less-than-benchmark exposure to BAT was helpful for relative performance. The tobacco company suffered when investors turned negative on the industry as regulatory risks in the US increased. Finally, shares in asset manager Ashmore rebounded on US dollar weakness and ongoing inflows into its emerging market debt product.

### Investment activity

We established a new holding in online food order and delivery service Just Eat. The ease of offering and choice available is stimulating demand for its services. We also bought defence and aerospace company BAE Systems following an encouraging meeting with management. The company is making progress on modernising and increasing innovation. Elsewhere, we initiated a position in engineering company Rolls Royce. We believe that investors underappreciate the cultural change taking place in the business. After many years of investment, Rolls Royce's valuation does not reflect that it is poised to benefit from significant cashflow generation. Lastly, we increased holding in fixed-fee real-estate operator Purplebricks on share price weakness.

Regarding sales, we removed Shire from the Fund when its acquisition by Takeda neared completion. EI Group was a further sale its share price reflected the disposal of pub assets. Temporary power supplier Aggreko was another sale after its share price rallied. Growth opportunities at its utilities division are limited. The rest of the business requires a higher oil price and stronger US economic growth to make progress, neither of which we are confident will happen. Finally, we sold retailer JD Sports Fashion. The firm's growth in the US now needs to be executed flawlessly in order to maintain its current valuation.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	221.35	201.76	176.36
Return before operating charges*	(7.89)	22.42	27.83
Operating charges	(2.93)	(2.83)	(2.43)
Return after operating charges*	(10.82)	19.59	25.40
Distributions	(9.31)	(6.10)	(5.86)
Retained distributions on accumulation share	9.31	6.10	5.86
Closing net asset value per share	210.53	221.35	201.76
* after direct transaction costs of:	0.74	1.29	1.43
<b>Performance</b>			
Return after charges	(4.89%)	9.71%	14.40%
<b>Other information</b>			
Closing net asset value (£'000)	81,896	57,513	56,504
Closing number of shares	38,900,539	25,982,641	28,005,376
Operating charges	1.32%	1.32%	1.32%
Direct transaction costs	0.34%	0.60%	0.78%
<b>Prices</b>			
Highest share price	247.4	235.9	201.8
Lowest share price	190.8	201.2	156.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	225.02	204.14	177.56
Return before operating charges*	(8.07)	22.73	28.16
Operating charges	(1.93)	(1.85)	(1.58)
Return after operating charges*	(10.00)	20.88	26.58
Distributions	(9.41)	(6.19)	(5.91)
Retained distributions on accumulation share	9.41	6.19	5.91
Closing net asset value per share	215.02	225.02	204.14
* after direct transaction costs of:	0.76	1.31	1.45
<b>Performance</b>			
Return after charges	(4.44%)	10.23%	14.97%
<b>Other information</b>			
Closing net asset value (£'000)	100,290	108,606	102,202
Closing number of shares	46,642,694	48,265,529	50,063,989
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.34%	0.60%	0.78%
<b>Prices</b>			
Highest share price	251.8	239.7	204.1
Lowest share price	194.7	203.9	153.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	101.87	95.55	86.17
Return before operating charges*	(3.33)	10.50	13.38
Operating charges	(1.37)	(1.32)	(1.17)
Return after operating charges*	(4.70)	9.18	12.21
Distributions	(3.57)	(2.86)	(2.83)
Closing net asset value per share	93.60	101.87	95.55
* after direct transaction costs of:	0.35	0.61	0.69
<b>Performance</b>			
Return after charges	(4.61%)	9.61%	14.17%
<b>Other information</b>			
Closing net asset value (£'000)	9,863	47,248	46,761
Closing number of shares	10,537,298	46,379,591	48,937,297
Operating charges	1.32%	1.32%	1.32%
Direct transaction costs	0.34%	0.60%	0.78%
<b>Prices</b>			
Highest share price	113.9	109.0	96.06
Lowest share price	85.26	94.49	73.63

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.42	69.47	62.35
Return before operating charges*	(2.49)	7.65	9.72
Operating charges	(0.63)	(0.62)	(0.55)
Return after operating charges*	(3.12)	7.03	9.17
Distributions	(3.07)	(2.08)	(2.05)
Closing net asset value per share	68.23	74.42	69.47
* after direct transaction costs of:	0.25	0.44	0.50
<b>Performance</b>			
Return after charges	(4.19%)	10.12%	14.71%
<b>Other information</b>			
Closing net asset value (£'000)	517	702	692
Closing number of shares	758,971	942,915	995,511
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.34%	0.60%	0.78%
<b>Prices</b>			
Highest share price	83.26	79.54	69.80
Lowest share price	62.10	68.81	53.37

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	118.86	110.05	97.65
Return before operating charges*	(3.93)	12.18	15.75
Operating charges	(0.03)	(0.03)	(0.02)
Return after operating charges*	(3.96)	12.15	15.73
Distributions	(4.76)	(3.34)	(3.33)
Closing net asset value per share	110.14	118.86	110.05
* after direct transaction costs of:	0.41	0.74	0.77
<b>Performance</b>			
Return after charges	(3.33%)	11.04%	16.11%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	7,939	2
Closing number of shares	99	6,679,128	2,000
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs	0.34%	0.60%	0.76%
<b>Prices</b>			
Highest share price	133.2	126.9	110.5
Lowest share price	101.3	109.3	84.07

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> The closing net asset value of Standard Life income is £109.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	265.31	238.89	206.22
Return before operating charges*	(9.60)	26.68	32.89
Operating charges	(0.28)	(0.26)	(0.22)
Return after operating charges*	(9.88)	26.42	32.67
Distributions	(11.13)	(7.26)	(6.89)
Retained distributions on accumulation share	11.13	7.26	6.89
Closing net asset value per share	255.43	265.31	238.89
* after direct transaction costs of:	0.90	1.54	1.69
<b>Performance</b>			
Return after charges	(3.72%)	11.06%	15.84%
<b>Other information</b>			
Closing net asset value (£'000)	438	512	432
Closing number of shares	171,474	193,167	181,035
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.34%	0.60%	0.78%
<b>Prices</b>			
Highest share price	297.3	282.3	238.2
Lowest share price	231.0	239.2	179.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	101.89	92.48	80.48
Return before operating charges*	(3.65)	10.30	12.76
Operating charges	(0.93)	(0.89)	(0.76)
Return after operating charges*	(4.58)	9.41	12.00
Distributions	(4.26)	(2.80)	(2.68)
Retained distributions on accumulation share	4.26	2.80	2.68
Closing net asset value per share	97.31	101.89	92.48
* after direct transaction costs of:	0.34	0.60	0.65
<b>Performance</b>			
Return after charges	(4.50%)	10.18%	14.91%
<b>Other information</b>			
Closing net asset value (£'000)	9,188	10,594	9,571
Closing number of shares	9,441,567	10,397,625	10,349,773
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.34%	0.60%	0.77%
<b>Prices</b>			
Highest share price	114.0	108.5	92.48
Lowest share price	88.12	92.34	69.73

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	86.02	80.34	72.14
Return before operating charges*	(2.88)	8.85	11.24
Operating charges	(0.77)	(0.76)	(0.67)
Return after operating charges*	(3.65)	8.09	10.57
Distributions	(3.54)	(2.41)	(2.37)
Closing net asset value per share	78.83	86.02	80.34
* after direct transaction costs of:	0.29	0.51	0.58
<b>Performance</b>			
Return after charges	(4.24%)	10.07%	14.65%
<b>Other information</b>			
Closing net asset value (£'000)	1,799	2,058	2,046
Closing number of shares	2,282,148	2,392,256	2,545,980
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.34%	0.60%	0.78%
<b>Prices</b>			
Highest share price	96.23	91.95	80.73
Lowest share price	71.75	79.56	61.74

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (97.58%)</b>		<b>198,812</b>	<b>97.46</b>
<b>Basic Materials (9.47%)</b>		<b>15,361</b>	<b>7.53</b>
46,522	Anglo American	932	0.46
2,933,534	Glencore	8,915	4.37
5,991,865	Hummingbird Resources*	1,429	0.70
94,216	Rio Tinto	4,085	2.00
<b>Consumer Goods (21.70%)</b>		<b>41,391</b>	<b>20.29</b>
158,201	Bellway	4,784	2.35
1,516,935	Boohoo.com*	2,657	1.30
193,735	British American Tobacco	5,343	2.62
129,667	Coca-Cola HBC	3,287	1.61
648,535	Countryside Properties	2,113	1.04
705,159	Crest Nicholson	2,754	1.35
3,934,748	Dixons Carphone	5,222	2.56
140,792	Imperial Brands	3,534	1.72
752,781	Inchcape	4,250	2.08
897,035	SuperGroup	4,642	2.28
70,000	Unilever	2,805	1.38
<b>Consumer Services (13.86%)</b>		<b>17,216</b>	<b>8.44</b>
2,451,235	888 Holdings	4,339	2.13
1,037,141	GVC	6,804	3.33
813,897	Just Eat	6,073	2.98
<b>Financials (19.54%)</b>		<b>48,873</b>	<b>23.96</b>
770,851	Ashmore	3,251	1.59
1,033,449	Aviva	4,372	2.14
3,286,716	Barclays	5,395	2.65
173,376	Close Brothers	2,616	1.28
1,367,025	Hastings Group	3,057	1.50
788,442	HSBC	4,832	2.37
2,561,557	Just	2,638	1.29
74,629	London Stock Exchange	3,363	1.65
663,431	Onesavings Bank	2,602	1.28
519,778	Prudential	8,262	4.05
2,484,170	Purplebricks*	3,525	1.73
824,618	Standard Chartered	4,960	2.43

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Health Care (3.94%)</b>		<b>12,451</b>	<b>6.10</b>
145,855	Dechra Pharmaceuticals	3,603	1.77
90,026	Hutchison China MediTech*	3,412	1.67
2,576,048	Indivior	2,765	1.35
98,865	NMC Healthcare	2,671	1.31
<b>Industrials (10.46%)</b>		<b>26,563</b>	<b>13.02</b>
703,016	BAE Systems	3,275	1.61
159,733	Bodycote	1,212	0.59
70,429	Ferguson	3,676	1.80
331,774	Kier	1,729	0.85
82,112	Rhi Magnesita	3,646	1.79
389,027	Rolls-Royce	3,714	1.82
1,203,199	Smith (DS)	4,035	1.98
440,623	Vesuvius	2,675	1.31
158,647	Weir	2,601	1.27
<b>Oil &amp; Gas (12.69%)</b>		<b>32,326</b>	<b>15.85</b>
1,688,442	BP	9,021	4.42
647,745	Kosmos Energy	3,046	1.50
1,986,643	Nostrum Oil & Gas	1,981	0.97
635,937	Royal Dutch Shell 'B'	15,033	7.37
623,773	Wood Group (John)	3,245	1.59
<b>Telecommunications (3.57%)</b>		<b>4,631</b>	<b>2.27</b>
3,449,401	Vodafone	4,631	2.27
<b>Utilities (2.35%)</b>		-	-
<b>Collective Investment Schemes (1.07%)</b>		<b>2,604</b>	<b>1.28</b>
2,604	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	2,604	1.28
<b>Total investment assets</b>		<b>201,416</b>	<b>98.74</b>
<b>Net other assets</b>		<b>2,575</b>	<b>1.26</b>
<b>Total Net Assets</b>		<b>203,991</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

\* AIM listed

### Statement of Total Return

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(18,599)		17,275
Revenue	4	9,691		6,555	
Expenses	5	(2,391)		(2,421)	
Interest payable and similar charges	6	-		(1)	
Net revenue before taxation		7,300		4,133	
Taxation	7	(5)		(14)	
Net revenue after taxation			7,295		4,119
<b>Total return before distributions</b>			<b>(11,304)</b>		<b>21,394</b>
Distributions	8		(9,634)		(6,494)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(20,938)</b>		<b>14,900</b>

### Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>235,172</b>		<b>218,210</b>
Amounts receivable on the issue of shares	47,962		11,986	
Amounts payable on the cancellation of shares	(66,443)		(15,008)	
		(18,481)		(3,022)
Dilution adjustment		48		85
Change in net assets attributable to shareholders from investment activities (see above)		(20,938)		14,900
Retained distribution on accumulation shares		8,189		4,999
Unclaimed distributions		1		-
<b>Closing net assets attributable to shareholders</b>		<b>203,991</b>		<b>235,172</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		201,416	232,002
<b>Current assets:</b>			
Debtors	9	2,949	3,668
Cash and bank balances	10	1	67
		2,950	3,735
<b>Total assets</b>		<b>204,366</b>	<b>235,737</b>
<b>Liabilities:</b>			
Creditors	11	(312)	(373)
Distribution payable		(63)	(192)
		(375)	(565)
<b>Total liabilities</b>		<b>(375)</b>	<b>(565)</b>
<b>Net assets attributable to shareholders</b>		<b>203,991</b>	<b>235,172</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(18,598)	17,259
Other gains	2	19
Handling charges taken from the capital account	(3)	(3)
<b>Net capital (losses)/gains</b>	<b>(18,599)</b>	<b>17,275</b>

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	153,457	223,142
Commissions	108	196
Taxes & Other Fees	560	994
<b>Total purchase transaction costs</b>	<b>668</b>	<b>1,190</b>
<b>Purchases including transaction costs</b>	<b>154,125</b>	<b>224,332</b>
<b>Sales</b>		
Gross sales before transaction costs	156,765	222,011
Commissions	(105)	(185)
Taxes & Other Fees	-	(1)
<b>Total sale transaction costs</b>	<b>(105)</b>	<b>(186)</b>
<b>Total sales net of transaction costs</b>	<b>156,660</b>	<b>221,825</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.07%	0.09%
Taxes & Other Fees	0.36%	0.44%
<b>Sales</b>		
Commissions	0.07%	0.08%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.05%	0.08%
Taxes & Other Fees	0.24%	0.44%
<b>Sales</b>		
Commissions	0.05%	0.08%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	154,125	224,332
Collective investment schemes	90,617	104,414
<b>Sales</b>		
Equities	156,660	221,825
Collective investment schemes	90,526	104,164

There were corporate actions (net sales) of £9,315,000 in the year (2018 (net purchases): £365,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.17% (2018: 1.16%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	9,590	5,671
Overseas dividends	71	857
Taxable distributions on offshore funds	7	-
Bank interest	23	27
<b>Total revenue</b>	<b>9,691</b>	<b>6,555</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	2,235	2,272
Dealing charge	6	6
Registration fees	98	97
	2,339	2,375
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	34	34
Safe custody fee	9	5
	43	39
<b>Other:</b>		
Audit fee	9	7
<b>Total expenses</b>	<b>2,391</b>	<b>2,421</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	-	1
<b>Total interest payable &amp; similar charges</b>	<b>-</b>	<b>1</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	5	14
<b>Total current tax</b>	<b>5</b>	<b>14</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	7,300	4,133
Corporation tax at 20% (2018: 20%)	1,460	827
Effects of:		
Revenue not subject to taxation	(1,932)	(1,300)
Overseas taxes	5	14
Excess allowable expenses	472	473
<b>Total tax charge for year (note 7a)</b>	<b>5</b>	<b>14</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

**(c) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax Asset of £3,265,000 (2018: £2,792,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax Asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
First interim distribution	3,493	1,844
Second interim distribution	2,632	2,058
Third interim distribution	2,313	1,825
Final distribution	1,048	775
	9,486	6,502
Add: Income deducted on cancellation of shares	267	48
Deduct: Income received on issue of shares	(119)	(56)
<b>Net distribution for the year</b>	<b>9,634</b>	<b>6,494</b>
Details of the distribution per share are set out in this Fund's distribution tables.		
Net revenue after taxation	7,295	4,119
Annual ACD charge to capital	2,235	2,272
Registration fees taken from the capital account	104	103
<b>Total distributions</b>	<b>9,634</b>	<b>6,494</b>

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	3	41
Sales awaiting settlement	2,206	3,098
Accrued revenue	727	500
Foreign withholding tax recoverable	13	29
<b>Total debtors</b>	<b>2,949</b>	<b>3,668</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Cash and bank balances	1	67
<b>Total cash and bank balances</b>	<b>1</b>	<b>67</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	32	177
Purchases awaiting settlement	99	-
Accrued expenses payable to ACD	164	184
Accrued expenses payable to the Depositary or associates of the Depositary	7	4
Other accrued expenses	10	8
<b>Total creditors</b>	<b>312</b>	<b>373</b>

**12 Related Party Transactions**

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the Fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

**13 Shares in issue reconciliation**

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	25,982,641	130,743	(2,697,787)	15,484,942	38,900,539
Institutional accumulation	48,265,529	4,296,262	(5,934,231)	15,134	46,642,694
Retail income	46,379,591	117,604	(1,793,330)	(34,166,567)	10,537,298
Institutional income	942,915	93,205	(277,149)	-	758,971
Standard Life income	6,679,128	99	(6,679,128)	-	99
Standard Life accumulation	193,167	6,636	(28,329)	-	171,474
Platform 1 accumulation	10,397,625	592,839	(1,574,344)	25,447	9,441,567
Platform 1 income	2,392,256	299,000	(409,108)	-	2,282,148

**14 Fair Value Hierarchy**

	2019 £'000 Level 1	2019 £'000 Level 2	2019 £'000 Level 3	2018 £'000 Level 1	2018 £'000 Level 2	2018 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	198,812	-	-	229,488	-	-
Collective Investment Schemes	-	2,604	-	-	2,513	-
<b>Total investment assets</b>	<b>198,812</b>	<b>2,604</b>	<b>-</b>	<b>229,488</b>	<b>2,513</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

**15 Risk Management Policies & Numerical Disclosures**

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

Each Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Fund Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the Fund.

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £10,071,000 (2018: £11,600,000). A five per cent decrease would have an equal and opposite effect.

**b. Foreign currency risk**

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £25,000 (2018: £25,000). A five per cent decrease would have an equal and opposite effect.

**Currency exposure**

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Euro	13	91
US Dollar	479	407

**c. Interest rate risk**

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	2,606	200,893	203,499
Euro	-	13	13
US Dollar	-	479	479
<b>2018</b>			
<b>Currency</b>			
UK Sterling	2,515	232,159	234,674
Euro	62	29	91
US Dollar	4	403	407

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

**d. Credit risk**

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

**e. Liquidity risk**

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the three months ended 31 May 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 May 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	3.3296	-	3.3296*	1.7237
Group 2	1.4055	1.9241	3.3296*	1.7237
<b>Institutional accumulation</b>				
Group 1	3.3865	-	3.3865*	1.7451
Group 2	1.4598	1.9267	3.3865*	1.7451
<b>Retail income</b>				
Group 1	1.5312	-	1.5312**	0.8159
Group 2	0.5529	0.9783	1.5312**	0.8159
<b>Institutional income</b>				
Group 1	1.1190	-	1.1190**	0.5937
Group 2	0.3525	0.7665	1.1190**	0.5937
<b>Standard Life income</b>				
Group 1	1.7891	-	1.7891**	0.9431
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	3.9962	-	3.9962*	2.0443
Group 2	2.8065	1.1897	3.9962*	2.0443
<b>Platform 1 accumulation</b>				
Group 1	1.5333	-	1.5333*	0.7904
Group 2	0.6576	0.8757	1.5333*	0.7904
<b>Platform 1 income</b>				
Group 1	1.2935	-	1.2935**	0.6864
Group 2	0.6370	0.6565	1.2935**	0.6864

\* Distribution accumulated on 31 May 2018

\*\* Distribution paid on 31 July 2018

For the three months ended 31 August 2018

Group 1 - shares purchased prior to 1 June 2018

Group 2 - shares purchased between 1 June 2018 and 31 August 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	2.6064	-	2.6064*	1.9394
Group 2	1.7570	0.8494	2.6064*	1.9394
<b>Institutional accumulation</b>				
Group 1	2.5828	-	2.5828*	1.9663
Group 2	1.5097	1.0731	2.5828*	1.9663
<b>Retail income</b>				
Group 1	0.5200	-	0.5200**	0.9112
Group 2	0.2367	0.2833	0.5200**	0.9112
<b>Institutional income</b>				
Group 1	0.8427	-	0.8427**	0.6638
Group 2	0.4966	0.3461	0.8427**	0.6638
<b>Standard Life income</b>				
Group 1	1.3503	-	1.3503**	1.0591
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	3.0558	-	3.0558*	2.3084
Group 2	1.7711	1.2847	3.0558*	2.3084
<b>Platform 1 accumulation</b>				
Group 1	1.1660	-	1.1660*	0.8907
Group 2	0.7063	0.4597	1.1660*	0.8907
<b>Platform 1 income</b>				
Group 1	0.9703	-	0.9703**	0.7672
Group 2	0.6404	0.3299	0.9703**	0.7672

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

For the three months ended 30 November 2018

Group 1 - shares purchased prior to 1 September 2018

Group 2 - shares purchased between 1 September 2018 and 30 November 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	2.2913	-	2.2913*	1.7101
Group 2	1.2012	1.0901	2.2913*	1.7101
<b>Institutional accumulation</b>				
Group 1	2.3357	-	2.3357*	1.7355
Group 2	1.8855	0.4502	2.3357*	1.7355
<b>Retail income</b>				
Group 1	1.0356	-	1.0356**	0.7958
Group 2	0.4254	0.6102	1.0356**	0.7958
<b>Institutional income</b>				
Group 1	0.7541	-	0.7541**	0.5796
Group 2	0.4274	0.3267	0.7541**	0.5796
<b>Standard Life income</b>				
Group 1	1.2124	-	1.2124**	0.9400
Group 2	-	-	-	0.9400
<b>Standard Life accumulation</b>				
Group 1	2.7696	-	2.7696*	2.0397
Group 2	1.3274	1.4422	2.7696*	2.0397
<b>Platform 1 accumulation</b>				
Group 1	1.0575	-	1.0575*	0.7860
Group 2	0.5752	0.4823	1.0575*	0.7860
<b>Platform 1 income</b>				
Group 1	0.8706	-	0.8706**	0.6710
Group 2	0.4630	0.4076	0.8706**	0.6710

\* Distribution accumulated on 30 November 2018

\*\* Distribution paid on 31 January 2019

For the three months ended 28 February 2019

Group 1 - shares purchased prior to 1 December 2018

Group 2 - shares purchased between 1 December 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution payable 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	1.0819	-	1.0819*	0.7283
Group 2	0.8358	0.2461	1.0819*	0.7283
<b>Institutional accumulation</b>				
Group 1	1.1045	-	1.1045*	0.7397
Group 2	1.1004	0.0041	1.1045*	0.7397
<b>Retail income</b>				
Group 1	0.4834	-	0.4834**	0.3365
Group 2	0.3292	0.1542	0.4834**	0.3365
<b>Institutional income</b>				
Group 1	0.3523	-	0.3523**	0.2469
Group 2	0.2423	0.1100	0.3523**	0.2469
<b>Standard Life income</b>				
Group 1	0.4053	-	0.4053**	0.3966
Group 2	0.3610	0.0443	0.4053**	0.3966
<b>Standard Life accumulation</b>				
Group 1	1.3113	-	1.3113*	0.8723
Group 2	1.0364	0.2749	1.3113*	0.8723
<b>Platform 1 accumulation</b>				
Group 1	0.4997	-	0.4997*	0.3355
Group 2	0.3503	0.1494	0.4997*	0.3355
<b>Platform 1 income</b>				
Group 1	0.4070	-	0.4070**	0.2841
Group 2	0.3111	0.0959	0.4070**	0.2841

\* Distribution accumulated on 28 February 2019

\*\* Distribution payable on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

Corporate shareholders should account for the current year's dividends shown in the distribution table as follows:

	1st Interim Dividend	2nd Interim Dividend	3rd Interim Dividend	Final Dividend
Treat as a UK corporate dividend	100.00%	100.00%	100.00%	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%	0.00%	0.00%	0.00%

# UK Equity High Income Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Iain Pyle
<b>Launch Date</b>	1 May 1986
<b>Benchmark</b>	IA UK Equity Income Sector

### Investment objective

The objective of the Fund is to provide a high level of income with some capital appreciation over the longer term.

### Investment policy

The investment policy of the Fund is to invest in the UK mostly in high yielding equities and equity type investments of companies listed on a UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. A significant proportion of the Fund may be invested in fixed interest securities. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the opportunity to achieve a high level of income with the potential of some capital appreciation afforded by investing in an actively managed portfolio of mainly high yielding UK equities. The concentrated nature of the portfolio makes it suitable for investors who are willing to accept a moderate degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of equity markets, and should therefore have an investment horizon of at least 5 years.

### Performance

During the period under review, the Fund returned -4.63% compared to the IA UK Equity Income sector average return of -0.61% (source: Morningstar, basic-rate taxpayer, platform one share class, bid-to-bid basis).

Our holding in Vodafone had a negative impact on performance. Investors were sceptical about the company's ability to maintain its dividend and deliver on its investment goals. We are more confident that the headwinds will abate and that management will control its cost base. Not holding pharmaceutical company Shire had a negative effect on performance after it was subject to a takeover bid. Our holding in Superdry detracted from performance after a third profit warning caused the share price to weaken. The latest warning reflects an unseasonably warm spell of weather in Europe over the winter. We expect a recovery in 2019.

On the upside, Cineworld was a positive contributor. Its shares rose after delivering results that vindicated its recent acquisition of Regal Entertainment in the US. Revenues and earnings grew at a double-digit pace, resulting in substantial upgrades to earnings forecasts. Drinks company Fever-Tree was also positive. It announced good results, with the UK business performing particularly well. Management also highlighted the scope for growth in the US. Finally, our holding in pharmaceutical distributor Clinigen Group was beneficial. Its shares appreciated following a well-received acquisition.

### Investment activity

Recent purchases included Superdry at what we believed was an attractive entry point after it announced disappointing in-store sales. In our view, this price reaction was overdone; strong online sales and geographical expansion suggest the business is still growing at a considerable rate. Abcam was also a new holding for the Fund. The company supplies antibodies for medical research and diagnostic use. It has a market-leading position in an expanding market. Abcam has a record of delivering consistent dividend growth backed by strong cash flow and low debt. Lastly, we decided to invest in UK-water provider United Utilities as it offered an attractive yield.

Regarding sales, we sold plastics manufacturer RPC following a bid for the company. The shares were trading above the bid price and we took the opportunity to reinvest the proceeds in other areas. We decided to eliminate Sage from the portfolio too. This was a recent reintroduction to the Fund in the second half of 2018, but the shares looked overvalued for a subscription-based software business. Finally, we reduced our holding in Dixons Carphone after strong performance and ahead of a profit warning from the new CEO.

### Synthetic Risk & Reward Indicator

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future. Where the share class does not have a history of five years, an alternative share class or a representative benchmark has been used to show how the Fund price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

#### Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

	2019	2018	2017
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	251.52	238.36	213.87
Return before operating charges*	(7.45)	16.45	27.38
Operating charges	(3.30)	(3.29)	(2.89)
Return after operating charges*	(10.75)	13.16	24.49
Distributions	(12.35)	(9.96)	(10.03)
Retained distributions on accumulation share	12.35	9.96	10.03
Closing net asset value per share	240.77	251.52	238.36
* after direct transaction costs of:	0.54	0.38	0.32
<b>Performance</b>			
Return after charges	(4.27%)	5.52%	11.45%
<b>Other information</b>			
Closing net asset value (£'000)	96,548	68,077	75,943
Closing number of shares	40,099,571	27,066,578	31,860,354
Operating charges	1.32%	1.31%	1.31%
Direct transaction costs	0.21%	0.15%	0.15%
<b>Prices</b>			
Highest share price	276.6	269.8	238.6
Lowest share price	218.7	237.6	189.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	281.70	265.72	237.24
Return before operating charges*	(8.37)	18.35	30.54
Operating charges	(2.39)	(2.37)	(2.06)
Return after operating charges*	(10.76)	15.98	28.48
Distributions	(13.87)	(11.13)	(11.16)
Retained distributions on accumulation share	13.87	11.13	11.16
Closing net asset value per share	270.94	281.70	265.72
* after direct transaction costs of:	0.60	0.42	0.36
<b>Performance</b>			
Return after charges	(3.82%)	6.01%	12.00%
<b>Other information</b>			
Closing net asset value (£'000)	231,571	195,927	145,063
Closing number of shares	85,468,987	69,550,690	54,593,197
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.21%	0.15%	0.15%
<b>Prices</b>			
Highest share price	310.1	302.0	265.9
Lowest share price	245.9	265.0	210.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	85.07	83.91	78.72
Return before operating charges*	(2.33)	5.77	9.89
Operating charges	(1.12)	(1.14)	(1.05)
Return after operating charges*	(3.45)	4.63	8.84
Distributions	(4.14)	(3.47)	(3.65)
Closing net asset value per share	77.48	85.07	83.91
* after direct transaction costs of:	0.18	0.13	0.12
<b>Performance</b>			
Return after charges	(4.06%)	5.52%	11.23%
<b>Other information</b>			
Closing net asset value (£'000)	24,146	72,420	76,307
Closing number of shares	31,162,076	85,131,399	90,939,439
Operating charges	1.32%	1.31%	1.31%
Direct transaction costs	0.21%	0.15%	0.15%
<b>Prices</b>			
Highest share price	93.54	92.77	85.44
Lowest share price	71.83	83.65	69.58

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	95.27	93.53	87.30
Return before operating charges*	(2.63)	6.44	11.04
Operating charges	(0.80)	(0.82)	(0.75)
Return after operating charges*	(3.43)	5.62	10.29
Distributions	(4.64)	(3.88)	(4.06)
Closing net asset value per share	87.20	95.27	93.53
* after direct transaction costs of:	0.20	0.15	0.13
<b>Performance</b>			
Return after charges	(3.60%)	6.01%	11.79%
<b>Other information</b>			
Closing net asset value (£'000)	32,231	36,939	41,165
Closing number of shares	36,960,876	38,771,540	44,012,526
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.21%	0.15%	0.15%
<b>Prices</b>			
Highest share price	104.9	103.8	95.22
Lowest share price	80.77	93.30	77.31

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	68.95	67.13	62.14
Return before operating charges*	(1.93)	4.62	7.90
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	(1.94)	4.61	7.89
Distributions	(3.37)	(2.79)	(2.90)
Closing net asset value per share	63.64	68.95	67.13
* after direct transaction costs of:	0.15	0.11	0.09
<b>Performance</b>			
Return after charges	(2.81%)	6.87%	12.70%
<b>Other information</b>			
Closing net asset value (£'000)	33,640	50,320	80,860
Closing number of shares	52,856,582	72,979,527	120,456,846
Operating charges	0.02%	0.01%	0.01%
Direct transaction costs	0.21%	0.15%	0.14%
<b>Prices</b>			
Highest share price	76.04	75.07	68.32
Lowest share price	58.86	67.04	55.17

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	165.76	155.19	137.51
Return before operating charges*	(4.97)	10.72	17.81
Operating charges	(0.17)	(0.15)	(0.13)
Return after operating charges*	(5.14)	10.57	17.68
Distributions	(8.19)	(6.52)	(6.49)
Retained distributions on accumulation share	8.19	6.52	6.49
Closing net asset value per share	160.62	165.76	155.19
* after direct transaction costs of:	0.36	0.25	0.21
<b>Performance</b>			
Return after charges	(3.10%)	6.81%	12.86%
<b>Other information</b>			
Closing net asset value (£'000)	469	656	570
Closing number of shares	291,774	395,824	367,557
Operating charges	0.10%	0.09%	0.09%
Direct transaction costs	0.21%	0.15%	0.15%
<b>Prices</b>			
Highest share price	182.8	177.5	155.3
Lowest share price	145.6	155.0	122.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	310.66	291.72	259.28
Return before operating charges*	(9.27)	20.15	33.49
Operating charges	(1.25)	(1.21)	(1.05)
Return after operating charges*	(10.52)	18.94	32.44
Distributions	(15.33)	(12.24)	(12.22)
Retained distributions on accumulation share	15.33	12.24	12.22
Closing net asset value per share	300.14	310.66	291.72
* after direct transaction costs of:	0.67	0.46	0.39
<b>Performance</b>			
Return after charges	(3.39%)	6.49%	12.51%
<b>Other information</b>			
Closing net asset value (£'000)	42,922	51,500	56,194
Closing number of shares	14,300,401	16,577,787	19,263,296
Operating charges	0.40%	0.39%	0.39%
Direct transaction costs	0.21%	0.15%	0.15%
<b>Prices</b>			
Highest share price	342.3	332.8	291.9
Lowest share price	272.2	291.1	229.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	89.95	84.89	75.83
Return before operating charges*	(2.67)	5.86	9.76
Operating charges	(0.81)	(0.80)	(0.70)
Return after operating charges*	(3.48)	5.06	9.06
Distributions	(4.43)	(3.55)	(3.57)
Retained distributions on accumulation share	4.43	3.55	3.57
Closing net asset value per share	86.47	89.95	84.89
* after direct transaction costs of:	0.19	0.13	0.11
<b>Performance</b>			
Return after charges	(3.87%)	5.96%	11.95%
<b>Other information</b>			
Closing net asset value (£'000)	30,320	39,597	42,734
Closing number of shares	35,064,338	44,022,322	50,342,377
Operating charges	0.90%	0.89%	0.89%
Direct transaction costs	0.21%	0.15%	0.14%
<b>Prices</b>			
Highest share price	99.00	96.43	84.96
Lowest share price	78.49	84.66	67.14

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	71.34	70.07	65.44
Return before operating charges*	(1.97)	4.83	8.26
Operating charges	(0.63)	(0.65)	(0.59)
Return after operating charges*	(2.60)	4.18	7.67
Distributions	(3.47)	(2.91)	(3.04)
Closing net asset value per share	65.27	71.34	70.07
* after direct transaction costs of:	0.15	0.11	0.10
<b>Performance</b>			
Return after charges	(3.64%)	5.97%	11.72%
<b>Other information</b>			
Closing net asset value (£'000)	28,147	36,126	40,364
Closing number of shares	43,126,088	50,637,905	57,602,045
Operating charges	0.90%	0.89%	0.89%
Direct transaction costs	0.21%	0.15%	0.15%
<b>Prices</b>			
Highest share price	78.52	77.76	71.34
Lowest share price	60.46	69.90	57.94

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional S accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	67.87	63.97	57.09
Return before operating charges*	(1.84)	4.42	7.34
Operating charges	(0.55)	(0.52)	(0.46)
Return after operating charges*	(2.39)	3.90	6.88
Distributions	(3.74)	(2.69)	(2.69)
Retained distributions on accumulation share	3.74	2.69	2.69
Closing net asset value per share	65.48	67.87	63.97
* after direct transaction costs of:	0.15	0.10	0.09
<b>Performance</b>			
Return after charges	(3.52%)	6.10%	12.05%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>A</sup>	1	1
Closing number of shares	200	2,200	2,200
Operating charges	0.78%	0.77%	0.77%
Direct transaction costs	0.21%	0.15%	0.15%
<b>Prices</b>			
Highest share price	74.74	72.73	64.03
Lowest share price	59.37	63.82	50.59

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> The closing net asset value of Institutional S accumulation is £131.

Institutional S income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.12	55.06	51.32
Return before operating charges*	(1.51)	3.78	6.53
Operating charges	(0.44)	(0.44)	(0.40)
Return after operating charges*	(1.95)	3.34	6.13
Distributions	(2.60)	(2.28)	(2.39)
Closing net asset value per share	51.57	56.12	55.06
* after direct transaction costs of:	0.12	0.09	0.08
<b>Performance</b>			
Return after charges	(3.47%)	6.07%	11.94%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>A</sup>	90,042	97,835
Closing number of shares	200	160,439,922	177,696,746
Operating charges	0.78%	0.77%	0.77%
Direct transaction costs	0.21%	0.15%	0.15%
<b>Prices</b>			
Highest share price	61.79	61.16	56.05
Lowest share price	47.72	54.93	45.49

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> The closing net asset value of Institutional S income is £103.

Institutional A accumulation <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	59.34	56.40	50.75
Return before operating charges*	4.97	3.88	6.48
Operating charges	(0.49)	(0.94)	(0.83)
Return after operating charges*	4.48	2.94	5.65
Distributions	-	(2.36)	(2.38)
Retained distributions on accumulation share	-	2.36	2.38
Redemption value as at 7 June 2018	(63.82)	-	-
Closing net asset value per share	-	59.34	56.40
* after direct transaction costs of:	0.07	0.09	0.08
<b>Performance</b>			
Return after charges	7.55%	5.21%	11.13%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	2,200	2,200
Operating charges	1.60%	1.59%	1.59%
Direct transaction costs	0.22%	0.15%	0.15%
<b>Prices</b>			
Highest share price	65.22	63.70	56.46
Lowest share price	57.26	56.20	44.83

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> Share class closed on 7 June 2018.

Institutional A income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.26	53.66	50.47
Return before operating charges*	(1.49)	3.71	6.34
Operating charges	(0.85)	(0.89)	(0.81)
Return after operating charges*	(2.34)	2.82	5.53
Distributions	(2.63)	(2.22)	(2.34)
Closing net asset value per share	49.29	54.26	53.66
* after direct transaction costs of:	0.11	0.08	0.08
<b>Performance</b>			
Return after charges	(4.31%)	5.26%	10.96%
<b>Other information</b>			
Closing net asset value (£'000)	75	84	83
Closing number of shares	152,848	154,848	154,848
Operating charges	1.60%	1.59%	1.59%
Direct transaction costs	0.21%	0.15%	0.16%
<b>Prices</b>			
Highest share price	59.63	59.20	54.65
Lowest share price	45.72	53.48	44.59

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (99.35%)</b>		<b>512,308</b>	<b>98.51</b>
<b>Basic Materials (11.36%)</b>		<b>42,486</b>	<b>8.17</b>
101,898	Anglo American	2,041	0.39
1,028,371	BHP	17,953	3.45
5,948,747	Glencore	18,078	3.48
142,737	Johnson Matthey	4,414	0.85
<b>Consumer Goods (18.92%)</b>		<b>75,778</b>	<b>14.57</b>
177,854	Bellway	5,378	1.03
299,289	Bovis Homes	3,235	0.62
843,949	British American Tobacco	23,276	4.48
1,571,384	Countryside Properties	5,120	0.98
2,518,361	Dixons Carphone	3,342	0.64
165,348	Fever Tree Drinks*	4,426	0.85
529,512	Imperial Brands	13,291	2.56
880,175	Inchcape	4,969	0.96
393,486	Persimmon	9,570	1.84
612,754	SuperGroup	3,171	0.61
<b>Consumer Services (11.31%)</b>		<b>35,878</b>	<b>6.90</b>
1,592,254	888 Holdings	2,818	0.54
2,446,576	Cineworld	6,821	1.31
181,508	Go-Ahead	3,706	0.71
1,533,457	GVC	10,060	1.94
608,055	Just Eat	4,537	0.87
6,558,240	Saga	7,936	1.53
<b>Financials (24.36%)</b>		<b>135,404</b>	<b>26.04</b>
969,598	Ashmore	4,090	0.79
3,146,793	Aviva	13,314	2.56
5,249,316	Barclays	8,616	1.66
306,048	Close Brothers	4,618	0.89
2,281,177	Direct Line	8,135	1.56
1,749,802	Hastings Group	3,913	0.75
4,594,243	HSBC	28,154	5.41
1,785,253	John Laing Group	6,852	1.32
1,938,830	Legal & General	5,438	1.05
80,016	London Stock Exchange	3,605	0.69
1,245,851	Phoenix	8,707	1.67
1,129,789	Prudential	17,958	3.45
1,005,496	Purplebricks	1,427	0.28

Holding	Investment	Market value £'000	Percentage of total net assets
2,222,039	Royal Bank of Scotland	5,902	1.14
569,008	St James's Place	5,532	1.06
1,520,035	Standard Chartered	9,143	1.76
<b>Health Care (5.78%)</b>		<b>41,155</b>	<b>7.91</b>
66,526	Abcam*	854	0.17
110,899	AstraZeneca	6,807	1.31
774,643	Clinigen*	7,406	1.42
1,185,029	GlaxoSmithKline	17,742	3.41
3,738,299	Indivior	4,013	0.77
160,362	NMC Healthcare	4,333	0.83
<b>Industrials (7.41%)</b>		<b>40,994</b>	<b>7.88</b>
1,386,255	BAE Systems	6,459	1.24
555,356	Bodycote	4,212	0.81
103,747	Ferguson	5,416	1.04
1,577,479	Kier	8,219	1.58
1,282,941	Polypipe	5,329	1.02
1,287,748	Senior	2,946	0.57
1,116,270	Smith (DS)	3,744	0.72
769,267	Vesuvius	4,669	0.90
<b>Oil &amp; Gas (11.73%)</b>		<b>100,236</b>	<b>19.27</b>
6,952,247	BP	37,146	7.14
804,056	Energiean Oil & Gas	5,292	1.02
944,797	Kosmos Energy	4,442	0.85
1,169,976	Royal Dutch Shell 'A'	27,483	5.28
554,110	Royal Dutch Shell 'B'	13,099	2.52
16,340,479	Savannah Petroleum*	4,396	0.85
1,714,513	Tullow Oil	3,779	0.73
884,119	Wood Group	4,599	0.88
<b>Technology (0.54%)</b>		-	-
<b>Telecommunications (4.48%)</b>		<b>18,494</b>	<b>3.56</b>
13,774,720	Vodafone	18,494	3.56
<b>Utilities (3.46%)</b>		<b>21,883</b>	<b>4.21</b>
1,900,890	National Grid	16,116	3.10
686,587	United Utilities	5,767	1.11

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (0.98%)</b>		<b>5,655</b>	<b>1.09</b>
5,655	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	5,655	1.09
<b>Total investment assets</b>		<b>517,963</b>	<b>99.60</b>
<b>Net other assets</b>		<b>2,106</b>	<b>0.40</b>
<b>Total Net Assets</b>		<b>520,069</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

\* AIM listed

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(39,106)		17,869
Revenue	4	28,415		26,520	
Expenses	5	(4,868)		(5,471)	
Interest payable and similar charges	6	(1)		(4)	
Net revenue before taxation		23,546		21,045	
Taxation	7	(171)		(184)	
Net revenue after taxation			23,375		20,861
<b>Total return before distributions</b>			<b>(15,731)</b>		<b>38,730</b>
Distributions	8		(28,140)		(26,243)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(43,871)</b>		<b>12,487</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>641,690</b>		<b>657,120</b>
Amounts receivable on the issue of shares	102,762		67,016	
Amounts payable on the cancellation of shares	(201,186)		(109,787)	
		(98,424)		(42,771)
Dilution adjustment		501		539
Change in net assets attributable to shareholders from investment activities (see above)		(43,871)		12,487
Retained distribution on accumulation shares		20,170		14,311
Unclaimed distributions		3		4
<b>Closing net assets attributable to shareholders</b>		<b>520,069</b>		<b>641,690</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		517,963	643,820
<b>Current assets:</b>			
Debtors	9	8,977	3,627
Cash and bank balances		4	2
		8,981	3,629
<b>Total assets</b>		<b>526,944</b>	<b>647,449</b>
<b>Liabilities:</b>			
Creditors	10	(4,453)	(1,023)
Distribution payable		(2,422)	(4,736)
		(6,875)	(5,759)
<b>Total liabilities</b>		<b>(6,875)</b>	<b>(5,759)</b>
<b>Net assets attributable to shareholders</b>		<b>520,069</b>	<b>641,690</b>

## Notes to the Financial Statements

## 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

## 2 Net Capital (Losses)/Gains

	2019 £'000	2018 £'000
Non-derivative securities	(39,107)	17,847
Other gains	4	25
Handling charges taken from the capital account	(3)	(3)
<b>Net capital (losses)/gains</b>	<b>(39,106)</b>	<b>17,869</b>

## 3 Equity Purchases, Sales and Transaction Costs

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	213,038	151,384
Commissions	129	111
Taxes & Other Fees	898	690
<b>Total purchase transaction costs</b>	<b>1,027</b>	<b>801</b>
<b>Purchases including transaction costs</b>	<b>214,065</b>	<b>152,185</b>
<b>Sales</b>		
Gross sales before transaction costs	303,533	194,091
Commissions	(187)	(189)
<b>Total sale transaction costs</b>	<b>(187)</b>	<b>(189)</b>
<b>Total sales net of transaction costs</b>	<b>303,346</b>	<b>193,902</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.06%	0.07%
Taxes & Other Fees	0.42%	0.46%
<b>Sales</b>		
Commissions	0.06%	0.10%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.02%	0.02%
Taxes & Other Fees	0.16%	0.10%
<b>Sales</b>		
Commissions	0.03%	0.03%
Taxes & Other Fees	-	-

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	214,065	152,185
Collective investment schemes	196,356	170,896
<b>Sales</b>		
Equities	303,346	193,902
Collective investment schemes	196,994	164,603

There were corporate actions (net purchases) of £3,177,000 in the year (2018: £2,323,000)

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.10% (2018: 1.18%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	26,255	23,478
Overseas dividends	2,120	3,020
Taxable distributions on offshore funds	14	-
Bank interest	26	22
<b>Total revenue</b>	<b>28,415</b>	<b>26,520</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	4,414	4,956
Dealing charge	40	69
Registration fees	311	358
	4,765	5,383
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	61	66
Safe custody fee	33	17
	94	83
<b>Other:</b>		
Professional fees	-	(3)
Audit fee	9	8
	9	5
<b>Total expenses</b>	<b>4,868</b>	<b>5,471</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	1	4
<b>Total interest payable &amp; similar charges</b>	<b>1</b>	<b>4</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	171	184
<b>Total current tax (note 7b)</b>	<b>171</b>	<b>184</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	23,546	21,045
Corporation tax at 20% (2018: 20%)	4,709	4,209
Effects of:		
Revenue not subject to taxation	(5,675)	(5,299)
Overseas taxes	171	184
Excess allowable expenses	966	1,090
<b>Total tax charge for year (note 7a)</b>	<b>171</b>	<b>184</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

**(c) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £16,688,000 (2018: £15,721,000) due to surplus expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Interim distribution	16,309	16,101
Final distribution	10,489	10,535
	26,798	26,636
Add: Income deducted on cancellation of shares	2,941	838
Deduct: Income received on issue of shares	(1,599)	(1,231)
<b>Net distribution for the year</b>	<b>28,140</b>	<b>26,243</b>
Details of the distribution per share are set out in this Fund's distribution tables.		
Net revenue after taxation	23,375	20,861
Annual ACD charge to capital	4,414	4,956
Registration fees taken from the capital account	311	357
Dealing charges taken from the capital account	40	69
<b>Total distributions</b>	<b>28,140</b>	<b>26,243</b>

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	34	45
Sales awaiting settlement	5,934	-
Accrued revenue	2,868	3,416
Foreign withholding tax recoverable	141	166
<b>Total debtors</b>	<b>8,977</b>	<b>3,627</b>

**10 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	1,764	582
Purchases awaiting settlement	2,323	10
Accrued expenses payable to ACD	341	411
Accrued expenses payable to the Depositary or associates of the Depositary	14	9
Other accrued expenses	11	11
<b>Total creditors</b>	<b>4,453</b>	<b>1,023</b>

**11 Related Party Transactions**

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the Fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 10.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 10.

**12 Shares in issue reconciliation**

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	27,066,578	119,186	(4,147,161)	17,060,968	40,099,571
Institutional accumulation	69,550,690	18,526,783	(2,720,697)	112,211	85,468,987
Retail income	85,131,399	1,023,062	(4,067,939)	(50,924,446)	31,162,076
Institutional income	38,771,540	2,785,841	(4,887,702)	291,197	36,960,876
Standard Life income	72,979,527	-	(20,122,945)	-	52,856,582
Standard Life accumulation	395,824	12,238	(116,288)	-	291,774
Institutional regulated accumulation	16,577,787	261,628	(2,539,014)	-	14,300,401
Platform 1 accumulation	44,022,322	309,627	(9,125,974)	(141,637)	35,064,338
Platform 1 income	50,637,905	1,155,917	(8,585,060)	(82,674)	43,126,088
Institutional S accumulation	2,200	-	(2,000)	-	200
Institutional S income	160,439,922	-	(160,439,722)	-	200
Institutional A accumulation	2,200	-	(2,200)	-	-
Institutional A income	154,848	-	(2,000)	-	152,848

**13 Fair Value Hierarchy**

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	512,308	-	-	637,526	-	-
Collective Investment Schemes	-	5,655	-	-	6,294	-
<b>Total investment assets</b>	<b>512,308</b>	<b>5,655</b>	<b>-</b>	<b>637,526</b>	<b>6,294</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

#### 14 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

##### a. Market price risk

Each Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Fund Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the Fund.

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £25,898,000 (2018: £32,191,000). A five per cent decrease would have an equal and opposite effect.

##### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £99,000 (2018: £108,000). A five per cent decrease would have an equal and opposite effect.

##### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Euro	70	127
US Dollar	1,906	2,037

##### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	5,657	512,436	518,093
Euro	2	68	70
US Dollar	-	1,906	1,906
<b>2018</b>			
<b>Currency</b>			
UK Sterling	12,589	626,937	639,526
Euro	-	127	127
US Dollar	-	2,037	2,037

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

#### **d. Credit risk**

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

#### **e. Liquidity risk**

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the six months ended 31 August 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 August 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	7.5128	-	7.5128*	5.8579
Group 2	2.8530	4.6598	7.5128*	5.8579
<b>Institutional accumulation</b>				
Group 1	8.4307	-	8.4307*	6.5384
Group 2	1.8059	6.6248	8.4307*	6.5384
<b>Retail income</b>				
Group 1	2.5544	-	2.5544**	2.0623
Group 2	1.4663	1.0881	2.5544**	2.0623
<b>Institutional income</b>				
Group 1	2.8515	-	2.8515**	2.3016
Group 2	1.4075	1.4440	2.8515**	2.3016
<b>Standard Life income</b>				
Group 1	2.0679	-	2.0679**	1.6555
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	4.9693	-	4.9693*	3.8263
Group 2	2.7934	2.1759	4.9693*	3.8263
<b>Institutional regulated accumulation</b>				
Group 1	9.3079	-	9.3079*	7.1866
Group 2	4.8923	4.4156	9.3079*	7.1866
<b>Platform 1 accumulation</b>				
Group 1	2.6921	-	2.6921*	2.0885
Group 2	1.4561	1.2360	2.6921*	2.0885
<b>Platform 1 income</b>				
Group 1	2.1351	-	2.1351**	1.7241
Group 2	1.1011	1.0340	2.1351**	1.7241
<b>Institutional S accumulation</b>				
Group 1	2.0345	-	2.0345*	1.5781
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	1.5813	-	1.5813**	1.3550
Group 2	-	-	-	1.3550
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	1.3904
Group 2	-	-	-	-
<b>Institutional A income</b>				
Group 1	1.6212	-	1.6212**	1.3180
Group 2	-	-	-	-

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

<sup>^</sup> Share class closed on 7 June 2018.

For the six months ended 28 February 2019

Group 1 - shares purchased prior to 1 September 2018

Group 2 - shares purchased between 1 September 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	4.8391	-	4.8391*	4.1027
Group 2	2.2208	2.6183	4.8391*	4.1027
<b>Institutional accumulation</b>				
Group 1	5.4389	-	5.4389*	4.5930
Group 2	3.5477	1.8912	5.4389*	4.5930
<b>Retail income</b>				
Group 1	1.5894	-	1.5894**	1.4114
Group 2	0.6674	0.9220	1.5894**	1.4114
<b>Institutional income</b>				
Group 1	1.7865	-	1.7865**	1.5789
Group 2	1.1735	0.6130	1.7865**	1.5789
<b>Standard Life income</b>				
Group 1	1.3011	-	1.3011**	1.1378
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	3.2184	-	3.2184*	2.6982
Group 2	2.0369	1.1815	3.2184*	2.6982
<b>Institutional regulated accumulation</b>				
Group 1	6.0184	-	6.0184*	5.0581
Group 2	3.4099	2.6085	6.0184*	5.0581
<b>Platform 1 accumulation</b>				
Group 1	1.7360	-	1.7360*	1.4659
Group 2	0.9983	0.7377	1.7360*	1.4659
<b>Platform 1 income</b>				
Group 1	1.3373	-	1.3373**	1.1822
Group 2	0.5690	0.7683	1.3373**	1.1822
<b>Institutional S accumulation</b>				
Group 1	1.7050	-	1.7050*	1.1100
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	1.0150	-	1.0150**	0.9296
Group 2	-	-	-	-
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.9704
Group 2	-	-	-	-
<b>Institutional A income</b>				
Group 1	1.0117	-	1.0117**	0.9012
Group 2	-	-	-	-

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 7 June 2018

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

Corporate shareholders should account for the current year's dividends shown in the distribution table as follows:

	Interim Dividend	Final Dividend
Treat as a UK corporate dividend	100.00%	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%	0.00%

# UK Equity Recovery Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Andrew Hunt
<b>Launch Date</b>	6 March 2009
<b>Benchmark</b>	IA UK All Companies Sector

### Investment objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of UK companies or companies which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. "UK companies" will include companies incorporated in the UK or companies listed on a UK stock exchange which may not be incorporated in the UK or have the majority of their economic activity in the UK.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential for capital growth opportunities afforded by investing in an actively managed portfolio of mainly "recovery" UK equities. The concentrated nature of the portfolio makes it suitable for investors who are willing to accept a relatively high degree of sector or stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of equity markets and should therefore have an investment time horizon of at least 5 years.

### Performance

During the period under review, the Fund returned -6.29% compared to the IA UK All Companies sector average return of -1.19% (source: Morningstar, basic rate taxpayer, Platform One share class, bid-to-bid basis).

Energy company Nostrum Oil & Gas was the largest negative contributor towards performance. The Kazakhstan-focused business suffered delays to projects, persistent downward revision of production targets and rising costs. Energy broker Utilitywise was a further drag on returns, as the company went into administration. Travel agent Thomas Cook also underperformed. It announced profit warnings in the face of increased online competition and a move away from packaged holidays. The plight of the company worsened when demand fell for its holidays during a sustained period of hot weather in the UK. Others that

had a negative impact on performance included Debenhams, Gulf Marine Services and Petra Diamonds.

On the upside, plastic windows and doors manufacturer Safestyle UK added to returns. The business won a legal battle over a competitor. This cleared the way for operational recovery and the return of growth. Acacia Mining also added to relative performance. The share price bounced on signs of progress in resolving a dispute with the Tanzanian government. The company also improved production and cash generation. Lastly, Kurdistan-focused oil exploration and production company Genel Energy was another positive contributor. A rising oil price and the delivery of operational improvements helped it.

### Activity

Buying activity focused on adding to underperforming existing holdings where the long-term investment case remains intact. These holdings included Nostrum Oil & Gas, Babcock International, Thomas Cook, Cairn Energy, Intu Properties and Standard Chartered. We believe the potential upside for these holdings is considerable. Other purchases included motor insurer Hastings. It is best-in-class for its systems capabilities and cost base. The insurer has a record of profitable growth. We also started a new position in facilities management company Mitie. Its valuation is compelling with evidence of self-help emerging and better financial performance.

Notable sales included Virgin Money and Genel Energy. We reduced our holding in Virgin Money after the company was bid for by Clydesdale Bank. The share price reached a level that captured both the risks and opportunities of the merger. We completely sold out of Genel given the strength of its share price as the good news looked priced in while the risks remained high. We also reduced Anglo American as rising commodity prices and management self-help was reflected in its valuation. We completely sold out of Plus500, El Group, Wood Group and SThree. All of these companies had performed well and we sold them to make way for more compelling ideas.

### Synthetic Risk & Reward Indicator

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←						→
1	2	3	4	5	<b>6</b>	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained. For further information on the risks that may not be fully captured by the risk and reward indicator, please request the current Key Investor Information Document (KIID).

#### Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	234.93	230.74	146.27
Return before operating charges*	(9.01)	7.48	87.12
Operating charges	(3.29)	(3.29)	(2.65)
Return after operating charges*	(12.30)	4.19	84.47
Distributions	(2.59)	(2.37)	(1.50)
Retained distributions on accumulation share	2.59	2.37	1.50
Closing net asset value per share	222.63	234.93	230.74
* after direct transaction costs of:	2.50	0.76	1.48
<b>Performance</b>			
Return after charges	(5.24%)	1.82%	57.75%
<b>Other information</b>			
Closing net asset value (£'000)	7,411	8,307	13,273
Closing number of shares	3,328,941	3,536,192	5,752,228
Operating charges	1.38%	1.40%	1.40%
Direct transaction costs	1.05%	0.32%	0.78%
<b>Prices</b>			
Highest share price	272.3	260.6	238.9
Lowest share price	202.8	219.5	145.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per shares(p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Sub-fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	250.49	244.89	154.47
Return before operating charges*	(9.79)	7.93	92.28
Operating charges	(2.19)	(2.33)	(1.86)
Return after operating charges*	(11.98)	5.60	90.42
Distributions	(3.94)	(3.75)	(2.59)
Retained distributions on accumulation share	3.94	3.75	2.59
Closing net asset value per share	238.51	250.49	244.89
* after direct transaction costs of:	2.51	0.81	1.53
<b>Performance</b>			
Return after charges	(4.78%)	2.29%	58.54%
<b>Other information</b>			
Closing net asset value (£'000)	154,990	3,632	21,314
Closing number of shares	64,982,269	1,450,022	8,703,435
Operating charges	0.92%	0.93%	0.93%
Direct transaction costs	1.05%	0.32%	0.76%
<b>Prices</b>			
Highest share price	290.6	277.6	253.5
Lowest share price	217.1	233.3	153.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per shares(p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Sub-fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	221.67	219.96	140.02
Return before operating charges*	(8.81)	7.04	83.99
Operating charges	(0.07)	(0.11)	(0.08)
Return after operating charges*	(8.88)	6.93	83.91
Distributions	(5.37)	(5.22)	(3.97)
Closing net asset value per share	207.42	221.67	219.96
* after direct transaction costs of:	2.37	0.73	1.40
<b>Performance</b>			
Return after charges	(4.01%)	3.15%	59.93%
<b>Other information</b>			
Closing net asset value (£'000)	7,902	8,450	5,044
Closing number of shares	3,809,752	3,811,752	2,293,217
Operating charges	0.03%	0.05%	0.05%
Direct transaction costs	1.05%	0.32%	0.76%
<b>Prices</b>			
Highest share price	257.7	251.3	231.7
Lowest share price	193.4	210.2	139.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per shares(p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Sub-fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	269.29	261.18	163.44
Return before operating charges*	(10.55)	8.46	98.01
Operating charges	(0.31)	(0.35)	(0.27)
Return after operating charges*	(10.86)	8.11	97.74
Distributions	(6.43)	(6.10)	(4.46)
Retained distributions on accumulation share	6.43	6.10	4.46
Closing net asset value per share	258.43	269.29	261.18
* after direct transaction costs of:	2.88	0.87	1.49
<b>Performance</b>			
Return after charges	(4.03%)	3.11%	59.80%
<b>Other information</b>			
Closing net asset value (£'000)	1,324	1,263	1,155
Closing number of shares	512,233	469,084	442,293
Operating charges	0.11%	0.13%	0.13%
Direct transaction costs	1.05%	0.32%	0.70%
<b>Prices</b>			
Highest share price	313.0	298.2	270.3
Lowest share price	234.9	249.5	162.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per shares(p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Sub-fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	125.08	122.41	77.31
Return before operating charges*	(4.84)	3.96	46.13
Operating charges	(1.29)	(1.29)	(1.03)
Return after operating charges*	(6.13)	2.67	45.10
Distributions	(1.83)	(1.71)	(1.19)
Retained distributions on accumulation share	1.83	1.71	1.19
Closing net asset value per share	118.95	125.08	122.41
* after direct transaction costs of:	1.34	0.40	0.85
<b>Performance</b>			
Return after charges	(4.90%)	2.18%	58.34%
<b>Other information</b>			
Closing net asset value (£'000)	6,839	21,628	27,764
Closing number of shares	5,749,251	17,291,663	22,680,694
Operating charges	1.01%	1.03%	1.03%
Direct transaction costs	1.05%	0.32%	0.84%
<b>Prices</b>			
Highest share price	145.1	138.7	126.7
Lowest share price	108.3	116.6	77.0

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per shares(p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Sub-fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (98.81%)</b>		<b>177,182</b>	<b>99.28</b>
<b>Basic Materials (16.86%)</b>		<b>9,088</b>	<b>5.09</b>
2,142,048	Glencore	6,510	3.65
9,440,244	Petra Diamonds	2,097	1.17
1,857,257	Sylvania Platinum*	481	0.27
<b>Consumer Goods (8.52%)</b>		<b>14,678</b>	<b>8.22</b>
13,371,144	Accrol*	2,928	1.64
42,748,005	Debenhams	1,325	0.74
1,427,401	Dixons Carphone	1,894	1.06
1,287,115	McBride	1,285	0.72
2,027,341	McCarthy & Stone	2,504	1.40
379,966	SuperGroup	1,966	1.10
4,149,798	Topps Tiles	2,776	1.56
<b>Consumer Services (14.76%)</b>		<b>32,438</b>	<b>18.18</b>
340,985	FirstGroup	304	0.17
176,710	Go-Ahead	3,608	2.02
3,998,724	N Brown Group	4,051	2.27
392,020	Playtech	1,656	0.93
2,418,348	Reach	1,457	0.82
5,105,449	SafeStyle*	3,566	2.00
6,209,557	Saga	7,514	4.21
29,200,278	Thomas Cook	8,859	4.96
2,572,341	XLMedia*	1,423	0.80
<b>Financials (23.02%)</b>		<b>53,539</b>	<b>29.99</b>
836,385	Aviva	3,539	1.98
580,166	Barclays	952	0.53
2,941,368	CMC Markets	2,453	1.37
2,028,948	CYBG	3,983	2.23
65,801	Hammerson	251	0.14
4,252,040	Hastings Group	9,508	5.33
788,035	International Personal Finance	1,581	0.89
7,344,148	Intu Properties	8,449	4.73
301,921	John Laing Group	1,159	0.65
6,362,624	Just Retirement	6,553	3.67
243,181	Man Strategic	336	0.19
836,936	Provident Financial	5,037	2.82
1,618,913	Standard Chartered	9,738	5.46

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Health Care (1.64%)</b>		<b>8,415</b>	<b>4.72</b>
7,838,796	Indivior	8,415	4.72
<b>Industrials (8.93%)</b>		<b>16,528</b>	<b>9.26</b>
93,843	Aggreko	672	0.38
1,776,331	Babcock International	9,607	5.38
132,699,876	Interserve (Rights)	147	0.08
6,984,204	Interserve	1,238	0.69
3,776,434	Mitie Group	4,864	2.73
7,840,618	Utilitywise	-	-
<b>Oil &amp; Gas (25.08%)</b>		<b>42,497</b>	<b>23.82</b>
4,434,477	BowLeven*	648	0.36
5,056,987	Cairn Energy	10,256	5.75
15,905,353	Gulf Marine Services	2,835	1.59
429,333	Kosmos Energy	2,019	1.13
8,308,531	Lamprell	4,977	2.79
7,098,419	Nostrum Oil & Gas	7,077	3.97
1,571,267	Petrofac	6,720	3.77
3,613,949	Tullow Oil	7,965	4.46
<b>Collective Investment Schemes (1.93%)</b>		<b>2,283</b>	<b>1.28</b>
2,283	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	2,283	1.28
<b>Total investment assets</b>		<b>179,466</b>	<b>100.56</b>
<b>Net other liabilities</b>		<b>(1,000)</b>	<b>(0.56)</b>
<b>Total Net Assets</b>		<b>178,466</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

\* AIM listed

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(10,113)		223
Revenue	4	1,764		1,053	
Expenses	5	(782)		(410)	
Net revenue before taxation		982		643	
Taxation	6	(39)		(7)	
Net revenue after taxation			943		636
<b>Total return before distributions</b>			<b>(9,170)</b>		<b>859</b>
Distributions	7		(943)		(636)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(10,113)</b>		<b>223</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>43,280</b>		<b>68,550</b>
Amounts receivable on the issue of shares	162,176		13,937	
Amounts payable on the cancellation of shares	(20,712)		(40,109)	
		141,464		(26,172)
Dilution adjustment		1,048		217
Change in net assets attributable to shareholders from investment activities (see above)		(10,113)		223
Retained distribution on accumulation shares		2,787		462
<b>Closing net assets attributable to shareholders</b>		<b>178,466</b>		<b>43,280</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		179,466	43,599
<b>Current assets:</b>			
Debtors	8	32	114
Cash and bank balances		21	22
		53	136
<b>Total assets</b>		<b>179,519</b>	<b>43,735</b>
<b>Liabilities:</b>			
Creditors	9	(848)	(256)
Distribution payable		(205)	(199)
		(1,053)	(455)
<b>Total liabilities</b>		<b>(1,053)</b>	<b>(455)</b>
<b>Net assets attributable to shareholders</b>		<b>178,466</b>	<b>43,280</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(10,110)	226
Other losses	-	(1)
Handling charges taken from the capital account	(3)	(2)
<b>Net capital (losses)/gains</b>	<b>(10,113)</b>	<b>223</b>

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

These implicit costs are not directly visible and cannot be accurately determined.

During the year the total purchases and sales across different major assets are as per table below.

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	180,889	24,858
Commissions	141	26
Taxes & Other Fees	755	74
<b>Total purchase transaction costs</b>	<b>896</b>	<b>100</b>
<b>Purchases including transaction costs</b>	<b>181,785</b>	<b>24,958</b>
<b>Sales</b>		
Gross sales before transaction costs	35,186	50,105
Commissions	(32)	(38)
<b>Total sale transaction costs</b>	<b>(32)</b>	<b>(38)</b>
<b>Total sales net of transaction costs</b>	<b>35,154</b>	<b>50,067</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.08%	0.10%
Taxes & Other Fees	0.42%	0.30%
<b>Sales</b>		
Commissions	0.09%	0.07%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.16%	0.06%
Taxes & Other Fees	0.85%	0.17%
<b>Sales</b>		
Commissions	0.04%	0.09%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	181,785	24,958
Collective investment schemes	38,963	28,950
<b>Sales</b>		
Equities	35,154	50,067
Collective investment schemes	37,518	29,560

There were corporate actions (net sales) of £1,516,000 in the year (2018: £935,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.68% (2018: 1.36%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	1,697	804
Overseas dividends	56	245
Taxable distributions on offshore funds	7	0
Bank interest	4	4
<b>Total revenue</b>	<b>1,764</b>	<b>1,053</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	689	359
Dealing charge	10	11
Registration fees	57	22
	756	392
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	12	9
Safe custody fee	5	1
	17	10
<b>Other:</b>		
Audit fee	9	8
	9	8
<b>Total expenses</b>	<b>782</b>	<b>410</b>

## 6 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	39	7
<b>Total current tax</b>	<b>39</b>	<b>7</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	982	643
Corporation tax at 20% (2018: 20%)	196	128
Effects of:		
Revenue not subject to taxation	(340)	(183)
Overseas taxes	39	7
Overseas tax expensed	(3)	0
Excess allowable expenses	146	77
Revenue taxable in other periods	0	(22)
<b>Total tax charge for year (note 6a)</b>	<b>38</b>	<b>7</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

**(c) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £641,000 (2018: £495,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**7 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	2,992	661
Add: Income deducted on cancellation of shares	328	119
Deduct: Income received on issue of shares	(2,377)	(144)
<b>Net distribution for the year</b>	<b>943</b>	<b>636</b>

Details of the distribution per share are set out in this Fund's distribution table.

**8 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	4	2
Accrued revenue	23	111
Foreign withholding tax recoverable	5	1
<b>Total debtors</b>	<b>32</b>	<b>114</b>

**9 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	349	167
Purchases awaiting settlement	366	52
Accrued expenses payable to ACD	120	28
Accrued expenses payable to the Depositary or associates of the Depositary	4	1
Other accrued expenses	9	8
<b>Total creditors</b>	<b>848</b>	<b>256</b>

**10 Related Party Transactions**

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the Fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 8 and 9.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 9.

**11 Shares in issue reconciliation**

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	3,536,192	763,056	(957,736)	(12,571)	3,328,941
Institutional accumulation	1,450,022	64,195,123	(660,491)	(2,385)	64,982,269
Standard Life income	3,811,752	-	(2,000)	-	3,809,752
Standard Life accumulation	469,084	108,949	(76,712)	10,912	512,233
Platform 1 accumulation	17,291,663	2,445,708	(13,992,795)	4,675	5,749,251

**12 Fair Value Hierarchy**

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	177,182	-	-	42,762	-	-
Collective Investment Schemes	-	2,284	-	-	837	-
<b>Total investment assets</b>	<b>177,182</b>	<b>2,284</b>	<b>-</b>	<b>42,762</b>	<b>837</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

**13 Risk Management Policies & Numerical Disclosures**

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

Each Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Fund Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the Fund.

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £8,973,000 (2018: £2,180,000). A five per cent decrease would have an equal and opposite effect.

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £1,000 (2018: £7,000). A five per cent decrease would have an equal and opposite effect.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Euro	13	13
US Dollar	7	118

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	2,285	176,161	178,446
Euro	13	-	13
US Dollar	7	-	7
<b>2018</b>			
<b>Currency</b>			
UK Sterling	839	42,310	43,149
Euro	13	-	13
US Dollar	7	111	118

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

### d. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

### Distribution Table

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	2.5945	-	2.5945*	2.3728
Group 2	0.4028	2.1917	2.5945*	2.3728
<b>Institutional accumulation</b>				
Group 1	3.9435	-	3.9435*	3.7516
Group 2	0.3260	3.6175	3.9435*	3.7516
<b>Standard Life income</b>				
Group 1	5.3749	-	5.3749**	5.2223
Group 2	-	-	-	5.2223
<b>Standard Life accumulation</b>				
Group 1	6.4344	-	6.4344*	6.1000
Group 2	0.9534	5.4810	6.4344*	6.1000
<b>Platform 1 accumulation</b>				
Group 1	1.8291	-	1.8291*	1.7072
Group 2	0.5673	1.2618	1.8291*	1.7072

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

Corporate shareholders should account for the current year's dividend shown in the distribution table as follows:

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

# UK Ethical Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Lesley Duncan
<b>Launch Date</b>	20 September 1998
<b>Benchmark</b>	IA UK All Companies Ethical Subsector

### Investment Objective

The objective of the Fund is to provide capital appreciation. It is intended that income will not be a prime consideration.

### Investment Policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on a UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. Investments will comply with certain ethical criteria. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares. The ethical criteria applicable to the Fund are set out in an Ethical Policy and may be amended from time-to-time as considered necessary. In addition to excluding such companies which fail to meet the prescribed ethical standards, the ACD will seek to include companies whose business activities are regarded as making a positive contribution in terms of preserving the environment or improving the quality and safety of human life.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes that each comply with the ethical criteria.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by investing in an actively managed portfolio of mainly UK equities that comply with certain ethical criteria. The nature of the portfolio affords investors a focused investment approach, whilst affording proper diversification across ethically acceptable mainly UK equity exposure. The investor must be able to accept significant temporary losses due to both the volatile nature of equity markets, and the potentially restricted investment universe enforced by ethical criteria, and should therefore have an investment time horizon of at least 5 years.

Ethical criteria: further information about the ethical criteria applied to this Fund can be obtained from the ACD.

### Performance

During the period under review, the Fund returned -5.35% compared to the IA UK All Companies sector average return of -1.19% (source: Morningstar, basic-rate taxpayer, platform one share class, bid-to-bid basis).

Shares in Accesso Technology (point-of-sale and ticketing software) were weaker given concerns that its queuing technology business was slowing. Superdry also underperformed as its share price fell when it announced disappointing in-store sales. In our view, this price reaction was overdone; strong online sales and geographical expansion suggest the business is still growing at a considerable rate. Not holding AstraZeneca was a further negative; this is a stock we cannot own due to our ethical screens.

On the positive side, a zero weighting in British American Tobacco, which we cannot own due to our ethical screen, was positive. The industry continues to transition between traditional tobacco and next-generation products. Shares in Aveva, the engineering software developer, performed well after it delivered a solid trading update. This highlighted strong growth in both rentals and licences for its software products. Greggs proved helpful for relative returns when it released a robust trading update. In turn, this led to earnings upgrades. Fever-Tree was also a positive contributor for the Fund. The UK-listed premium mixers company remains popular with investors for its continued long-term growth opportunity.

### Investment activity

In terms of purchases, we started a new position in emerging market (EM) asset manager Ashmore. The business has a pre-eminent position in the EM space and is prepared for any upturn having invested in distribution. We also started a new position in Greggs, the high street food on-the-go retailer, after a good meeting with the management who demonstrated robust ESG principles. The company is implementing a range of operational measures to improve efficiency that should support its growth and improvement in its margins. Another new addition was Clinigen, a beneficiary of the trend by big pharmaceutical companies to outsource sales in non-core regions of the world. We see this as a structural growth opportunity not reflected in the company's valuation.

On the sales side, we sold Telecom Plus when its shares began to look expensive. We also remained unconvinced that recent changes to the Ofgem price cap would materially add to revenue growth. International Personal Finance was another sale. Regulatory headwinds continued to have a negative impact on the stock and a proposed tax change in Poland is expected to affect profitability. We also sold the position in Nostrum Oil & Gas, as production targets started to fall.

### Synthetic Risk & Reward Indicator

Typically lower rewards, lower risk				Typically higher rewards, higher risk				
←	1	2	3	4	<b>5</b>	6	7	→

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the fund invests. Historical data may not be a reliable indication for the future. Where the share class does not have a history of five years, an alternative share class, a comparable fund or a representative benchmark has been used to show how the share class price may have behaved over the period.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

#### Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	175.81	153.91	135.50
Return before operating charges*	(5.89)	24.17	20.26
Operating charges	(2.31)	(2.27)	(1.85)
Return after operating charges*	(8.20)	21.90	18.41
Distributions	(2.39)	(1.65)	(1.92)
Retained distributions on accumulation share	2.39	1.65	1.92
Closing net asset value per share	167.61	175.81	153.91
* after direct transaction costs of:	0.17	0.17	0.22
<b>Performance</b>			
Return after charges	(4.66%)	14.23%	13.59%
<b>Other information</b>			
Closing net asset value (£'000)	59,488	65,819	65,856
Closing number of shares	35,490,673	37,437,581	42,788,565
Operating charges	1.32%	1.32%	1.32%
Direct transaction costs	0.10%	0.10%	0.16%
<b>Prices</b>			
Highest share price	190.3	185.4	153.5
Lowest share price	150.1	155.7	116.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	197.62	172.19	150.85
Return before operating charges*	(6.65)	27.07	22.67
Operating charges**	(1.67)	(1.64)	(1.33)
Return after operating charges*	(8.32)	25.43	21.34
Distributions	(3.62)	(2.75)	(2.91)
Retained distributions on accumulation share	3.62	2.75	2.91
Closing net asset value per share	189.30	197.62	172.19
* after direct transaction costs of:	0.19	0.19	0.25
<b>Performance</b>			
Return after charges	(4.21%)	14.77%	14.15%
<b>Other information</b>			
Closing net asset value (£'000)	77,851	73,555	64,951
Closing number of shares	41,125,771	37,219,549	37,719,481
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.10%	0.10%	0.16%
<b>Prices</b>			
Highest share price	214.2	208.3	171.7
Lowest share price	169.4	174.2	129.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	64.53	57.02	50.80
Return before operating charges*	(2.18)	8.97	7.65
Operating charges	(0.55)	(0.55)	(0.45)
Return after operating charges*	(2.73)	8.42	7.20
Distributions	(1.18)	(0.91)	(0.98)
Closing net asset value per share	60.62	64.53	57.02
* after direct transaction costs of:	0.06	0.06	0.08
<b>Performance</b>			
Return after charges	(4.23%)	14.77%	14.17%
<b>Other information</b>			
Closing net asset value (£'000)	8,952	4,775	2,048
Closing number of shares	14,766,945	7,400,286	3,590,880
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.10%	0.10%	0.15%
<b>Prices</b>			
Highest share price	69.93	68.98	57.83
Lowest share price	55.31	57.71	43.76

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	220.75	190.91	165.99
Return before operating charges*	(7.50)	30.06	25.09
Operating charges	(0.22)	(0.22)	(0.17)
Return after operating charges*	(7.72)	29.84	24.92
Distributions	(5.71)	(4.67)	(4.49)
Retained distributions on accumulation share	5.71	4.67	4.49
Closing net asset value per share	213.03	220.75	190.91
* after direct transaction costs of:	0.22	0.21	0.27
<b>Performance</b>			
Return after charges	(3.50%)	15.63%	15.01%
<b>Other information</b>			
Closing net asset value (£'000)	543	677	526
Closing number of shares	255,080	306,542	275,465
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.10%	0.10%	0.16%
<b>Prices</b>			
Highest share price	239.7	232.5	190.3
Lowest share price	190.4	193.2	143.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	131.97	114.47	99.83
Return before operating charges*	(4.46)	18.01	15.05
Operating charges	(0.53)	(0.51)	(0.41)
Return after operating charges*	(4.99)	17.50	14.64
Distributions	(3.01)	(2.41)	(2.39)
Retained distributions on accumulation share	3.01	2.41	2.39
Closing net asset value per share	126.98	131.97	114.47
* after direct transaction costs of:	0.13	0.13	0.16
<b>Performance+</b>			
Return after charges	(3.78%)	15.29%	14.66%
<b>Other information</b>			
Closing net asset value (£'000)	28,821	29,855	25,963
Closing number of shares	22,697,632	22,623,290	22,681,220
Operating charges	0.40%	0.40%	0.40%
Direct transaction costs	0.10%	0.10%	0.15%
<b>Prices</b>			
Highest share price	143.2	139.0	114.1
Lowest share price	113.5	115.8	86.11

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	109.02	95.04	83.30
Return before operating charges*	(3.66)	14.94	12.52
Operating charges	(0.98)	(0.96)	(0.78)
Return after operating charges*	(4.64)	13.98	11.74
Distributions	(1.94)	(1.47)	(1.56)
Retained distributions on accumulation share	1.94	1.47	1.56
Closing net asset value per share	104.38	109.02	95.04
* after direct transaction costs of:	0.11	0.11	0.14
<b>Performance+</b>			
Return after charges	(4.26%)	14.71%	14.09%
<b>Other information</b>			
Closing net asset value (£'000)	121,565	117,020	93,729
Closing number of shares	116,463,693	107,333,852	98,616,894
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.10%	0.10%	0.16%
<b>Prices</b>			
Highest share price	118.1	114.9	94.77
Lowest share price	93.41	96.18	71.74

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	64.51	57.01	50.80
Return before operating charges*	(2.17)	8.96	7.63
Operating charges	(0.58)	(0.58)	(0.47)
Return after operating charges*	(2.75)	8.38	7.16
Distributions	(1.15)	(0.88)	(0.95)
Closing net asset value per share	60.61	64.51	57.01
* after direct transaction costs of:	0.06	0.06	0.08
<b>Performance+</b>			
Return after charges	(4.26%)	14.70%	14.09%
<b>Other information</b>			
Closing net asset value (£'000)	6,883	4,624	2,361
Closing number of shares	11,355,840	7,167,920	4,141,545
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.10%	0.10%	0.15%
<b>Prices</b>			
Highest share price	69.90	68.93	57.79
Lowest share price	55.27	57.69	43.74

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional A accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.20	57.24	50.52
Return before operating charges*	(2.17)	8.98	7.55
Operating charges	(1.04)	(1.02)	(0.83)
Return after operating charges*	(3.21)	7.96	6.72
Distributions	(0.70)	(0.43)	(0.58)
Retained distributions on accumulation share	0.70	0.43	0.58
Closing net asset value per share	61.99	65.20	57.24
* after direct transaction costs of:	0.06	0.06	0.08
<b>Performance+</b>			
Return after charges	(4.92%)	13.91%	13.30%
<b>Other information</b>			
Closing net asset value (£'000)	129	182	186
Closing number of shares	208,712	279,456	324,724
Operating charges	1.60%	1.60%	1.60%
Direct transaction costs	0.10%	0.10%	0.15%
<b>Prices</b>			
Highest share price	70.50	68.78	57.08
Lowest share price	55.54	57.90	43.41

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (95.04%)</b>		<b>293,889</b>	<b>96.60</b>
<b>Consumer Goods (22.41%)</b>		<b>62,475</b>	<b>20.53</b>
342,224	Bellway	10,349	3.40
4,754,885	Boohoo.com*	8,328	2.74
1,512,711	Countryside Properties	4,928	1.62
1,729,561	Dixons Carphone	2,295	0.75
375,643	Fever Tree Drinks*	10,056	3.31
222,337	Greggs	3,977	1.31
773,728	Inchcape	4,368	1.44
380,565	JD Sports	1,772	0.58
958,846	Joules*	2,838	0.93
2,569,045	McCarthy & Stone	3,173	1.04
1,278,410	Redrow	7,952	2.61
471,258	SuperGroup	2,439	0.80
<b>Consumer Services (12.91%)</b>		<b>42,123</b>	<b>13.85</b>
1,663,924	Centaur Media	825	0.27
1,905,010	Cineworld	5,311	1.75
363,534	CVS*	1,725	0.57
1,414,176	Entertainment One	5,942	1.95
1,240,827	Hollywood Bowl	2,717	0.89
5,174,708	ITE	3,498	1.15
1,139,291	ITV	1,493	0.49
729,367	Just Eat	5,443	1.79
1,009,628	Mitchells & Butlers	2,894	0.95
255,101	RELX	4,409	1.45
745,520	Rightmove	3,594	1.18
264,804	Tui	2,118	0.70
1,137,548	Wilmington	2,154	0.71
<b>Financials (16.28%)</b>		<b>56,159</b>	<b>18.46</b>
782,808	Ashmore	3,302	1.09
1,143,778	Aviva	4,839	1.59
926,995	Chesnara	3,291	1.08
391,598	Close Brothers	5,909	1.94
1,724,672	CYBG	3,386	1.11
2,005,191	Grainger	4,949	1.63
311,583	Intermediate Capital	3,262	1.07
638,963	John Laing Group	2,452	0.81
1,210,156	OneSavings Bank	4,746	1.56

Holding	Investment	Market value £'000	Percentage of total net assets
372,354	Phoenix	2,603	0.86
521,791	Prudential	8,294	2.73
364,450	St James's Place	3,543	1.16
928,234	Standard Chartered	5,583	1.83
<b>Health Care (5.03%)</b>		<b>16,556</b>	<b>5.44</b>
636,693	Clinigen*	6,087	2.00
508,584	Georgia Healthcare	1,042	0.34
348,878	NMC Healthcare	9,427	3.10
<b>Industrials (23.38%)</b>		<b>70,430</b>	<b>23.15</b>
164,392	Aggreko	1,178	0.39
513,251	Bodycote	3,893	1.28
59,267	DCC	3,864	1.27
286,156	Diploma	3,866	1.27
48,451	Ferguson	2,529	0.83
473,362	Grafton	3,780	1.24
1,578,486	Howdens Joinery	7,776	2.56
200,715	IMI	1,898	0.62
1,598,912	IWG	3,681	1.21
577,272	Marshalls	3,129	1.03
767,213	Midwich*	4,392	1.44
1,997,538	Mitie Group	2,573	0.85
1,484,789	Polypipe	6,168	2.03
416,831	Porvair	2,159	0.71
217,590	Ricardo	1,312	0.43
587,031	Robert Walters	3,076	1.01
1,174,171	Sanne Group	6,035	1.98
1,786,092	Smith (DS)	5,990	1.97
515,866	Vesuvius	3,131	1.03
<b>Oil &amp; Gas (1.53%)</b>		<b>3,853</b>	<b>1.27</b>
740,727	Wood Group	3,853	1.27
<b>Technology (9.32%)</b>		<b>32,592</b>	<b>10.71</b>
207,788	Accesso*	1,750	0.57
410,047	Avast	1,265	0.42
206,034	Aveva	6,197	2.04
139,277	Blue Prism*	2,017	0.66
234,917	EMIS*	2,229	0.73
444,939	FDM	3,729	1.22
779,787	Kainos	3,837	1.26

Holding	Investment	Market value £'000	Percentage of total net assets
176,973	Micro Focus	3,311	1.09
800,011	Sage	5,286	1.74
906,915	Sophos	2,971	0.98
<b>Telecommunications (4.18%)</b>		<b>9,701</b>	<b>3.19</b>
393,600	Gamma Communication*	3,354	1.10
300,525	Inmarsat	1,201	0.40
3,833,200	Vodafone	5,146	1.69
<b>Total investment assets</b>		<b>293,889</b>	<b>96.60</b>
<b>Net other assets</b>		<b>10,343</b>	<b>3.40</b>
<b>Total Net Assets</b>		<b>304,232</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

\* AIM listed

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital (losses)/gains	2	(18,789)	32,903
Revenue	4	8,196	6,459
Expenses	5	(2,823)	(2,631)
Interest payable and similar charges	6	-	(1)
Net revenue before taxation		5,373	3,827
Taxation	7	(31)	(67)
Net revenue after taxation		5,342	3,760
<b>Total return before distributions</b>		<b>(13,447)</b>	<b>36,663</b>
Distributions	8	(5,342)	(3,760)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(18,789)</b>	<b>32,903</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>296,507</b>	<b>255,620</b>
Amounts receivable on the issue of shares	42,163	35,678
Amounts payable on the cancellation of shares	(21,112)	(31,475)
	21,051	4,203
Dilution adjustment	164	5
Change in net assets attributable to shareholders from investment activities (see above)	(18,789)	32,903
Retained distribution on accumulation shares	5,299	3,776
<b>Closing net assets attributable to shareholders</b>	<b>304,232</b>	<b>296,507</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		293,889	281,797
<b>Current assets:</b>			
Debtors	9	538	554
Cash and bank balances	10	10,573	14,525
		11,111	15,079
<b>Total assets</b>		<b>305,000</b>	<b>296,876</b>
<b>Liabilities:</b>			
Creditors	11	(463)	(239)
Distribution payable		(305)	(130)
		(768)	(369)
<b>Total liabilities</b>		<b>(768)</b>	<b>(369)</b>
<b>Net assets attributable to shareholders</b>		<b>304,232</b>	<b>296,507</b>

## Notes to the Financial Statements

## 1 Accounting Policies

Please refer to pages 13 to 15 for note on accounting policies.

## 2 Net Capital (Losses)/Gains

	2019 £'000	2018 £'000
Non-derivative securities	(18,787)	32,905
Other gains	1	-
Handling charges taken from the capital account	(3)	(2)
<b>Net capital (losses)/gains</b>	<b>(18,789)</b>	<b>32,903</b>

## 3 Equity Purchases, Sales and Transaction Costs

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	59,205	47,566
Commissions	39	41
Taxes & Other Fees	238	188
<b>Total purchase transaction costs</b>	<b>277</b>	<b>229</b>
<b>Purchases including transaction costs</b>	<b>59,482</b>	<b>47,795</b>
<b>Sales</b>		
Gross sales before transaction costs	32,038	52,273
Commissions	(22)	(49)
<b>Total sale transaction costs</b>	<b>(22)</b>	<b>(49)</b>
<b>Total sales net of transaction costs</b>	<b>32,016</b>	<b>52,224</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.07%	0.08%
Taxes & Other Fees	0.40%	0.38%
<b>Sales</b>		
Commissions	0.07%	0.09%

	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.01%	0.01%
Taxes & Other Fees	0.08%	0.07%
<b>Sales</b>		
Commissions	0.01%	0.02%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	59,482	47,795
<b>Sales</b>		
Equities	32,016	52,224

There were corporate actions (net purchases) of £3,417,000 in the year (2018 (net sales): £1,297,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.38% (2018: 1.46%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	7,804	5,571
Overseas dividends	334	866
Bank interest	58	22
<b>Total revenue</b>	<b>8,196</b>	<b>6,459</b>

#### 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	2,506	2,350
Dealing charge	64	56
Registration fees	194	171
	2,764	2,577
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	41	39
Safe custody fee	9	7
	50	46
<b>Other:</b>		
Audit fee	9	8
	9	8
<b>Total expenses</b>	<b>2,823</b>	<b>2,631</b>

**6 Interest Payable and Similar Charges**

	2019 £'000	2018 £'000
Interest payable	-	1
<b>Total interest payable &amp; similar charges</b>	<b>-</b>	<b>1</b>

**7 Taxation**

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	31	67
<b>Total current tax</b>	<b>31</b>	<b>67</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	5,373	3,827
Corporation tax at 20% (2018: 20%)	1,075	765
Effects of:		
Revenue not subject to taxation	(1,628)	(1,287)
Overseas taxes	31	67
Excess allowable expenses	553	522
<b>Total tax charge for year (note 7a)</b>	<b>31</b>	<b>67</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

**(c) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £5,487,000 (2018: £4,934,000) due to surplus expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	5,604	3,906
Add: Income deducted on cancellation of shares	254	210
Deduct: Income received on issue of shares	(516)	(356)
<b>Net distribution for the year</b>	<b>5,342</b>	<b>3,760</b>

Details of the distribution per share are set out in this Fund's distribution table.

## 9 Debtors

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	298	387
Accrued revenue	167	94
Foreign withholding tax recoverable	73	73
<b>Total debtors</b>	<b>538</b>	<b>554</b>

## 10 Cash and Bank Balances

	2019 £'000	2018 £'000
Cash and bank balances	10,573	14,525
<b>Total cash and bank balances</b>	<b>10,573</b>	<b>14,525</b>

## 11 Creditors

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	228	20
Purchases awaiting settlement	11	-
Accrued expenses payable to ACD	206	211
Other accrued expenses	9	3
Accrued Expenses payable to the Depository	9	5
<b>Total creditors</b>	<b>463</b>	<b>239</b>

## 12 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the Fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

## 13 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	37,437,581	1,286,245	(2,986,529)	(246,624)	35,490,673
Institutional accumulation	37,219,549	6,157,409	(2,477,189)	226,002	41,125,771
Institutional income	7,400,286	8,556,333	(1,279,401)	89,727	14,766,945
Standard Life accumulation	306,542	19,254	(70,716)	-	255,080
Institutional regulated accumulation	22,623,290	2,263,090	(2,188,748)	-	22,697,632
Platform 1 accumulation	107,333,852	14,307,110	(5,111,591)	(65,678)	116,463,693
Platform 1 income	7,167,920	5,978,919	(1,790,999)	-	11,355,840
Institutional A accumulation	279,456	35,611	(106,355)	-	208,712

## 14 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	293,889	-	-	281,797	-	-
<b>Total investment assets</b>	<b>293,889</b>	<b>-</b>	<b>-</b>	<b>281,797</b>	<b>-</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

## 15 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

Each Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Fund Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the Fund.

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £14,694,000 (2018: £14,090,000). A five per cent decrease would have an equal and opposite effect.

**b. Foreign currency risk**

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £5,000 (2018: £4,000). A five per cent decrease would have an equal and opposite effect.

**Currency exposure**

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Euro	104	88

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	10,523	293,605	304,128
Euro	49	55	104
<b>2018</b>			
<b>Currency</b>			
UK Sterling	14,491	281,928	296,419
Euro	33	55	88

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

### d. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Table**

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	2.3914	-	2.3914*	1.6473
Group 2	0.9270	1.4644	2.3914*	1.6473
<b>Institutional accumulation</b>				
Group 1	3.6193	-	3.6193*	2.7526
Group 2	1.1854	2.4339	3.6193*	2.7526
<b>Institutional income</b>				
Group 1	1.1817	-	1.1817**	0.9116
Group 2	0.5223	0.6594	1.1817**	0.9116
<b>Standard Life accumulation</b>				
Group 1	5.7115	-	5.7115*	4.6709
Group 2	3.8487	1.8628	5.7115*	4.6709
<b>Institutional regulated accumulation</b>				
Group 1	3.0145	-	3.0145*	2.4114
Group 2	1.1989	1.8156	3.0145*	2.4114
<b>Platform 1 accumulation</b>				
Group 1	1.9419	-	1.9419*	1.4659
Group 2	0.6565	1.2854	1.9419*	1.4659
<b>Platform 1 income</b>				
Group 1	1.1489	-	1.1489**	0.8793
Group 2	0.3611	0.7878	1.1489**	0.8793
<b>Institutional A accumulation</b>				
Group 1	0.7047	-	0.7047*	0.4297
Group 2	0.4781	0.2266	0.7047*	0.4297

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

Corporate shareholders should account for the current year's dividend shown in the distribution table as follows:

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

# UK Gilt Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Philip Laing and Liam O'Donnell
<b>Launch Date</b>	18 September 1998
<b>Benchmark</b>	IA UK Gilt Sector

### Investment objective

The objective of the Fund is to provide a high level of income with capital appreciation being of secondary importance.

### Investment policy

The investment policy of the Fund is to invest mostly in UK Government securities. The Fund may also invest in other fixed interest securities, other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to achieve a competitive level of income from investing predominantly in UK Government securities. Whilst the level of income provision is likely to be relatively stable, the investor must be able to accept temporary capital losses due to the volatile nature of the investments, and should therefore have an investment time horizon of 3 to 5 years.

### Performance

The UK Gilt Fund returned 2.48% over the twelve months, in comparison with an IMA UK Gilts sector return of 2.63% (source: Morningstar, basic rate taxpayer, bid to bid basis. Please note the Fund return is net of institutional fees, whereas the benchmark return is gross).

In the first half of the period, the portfolio's exposure to short-dated Australian rates was a strong positive contributor, as was a profitable curve-steepening trade on the Australian yield curve. Duration positioning added to returns, benefiting from a substantial short in US duration, which remained the weakest of the core bond markets. Positioning on the UK yield curve also helped performance. The UK curve re-steepened as aggressive rate hikes became less likely against a backdrop of negative Brexit headlines.

In the second half of the period, many of the portfolio's core positions came under pressure as government bond markets rallied aggressively. Tactical trading and risk management helped to mitigate losses as did some of our diversifying strategies. Having exposure to long-dated Canadian rates was a strong contributor as Canada was one of the best-performing bond markets over the quarter. Our US curve steepening strategy performed well following the dovish shift in tone from the US Federal Reserve. Positioning on UK inflation was also a positive contributor.

### Investment activity

In the first half of the period, tactical trading in gilts involved identifying stretched valuation levels at which to sell gilt yields versus other markets, specifically German bunds and US Treasuries. We also took a short position in Japanese government bond futures, anticipating a potential change in the central bank's yield curve control policy. The Fund's overall short duration positioning was scaled back as markets sold-off in April and gradually reinstated throughout May and June, following the market reaction to the election in Italy. The Fund's overweight exposure to Australian bonds was increased in July through a yield curve steepening strategy between 3-year and 10-year issues.

In the second half of the period, a US curve steepening strategy was added early on as we felt short-dated US yields were pricing in overly hawkish expectations for interest rates. We used the weakness in UK Retail Price Index inflation early in the period to exit our short position in 5-year UK inflation. In November, we decided to reduce our underweight exposure to US Treasuries, and this was further reduced later in the period. This helped to mitigate losses in what was a strong quarter for US bonds.

Following the 2071 syndicated gilt issue, we added a position in 30-year gilts. In our view, weakness in long gilts at the time of the new issue was overdone. Gilt yields subsequently rallied and we took profits. We established a long position in 30-year versus 5-year US Treasuries. This was to protect the portfolio if market worries intensified.

### Synthetic Risk & Reward Indicator

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←						→
1	2	3	<b>4</b>	5	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication for the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

#### Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	75.20	76.79	72.94
Return before operating charges*	1.82	(0.77)	4.67
Operating charges	(0.82)	(0.82)	(0.79)
Return after operating charges*	1.00	(1.59)	3.88
Distributions	(0.10)	(0.01)	(0.23)
Retained distributions on accumulation share	0.10	0.01	0.20
Closing net asset value per share	76.20	75.20	76.79
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.32%	(2.07%)	5.32%
<b>Other information</b>			
Closing net asset value (£'000)	4,941	5,511	4,390
Closing number of shares	6,484,404	7,327,607	5,717,216
Operating charges	1.08%	1.08%	1.05%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	77.36	77.87	81.23
Lowest share price	73.64	74.13	71.27

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<b>Institutional accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	78.91	80.24	75.79
Return before operating charges*	1.92	(0.80)	5.01
Operating charges	(0.53)	(0.53)	(0.49)
Return after operating charges*	1.39	(1.33)	4.52
Distributions	(0.45)	(0.34)	(0.69)
Retained distributions on accumulation share	0.45	0.34	0.62
Closing net asset value per share	80.30	78.91	80.24
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.76%	(1.66%)	5.96%
<b>Other information</b>			
Closing net asset value (£'000)	6,311	7,245	9,253
Closing number of shares	7,859,018	9,181,687	11,530,869
Operating charges	0.67%	0.66%	0.63%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	81.49	81.54	84.54
Lowest share price	77.47	77.77	74.10

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	47.68	48.70	46.36
Return before operating charges*	1.16	(0.49)	2.99
Operating charges	(0.52)	(0.52)	(0.50)
Return after operating charges*	0.64	(1.01)	2.49
Distributions	(0.07)	(0.01)	(0.15)
Closing net asset value per share	48.25	47.68	48.70
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.34%	(2.07%)	5.37%
<b>Other information</b>			
Closing net asset value (£'000)	1,303	1,429	1,928
Closing number of shares	2,700,187	2,997,042	3,959,192
Operating charges	1.08%	1.08%	1.05%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	49.04	49.38	51.63
Lowest share price	46.68	47.01	45.30

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	47.69	48.70	46.36
Return before operating charges*	1.17	(0.48)	2.99
Operating charges	(0.33)	(0.32)	(0.30)
Return after operating charges*	0.84	(0.80)	2.69
Distributions	(0.27)	(0.21)	(0.35)
Closing net asset value per share	48.26	47.69	48.70
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.76%	(1.64%)	5.80%
<b>Other information</b>			
Closing net asset value (£'000)	14,772	450	556
Closing number of shares	30,607,423	944,112	1,141,405
Operating charges	0.67%	0.66%	0.63%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	49.14	49.41	51.70
Lowest share price	46.71	47.11	45.32

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the share on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	86.14	87.15	82.07
Return before operating charges*	2.10	(0.87)	5.31
Operating charges	(0.14)	(0.14)	(0.11)
Return after operating charges*	1.96	(1.01)	5.20
Distributions	(0.92)	(0.81)	(1.05)
Retained distributions on accumulation share	0.92	0.81	0.93
Closing net asset value per share	88.10	86.14	87.15
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	2.28%	(1.16%)	6.34%
<b>Other information</b>			
Closing net asset value (£'000)	1,800	1,887	1,538
Closing number of shares	2,042,880	2,189,815	1,764,338
Operating charges	0.16%	0.16%	0.13%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	89.39	88.81	91.70
Lowest share price	84.83	84.89	80.28

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	58.29	59.30	56.12
Return before operating charges*	1.42	(0.59)	3.62
Operating charges	(0.42)	(0.42)	(0.39)
Return after operating charges*	1.00	(1.01)	3.23
Distributions	(0.30)	(0.23)	(0.40)
Retained distributions on accumulation share	0.30	0.23	0.35
Closing net asset value per share	59.29	58.29	59.30
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.72%	(1.70%)	5.76%
<b>Other information</b>			
Closing net asset value (£'000)	5,892	7,418	9,694
Closing number of shares	9,938,878	12,726,899	16,347,876
Operating charges	0.71%	0.71%	0.68%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	60.17	60.25	62.58
Lowest share price	57.21	57.45	54.86

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<b>Platform 1 income</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	54.97	56.14	53.44
Return before operating charges*	1.34	(0.56)	3.45
Operating charges	(0.40)	(0.40)	(0.37)
Return after operating charges*	0.94	(0.96)	3.08
Distributions	(0.28)	(0.21)	(0.38)
Closing net asset value per share	55.63	54.97	56.14
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.71%	(1.71%)	5.76%
<b>Other information</b>			
Closing net asset value (£'000)	1,323	1,812	2,359
Closing number of shares	2,378,079	3,296,797	4,202,417
Operating charges	0.71%	0.71%	0.68%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price	56.63	56.95	59.60
Lowest share price	53.84	54.29	52.24

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (98.88%)</b>		<b>36,069</b>	<b>99.25</b>
<b>Sterling Denominated Bonds (98.88%)</b>		<b>35,611</b>	<b>97.99</b>
<b>Government Bonds (98.88%)</b>		<b>35,611</b>	<b>97.99</b>
less than 5 years to maturity			
1,002,000	UK (Govt of) 0.5% 2022	989	2.72
5,823,000	UK (Govt of) 1.75% 2019	5,845	16.08
156,000	UK (Govt of) 1.75% 2022	161	0.44
376,656	UK (Govt of) 2% 2020	383	1.05
594,000	UK (Govt of) 2.25% 2023	628	1.73
171,000	UK (Govt of) 3.75% 2021	183	0.50
691,000	UK (Govt of) 4% 2022	756	2.08
580,000	UK (Govt of) 4.75% 2020	603	1.66
632,340	UK (Govt of) 8% 2021	735	2.02
between 5 and 10 years to maturity			
331,000	UK (Govt of) 1% 2024	331	0.91
1,293,000	UK (Govt of) 1.5% 2026	1,329	3.66
516,000	UK (Govt of) 1.625% 2028	531	1.46
717,592	UK (Govt of) 2% 2025	760	2.09
1,910,000	UK (Govt of) 2.75% 2024	2,089	5.75
907,802	UK (Govt of) 5% 2025	1,118	3.08
501,083	UK (Govt of) 6% 2028	718	1.98
between 10 and 15 years to maturity			
911,088	UK (Govt of) 4.25% 2032	1,209	3.33
999,087	UK (Govt of) 4.75% 2030	1,361	3.74
between 15 and 25 years to maturity			
509,000	UK (Govt of) 1.75% 2037	509	1.40
713,018	UK (Govt of) 3.25% 2044	915	2.52
778,096	UK (Govt of) 4.25% 2036	1,073	2.95
590,287	UK (Govt of) 4.25% 2039	843	2.32
635,163	UK (Govt of) 4.25% 2040	918	2.53
812,400	UK (Govt of) 4.5% 2034	1,133	3.12
681,702	UK (Govt of) 4.5% 2042	1,038	2.86
649,046	UK (Govt of) 4.75% 2038	977	2.69
greater than 25 years to maturity			
635,428	UK (Govt of) 1.5% 2047	590	1.62
296,000	UK (Govt of) 1.625% 2071	289	0.80
115,000	UK (Govt of) 1.75% 2049	113	0.31
112,875	UK (Govt of) 1.75% 2057	114	0.31
740,278	UK (Govt of) 2.5% 2065	928	2.55
708,653	UK (Govt of) 3.5% 2045	952	2.62
663,241	UK (Govt of) 3.5% 2068	1,058	2.91

Holding	Investment	Market value £'000	Percentage of total net assets
608,087	UK (Govt of) 3.75% 2052	913	2.51
587,983	UK (Govt of) 4% 2060	983	2.71
591,292	UK (Govt of) 4.25% 2046	903	2.48
518,550	UK (Govt of) 4.25% 2049	817	2.25
485,403	UK (Govt of) 4.25% 2055	816	2.25
<b>US Dollar Denominated Bonds (0.00%)</b>		<b>458</b>	<b>1.26</b>
<b>Government Bonds (0.00%)</b> greater than 25 years to maturity		<b>458</b>	<b>1.26</b>
591,600	US Treasury 1% Index-Linked 2046	458	1.26
<b>Collective Investment Schemes (0.29%)</b>		<b>608</b>	<b>1.67</b>
608	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	608	1.67
<b>Derivatives (0.08%)</b>		<b>64</b>	<b>0.18</b>
<b>Forward Currency Contracts (0.00%)</b>		<b>24</b>	<b>0.07</b>
	Buy GBP 155,734 Sell USD 200,168 24/05/2019	6	0.02
	Buy GBP 518,734 Sell USD 666,739 24/05/2019	20	0.06
	Buy USD 258,347 Sell GBP 195,418 24/05/2019	(2)	(0.01)
<b>Futures (0.01%)</b>		<b>2</b>	<b>0.01</b>
14	Long Euro-Oat Future 07/03/2019	8	0.02
1	Long Long Gilt Future 26/06/2019	(1)	-
58	Long US 2 Year Note Future 28/06/2019	(8)	(0.02)
(24)	Short Euro Bond Future 07/03/2019	(6)	(0.02)
(6)	Short US 10 Year Note Future 19/06/2019	1	0.01
(27)	Short US 10 Year Ultra Future 19/06/2019	8	0.02
<b>Inflation Rate Swaps (0.02%)</b>		<b>29</b>	<b>0.08</b>
GBP 130,000	Pay fixed 3.445% receive floating UKRPI 15/02/2049	1	-
GBP 136,680	Pay fixed 3.58% receive floating UKRPI 15/12/2048	(10)	(0.03)
GBP 600,000	Pay floating UKRPI receive fixed 3.515% 15/02/2029	3	0.01
GBP 68,340	Pay floating UKRPI receive fixed 3.58% 15/12/2048	5	0.01
GBP 302,280	Pay floating UKRPI receive fixed 3.71% 15/12/2028	10	0.03
GBP 613,720	Pay floating UKRPI receive fixed 3.71% 15/12/2028	20	0.06
<b>Interest Rate Swaps (0.05%)</b>		<b>9</b>	<b>0.02</b>
EUR 468,000	Pay fixed 0.6843% receive floating EURIBOR 11/02/2028	(3)	(0.01)
EUR 742,000	Pay fixed 0.7403% receive floating EURIBOR 15/08/2027	(10)	(0.03)
EUR 822,000	Pay fixed 0.775% receive floating EURIBOR 15/08/2027	(16)	(0.05)
EUR 390,000	Pay fixed 0.775% receive floating EURIBOR 15/08/2027	(8)	(0.02)
EUR 360,000	Pay fixed 1.24% receive floating EURIBOR 24/10/2029	(12)	(0.03)
GBP 3,729,000	Pay fixed 1.3065% receive floating GBP-LIBOR 22/01/2022	(2)	(0.01)

Holding	Investment	Market value £'000	Percentage of total net assets
SEK 3,070,000	Pay fixed 1.364% receive floating SEK-STIBOR 18/07/2029	(7)	(0.02)
SEK 4,600,000	Pay fixed 1.445% receive floating SEK-STIBOR 30/07/2029	(13)	(0.04)
SEK 3,620,000	Pay fixed 1.595% receive floating SEK-STIBOR 24/10/2029	(13)	(0.03)
CAD 6,559,000	Pay floating CAD-BA-CDOR receive fixed 2.331% 22/01/2022	10	0.03
EUR 468,000	Pay floating EURIBOR receive fixed 0.6843% 11/02/2028	3	0.01
EUR 742,000	Pay floating EURIBOR receive fixed 0.7403% 15/08/2027	10	0.03
EUR 822,000	Pay floating EURIBOR receive fixed 0.775% 15/08/2027	15	0.04
EUR 390,000	Pay floating EURIBOR receive fixed 0.775% 15/08/2027	7	0.02
EUR 290,000	Pay floating EURIBOR receive fixed 1.086% 18/07/2029	7	0.02
EUR 440,000	Pay floating EURIBOR receive fixed 1.136% 30/07/2029	13	0.04
EUR 360,000	Pay floating EURIBOR receive fixed 1.24% 24/10/2029	12	0.03
EUR 880,000	Pay floating EURIBOR receive fixed 1.865% 31/01/2034	1	-
EUR 880,000	Pay floating EURIBOR receive fixed 1.908% 29/01/2034	2	0.01
SEK 3,620,000	Pay floating SEK-STIBOR receive fixed 1.595% 24/10/2029	13	0.03
<b>Total investment assets and liabilities</b>		<b>36,741</b>	<b>101.10</b>
<b>Net other liabilities</b>		<b>(399)</b>	<b>(1.10)</b>
<b>Total Net Assets</b>		<b>36,342</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 28 February 2018.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Income:</b>			
Net capital gains/(losses)	2	585	(584)
Revenue	4	334	297
Expenses	5	(199)	(200)
Interest payable and similar charges	6	(2)	-
Net revenue before taxation		133	97
Taxation	7	-	-
Net revenue after taxation		133	97
<b>Total return before distributions</b>		<b>718</b>	<b>(487)</b>
Distributions	8	(133)	(97)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>585</b>	<b>(584)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019 £'000	2018 £'000
<b>Opening net assets attributable to shareholders</b>	<b>25,752</b>	<b>29,718</b>
Amounts receivable on the issue of shares	16,833	4,406
Amounts payable on the cancellation of shares	(6,938)	(7,878)
	9,895	(3,472)
Dilution adjustment	17	8
Change in net assets attributable to shareholders from investment activities (see above)	585	(584)
Retained distribution on accumulation shares	93	82
<b>Closing net assets attributable to shareholders</b>	<b>36,342</b>	<b>25,752</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		36,852	25,609
<b>Current assets:</b>			
Debtors	9	1,232	219
Cash and bank balances	10	34	41
		1,266	260
<b>Total assets</b>		<b>38,118</b>	<b>25,869</b>
<b>Liabilities:</b>			
Investment liabilities		(111)	(51)
Bank overdrafts	10	(18)	(12)
Creditors	11	(1,594)	(49)
Distribution payable		(53)	(5)
		(1,665)	(66)
<b>Total liabilities</b>		<b>(1,776)</b>	<b>(117)</b>
<b>Net assets attributable to shareholders</b>		<b>36,342</b>	<b>25,752</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital Gains/(Losses)**

	2019 £'000	2018 £'000
Non-derivative securities	611	(620)
Derivative contracts	(42)	34
Forward currency contracts	21	9
Other losses	-	(1)
Handling charges taken from the capital account	(5)	(6)
<b>Net capital gains/(losses)</b>	<b>585</b>	<b>(584)</b>

**3 Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Bonds	30,124	10,199
Collective investment schemes	11,812	8,432
<b>Sales</b>		
Bonds	19,739	12,997
Collective investment schemes	11,278	8,521

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.06% (2018: 0.20%), this is representative of the average spread on the assets held during the year.

**4 Revenue**

	2019 £'000	2018 £'000
Taxable distributions on offshore funds	1	-
Interest on debt securities	332	295
Bank interest	1	2
<b>Total revenue</b>	<b>334</b>	<b>297</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	160	159
Dealing charge	4	6
Registration fees	17	17
	181	182
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	5	6
Safe custody fee	1	1
	6	7
<b>Other:</b>		
Audit fee	12	11
<b>Total expenses</b>	<b>199</b>	<b>200</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Derivative expense	2	-
<b>Total interest payable &amp; similar charges</b>	<b>2</b>	<b>-</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	133	97
Corporation tax at 20% (2018: 20%)	27	19
Effects of:		
Distributions treated as tax deductible	(27)	(19)
<b>Total tax charge for year (note 7a)</b>	<b>-</b>	<b>-</b>

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Interim distribution	43	46
Final distribution	107	46
	150	92
Add: Income deducted on cancellation of shares	12	8
Deduct: Income received on issue of shares	(29)	(3)
<b>Net distribution for the year</b>	<b>133</b>	<b>97</b>

Details of the distribution per share are set out in this Fund's distribution tables.

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	32	5
Sales awaiting settlement	921	0
Accrued revenue	279	214
<b>Total debtors</b>	<b>1,232</b>	<b>219</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Amounts held at futures clearing houses and brokers	33	40
Cash and bank balances	1	1
Collateral cash	(18)	-
<b>Total cash and bank balances</b>	<b>16</b>	<b>41</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	77	24
Purchases awaiting settlement	1,486	-
Accrued expenses payable to ACD	18	13
Other accrued expenses	13	11
Accrued Expenses payable to the Depository	-	1
<b>Total creditors</b>	<b>1,594</b>	<b>49</b>

**12 Related Party Transactions**

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the Fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

**13 Shares in issue reconciliation**

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	7,327,607	122,285	(965,488)	-	6,484,404
Institutional accumulation	9,181,687	118,640	(1,441,309)	-	7,859,018
Retail income	2,997,042	44,527	(339,070)	(2,312)	2,700,187
Institutional income	944,112	31,807,970	(2,144,659)	-	30,607,423
Standard Life accumulation	2,189,815	280,010	(426,945)	-	2,042,880
Platform 1 accumulation	12,726,899	2,166,425	(4,954,446)	-	9,938,878
Platform 1 income	3,296,797	87,366	(1,008,089)	2,005	2,378,079

**14 Fair Value Hierarchy**

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	36,069	-	-	25,107	357	-
Collective Investment Schemes	-	608	-	-	74	-
Derivatives	17	159	-	18	53	-
<b>Total investment assets</b>	<b>36,086</b>	<b>767</b>	<b>-</b>	<b>25,125</b>	<b>484</b>	<b>-</b>
Derivatives	(15)	(97)	-	(12)	(39)	-
<b>Total investment liabilities</b>	<b>(15)</b>	<b>(97)</b>	<b>-</b>	<b>(12)</b>	<b>(39)</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

## 15 Risk Management Policies & Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

### a. Market price risk

Each Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Fund Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the Fund.

Value at Risk (VaR) is a measure of the maximum potential loss to the Fund due to market risk. More particularly, VaR measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

2019	Minimum	Maximum	Average
VaR 99% 1 Month	3.84%	5.37%	4.23%

2018	Minimum	Maximum	Average
VaR 99% 1 Month	4.30%	5.14%	4.69%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 3.95%, £1,434,000 (2018: 4.33%, £1,114,000) within a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### b. Foreign currency risk

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

### Currency exposure

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets/(liabilities)	
	2019 £'000	2018 £'000
Australian Dollar	-	5
Canadian Dollar	10	(2)
Euro	47	3
Swedish Krona	(19)	-
US Dollar	(1)	12

### c. Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

Bond yields are affected by market and economic conditions, including inflation rates and government policy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets/(liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2019</b>				
<b>Currency</b>				
UK Sterling	680	35,600	25	36,305
Canadian Dollar	-	-	10	10
Euro	26	(19)	40	47
Swedish Krona	13	(32)	-	(19)
US Dollar	453	-	(454)	(1)
<b>2018</b>				
<b>Currency</b>				
UK Sterling	181	25,464	89	25,734
Australian Dollar	(6)	-	11	5
Canadian Dollar	-	-	(2)	(2)
Euro	(6)	-	9	3
US Dollar	8	-	4	12

### d. Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

	Bid market value 2019 £'000	Bid market value 2018 £'000
Credit Rating Analysis		
Investment Grade Bonds	36,069	25,462
Unrated Bonds	-	-
<b>Total Value of Bonds</b>	<b>36,069</b>	<b>25,462</b>

#### e. Financial Derivatives Instrument Risk

At the year end the Fund held derivatives for the purposes of efficient portfolio management (including hedging). These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the Fund's prospectus.

At the balance sheet date the Fund had the following exposures:

	2019 £'000	2018 £'000
<b>Market Exposure</b>		
Forward Currency Contracts	842	-
Futures	17,786	10,331
Interest Rate Swaps	15,583	19,622
Inflation Swaps	1,851	1,700
<b>Total Market Exposure</b>	<b>36,062</b>	<b>31,653</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

#### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange. Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

Exposure is reduced by the exchange of margin on a daily basis for cleared derivatives and by the collateral held/pledged on a bilateral transaction.

Counterparty or clearer	2019			2018		
	Collateral (held)/ pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000	Collateral (held)/ pledged £'000	Margin at clearing broker £'000	Market value of derivatives £'000
Barclays	-	-	-	-	-	-
Citigroup	-	-	-	-	-	4
Goldman Sachs	170	13	40	133	-	14
HSBC	-	-	-	-	-	-
JP Morgan	-	-	-	-	-	-
NatWest Markets	-	-	26	-	-	-
Nomura	-	-	-	-	-	-
UBS	-	-	(2)	-	-	2
<b>Total</b>	<b>170</b>	<b>13</b>	<b>64</b>	<b>133</b>	<b>-</b>	<b>20</b>

Margin exchanged or collateral held or pledged is in the form of high quality liquid assets e.g. cash/gilts. Positions are fully collateralised at all times. Restrictions are placed on the right of either party to reuse collateral assets.

#### f. Liquidity risk

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the six months ended 31 August 2018

Group 1 – shares purchased prior to 1 March 2018

Group 2 – shares purchased between 1 March 2018 and 31 August 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.0172	-	0.0172*	-
Group 2	-	0.0172	0.0172*	-
<b>Institutional accumulation</b>				
Group 1	0.1872	-	0.1872*	0.1640
Group 2	0.0973	0.0899	0.1872*	0.1640
<b>Retail income</b>				
Group 1	0.0109	-	0.0109**	-
Group 2	0.0012	0.0097	0.0109**	-
<b>Institutional income</b>				
Group 1	0.1129	-	0.1129**	0.0995
Group 2	0.0491	0.0638	0.1129**	0.0995
<b>Standard Life accumulation</b>				
Group 1	0.4247	-	0.4247*	0.3986
Group 2	0.1696	0.2551	0.4247*	0.3986
<b>Platform 1 accumulation</b>				
Group 1	0.1236	-	0.1236*	0.1062
Group 2	0.0607	0.0629	0.1236*	0.1062
<b>Platform 1 income</b>				
Group 1	0.1165	-	0.1165**	0.1007
Group 2	0.0636	0.0529	0.1165**	0.1007

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

For the six months ended 28 February 2019

Group 1 – shares purchased prior to 1 September 2018

Group 2 – shares purchased between 1 September 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	0.0876	-	0.0876*	0.0084
Group 2	0.0366	0.0510	0.0876*	0.0084
<b>Institutional accumulation</b>				
Group 1	0.2584	-	0.2584*	0.1806
Group 2	0.1365	0.1219	0.2584*	0.1806
<b>Retail income</b>				
Group 1	0.0555	-	0.0555**	0.0054
Group 2	0.0289	0.0266	0.0555**	0.0054
<b>Institutional income</b>				
Group 1	0.1559	-	0.1559**	0.1096
Group 2	0.0729	0.0830	0.1559**	0.1096
<b>Standard Life accumulation</b>				
Group 1	0.5000	-	0.5000*	0.4102
Group 2	0.3379	0.1621	0.5000*	0.4102
<b>Platform 1 accumulation</b>				
Group 1	0.1763	-	0.1763*	0.1194
Group 2	0.0609	0.1154	0.1763*	0.1194
<b>Platform 1 income</b>				
Group 1	0.1658	-	0.1658**	0.1116
Group 2	0.0816	0.0842	0.1658**	0.1116

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# UK Opportunities Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Abby Glennie
<b>Launch Date</b>	25 November 2002
<b>Benchmark</b>	FTSE All Share Index (excluding FTSE 100 and Inv. Trusts)

### Investment objective

The objective of the Fund is to provide capital growth over the longer term mainly through investment in small and medium size UK companies. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mostly in equities and equity type investments of companies listed on a UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and / or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by investing in an actively managed portfolio of mainly small and medium size UK companies. The focused nature of the portfolio makes it suitable for investors who are willing to accept a relatively high degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of this area of the UK equity markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

During the period under review, the Fund returned -11.21% compared with the FTSE All-Share (ex 100 ex IT) Index return of -1.56% (source: Factset and Morningstar, basic rate taxpayer, Platform One share class, bid-to-bid basis).

Veterinary services provider CVS Group detracted from performance. A trading update highlighted it was suffering from rising wage inflation, especially for locums. The company had been a beneficiary of rising spending on pets but a shortage of qualified vets has developed. A holding in First Derivatives also weighed on relative returns. The data analytics technology supplier came under pressure after investors raised concerns

around its growth and cashflow. Hostelworld Group also delivered disappointing performance. The hostel-focused online booking platform was hit by the departures of its CFO and CEO and weak bookings. Elsewhere, Accesso Technology had a difficult period. Concerns increased after a trading update indicated that growth in the queuing-solution technology business was slowing. Finally, fixed-fee estate agent Purplebricks Group and travel agent On the Beach Group were additional drags on the Fund's relative performance.

On the upside, JD Sports Fashion added to returns. The company finalised its takeover of Finish Line in the US. This gives it a US retail store footprint and furthers its plan to become a global partner for major sportswear brands. Recent impressive results added to the positive sentiment surrounding the shares. Fever-Tree Drinks was another holding that performed well. The UK-listed premium-mixers maker remained popular with investors for its continued long-term growth profile. This was confirmed when it delivered results ahead of expectations. Elsewhere, concrete paving firm Marshalls also performed well. It continued to trade ahead of its peers when it announced a positive earnings update.

### Investment activity

We established a new holding in meat packaging company Hilton Food Group. It is a quality growth business, with predictable revenues and a strong global customer base. A recent acquisition provided further growth opportunities. We also added internet-focused telecoms company Gamma Communications to the Fund. It has high recurring revenues with potential for increased market share backed-up with product innovation. We also participated in the initial public offering of video games developer Team17. The industry has improved the sustainability of revenues and margin potential. We also built positions in engineer Aveva and online stockbroker AJ Bell.

Sales included plastics products manufacturer RPC. We decided to take profits and exit the position after it received a bid. CVS was sold as we were worried about rising costs from a shortage of vets. House-builder Bellway was another sale. There was increased risk it could struggle against the backdrop of a stuttering UK housing market and wavering political support for Help to Buy. We also eliminated a position in Halma and trimmed holdings in NMC, Just Eat, GVC and Melrose.

**Synthetic Risk & Reward Indicator**

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the Fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the Fund invests. Historical data may not be a reliable indication of the future.

The current rating is not guaranteed and may change if the volatility of the assets in which the Fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained.

For further information on the risks that may not be fully captured by the risk and reward indicator, please refer to the current Key Investor Information Document (KIID).

**Cautionary note**

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	255.75	202.09	169.60
Return before operating charges*	(25.88)	56.80	34.90
Operating charges	(3.30)	(3.14)	(2.41)
Return after operating charges*	(29.18)	53.66	32.49
Distributions	(0.79)	(0.97)	(0.68)
Retained distributions on accumulation share	0.79	0.97	0.68
Closing net asset value per share	226.57	255.75	202.09
* after direct transaction costs of:	0.29	0.27	0.52
<b>Performance</b>			
Return after charges	(11.41%)	26.55%	19.16%
<b>Other information</b>			
Closing net asset value (£'000)	23,007	27,409	24,713
Closing number of shares	10,154,393	10,717,251	12,228,414
Operating charges	1.33%	1.33%	1.33%
Direct transaction costs	0.12%	0.11%	0.29%
<b>Prices</b>			
Highest share price	273.1	259.2	203.4
Lowest share price	206.3	205.5	151.0

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per shares (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	287.88	226.42	189.07
Return before operating charges*	(29.25)	63.74	39.09
Operating charges	(2.38)	(2.28)	(1.74)
Return after operating charges*	(31.63)	61.46	37.35
Distributions	(2.16)	(1.79)	(1.59)
Retained distributions on accumulation share	2.16	1.79	1.59
Closing net asset value per share	256.25	287.88	226.42
* after direct transaction costs of:	0.32	0.30	0.58
<b>Performance</b>			
Return after charges	(10.99%)	27.14%	19.75%
<b>Other information</b>			
Closing net asset value (£'000)	11,341	8,968	7,244
Closing number of shares	4,425,713	3,115,232	3,199,274
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	0.12%	0.11%	0.29%
<b>Prices</b>			
Highest share price	308.2	291.7	227.9
Lowest share price	233.1	230.2	168.6

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Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	234.47	186.04	156.70
Return before operating charges*	(23.61)	52.20	32.19
Operating charges	(3.02)	(2.88)	(2.22)
Return after operating charges*	(26.63)	49.32	29.97
Distributions	(0.72)	(0.89)	(0.63)
Closing net asset value per share	207.12	234.47	186.04
* after direct transaction costs of:	0.26	0.25	0.48
<b>Performance</b>			
Return after charges	(11.36%)	26.51%	19.13%
<b>Other information</b>			
Closing net asset value (£'000)	642	793	741
Closing number of shares	309,843	338,039	398,252
Operating charges	1.33%	1.33%	1.33%
Direct transaction costs	0.12%	0.11%	0.29%
<b>Prices</b>			
Highest share price	250.2	237.7	187.3
Lowest share price	188.6	189.1	139.5

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Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	239.81	189.86	159.76
Return before operating charges*	(24.18)	53.37	32.91
Operating charges	(1.95)	(1.91)	(1.47)
Return after operating charges*	(26.13)	51.46	31.44
Distributions	(1.80)	(1.51)	(1.34)
Closing net asset value per share	211.88	239.81	189.86
* after direct transaction costs of:	0.26	0.25	0.49
<b>Performance</b>			
Return after charges	(10.90%)	27.10%	19.68%
<b>Other information</b>			
Closing net asset value (£'000)	1,492	1,014	817
Closing number of shares	703,874	422,785	430,431
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	0.12%	0.11%	0.29%
<b>Prices</b>			
Highest share price	256.5	243.1	191.3
Lowest share price	193.2	193.1	142.5

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Highest and Lowest prices are based on official published daily NAVs.

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	105.37	83.39	70.15
Return before operating charges*	(10.61)	23.49	14.47
Operating charges	(0.03)	(0.03)	(0.02)
Return after operating charges*	(10.64)	23.46	14.45
Distributions	(1.63)	(1.48)	(1.21)
Closing net asset value per share	93.10	105.37	83.39
* after direct transaction costs of:	0.13	0.11	0.22
<b>Performance</b>			
Return after charges	(10.10%)	28.13%	20.60%
<b>Other information</b>			
Closing net asset value (£'000)	- <sup>^</sup>	2	2
Closing number of shares	92	2,000	2,000
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs	0.12%	0.11%	0.29%
<b>Prices</b>			
Highest share price	113.2	107.2	84.34
Lowest share price	85.10	84.81	62.74

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per shares (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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<sup>^</sup> The closing net asset value of Standard Life income is £85.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	313.10	244.42	202.58
Return before operating charges*	(31.98)	69.00	42.08
Operating charges	(0.33)	(0.32)	(0.24)
Return after operating charges*	(32.31)	68.68	41.84
Distributions	(4.64)	(4.11)	(3.35)
Retained distributions on accumulation share	4.64	4.11	3.35
Closing net asset value per share	280.79	313.10	244.42
* after direct transaction costs of:	0.35	0.33	0.63
<b>Performance</b>			
Return after charges	(10.32%)	28.10%	20.65%
<b>Other information</b>			
Closing net asset value (£'000)	525	600	394
Closing number of shares	187,076	191,798	161,185
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	0.12%	0.11%	0.29%
<b>Prices</b>			
Highest share price	336.4	317.0	245.9
Lowest share price	255.1	248.5	181.1

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Institutional regulated accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	203.68	159.47	132.57
Return before operating charges*	(20.76)	44.98	27.48
Operating charges	(0.81)	(0.77)	(0.58)
Return after operating charges*	(21.57)	44.21	26.90
Distributions	(2.42)	(2.11)	(1.76)
Retained distributions on accumulation share	2.42	2.11	1.76
Closing net asset value per share	182.11	203.68	159.47
* after direct transaction costs of:	0.23	0.21	0.41
<b>Performance</b>			
Return after charges	(10.59%)	27.72%	20.29%
<b>Other information</b>			
Closing net asset value (£'000)	67,968	81,184	69,326
Closing number of shares	37,322,180	39,859,492	43,471,885
Operating charges	0.41%	0.41%	0.41%
Direct transaction costs	0.12%	0.11%	0.29%
<b>Prices</b>			
Highest share price	218.5	206.3	160.5
Lowest share price	165.6	162.1	118.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per shares (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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<b>Platform 1 accumulation</b>	<b>2019</b> pence per share	<b>2018</b> pence per share	<b>2017</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	116.32	91.53	76.47
Return before operating charges*	(11.80)	25.77	15.81
Operating charges	(1.03)	(0.98)	(0.75)
Return after operating charges*	(12.83)	24.79	15.06
Distributions	(0.81)	(0.67)	(0.60)
Retained distributions on accumulation share	0.81	0.67	0.60
Closing net asset value per share	103.49	116.32	91.53
* after direct transaction costs of:	0.13	0.12	0.23
<b>Performance</b>			
Return after charges	(11.03%)	27.08%	19.69%
<b>Other information</b>			
Closing net asset value (£'000)	15,847	16,482	10,857
Closing number of shares	15,312,738	14,169,086	11,861,412
Operating charges	0.91%	0.91%	0.91%
Direct transaction costs	0.12%	0.11%	0.28%
<b>Prices</b>			
Highest share price	124.5	117.9	92.12
Lowest share price	94.17	93.06	68.20

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per shares (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Platform 1 income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	111.54	88.32	74.32
Return before operating charges*	(11.21)	24.81	15.30
Operating charges	(0.99)	(0.94)	(0.72)
Return after operating charges*	(12.20)	23.87	14.58
Distributions	(0.78)	(0.65)	(0.58)
Closing net asset value per share	98.56	111.54	88.32
* after direct transaction costs of:	0.13	0.12	0.23
<b>Performance</b>			
Return after charges	(10.94%)	27.03%	19.62%
<b>Other information</b>			
Closing net asset value (£'000)	1,266	1,715	1,030
Closing number of shares	1,284,048	1,537,274	1,166,544
Operating charges	0.91%	0.91%	0.91%
Direct transaction costs	0.12%	0.11%	0.29%
<b>Prices</b>			
Highest share price	119.3	113.1	88.99
Lowest share price	89.86	89.82	66.28

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Highest and Lowest prices are based on official published daily NAVs.

Institutional A accumulation <sup>^</sup>	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	73.23	58.01	48.82
Return before operating charges*	4.12	16.31	10.03
Operating charges	(0.37)	(1.09)	(0.84)
Return after operating charges*	3.75	15.22	9.19
Distributions	-	(0.19)	(0.14)
Retained distributions on accumulation share	-	0.19	0.14
Redemption value as at 21 June 2018	(76.98)	-	-
Closing net asset value per share	-	73.23	58.01
* after direct transaction costs of:	0.03	0.08	0.15
<b>Performance</b>			
Return after charges	5.12%	26.24%	18.82%
<b>Other information</b>			
Closing net asset value (£'000)	-	2	1
Closing number of shares	-	2,200	2,200
Operating charges	1.61%	1.61%	1.61%
Direct transaction costs	0.12%	0.11%	0.29%
<b>Prices</b>			
Highest share price	77.74	74.24	58.39
Lowest share price	70.30	58.98	43.43

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<sup>^</sup> Share class closed on 21 June 2018.

## Portfolio Statement

As at 28 February 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (98.13%)</b>		<b>120,876</b>	<b>99.01</b>
<b>Consumer Goods (17.64%)</b>		<b>23,295</b>	<b>19.08</b>
413,708	Countryside Properties	1,348	1.11
116,317	Cranswick	2,873	2.35
157,489	Fever Tree Drinks*	4,216	3.45
433,516	Hilton Food	4,023	3.30
788,730	Hotel Chocolat*	2,516	2.06
1,180,489	JD Sports	5,496	4.50
1,447,862	Team17	2,823	2.31
<b>Consumer Services (24.01%)</b>		<b>30,509</b>	<b>24.99</b>
179,784	4Imprint	3,578	2.93
746,620	Auto Trader	3,551	2.91
1,795,235	Cineworld	5,005	4.10
291,694	GVC	1,914	1.57
980,571	Hollywood Bowl	2,147	1.76
804,135	Hostelworld	1,591	1.30
745,966	Joules*	2,208	1.81
317,447	Just Eat	2,369	1.94
587,504	Next Fifteen Communications*	3,325	2.72
828,244	On the Beach	3,462	2.84
9,870,319	Phorm**	-	-
291,046	YouGov*	1,359	1.11
<b>Financials (3.22%)</b>		<b>5,091</b>	<b>4.17</b>
984,067	AJ Bell	2,859	2.34
437,671	Purplebricks*	621	0.51
164,289	Workspace	1,611	1.32
<b>Health Care (13.28%)</b>		<b>12,074</b>	<b>9.89</b>
227,363	Dechra Pharmaceuticals	5,616	4.60
179,701	Eco Animal Health*	816	0.67
262,118	Georgia Healthcare	537	0.44
11,691	Hutchison China MediTech*	443	0.36
730,831	Medica	835	0.68
141,653	NMC Healthcare	3,827	3.14
<b>Industrials (27.30%)</b>		<b>31,787</b>	<b>26.04</b>
918,360	Alpha Financial Markets*	2,277	1.87
588,605	Costain	2,187	1.79
164,977	Diploma	2,229	1.83

Holding	Investment	Market value £'000	Percentage of total net assets
126,210	Hill & Smith	1,488	1.22
293,198	Keywords Studios*	3,278	2.68
523,003	Marshalls	2,835	2.32
666,003	Melrose Industries	1,158	0.95
832,015	Midwich*	4,763	3.90
405,446	Porvair	2,100	1.72
964,058	RWS*	4,545	3.72
578,567	Sanne Group	2,974	2.44
1,438,986	Severfield	961	0.79
49,098	XP Power	992	0.81
<b>Oil &amp; Gas (0.69%)</b>		<b>652</b>	<b>0.53</b>
321,344	Cairn Energy	652	0.53
<b>Technology (11.99%)</b>		<b>14,135</b>	<b>11.58</b>
88,301	Accesso*	744	0.61
114,889	AVEVA	3,456	2.83
99,939	Blue Prism*	1,447	1.19
343,334	FDM	2,877	2.36
123,274	First Derivatives*	2,687	2.20
190,495	GB*	932	0.76
404,898	Kainos	1,992	1.63
<b>Telecommunications (0.00%)</b>		<b>3,333</b>	<b>2.73</b>
391,154	Gamma Communication*	3,333	2.73
<b>Collective Investment Schemes (1.92%)</b>		<b>1,294</b>	<b>1.06</b>
1,294	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	1,294	1.06
<b>Total investment assets</b>		<b>122,170</b>	<b>100.07</b>
<b>Net other liabilities</b>		<b>(82)</b>	<b>(0.07)</b>
<b>Total Net Assets</b>		<b>122,088</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

\* AIM listed

\*\* Suspended

+ Managed by subsidiaries of Standard Life Aberdeen plc

### Statement of Total Return

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(16,465)		29,409
Revenue	4	2,182		2,001	
Expenses	5	(931)		(899)	
Net revenue before taxation		1,251		1,102	
Taxation	6	-		-	
Net revenue after taxation			1,251		1,102
<b>Total return before distributions</b>			<b>(15,214)</b>		<b>30,511</b>
Distributions	7		(1,255)		(1,156)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(16,469)</b>		<b>29,355</b>

### Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>138,169</b>		<b>115,125</b>
Amounts receivable on the issue of shares	14,380		11,253	
Amounts payable on the cancellation of shares	(15,271)		(18,732)	
		(891)		(7,479)
Dilution adjustment		46		46
Change in net assets attributable to shareholders from investment activities (see above)		(16,469)		29,355
Retained distribution on accumulation shares		1,233		1,122
<b>Closing net assets attributable to shareholders</b>		<b>122,088</b>		<b>138,169</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019 £'000	2018 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		122,170	138,242
<b>Current assets:</b>			
Debtors	8	422	55
Cash and bank balances		32	30
		454	85
<b>Total assets</b>		<b>122,624</b>	<b>138,327</b>
<b>Liabilities:</b>			
Creditors	9	(530)	(157)
Distribution payable		(6)	(1)
		(536)	(158)
<b>Total liabilities</b>		<b>(536)</b>	<b>(158)</b>
<b>Net assets attributable to shareholders</b>		<b>122,088</b>	<b>138,169</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(16,461)	29,409
Other (losses)/gains	(1)	2
Handling charges taken from the capital account	(3)	(2)
<b>Net capital (losses)/gains</b>	<b>(16,465)</b>	<b>29,409</b>

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	32,471	44,167
Commissions	30	42
Taxes & Other Fees	100	60
<b>Total purchase transaction costs</b>	<b>130</b>	<b>102</b>
<b>Purchases including transaction costs</b>	<b>32,601</b>	<b>44,269</b>
<b>Sales</b>		
Gross sales before transaction costs	30,881	52,850
Commissions	(25)	(44)
<b>Total sale transaction costs</b>	<b>(25)</b>	<b>(44)</b>
<b>Total sales net of transaction costs</b>	<b>30,856</b>	<b>52,806</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.09%	0.09%
Taxes & Other Fees	0.31%	0.13%
<b>Sales</b>		
Commissions	0.08%	0.08%
	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.02%	0.03%
Taxes & Other Fees	0.07%	0.05%
<b>Sales</b>		
Commissions	0.02%	0.03%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	32,601	44,269
Collective investment schemes	28,092	39,484
<b>Sales</b>		
Equities	30,856	52,850
Collective investment schemes	29,445	38,629

There were no corporate actions in the year (2018 (net purchases): £899,000).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.99% (2018: 1.87%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	1,856	1,741
Overseas dividends	243	193
Taxable distributions on offshore funds	15	-
Bank interest	20	9
Property income distributions	48	58
<b>Total revenue</b>	<b>2,182</b>	<b>2,001</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	800	774
Dealing charge	9	8
Registration fees	86	82
	895	864
<i>Payable to the Depository or associates of the Depository, and agents of either of them:</i>		
Depository's fees	23	24
Safe custody fee	4	3
	27	27
<b>Other:</b>		
Audit fee	9	8
<b>Total expenses</b>	<b>931</b>	<b>899</b>

## 6 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
Total current tax	-	-
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	1,251	1,102
Corporation tax at 20% (2018: 20%)	250	220
Effects of:		
Revenue not subject to taxation	(420)	(387)
Excess allowable expenses	170	167
<b>Total tax charge for year (note 6a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

## (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax Asset of £4,559,000 (2018: £4,389,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax Asset has been recognised in the year or the prior year.

**7 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Interim distribution	883	926
Final distribution	371	213
	1,254	1,139
Add: Income deducted on cancellation of shares	34	49
Deduct: Income received on issue of shares	(33)	(32)
<b>Net distribution for the year</b>	<b>1,255</b>	<b>1,156</b>
Details of the distribution per share are set out in this Fund's distribution tables.		
Net revenue after taxation	1,251	1,102
Shortfall transfer from capital to revenue	4	54
<b>Total distributions</b>	<b>1,255</b>	<b>1,156</b>

**8 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	243	49
Sales awaiting settlement	170	-
Accrued revenue	7	1
Foreign withholding tax recoverable	2	5
<b>Total debtors</b>	<b>422</b>	<b>55</b>

**9 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	319	76
Purchases awaiting settlement	134	-
Accrued expenses payable to ACD	63	70
Accrued expenses payable to the Depositary or associates of the Depositary	5	3
Other accrued expenses	9	8
<b>Total creditors</b>	<b>530</b>	<b>157</b>

**10 Related Party Transactions**

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the Fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 8 and 9.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 9.

## 11 Shares in issue reconciliation

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	10,717,251	632,163	(1,157,298)	(37,723)	10,154,393
Institutional accumulation	3,115,232	1,778,532	(488,674)	20,623	4,425,713
Retail income	338,039	18,498	(46,694)	-	309,843
Institutional income	422,785	466,098	(171,859)	(13,150)	703,874
Standard Life income	2,000	92	(2,000)	-	92
Standard Life accumulation	191,798	33,181	(37,903)	-	187,076
Institutional regulated accumulation	39,859,492	1,107,650	(3,644,962)	-	37,322,180
Platform 1 accumulation	14,169,086	3,287,960	(2,177,974)	33,666	15,312,738
Platform 1 income	1,537,274	341,973	(623,476)	28,277	1,284,048
Institutional A accumulation	2,200	-	(2,200)	-	-

## 12 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	120,876	-	-	135,594	-	-
Collective Investment Schemes	-	1,294	-	-	2,648	-
<b>Total investment assets</b>	<b>120,876</b>	<b>1,294</b>	<b>-</b>	<b>135,594</b>	<b>2,648</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

## 13 Risk Management Policies &amp; Numerical Disclosures

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

Each Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Fund Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the Fund.

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £6,108,000 (2018: £6,912,000). A five per cent decrease would have an equal and opposite effect.

**b. Foreign currency risk**

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at 28 February 2019 by £2,000 (2018: £2,000). A five per cent decrease would have an equal and opposite effect.

**Currency exposure**

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Euro	32	33

**c. Interest rate risk**

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	1,296	120,760	122,056
Euro	30	2	32
<b>2018</b>			
<b>Currency</b>			
UK Sterling	2,650	135,486	138,136
Euro	28	5	33

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

**d. Credit risk**

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

**e. Liquidity risk**

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Tables**

For the six months ended 31 August 2018

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 31 August 2018

	Net Income 2018 pence per share	Equalisation 2018 pence per share	Distribution paid 2018 pence per share	Distribution paid 2017 pence per share
<b>Retail accumulation</b>				
Group 1	0.7857	-	0.7857*	0.9668
Group 2	0.2889	0.4968	0.7857*	0.9668
<b>Institutional accumulation</b>				
Group 1	1.5890	-	1.5890*	1.6838
Group 2	0.3227	1.2663	1.5890*	1.6838
<b>Retail income</b>				
Group 1	0.7181	-	0.7181**	0.8912
Group 2	0.5752	0.1429	0.7181**	0.8912
<b>Institutional income</b>				
Group 1	1.3249	-	1.3249**	1.4134
Group 2	0.3684	0.9565	1.3249**	1.4134
<b>Standard Life income</b>				
Group 1	1.0385	-	1.0385**	1.0168
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	2.9520	-	2.9520*	2.8565
Group 2	1.9363	1.0157	2.9520*	2.8565
<b>Institutional regulated accumulation</b>				
Group 1	1.6002	-	1.6002*	1.5928
Group 2	1.0302	0.5700	1.6002*	1.5928
<b>Platform 1 accumulation</b>				
Group 1	0.6109	-	0.6109*	0.6553
Group 2	0.2418	0.3691	0.6109*	0.6553
<b>Platform 1 income</b>				
Group 1	0.5816	-	0.5816**	0.6328
Group 2	0.4255	0.1561	0.5816**	0.6328
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1	-	-	-	0.1913
Group 2	-	-	-	-

\* Distribution accumulated on 31 August 2018

\*\* Distribution paid on 31 October 2018

<sup>^</sup> Share class closed on 21 June 2018

For the six months ended 28 February 2019

Group 1 - shares purchased prior to 1 September 2018

Group 2 - shares purchased between 1 September 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.5681	-	0.5681*	0.1033
Group 2	0.2530	0.3151	0.5681*	0.1033
<b>Retail income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional income</b>				
Group 1	0.4774	-	0.4774**	0.0925
Group 2	0.4709	0.0065	0.4774**	0.0925
<b>Standard Life income</b>				
Group 1	0.5885	-	0.5885**	0.4680
Group 2	0.4230	0.1655	0.5885**	-
<b>Standard Life accumulation</b>				
Group 1	1.6909	-	1.6909*	1.2539
Group 2	0.8766	0.8143	1.6909*	1.2539
<b>Institutional regulated accumulation</b>				
Group 1	0.8199	-	0.8199*	0.5122
Group 2	0.3963	0.4236	0.8199*	0.5122
<b>Platform 1 accumulation</b>				
Group 1	0.2032	-	0.2032*	0.0165
Group 2	0.0870	0.1162	0.2032*	0.0165
<b>Platform 1 income</b>				
Group 1	0.1939	-	0.1939**	0.0196
Group 2	0.0771	0.1168	0.1939**	0.0196
<b>Institutional A accumulation<sup>^</sup></b>				
Group 1				-
Group 2				-

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

<sup>^</sup> Share class closed on 21 June 2018

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

Corporate shareholders should account for the current year's dividends shown in the distribution table as follows:

	Interim Dividend	Final Dividend
Treat as a UK corporate dividend	100.00%	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%	0.00%

# UK Smaller Companies Fund

## Investment Report

### Fund Information

<b>Fund Manager</b>	Harry Nimmo
<b>Launch Date</b>	6 January 1997
<b>Benchmark</b>	IA UK Smaller Companies Sector

### Investment objective

The objective of the Fund is to provide capital growth over the longer term through investment in smaller companies in the UK Equity market. It is intended that income will not be a prime consideration.

### Investment policy

The investment policy of the Fund is to invest mostly in smaller companies in the UK Equity market (excluding Investment Trusts). Investments can be made in equities and equity type investments of companies listed on a UK stock exchange or which, in the opinion of the ACD, carry on a substantial part of their operations in the UK. "Equity type investments" will include convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such investments which entitle the holder to subscribe for or convert into the equity of the company and/or where the share price performance is, in the opinion of the ACD, influenced significantly by the stock market performance of the company's ordinary shares.

The Fund may also invest in other transferable securities, money-market instruments, deposits, cash and near cash, derivatives and collective investment schemes.

### Risk

The Fund is intended for investors who wish to participate in the potential capital growth opportunities afforded by investing in an actively managed portfolio of mainly small companies in the UK equity market. The focused nature of the portfolio makes it suitable for investors who are willing to accept a relatively high degree of stock specific risk. The investor must be able to accept significant temporary losses due to the volatile nature of this area of the UK equity markets, and should therefore have an investment time horizon of at least 5 years.

### Performance

During the period under review, the Fund returned -4.4%. This compared with the IA UK Smaller Companies benchmark return of -5.6%. Source: Morningstar, basic-rate taxpayer, platform one share class, bid-to-bid basis.

It was a challenging year for UK equities and the Fund. A number of factors weighed on sentiment. These included concerns about global growth, higher US interest rates and the US/China trade war. However, it was Brexit that garnered the majority of the headlines. UK markets and sterling were volatile throughout, with tensions rising as the 29 March deadline approached. This heightened risk-aversion hit smaller companies, notably in November and December. However, year-to-date performance for the Fund improved markedly.

A position in Cranswick weighed on relative Fund returns. The company, which supplies premium foods to major retailers, announced that its operating profit would fall in 2019. It cited difficult commercial conditions and the costs of its new poultry factory. Nonetheless, it believes the latter will pay off over the long term. Indeed, it recently signed a contract to supply supermarket Wm Morrison. Meanwhile, technology group Accesso's stock tumbled after its CEO announced he was stepping down. First Derivatives struggled despite delivering better-than-expected results. Investors focused instead on research by a hedge fund short-seller that questions the company's growth pattern and operating style. Holdings in CVS Group (since sold), XP Power and Ted Baker also disappointed.

Three top-performing holdings – GB Group, JD Sports Fashion and Fever-Tree – all delivered robust results, with each confirming a strong trading environment. In JD's case, it finalised its takeover of Finish Line in the US, which met with investor approval. Meanwhile, concrete-paving firm Marshalls performed well. It continues to trade strongly relative to its peers in the industry, with profits up. Additional highlights included Gamma Communications, Kainos and Diploma.

### Investment activity

We favour companies with strong management teams, especially those that are owned by the founder. With that in mind, we purchased additional shares in AJ Bell. It is an innovative, online investment platform and stockbroker service. The company has grown rapidly, thanks to its low-cost, easy-to-use approach to investing. Its tech platform is also strong. Future is a multi-platform media company, publishing content in fields such as video games, technology and film. It too has an impressive CEO, who is transforming the business. The company boasts that it connects "120 million people worldwide with their passions". We think it will continue to grow this readership as it expands its business. The company has already made a number of earnings-enhancing acquisitions, as reflected by its recent corporate update.

We sold veterinary firm CVS after it issued a profit warning. The company blamed the underperformance on its new farm and equine practices in the Netherlands. An industry-wide shortage of vets is also pushing up employment costs. We exited NMC Healthcare. This has been a successful stock for the Fund. So much so, that the company is now a large-cap and no longer appropriate for our mandate.

### Synthetic Risk & Reward Indicator

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	<b>5</b>	6	7

This indicator reflects the volatility of the fund's share price over the last five years which in turn reflects the volatility of the underlying assets in which the fund invests. Historical data may not be a reliable indication of the future.

The current rating, which is the same for all share classes, is not guaranteed and may change if the volatility of the assets in which the fund invests changes. The lowest rating does not mean risk free.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained. For further information on the risks that may not be fully captured by the risk and reward indicator, please refer the current Key Investor Information Document (KIID).

#### Cautionary note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

## Comparative Tables

Retail accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	721.57	580.09	500.23
Return before operating charges*	(20.17)	150.52	87.00
Operating charges	(9.93)	(9.04)	(7.14)
Return after operating charges*	(30.10)	141.48	79.86
Distributions	(3.91)	(2.79)	(3.49)
Retained distributions on accumulation share	3.91	2.79	3.49
Closing net asset value per share	691.47	721.57	580.09
* after direct transaction costs of:	0.39	0.28	0.46
<b>Performance+</b>			
Return after charges	(4.17)%	24.39%	15.96%
<b>Other information</b>			
Closing net asset value (£'000)	189,961	206,287	182,052
Closing number of shares	27,472,182	28,588,576	31,383,591
Operating charges	1.36%	1.36%	1.36%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	797.3	738.7	581.9
Lowest share price	634.7	587.2	451.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	850.02	680.15	583.50
Return before operating charges*	(23.98)	176.82	102.11
Operating charges	(7.66)	(6.95)	(5.46)
Return after operating charges*	(31.64)	169.87	96.65
Distributions	(8.66)	(6.94)	(7.15)
Retained distributions on accumulation share	8.66	6.94	7.15
Closing net asset value per share	818.38	850.02	680.15
* after direct transaction costs of:	0.45	0.33	0.53
<b>Performance+</b>			
Return after charges	(3.72%)	24.98%	16.56%
<b>Other information</b>			
Closing net asset value (£'000)	341,314	346,824	326,267
Closing number of shares	41,705,804	40,802,002	47,969,757
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	940.9	869.8	682.2
Lowest share price	750.6	688.7	527.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Retail income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	70.03	57.23	50.32
Return before operating charges*	(1.96)	14.85	8.71
Operating charges	(0.97)	(0.89)	(0.72)
Return after operating charges*	(2.93)	13.96	7.99
Distributions	(1.34)	(1.16)	(1.08)
Closing net asset value per share	65.76	70.03	57.23
* after direct transaction costs of:	0.04	0.03	0.05
<b>Performance+</b>			
Return after charges	(4.18%)	24.39%	15.88%
<b>Other information</b>			
Closing net asset value (£'000)	4,744	8,389	6,769
Closing number of shares	7,214,003	11,979,379	11,826,530
Operating charges	1.36%	1.36%	1.36%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	77.40	72.88	58.49
Lowest share price	61.60	57.93	45.42

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	92.65	75.36	65.89
Return before operating charges*	(2.63)	19.60	11.51
Operating charges	(0.84)	(0.78)	(0.62)
Return after operating charges*	(3.47)	18.82	10.89
Distributions	(1.77)	(1.53)	(1.42)
Closing net asset value per share	87.41	92.65	75.36
* after direct transaction costs of:	0.05	0.04	0.06
<b>Performance+</b>			
Return after charges	(3.75%)	24.97%	16.53%
<b>Other information</b>			
Closing net asset value (£'000)	15,888	13,638	8,363
Closing number of shares	18,175,500	14,721,013	11,097,979
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	102.6	96.36	77.01
Lowest share price	81.80	76.30	59.57

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

Standard Life income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	210.17	169.45	146.84
Return before operating charges*	(6.12)	44.14	25.76
Operating charges	(0.02)	(0.02)	(0.01)
Return after operating charges*	(6.14)	44.12	25.75
Distributions	(3.94)	(3.40)	(3.14)
Closing net asset value per share	200.09	210.17	169.45
* after direct transaction costs of:	0.11	0.08	0.14
<b>Performance+</b>			
Return after charges	(2.92%)	26.04%	17.54%
<b>Other information</b>			
Closing net asset value (£'000)	7,490	8,538	13,558
Closing number of shares	3,743,287	4,062,296	8,001,149
Operating charges	0.01%	0.01%	0.01%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	233.4	218.4	173.1
Lowest share price	186.9	171.7	133.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	299.44	237.72	202.36
Return before operating charges*	(8.63)	61.97	35.55
Operating charges	(0.27)	(0.25)	(0.19)
Return after operating charges*	(8.90)	61.72	35.36
Distributions	(5.42)	(4.61)	(4.20)
Retained distributions on accumulation share	5.42	4.61	4.20
Closing net asset value per share	290.54	299.44	237.72
* after direct transaction costs of:	0.16	0.12	0.19
<b>Performance+</b>			
Return after charges	(2.97%)	25.96%	17.47%
<b>Other information</b>			
Closing net asset value (£'000)	6,057	6,271	4,541
Closing number of shares	2,084,918	2,094,218	1,910,423
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	332.4	306.2	238.4
Lowest share price	266.1	240.8	183.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	428.43	341.45	291.81
Return before operating charges*	(12.16)	88.91	51.14
Operating charges	(2.13)	(1.93)	(1.50)
Return after operating charges*	(14.29)	86.98	49.64
Distributions	(6.11)	(5.07)	(4.81)
Retained distributions on accumulation share	6.11	5.07	4.81
Closing net asset value per share	414.14	428.43	341.45
* after direct transaction costs of:	0.23	0.17	0.27
<b>Performance+</b>			
Return after charges	(3.34%)	25.47%	17.01%
<b>Other information</b>			
Closing net asset value (£'000)	329,698	353,379	303,353
Closing number of shares	79,609,699	82,481,385	88,842,529
Operating charges	0.49%	0.49%	0.49%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	475.0	438.2	342.5
Lowest share price	379.6	345.8	264.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

<b>Platform 1 accumulation</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	125.98	100.90	86.67
Return before operating charges*	(3.55)	26.23	15.13
Operating charges	(1.26)	(1.15)	(0.90)
Return after operating charges*	(4.81)	25.08	14.23
Distributions	(1.15)	(0.91)	(0.97)
Retained distributions on accumulation share	1.15	0.91	0.97
Closing net asset value per share	121.17	125.98	100.90
* after direct transaction costs of:	0.07	0.05	0.08
<b>Performance+</b>			
Return after charges	(3.82%)	24.86%	16.42%
<b>Other information</b>			
Closing net asset value (£'000)	194,238	209,379	173,718
Closing number of shares	160,304,880	166,203,721	172,163,127
Operating charges	0.99%	0.99%	0.99%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	139.4	128.9	101.2
Lowest share price	111.2	102.2	78.34

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Institutional S accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	92.18	73.67	63.14
Return before operating charges*	(2.60)	19.16	11.04
Operating charges	(0.72)	(0.65)	(0.51)
Return after operating charges*	(3.32)	18.51	10.53
Distributions	(1.05)	(0.85)	(0.85)
Retained distributions on accumulation share	1.05	0.85	0.85
Closing net asset value per share	88.86	92.18	73.67
* after direct transaction costs of:	0.05	0.04	0.06
<b>Performance+</b>			
Return after charges	(3.60%)	25.13%	16.68%
<b>Other information</b>			
Closing net asset value (£'000)	268,177	266,107	195,925
Closing number of shares	301,805,474	288,679,049	265,946,108
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	102.1	94.31	73.89
Lowest share price	81.50	74.60	57.11

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Institutional S income	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.69	68.80	60.08
Return before operating charges*	(2.41)	17.90	10.50
Operating charges	(0.66)	(0.61)	(0.49)
Return after operating charges*	(3.07)	17.29	10.01
Distributions	(1.62)	(1.40)	(1.29)
Closing net asset value per share	80.00	84.69	68.80
* after direct transaction costs of:	0.05	0.03	0.06
<b>Performance+</b>			
Return after charges	(3.62%)	25.13%	16.66%
<b>Other information</b>			
Closing net asset value (£'000)	33,778	35,934	36,955
Closing number of shares	42,219,582	42,430,306	53,711,127
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	93.80	88.08	70.30
Lowest share price	74.90	69.67	54.34

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Highest and Lowest prices are based on official published daily NAVs.

Institutional A accumulation	2019 pence per share	2018 pence per share	2017 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	73.40	59.20	51.21
Return before operating charges*	(2.05)	15.35	8.90
Operating charges	(1.25)	(1.15)	(0.91)
Return after operating charges*	(3.30)	14.20	7.99
Distributions	(0.15)	(0.06)	(0.19)
Retained distributions on accumulation share	0.15	0.06	0.19
Closing net asset value per share	70.10	73.40	59.20
* after direct transaction costs of:	0.04	0.03	0.05
<b>Performance+</b>			
Return after charges	(4.50%)	23.99%	15.60%
<b>Other information</b>			
Closing net asset value (£'000)	274	294	330
Closing number of shares	390,874	400,769	557,155
Operating charges	1.69%	1.69%	1.69%
Direct transaction costs	0.05%	0.04%	0.09%
<b>Prices</b>			
Highest share price	81.00	75.16	59.39
Lowest share price	64.40	59.91	46.18

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## Portfolio Statement

As at 28 February 2019

Holding	Investment	Bid- market value £'000	Percentage of total net assets
<b>UK Equities (97.95%)</b>		<b>1,285,984</b>	<b>92.41</b>
<b>Consumer Goods (19.20%)</b>		<b>243,975</b>	<b>17.53</b>
12,557,746	Boohoo.com*	21,995	1.58
1,772,339	Cranswick	43,777	3.15
1,844,045	Fever Tree Drinks*	49,365	3.55
708,832	Games Workshop	22,151	1.59
4,663,988	Hilton Food	43,282	3.11
3,843,138	Hotel Chocolat*	12,259	0.88
8,222,410	JD Sports	38,284	2.75
704,781	Ted Baker	12,862	0.92
<b>Consumer Services (12.27%)</b>		<b>199,007</b>	<b>14.30</b>
1,884,064	4Imprint	37,493	2.69
3,531,838	Dart Group*	28,396	2.04
3,657,414	Future	25,017	1.81
1,932,324	Greggs	34,569	2.48
6,493,876	Hollywood Bowl	14,222	1.02
2,600,767	Hostelworld	5,144	0.37
7,124,189	Motorpoint	13,928	1.00
2,736,223	Next Fifteen Communications*	15,487	1.11
2,739,568	On the Beach	11,451	0.82
2,847,991	YouGov*	13,300	0.96
<b>Financials (9.43%)</b>		<b>158,813</b>	<b>11.41</b>
2,652,018	AJ Bell	7,704	0.55
2,548,313	Big Yellow	24,973	1.80
365,364	Brooks Macdonald*	5,910	0.42
3,964,303	JTC	13,003	0.93
1,509,750	Mattioli Woods*	11,436	0.82
4,286,021	Paragon	18,610	1.34
4,681,879	Safestore	28,653	2.06
4,946,361	Workspace	48,524	3.49
<b>Health Care (14.58%)</b>		<b>116,620</b>	<b>8.38</b>
3,701,591	Abcam*	47,528	3.42
2,295,333	Dechra Pharmaceuticals	56,695	4.07
2,730,633	Eco Animal Health*	12,397	0.89

Holding	Investment	Bid-market value £'000	Percentage of total net assets
<b>Industrials (24.60%)</b>		<b>334,525</b>	<b>24.04</b>
2,791,005	Costain	10,368	0.74
2,989,998	Diploma	40,395	2.90
1,588,008	Fisher (J) & Sons	31,569	2.27
1,494,407	Gooch & Housego*	16,775	1.21
2,831,478	Hill & Smith	33,383	2.40
6,464,594	Marshalls	35,038	2.52
4,547,916	Midwich*	26,037	1.87
2,775,559	PayPoint	24,120	1.73
2,563,300	Ricardo	15,457	1.11
8,280,177	RWS*	39,041	2.81
5,724,317	Sanne Group	29,423	2.11
984,873	Smart Metering Systems*	6,234	0.45
1,321,020	XP Power	26,685	1.92
<b>Technology (12.95%)</b>		<b>149,977</b>	<b>10.78</b>
979,364	Accesso*	8,246	0.59
249,043	Craneware*	6,550	0.47
3,468,490	FDM	29,066	2.09
1,633,178	First Derivatives*	35,603	2.56
8,430,466	GB*	41,225	2.96
5,952,502	Kainos	29,287	2.11
<b>Telecommunications (4.92%)</b>		<b>83,067</b>	<b>5.97</b>
5,922,229	Gamma Communication*	50,457	3.63
2,306,206	Telecom Plus	32,610	2.34
<b>Collective Investment Schemes (2.24%)</b>		<b>69,085</b>	<b>4.96</b>
69,085	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	69,085	4.96
<b>Total investment assets</b>		<b>1,355,069</b>	<b>97.37</b>
<b>Net other assets</b>		<b>36,550</b>	<b>2.63</b>
<b>Total Net Assets</b>		<b>1,391,619</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. The percentage figures in brackets show the comparative holding as at 28 February 2018.

\* AIM listed

+ Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of Total Return**

For the year ended 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Income:</b>					
Net capital (losses)/gains	2		(72,513)		287,945
Revenue	4	28,194		24,612	
Expenses	5	(12,510)		(11,604)	
Interest payable and similar charges	6	-		(1)	
Net revenue before taxation		15,684		13,007	
Taxation	7	-		-	
Net revenue after taxation			15,684		13,007
<b>Total return before distributions</b>			<b>(56,829)</b>		<b>300,952</b>
Distributions	8		(16,190)		(13,495)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(73,019)</b>		<b>287,457</b>

**Statement of Change in Net Assets Attributable to Shareholders**

For the year ended 28 February 2019

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,455,040</b>		<b>1,251,831</b>
Amounts receivable on the issue of shares	126,928		80,558	
Amounts payable on the cancellation of shares	(131,891)		(177,337)	
		(4,963)		(96,779)
Dilution adjustment		(127)		636
Change in net assets attributable to shareholders from investment activities (see above)		(73,019)		287,457
Retained distribution on accumulation shares		14,688		11,895
<b>Closing net assets attributable to shareholders</b>		<b>1,391,619</b>		<b>1,455,040</b>

## Balance Sheet

As at 28 February 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			1,355,069		1,457,806
<b>Current assets:</b>					
Debtors	9	3,358		4,006	
Cash and bank balances	10	38,633		20	
			41,991		4,026
<b>Total assets</b>			<b>1,397,060</b>		<b>1,461,832</b>
<b>Liabilities:</b>					
Creditors	11	(4,192)		(5,694)	
Distribution payable		(1,249)		(1,098)	
			(5,441)		(6,792)
<b>Total liabilities</b>			<b>(5,441)</b>		<b>(6,792)</b>
<b>Net assets attributable to shareholders</b>			<b>1,391,619</b>		<b>1,455,040</b>

## Notes to the Financial Statements

**1 Accounting Policies**

Please refer to pages 13 to 15 for note on accounting policies.

**2 Net Capital (Losses)/Gains**

	2019 £'000	2018 £'000
Non-derivative securities	(72,509)	287,945
Other (losses)/gains	(1)	2
Handling charges taken from the capital account	(3)	(2)
<b>Net capital (losses)/gains</b>	<b>(72,513)</b>	<b>287,945</b>

**3 Equity Purchases, Sales and Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into Funds that require an initial charge to be made. The underlying price contains an estimation of cost known as a dilution levy which is applied from time to time.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	2019 £'000	2018 £'000
<b>Equity Purchases, Sales and Transaction Costs</b>		
<b>Purchases</b>		
Purchases before transaction costs	168,428	127,924
Commissions	136	130
Taxes & Other Fees	492	318
<b>Total purchase transaction costs</b>	<b>628</b>	<b>448</b>
<b>Purchases including transaction costs</b>	<b>169,056</b>	<b>128,372</b>
<b>Sales</b>		
Gross sales before transaction costs	239,041	197,537
Commissions	(154)	(132)
<b>Total sale transaction costs</b>	<b>(154)</b>	<b>(132)</b>
<b>Total sales net of transaction costs</b>	<b>238,887</b>	<b>197,405</b>

	2019 % Transaction	2018 % Transaction
<b>Equity Transaction Cost as a % of total Purchases &amp; Sales</b>		
<b>Purchases</b>		
Commissions	0.08%	0.10%
Taxes & Other Fees	0.29%	0.25%
<b>Sales</b>		
Commissions	0.06%	0.07%
	2019 % Average NAV	2018 % Average NAV
<b>Equity Purchases, Sales Analysis to Average NAV</b>		
<b>Purchases</b>		
Commissions	0.01%	0.01%
Taxes & Other Fees	0.03%	0.02%
<b>Sales</b>		
Commissions	0.01%	0.01%

During the year the total purchases and sales across different major asset classes are as per below table.

	2019 £'000	2018 £'000
<b>Purchases</b>		
Equities	169,056	128,372
Collective investment schemes	222,055	187,041
<b>Sales</b>		
Equities	238,887	197,405
Collective investment schemes	185,478	217,682

There were corporate actions (net purchases) of £3,030,000 in the year (2018: £nil).

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.76% (2018: 1.84%), this is representative of the average spread on the assets held during the year.

#### 4 Revenue

	2019 £'000	2018 £'000
UK dividends	25,029	20,924
Overseas dividends	-	1,795
Taxable distributions on offshore funds	182	-
Bank interest	286	133
Property income distributions	2,697	1,760
<b>Total revenue</b>	<b>28,194</b>	<b>24,612</b>

## 5 Expenses

	2019 £'000	2018 £'000
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's periodic charge	11,153	10,369
Dealing charge	203	179
Registration fees	1,015	927
	12,371	11,475
<i>Payable to the Depositary or associates of the Depositary, and agents of either of them:</i>		
Depositary's fees	91	85
Safe custody fee	39	36
	130	121
<b>Other:</b>		
Audit fee	9	8
		8
<b>Total expenses</b>	<b>12,510</b>	<b>11,604</b>

## 6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	-	1
<b>Total interest payable &amp; similar charges</b>	<b>-</b>	<b>1</b>

## 7 Taxation

	2019 £'000	2018 £'000
<b>(a) Analysis of charge in year</b>		
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for Funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	15,684	13,007
Corporation tax at 20% (2018: 20%)	3,137	2,602
Effects of:		
Revenue not subject to taxation	(5,006)	(4,544)
Excess allowable expenses	1,869	1,942
<b>Total tax charge for year (note 7a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

**(c) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £21,476,000 (2018: £19,607,000) due to surplus ACD expenses. It is unlikely that the Fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the year or the prior year.

**8 Distributions**

The distributions takes account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2019 £'000	2018 £'000
Distribution	15,937	12,993
Add: Income deducted on cancellation of shares	1,016	1,062
Deduct: Income received on issue of shares	(763)	(560)
<b>Net distribution for the year</b>	<b>16,190</b>	<b>13,495</b>
Details of the distribution per share are set out in this Fund's distribution table.		
Net revenue after taxation	15,684	13,007
Annual ACD charge to capital	452	437
Registration fees taken from the capital account	42	39
Dealing charges taken from the capital account	12	12
<b>Total distributions</b>	<b>16,190</b>	<b>13,495</b>

**9 Debtors**

	2019 £'000	2018 £'000
Amounts receivable from the ACD for the issue of shares	598	1,272
Sales awaiting settlement	2,091	2,401
Accrued revenue	669	333
<b>Total debtors</b>	<b>3,358</b>	<b>4,006</b>

**10 Cash and Bank Balances**

	2019 £'000	2018 £'000
Cash and bank balances	38,633	20
<b>Total cash and bank balances</b>	<b>38,633</b>	<b>20</b>

**11 Creditors**

	2019 £'000	2018 £'000
Amounts payable to the ACD for cancellation of shares	1,582	516
Purchases awaiting settlement	1,686	4,234
Accrued expenses payable to ACD	878	917
Accrued expenses payable to the Depositary or associates of the Depositary	25	12
Other accrued expenses	21	15
<b>Total creditors</b>	<b>4,192</b>	<b>5,694</b>

**12 Related Party Transactions**

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the Fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

**13 Shares in issue reconciliation**

	Opening shares 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2019
Retail accumulation	28,588,576	342,611	(1,635,911)	176,906	27,472,182
Institutional accumulation	40,802,002	3,675,854	(3,612,376)	840,324	41,705,804
Retail income	11,979,379	2,128,880	(1,352,118)	(5,542,138)	7,214,003
Institutional income	14,721,013	2,846,731	(1,752,434)	2,360,190	18,175,500
Standard Life income	4,062,296	-	(319,009)	-	3,743,287
Standard Life accumulation	2,094,218	251,476	(260,776)	-	2,084,918
Institutional regulated accumulation	82,481,385	4,101,196	(6,972,882)	-	79,609,699
Platform 1 accumulation	166,203,721	8,399,017	(7,201,975)	(7,095,883)	160,304,880
Institutional S accumulation	288,679,049	37,669,791	(27,082,273)	2,538,907	301,805,474
Institutional S income	42,430,306	6,315,360	(6,362,104)	(163,980)	42,219,582
Institutional A accumulation	400,769	-	(9,895)	-	390,874

**14 Fair Value Hierarchy**

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	1,285,984	-	-	1,425,298	-	-
Collective Investment Schemes	-	69,085	-	-	32,508	-
<b>Total investment assets</b>	<b>1,285,984</b>	<b>69,085</b>	<b>-</b>	<b>1,425,298</b>	<b>32,508</b>	<b>-</b>

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

**15 Risk Management Policies & Numerical Disclosures**

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, foreign currency, interest rate, credit and liquidity risk.

The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

**a. Market price risk**

Each Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Fund Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the Fund.

A five per cent increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets as at year end date by £67,754,000 (2018: £72,890,000). A five per cent decrease would have an equal and opposite effect.

**b. Foreign currency risk**

A proportion of the net assets of the Fund are denominated in currencies other than Sterling, therefore the balance sheet and total returns can be affected by currency movements. In certain circumstances, the Fund Manager may seek to manage exposure to currency movements by using forward currency contracts.

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Income received in foreign currencies is converted into Sterling at the exchange rates ruling when the income is received.

A five per cent increase in the value of the Fund's foreign currency exposure would have the effect of increasing the return and net assets as at 28 February 2019 by £1,000 (2018: £1,000). A five per cent decrease would have an equal and opposite effect.

**Currency exposure**

An increase or decrease in a particular foreign currency exchange rate will have a proportionate affect on the value of the Fund.

The net foreign currency exposure comprises:

	Net foreign currency assets	
	2019 £'000	2018 £'000
Euro	17	18

**c. Interest rate risk**

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund Manager continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy.

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Fund also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Fund). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Fund's financial assets and liabilities is:

	Floating rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>2019</b>			
<b>Currency</b>			
UK Sterling	107,701	1,283,901	1,391,602
Euro	17	-	17
<b>2018</b>			
<b>Currency</b>			
UK Sterling	32,510	1,422,512	1,455,022
Euro	18	-	18

In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

**d. Credit risk**

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this Fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the Fund would be deliberately taking credit risk in order to seek additional rewards.

**e. Liquidity risk**

The Fund's assets comprise mainly readily realisable securities. The main liabilities of the Fund are the redemption of any shares that investors wish to sell and the settlement of stock purchases. The Fund Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Fund Manager will sell securities.

**Distribution Table**

For the year ended 28 February 2019

Group 1 - shares purchased prior to 1 March 2018

Group 2 - shares purchased between 1 March 2018 and 28 February 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
<b>Retail accumulation</b>				
Group 1	3.9103	-	3.9103*	2.7900
Group 2	1.7425	2.1678	3.9103*	2.7900
<b>Institutional accumulation</b>				
Group 1	8.6570	-	8.6570*	6.9448
Group 2	2.7232	5.9338	8.6570*	6.9448
<b>Retail income</b>				
Group 1	1.3353	-	1.3353**	1.1622
Group 2	0.7778	0.5575	1.3353**	1.1622
<b>Institutional income</b>				
Group 1	1.7701	-	1.7701**	1.5332
Group 2	0.9855	0.7846	1.7701**	1.5332
<b>Standard Life income</b>				
Group 1	3.9437	-	3.9437**	3.4021
Group 2	3.9437	-	3.9437**	-
<b>Standard Life accumulation</b>				
Group 1	5.4217	-	5.4217*	4.6101
Group 2	2.9577	2.4640	5.4217*	4.6101
<b>Institutional regulated accumulation</b>				
Group 1	6.1112	-	6.1112*	5.0683
Group 2	3.3034	2.8078	6.1112*	5.0683
<b>Platform 1 accumulation</b>				
Group 1	1.1545	-	1.1545*	0.9140
Group 2	0.5059	0.6486	1.1545*	0.9140
<b>Institutional S accumulation</b>				
Group 1	1.0514	-	1.0514*	0.8548
Group 2	0.5589	0.4925	1.0514*	0.8548
<b>Institutional S income</b>				
Group 1	1.6190	-	1.6190**	1.4012
Group 2	0.7944	0.8246	1.6190**	1.4012
<b>Institutional A accumulation</b>				
Group 1	0.1522	-	0.1522*	0.0597
Group 2	0.1522	-	0.1522*	0.0597

\* Distribution accumulated on 28 February 2019

\*\* Distribution paid on 30 April 2019

### Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these share as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

### Treatment by Corporate Shareholders (unaudited)

Corporate shareholders should account for the current year's dividend shown in the distribution table as follows:

	Final Dividend
Treat as a UK corporate dividend	100.00%
Treat as an annual payment net of Income tax at 20%	0.00%

## Remuneration Policy (unaudited)

### Remuneration Policy

The Standard Life Aberdeen plc Remuneration Policy applies with effect from 1 January 2018. The purpose of the Standard Life Aberdeen plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of Standard Life Aberdeen. It has been approved by the Standard Life Aberdeen plc Remuneration Committee and is subject to the Remuneration Committee's annual review. The Policy applies to employees of the Standard Life Aberdeen group of companies ("SLA").

The Management Company, Standard Life Investments Mutual Funds Limited is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") and is a wholly owned subsidiary of Standard Life Aberdeen plc.

The Remuneration Committee of Standard Life Aberdeen plc adopted a UCITS V Remuneration Policy to ensure that the requirements of the Undertakings for Collective Investment Transferrable Securities V Directive (UCITS V) are fully adhered to by the group. This policy applies to SLI Mutual Funds Limited and the UCITS Funds it manages. This policy is available on request.

### Remuneration Principles

SLA applies Group wide principles for remuneration policies, procedures and practices ensuring that remuneration design and the basis for awards will be clear, transparent and fair, in line with business strategy, objectives, culture, values and long term interests of SLA. Remuneration policies, procedures and practices should be consistent with and promote good conduct which includes sound and effective risk management and not encourage risk taking that exceeds the level of tolerated risk of SLA. Total variable remuneration will be funded through pre-agreed distribution metrics. Where SLA's financial performance is subdued or negative, total variable remuneration should generally be contracted, taking into account both current remuneration and reductions in pay-outs of amounts previously granted and having regard for SLA's long term economic viability.

In addition to applying the SLA wide principles above, Aberdeen Standard Investments ("ASI") applies a number of additional principles including the following, when determining remuneration for employees:

- a) Remuneration should be competitive and reflect both financial, non-financial and personal performance;
- b) Our remuneration design will align the interests of employees, shareholders and importantly our clients/customers;
- c) Our remuneration structure will reward delivery of results over appropriate time horizons and will include deferred variable compensation at an appropriate level for the employee's role;
- d) We will provide an appropriate level of fixed remuneration to balance risk and reward.

### Governance and Regulatory Compliance

The Remuneration Committee is made up of independent non-executive directors and makes recommendations to the Board of Standard Life Aberdeen plc (the "Board") to assist it with its remuneration related duties. The Chief People Officer of Standard Life Aberdeen is responsible for ensuring the implementation of the Policy in consultation with the Remuneration Committee as well as other members of the Executive Committee ("Executive Body") (as defined by the Board), if appropriate.

### Financial and non-financial criteria

Variable remuneration is based on a rounded assessment of Group, Divisional and individual performance. When assessing individual performance, financial as well as non-financial criteria are taken into account. Individual performance is based on the individual's appraisal, which includes an employee's compliance with controls and applicable company standards including the Group's Code of Ethics, including Treating Customers Fairly and Conduct Risk.

### Conflicts of interest

The Conflicts of Interest Policy is designed to avoid conflicts of interest between SLA and its clients. This Policy prohibits any employee from being involved in decisions on their own remuneration. Furthermore, all employees are required to adhere to SLA's Global Code of Conduct, which encompasses conflicts of interest.

The Policy should, at all times, adhere to local legislation, regulations or other provisions. In circumstances or in jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter will prevail.

### Remuneration Framework

Employee remuneration is composed principally of fixed and variable elements of reward as follows:

- a) Fixed reward (fixed remuneration: salary (and cash allowances, if appropriate); and Benefits (including pension).
- b) Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements) and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

- a) Fixed and variable components of total remuneration are appropriately balanced and
- b) The fixed component is a sufficiently high proportion of total remuneration to allow Standard Life Aberdeen to operate a fully flexible policy on variable remuneration components, including paying no variable remuneration component.

Fixed Remuneration	Base salary provides a core reward for undertaking the role, where appropriate, and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration.
Benefits	Benefits are made up of: core benefits, which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees and which may require contribution through salary sacrifice or other arrangements. Extra voluntary benefits are designed to support the health and wellbeing of employees through enabling individual selection based on lifestyle choices. Standard Life Aberdeen will ensure that the core and voluntary employee benefits policies are in line with relevant market practice, its views on managing its business risk objectives, culture and values and long-term interests and local requirements.
Pension	Standard Life Aberdeen's pension policies (which consist of defined contribution plans and legacy defined benefit plans) are in line with legislative requirements, governance structures and market practice, and reflect Standard Life Aberdeen's long-term views on risk and financial volatility, its business objectives, culture and values and long-term interests and local requirements. In certain circumstances, SLA may offer a cash allowance in lieu of any pension arrangement.
Annual Performance Bonus Awards	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Eligibility criteria for an annual bonus are set out in the rules of the relevant bonus plan and/or contract of employment, as appropriate. The bonus plan in place is designed to reward performance in line with the business strategy, objectives, culture and values, long term interests and risk appetite of SLA. All Executive Directors are awarded bonuses under a SLA bonus plan as detailed in the Directors' Remuneration Report.
Other variable Pay Plans	Selected employees may participate in other variable pay plans, for example, performance fee share arrangements, where it is appropriate for their role or business unit. These plans operate under the overarching remuneration principles that apply across the group and, where appropriate, are also subject to specific principles governing incentives and are compliant with the requirements of any applicable regulatory standards.

### Clawback/Malus

A clawback/malus principle applies to the variable pay plan. This enables the Remuneration Committee to seek to recoup the deferred amount of any unvested variable pay, in the exceptional event of misstatement or misleading representation of performance; a significant failure of risk management and control; or serious misconduct by an individual.

### Guaranteed Variable Remuneration

Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of service.

### UCITS V Identified Staff

Staff considered UCITS V Identified Staff are those categories of staff whose professional activities have a material impact on the decision making profiles of the Management Company or the UCITS Funds that the Management Company manages.

UCITS V identified staff will include; Senior Management; Decision makers, Staff engaged in control functions; and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and decision makers, and whose professional activities have a material impact on the risk profiles of the Company or the Funds that the Company manages.

### Control Functions

SLA adheres to the principles and guidelines of regulations that apply to SLA in defining control functions. control functions include, but are not necessarily limited to, Risk, Compliance, Internal Audit and Actuarial functions or roles.

SLA will ensure that, as appropriate, senior employees engaged in a control function:

- a) Are independent from the Business Units they oversee;
- b) Have appropriate authority, and
- c) Their remuneration is directly overseen by the Remuneration Committee.

This is achieved by the main control functions being outside the business, and a material proportion of their annual incentives being subject to a scorecard based on the performance of the control function. Performance against the scorecard is reviewed by the relevant independent governing committee (either Risk & Capital Committee, or Audit Committee). SLA's People Function reviews the remuneration of employees in control functions and benchmarks with the external market to ensure that it is market competitive and adequately reflects employees' skills and experience.

### Personal Hedging

UCITS V Identified Staff are not permitted to undermine the risk alignment effects of the UCITS V Remuneration Code. Personal hedging strategies; or remuneration-related insurance; or liability-related insurance is not permissible on remuneration.

### Employee Remuneration Disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by SLI Mutual Funds Limited to its entire staff; and
- Aggregate total remuneration paid by SLI Mutual Funds Limited to its 'Identified Staff'.

The 'Identified Staff' of SLI Mutual Funds Limited are those employees who could have a material impact on the risk profile of SLI Mutual Funds Limited or the UCITS Funds it manages, including the following UCITS funds:

AAA Income Fund  
 American Equity Income Fund  
 American Equity Unconstrained Fund  
 Asian Pacific Growth Fund  
 Corporate Bond Fund  
 Emerging Market Debt Fund  
 Europe ex UK Smaller Companies Fund  
 European Equity Growth Fund  
 European Equity Income Fund  
 Global Advantage Fund  
 Global Emerging Markets Equity Fund  
 Global Emerging Markets Equity Income Fund  
 Global Equity Income Fund  
 Global Equity Unconstrained Fund  
 Global Smaller Companies Fund  
 Higher Income Fund  
 Investment Grade Corporate Bond Fund  
 Japanese Equity Growth Fund  
 Short Duration Credit Fund  
 UK Equity Growth Fund  
 UK Equity High Alpha Fund  
 UK Equity High Income Fund  
 UK Equity Recovery Fund  
 UK Ethical Fund  
 UK Gilt Fund  
 UK Opportunities Fund  
 UK Smaller Companies Fund

This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Funds listed above moved management company from SLI Mutual Funds Limited to Aberdeen Standard Fund Managers Limited on 10 December 2018. It has been agreed that the disclosure for 2018 will remain allocated to SLI Mutual Funds Limited.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from 1 January 2018 to 31 December 2018 inclusive.

<b>AAA Income Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	198
of which			
Fixed remuneration		33,499	157
Variable remuneration		8,610	41
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	37
of which			
Senior Management <sup>3</sup>	16	1,756	8
Other 'Identified Staff'	109	6,169	29
<b>American Equity Income Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	60
of which			
Fixed remuneration		33,499	48
Variable remuneration		8,610	12
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	11
of which			
Senior Management <sup>3</sup>	16	1,756	2
Other 'Identified Staff'	109	6,169	9
<b>American Equity Unconstrained Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	157
of which			
Fixed remuneration		33,499	125
Variable remuneration		8,610	32
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	30
of which			
Senior Management <sup>3</sup>	16	1,756	7
Other 'Identified Staff'	109	6,169	23
<b>Asian Pacific Growth Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	59
of which			
Fixed remuneration		33,499	47
Variable remuneration		8,610	12
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	11
of which			
Senior Management <sup>3</sup>	16	1,756	2
Other 'Identified Staff'	109	6,169	9

<b>Corporate Bond Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration £'000</b>	<b>AIF or UCITS proportion £'000<sup>4</sup></b>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	264
of which			
Fixed remuneration		33,499	210
Variable remuneration		8,610	54
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	50
of which			
Senior Management <sup>3</sup>	16	1,756	11
Other 'Identified Staff'	109	6,169	39
<b>Emerging Market Debt Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration £'000</b>	<b>AIF or UCITS proportion £'000<sup>4</sup></b>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	116
of which			
Fixed remuneration		33,499	92
Variable remuneration		8,610	24
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	22
of which			
Senior Management <sup>3</sup>	16	1,756	5
Other 'Identified Staff'	109	6,169	17
<b>Europe ex UK Smaller Companies Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration £'000</b>	<b>AIF or UCITS proportion £'000<sup>4</sup></b>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	66
of which			
Fixed remuneration		33,499	53
Variable remuneration		8,610	13
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	12
of which			
Senior Management <sup>3</sup>	16	1,756	3
Other 'Identified Staff'	109	6,169	9
<b>European Equity Growth Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration £'000</b>	<b>AIF or UCITS proportion £'000<sup>4</sup></b>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	108
of which			
Fixed remuneration		33,499	86
Variable remuneration		8,610	22
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	20
of which			
Senior Management <sup>3</sup>	16	1,756	4
Other 'Identified Staff'	109	6,169	16

<b>European Equity Income Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	1,063
of which			
Fixed remuneration		33,499	846
Variable remuneration		8,610	217
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	200
of which			
Senior Management <sup>3</sup>	16	1,756	44
Other 'Identified Staff'	109	6,169	156
<b>Global Advantage Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	628
of which			
Fixed remuneration		33,499	500
Variable remuneration		8,610	128
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	118
of which			
Senior Management <sup>3</sup>	16	1,756	26
Other 'Identified Staff'	109	6,169	92
<b>Global Emerging Markets Equity Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	258
of which			
Fixed remuneration		33,499	205
Variable remuneration		8,610	53
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	48
of which			
Senior Management <sup>3</sup>	16	1,756	11
Other 'Identified Staff'	109	6,169	37
<b>Global Emerging Markets Equity Income Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	817
of which			
Fixed remuneration		33,499	650
Variable remuneration		8,610	167
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	154
of which			
Senior Management <sup>3</sup>	16	1,756	34
Other 'Identified Staff'	109	6,169	120

<b>Global Equity Income Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	148
of which			
Fixed remuneration		33,499	118
Variable remuneration		8,610	30
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	28
of which			
Senior Management <sup>3</sup>	16	1,756	6
Other 'Identified Staff'	109	6,168	22
<b>Global Equity Unconstrained Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	198
of which			
Fixed remuneration		33,499	158
Variable remuneration		8,610	40
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	37
of which			
Senior Management <sup>3</sup>	16	1,756	8
Other 'Identified Staff'	109	6,169	29
<b>Global Smaller Companies Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	1,324
of which			
Fixed remuneration		33,499	1,053
Variable remuneration		8,610	271
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	249
of which			
Senior Management <sup>3</sup>	16	1,756	55
Other 'Identified Staff'	109	6,169	194
<b>Higher Income Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration</b> £'000	<b>AIF or UCITS proportion</b> £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	503
of which			
Fixed remuneration		33,499	400
Variable remuneration		8,610	103
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	95
of which			
Senior Management <sup>3</sup>	16	1,756	21
Other 'Identified Staff'	109	6,169	74

Investment Grade Corporate Bond Fund Reporting period: 01/01/18 – 31/12/18	Headcount	Total Remuneration £'000	AIF or UCITS proportion £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	469
of which			
Fixed remuneration		33,499	373
Variable remuneration		8,610	96
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	88
of which			
Senior Management <sup>3</sup>	16	1,756	19
Other 'Identified Staff'	109	6,169	69
<b>Japanese Equity Growth Fund Reporting period: 01/01/18 – 31/12/18</b>	<b>Headcount</b>	<b>Total Remuneration £'000</b>	<b>AIF or UCITS proportion £'000<sup>4</sup></b>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	364
of which			
Fixed remuneration		33,499	290
Variable remuneration		8,610	74
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	69
of which			
Senior Management <sup>3</sup>	16	1,756	15
Other 'Identified Staff'	109	6,169	54
<b>Short Duration Credit Fund Reporting period: 01/01/18 – 31/12/18</b>	<b>Headcount</b>	<b>Total Remuneration £'000</b>	<b>AIF or UCITS proportion £'000<sup>4</sup></b>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	254
of which			
Fixed remuneration		33,499	202
Variable remuneration		8,610	52
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	48
of which			
Senior Management <sup>3</sup>	16	1,756	11
Other 'Identified Staff'	109	6,169	37
<b>UK Equity Growth Fund Reporting period: 01/01/18 – 31/12/18</b>	<b>Headcount</b>	<b>Total Remuneration £'000</b>	<b>AIF or UCITS proportion £'000<sup>4</sup></b>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	247
of which			
Fixed remuneration		33,499	196
Variable remuneration		8,610	51
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	46
of which			
Senior Management <sup>3</sup>	16	1,756	10
Other 'Identified Staff'	109	6,169	36

UK Equity High Alpha Fund Reporting period: 01/01/18 – 31/12/18	Headcount	Total Remuneration £'000	AIF or UCITS proportion £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	253
of which			
Fixed remuneration		33,499	201
Variable remuneration		8,610	52
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	48
of which			
Senior Management <sup>3</sup>	16	1,756	11
Other 'Identified Staff'	109	6,169	37

UK Equity High Income Fund Reporting period: 01/01/18 – 31/12/18	Headcount	Total Remuneration £'000	AIF or UCITS proportion £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	623
of which			
Fixed remuneration		33,499	495
Variable remuneration		8,610	128
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	117
of which			
Senior Management <sup>3</sup>	16	1,756	26
Other 'Identified Staff'	109	6,169	91

UK Equity Recovery Fund Reporting period: 01/01/18 – 31/12/18	Headcount	Total Remuneration £'000	AIF or UCITS proportion £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	92
of which			
Fixed remuneration		33,499	73
Variable remuneration		8,610	19
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	17
of which			
Senior Management <sup>3</sup>	16	1,756	4
Other 'Identified Staff'	109	6,169	13

UK Ethical Fund Reporting period: 01/01/18 – 31/12/18	Headcount	Total Remuneration £'000	AIF or UCITS proportion £'000 <sup>4</sup>
SLI Mutual Funds Ltd staff <sup>1</sup>	320	42,109	333
of which			
Fixed remuneration		33,499	265
Variable remuneration		8,610	68
Carried Interest		-	
SLI Mutual Funds Ltd 'Identified Staff' <sup>2</sup>	125	7,925	63
of which			
Senior Management <sup>3</sup>	16	1,756	14
Other 'Identified Staff'	109	6,169	49

<b>UK Gilt Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration £'000</b>	<b>AIF or UCITS proportion £'000<sup>4</sup></b>
<b>SLI Mutual Funds Ltd staff<sup>1</sup></b>	<b>320</b>	<b>42,109</b>	<b>30</b>
of which			
Fixed remuneration		33,499	24
Variable remuneration		8,610	6
Carried Interest		-	
<b>SLI Mutual Funds Ltd 'Identified Staff'<sup>2</sup></b>	<b>125</b>	<b>7,925</b>	<b>6</b>
of which			
Senior Management <sup>3</sup>	16	1,756	1
Other 'Identified Staff'	109	6,169	5

<b>UK Opportunities Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration £'000</b>	<b>AIF or UCITS proportion £'000<sup>4</sup></b>
<b>SLI Mutual Funds Ltd staff<sup>1</sup></b>	<b>320</b>	<b>42,109</b>	<b>148</b>
of which			
Fixed remuneration		33,499	118
Variable remuneration		8,610	30
Carried Interest		-	
<b>SLI Mutual Funds Ltd 'Identified Staff'<sup>2</sup></b>	<b>125</b>	<b>7,925</b>	<b>28</b>
of which			
Senior Management <sup>3</sup>	16	1,756	6
Other 'Identified Staff'	109	6,169	22

<b>UK Smaller Companies Fund</b> Reporting period: 01/01/18 – 31/12/18	<b>Headcount</b>	<b>Total Remuneration £'000</b>	<b>AIF or UCITS proportion £'000<sup>4</sup></b>
<b>SLI Mutual Funds Ltd staff<sup>1</sup></b>	<b>320</b>	<b>42,109</b>	<b>1,637</b>
of which			
Fixed remuneration		33,499	1,302
Variable remuneration		8,610	335
Carried Interest		-	
<b>SLI Mutual Funds Ltd 'Identified Staff'<sup>2</sup></b>	<b>125</b>	<b>7,925</b>	<b>308</b>
of which			
Senior Management <sup>3</sup>	16	1,756	68
Other 'Identified Staff'	109	6,169	240

<sup>1)</sup> As there are a number of individuals indirectly and directly employed by SLI Mutual Funds Limited this figure represents an apportioned amount of SLA's total remuneration fixed and variable pay, apportioned to the relevant UCITS Fund on an assets under management (AUM) basis, plus any carried interest paid by the UCITS Fund. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.

<sup>2)</sup> The Identified Staff disclosure represents total compensation of those staff of the Management Company who are fully or partly involved in the activities of the Management Company, apportioned to the estimated time relevant to the Management Company, based on their time in role during the reporting period and the Management Company's proportion of SLA's total AUM. Across the 'Identified Staff', the average percentage of AUM allocation per individual based on work undertaken for SLI Mutual Funds Limited as a Management Company was 10.04%.

<sup>3)</sup> Senior management are defined in this table as Management Company Directors and members of the Standard Life Aberdeen plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

<sup>4)</sup> This figure represents an apportioned amount of the total remuneration of the 'Identified staff' attributable to the UCITS Fund allocated on an AUM basis.

## Further Information

### Report and financial statements

The Annual Report is available online at [aberdeenstandard.com](http://aberdeenstandard.com). The annual accounting year for the Funds finishes on the last day of February and the interim accounting period finishes on 31 August.

### Prospectus

The Prospectus for Standard Life Investment Company is available online at [aberdeenstandard.com](http://aberdeenstandard.com).

### Prices

The most recent share prices are published daily online at [aberdeenstandard.com](http://aberdeenstandard.com).

### Cancellation Rights

Under certain circumstances, investors will have the right to cancel a deal. Please refer to the Prospectus for full details.

### Buying and Selling Shares

Investors wishing to invest in any of the Funds can contact their usual Financial Adviser or telephone the ACD's Customer Information Team on 0345 113 6966 (or +44 (0)1268 44 5488 from outwith the UK) for information in how to invest.

Applications for shares can be made by sending a completed application form together with a cheque (a cheque need not be provided if paying by direct debit as below) made payable to the ACD at the address: Aberdeen Standard Fund Managers Limited, PO Box 12233, Chelmsford CM99 2EE. Applications for shares can also be made by telephone and must be followed by sending an application form and cheque (the latter need not be provided if paying by direct debit as below) made payable to the ACD at the address above.

Holders can sell some or all of their shares through their usual financial adviser or by writing to the ACD at the above address. In either case the holder's account number must be quoted and the request must be signed by the holder or all the joint holders if the shares are held in joint names.

Shares can also be sold by telephone, on any day that the ACD is open for business, on 0345 113 6966 (+44 (0)1268 44 5488), although the request must be confirmed in writing. Shares will be sold on a forward pricing basis and the investor will receive the price at the relevant valuation point on the day after the ACD receives the instructions (verbal or written, as the case may be).

Please refer to the Prospectus for full details.

### Minimum Investment

The minimum initial investment in shares varies from Fund to Fund. Please refer to the Prospectus for full details.

### Minimum Redemption

It is possible to sell all or part of a holding at any time. Please refer to the Prospectus for full details.

### Switching

At any time, an investor may switch some or all of the shares in one class/Fund for shares in another class/Fund. Switching instructions can either be given by accessing your investments online at [www.myaccountonline.co.uk/sli](http://www.myaccountonline.co.uk/sli) or by calling us on 0345 113 6966 (+44 (0) 1268 445 488).

### UCITS

The Funds were certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the ACD to market the Funds in member States of the European Union subject to relevant local laws, specifically marketing laws.

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