


Aberdeen Standard OEIC II (Formerly Standard Life Investment Company)

Interim Report & Financial Statements
For the period ended 31 August 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

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Citigroup Centre
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E14 5LB

Independent Auditor

KPMG LLP
Saltire Court
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Edinburgh
EH1 2EG

Registrar

DST Financial Services Europe Limited
DST House
St Nicholas Lane
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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. Shareholders were given notice of this change in October 2018.

Significant Events

On 7 August 2019 the Company changed its name from the Standard Life Investment Company to Aberdeen Standard OEIC II. At this time an "ASI" pre-fix was added to the names of the underlying sub-funds of the Company as well as a number of the sub-fund names changing to bring consistency over the ASI range. Additionally at this time the Investment Objective and Policy ("IOP") of the sub-funds were updated to reflect regulatory changes and improve the clarity of the wording. Further details of these changes can be found at www.aberdeenstandard.com/en/uk/investor/fund-centre/investor-communications

Developments and prospectus Updates since 28 February 2019

- On 16 May 2019 an ex-gratia payment was made from Aberdeen Standard Fund Managers Limited to the ASI UK Government Bond Fund. The impact on the NAV of this payment was 0.30%.
- On 7 August 2019 as part of the merger of Standard Life plc and Aberdeen Asset Management plc, we harmonised our supplier relationships which resulted in changes to the Depository remuneration and expenses. The details for the new rates are included within the prospectus dated 7 August 2019. The changes do not result in a material impact to the Scheme.
- On 7 August 2019 the sub-custodians of the Funds were updated;
- On 9 August the Emerging Market Debt Fund Retail Inc share class was closed.
- Performance figures have been refreshed to show additional calendar year performance for the past 5 years;
- The list of Funds managed by the ACD was updated, as appropriate.

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 interim and annual accounting period which give a true and fair view of the financial position of the Company and of the net income 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.

Aberdeen Standard OEIC II ("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.

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

Aberdeen Standard OEIC II 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.

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.



Director
Aberdeen Standard Fund Managers Limited
29 October 2019

Investment Report

1 March 2019 - 31 August 2019

Global Overview

Global equities rose, as investor concerns about the US-China trade dispute and slowing global growth were alleviated by the supportive actions of the US Federal Reserve (Fed) and other central banks.

Given the uneven backdrop, the positive overall return masked bouts of market volatility. This included a notable pullback in May when an escalation in the trade war dashed hopes of an imminent resolution. However, central banks responded with supportive rhetoric and pledges of fresh stimulus to revive economic growth. In particular, the Fed and the European Central Bank (ECB) indicated they would cut interest rates. The ECB also said it could restart quantitative easing. This engendered a more positive mood. Investor confidence received another boost when, at end-June, presidents Trump and Xi agreed to a truce in the trade confrontation.

Global equities nudged higher during the second half of the review period, thanks to central bank activity. In July, the Fed cut interest rates for the first time since 2008. However, the fitful US-China trade situation, weak economic numbers, geopolitical upsets and protracted Brexit uncertainty served to temper risk appetite. On a more positive note, the US and Japan committed to a trade deal in August.

Individual market overviews

UK equities

Despite numerous challenges, UK stocks delivered a positive return. Unsurprisingly, Brexit uncertainty continued to affect investor sentiment. This came amid Theresa May's resignation as prime minister and the ensuing Conservative leadership battle. Her successor, Boris Johnson, soon committed to a "do or die" exit from the European Union (EU) on 31 October, a move that significantly increased the likelihood of a no-deal Brexit. Sterling fluctuated throughout the period, but its general weakness proved helpful for companies that make a significant proportion of their profits overseas. However, as the six months drew to a close, global recession fears and trade friction again dominated investor sentiment. There was some modest respite, though, when equities bounced on signals that the US was retreating from its latest threats of tariffs on China.

US equities

US equities moved higher, with notable support coming from the Fed's monetary stance. The trade quarrel with China loomed large, with tit-for-tat tariff hikes between Washington and Beijing. In August, for example, President Trump announced fresh tariffs on US\$300 billion of Chinese goods. China hit back with new taxes of 5-10% on \$75 billion worth of US products. Meanwhile, the Fed cut interest rates, citing concerns about global economic growth. The closing stages of the period saw Donald Trump announce a new round of tariffs on Chinese imports and concerns grew about a slowing global economy. In response, investors scurried towards safe-haven assets and the US dollar rallied to a new high.

European equities

In the face of patchy economic news flow on the continent and continued uncertainty over the UK's impending exit from the EU, European equities still posted a positive return. June saw GDP growth rise across the Eurozone, but any euphoria was balanced by renewed concerns about Italy's budget deficit. There were also ongoing worries about the health of the German economy, which appeared to be heading towards recession. In politics, uncertainty reigned, as Italy's prime minister resigned and a new coalition government was formed. The final weeks of the six-months under review saw a swathe of macroeconomic and geopolitical fears weigh on sentiment. These included concerns over the prospect of a US recession and Brexit woes. Stock markets, however, rebounded on signs that the US was backing away from its hard-line stance on tariffs and willing to restart trade negotiations.

Japanese equities

The intensifying US-China trade dispute also affected the Japanese market, with many investors seeking safe-haven assets, such as the yen. The stronger currency, however, hurt Japanese exporters, causing their share prices to fall. Meanwhile, domestic news was mixed. First-quarter economic growth surprised on the upside, but industrial and consumer confidence weakened. Corporate results further steadied fragile nerves, with increasing evidence of improved shareholder-focus. Meanwhile, Prime Minister Abe's election success freed him to increase the consumption tax on 1 October. For many, this is a risky move for an economy feeling the effects of the global slowdown. August saw trade-war and recession fears trigger a further bout of volatility and the yen, once again, gained in value.

Asian equities

In Asia, China-US trade tensions dominated headlines, as each side announced further tariffs. The supporting rhetoric was also unhelpful. Of note, the US crackdown on Chinese telecoms giant Huawei, and the impact this would have on regional suppliers, was in sharp focus. In other developments, South Korean equities slumped after index-heavyweight Samsung Electronics announced a 56% drop in its second-quarter profits. On the political front, attempts by the Hong Kong government to push an extradition bill triggered a summer of protests that made its mark on business confidence and visitor numbers.

Bond markets

Central bank actions and geopolitics dominated bond markets during the period. Global government bond indices rose in response to a clutch of concerns. Chief among them was the threat of worldwide recession and anxiety over the escalation of the US-China trade dispute. Politics also played a part, including turmoil in Italy and the ongoing Brexit saga in the UK. Global corporate bonds rallied, driven by a sharp reduction in US Treasury yields (prices moved higher). As a result, corporate bonds were seen as a more attractive investment than Treasuries. It was a similar story in Europe, where increasingly negative German bund yields were the main positive driver of European corporate bond returns.

Outlook for equities

Politics seem to be a key driver of global stock markets, making forecasting more difficult. For example, we are uncertain of the outcome of the US-China trade dispute. However, the market is signalling that this will be a more drawn-out dispute than previously thought. This brings increasing risk of an economic slowdown and further bouts of volatility. Despite this, we remain cautiously optimistic. Central banks, notably the US Federal Reserve, have indicated they will act to support their economies if needed. Interest rate cuts are now back on the table. This should support equities. Meanwhile, corporate earnings estimates remain solid.

Outlook for bonds

Political and economic factors are also likely to have a significant impact on fixed income markets. With political risks to the fore and economic data patchy at best, central banks are becoming increasingly dovish. With government bond yields on a downward trend in recent months, history suggests that investors may again start searching for yield. The hunt for yield should also support corporate bonds, which remain moderately attractive.

Ethical Funds Advisory Group Report

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 Aberdeen Standard Investments Ethical Funds Advisory Group

The Aberdeen Standard Investments 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 2019 annual investor survey, climate change and a number of specific company reviews.

Voting record – ASI UK Ethical Fund

We voted against remuneration resolutions at the AGMs of TUI, Micro Focus, International, Relx, Standard Chartered, IWG, Vesuvius, Centaur Media, Avast, boohoo, JD Sports and Aveva. In the case of Micro Focus International, Relx and JD Sports we also voted against the re-election of the members of the Remuneration Committee to emphasise our views.

At the AGM of TUI we voted against the resolution seeking to discharge the members of the Supervisory Board. Such resolutions are standard in Germany, TUI is German domiciled and jointly listed in London and Frankfurt, and seek to discharge the members of the board from any of their actions during the past fiscal year. We believed that the company had fallen short of their state intention to bring governance arrangements into line with those of UK practice and therefore voted against the discharge resolution. We also voted against one of TUI's supervisory board members due to the length of their mandate which was out of line with UK practice to have an annual vote on the election of directors.

At the AGM of Superdry we voted against shareholder resolutions to elect the founder, Julian Dunkerton, and his nominee, Peter Williams, to the board. We felt that their appointment was not in the best interests of the company and our clients.

We voted against the resolutions submitted by the activist investor, Edward Bramson, at the Barclays AGM. We did not believe that the nomination of Mr Bramson as a director was in the best interests of the company and our clients.

We voted against the appointment of the chairs of the Nomination Committees at both EMIS Group and Prudential due to the lack of gender diversity on the boards of these companies. We are strong supporters of the Hampton-Alexander review and believed that EMIS and Prudential had failed to show sufficient action to meet the levels of gender diversity promoted by this review.

At the general meetings of boohoo and JD Sports we voted against the appointment of the auditor. At boohoo the auditors, PwC, also provided remuneration advice and at JD Sports KPMG have been auditors for 23 years which is beyond the 20 year tenure limit which we apply.

The ethical fund also has a holding in Phoenix Group in which Standard Life Aberdeen has a strategic 19% shareholding and two representatives appointed to the Board. Due to the nature of this relationship and the accompanying conflicts of interest we did not instruct a vote on behalf of our clients on any of the resolutions at the general meeting.

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

Date 30 September 2019

ASI (SLI) Asian Pacific Growth Equity Fund

Investment Report

Fund Information

Fund Manager Fiona Manning

Launch Date 16 November 1998

Investment objective

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

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

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

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Asia Pacific ex Japan is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 8%. Due to the active nature of the management process, the Fund's performance profile may deviate significantly from that of the MSCI AC Asia Pacific ex Japan.

Derivatives and techniques

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

can be invested while maintaining the Fund's existing allocations to company shares.

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-4.42	9.56	15.67	3.44	9.63	9.32
Fund (Net) (%)	-4.53	8.87	14.72	2.12	8.28	7.89
Performance target (%)	-3.57	6.97	12.97	4.98	12.42	11.91
Performance comparator (%)	-3.81	6.88	12.70	3.44	8.93	9.05

The Fund's exposures in China were key contributors to performance over the period. In particular, our A-share holdings, which are more leveraged to the domestic economy, performed well. These included tourism proxies Shanghai International Airport and China International Travel Services, as well as liquor maker Kweichow Moutai. One of our H-share holdings, property developer Chinese Resources Land, was another notable outperformer. Not holding internet giant Baidu also proved beneficial. It released weak results and forecast further weakness, given the tougher macro backdrop, stricter regulations, and intensifying competition.

By contrast, the shares of our South Korean holding Woory Industrial retreated due to weaker-than-expected orders for its vehicle heaters. However, we remain upbeat about its long-term outlook given its exposure to electric vehicles. Another South Korean holding, Orange Life Insurance, was also one of the Fund's main underperformers over the period. Elsewhere, Hong Kong fabric maker Texhong Textile was also among the laggards, as were the Indian companies Cyient (engineering design and data management) and Tejas Networks (telecoms equipment manufacturer).

Activity

During the period, we added to several Chinese holdings on weakness as we felt their long-term fundamentals remained intact. These included Tencent, which was also pressured by mixed first-quarter results as revenue growth slowed despite record profits. We remain upbeat about the internet giant, however, given encouraging trends from its fintech and cloud segments.

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Activity (continued)

We also topped up Alibaba, online car portal Autohome, China Construction Bank and surveillance-equipment maker Hangzhou Hikvision. We capitalised on price weakness to add to Korean positions LG Chem and Samsung Electronics. LG Chem was hurt by concerns about the potential impact of slowing growth on its chemicals business. However, its battery segment continues to grow well, with an improving outlook for sales and profits. Samsung, meanwhile, remains a core holding given its technological leadership and solid financial position. Elsewhere, we added to Indian consumer goods major Hindustan Unilever given our growing conviction in its prospects. We also initiated a holding in Bank Rakyat Indonesia. As well as refocusing on the high-yielding micro-lending business, where it is the market leader, it is lifting shareholder returns by paying out excess capital. Conversely, we pared China-based cement maker Anhui Conch and soy sauce maker Foshan Haitian on price strength. We also top-sliced Hong Kong Exchanges and Clearing, Weichai Power, OCBC and TSMC on price strength.

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.

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

- Investing in China A shares involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, exchange rate risk/ controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the Fund being leveraged (where market exposure and thus the potential for loss by the Fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The Fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The Fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	14,132	13,276	14,990	13,919
Closing number of shares	3,916,375	4,015,987	4,195,975	4,507,554
Closing net asset value per share (pence)	360.84	330.58	357.24	308.79
Change in net asset value per share	9.15%	(7.46%)	15.69%	43.16%
Operating charges	1.43%	1.41%	1.49%	1.50%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	19,953	20,805	31,394	27,062
Closing number of shares	4,797,523	5,473,077	7,678,325	7,693,532
Closing net asset value per share (pence)	415.90	380.13	408.86	351.75
Change in net asset value per share	9.41%	(7.03%)	16.24%	43.87%
Operating charges	0.96%	0.94%	1.02%	1.03%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,280	1,264	1,437	1,345
Closing number of shares	1,527,435	1,647,006	1,708,776	1,837,054
Closing net asset value per share (pence)	83.79	76.76	84.11	73.23
Change in net asset value per share	9.16%	(8.74%)	14.86%	41.67%
Operating charges	1.43%	1.41%	1.49%	1.50%

Standard Life income+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	3	3
Closing number of shares	–	–	2,115	2,115
Closing net asset value per share (pence)	–	–	148.45	129.12
Change in net asset value per share	–	3.89%	14.97%	41.92%
Operating charges	–	0.11%	0.19%	0.20%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	774	690	774	528
Closing number of shares	504,551	493,912	518,800	414,670
Closing net asset value per share (pence)	153.49	139.76	149.20	127.39
Change in net asset value per share	9.82%	(6.33%)	17.12%	44.94%
Operating charges	0.21%	0.19%	0.27%	0.28%

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

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

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

+ Share class closed on 7 June 2018

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	9,479	9,233	10,630	10,325
Closing number of shares	8,681,326	9,249,170	9,896,216	11,166,191
Closing net asset value per share (pence)	109.19	99.82	107.41	92.46
Change in net asset value per share	9.39%	(7.07%)	16.17%	43.79%
Operating charges	1.01%	0.99%	1.07%	1.08%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Pacific Basin Equities (99.05%)		44,793	98.19
Australia (17.61%)		7,338	16.09
36,206	Aristocrat Leisure	581	1.27
1,350	ASML	247	0.54
37,620	Australia & New Zealand Bank	555	1.22
68,549	Bapcor	252	0.55
48,225	BHP	855	1.87
4,250	Cochlear	505	1.11
20,100	Commonwealth Bank of Australia	878	1.93
8,762	CSL	1,162	2.55
73,177	Goodman	586	1.28
8,900	Rio Tinto	431	0.95
47,999	Treasury Wine Estates	494	1.08
50,773	Westpac Banking	792	1.74
China (29.78%)		13,833	30.32
15,023	Alibaba ADR	2,159	4.73
98,000	Anhui Conch Cement	453	0.99
3,000	Autohome	214	0.47
1,055,552	China Construction Bank	643	1.41
81,035	China International Travel Service	888	1.95
184,538	China Merchants Bank	689	1.51
701,655	China Petroleum	337	0.74
186,000	CNOOC	228	0.50
5,356	Ctrip.com ADR	142	0.31
213,195	Haitian International	330	0.72
197,200	Hangzhou Hikvision Digital Technology	700	1.53
18,564	Huazhu Group	503	1.10
7,600	Kweichow Moutai	996	2.18
869	NetEase	182	0.40
161,058	Ping An Insurance	1,517	3.33
91,167	Shanghai International Airport	879	1.93
80,053	Tencent	2,723	5.97
4,752,000	Tianhe Chemicals*	-	-
199,139	Weichai Power	250	0.55
Hong Kong (12.15%)		5,222	11.46
183,310	AIA	1,463	3.21
52,700	ASM Pacific Technology	496	1.09
424,000	China High Precision Automation*	-	-

Holding	Investment	Market value £'000	Percentage of total net assets
147,000	China Metal Recycling*	–	–
56,673	China Mobile	385	0.84
330,093	China Resources Land	1,102	2.42
147,307	Hang Lung Properties	273	0.60
20,974	Hong Kong Exchanges & Clearing	527	1.16
15,300	Jardine Strategic Holdings	397	0.87
367,398	SITC	313	0.69
384,194	Texhong Textile	266	0.58
India (9.15%)		4,331	9.49
56,702	Cyient	274	0.60
15,000	Hindustan Unilever	325	0.71
48,490	Housing Development Finance	1,206	2.64
223,100	ITC	630	1.38
34,200	Kotak Mahindra Bank	564	1.24
41,436	Larsen & Toubro	633	1.39
22,400	Tata Consultancy Services	581	1.27
130,213	Tejas Networks	118	0.26
Indonesia (1.94%)		1,555	3.41
589,109	AKR Corporindo	145	0.32
960,000	Astra	369	0.81
442,123	Bank Central Asia	779	1.71
1,060,771	Bank Rakyat Indonesia	262	0.57
Macau (0.96%)		431	0.94
115,701	Sands China	431	0.94
Malaysia (0.99%)		383	0.84
96,700	Public Bank	383	0.84
Philippines (1.04%)		465	1.02
623,800	Ayala Land	465	1.02
Singapore (4.40%)		1,795	3.93
238,236	Capitaland	489	1.07
33,175	DBS	480	1.05
73,775	Oversea-Chinese Banking	465	1.02
24,422	United Overseas Bank	361	0.79

Holding	Investment	Market value £'000	Percentage of total net assets
South Korea (11.83%)		5,398	11.83
15,475	KB Financial	416	0.91
1,900	LG Chemical	425	0.93
29,988	Nexen Tire	190	0.42
11,583	Orange Life Insurance	210	0.46
49,000	Samsung Electronics	1,460	3.20
39,500	Samsung Electronics (Preference)	987	2.16
1,931	Samsung SDI	326	0.72
13,890	Shinhan Finance	383	0.84
12,113	SK Hynix	635	1.39
24,652	Woory Industrial	366	0.80
Taiwan (6.76%)		3,189	6.99
28,852	President Chain Store	220	0.48
170,000	Taiwan Mobile	496	1.09
366,005	Taiwan Semiconductors Manufacturing	2,473	5.42
Thailand (2.44%)		853	1.87
42,470	Advanced Info Service	262	0.58
52,515	Kasikornbank	225	0.49
310,020	PTT	366	0.80
Collective Investment Schemes (0.99%)		370	0.81
370	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	370	0.81
Derivatives (0.00%)		–	–
Forward Currency Contracts (0.00%)		–	–
	Buy GBP 4,422 Sell AUD 7,876 19/09/2019	–	–
Total investment assets		45,163	99.00
Net other assets		455	1.00
Total Net Assets		45,618	100.00

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 2019.

* Delisted

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		3,760		(1,459)
Revenue	855		1,141	
Expenses	(253)		(311)	
Net revenue before taxation	602		830	
Taxation	(45)		(85)	
Net revenue after taxation		557		745
Total return before equalisation		4,317		(714)
Equalisation on shares		(32)		–
Change in net assets attributable to shareholders from investment activities		4,285		(714)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		45,268		59,228
Amounts receivable on the issue of shares	2,196		942	
Amounts payable on the cancellation of shares	(6,131)		(2,267)	
		(3,935)		(1,325)
Dilution adjustment		–		5
Change in net assets attributable to shareholders from investment activities (see above)		4,285		(714)
Closing net assets attributable to shareholders		45,618		57,194

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		45,163		45,285
Current assets:				
Debtors	95		95	
Cash and bank balances	439		77	
		534		172
Total assets		45,697		45,457
Liabilities:				
Creditors	(79)		(171)	
Distribution payable	-		(18)	
		(79)		(189)
Total liabilities		(79)		(189)
Net assets attributable to shareholders		45,618		45,268

ASI (SLI) Corporate Bond Fund

Investment Report

Fund Information

Fund Manager Adam Walker
Launch Date 23 October 2015

Investment objective

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

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the iBoxx Sterling Collateralized & Corporates Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 3%. Due to the active nature of the management process, the Fund's profile may deviate significantly from the iBoxx Sterling Collateralized & Corporates Index over the long term.

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

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Net) (%)	1.69	8.79	11.22	9.69	3.13	4.42
Performance target (%)	1.59	7.65	9.66	8.39	2.90	4.68
Portfolio constraining benchmark (%)	1.52	8.83	10.95	9.79	3.05	5.84
Sector Ranking	47/91	19/91	16/91	17/91	17/83	44/80
Quartile	3	1	1	1	1	3

The Fund outperformed its peer group over the review period. In terms of individual securities, a big positive contributor was the Fund's conviction overweight in Tesco, which made significant progress in its turnaround strategy, resulting in a ratings upgrade in June. In addition, the Fund again benefitted from being underweight in the US industrial conglomerate General Electric. This largely reflected a damaging short-seller report compiled by financial investigator Harry Markopolos, which alleged that the company had engaged in a USD38bn fraud in its insurance and oilfield services businesses.

On the negative side, the biggest detractor was the UK funeral services business Dignity, which continued to struggle in a more competitive environment and declining mortality rates. The over 50s insurance and holiday specialist Saga was another poor performer, with the company issuing another profit warning over the period.

Investment activity

Towards the end of the review period, the Fund added to Hammerson and Intu metrocentre bonds as they significantly underperformed following Intu's results which showed a write-down in the value of their properties. Intu's debt is secured and each deal is separate, with some much closer to covenant breaches than others, while Hammerson has a large exposure to non-UK markets. However with the market reacting negatively to "hard Brexit" headlines and concerns over global growth, the bonds widened by more than they should have done in our opinion.

We sold out of Bayer bonds which had performed strongly on the back of better-than-expected news regarding litigation concerns as well as some asset disposals.

We also exited our exposure to the shipping firm Maersk whose bonds had performed well thanks to the company's strong balance sheet. Longer term, we think Maersk could become more exposed to negative global trade headlines, particularly after the 60bps of tightening in its bond spreads since we first added exposure.

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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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	61,133	58,696	54,664	57,174
Closing number of shares	16,460,856	17,098,799	16,106,661	17,149,234
Closing net asset value per share (pence)	371.38	343.27	339.39	333.39
Change in net asset value per share	8.19%	1.14%	1.80%	12.92%
Operating charges	1.03%	1.03%	1.03%	1.02%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	116,615	105,206	112,647	120,701
Closing number of shares	186,704,576	182,615,780	198,603,341	217,540,007
Closing net asset value per share (pence)	62.46	57.61	56.72	55.48
Change in net asset value per share	8.42%	1.57%	2.24%	13.43%
Operating charges	0.61%	0.61%	0.61%	0.60%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	27,859	27,470	39,096	43,138
Closing number of shares	25,968,780	27,218,270	37,810,618	41,087,437
Closing net asset value per share (pence)	107.28	100.93	103.40	104.99
Change in net asset value per share	6.29%	(2.39%)	(1.51%)	9.31%
Operating charges	1.03%	1.03%	1.03%	1.02%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	517	5,156	5,800	13,923
Closing number of shares	943,355	10,026,675	11,055,336	26,243,677
Closing net asset value per share (pence)	54.78	51.43	52.47	53.05
Change in net asset value per share	6.51%	(1.98%)	(1.09%)	9.79%
Operating charges	0.61%	0.61%	0.61%	0.60%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	16,888	16,396	4,017	1
Closing number of shares	30,212,625	31,336,541	7,552,845	2,200
Closing net asset value per share (pence)	55.90	52.32	53.18	53.45
Change in net asset value per share	6.84%	(1.62%)	(0.51%)	10.41%
Operating charges	0.03%	0.03%	0.03%	0.10%

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

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

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

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	14	39	9	6
Closing number of shares	22,576	66,915	16,138	10,695
Closing net asset value per share (pence)	63.71	58.61	57.42	55.90
Change in net asset value per share	8.70%	2.07%	2.72%	14.06%
Operating charges	0.11%	0.11%	0.11%	0.10%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	14,831	13,153	13,434	15,359
Closing number of shares	9,134,322	8,780,254	9,104,179	10,634,850
Closing net asset value per share (pence)	162.37	149.80	147.56	144.42
Change in net asset value per share	8.39%	1.52%	2.17%	13.35%
Operating charges	0.66%	0.66%	0.66%	0.65%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	11,444	11,389	13,659	15,583
Closing number of shares	9,524,286	10,094,824	11,860,227	13,374,729
Closing net asset value per share (pence)	120.16	112.83	115.17	116.51
Change in net asset value per share	6.50%	(2.03%)	(1.15%)	9.74%
Operating charges	0.66%	0.66%	0.66%	0.65%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (96.50%)		242,886	97.43
Euro Denominated Bonds (0.54%)		3,180	1.28
Corporate Bonds (0.54%)		3,180	1.28
less than 5 years to maturity			
1,000,000	Danske Bank 7.5% 2020	920	0.37
1,500,000	Deutsche Bank 1.625% 2021	1,373	0.55
1,000,000	Teva Pharmaceutical 0.375% 2020	887	0.36
Sterling Denominated Bonds (93.00%)		232,135	93.11
Corporate Bonds (91.12%)		232,135	93.11
less than 5 years to maturity			
1,260,000	AA Bond 2.75% 2023	1,155	0.46
3,008,000	AA Bond 2.875% 2022	2,874	1.15
1,500,000	Banco Santander 1.375% 2024	1,493	0.60
1,000,000	Bank of America 5.5% 2021	1,088	0.44
1,500,000	Barclays 10% 2021	1,706	0.68
2,120,000	Barclays 3.125% 2024	2,192	0.88
750,000	British American Tobacco 1.75% 2021	757	0.30
586,000	Citigroup 2.75% 2024	617	0.25
1,100,000	Deutsche Bank 1.875% 2020	1,100	0.44
2,400,000	Enel 5.625% 2024	2,857	1.15
920,000	FirstGroup 8.75% 2021	1,017	0.41
1,190,000	Go-Ahead 2.5% 2024	1,205	0.48
2,000,000	Heathrow Funding 7.125% 2024	2,451	0.98
2,000,000	Highbury Finance 7.017% 2023	1,523	0.61
2,000,000	Intu (SGS) Finance 4.125% 2023	1,791	0.72
1,250,000	Lend Lease Europe 6.125% 2021	1,357	0.54
1,217,000	Lloyds Bank 9.625% 2023	1,538	0.62
1,047,000	Lloyds Bank Corporate Markets 1.75% 2024	1,047	0.42
1,700,000	Pacific National Finance 5% 2023	1,903	0.76
1,000,000	Pension Insurance 6.5% 2024	1,123	0.45
1,500,000	Telefonica Emisiones 5.289% 2022	1,693	0.68
1,000,000	Tesco 6.125% 2022	1,114	0.45
590,000	Volkswagen Financial Services 1.5% 2021	591	0.24
1,000,000	Volkswagen Financial Services 1.75% 2020	1,003	0.40
1,790,000	Volkswagen Financial Services 1.75% 2022	1,806	0.72
400,000	Volkswagen Financial Services 1.875% 2021	404	0.16
600,000	Volkswagen Financial Services 2.125% 2024	610	0.25
500,000	Volkswagen Financial Services 2.75% 2023	519	0.21
1,750,000	Wells Fargo 2.125% 2022	1,792	0.72
1,500,000	Wells Fargo 5.25% 2023	1,699	0.68

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
800,000	Abertis Infraestructuras 3.375% 2026	850	0.34
1,300,000	ABP 6.25% 2026	1,624	0.65
2,000,000	Anheuser-Busch InBev 2.25% 2029	2,093	0.84
560,000	Annington Funding 3.184% 2029	602	0.24
956,000	Aroundtown 3.25% 2027	996	0.40
338,000	Assura Financing 3% 2028	375	0.15
1,030,000	Bank of America 2.3% 2025	1,080	0.43
1,600,000	Barclays 3% 2026	1,629	0.65
2,000,000	Barclays 3.25% 2027	2,062	0.83
1,250,000	BP 2.03% 2025	1,308	0.53
529,000	BP Capital Markets 1.827% 2025	550	0.22
750,000	British American Tobacco 2.125% 2025	758	0.30
1,110,000	Cadent Finance 2.125% 2028	1,144	0.46
1,700,000	CPUK 3.588% 2025	1,845	0.74
886,000	CPUK 3.69% 2028	973	0.39
330,000	CYBG 3.125% 2025	320	0.13
670,000	CYBG 4% 2026	675	0.27
2,000,000	CYBG 5% 2026	1,987	0.80
2,260,000	Delamare 5.5457% 2029	2,226	0.89
830,000	Digital Stout 3.3% 2029	904	0.36
620,000	Experian 2.125% 2024	646	0.26
411,000	Fidelity National Information Services 2.602% 2025	433	0.17
750,000	Fiserv 2.25% 2025	775	0.31
1,750,000	Hammerson 3.5% 2025	1,748	0.70
2,400,000	HSBC 2.625% 2028	2,512	1.01
1,156,000	HSBC 3% Fixed to Floating 2029	1,220	0.49
1,500,000	HSBC 6.75% 2028	1,969	0.79
2,000,000	Imperial Brands 5.5% 2026	2,430	0.98
1,500,000	Lloyds Bank 7.625% 2025	1,919	0.77
780,000	Lloyds Banking Group 2.25% 2024	792	0.32
1,500,000	London & Quadrant Housing Trust 2.25% 2029	1,549	0.62
500,000	London & Quadrant Housing Trust 2.625% 2026	530	0.21
960,000	Morgan Stanley 2.625% 2027	1,023	0.41
2,000,000	Morrison (Wm) 3.5% 2026	2,227	0.89
1,043,000	Nationwide Building Society 3.25% 2028	1,167	0.47
600,000	NewRiver REIT 3.5% 2028	610	0.24
639,000	Orsted 2.125% 2027	678	0.27
1,500,000	Rabobank 4.625% 2029	1,790	0.72
1,500,000	Rabobank 5.25% 2027	1,821	0.73
1,750,000	Royal Bank of Scotland 2.875% 2026	1,780	0.71
1,220,000	Royal Bank of Scotland FRN 2027	1,249	0.50

Holding	Investment	Market value £'000	Percentage of total net assets
1,710,000	Santander UK Group 3.625% 2026	1,842	0.74
890,000	Shaftesbury Chinatown 2.348% 2027	910	0.37
1,500,000	Society of Lloyd's 4.75% 2024	1,646	0.66
920,000	Stagecoach Group 4% 2025	994	0.40
760,000	Thames Water 2.875% 2027	772	0.31
1,150,000	Thames Water 3.5% 2028	1,286	0.52
1,600,000	Total Capital 1.66% 2026	1,657	0.67
733,000	Unite Group 3.5% 2028	800	0.32
400,000	Vinci 2.25% 2027	427	0.17
700,000	Wells Fargo 2% 2025	716	0.29
1,250,000	Welltower 4.8% 2028	1,521	0.61
720,000	Westfield Stratford City Finance 1.642% 2026	735	0.30
1,500,000	Yorkshire Building Society 3.375% 2028	1,446	0.58
1,435,000	Yorkshire Power 7.25% 2028	2,103	0.84
between 10 and 15 years to maturity			
2,300,000	America Movil 4.948% 2033	3,119	1.25
1,500,000	Annington Funding 3.685% 2034	1,680	0.67
703,000	APT Pipelines 3.125% 2031	768	0.31
1,700,000	Arqiva 4.882% 2032	1,769	0.71
2,000,000	AT&T 5.2% 2033	2,609	1.05
1,500,000	Barclays 3.25% 2033	1,505	0.60
750,000	Comcast 5.5% 2029	1,032	0.41
500,000	CRH 4.125% 2029	605	0.24
989,000	Digital Stout 3.75% 2030	1,115	0.45
500,000	EDF 5.875% fixed to floating 2031	713	0.29
484,000	Fidelity National Information Services 3.36% 2031	541	0.22
282,000	Fiserv 3% 2031	303	0.12
510,000	Great Rolling Stock 6.5% 2031	566	0.23
1,700,000	HSBC Bank 5.375% 2030	1,979	0.79
1,200,000	Longstone Finance 4.791% 2030	797	0.32
3,700,000	Longstone Finance 4.896% 2031	4,476	1.80
500,000	Orange 3.25% 2032	571	0.23
500,000	Orsted 4.875% 2032	676	0.27
1,108,000	Pension Insurance 5.625% 2030	1,147	0.46
2,600,000	Premiertel 6.175% 2032	2,823	1.13
1,000,000	Quadgas Finance 3.375% 2029	1,049	0.42
1,350,000	Santander UK 3.875% 2029	1,606	0.64
1,210,000	Severn Trent 2.75% 2031	1,347	0.54
528,507	Shaftesbury Carnaby 2.487% 2031	544	0.22
2,705,000	Telereal 6.1645% 2031	3,165	1.27
1,500,000	Thames Water 5.75% 2030	1,642	0.66
1,000,000	Total Capital International 1.405% 2031	994	0.40

Holding	Investment	Market value £'000	Percentage of total net assets
600,000	Verizon Communications 2.5% 2031	642	0.26
1,450,000	Western Power 5.75% 2032	2,061	0.83
between 15 and 25 years to maturity			
1,500,000	AT&T 4.875% 2044	1,925	0.77
1,100,000	Aviva 6.125% 2036	1,297	0.52
516,000	Berkshire Hathaway Finance 2.375% 2039	558	0.22
2,000,000	Broadgate Financing 5.098% 2035	2,281	0.91
1,000,000	Citigroup 6.8% 2038	1,710	0.69
446,000	Direct Line 9.25% 2042	526	0.21
2,500,000	E.ON Finance 6.75% 2039	4,159	1.67
1,500,000	Eversholt 3.529% 2042	1,605	0.64
1,500,000	Eversholt 6.697% 2035	1,989	0.80
2,000,000	Gatwick 5.75% 2037	2,941	1.18
1,500,000	Great Rolling Stock 6.875% 2035	1,429	0.57
512,000	Home Group 3.125% 2043	560	0.22
2,000,000	innogy Finance 6.125% 2039	3,150	1.26
750,000	Morhomes 3.4% 2038	840	0.34
1,500,000	Munich Re 6.625% fixed to floating 2042	1,699	0.68
1,000,000	Orsted 5.75% 2040	1,615	0.65
1,750,000	RL Finance 6.125% fixed to floating 2043	1,968	0.79
1,110,000	Segro 2.875% 2037	1,204	0.48
511,000	TC Dudgeon Ofco 3.158% 2038	572	0.23
1,200,000	Tesco 5.744% 2040	1,526	0.61
500,000	Tesco 5.8006% 2040	646	0.26
1,250,000	Tesco 6.0517% 2039	1,395	0.56
1,000,000	Thames Water 5.5% 2041	1,479	0.59
400,000	Vinci 2.75% 2034	458	0.18
greater than 25 years to maturity			
311,000	Accent Capital 2.625% 2049	338	0.14
750,000	American International FRN 2067	606	0.24
1,620,000	Aviva 5.125% 2050	1,822	0.73
406,000	Berkshire Hathaway Finance 2.625% 2059	474	0.19
705,000	Blend Funding 3.459% 2047	862	0.35
2,000,000	British American Tobacco 2.25% 2052	1,553	0.62
556,000	Bromford Housing 3.125% 2048	665	0.27
470,000	Channel Link 3.043% 2050	499	0.20
618,000	Clarion Housing 3.125% 2048	723	0.29
1,600,000	EDF 6% 2114	2,679	1.07
1,000,000	GlaxoSmithKline 4.25% 2045	1,410	0.57
750,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	696	0.28
2,000,000	NGG 5.625% fixed to floating 2073	2,231	0.90
423,000	Peabody Capital 3.25% 2048	489	0.20

Holding	Investment	Market value £'000	Percentage of total net assets
2,000,000	Prudential 5% 2055	2,214	0.89
583,000	Prudential 5.625% FRN 2051	659	0.26
1,500,000	University of Oxford 2.544% 2117	1,881	0.75
1,200,000	Vodafone 3% 2056	1,171	0.47
520,000	Wellcome Trust 2.517% 2118	640	0.26
Perpetual			
2,000,000	Aviva 6.125% fixed to floating Perpetual	2,150	0.86
1,000,000	AXA 6.6862% fixed to floating Perpetual	1,187	0.48
1,300,000	Bank of Scotland 7.281% Perpetual	1,591	0.64
1,000,000	Barclays 7% Perpetual	1,001	0.40
1,250,000	CYBG 8% Perpetual	1,170	0.47
1,400,000	Dignity 4.6956% Perpetual	1,181	0.47
2,000,000	Direct Line 4.75% Perpetual	1,642	0.66
500,000	EDF 5.875% fixed to floating Perpetual	541	0.22
1,500,000	EDF 6% Perpetual	1,651	0.66
1,300,000	HSBC 5.844% fixed to floating Perpetual	1,716	0.69
785,000	HSBC 5.875% Fixed to Floating Perpetual	820	0.33
1,250,000	Lloyds Banking Group 7.625% fixed to floating Perpetual	1,345	0.54
1,000,000	Orange 5.75% fixed to floating Perpetual	1,110	0.45
990,000	Pennon 2.875% Perpetual	993	0.40
1,287,000	SSE 3.875% fixed to floating Perpetual	1,300	0.52
Government Bonds (1.88%)		-	-
US Dollar Denominated Bonds (2.96%)		7,571	3.04
Corporate Bonds (2.96%)		7,571	3.04
between 5 and 10 years to maturity			
691,000	Energy Transfer Partners 4.95% 2028	634	0.25
504,000	Syngenta Finance 4.892% 2025	441	0.18
1,970,000	UBS 4.125% 2026	1,771	0.71
Perpetual			
1,520,000	HSBC 6% Perpetual	1,254	0.50
1,200,000	Swedbank 5.5% Perpetual	992	0.40
2,000,000	UBS 5% Perpetual	1,537	0.62
1,078,000	UBS Group Funding Switzerland FRN Perpetual	942	0.38
Collective Investment Schemes (2.97%)		3,885	1.56
3,885	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	3,885	1.56
Derivatives (0.06%)		(173)	(0.07)
Forward Currency Contracts (0.06%)		(247)	(0.10)
	Buy EUR 569,365 Sell GBP 529,039 01/11/2019	(13)	-
	Buy GBP 3,672,983 Sell EUR 4,101,116 01/11/2019	(44)	(0.02)
	Buy GBP 7,440,669 Sell USD 9,316,037 01/11/2019	(190)	(0.08)

Holding	Investment	Market value £'000	Percentage of total net assets
Futures (0.00%)		74	0.03
100	Long Long Gilt 27/12/2019	74	0.03
Total investment assets and liabilities		246,598	98.92
Net other assets		2,703	1.08
Total Net Assets		249,301	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		16,245		(1,899)
Revenue	4,447		4,280	
Expenses	(896)		(932)	
Net revenue before taxation	3,551		3,348	
Taxation	-		-	
Net revenue after taxation		3,551		3,348
Total return before distributions		19,796		1,449
Distributions		(4,416)		(4,246)
Change in net assets attributable to shareholders from investment activities		15,380		(2,797)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		237,505		243,326
Amounts receivable on the issue of shares	10,772		9,053	
Amounts payable on the cancellation of shares	(17,735)		(14,356)	
		(6,963)		(5,303)
Dilution adjustment		15		19
Change in net assets attributable to shareholders from investment activities (see above)		15,380		(2,797)
Retained distribution on accumulation shares		3,364		3,226
Closing net assets attributable to shareholders		249,301		238,471

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		246,845		236,404
Current assets:				
Debtors	4,028		4,661	
Cash and bank balances	405		150	
		4,433		4,811
Total assets		251,278		241,215
Liabilities:				
Investment liabilities		(247)		(18)
Creditors	(1,248)		(3,148)	
Distribution payable	(482)		(544)	
		(1,730)		(3,692)
Total liabilities		(1,977)		(3,710)
Net assets attributable to shareholders		249,301		237,505

Distribution tables

For the three months ended 31 May 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 May 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	3.2605	-	3.2605*	2.9662
Group 2	1.5333	1.7272	3.2605*	2.9662
Institutional accumulation				
Group 1	0.5475	-	0.5475*	0.4960
Group 2	0.3503	0.1972	0.5475*	0.4960
Retail income				
Group 1	0.9585	-	0.9585**	0.9037
Group 2	0.4903	0.4682	0.9585**	0.9037
Institutional income				
Group 1	0.4896	-	0.4896**	0.4587
Group 2	0.4120	0.0776	0.4896**	0.4587
Standard Life income				
Group 1	0.4970	-	0.4970**	0.4654
Group 2	0.2627	0.2343	0.4970**	0.4654
Standard Life accumulation				
Group 1	0.5558	-	0.5558*	0.5024
Group 2	0.3692	0.1866	0.5558*	0.5024
Platform 1 accumulation				
Group 1	1.4235	-	1.4235*	1.2902
Group 2	0.5952	0.8283	1.4235*	1.2902
Platform 1 income				
Group 1	1.0721	-	1.0721**	1.0070
Group 2	0.3551	0.7170	1.0721**	1.0070

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

For the three months ended 31 August 2019

Group 1 - shares purchased prior to 1 June 2019

Group 2 - shares purchased between 1 June 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	3.1312	-	3.1312*	3.0366
Group 2	1.3815	1.7497	3.1312*	3.0366
Institutional accumulation				
Group 1	0.5263	-	0.5263*	0.5071
Group 2	0.1894	0.3369	0.5263*	0.5071
Retail income				
Group 1	0.9121	-	0.9121**	0.9090
Group 2	0.4342	0.4779	0.9121**	0.9090
Institutional income				
Group 1	0.4654	-	0.4654**	0.4651
Group 2	0.2511	0.2143	0.4654**	0.4651
Standard Life income				
Group 1	0.4746	-	0.4746**	0.4723
Group 2	0.2961	0.1785	0.4746**	0.4723
Standard Life accumulation				
Group 1	0.5363	-	0.5363*	0.5133
Group 2	0.3518	0.1845	0.5363*	0.5133
Platform 1 accumulation				
Group 1	1.3684	-	1.3684*	1.3186
Group 2	0.6534	0.7150	1.3684*	1.3186
Platform 1 income				
Group 1	1.0210	-	1.0210**	1.0203
Group 2	0.4284	0.5926	1.0210**	1.0203

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

ASI (SLI) Emerging Markets Equity Fund

Investment Report

Fund Information

Fund Manager Matthew Williams

Launch Date 28 May 2012

Investment objective

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

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

Performance Comparator: IA Global emerging markets Equity Sector Average.

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

Investment policy

Portfolio securities

- The Fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in emerging market countries, or companies that derive a significant proportion of their revenues or profits from emerging market operations or have a significant proportion of their assets there.
- Emerging markets include Asian, Eastern European, Middle Eastern, African or Latin American countries.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the MSCI emerging market Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 8%. Due to the Fund's risk constraints, the intention is that the Fund's performance profile will not deviate significantly from that of the MSCI emerging market Index over the longer term.

Derivatives and techniques

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

Performance review

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-4.80	6.40	13.10	6.41	10.09	7.88
Fund (Net) (%)	-4.95	5.71	12.12	5.09	8.66	6.38
Performance target (%)	-4.05	5.79	10.95	5.61	11.74	10.24
Performance comparator (%)	-4.75	5.43	10.92	4.45	7.69	6.76

A position in Thailand's largest mobile operator Advanced Information Services boosted the Fund's returns. Investors were cheered by evidence of improved pricing at the company. Anta Sports Products, the largest sportswear company in China, outperformed after it announced strong first-half results. It benefited from successful product innovations ahead of the 2022 Winter Olympics. Ping An Insurance Group, China's largest insurer, was another strong performer after the company reported better-than-expected full-year results. These were driven by strong growth in its core life and health insurance business. Investors also cheered plans for a \$1.5 billion share buyback. Shares in Panama-based airline Copa Holdings rose over the period, with the company reporting a flat quarterly profit. This was despite it having to ground its fleet of Boeing 737 MAX planes following the two fatal crashes earlier this year. Our holding in homebuilder Cyrela Brazil Realty was another notable outperformer.

By contrast, the holding in hot-pot restaurant operator Xiabuxiabu Catering struggled. The swine flu epidemic which swept China led to swathes of the country's pig population being destroyed. This caused the price of pork to climb dramatically, increasing costs for the restaurant industry. Not owning Russia's Gazprom was another negative.

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Performance review (continued)

Shares in the state-owned oil & gas exploration and production company rallied 70% after it announced a material change to its dividend policy. Also, the shares of our South Korean holding Woory Industrial retreated due to weaker-than-expected orders for its vehicle heaters. However, we remain upbeat about its long-term outlook given its exposure to electric vehicles. Other detractors from the Fund's relative returns over the period included 58.com (China's largest classified online marketplace) and Goodbaby International Holdings (a manufacturer of products for children).

Activity

We topped up the holding in Samsung Electronics following a period of share price weakness. There has been no change in the investment case. We expect this market-leader to deliver multiple years of growth thanks to heightened demand for memory chips. The company should also benefit from the issues surrounding Huawei. Elsewhere, we bought shares in casino and resort operator Sands China. It recently built a highly appealing leisure attraction in Macau, which is superior to those of its peers and is proving popular. We expect profitability to rise as tourists increasingly visit the site.

By contrast, we sold Weichai Power after a spike in its share price. While we think the company can improve its earnings, it remains a cyclical business which may struggle given China's slowing economy. A slowdown in the manufacturing sector is also a growing risk for Weichai. We exited Indian air-conditioning firm Voltas after analysts downgraded the stock, and our original investment case is now reflected in the share price, which has performed strongly.

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.

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

- Investing in China A shares involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, exchange rate risk/ controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the Fund being leveraged (where market exposure and thus the potential for loss by the Fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The Fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The Fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	56,219	51,466	54,194	27,491
Closing number of shares	63,920,366	62,336,727	59,186,585	36,760,921
Closing net asset value per share (pence)	87.95	82.56	91.56	74.78
Change in net asset value per share	6.53%	(9.83%)	22.44%	44.78%
Operating charges	1.38%	1.39%	1.40%	1.41%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	70,505	74,265	103,793	65,832
Closing number of shares	76,723,055	86,284,972	109,202,645	85,117,250
Closing net asset value per share (pence)	91.90	86.07	95.05	77.34
Change in net asset value per share	6.77%	(9.45%)	22.90%	45.46%
Operating charges	0.91%	0.92%	0.93%	0.94%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,040	1,077	1,101	820
Closing number of shares	1,262,016	1,401,120	1,305,745	1,204,527
Closing net asset value per share (pence)	82.38	76.88	84.29	68.06
Change in net asset value per share	7.15%	(8.79%)	23.85%	46.59%
Operating charges	0.16%	0.17%	0.18%	0.19%

Standard Life B accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	89,874	87,709	93,910	75,794
Closing number of shares	92,106,637	96,380,715	94,239,710	94,324,663
Closing net asset value per share (pence)	97.58	91.00	99.65	80.35
Change in net asset value per share	7.23%	(8.68%)	24.02%	46.78%
Operating charges	0.01%	0.02%	0.02%	0.02%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	2,482	2,624	3,177	2,125
Closing number of shares	2,721,336	3,071,319	3,365,337	2,765,540
Closing net asset value per share (pence)	91.21	85.45	94.40	76.85
Change in net asset value per share	6.74%	(9.48%)	22.84%	45.38%
Operating charges	0.96%	0.97%	0.98%	0.99%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Europe, Middle East & Africa Equities (12.83%)		27,880	13.37
Georgia (0.99%)		2,076	0.94
152,624	Bank of Georgia	2,076	0.94
Luxembourg (0.93%)		719	0.33
40,448	Tenaris	719	0.33
Nigeria (0.00%)		635	0.29
612,492	Seplat Petroleum Development	635	0.29
Russia (5.96%)		15,761	7.16
427,001	Globaltrans Investment	3,071	1.39
37,869	HeadHunter	563	0.26
31,261,192	Inter RAO	1,660	0.75
30,614	LUKOIL	2,019	0.92
127,406	MMC Norilsk Nickel	2,536	1.15
3,968	Novatek	63	0.03
322,073	Sberbank of Russia (Preference)	777	0.35
280,172	Sberbank of Russia ADR	3,145	1.43
68,175	X5 Retail Group	1,927	0.88
South Africa (4.49%)		8,689	3.95
190,756	Firststrand	617	0.28
29,017	Naspers	5,409	2.46
428,061	Vodacom	2,663	1.21
Turkey (0.46%)		1,551	0.70
12,494	AEFES	45	0.02
47,114	Tupras	837	0.38
367,652	Turkcell Iletisim	669	0.30
Latin America Equities (13.67%)		34,299	15.59
Brazil (6.16%)		13,650	6.20
550,633	Banco Bradesco (Preference)	3,605	1.64
414,368	Cyrela Brazil Realty	2,073	0.94
928,600	T4F Entretenimento	932	0.42
157,153	Telefonica Brasil (Preference)	1,676	0.76
439,510	Vale	3,980	1.81
221,337	YDUQS Part	1,384	0.63

Holding	Investment	Market value £'000	Percentage of total net assets
Chile (1.01%)		2,191	1.00
16,273,097	Enel Americas	2,191	1.00
Mexico (3.53%)		11,526	5.24
521,119	FEMSA	3,895	1.77
422,742	Grupo Aeroportuario del Centro Norte	2,032	0.92
852,001	Grupo Financiero Banorte	3,765	1.71
1,548,999	PLA Administradora Industrial	1,834	0.84
Panama (1.25%)		3,454	1.57
40,809	Copa Holdings	3,454	1.57
Peru (1.72%)		3,478	1.58
20,474	Credicorp	3,478	1.58
Pacific Basin Equities (72.32%)		145,046	69.43
Australia (0.14%)		-	-
China (31.05%)		60,700	27.57
54,828	58.com	2,419	1.10
87,098	Alibaba ADR	12,515	5.69
401,645	ANTA Sports Products	2,730	1.24
17,306	Autohome	1,238	0.56
11,810,369	China Construction Bank	7,191	3.27
848,000	CSPC Pharmaceutical	1,393	0.63
77,192	Ctrip.com ADR	2,052	0.93
894,352	Dali Foods	488	0.22
4,212,012	Goodbaby International	649	0.29
1,160,356	Haitian International	1,795	0.82
116,444	Huazhu Group	3,154	1.43
912,283	Ping An Insurance	8,595	3.90
380,505	Tencent	12,944	5.88
6,850,000	Tianhe Chemicals*	-	-
870,115	Weichai Power	1,094	0.50
2,307,930	Xiabu Xiabu	2,443	1.11
Hong Kong (4.06%)		6,765	3.07
649,777	China Metal Recycling	-	-
332,215	China Mobile	2,260	1.03
828,057	China Resources Land	2,764	1.25
2,044,000	SITC	1,741	0.79

Holding	Investment	Market value £'000	Percentage of total net assets
India (8.19%)		20,754	9.43
104,974	Apollo Hospitals	1,822	0.83
16,089	Bajaj	602	0.27
648,352	Biocon	1,756	0.80
136,223	Housing Development Finance	3,388	1.54
1,372,343	ITC	3,873	1.76
113,836	Kotak Mahindra Bank	1,878	0.85
181,722	Larsen & Toubro	2,775	1.26
230,459	Oberoi Realty	1,505	0.68
23,570	Piramal Enterprises	554	0.25
268,361	Tech Mahindra	2,148	0.98
500,278	Tejas Networks	453	0.21
Indonesia (0.99%)		4,217	1.92
3,517,381	AKR Corporindo	865	0.39
5,347,900	Bank Rakyat Indonesia	1,319	0.60
19,684,133	Pakuwon Jati	724	0.33
5,095,000	Telekomunikasi Indonesia 'B'	1,309	0.60
Macau (1.36%)		4,287	1.95
1,150,800	Sands China	4,287	1.95
Malaysia (0.00%)		1,476	0.67
1,115,300	Yinson	1,476	0.67
South Korea (14.58%)		28,423	12.91
106,807	KB Financial	2,871	1.30
19,321	LG Chemical Preference KRW 5000	2,358	1.07
112,479	Nexen Tire	711	0.32
55,443	Orange Life Insurance	1,007	0.46
268,921	Samsung Electronics	8,012	3.64
235,159	Samsung Electronics (Preference)	5,875	2.67
79,471	Shinhan Finance	2,190	1.00
81,453	SK Hynix	4,274	1.94
75,807	Woory Industrial	1,125	0.51
Taiwan (8.37%)		18,424	8.37
586,000	Chroma ATE	2,329	1.06
216,000	Globalwafers	1,623	0.74
191,094	President Chain Store	1,456	0.66
1,926,093	Taiwan Semiconductors Manufacturing	13,016	5.91

Holding	Investment	Market value £'000	Percentage of total net assets
Thailand (3.58%)		7,790	3.54
564,868	Advanced Info Service	3,489	1.59
2,686,820	PTT (Alien Market)	3,175	1.44
101,246	Siam Cement	1,126	0.51
Collective Investment Schemes (0.48%)		990	0.45
990	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	990	0.45
Total investment assets		217,556	98.84
Net other assets		2,564	1.16
Total Net Assets		220,120	100.00

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 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

* Suspended.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		11,709		(27,295)
Revenue	4,574		4,561	
Expenses	(720)		(837)	
Interest payable and similar charges	(1)		(8)	
Net revenue before taxation	3,853		3,716	
Taxation	(392)		(454)	
Net revenue after taxation		3,461		3,262
Total return before equalisation		15,170		(24,033)
Equalisation on shares*		(148)		11
Change in net assets attributable to shareholders from investment activities		15,022		(24,022)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		217,141		256,176
Amounts receivable on the issue of shares	7,698		8,273	
Amounts payable on the cancellation of shares*	(19,741)		(3,578)	
		(12,043)		4,695
Dilution adjustment		–		19
Change in net assets attributable to shareholders from investment activities (see above)		15,022		(24,022)
Closing net assets attributable to shareholders		220,120		236,868

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

*Prior year figures have been reclassified.

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		217,556		215,620
Current assets:				
Debtors	2,255		826	
Cash and bank balances	488		854	
		2,743		1,680
Total assets		220,299		217,300
Liabilities:				
Creditors	(179)		(159)	
		(179)		(159)
Total liabilities		(179)		(159)
Net assets attributable to shareholders		220,120		217,141

ASI AAA Bond Fund

Investment Report

Fund Information

Fund Manager Daniel McKernan and Ross Hutchison

Launch Date 6 April 1999

Investment objective

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

Performance Target: To achieve the return of the iBoxx Sterling Non Gilts AAA plus 0.65% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

- The Fund will invest at least 60% in Sterling denominated bonds, such as government and corporate bonds (including asset backed and mortgage backed).
- The Fund may invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, inflation-linked, convertible, asset backed and mortgage backed bonds. The Fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- At the point of investment, bonds shall have a credit rating of "AAA-" or higher from at least one major rating agency such as Standard & Poor's, Moody's or Fitch, with the exception of any UK Government bond held by the Fund (up to a 20% limit).
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the iBoxx Sterling Non Gilts (AAA) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 3%. Due to the Fund's risk constraints, the intention is that the Fund's performance profile will not deviate significantly from that of the iBoxx Sterling Non Gilts (AAA) over the long term.

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

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	1.46	5.92	6.60	6.55	1.63	3.85
Fund (Net) (%)	1.34	5.40	5.91	5.55	0.71	2.96
Performance target (%)	1.31	5.93	6.53	6.86	2.22	4.68

At an individual security level, the top contributor to relative performance in the six-month period was the Fund's off-benchmark exposure to the Trafford Centre, a large indoor shopping centre and leisure complex in Trafford in the UK. Another leading contributor was our conviction overweight in Wellcome Trust, which is the UK's largest charitable foundation and one of the world's largest funders of medical research. On the negative side, the worst performer for the Fund in the period was Meadowhall Finance, which is the financing vehicle of the UK property company British Land. Other detractors in the period, included overweights in the Singapore Sovereign Wealth Fund Temasek and Oxford University.

Investment activity

Corporate bond trading activity was relatively limited over the period. In the primary market, we purchased new secured short-dated bonds from New York Life in US dollars at attractive levels and a new mortgage-backed-security issuance from Paragon Mortgages.

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Investment activity (continued)

We also purchased the new secured bonds of the London shopping centre Westfield Stratford City in sterling, which we believe provided good value and diversification in the AAA-rated space.

At the beginning of the period we reduced exposure to the German development bank KfW following a period of strong performance, and then increased our exposure again in July via the green bonds, which offered good value relative to peers.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	9,132	9,315	10,220	15,178
Closing number of shares	9,125,182	9,807,474	10,824,918	15,996,508
Closing net asset value per share (pence)	100.07	94.98	94.41	94.89
Change in net asset value per share	5.36%	0.60%	(0.51%)	4.18%
Operating charges	1.03%	1.03%	1.03%	1.04%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	7,580	7,849	9,247	17,399
Closing number of shares	6,990,028	7,643,067	9,095,565	17,098,285
Closing net asset value per share (pence)	108.43	102.70	101.66	101.76
Change in net asset value per share	5.58%	1.02%	(0.10%)	4.56%
Operating charges	0.61%	0.61%	0.61%	0.62%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	2,473	2,506	2,826	3,126
Closing number of shares	4,227,105	4,478,941	5,001,772	5,429,353
Closing net asset value per share (pence)	58.50	55.96	56.50	57.57
Change in net asset value per share	4.54%	(0.96%)	(1.86%)	2.90%
Operating charges	1.03%	1.03%	1.03%	1.04%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	5,469	6,340	8,970	50,801
Closing number of shares	9,286,051	11,255,422	15,771,866	87,654,799
Closing net asset value per share (pence)	58.89	56.33	56.87	57.96
Change in net asset value per share	4.54%	(0.95%)	(1.88%)	2.91%
Operating charges	0.61%	0.61%	0.61%	0.62%

Retail CAT accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	26,216	25,825	28,208	30,408
Closing number of shares	25,966,110	26,954,716	29,627,127	31,789,183
Closing net asset value per share (pence)	100.96	95.81	95.21	95.65
Change in net asset value per share	5.38%	0.63%	(0.46%)	4.21%
Operating charges	1.00%	1.00%	1.00%	1.00%

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

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

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

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	– [^]	–	1	1
Closing number of shares	189	189	2,000	2,000
Closing net asset value per share (pence)	55.03	52.75	53.28	54.30
Change in net asset value per share	4.32%	(0.99%)	(1.88%)	2.90%
Operating charges	0.03%	0.03%	0.03%	0.04%

Retail CAT income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	5,029	4,900	5,479	6,037
Closing number of shares	8,540,556	8,699,190	9,636,126	10,419,027
Closing net asset value per share (pence)	58.88	56.32	56.86	57.94
Change in net asset value per share	4.55%	(0.95%)	(1.86%)	2.89%
Operating charges	1.00%	1.00%	1.00%	1.00%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	103	117	149	181
Closing number of shares	129,112	155,089	199,922	244,273
Closing net asset value per share (pence)	79.87	75.46	74.32	74.02
Change in net asset value per share	5.84%	1.53%	0.41%	5.01%
Operating charges	0.11%	0.11%	0.11%	0.12%

Institutional regulated accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	4,590	3,808	3,803	5,092
Closing number of shares	5,785,401	5,072,823	5,128,376	6,873,651
Closing net asset value per share (pence)	79.34	75.07	74.16	74.08
Change in net asset value per share	5.69%	1.23%	0.11%	4.74%
Operating charges	0.41%	0.41%	0.41%	0.42%

Standard Life B accumulation+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	3	3
Closing number of shares	–	–	4,000	4,000
Closing net asset value per share (pence)	–	–	76.40	75.99
Change in net asset value per share	–	0.60%	0.54%	5.12%
Operating charges	–	0.00%	0.00%	0.01%

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

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

[^] The closing net asset value of Standard Life income is £100.

⁺ Share class closed on 7 June 2018.

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	6,435	5,953	7,685	8,228
Closing number of shares	10,057,105	9,821,056	12,801,026	13,688,218
Closing net asset value per share (pence)	63.99	60.62	60.03	60.11
Change in net asset value per share	5.56%	0.98%	(0.13%)	(4.50%)
Operating charges	0.66%	0.66%	0.66%	0.67%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	2,937	2,980	3,530	12,609
Closing number of shares	5,268,918	5,588,233	6,557,599	22,982,935
Closing net asset value per share (pence)	55.75	53.32	53.83	54.86
Change in net asset value per share	4.56%	(0.95%)	(1.88%)	2.89%
Operating charges	0.66%	0.66%	0.66%	0.67%

Institutional S accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	4,902	5,063	6,200	1
Closing number of shares	8,504,172	9,284,839	11,511,712	2,200
Closing net asset value per share (pence)	57.64	54.53	53.86	53.81
Change in net asset value per share	5.70%	1.24%	0.09%	4.69%
Operating charges	0.39%	0.39%	0.39%	0.40%

Institutional S income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	129,369	98,959	94,522	44,842
Closing number of shares	242,336,918	193,809,856	183,354,619	85,358,318
Closing net asset value per share (pence)	53.38	51.06	51.55	52.53
Change in net asset value per share	4.54%	(0.95%)	(1.87%)	(2.90%)
Operating charges	0.39%	0.39%	0.39%	0.40%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (97.18%)		193,858	94.92
Euro Denominated Bonds (2.46%)		3,675	2.70
Corporate Bonds (1.94%)		3,675	1.80
between 5 and 10 years to maturity			
1,650,000	Microsoft 3.125% 2028	1,910	0.94
1,950,000	Taurus 2018-3 DEU DAC FRN 2029	1,765	0.86
Government Bonds (0.52%)		1,829	0.90
between 5 and 10 years to maturity			
1,800,000	Temasek 1.5% 2028	1,829	0.90
Sterling Denominated Bonds (90.19%)		179,633	87.95
Corporate Bonds (62.51%)		114,017	55.82
less than 5 years to maturity			
530,000	Aareal Bank 1% 2020	530	0.26
4,000,000	Bank Nederlandse Gemeenten 1% 2022	4,025	1.97
7,571,000	Bank Nederlandse Gemeenten 5.375% 2021	8,184	4.01
4,000,000	Barclays 4.25% 2022	4,314	2.11
675,000	Inter-American Development Bank 1.25% 2023	691	0.34
1,000,000	KFW 0.375% 2020	997	0.49
1,390,000	KFW 0.875% 2022	1,399	0.69
2,600,000	KFW 5.55% 2021	2,823	1.38
741,000	Landeskreditbank Baden-Wuerttemberg Foerderbank 1.375% 2023	761	0.37
940,000	Lloyds Bank 1.75% 2022	960	0.47
1,190,000	New York Life Global Funding 1% 2021	1,190	0.58
516,000	New York Life Global Funding 1.625% 2023	528	0.26
1,933,000	New York Life Global Funding 1.75% 2022	1,978	0.97
1,000,000	Penarth Master Issuer FRN 2022	1,000	0.49
750,000	Royal Bank of Canada 1.125% 2021	753	0.37
3,477,000	Royal Bank of Scotland 5.125% 2024	4,111	2.01
5,025,000	Wellcome Trust 4.75% 2021	5,359	2.62
1,440,000	Westpac Banking 1% 2022	1,440	0.71
between 5 and 10 years to maturity			
1,803,000	Asian Development Bank 1.375% 2025	1,870	0.92
700,000	Bank of Scotland 4.875% 2024	837	0.41
2,100,000	Clydesdale Bank 4.625% 2026	2,600	1.27
5,048,000	Commonwealth Bank of Australia 3% 2026	5,737	2.81
2,320,000	Credit Foncier 5.5% 2027	3,063	1.50
1,000,000	Johnson & Johnson 5.5% 2024	1,229	0.60
1,265,000	KFW 5.5% 2025	1,608	0.79
1,700,000	KFW 6% 2028	2,504	1.23

Holding	Investment	Market value £'000	Percentage of total net assets
1,174,000	Lloyds Bank 4.875% 2027	1,495	0.73
2,000,000	Lloyds Bank 5.125% 2025	2,438	1.19
2,380,000	Lloyds Bank 6% 2029	3,400	1.66
2,000,000	National Australia Bank 3% 2026	2,281	1.13
2,500,000	Nationwide Building Society 5.625% 2026	3,241	1.59
700,000	Newday Funding 2018-2 FRN 2026	697	0.34
4,141,000	Santander UK 5.75% 2026	5,402	2.65
2,427,000	Westfield Stratford City Finance 1.642% 2026	2,478	1.20
between 10 and 15 years to maturity			
800,000	Broadgate Financing 4.851% 2033	1,056	0.52
5,130,000	Broadgate Financing 4.949% 2031	2,936	1.44
1,595,000	Canary Wharf Finance 6.455% 2033	417	0.20
1,046,000	KFW 5.75% 2032	1,661	0.81
6,980,000	Meadowhall Finance 4.986% 2032	6,247	3.06
2,000,000	Nederlandse Waterschapsbank 5.375% 2032	3,027	1.48
between 15 and 25 years to maturity			
610,000	Broadgate Financing 4.821% 2036	845	0.41
1,700,000	SLM Student Loan Trust 5.15% 2039	1,592	0.78
1,333,000	Temasek 5.125% 2040	2,162	1.06
3,000,000	Trafford Centre FRN 2038	2,678	1.31
1,300,000	Wellcome Trust 4.625% 2036	1,981	0.97
greater than 25 years to maturity			
961,000	Paragon FRN 2045	958	0.47
801,000	Paragon FRN 2050	764	0.37
700,000	RMAC FRN 2046	595	0.29
644,000	University of Cambridge 2.35% 2078	803	0.39
680,000	University of Cambridge 3.75% 2052	1,061	0.52
1,250,000	University of Oxford 2.544% 2117	1,567	0.77
521,000	Wellcome Trust 2.517% 2118	641	0.31
630,000	Wellcome Trust 4% 2059	1,103	0.54
Government Bonds (27.68%)		65,616	32.13
less than 5 years to maturity			
740,000	European Investment Bank 0.875% 2023	746	0.37
3,600,000	European Investment Bank 1.125% 2021	3,637	1.78
800,000	European Investment Bank 2.25% 2020	807	0.39
2,800,000	European Investment Bank 4.25% 2021	3,026	1.48
1,200,000	International Bank for Reconstruction & Development 1.375% 2020	1,211	0.59
1,500,000	KFW 1.125% 2019	1,501	0.73
1,430,000	KFW 1.625% 2020	1,440	0.71
between 5 and 10 years to maturity			
750,000	European Bank for Reconstruction & Development 5.625% 2028	1,078	0.53
2,000,000	European Investment Bank 1% 2026	2,038	1.00

Holding	Investment	Market value £'000	Percentage of total net assets
2,250,000	European Investment Bank 4.5% 2029	3,026	1.48
4,741,000	European Investment Bank 5.5% 2025	5,987	2.93
1,200,000	European Investment Bank 6% 2028	1,755	0.86
2,500,000	KFW 0.875% 2026	2,532	1.24
10,000,000	UK (Govt of) 1.5% 2026	10,818	5.30
1,670,000	UK (Govt of) 2.75% 2024	1,872	0.92
980,000	UK (Govt of) 6% 2028	1,483	0.73
between 10 and 15 years to maturity			
2,900,000	European Investment Bank 5.625% fixed to floating 2032	4,517	2.21
1,750,000	Tenn Valley Authority 5.625% 2032	2,623	1.28
between 15 and 25 years to maturity			
3,210,000	European Investment Bank 3.875% 2037	4,638	2.27
1,500,000	European Investment Bank 4.5% 2044	2,526	1.24
3,000,000	European Investment Bank 5% 2039	5,033	2.46
greater than 25 years to maturity			
1,700,000	European Investment Bank 4.625% fixed to floating 2054	3,322	1.63
US Dollar Denominated Bonds (4.53%)		8,721	4.27
Corporate Bonds (4.53%)		8,721	4.27
between 5 and 10 years to maturity			
1,300,000	Johnson & Johnson 2.45% 2026	1,101	0.54
1,500,000	New York Life Global Funding 3% 2028	1,296	0.63
between 15 and 25 years to maturity			
3,250,000	Johnson & Johnson 5.95% 2037	3,849	1.89
2,680,000	Microsoft 3.5% 2035	2,475	1.21
Collective Investment Schemes (1.15%)		8,199	4.02
8,199	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund +	8,199	4.02
Derivatives (0.33%)		216	0.10
Forward Currency Contracts (0.15%)		87	0.04
	Buy GBP 5,559,056 Sell EUR 6,045,330 06/11/2019	79	0.04
	Buy GBP 1,295,334 Sell USD 1,567,940 06/11/2019	11	-
	Buy GBP 7,208,585 Sell USD 8,807,470 06/11/2019	(3)	-
Futures (0.04%)		(56)	(0.03)
227	Long Euro Schatz Future 06/09/2019	85	0.04
20	Long US 10 Year Ultra Future 19/12/2019	(3)	-
(23)	Short Euro Bond Future 06/09/2019	(168)	(0.08)
(19)	Short Long Gilt 27/12/2019	(16)	(0.01)
(47)	Short US Long Bond Future (CBT) 19/12/2019	46	0.02

Holding	Investment	Market value £'000	Percentage of total net assets
Interest Rate Swaps (0.14%)		185	0.09
GBP 2,900,000	Pay fixed 1.4887% receive floating GBP-LIBOR 05/04/2039	(466)	(0.23)
SEK 20,900,000	Pay floating SEK-STIBOR receive fixed 0.1813% 24/01/2021	7	-
GBP 4,000,000	Pay floating GBP-LIBOR receive fixed 2.6% 25/10/2023	351	0.17
GBP 10,800,000	Pay floating GBP-LIBOR receive fixed 1.1765% 05/04/2024	293	0.15
Total investment assets and liabilities		202,273	99.04
Net other assets		1,962	0.96
Total Net Assets		204,235	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		7,983		(159)
Revenue	2,379		2,350	
Expenses	(515)		(534)	
Net revenue before taxation	1,864		1,816	
Taxation	-		-	
Net revenue after taxation		1,864		1,816
Total return before distributions		9,847		1,657
Distributions		(1,863)		(1,817)
Change in net assets attributable to shareholders from investment activities		7,984		(160)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		173,615		180,843
Amounts receivable on the issue of shares	32,038		8,252	
Amounts payable on the cancellation of shares	(9,942)		(11,730)	
		22,096		(3,478)
Dilution adjustment		19		-
Change in net assets attributable to shareholders from investment activities (see above)		7,984		(160)
Retained distribution on accumulation shares		521		550
Closing net assets attributable to shareholders		204,235		177,755

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		202,929		171,512
Current assets:				
Debtors	2,535		2,911	
Cash and bank balances	603		344	
		3,138		3,255
Total assets		206,067		174,767
Liabilities:				
Investment liabilities		(656)		(222)
Creditors	(264)		(316)	
Bank overdrafts	(121)		–	
Distribution payable	(791)		(614)	
		(1,176)		(930)
Total liabilities		(1,832)		(1,152)
Net assets attributable to shareholders		204,235		173,615

Distribution tables

For the three months ended 31 May 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 May 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.3753	-	0.3753*	0.3666
Group 2	0.2100	0.1653	0.3753*	0.3666
Institutional accumulation				
Group 1	0.5161	-	0.5161*	0.5030
Group 2	0.2310	0.2851	0.5161*	0.5030
Retail income				
Group 1	0.2211	-	0.2211**	0.2194
Group 2	0.1168	0.1043	0.2211**	0.2194
Institutional income				
Group 1	0.2831	-	0.2831**	0.2813
Group 2	0.1346	0.1485	0.2831**	0.2813
Retail CAT accumulation				
Group 1	0.3872	-	0.3872*	0.3779
Group 2	0.2510	0.1362	0.3872*	0.3779
Standard Life income				
Group 1	0.4813	-	0.4813**	0.3345
Group 2	0.4813	-	0.4813**	0.3445
Retail CAT income				
Group 1	0.2275	-	0.2275**	0.2257
Group 2	0.1527	0.0748	0.2275**	0.2257
Standard Life accumulation				
Group 1	0.4760	-	0.4760*	0.4622
Group 2	0.4760	-	0.4760*	0.4622
Institutional regulated accumulation				
Group 1	0.4156	-	0.4156*	0.4045
Group 2	0.0660	0.3496	0.4156*	0.4045
Standard Life B accumulation+				
Group 1	-	-	-	0.4845
Group 2	-	-	-	0.4845
Platform 1 accumulation				
Group 1	0.2968	-	0.2968*	0.2894
Group 2	0.2213	0.0755	0.2968*	0.2894

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

+ Share class closed on 7 June 2018.

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Platform 1 income				
Group 1	0.2611	-	0.2611**	0.2595
Group 2	0.1655	0.0956	0.2611**	0.2595
Institutional S accumulation				
Group 1	0.3047	-	0.3047*	0.2965
Group 2	0.1202	0.1845	0.3047*	0.2965
Institutional S income				
Group 1	0.2853	-	0.2853**	0.2838
Group 2	0.1148	0.1705	0.2853**	0.2838

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

for the three months ended 31 August 2019

Group 1 - shares purchased prior to 1 June 2019

Group 2 - shares purchased between 1 June 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.3949	-	0.3949*	0.3699
Group 2	0.2366	0.1583	0.3949*	0.3699
Institutional accumulation				
Group 1	0.5405	-	0.5405*	0.5077
Group 2	0.3081	0.2324	0.5405*	0.5077
Retail income				
Group 1	0.2317	-	0.2317**	0.2205
Group 2	0.0973	0.1344	0.2317**	0.2205
Institutional income				
Group 1	0.2950	-	0.2950**	0.2827
Group 2	0.1857	0.1093	0.2950**	0.2827
Retail CAT accumulation				
Group 1	0.4064	-	0.4064*	0.3812
Group 2	0.2598	0.1466	0.4064*	0.3812
Standard Life income				
Group 1	0.4866	-	0.4866**	0.3445
Group 2	0.4866	-	0.4866**	0.3445
Retail CAT income				
Group 1	0.2380	-	0.2380**	0.2268
Group 2	0.1273	0.1107	0.2380**	0.2268
Standard Life accumulation				
Group 1	0.4967	-	0.4967*	0.4666
Group 2	0.4967	-	0.4967*	0.4666
Institutional regulated accumulation				
Group 1	0.4346	-	0.4346*	0.4086
Group 2	0.0706	0.3640	0.4346*	0.4086
Platform 1 accumulation				
Group 1	0.3111	-	0.3111*	0.2920
Group 2	0.1752	0.1359	0.3111*	0.2920
Platform 1 income				
Group 1	0.2723	-	0.2723**	0.2607
Group 2	0.1392	0.1331	0.2723**	0.2607
Institutional S accumulation				
Group 1	0.3187	-	0.3187*	0.2995
Group 2	0.1933	0.1254	0.3187*	0.2995
Institutional S income				
Group 1	0.2969	-	0.2969**	0.2851
Group 2	0.1126	0.1843	0.2969**	0.2851

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 2019

ASI American Income Equity Fund

Investment Report

Fund Information

Fund Manager Scott Eun
Launch Date 15 June 2016

Investment objective

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

Performance Target: To achieve the return of the S&P 500 Index, plus 2% per annum over rolling five year periods (before charges), with a yield greater than that of this index. The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. Given the Fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively. Typically, this leads towards stocks with positive operational trends, strong market positions, robust financial position and attractive dividend in terms of yield, growth and/or underappreciated cash return prospects.
- The combined average yield on assets in the Fund is expected to be higher than the broad US equity market, as represented by the S&P 500 Index.

- In seeking to achieve the Performance Target, the S&P 500 Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 6%. Due to the income nature of the management process, the Fund's performance profile may deviate significantly from that of the S&P 500 Index.

Derivatives and techniques

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

Performance

Cumulative performance*

Source: Aberdeen Standard investments (Fund) and Morningstar (Sector)

	6 months (%)	1 year (%)	3 years (%)
Retail Fund Performance	16.7	10.1	40.5
Institutional Fund Performance	16.9	10.5	42.4
Platform One	16.9	10.5	42.2
IA North America Sector	13.8	7.6	48.5

A holding in Microsoft boosted the Fund's returns. The company's fundamentals continued to exhibit broad-based strength, highlighted by accelerating top-line growth and increasing margins. This has been driven by its cloud products, Azure and Office 365. Elsewhere, a position in Mastercard was another standout performer. It reported healthy revenues that continued to exceed investor expectations. American Tower also reported a good set of results. The owner of specialist real estate for wireless operators is growing both in the US and overseas. Domestic growth has accelerated and conditions in India are improving. Additional highlights included Equinix, Restaurant Brands and Anadarko Petroleum.

On the downside, pharmaceutical specialist Eli Lilly disappointed investors after posting weaker revenue numbers. The take-up of a key diabetes drug was less successful than anticipated. In the financial sector, Charles Schwab dragged on the Fund's return.

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Performance (continued)

Investors were concerned about the impact of the US Federal Reserve's softer tone on interest rates would have on the wealth manager's profitability. Elsewhere, UnitedHealth Group was a negative. The health insurance company suffered from political moves ahead of the 2020 US presidential election. Democratic presidential hopefuls have advocated universal healthcare coverage and been critical of the company. Positions in Meredith, Wells Fargo and Bank of America also disappointed.

Activity

We added to the Fund's position in Bristol-Myers Squibb. The pharmaceutical group's shares suffered when it agreed to buy Celgene. The fall in price was unwarranted and undervalued the business. We are confident the shares will re-rate. Meanwhile, we bought Kansas City Southern. The railroad operator is attractively valued and is well positioned to benefit from developments in precision railroad scheduling. FLIR Systems, which specialises in thermal imaging cameras, was another purchase, as we think its new management team will drive improved financial performance.

In retail, we exited Home Depot, as the housing market is less robust and we expect increased pressure on the firm's share price. Meanwhile, we exited defence group Raytheon, believing that the merger with United Technologies will not deliver the anticipated upside and the combined entity lacks compelling strategic or financial benefits. Other sales included Wells Fargo, Steel Dynamics and Marathon Oil.

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.

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

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The Fund's investments are concentrated in a particular country or sector.
- The Fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the Fund being leveraged (where market exposure and thus the potential for loss by the Fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The Fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The Fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	63	47	18	4
Closing number of shares	79,872	69,952	27,330	6,171
Closing net asset value per share (pence)	78.74	67.52	63.66	63.74
Change in net asset value per share	16.62%	6.06%	(0.13%)	27.48%
Operating charges	1.33%	1.35%	1.35%	1.34%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	81,106	5,956	29,159	28,999
Closing number of shares	101,514,065	8,711,396	45,445,743	45,345,254
Closing net asset value per share (pence)	79.90	68.38	64.16	63.95
Change in net asset value per share	16.85%	6.58%	0.33%	27.90%
Operating charges	0.86%	0.88%	0.88%	0.87%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	19	5	8	1
Closing number of shares	25,618	7,086	12,698	2,200
Closing net asset value per share (pence)	74.13	64.21	61.70	62.94
Change in net asset value per share	15.45%	4.07%	(1.97%)	25.88%
Operating charges	1.33%	1.35%	1.35%	1.34%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	5	15,763	24,208	24,836
Closing number of shares	6,961	24,257,979	38,941,637	39,342,021
Closing net asset value per share (pence)	75.18	64.98	62.17	63.13
Change in net asset value per share	15.70%	4.52%	(1.52%)	26.26%
Operating charges	0.86%	0.88%	0.88%	0.87%

Standard Life income+	31 August 2019	28 February 2019	28 February 2018
Closing net asset value (£'000)	12,435	11,364	10,786
Closing number of shares	20,920,164	22,213,109	22,223,059
Closing net asset value per share (pence)	59.44	51.16	48.54
Change in net asset value per share	16.18%	5.40%	(2.92%)
Operating charges	0.04%	0.05%	0.05%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	62	54	71	28
Closing number of shares	75,673	77,457	109,605	43,243
Closing net asset value per share (pence)	81.87	69.79	65.01	64.31
Change in net asset value per share	17.31%	7.35%	1.09%	28.62%
Operating charges	0.12%	0.13%	0.13%	0.12%

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

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

+ Share class was launched on 15 March 2017.

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	357	200	69	11
Closing number of shares	447,623	292,192	107,901	16,816
Closing net asset value per share (pence)	79.79	68.30	64.13	63.94
Change in net asset value per share	16.82%	6.50%	0.30%	27.88%
Operating charges	0.91%	0.93%	0.93%	0.92%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	57	34	9	2
Closing number of shares	76,136	51,996	14,526	3,562
Closing net asset value per share (pence)	75.12	64.94	62.14	63.14
Change in net asset value per share	15.68%	4.51%	(1.58%)	26.28%
Operating charges	0.92%	0.93%	0.93%	0.92%

Institutional S accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	200	200	2,200	2,200
Closing net asset value per share (pence)	73.18	62.38	58.56	58.24
Change in net asset value per share	17.31%	6.52%	0.55%	16.48%
Operating charges	0.72%	0.70%	0.76%	0.75%

Institutional S income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	200	200	2,200	2,200
Closing net asset value per share (pence)	69.12	59.65	57.01	57.76
Change in net asset value per share	15.88%	4.63%	(1.30%)	15.52%
Operating charges	0.72%	0.70%	0.76%	0.75%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
North American Equities (97.55%)		91,637	97.38
35,121	Abbvie	1,895	2.01
9,502	Accenture	1,544	1.64
23,095	Activision Blizzard	959	1.02
26,542	Alimentation Couche-Tard 'B'	1,372	1.46
9,451	American Tower	1,786	1.90
4,568	Anthem	981	1.04
20,184	Apple	3,459	3.68
121,787	Bank of America	2,749	2.92
22,992	Baxter International	1,659	1.76
47,185	Bristol-Myers Squibb	1,861	1.98
7,825	Broadcom	1,815	1.93
13,270	Celanese	1,235	1.31
32,054	Chevron	3,096	3.29
41,826	Cisco Systems	1,607	1.71
32,692	Citigroup	1,726	1.83
32,893	CMS Energy	1,703	1.81
29,815	Coca-Cola	1,347	1.43
62,374	Comcast	2,264	2.41
8,616	Constellation	1,444	1.53
8,972	Deere & Co	1,140	1.21
16,669	Eli Lilly	1,545	1.64
17,129	EOG Resources	1,043	1.11
4,191	Equinix	1,913	2.03
10,304	First Republic Bank	759	0.81
18,690	FLIR	756	0.80
85,150	Hanesbrands	954	1.01
11,784	Honeywell International	1,592	1.69
19,198	Johnson & Johnson	2,022	2.15
11,534	Kansas City Southern	1,191	1.27
6,764	Lockheed Martin	2,132	2.27
52,905	Marvell Technology	1,041	1.11
13,934	Mastercard	3,214	3.42
10,384	McDonald's	1,858	1.97
23,996	Medtronic	2,124	2.26
23,052	Merck & Co	1,635	1.74
22,398	Meredith	804	0.85
58,533	Microsoft	6,628	7.04
48,558	Mondelez	2,201	2.34
14,041	NextEra Energy	2,524	2.68

Holding	Investment	Market value £'000	Percentage of total net assets
47,452	Pfizer	1,384	1.47
24,073	Philip Morris	1,423	1.51
22,277	Procter & Gamble	2,199	2.34
8,544	Raytheon	1,300	1.38
34,804	Restaurant Brands International	2,240	2.38
20,824	Schlumberger	554	0.59
42,601	Schwab (Charles)	1,338	1.42
36,841	Service Corporation International	1,400	1.49
3,794	Sun Communities	460	0.49
50,867	TELUS	1,513	1.61
32,714	TJX	1,477	1.57
13,438	United Health	2,579	2.74
45,941	Verizon Communications	2,192	2.33
Collective Investment Schemes (2.64%)		2,874	3.05
2,874	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	2,874	3.05
Total investment assets		94,511	100.43
Net other liabilities		(407)	(0.43)
Total Net Assets		94,104	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		9,660		7,219
Revenue	785		749	
Expenses	(231)		(227)	
Interest payable and similar charges	(3)		–	
Net revenue before taxation	551		522	
Taxation	(111)		(105)	
Net revenue after taxation		440		417
Total return before distributions		10,100		7,636
Distributions		(457)		(510)
Change in net assets attributable to shareholders from investment activities		9,643		7,126

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		33,423		64,330
Amounts receivable on the issue of shares	78,201		395	
Amounts payable on the cancellation of shares	(27,538)		(9,324)	
		50,663		(8,929)
Dilution adjustment		39		1
Change in net assets attributable to shareholders from investment activities (see above)		9,643		7,126
Retained distribution on accumulation shares		336		169
Closing net assets attributable to shareholders		94,104		62,697

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		94,511		33,488
Current assets:				
Debtors	174		77	
Cash and bank balances	14		8	
		188		85
Total assets		94,699		33,573
Liabilities:				
Creditors	(535)		(27)	
Distribution payable	(60)		(123)	
		(595)		(150)
Total liabilities		(595)		(150)
Net assets attributable to shareholders		94,104		33,423

Distribution tables

For the three months ended 31 May 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 May 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.1416	-	0.1416*	0.1214
Group 2	0.0679	0.0737	0.1416*	0.1214
Institutional accumulation				
Group 1	0.2310	-	0.2310*	0.1988
Group 2	0.1152	0.1158	0.2310*	0.1988
Retail income				
Group 1	0.3532	-	0.3532**	0.3174
Group 2	0.3482	0.0050	0.3532**	0.3174
Institutional income				
Group 1	0.3764	-	0.3764**	0.3205
Group 2	0.3388	0.0376	0.3764**	0.3205
Standard Life income				
Group 1	0.2779	-	0.2779**	0.2489
Group 2	0.2779	-	0.2779**	0.2489
Standard Life accumulation				
Group 1	0.3698	-	0.3698*	0.3224
Group 2	0.1544	0.2154	0.3698*	0.3224
Platform 1 accumulation				
Group 1	0.2182	-	0.2182*	0.1904
Group 2	0.1214	0.0968	0.2182*	0.1904
Platform 1 income				
Group 1	0.3566	-	0.3566**	0.3213
Group 2	0.1724	0.1842	0.3566**	0.3213
Institutional S accumulation				
Group 1	0.2900	-	0.2900*	0.2140
Group 2	0.2900	-	0.2900*	0.2140
Institutional S income				
Group 1	0.3350	-	0.3350**	0.2977
Group 2	0.3350	-	0.3550**	0.2977

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

for the three months ended 31 August 2019

Group 1 - shares purchased prior to 1 June 2019

Group 2 - shares purchased between 1 June 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.1263	-	0.1263*	0.1230
Group 2	0.0542	0.0721	0.1263*	0.1230
Institutional accumulation				
Group 1	0.2316	-	0.2316*	0.1992
Group 2	0.2146	0.0170	0.2316*	0.1992
Retail income				
Group 1	0.3551	-	0.3551**	0.3327
Group 2	0.0642	0.2909	0.3551**	0.3227
Institutional income				
Group 1	0.3486	-	0.3486**	0.3320
Group 2	0.2132	0.1354	0.3486**	0.3320
Standard Life income				
Group 1	0.2826	-	0.2826**	0.2624
Group 2	0.2826	-	0.2826**	0.2624
Standard Life accumulation				
Group 1	0.3722	-	0.3722*	0.3367
Group 2	0.1984	0.1738	0.3722*	0.3367
Platform 1 accumulation				
Group 1	0.2083	-	0.2083*	0.1915
Group 2	0.1005	0.1078	0.2083*	0.1915
Platform 1 income				
Group 1	0.3583	-	0.3583**	0.2985
Group 2	0.1509	0.2074	0.3583**	0.2985
Institutional S accumulation				
Group 1	0.3050	-	0.3050*	0.2268
Group 2	0.3050	-	0.3050*	0.2268
Institutional S income				
Group 1	0.3350	-	0.3350**	0.3145
Group 2	0.3350	-	0.3350**	0.3145

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 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.

Treatment by Corporate Shareholders

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

	1st Interim Dividend	2nd Interim 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%

ASI American Unconstrained Equity Fund

Investment Report

Fund Information

Fund Manager Jeff Morris

Launch Date 16 November 1998

Investment objective

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

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

Performance comparator: IA North America Equity Sector Average.

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

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to maintain a concentrated asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the S&P 500 Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the Fund's performance profile may deviate significantly from that of the S&P 500 Index.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-1.06	17.48	29.62	11.59	11.15	14.71
Fund (Net) (%)	-1.17	16.68	28.55	10.22	9.80	13.21
Performance target (%)	-0.84	17.26	25.75	12.94	18.49	20.20
Performance comparator (%)	-2.41	13.83	23.48	7.58	14.08	14.95

In terms of the Fund's main outperformers, American Tower, the owner of specialist real estate for wireless telecommunications operators, continues to grow both in the US and internationally. Its real estate investment trust (REIT) status has also helped, given REITs are interest-rate sensitive and the Federal Reserve has adopted looser monetary policy. Elsewhere, a healthy demand outlook supported data centre specialist Equinix. Restaurant Brands, the US fast-food restaurant operator, was another standout performer. It released positive results, especially from Burger King, as the strategy to turn around the underperforming brand bore fruit. Given its cashflow strength and growth, the business is particularly attractive in a low interest-rate environment. Marvell Technology also boosted Fund performance. The company's share price rose ahead of the rollout of its 5G service. Investors reacted positively to its portfolio adjustments whereby management divested the Wi-Fi business and acquired Ethernet expertise. Financial technology company Fiserv also outperformed.

However, in the financial sector, Charles Schwab fell on concerns that lower interest rates are driving an unfavourable shift in clients' asset allocation.

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Performance (continued)

San Francisco-based First Republic Bank also underperformed after it reported disappointing Q2 revenues and earnings. US regional banks continue to struggle in the current low interest-rate environment. Other disappointments included defence group Raytheon (which we sold after its merger with United Technologies) and streaming provider Netflix. The latter lost US subscribers in the second quarter and is facing increased competition from rival services from the likes of Apple TV and Disney+. The Fund's performance was also affected by its lack of exposure to technology company Apple whose shares rose strongly over the period.

Activity

We bought financial technology group Fiserv, as we feel that pressure on mid-sized banks to keep up with advances in technology will drive the firm's growth over the medium term. We also invested in software company Adobe, whose share price, in our opinion, does not reflect the scale of future revenue growth and free cashflow generation. Other additions included pharmaceutical firm Eli Lilly, given a solid growth outlook; defence group Harris Corp, which is attractively priced for the potential cost savings and return improvements to be derived from a recent merger; and telecommunications company Cable One, which is well positioned to benefit from the expansion of rural broadband, as well as value extraction from future acquisitions.

Elsewhere, we also sold specialist chemical company DuPont after the slowdown in its end markets diluted our conviction in the business. We also exited Boeing given our concerns that the return to service of the 737 MAX will take longer than expected, given the additional complexity associated with bringing the aircraft to a state of airworthiness.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	36,523	28,385	30,807	36,665
Closing number of shares	21,573,420	19,614,130	21,915,755	25,744,063
Closing net asset value per share (pence)	169.30	144.72	140.57	142.42
Change in net asset value per share	16.98%	2.95%	(1.30%)	38.11%
Operating charges	1.35%	1.33%	1.32%	1.33%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	28,309	36,134	100,804	113,245
Closing number of shares	14,187,175	21,234,107	61,270,507	68,255,146
Closing net asset value per share (pence)	199.54	170.17	164.52	165.91
Change in net asset value per share	17.26%	3.43%	(0.84%)	38.80%
Operating charges	0.87%	0.86%	0.85%	0.86%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	998	951	1,083	1,171
Closing number of shares	1,190,967	1,327,871	1,556,474	1,661,470
Closing net asset value per share (pence)	83.81	71.64	69.59	70.50
Change in net asset value per share	16.99%	2.95%	(1.29%)	38.10%
Operating charges	1.35%	1.33%	1.32%	1.33%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	– [^]	–	3	3
Closing number of shares	63	63	2,000	2,000
Closing net asset value per share (pence)	176.23	149.76	145.40	147.17
Change in net asset value per share	17.67%	3.00%	(1.20%)	38.72%
Operating charges	0.05%	0.03%	0.02%	0.03%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,325	1,210	2,000	1,668
Closing number of shares	744,239	799,650	1,378,064	1,148,155
Closing net asset value per share (pence)	178.04	151.26	145.15	145.29
Change in net asset value per share	17.70%	4.21%	(0.10%)	39.86%
Operating charges	0.13%	0.11%	0.10%	0.11%

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

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

[^] The closing net asset value of Standard life Income is £110.

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	24,446	27,758	43,610	42,714
Closing number of shares	16,587,008	22,080,869	35,865,920	34,817,781
Closing net asset value per share (pence)	147.38	125.71	121.59	122.68
Change in net asset value per share	17.24%	3.39%	(0.89%)	38.73%
Operating charges	0.92%	0.91%	0.90%	0.91%

Institutional S accumulation+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1	1	2	1
Closing number of shares	965	965	2,965	2,200
Closing net asset value per share (pence)	80.06	68.19	65.80	66.29
Change in net asset value per share	17.41%	3.63%	(0.74%)	32.58%
Operating charges	0.81%	0.72%	0.78%	0.79%

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

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

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

^ The closing net asset value of Standard life Income is £110.

+ Share class launched on 26 April 2016.

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
North American Equities (99.87%)		90,304	98.58
Bermuda (4.00%)		-	-
Canada (4.31%)		7,050	7.70
61,407	Alimentation Couche-Tard 'B'	3,174	3.47
60,216	Restaurant Brands International	3,876	4.23
United States (91.56%)		83,254	90.88
8,393	Adobe	1,961	2.14
3,030	Alphabet 'C'	2,956	3.23
3,246	Anthem	697	0.76
70,439	Bank of America	1,590	1.74
52,342	Baxter International	3,777	4.12
1,448	Booking	2,335	2.55
108,571	Boston Scientific	3,805	4.15
32,187	Bristol-Myers Squibb	1,270	1.39
6,477	Broadcom	1,503	1.64
16,302	Burlington	2,709	2.96
737	Cable One	782	0.85
11,018	Celanese	1,025	1.12
21,509	Chevron	2,077	2.27
17,287	CMS Energy	895	0.98
14,871	Constellation	2,493	2.72
23,058	Deere & Co	2,931	3.20
25,886	Dollar Tree	2,157	2.36
14,228	Eli Lilly	1,319	1.44
14,050	EOG Resources	856	0.93
5,596	Equinix	2,555	2.79
29,514	First Republic Bank	2,174	2.37
37,864	Fiserv	3,324	3.63
75,413	FLIR	3,050	3.33
80,159	Hanesbrands	898	0.98
10,305	Honeywell International	1,392	1.52
11,297	Intercontinental Exchange	866	0.94
11,342	Johnson & Johnson	1,195	1.30
12,619	Kansas City Southern	1,303	1.42
6,220	L3Harris Technologies	1,079	1.18
157,029	Marvell Technology	3,089	3.37
17,583	Mastercard	4,055	4.43
39,484	Microsoft	4,471	4.88
59,627	Mondelez	2,702	2.95

Holding	Investment	Market value £'000	Percentage of total net assets
6,927	Netflix	1,671	1.82
9,654	NextEra Energy	1,736	1.89
7,142	Nice ADR	899	0.98
6,597	Raytheon	1,003	1.11
19,309	Schlumberger	514	0.56
73,417	Schwab (Charles)	2,305	2.52
26,554	Service Corporation International	1,009	1.10
15,440	United Health	2,963	3.23
39,045	Verizon Communications	1,863	2.03
Collective Investment Schemes (1.68%)		216	0.24
216	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	216	0.24
Total investment assets		90,520	98.82
Net other assets		1,082	1.18
Total Net Assets		91,602	100.00

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 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		14,195		14,238
Revenue	722		1,187	
Expenses	(461)		(789)	
Net revenue before taxation	261		398	
Taxation	(101)		(164)	
Net revenue after taxation		160		234
Total return before equalisation		14,355		14,472
Equalisation on shares*		(13)		(38)
Change in net assets attributable to shareholders from investment activities		14,342		14,434

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		94,439		178,309
Amounts receivable on the issue of shares	22,367		2,329	
Amounts payable on the cancellation of shares*	(39,554)		(40,642)	
		(17,187)		(38,313)
Dilution adjustment		8		38
Change in net assets attributable to shareholders from investment activities (see above)		14,342		14,434
Closing net assets attributable to shareholders		91,602		154,468

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

*Prior year figures have been reclassified.

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		90,520		95,906
Current assets:				
Debtors	1,170		154	
Cash and bank balances	117		108	
		1,287		262
Total assets		91,807		96,168
Liabilities:				
Creditors	(205)		(1,729)	
		(205)		(1,729)
Total liabilities		(205)		(1,729)
Net assets attributable to shareholders		91,602		94,439

ASI Emerging Market Government Bond Fund

Investment Report Fund Information

Fund Manager Kieran Curtis and Mark Baker

Launch Date 24 October 2012

Investment objective

To generate income and some growth over the long term (5 years or more) by investing in US dollar denominated emerging market government bonds.

Performance Target: To achieve the return of the JP Morgan EMBI Global Diversified Index, plus 1.5% (in Sterling terms) per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

- The Fund will invest at least 70% in US dollar denominated government and sub-sovereign bonds issued or guaranteed by Asian, Eastern European, Middle Eastern, African, or Latin American governments.
- The Fund may also hold bonds issued by other governments or sub-sovereigns anywhere in the world.
- Where the Fund gains exposure to other currencies than US Dollars, the Fund will employ techniques to reduce (hedge) risk related to currency movements on non US dollars bonds.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to identify the investments they believe are most appropriate for the Fund's objective.
- They analyse securities and derivatives, in addition to global economic and market conditions (for example, interest rates and inflation) and seek to identify misalignments between their assessment of growth prospects and creditworthiness of investments relative to that of the market.
- In seeking to achieve the Performance Target, the JP Morgan EMBI Global Diversified Index (in Sterling terms) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index, is not normally expected to exceed 4.5%. Due to the active nature of the management process, the Fund's performance profile may

deviate significantly from that of the JP Morgan EMBI Global Diversified Index (in Sterling terms).

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

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-0.12	16.22	18.37	20.57	7.59	11.10
Fund (Net) (%)	-0.22	15.57	17.51	19.23	6.40	9.83
Performance target (%)	1.39	18.25	19.70	23.02	8.98	13.72

Amid increasing global growth concerns and a largely escalating US/China trade war, the benchmark spread of the JP Morgan EMBI Global Diversified index widened by 16 basis points (bps) over the review period to 353bps over US Treasuries. However, over the same period, there was also a remarkable increase in expectations of support from global central banks, led by the US Federal Reserve. In turn this, contributed to a 120bps collapse in the US 10-year Treasury yield (to 1.51%), which was by the far the biggest positive driver of strong returns over the period.

In terms of individual securities, unsurprisingly, it was again the differential impact of declining Treasury yields that largely explained the difference between Fund and index returns over the period.

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Performance (continued)

For example, the three biggest detractors for the period were the Fund's zero weighting of significant index constituents, the Philippines, Russia and Chile – the bonds of all these countries performed very strongly over the period mainly due to US Treasury yields falling sharply, resulting in negative (relative) yield curve effects. Conversely, in terms of the leading contributors, the Fund's overweights in Saudi Arabia, Indonesia and Egypt benefitted from favourable yield curve change effects, which mainly drove their positive relative return contributions.

Investment activity

During the period, we added to our position in Indonesia, where our constructive outlook was supported by S&P upgrading the country's credit rating to BBB from BBB- with a stable outlook (in late May 2019). Among other factors, S&P attributed its upgrade to Indonesia's strong growth prospects, prudent fiscal policy and favourable policy environment following the recent re-election of incumbent President Joko Widodo.

We have also been adding to our overweight exposure to Qatar, whose economy has proved impressively resilient to the ongoing trade embargo imposed by some regional countries. Indeed Qatar's economic growth is expected to accelerate in 2019, helped by higher hydrocarbons production and infrastructure projects related to the 2022 football World Cup.

Towards the end of the period, with political risks growing further after the country's primary presidential election result, we continued to reduce exposure to Argentine sovereign bonds. Other sales near the end of the period included Egypt, Costa Rica and Uruguay.

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.

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

- The Fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the Fund being leveraged (where market exposure and thus the potential for loss by the Fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The Fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The Fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	3,038	2,922	1,901	1,976
Closing number of shares	3,684,815	4,101,984	2,796,510	2,762,034
Closing net asset value per share (pence)	82.44	71.22	67.96	71.54
Change in net asset value per share	15.75%	4.80%	(5.00%)	24.76%
Operating charges	1.24%	1.25%	1.24%	1.24%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,811	1,401	7,300	1,099
Closing number of shares	2,117,933	1,900,736	10,428,518	1,498,809
Closing net asset value per share (pence)	85.52	73.71	70.00	73.36
Change in net asset value per share	16.02%	5.30%	(4.58%)	25.34%
Operating charges	0.77%	0.78%	0.77%	0.77%

Retail income+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	2	3	1
Closing number of shares	–	3,386	5,386	2,000
Closing net asset value per share (pence)	–	55.54	55.18	60.10
Change in net asset value per share	–	0.65%	(8.19%)	14.83%
Operating charges	1.08%	1.25%	1.24%	1.24%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	7,004	3,579	1,912	25,226
Closing number of shares	10,579,362	6,132,586	3,297,876	39,933,727
Closing net asset value per share (pence)	66.20	58.35	57.98	63.17
Change in net asset value per share	13.45%	0.64%	(8.22%)	20.83%
Operating charges	0.77%	0.78%	0.77%	0.77%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	– [^]	–	1	3,365
Closing number of shares	174	174	2,000	5,323,927
Closing net asset value per share (pence)	66.00	58.19	57.76	63.21
Change in net asset value per share	13.42%	0.74%	(8.62%)	20.86%
Operating charges	0.04%	0.04%	0.04%	0.04%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	6,107	92,144	94,518	133,697
Closing number of shares	6,875,738	120,756,496	131,284,934	178,378,134
Closing net asset value per share (pence)	88.81	76.31	71.99	74.95
Change in net asset value per share	16.38%	6.00%	(3.95%)	26.07%
Operating charges	0.12%	0.12%	0.12%	0.12%

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

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

[^] The closing net asset value of Standard Life income is £101.

+ Share class closed on 11 August 2019.

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	7,096	4,149	6,345	9,314
Closing number of shares	8,323,181	5,645,209	9,085,190	12,721,665
Closing net asset value per share (pence)	85.26	73.50	69.84	73.22
Change in net asset value per share	16.00%	5.24%	(4.62%)	25.25%
Operating charges	0.82%	0.82%	0.82%	0.82%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,282	3,933	4,388	3,250
Closing number of shares	1,935,003	6,733,185	7,559,876	5,140,846
Closing net asset value per share (pence)	66.26	58.41	58.04	63.21
Change in net asset value per share	13.44%	0.64%	(8.18%)	20.56%
Operating charges	0.82%	0.82%	0.82%	0.82%

Institutional S accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	— ^{^^}	—	2	2
Closing number of shares	200	200	2,200	2,200
Closing net asset value per share (pence)	84.59	72.75	68.91	72.11
Change in net asset value per share	16.27%	5.57%	(4.44%)	25.52%
Operating charges	0.65%	0.59%	0.65%	0.65%

Institutional S income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	— ^{^^^}	—	1	1
Closing number of shares	200	200	2,200	2,200
Closing net asset value per share (pence)	66.23	58.45	58.06	63.24
Change in net asset value per share	13.31%	0.67%	(8.19%)	20.85%
Operating charges	0.65%	0.59%	0.65%	0.65%

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

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

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

^{^^} The closing net asset value of Institutional S accumulation is £145.

^{^^^} The closing net asset value of Institutional S income is £117.

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (93.84%)		25,381	96.37
Euro Denominated Bonds (2.31%)		679	2.58
Government Bonds (2.31%)		679	2.58
between 5 and 10 years to maturity			
251,000	Banque Centrale de Tunisie 6.375% 2026	221	0.84
248,000	Senegal (Republic of) 4.75% 2028	233	0.88
113,000	Serbia (Republic of) 1.5% 2029	106	0.41
between 10 and 15 years to maturity			
131,000	Egypt (Arab Republic of) 5.625% 2030	119	0.45
US Dollar Denominated Bonds (91.53%)		24,702	93.79
Corporate Bonds (9.10%)		2,578	9.79
less than 5 years to maturity			
250,000	Petroleos Mexicanos FRN 2022	207	0.79
between 5 and 10 years to maturity			
200,000	Central Bank of Tunisia 5.75% 2025	151	0.57
413,000	ICD Sukuk 5% 2027	363	1.38
580,000	Oil and Gas Holding Company 7.625% 2024	545	2.07
740,000	Petroleos Mexicanos 6.5% 2027	620	2.35
between 10 and 15 years to maturity			
200,000	Abu Dhabi National Energy 4.875% 2030	190	0.72
between 15 and 25 years to maturity			
727,000	Petróleos de Venezuela 5.5% 2037	77	0.29
457,000	Saudi Arabian Oil 4.25% 2039	425	1.62
Government Bonds (82.43%)		22,124	84.00
less than 5 years to maturity			
493,000	Azerbaijan (Republic of) 4.75% 2024	434	1.65
200,000	Costa Rica (Republic of) 4.25% 2023	162	0.61
613,000	Croatia (Republic of) 5.5% 2023	560	2.12
344,000	Ecuador (Republic of) 10.75% 2022	307	1.16
330,000	Ecuador (Republic of) 7.95% 2024	272	1.03
592,000	Egypt (Arab Republic of) 6.125% 2022	505	1.92
230,000	Egypt (Arab Republic of) 6.2004% 2024	199	0.76
590,000	Georgia (Republic of) 6.875% 2021	513	1.95
370,000	Hungary (Republic of) 5.375% 2023	335	1.27
200,000	Indonesia (Republic of) 3.875% 2024	171	0.65
200,000	Iraq (Republic of) 6.752% 2023	168	0.64
200,000	Ivory Coast (Govt of) 5.375% 2024	167	0.63
279,000	Mongolia (Government of) 5.625% 2023	231	0.88
590,000	Morocco (Govt of) 4.25% 2022	509	1.93

Holding	Investment	Market value £'000	Percentage of total net assets
200,000	Namibia (Republic of) 5.5% 2021	170	0.65
200,000	Paraguay (Republic of) 4.625% 2023	174	0.66
440,000	Qatar (Govt of) 3.875% 2023	384	1.46
200,000	Serbia (Republic of) 7.25% 2021	180	0.68
400,000	Sri Lanka (Republic of) 6.85% 2024	334	1.27
485,000	Ukraine (Republic of) 7.75% 2023	423	1.61
262,000	Vietnam (Socialist Republic of) 6.75% 2020	219	0.83
between 5 and 10 years to maturity			
200,000	Angola (Republic of) 8.25% 2028	170	0.65
200,000	Angola (Republic of) 9.5% 2025	186	0.71
578,000	Argentina (Republic of) 6.875% 2027	180	0.68
200,000	Armenia (Republic of) 7.15% 2025	190	0.72
561,000	Bahamas(Commonwealth of) 6% 2028	514	1.95
698,000	Dominican Republic 5.5% 2025	613	2.33
300,000	Ecuador (Republic of) 10.75% 2029	263	1.00
200,000	Egypt (Arab Republic of) 7.6003% 2029	177	0.67
923,000	El Salvador (Republic of) 5.875% 2025	772	2.93
89,000	El Salvador (Republic of) 8.625% 2029	85	0.32
528,000	Ghana(Republic of) 6.375% 2024	419	1.59
449,000	Indonesia (Republic of) 4.125% 2025	395	1.50
448,000	Kazakhstan (Republic of) 4.85% 2027	411	1.56
440,000	Kenya (Republic of) 7.25% 2028	378	1.44
614,000	Mexico (United Mexican States) 3.75% 2028	527	2.00
200,000	Nigeria (Fed Rep of) 7.625% 2025	180	0.68
477,000	Panama (Republic of) 3.875% 2028	435	1.65
263,933	Papua New Guinea (Govt of) 8.375% 2028	228	0.87
250,000	Paraguay (Republic of) 5% 2026	228	0.87
643,000	Perusahaan Penerbit SBSN Indonesia III 4.55% 2026	581	2.21
290,000	Saudi Arabia (Kingdom of) 3.625% 2028	258	0.98
400,000	Saudi Arabia (Kingdom of) 4.375% 2029	379	1.44
295,000	Sharjah Sukuk Program 3.854% 2026	261	0.99
333,000	Turkey (Republic of) 6.125% 2028	258	0.98
200,000	Turkey (Republic of) 7.625% 2029	168	0.64
469,000	Ukraine (Republic of) 7.75% 2026	409	1.55
200,000	Uzbekistan (Republic of) 5.375% 2029	181	0.69
564,700	Venezuela (Republic of) 11.75% 2026	69	0.26
200,000	Vietnam (Socialist Republic of) 4.8% 2024	179	0.68
between 10 and 15 years to maturity			
360,000	Azerbaijan (Republic of) 3.5% 2032	291	1.10
236,800	Belize (Government of) 4.9375% 2034	117	0.44
94,000	El Salvador (Republic of) 8.25% 2032	87	0.33
502,000	Ivory Coast (Govt of) 6.125% 2033	389	1.48

Holding	Investment	Market value £'000	Percentage of total net assets
418,000	Nigeria (Fed Rep of) 7.143% 2030	345	1.31
200,000	Saudi Arabia (Kingdom of) 4.5% 2030	191	0.73
200,000	Senegal (Republic of) 6.25% 2033	163	0.62
310,000	Sri Lanka (Republic of) 7.55% 2030	253	0.96
371,000	Ukraine (Republic of) 7.375% 2032	313	1.19
77,000	Uruguay (Republic of) 4.375% 2031	71	0.27
between 15 and 25 years to maturity			
408,000	Colombia (Republic of) 5.625% 2044	431	1.64
353,000	Dominican Republic 7.45% 2044	351	1.33
730,000	Indonesia (Republic of) 5.25% 2042	743	2.82
greater than 25 years to maturity			
256,000	Brazil (Fed Rep of) 5% 2045	224	0.85
439,000	Egypt (Arab Republic of) 8.5% 2047	389	1.48
557,000	Ghana (Republic of) 8.627% 2049	445	1.69
248,000	Nigeria (Fed Rep of) 7.625% 2047	196	0.74
331,000	Paraguay (Republic of) 5.4% 2050	316	1.20
218,000	Qatar (Govt of) 4.817% 2049	230	0.87
340,000	Qatar (Govt of) 5.103% 2048	372	1.41
404,000	Saudi Arabia (Kingdom of) 4.625% 2047	392	1.49
335,000	Uruguay (Republic of) 4.125% 2045	304	1.15
Derivatives (0.01%)		53	0.20
Forward Currency Contracts (0.01%)		53	0.20
	Buy EUR 3,000,000 Sell USD 3,335,417 25/10/2019	(14)	(0.05)
	Buy USD 97,776 Sell EUR 87,126 25/10/2019	1	-
	Buy USD 305,482 Sell EUR 269,980 25/10/2019	6	0.02
	Buy USD 395,606 Sell EUR 355,133 25/10/2019	2	0.01
	Buy USD 3,285,045 Sell EUR 2,906,261 25/10/2019	58	0.22
Total investment assets and liabilities		25,434	96.57
Net other assets		904	3.43
Total Net Assets		26,338	100.00

All investments 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 2019.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		14,650		(590)
Revenue	3,133		2,758	
Expenses	(129)		(120)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	3,004		2,637	
Taxation	-		-	
Net revenue after taxation		3,004		2,637
Total return before distributions		17,654		2,047
Distributions		(3,004)		(2,637)
Change in net assets attributable to shareholders from investment activities		14,650		(590)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		108,130		116,371
Amounts receivable on the issue of shares	6,925		4,030	
Amounts payable on the cancellation of shares	(103,776)		(20,030)	
		(96,851)		(16,000)
Dilution adjustment		(2)		27
Change in net assets attributable to shareholders from investment activities (see above)		14,650		(590)
Retained distribution on accumulation shares		411		2,415
Closing net assets attributable to shareholders		26,338		102,223

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		25,448		101,483
Current assets:				
Debtors	502		1,580	
Cash and bank balances	754		5,874	
		1,256		7,454
Total assets		26,704		108,937
Liabilities:				
Investment liabilities		(14)		–
Creditors	(164)		(617)	
Bank overdrafts	–		(16)	
Distribution payable	(188)		(174)	
		(352)		(807)
Total liabilities		(366)		(807)
Net assets attributable to shareholders		26,338		108,130

Distribution tables

For the six months ended 31 August 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	1.6504	-	1.6504*	1.3637
Group 2	0.6138	1.0366	1.6504*	1.3637
Institutional accumulation				
Group 1	1.8979	-	1.8979*	1.5724
Group 2	1.0941	0.8038	1.8979*	1.5724
Retail income				
Group 1		-	-	1.1134
Group 2			-	1.1134
Institutional income				
Group 1	1.5024	-	1.5024**	1.3045
Group 2	0.7938	0.7086	1.5024**	1.3045
Standard Life income				
Group 1	1.7373	-	1.7373**	1.5105
Group 2	1.7373	-	1.7373**	1.5105
Standard Life accumulation				
Group 1	2.2372	-	2.2372*	1.8600
Group 2	1.3068	0.9304	2.2372*	1.8600
Platform 1 accumulation				
Group 1	1.8723	-	1.8723*	1.5510
Group 2	0.9194	0.9529	1.8723*	1.5510
Platform 1 income				
Group 1	1.4880	-	1.4880**	1.2948
Group 2	0.6836	0.8044	1.4880**	1.2948
Institutional S accumulation				
Group 1	2.0450	-	2.0450*	1.6177
Group 2	2.0450	-	2.0450*	1.6177
Institutional S income				
Group 1	1.6900	-	1.6900**	1.3454
Group 2	1.6900	-	1.6900**	1.3454

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 2019

ASI Emerging Markets Income Equity Fund

Investment Report

Fund Information

Fund Manager Matthew Williams

Launch Date 13 December 2012

Investment objective

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

Performance Target: To achieve the return of the MSCI emerging markets Index plus 2% per annum (before charges) with a yield greater than that of this index.

The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

- The Fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in emerging market countries, or companies that derive a significant proportion of their revenues or profits from emerging market operations or have a significant proportion of their assets there.
- Emerging markets include Asian, Eastern European, Middle Eastern, African or Latin American countries.
- The Fund may also invest up to 10% in bonds (loans to companies).
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. Given the Fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.
- The combined average yield on assets in the Fund is expected to be higher than the broad emerging market equity market as represented by the MSCI emerging markets Index.

- In seeking to achieve the Performance Target, the MSCI emerging market Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 8%. Due to the income nature of the management process, the Fund's performance profile may deviate significantly from that of the MSCI emerging market Index.

Derivatives and techniques

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

Performance review

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-4.72	7.29	14.37	8.20	11.20	8.89
Fund (Net) (%)	-4.86	6.82	13.65	7.31	10.01	7.56
Performance target (%)	-4.14	5.32	10.29	4.56	10.74	9.23

A holding in Thailand's largest mobile operator Advanced Information Services boosted the Fund's returns. Investors were cheered by evidence of improved pricing at the company. Anta Sports Products, the largest sportswear company in China, outperformed after it announced strong first-half results; it benefited from successful product innovations ahead of the 2022 Winter Olympics. A position in China's Ping An Insurance continued to outperform, culminating in stellar first-quarter results. The company posted a 77% jump in net profits, as a recovery in capital markets drove strong investment returns. This is the company's fastest profit growth rate since 2014. Meanwhile, not owning Chinese internet giant Baidu helped relative Fund performance. The shares fell after the company's first-quarter earnings signalled a deterioration in the competitiveness of its search advertising portal.

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Performance review (continued)

Another notable outperformer was Yinson, a Malaysian transportation and logistics company, which we added to the portfolio during the period.

By contrast, not owning Russia's Gazprom detracted from the Fund's relative returns. Shares in the state-owned oil & gas exploration and production company rallied 70% after it announced a material change to its dividend policy. The holding in hot-pot restaurant operator Xiabuxiabu Catering struggled. The swine flu epidemic which swept China led to swathes of the country's pig population being destroyed. This caused the price of pork to climb dramatically, increasing costs for the restaurant industry. Indian financial HDFC (which we added to the portfolio), South Korean holding Orange Life Insurance, and Goodbaby International Holdings (a Chinese manufacturer of products for children) were also among the Fund's main underperformers over the period.

Activity

We purchased shares in Russian food retailer X5 Retail. The pricing environment has improved following an extended, and bruising, price war in the sector. The company offers an attractive free cashflow yield, which we expect to improve as investment spending declines. Yinson is one of the world's leading floating, production, storage and offloading service providers. Its modern fleet and other assets are primarily used in the oil & gas sector. The company has spare operating capacity in what is a constrained market. As such, we expect demand to rise sharply, particularly from its profitable deep-sea exploration and production projects.

By contrast, we sold Kenya's Safaricom. Its telecoms and payment systems look set to be broken up following a regulatory review. This could be a costly exercise and may hit profits. We exited Weichai Power after a spike in its share price. While we think earnings can improve, the company remains a cyclical business and may struggle given a weaker Chinese economy. A slowdown in the manufacturing sector is also a growing risk to the company.

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.

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

- Investing in China A shares involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The Fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the Fund being leveraged (where market exposure and thus the potential for loss by the Fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The Fund invests in emerging market equities and/or bonds.

Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

- The Fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The Fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The Fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	6,127	3,555	3,243	1,508
Closing number of shares	7,295,873	4,552,241	3,841,015	2,215,097
Closing net asset value per share (pence)	83.98	78.09	84.43	68.06
Change in net asset value per share	7.54%	(7.51%)	24.05%	41.17%
Operating charges	1.35%	1.37%	1.39%	1.40%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	286,441	278,128	264,336	119,826
Closing number of shares	327,805,952	343,163,470	302,155,108	170,813,671
Closing net asset value per share (pence)	87.38	81.05	87.48	70.15
Change in net asset value per share	7.81%	(7.35%)	24.70%	41.89%
Operating charges	0.88%	0.90%	0.92%	0.93%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	484	449	85	37
Closing number of shares	711,385	692,966	117,611	60,922
Closing net asset value per share (pence)	68.01	64.73	72.67	60.07
Change in net asset value per share	5.07%	(10.93%)	20.98%	37.02%
Operating charges	1.35%	1.37%	1.39%	1.40%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	15,267	21,425	29,048	14,482
Closing number of shares	21,542,753	31,836,444	38,630,011	23,408,331
Closing net asset value per share (pence)	70.87	67.30	75.20	61.86
Change in net asset value per share	5.30%	(10.51%)	21.56%	37.68%
Operating charges	0.88%	0.90%	0.92%	0.93%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	7,272	7,433	8,239	1
Closing number of shares	9,722,310	10,509,712	10,511,712	2,200
Closing net asset value per share (pence)	74.80	70.73	78.38	63.95
Change in net asset value per share	5.75%	(9.76%)	22.56%	38.84%
Operating charges	0.05%	0.07%	0.09%	0.10%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	435,798	402,903	432,014	343,786
Closing number of shares	477,461,333	477,451,030	477,458,683	477,401,155
Closing net asset value per share (pence)	91.27	84.39	90.48	72.01
Change in net asset value per share	8.15%	(6.73%)	25.65%	42.85%
Operating charges	0.13%	0.15%	0.17%	0.18%

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

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

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	25,458	24,027	25,189	8,218
Closing number of shares	29,257,568	29,763,576	28,892,663	11,748,944
Closing net asset value per share (pence)	87.01	80.73	87.18	69.95
Change in net asset value per share	7.78%	(7.40%)	24.63%	41.83%
Operating charges	0.93%	0.95%	0.97%	0.98%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	30,425	27,082	22,727	5,325
Closing number of shares	43,083,991	40,377,117	30,308,721	8,627,680
Closing net asset value per share (pence)	70.62	67.07	74.99	61.72
Change in net asset value per share	5.29%	(10.56%)	21.50%	37.61%
Operating charges	0.93%	0.95%	0.97%	0.98%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.88%)		799,004	98.97
Europe, Middle East & African Equities (15.80%)		129,360	16.02
Georgia (0.91%)		7,506	0.93
551,906	Bank of Georgia	7,506	0.93
Hungary (0.45%)		3,177	0.39
2,752,809	Magyar Telekom	3,177	0.39
Luxembourg (1.19%)		2,329	0.29
131,094	Tenaris	2,329	0.29
Nigeria (0.37%)		5,362	0.66
5,167,959	Seplat Petroleum Development	5,362	0.66
Russia (7.95%)		74,090	9.18
1,701,048	Globaltrans Investment	12,236	1.52
263,030	HeadHunter	3,909	0.48
136,174,137	Inter RAO	7,230	0.90
226,459	LUKOIL	14,939	1.85
394,728	MMC Norilsk Nickel	7,857	0.97
14,137	Novatek	224	0.03
648,535	Rosneft Oil	3,253	0.40
5,655,504	Sberbank of Russia (Preference)	13,648	1.69
319,697	Severstal	3,930	0.49
242,870	X5 Retail Group	6,864	0.85
South Africa (4.27%)		25,989	3.22
692,135	Firststrand	2,237	0.28
65,609	Naspers	12,231	1.52
850,250	Sanlam	3,340	0.41
1,315,238	Vodacom	8,181	1.01
Turkey (0.66%)		10,907	1.35
249,933	Tupras	4,438	0.55
3,555,268	Turkcell Iletisim	6,469	0.80

Holding	Investment	Market value £'000	Percentage of total net assets
Latin America Equities (15.85%)		139,163	17.24
Argentina (0.24%)		-	-
Brazil (8.12%)		64,719	8.02
1,329,570	AmBev	4,946	0.61
1,679,433	Banco Bradesco (Preference)	10,996	1.36
908,265	Cyrela Brazil Realty	4,545	0.56
2,931,637	Itaúsa	7,159	0.89
900,198	Petrol Brasileiros (Preference)	4,560	0.57
381,131	Smiles Fidelidade	2,802	0.35
1,213,014	TAESA	6,711	0.83
293,133	Telefonica Brasil (Preference)	3,126	0.39
1,531,892	Vale	13,872	1.72
960,174	YDUQS Part	6,002	0.74
Chile (0.76%)		7,895	0.98
58,630,014	Enel Americas	7,895	0.98
Mexico (4.14%)		45,056	5.58
904,516	FEMSA	6,761	0.84
1,502,207	Grupo Aeroportuario del Centro Norte	7,221	0.89
3,640,160	Grupo Financiero Banorte	16,087	1.99
2,393,313	Grupo México	4,519	0.56
8,842,780	PLA Administradora Industrial	10,468	1.30
Panama (1.14%)		11,177	1.38
132,080	Copa Holdings	11,177	1.38
Peru (1.45%)		10,316	1.28
60,726	Credicorp	10,316	1.28
Pacific Basin Equities (52.23%)		530,481	65.71
Australia (0.12%)		-	-
China (25.84%)		190,000	23.54
273,475	Alibaba ADR	39,295	4.87
1,455,655	ANTA Sports Products	9,893	1.22
42,416,284	China Construction Bank	25,826	3.20
3,144,919	China Merchants Bank	11,749	1.45
3,885,322	China Petroleum	1,869	0.23
2,958,000	CSPC Pharmaceutical	4,861	0.60
6,490,084	Dali Foods	3,544	0.44
12,505,988	Goodbaby International	1,927	0.24
3,739,553	Haitian International	5,784	0.72

Holding	Investment	Market value £'000	Percentage of total net assets
437,452	Huazhu Group	11,850	1.47
3,375,427	Ping An Insurance	31,801	3.94
960,562	Tencent	32,675	4.05
14,664,682	Tianhe Chemicals*	-	-
3,374,277	Weichai Power	4,243	0.53
4,424,500	Xiabu Xiabu	4,683	0.58
Hong Kong (4.28%)		35,722	4.43
22,038,000	China Lumena New Materials	-	-
88,800	China Metal Recycling	-	-
1,672,965	China Mobile	11,378	1.41
3,115,853	China Resources Land	10,400	1.29
14,731,537	SITC	12,551	1.56
2,010,276	Texhong Textile	1,393	0.17
India (6.22%)		61,281	7.59
304,677	Bajaj	11,404	1.41
2,933,013	Biocon	7,942	0.98
392,429	Housing Development Finance	9,761	1.21
2,060,000	IRB InvIT	1,515	0.19
3,421,779	ITC	9,658	1.20
494,486	Larsen & Toubro	7,550	0.93
694,177	Oberoi Realty	4,534	0.56
81,979	Piramal Enterprises	1,928	0.24
873,339	Tech Mahindra	6,989	0.87
Indonesia (1.27%)		18,668	2.31
19,761,837	AKR Corporindo	4,862	0.60
18,794,600	Bank Rakyat Indonesia	4,635	0.57
69,372,551	Pakuwon Jati	2,550	0.32
25,762,100	Telekomunikasi Indonesia 'B'	6,621	0.82
Macau (1.62%)		17,195	2.13
4,615,347	Sands China	17,195	2.13
Malaysia (0.48%)		8,080	1.00
8,738,323	UOA Development	3,395	0.42
3,539,100	Yinson	4,685	0.58
South Korea (12.40%)		90,518	11.21
375,865	KB Financial	10,103	1.25
22,049	LG Chemical Preference KRW 5000	2,690	0.33

Holding	Investment	Market value £'000	Percentage of total net assets
223,079	Orange Life Insurance	4,053	0.50
413,070	Samsung Electronics	12,307	1.52
1,507,941	Samsung Electronics (Preference)	37,670	4.67
234,446	Shinhan Finance	6,461	0.80
301,547	SK Hynix	15,822	1.96
95,089	Woory Industrial	1,412	0.18
Taiwan (9.14%)		74,293	9.20
16,160	Chicony Electronics Co	37	–
2,443,000	Chroma ATE	9,708	1.20
872,000	Globalwafers	6,554	0.81
388,743	President Chain Store	2,962	0.37
1,185,589	Realtek	6,648	0.82
6,616,091	Taiwan Semiconductors Manufacturing	44,710	5.54
1,785,927	Wistron NeWeb	3,674	0.46
Thailand (4.86%)		34,724	4.30
2,048,478	Advanced Info Service	12,654	1.57
703,625	Kasikornbank	3,014	0.37
8,040,300	PTT (Alien Market)	9,502	1.18
504,766	Siam Cement	5,613	0.69
7,486,616	Supalai	3,941	0.49
Collective Investment Schemes (0.94%)		4,909	0.61
4,909	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	4,909	0.61
Total investment assets		803,913	99.58
Net other assets		3,359	0.42
Total Net Assets		807,272	100.00

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 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

* Suspended.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		44,811		(76,355)
Revenue	20,497		18,408	
Expenses	(1,932)		(1,868)	
Interest payable and similar charges	(3)		(5)	
Net revenue before taxation	18,562		16,535	
Taxation	(1,704)		(1,718)	
Net revenue after taxation		16,858		14,817
Total return before distributions		61,669		(61,538)
Distributions		(17,073)		(15,037)
Change in net assets attributable to shareholders from investment activities		44,596		(76,575)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		765,002		784,881
Amounts receivable on the issue of shares	29,801		36,990	
Amounts payable on the cancellation of shares	(47,774)		(13,881)	
		(17,973)		23,109
Dilution adjustment		–		100
Change in net assets attributable to shareholders from investment activities (see above)		44,596		(76,575)
Retained distribution on accumulation shares		15,647		13,913
Closing net assets attributable to shareholders		807,272		745,428

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		803,913		755,994
Current assets:				
Debtors	3,165		2,942	
Cash and bank balances	1,552		6,947	
		4,717		9,889
Total assets		808,630		765,883
Liabilities:				
Creditors	(666)		(559)	
Distribution payable	(692)		(322)	
		(1,358)		(881)
Total liabilities		(1,358)		(881)
Net assets attributable to shareholders		807,272		765,002

Distribution tables

For the three months ended 31 May 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 May 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.6308	-	0.6308*	0.5280
Group 2	0.3880	0.2428	0.6308*	0.5280
Institutional accumulation				
Group 1	0.6915	-	0.6915*	0.6422
Group 2	0.5316	0.1599	0.6915*	0.6422
Retail income				
Group 1	0.6942	-	0.6942**	0.6801
Group 2	0.5512	0.1430	0.6942**	0.6801
Institutional income				
Group 1	0.7093	-	0.7093**	0.7009
Group 2	0.4106	0.2987	0.7093**	0.7009
Standard Life income				
Group 1	0.7315	-	0.7315**	0.6702
Group 2	0.7315	-	0.7315**	0.6702
Standard Life accumulation				
Group 1	0.8585	-	0.8585*	0.7779
Group 2	0.7846	0.0739	0.8585*	0.7779
Platform 1 accumulation				
Group 1	0.6806	-	0.6806*	0.6247
Group 2	0.4702	0.2104	0.6806*	0.6247
Platform 1 income				
Group 1	0.7056	-	0.7056**	0.6922
Group 2	0.4208	0.2848	0.7056**	0.6922

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

For the three months ended 31 August 2019

Group 1 - shares purchased prior to 1 June 2019

Group 2 - shares purchased between 1 June 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.7388	-	0.7388*	0.6844
Group 2	0.1658	0.5730	0.7388*	0.6844
Institutional accumulation				
Group 1	0.9468	-	0.9468*	0.8192
Group 2	0.2423	0.7045	0.9468*	0.8192
Retail income				
Group 1	0.8875	-	0.8875**	0.8375
Group 2	0.5750	0.3125	0.8875**	0.8375
Institutional income				
Group 1	0.9177	-	0.9177**	0.8453
Group 2	0.3226	0.5951	0.9177**	0.8453
Standard Life income				
Group 1	0.9582	-	0.9582**	0.9466
Group 2	0.9582	-	0.9582**	0.9466
Standard Life accumulation				
Group 1	1.1398	-	1.1398*	1.0628
Group 2	0.2054	0.9344	1.1398*	1.0628
Platform 1 accumulation				
Group 1	0.9336	-	0.9336*	0.8101
Group 2	0.3012	0.6324	0.9336*	0.8101
Platform 1 income				
Group 1	0.9159	-	0.9159**	0.8522
Group 2	0.3533	0.5626	0.9159**	0.8522

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 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.

Treatment by Corporate Shareholders

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

	1st Interim Dividend	2nd Interim 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%

ASI Europe ex UK Growth Equity Fund

Investment Report

Fund Information

Fund Manager Jonathan Fearon
Launch Date 16 November 1998

Investment objective

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

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

Performance Comparator: IA Europe ex UK Equity Sector Average.

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

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, FTSE World ex UK Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 8%. Due to the Fund's risk constraints, the intention is that the Fund's performance profile will not deviate significantly from that of the FTSE World ex UK Index over the longer term.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-0.73	11.66	17.20	-0.78	8.88	9.24
Fund (Net) (%)	-0.78	11.04	16.30	-1.92	7.56	7.83
Performance target (%)	-1.13	13.60	20.15	7.99	13.27	12.42
Performance comparator (%)	-1.98	10.63	16.91	0.33	8.37	8.99

French relationship-management business Teleperformance provided the strongest relative returns over the period. The business is seeing higher growth and improved operating margins. This led management to upgrade the company's earnings guidance for the year. We expect Teleperformance to continue to exceed investor expectations as it shifts its business mix towards higher valued-added areas. Private equity business Partners Group performed well over the period. Growth in assets ahead of expectations, and a positive statement about future inflows reassured investors. Tryg was another strong performer in the Fund. The insurer posted good results, demonstrating, in part, the success of a recent acquisition.

Detracting from performance was Umicore. This chemical business is positioning itself as a supplier to electric vehicle makers, particularly in China. The company gave a disappointing trading update, caused by several coinciding factors. These included a drop in auto sales in China, weaker cobalt pricing and fires at energy storage systems. Moreover, investors have started to worry about the capital expenditure needed for its electric vehicle strategy. Healthcare company Ambu, which supplies disposable oscopy scopes, also produced a disappointing return.

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Performance (continued)

A change in CEO heralded a reduction in earnings guidance, despite protestations in advance that this would not be the case. Elsewhere, Dutch insurer ASR Nederland lost value as it encountered headwinds from falling bond yields and disappointing numbers.

Activity

Purchases during the period included Norwegian insurer Storebrand. The company has started to benefit from the shift in the pension industry, where the protracted move from defined benefit to defined contribution schemes finally started to contribute to earnings growth. We also bought software company SAP, as we felt that investors had underappreciated its Qualtrics acquisition. The firm also appears to be on a trajectory of improving cash delivery, partly funded by the sale of Siltronic.

Regarding sales, we exited Swedbank. Money laundering issues rumbled on with no end in sight. We also sold Wartsila, the cyclically sensitive manufacturer of power plants for electrical generation and marine propulsion. The business has made only limited progress in addressing its weaker divisions.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	38,589	36,496	40,637	37,016
Closing number of shares	19,008,211	19,806,111	20,227,024	20,870,914
Closing net asset value per share (pence)	203.01	184.27	200.91	177.36
Change in net asset value per share	10.17%	(8.28%)	13.28%	25.04%
Operating charges	1.36%	1.36%	1.36%	1.38%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	37,429	34,181	60,307	49,460
Closing number of shares	15,693,092	15,826,865	25,731,533	24,018,034
Closing net asset value per share (pence)	238.50	215.97	234.37	205.93
Change in net asset value per share	10.43%	(7.85%)	13.81%	25.65%
Operating charges	0.89%	0.88%	0.89%	0.91%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	741	629	1,568	1,485
Closing number of shares	1,092,618	1,022,576	2,300,629	2,427,006
Closing net asset value per share (pence)	67.80	61.54	68.14	61.17
Change in net asset value per share	10.17%	(9.69%)	11.39%	22.93%
Operating charges	1.36%	1.36%	1.36%	1.38%

Standard Life income+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	2	2
Closing number of shares	–	–	2,156	2,156
Closing net asset value per share (pence)	–	–	107.26	96.23
Change in net asset value per share	–	–	11.46%	23.12%
Operating charges	–	0.06%	0.06%	0.08%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	955	1,014	1,250	845
Closing number of shares	541,748	637,373	729,425	565,287
Closing net asset value per share (pence)	176.33	159.08	171.34	149.42
Change in net asset value per share	10.84%	(7.16%)	14.67%	26.61%
Operating charges	0.14%	0.14%	0.14%	0.16%

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

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

+ Share class closed on 14 June 2018

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	8,457	8,614	10,144	8,604
Closing number of shares	7,921,461	8,908,006	9,662,134	9,322,855
Closing net asset value per share (pence)	106.76	96.70	104.98	92.29
Change in net asset value per share	10.40%	(7.89%)	13.75%	25.60%
Operating charges	0.94%	0.94%	0.94%	0.96%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.25%)		84,703	98.30
European Equities (97.25%)		84,703	98.30
Austria (3.06%)		2,099	2.44
67,686	BAWAG Group	2,099	2.44
Belgium (1.74%)		-	-
Denmark (7.57%)		5,926	6.88
40,442	Ambu	565	0.66
17,189	Coloplast	1,678	1.95
70,859	Novo Nordisk	3,034	3.52
26,453	Tryg	649	0.75
Finland (1.15%)		-	-
France (25.98%)		25,340	29.41
15,866	Air Liquide	1,817	2.11
22,453	Airbus	2,545	2.95
38,040	Alstom	1,336	1.55
11,037	Amundi	580	0.67
101,653	AXA	1,918	2.23
47,888	Bouygues	1,496	1.74
4,727	Kering	1,882	2.18
101,740	Orange	1,269	1.47
14,386	ORPEA	1,492	1.73
19,578	Renault	923	1.07
30,762	Schneider Electric	2,117	2.46
9,659	Teleperformance	1,734	2.01
18,632	Thales	1,771	2.06
73,726	TOTAL	3,025	3.51
21,632	Ubisoft Entertainment	1,435	1.67
Germany (13.95%)		14,296	16.59
31,777	Bayer	1,933	2.24
24,612	Covestro	913	1.06
28,209	Fresenius	1,120	1.30
59,398	Infineon Technology	846	0.98
84,980	RWE	1,983	2.30
26,492	SAP	2,592	3.01
23,354	Siemens	1,912	2.22
72,048	ThyssenKrupp	724	0.84
111,598	TUI	911	1.06
10,403	Wirecard	1,362	1.58

Holding	Investment	Market value £'000	Percentage of total net assets
Ireland (5.56%)		4,461	5.18
58,126	CRH	1,591	1.85
20,157	Kerry	1,972	2.29
13,311	Paddy Power Betfair	898	1.04
Italy (4.59%)		4,651	5.40
377,597	Enel	2,252	2.61
132,536	FinecoBank	1,124	1.31
70,885	Prysmian	1,275	1.48
Netherlands (8.04%)		6,024	6.99
16,800	Akzo Nobel	1,235	1.43
13,009	ASML	2,378	2.76
48,189	ASR Nederland	1,386	1.61
10,025	Koninklijke DSM	1,025	1.19
Norway (0.00%)		986	1.14
208,494	Storebrand	986	1.14
Portugal (1.50%)		1,354	1.57
114,751	Galp Energia	1,354	1.57
Spain (6.67%)		4,089	4.74
17,912	Amadeus	1,097	1.27
223,406	Bankinter	1,070	1.24
75,591	Inditex	1,922	2.23
Sweden (4.62%)		3,027	3.51
65,849	Essity	1,679	1.95
41,825	Swedish Match	1,348	1.56
Switzerland (12.82%)		12,450	14.45
153,710	Credit Suisse	1,475	1.71
42,500	Julius Baer	1,379	1.60
55,335	Nestle	5,097	5.92
2,085	Partners	1,388	1.61
13,858	Roche	3,111	3.61

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (2.61%)		1,198	1.39
1,198	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund +	1,198	1.39
Total investment assets		85,901	99.69
Net other assets		270	0.31
Total Net Assets		86,171	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		6,952		1,392
Revenue	1,897		2,676	
Expenses	(462)		(574)	
Net revenue before taxation	1,435		2,102	
Taxation	(146)		(268)	
Net revenue after taxation		1,289		1,834
Total return before equalisation		8,241		3,226
Equalisation on shares*		(33)		(193)
Change in net assets attributable to shareholders from investment activities		8,208		3,033

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		80,934		113,908
Amounts receivable on the issue of shares	512		2,307	
Amounts payable on the cancellation of shares*	(3,485)		(15,282)	
		(2,973)		(12,975)
Dilution adjustment		2		39
Change in net assets attributable to shareholders from investment activities (see above)		8,208		3,033
Closing net assets attributable to shareholders		86,171		104,005

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

* Prior year figures have been reclassified.

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		85,901		80,819
Current assets:				
Debtors	365		304	
Cash and bank balances	32		27	
		397		331
Total assets		86,298		81,150
Liabilities:				
Creditors	(127)		(151)	
Bank overdrafts	-		(55)	
Distribution payable	-		(10)	
		(127)		(216)
Total liabilities		(127)		(216)
Net assets attributable to shareholders		86,171		80,934

ASI Europe ex UK Income Equity Fund

Investment Report

Fund Information

Fund Manager Will James

Launch Date 3 April 2009

Investment objective

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

Performance Target: To achieve the return of the FTSE World Europe ex UK Index, plus 2% per annum over rolling five year periods (before charges) with a yield greater than that of this index. The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

- The Fund will invest at least 70% in equities and equity related securities of companies listed, incorporated, or domiciled in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there.
- European countries include the emerging markets of Europe, but excludes the UK.
- The Fund may also invest up to 15% in bonds (loans to companies).
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. Given the Fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.
- The combined average yield on assets in the Fund is expected to be higher than the broad European equity market, as represented by the FTSE World Europe ex UK Index.

- In seeking to achieve the Performance Target, the FTSE World Europe ex UK Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 6%. Due to the income nature of the management process, the Fund's performance profile may deviate significantly from that of the FTSE World Europe ex UK Index.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	0.26	12.21	18.10	1.30	7.73	9.28
Fund (Net) (%)	0.15	11.51	17.20	0.07	6.39	7.84
Performance target (%)	-1.20	13.15	19.49	6.93	12.25	11.41

The Danish ostomy company Coloplast was one of the main contributors to Fund returns. Growing confidence that the new CEO will continue with the firm's current successful strategy, allied to strong earnings figures, boosted the stock price. A strategic review of its urology business should lead to it crystallising value from disposals. Private equity business Partners Group performed well over the period. Strong growth in assets, ahead of expectations, and a positive statement about inflows reassured investors. Tryg was another top performer in the Fund. The insurer posted strong results, which partly demonstrated the success of a recent acquisition. German utility RWE was another strong performer. The business is benefiting from its move to increasing power generation from renewables.

Detracting from Fund performance was Umicore. This chemical business is positioning itself as a supplier to electric vehicle makers, particularly in China.

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Performance (continued)

The company gave a disappointing trading update, caused by several coinciding factors. These included a drop in auto sales in China, weaker cobalt pricing and fires at energy storage systems. Moreover, investors have started to worry about the capital expenditure needed for its electric vehicle strategy. The Spanish bank Bankinter was another weak performer. The stock became the victim of the general malaise around the challenge of deleveraging facing the Spanish banking industry. This was despite Bankinter's strong growth prospects compared to its peers. The Fund's position in Finecobank was impacted by the final placing of Unicredit's holding in the bank. Full independence should allow flexibility and growth for the online-focused Italian lender. Finally, ASR Nederland, the Dutch insurer, lost value as it encountered headwinds from falling bond yields and disappointing numbers.

Activity

Activity included initiating a new position in the German residential property company Vonovia. The business provides an attractive long-term growth opportunity in German residential real estate. Rents and asset values are too low on both a fundamental basis and compared to international markets. A new holding in the Finnish utility Fortum was also established. The company should benefit from its diversified exposure to carbon-friendly electricity generation and the ongoing structural rise in the carbon price. A dividend yield of more than 5% adds further support to the attractiveness of the shares.

On the sell side, we exited the holding in semiconductor manufacturer Siltronic following. We believe the demand outlook is weakening, driving concerns about the pricing of silicon wafers. We also exited the holding in Austrian bank Bawag. Despite the lender's satisfactory performance against its peer group, its low liquidity has led us to search for better ideas elsewhere. Scandinavian Tobacco Group was a further sale. We have become concerned about its long-term growth, despite the attraction of potential gains from restructuring.

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.

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

- The Fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the Fund being leveraged (where market exposure and thus the potential for loss by the Fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The Fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The Fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	9,049	8,674	11,322	12,272
Closing number of shares	6,711,200	7,119,360	8,530,134	10,363,333
Closing net asset value per share (pence)	134.84	121.83	132.73	118.42
Change in net asset value per share	10.68%	(8.21%)	12.08%	22.23%
Operating charges	1.33%	1.33%	1.33%	1.32%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	214,399	200,244	360,986	235,219
Closing number of shares	149,288,112	154,677,587	257,153,773	188,662,761
Closing net asset value per share (pence)	143.61	129.46	140.38	124.68
Change in net asset value per share	10.93%	(7.78%)	12.59%	22.85%
Operating charges	0.86%	0.86%	0.86%	0.85%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,491	1,763	2,674	3,598
Closing number of shares	1,699,683	2,160,145	2,900,990	4,215,305
Closing net asset value per share (pence)	87.75	81.61	92.19	85.36
Change in net asset value per share	7.52%	(11.48%)	8.00%	17.09%
Operating charges	1.33%	1.33%	1.33%	1.32%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	416,193	460,527	597,881	503,374
Closing number of shares	443,659,095	529,094,088	610,995,938	558,175,031
Closing net asset value per share (pence)	93.81	87.04	97.85	90.18
Change in net asset value per share	7.78%	(11.05%)	8.51%	17.67%
Operating charges	0.86%	0.86%	0.86%	0.85%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	11,316	11,119	12,908	4
Closing number of shares	11,068,360	11,770,889	12,255,981	4,000
Closing net asset value per share (pence)	102.24	94.46	105.32	96.29
Change in net asset value per share	8.24%	(10.31%)	9.38%	19.67%
Operating charges	0.03%	0.03%	0.03%	0.02%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,094	1,040	21,820	22,157
Closing number of shares	708,529	749,863	14,622,355	16,842,286
Closing net asset value per share (pence)	154.41	138.66	149.22	131.56
Change in net asset value per share	11.36%	(7.08%)	13.42%	23.97%
Operating charges	0.11%	0.11%	0.11%	0.10%

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

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

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	37,638	41,202	85,026	66,618
Closing number of shares	35,165,625	42,692,928	81,197,406	71,595,346
Closing net asset value per share (pence)	107.03	96.51	104.72	93.05
Change in net asset value per share	10.90%	(7.84%)	12.54%	22.79%
Operating charges	0.91%	0.91%	0.91%	0.90%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	37,481	41,309	66,948	67,972
Closing number of shares	46,290,807	54,973,232	79,189,716	87,195,532
Closing net asset value per share (pence)	80.97	75.14	84.54	77.95
Change in net asset value per share	7.76%	(11.12%)	8.45%	17.61%
Operating charges	0.91%	0.91%	0.91%	0.90%

Institutional S accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	2	2
Closing number of shares	200	200	2,200	2,200
Closing net asset value per share (pence)	78.93	71.07	77.49	68.22
Change in net asset value per share	11.06%	(8.28%)	13.59%	23.05%
Operating charges	0.74%	0.66%	0.74%	0.73%

Institutional A income+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	–	–	2,200	2,200
Closing net asset value per share (pence)	–	–	62.85	60.16
Change in net asset value per share	–	1.54%	4.47%	17.89%
Operating charges	–	1.61%	1.61%	1.60%

Institutional S income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	200	200	2,200	2,200
Closing net asset value per share (pence)	62.43	57.90	65.45	58.37
Change in net asset value per share	7.82%	(11.54%)	12.13%	16.88%
Operating charges	0.74%	0.66%	0.74%	0.73%

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

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

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

+ Share class closed on 14 June 2018

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (100.10%)		725,423	99.56
European Equities (100.10%)		725,423	99.56
Austria (1.69%)		-	-
Belgium (2.61%)		-	-
Denmark (10.72%)		53,033	7.28
142,165	Coloplast	13,879	1.91
658,761	Novo Nordisk	28,202	3.87
446,161	Tryg	10,952	1.50
Finland (7.48%)		50,357	6.91
389,449	Fortum	7,043	0.97
280,704	Kesko	14,519	1.99
290,040	Kone	13,785	1.89
460,187	Sampo	15,010	2.06
France (13.22%)		115,992	15.92
175,070	Airbus	19,842	2.72
105,106	Alstom	3,691	0.51
716,942	AXA	13,530	1.86
1,165,647	Engie	14,572	2.00
22,038	LVMH	7,222	0.99
717,243	Orange	8,947	1.23
213,385	Sanofi	15,068	2.07
54,058	Thales	5,138	0.70
682,048	TOTAL	27,982	3.84
Germany (8.11%)		87,964	12.07
39,059	Adidas	9,529	1.31
239,908	Bayer	14,596	2.00
110,176	Deutsche Boerse	13,265	1.82
403,808	Deutsche Post	10,901	1.50
777,060	RWE	18,136	2.49
1,270,992	TUI	10,381	1.42
273,431	Vonovia	11,156	1.53
Ireland (1.93%)		10,827	1.49
160,626	Paddy Power Betfair	10,827	1.49

Holding	Investment	Market value £'000	Percentage of total net assets
Italy (7.63%)		65,725	9.02
4,902,133	Enel	29,230	4.01
2,234,712	FinecoBank	18,951	2.60
2,153,351	Mediobanca	17,544	2.41
Netherlands (12.10%)		83,913	11.52
196,906	Akzo Nobel	14,479	1.99
78,609	ASML	14,369	1.97
250,247	ASR Nederland	7,196	0.99
982,874	CNH Industrial	8,308	1.14
166,853	Koninklijke DSM	17,064	2.34
3,256,511	Koninklijke KPN	8,481	1.17
274,667	Unilever	14,016	1.92
Norway (5.53%)		46,186	6.34
653,611	DNB Bank	8,640	1.19
876,262	Mowi	17,217	2.36
1,204,948	Telenor	20,329	2.79
Spain (6.39%)		28,114	3.86
1,456,817	Bankinter	6,979	0.96
299,872	Inditex	7,622	1.05
1,130,810	Repsol	13,513	1.85
Sweden (11.13%)		73,413	10.07
263,252	Atlas Copco 'A'	6,445	0.88
607,427	Lundin Petroleum	15,126	2.08
486,411	Swedish Match	15,680	2.15
1,437,888	Tele2	16,614	2.28
375,215	Thule Group	6,089	0.83
1,188,532	Volvo	13,459	1.85
Switzerland (11.56%)		109,899	15.08
283,468	Nestle	26,112	3.58
35,333	Partners	23,522	3.23
116,487	Roche	26,154	3.59
93,118	Swiss Re	7,352	1.01
91,551	Zurich	26,759	3.67

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (0.81%)		1,334	0.18
1,478	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund+	1,334	0.18
Total investment assets		726,757	99.74
Net other assets		1,904	0.26
Total Net Assets		728,661	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		60,108		(9,486)
Revenue	23,898		30,931	
Expenses	(3,262)		(4,545)	
Interest payable and similar charges	(16)		(16)	
Net revenue before taxation	20,620		26,370	
Taxation	(2,143)		(1,833)	
Net revenue after taxation		18,477		24,537
Total return before distributions		78,585		15,051
Distributions		(20,509)		(27,218)
Change in net assets attributable to shareholders from investment activities		58,076		(12,167)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		765,878		1,159,569
Amounts receivable on the issue of shares	16,777		11,966	
Amounts payable on the cancellation of shares	(118,383)		(163,587)	
		(101,606)		(151,621)
Dilution adjustment		32		195
Change in net assets attributable to shareholders from investment activities (see above)		58,076		(12,167)
Retained distribution on accumulation shares		6,281		9,218
Closing net assets attributable to shareholders		728,661		1,005,194

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		726,757		772,880
Current assets:				
Debtors	9,558		13,711	
Cash and bank balances	339		1,334	
		9,897		15,045
Total assets		736,654		787,925
Liabilities:				
Creditors	(6,070)		(18,607)	
Bank overdrafts	-		(267)	
Distribution payable	(1,923)		(3,173)	
		(7,993)		(22,047)
Total liabilities		(7,993)		(22,047)
Net assets attributable to shareholders		728,661		765,878

Distribution tables

For the three months ended 31 May 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 May 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	2.6197	-	2.6197*	2.5320
Group 2	1.2310	1.3887	2.6197*	2.5320
Institutional accumulation				
Group 1	2.9434	-	2.9434*	2.8417
Group 2	1.5654	1.3780	2.9434*	2.8417
Retail income				
Group 1	2.0301	-	2.0301**	2.0539
Group 2	1.7809	0.2492	2.0301**	2.0539
Institutional income				
Group 1	2.1664	-	2.1664**	2.1812
Group 2	1.4265	0.7399	2.1664**	2.1812
Standard Life income				
Group 1	2.3540	-	2.3540**	2.3461
Group 2	2.3540	-	2.3540**	2.3461
Standard Life accumulation				
Group 1	3.4261	-	3.4261*	3.3032
Group 2	2.8093	0.6168	3.4261*	3.3032
Platform 1 accumulation				
Group 1	2.1813	-	2.1813*	2.1066
Group 2	1.3675	0.8138	2.1813*	2.1066
Platform 1 income				
Group 1	1.8701	-	1.8701**	1.8842
Group 2	0.9653	0.9048	1.8701**	1.8842
Institutional S accumulation				
Group 1	1.7000	-	1.7000*	1.6463
Group 2	1.700	-	1.700*	1.6463
Institutional S income				
Group 1	1.4250	-	1.4250**	1.4600
Group 2	1.4250	-	1.4250**	1.4600

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

For the three months ended 31 August 2019

Group 1 - shares purchased prior to 1 June 2019

Group 2 - shares purchased between 1 June 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.1207	-	0.1207*	0.1124
Group 2	0.0018	0.1189	0.1207*	0.1124
Institutional accumulation				
Group 1	0.2950	-	0.2950*	0.2744
Group 2	0.0299	0.2651	0.2950*	0.2744
Retail income				
Group 1	0.3618	-	0.3618**	0.3745
Group 2	0.0469	0.3149	0.3618**	0.3745
Institutional income				
Group 1	0.3865	-	0.3865**	0.3990
Group 2	0.1668	0.2197	0.3865**	0.3990
Standard Life income				
Group 1	0.4206	-	0.4206**	0.4271
Group 2	0.4206	-	0.4206**	0.4271
Standard Life accumulation				
Group 1	0.6022	-	0.6022*	0.5930
Group 2	0.3446	0.2576	0.6022*	0.5930
Platform 1 accumulation				
Group 1	0.2068	-	0.2068*	0.1939
Group 2	0.0261	0.1807	0.2068*	0.1939
Platform 1 income				
Group 1	0.3335	-	0.3335**	0.3420
Group 2	0.1211	0.2124	0.3335**	0.3420
Institutional S accumulation				
Group 1	0.2550	-	0.2550*	0.2659
Group 2	0.2550	-	0.2550*	0.2659
Institutional S income				
Group 1	0.2500	-	0.2500**	0.2636
Group 2	0.2500	-	0.2500**	0.2636

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 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.

Treatment by Corporate Shareholders

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

	1st Interim Dividend	2nd Interim Dividend
Treat as a UK corporate dividend	100%	100%
Treat as an annual payment net of Income tax at 20%	0.00%	0.00%

ASI Europe ex UK Smaller Companies Fund

Investment Report

Fund Information

Fund Manager Andrew Paisley
Launch Date 1 November 2007

Investment objective

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

Performance Target: To achieve the return of the EMIX Smaller European Companies ex UK Index, plus 3% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

- The Fund will invest at least 70% in equities and equity related securities of small-capitalisation companies listed, incorporated or domiciled in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there.
- European countries includes the emerging markets of Europe, but excludes the UK.
- Smaller capitalisation companies are defined as any stock included in the EMIX Smaller European Companies ex UK Index or, if not included within the index any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The Fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in European countries.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum.

- In seeking to achieve the Performance Target, the EMIX Smaller European Companies ex UK Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the investment process, the Fund's performance profile may deviate significantly from that of the EMIX Smaller European Companies ex UK Index. Please note: The Fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the Fund may not be able to sell their investment when they want to.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-2.74	8.54	18.40	-5.51	8.64	n/a
Fund (Net) (%)	-2.82	7.91	17.45	-6.65	7.33	11.89
Performance target (%)	-1.90	10.27	16.87	0.00	12.64	14.46

French relationship-management business Teleperformance provided the strongest relative returns over the period. The business is seeing higher growth and improved operating margins. This led management to upgrade the company's earnings guidance for the year. We expect Teleperformance to continue to exceed investor expectations as it shifts its business mix towards higher valued-added areas. Finnish retailer Kesko was another key contributor to returns. The company posted strong results, with the core food-retail division doing well, supported by recent acquisitions in the building and technical trade business.

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Performance (continued)

We believe there is still scope for improving profit margins, particularly in the building and technical trade division. German software developer Nemetschek also performed well. The business released results that confirmed trading is running ahead of expectations. The company's strong market position in the European building-information modelling market is bearing fruit.

Detracting from returns was Italian online banking business Fincobank. Its shares dropped following the disposal of a large holding by its biggest shareholder, the Italian lender Unicredit. Despite this, there is no change to the underlying fundamentals of the business and its growth outlook. The holding in Italian pumps business Interpump was another to weigh on the Fund's return. Its weakness was due to poor results, suggesting a slowdown in growth. We believe this is temporary and continue to retain the holding in this high-quality international growth company. The shares in German IT leasing company Grenke suffered following a profit warning. While revenue growth in leasing was higher than expected, increased credit losses led to an expectation of lower margins. In part, this arose from new accounting standards requiring debt be treated more conservatively.

Activity

Activity centred around additions and reductions to existing positions. We continued to add to the holding in German branded pharmaceuticals company Dermapharm after it posted good results. The business continues to see high growth potential in its existing pipeline of products, along with margin enhancement from acquisitions. We believe consensus is not properly factoring this into future forecasts.

In terms of sales, Nemetschek was reduced. This was a risk-control measure, as the position had risen to more than 5% of the Fund. However, there is no change to the investment case. Komax was also reduced because of its exposure to the auto industry. The position in Plastic Omnium was further cut as the backdrop to the automotive market remains challenging, particularly in China. Holdings in Kesko and Teleperformance were also lowered. This was more about resizing each position after strong performance. The investment case for both companies remains intact.

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 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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	5,696	5,775	6,511	5,791
Closing number of shares	1,954,011	2,118,604	2,236,689	2,372,248
Closing net asset value per share (pence)	291.50	272.58	291.08	244.11
Change in net asset value per share	6.94%	(6.36%)	19.24%	24.32%
Operating charges	1.38%	1.37%	1.38%	1.37%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	11,739	12,859	17,005	11,197
Closing number of shares	14,635,115	17,184,305	21,382,004	16,866,638
Closing net asset value per share (pence)	80.21	74.83	79.53	66.38
Change in net asset value per share	7.19%	(5.91%)	19.81%	24.92%
Operating charges	0.91%	0.90%	0.91%	0.90%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	793	712	752	389
Closing number of shares	960,177	926,978	929,088	579,447
Closing net asset value per share (pence)	82.60	76.76	80.98	67.09
Change in net asset value per share	7.61%	(5.21%)	20.70%	25.87%
Operating charges	0.16%	0.15%	0.16%	0.15%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	29,095	32,685	37,775	28,419
Closing number of shares	9,245,883	11,131,197	12,097,728	10,898,444
Closing net asset value per share (pence)	314.68	293.64	312.25	260.77
Change in net asset value per share	7.17%	(5.96%)	19.74%	24.87%
Operating charges	0.96%	0.95%	0.96%	0.95%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (96.11%)		45,827	96.84
European Equities (96.11%)		45,827	96.84
Denmark (3.70%)		2,176	4.60
28,440	SimCorp A/S	2,176	4.60
Finland (5.80%)		2,967	6.27
57,356	Kesko	2,967	6.27
France (19.54%)		9,610	20.31
9,530	Eurazeo	518	1.10
71,468	Interparfums	2,575	5.44
11,715	LISI	257	0.54
20,745	Nexity	793	1.68
25,876	ORPEA	2,684	5.67
15,504	Teleperformance	2,783	5.88
Germany (29.60%)		15,066	31.84
3,069	Cewe Stiftung & Co	227	0.48
13,265	CTS Eventim	598	1.26
57,732	Dermapharm	1,667	3.52
14,960	Grenke	996	2.11
45,250	Jungheinrich	789	1.67
53,934	Nemetschek	2,349	4.96
3,938	New Work	940	1.99
13,440	NORMA	348	0.73
25,398	OHB	728	1.54
106,213	PATRIZIA Immobilien	1,592	3.36
3,158	Rational	1,802	3.81
11,370	Sixt	894	1.89
58,561	Takkt	609	1.29
63,012	VIB Vermoegen	1,527	3.23
Ireland (6.17%)		3,292	6.96
1,795,578	Hibernia REIT	2,384	5.04
121,281	Irish Continental	410	0.87
114,808	Origin Enterprises	498	1.05
Italy (15.81%)		5,653	11.94
100,281	DoBank	895	1.89
177,975	FinecoBank	1,509	3.19
16,701	IMA	938	1.98
64,203	Interpump	1,506	3.18
45,120	MARR	805	1.70

Holding	Investment	Market value £'000	Percentage of total net assets
Luxembourg (0.80%)		354	0.75
9,604	Stabilus	354	0.75
Netherlands (3.85%)		1,698	3.59
46,755	Corbion	1,091	2.31
59,224	Wessanen	607	1.28
Norway (1.31%)		792	1.67
96,396	Borregaard	792	1.67
Spain (1.92%)		1,048	2.21
22,129	CIE Automotive	422	0.89
62,623	Fluidra	626	1.32
Sweden (3.99%)		1,761	3.72
60,977	Bulten	313	0.66
175,953	Troax	1,448	3.06
Switzerland (3.62%)		1,410	2.98
7,984	Bachem	951	2.01
2,948	Komax	459	0.97
Collective Investment Schemes (4.17%)		71	0.15
0	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund	-	-
71	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund ⁺	71	0.15
Total investment assets		45,898	96.99
Net other assets		1,425	3.01
Total Net Assets		47,323	100.00

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 2019.

⁺ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		3,019		4,069
Revenue	957		1,116	
Expenses	(244)		(304)	
Net revenue before taxation	713		812	
Taxation	(70)		(88)	
Net revenue after taxation		643		724
Total return before distributions		3,662		4,793
Distributions		(643)		(724)
Change in net assets attributable to shareholders from investment activities		3,019		4,069

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		52,031		62,043
Amounts receivable on the issue of shares	722		3,732	
Amounts payable on the cancellation of shares	(9,027)		(4,341)	
		(8,305)		(609)
Dilution adjustment		–		(2)
Change in net assets attributable to shareholders from investment activities (see above)		3,019		4,069
Retained distribution on accumulation shares		578		706
Closing net assets attributable to shareholders		47,323		66,207

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		45,898		52,179
Current assets:				
Debtors	1,597		121	
Cash and bank balances	6		52	
		1,603		173
Total assets		47,501		52,352
Liabilities:				
Creditors	(178)		(321)	
		(178)		(321)
Total liabilities		(178)		(321)
Net assets attributable to shareholders		47,323		52,031

Distribution tables

For the six months ended 31 August 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	2.9924	-	2.9924*	2.7424
Group 2	1.2896	1.7028	2.9924*	2.7424
Institutional accumulation				
Group 1	1.0103	-	1.0103*	0.9416
Group 2	0.4761	0.5342	1.0103*	0.9416
Standard Life accumulation				
Group 1	1.3464	-	1.3464*	1.2734
Group 2	0.9423	0.4041	1.3464*	1.2734
Platform 1 accumulation				
Group 1	3.8792	-	3.8792*	3.6180
Group 2	1.6539	2.2253	3.8792*	3.6180

* Distribution accumulated on 31 August 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 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.

Treatment by Corporate Shareholders

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

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

ASI Global Balanced Growth Fund

Investment Report

Fund Information

Fund Manager Multi Asset Investing Team

Launch Date 26 September 1990

Investment objective

To generate growth over the long term (5 years or more) by investing in a diversified portfolio of assets.

Performance Target: To exceed the Investment Association's Mixed Investment 40-85% Shares Sector average return (after charges) over 1 year and aims to be top quartile over rolling three year periods. The performance target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the performance target.

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

Investment policy

Portfolio securities

- The Fund will invest least 70% in global equities, corporate investment grade bonds and government bonds issued anywhere in the world either directly or indirectly.
- The Fund may hold other securities (e.g. investment trusts, supranational and other types of bonds, and listed real estate) issued anywhere in the world.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to select individual holdings depending on their growth prospects and/or creditworthiness relative to market expectations, given future economic and business conditions.
- Asset allocation is informed by reference to a basket of assets aligned to the Fund's objective and considered representative of the expected risk profile of typical funds in the sector. In addition, short term proportions ("tactical asset allocations") in each asset class may be adjusted at any time with the aim of improving returns.
- The Fund will be subject to constraints which are intended to manage risk such as the Fund must not hold more than 85% of its assets in equities. The constraints may vary over time, and due to the active nature of the management process the Fund's performance profile may deviate significantly from that of the average fund of the IA Mixed Investment 40-85% Shares Sector Average.

Derivatives and techniques

- The Fund will make routine use of derivatives to reduce risk, reduce cost and/or generate additional income or growth

consistent with the risk profile of the Fund (often referred to as "Efficient Portfolio Management").

- Derivatives include instruments used to express short term views reflecting expected changes in interest rates, companies share prices, inflation, currencies or creditworthiness of corporations or governments.

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund Net (%)	-1.67	9.20	14.54	1.95	6.81	6.66
Performance target (%)	-1.86	7.12	12.26	2.96	6.18	6.50
Sector Ranking	65/160	40/157	34/156	86/156	41/139	40/118
Quartile	2	1	1	3	2	2

In the UK, we benefitted from our holding of office facilities company IWG, which rose on optimism over the firm's strategy and growth potential. Ei Group, the UK's largest pub company, made a positive contribution after receiving a premium bid from Stonegate in July. Defence firm Ultra Electronics tracked higher, buoyed by steady growth in new orders and above-forecast profitability. Conversely, International Personal Finance performed poorly, following changes to proposed regulation around rate caps for lending. Our underweight positions in Diageo and Unilever were penalised, as both stocks performed strongly.

In the US, American Tower benefitted from strong momentum in network services, and international and domestic property rentals. Datacentre provider Equinix sounded a confident note around the current demand outlook and its strategic positioning, driving its shares higher. Financial technology provider Fiserv also delivered a positive return, lifted by strong customer demand and its acquisition of First Data. First Republic Bank suffered, after reporting an unexpected jump in non-performing loans and weakening profitability. Meanwhile, shares in Steel Dynamics came under pressure from escalating global trade worries, while falling oil prices weighed on the shares of Marathon Oil.

In the European equity portfolio, German sports apparel company Puma made a positive contribution, after a series of strong results. Renewable energy company Orsted also gained, as new contract wins underpinned its growth prospects.

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Performance (continued)

Our holding of financial technology services provider Hypoport was boosted by market share gains and accelerating growth, with scope for further upside from acquisitions. Performance detractors included medical devices firm Ambu, which suffered after a management change and guidance downgrade. Challenges in the battery market triggered downgrades for materials technology firm Umicore, causing a sharp fall in its share price. Ryanair was plagued by pilot strikes, which compounded wider industry pressures.

The government bond portfolio delivered a positive return over the review period. Responding to the worsening global economy, central banks signalled they were ready to provide fresh monetary support. The environment proved favourable for our long duration positioning (duration meaning sensitivity to movements in interest rates). Key shifts we made in geographical allocation also benefitted performance.

Our long exposure to Australian government bonds was rewarded as the asset class was very well-supported. We entered the period with long exposure in Australian bonds. Early on, we increased the position, anticipating that the slowing Chinese economy would hurt Australia significantly. Thereafter, initial stimulus efforts from the Chinese authorities proved ineffectual. At the same time, Australian house prices continued to fall precipitously. Towards the end of the period, we reduced our exposure to Australian government bonds, as valuations more accurately reflected the risk-reward pay-off.

Our long exposure in US treasuries performed well. This followed rhetoric from the US Federal Reserve (Fed) which sounded more attuned to the weakening external economy. In a shift of its monetary stance, the Fed hinted at a possible rate cut. Our short-duration positioning in European rates suffered over the period, as bond yields in the region continued to plummet to record lows.

Our cross-market stance favouring US dollar bloc interest rates versus European rates was beneficial. So, too, was our tactical yield curve positioning in US rates. UK gilts remained hostage as much to political developments as economic activity. Our preference to position for a Brexit deal (via a bias to short UK rates) suffered. However, we offset this by trading tactically around extreme bouts of market pessimism and optimism.

Activity

In the UK, we bought healthcare company Convatec. Poorly managed in the past, we believe it can be turned around by its new highly rated CEO. We started a new position in the consumer desktop business Avast. In our view, the firm's quality and potential, especially its scale advantages, are underestimated by the market. We started a new position in aerospace and defence play Rolls Royce. Management has taken major steps to improve efficiency and cut costs over recent years. We believe returns and cashflow will surprise positively. Sales included plastics packaging firm RPC Group, after its takeover by Berry Global. We also exited ITV, reflecting our concerns about changing TV viewing habits. In particular, increasing numbers of content providers will erode ITV's viewing numbers and net advertising share.

In the US, we purchased imaging specialist FLIR Systems, as we expect recent acquisitions and strong growth in US defence spending to boost sales. We bought Honeywell, which should benefit from new aerospace contracts and improving profitability. We added financial technology provider Fiserv, which offers upside from strong demand from the banking sector, and from its acquisition of First Data. Sales included technology company Cisco, where we took profits after strong performance. We sold Boeing, given the ongoing uncertainty over the return to service of its troubled 737 MAX airliner. We also sold Steel Dynamics, which, in our view, would be adversely affected by trade tensions and the uncertain global economic outlook.

In Europe, we started a position in software provider SAP whose valuation we believe does not do full justice to the potential of the Qualtrics deal or the latest product cycle. We bought rail transport company Alstom, anticipating improving profitability and cash returns to shareholders. Other purchases included digital transaction processing company Worldline SA. We expect the firm to benefit from structural growth, with scope for accretive M&A deals. We exited Swedbank, which has become enveloped in accusations of money-laundering. We sold out of Plastic Omnium after its matrix score turned negative. We also exited steelmaker ArcelorMittal which will struggle to escape the effects of global trade wars.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	332,280	314,917	343,182	342,826
Closing number of shares	182,198,986	188,142,906	200,707,517	212,772,079
Closing net asset value per share (pence)	182.37	167.38	170.99	161.12
Change in net asset value per share	8.96%	(2.11%)	6.13%	21.38%
Operating charges	1.02%	1.02%	1.03%	1.03%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	27,481	24,949	26,616	28,232
Closing number of shares	13,409,412	13,291,799	13,939,416	15,756,745
Closing net asset value per share (pence)	204.94	187.70	190.94	179.17
Change in net asset value per share	9.18%	(1.70%)	6.57%	21.93%
Operating charges	0.60%	0.60%	0.61%	0.61%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,725	1,588	1,626	1,575
Closing number of shares	1,456,162	1,450,215	1,434,162	1,458,283
Closing net asset value per share (pence)	118.45	109.53	113.40	107.97
Change in net asset value per share	8.14%	(3.41%)	5.03%	19.83%
Operating charges	1.02%	1.02%	1.03%	1.03%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	713	674	570	390
Closing number of shares	610,546	624,600	509,755	366,257
Closing net asset value per share (pence)	116.74	107.94	111.76	106.40
Change in net asset value per share	8.15%	(3.42%)	5.04%	19.86%
Operating charges	0.60%	0.60%	0.61%	0.61%

Retail CAT accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	189,395	179,691	193,732	192,167
Closing number of shares	137,289,795	141,937,179	149,834,853	157,756,768
Closing net asset value per share (pence)	137.95	126.60	129.30	121.81
Change in net asset value per share	8.97%	(2.09%)	6.15%	21.45%
Operating charges	1.00%	1.00%	1.01%	1.01%

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

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

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

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	2,399	2,241	2,368	2,222
Closing number of shares	2,790,479	2,852,501	2,975,576	2,987,920
Closing net asset value per share (pence)	85.97	78.57	79.60	74.36
Change in net asset value per share	9.42%	(1.29%)	7.05%	22.54%
Operating charges	0.10%	0.10%	0.11%	0.11%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	15,625	14,737	14,297	12,142
Closing number of shares	16,143,526	16,620,905	15,842,864	14,331,917
Closing net asset value per share (pence)	96.79	88.67	90.24	84.72
Change in net asset value per share	9.16%	(1.74%)	6.52%	21.86%
Operating charges	0.65%	0.65%	0.66%	0.66%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,268	1,345	1,238	1,121
Closing number of shares	1,480,931	1,698,647	1,510,487	1,436,941
Closing net asset value per share (pence)	85.60	79.15	81.95	78.02
Change in net asset value per share	8.15%	(3.42%)	5.04%	19.86%
Operating charges	0.65%	0.65%	0.66%	0.66%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (10.70%)		41,516	7.26
Euro Denominated Bonds (0.05%)		759	0.21
Corporate Bonds (0.05%)		183	0.03
less than 5 years to maturity			
100,000	Standard Chartered FRN 2023	92	0.02
greater than 25 years to maturity			
100,000	Channel Link Enterprises Finance FRN 2050	91	0.01
Government Bonds (0.00%)		576	0.09
greater than 25 years to maturity			
232,000	France (Govt of) 1.5% 2050	275	0.04
230,000	France (Govt Of) 2% 2048	301	0.05
Sterling Denominated Bonds (8.72%)		39,918	6.99
Corporate Bonds (4.16%)		13,509	2.36
less than 5 years to maturity			
108,000	BMW 1.875% 2023	111	0.02
100,000	British American Tobacco 6% 2022	112	0.02
100,000	British Sky Broadcasting 2.875% 2020	102	0.02
100,000	Citigroup 5.875% 2024	119	0.02
100,000	Credit Agricole 7.375% 2023	124	0.02
100,000	Deutsche Bank 1.875% 2020	100	0.02
110,000	Enel 5.625% 2024	131	0.02
100,000	First Hydro 9% 2021	114	0.02
100,000	General Electric 6.25% 2020	105	0.02
100,000	Global Switch 4.375% 2022	109	0.02
100,000	Heathrow Funding 7.125% 2024	123	0.02
100,000	Intesa Sanpaolo 5.25% 2022	107	0.02
200,000	Intu (SGS) Finance 4.125% 2023	179	0.03
100,000	National Australia Bank 1.375% 2022	101	0.02
150,000	New York Life Global Funding 1% 2021	150	0.03
100,000	SGSP Australia Assets 5.125% 2021	105	0.02
100,000	Volkswagen Financial Services 1.625% 2022	100	0.02
between 5 and 10 years to maturity			
100,000	Abertis Infraestructuras 3.375% 2026	106	0.02
150,000	ABP 6.25% 2026	187	0.03
120,000	Anheuser-Busch InBev 2.25% 2029	126	0.02
100,000	Bank of America 7% 2028	144	0.03
100,000	Banque Federative du Credit Mutuel 1.75% 2024	102	0.02
100,000	Barclays 3% 2026	102	0.02

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Bazalgette Finance 2.375% 2027	108	0.02
100,000	BPCE 5.25% 2029	124	0.02
100,000	Clydesdale Bank 4.625% 2026	124	0.02
100,000	CPUK 3.588% 2025	109	0.02
100,000	HSBC 2.256% 2026	102	0.02
100,000	HSBC 2.625% 2028	105	0.02
100,000	Lloyds Bank 4.875% 2027	127	0.02
60,000	Lloyds Bank 7.625% 2025	77	0.01
100,000	Nationwide Building Society 3.25% 2028	112	0.02
100,000	Rabobank 4.625% 2029	119	0.02
100,000	Santander UK 5.75% 2026	130	0.02
110,000	Santander UK Group 3.625% 2026	118	0.02
100,000	Scentre Management 3.875% 2026	112	0.02
100,000	Shaftesbury Chinatown 2.348% 2027	102	0.02
87,000	Southern Gas Networks 4.875% 2029	113	0.02
100,000	Stagecoach Group 4% 2025	108	0.02
100,000	Tritax Big Box REIT 2.625% 2026	104	0.02
119,000	Unite Group 3.5% 2028	130	0.02
89,000	United Utilities 5.625% 2027	119	0.02
100,000	Welltower 4.8% 2028	122	0.02
100,000	Westfield America Management 2.125% 2025	103	0.02
100,000	Westfield Stratford City Finance 1.642% 2026	102	0.02
50,000	Yorkshire Power 7.25% 2028	73	0.01
between 10 and 15 years to maturity			
100,000	Annington Funding 3.685% 2034	112	0.02
100,000	APT Pipelines 3.5% 2030	112	0.02
100,000	Arqiva 4.882% 2032	104	0.02
110,000	Barclays 3.25% 2033	110	0.02
100,000	Broadgate Financing 4.851% 2033	132	0.02
35,000	Canary Wharf Finance 6.455% 2033	9	–
100,000	Digital Stout 3.75% 2030	113	0.02
100,000	Fidelity National Information Services 3.36% 2031	112	0.02
100,000	GlaxoSmithKline 5.25% 2033	145	0.03
100,000	Great Rolling Stock 6.5% 2031	111	0.02
130,000	Greene King FRN 2033	97	0.02
100,000	HSBC 3% Fixed to Floating 2029	106	0.02
50,000	HSBC 5.375% 2033	64	0.01
150,000	innogy Finance 6.25% 2030	211	0.04
100,000	Orange 3.25% 2032	114	0.02
70,000	Orange 5.625% 2034	101	0.02
100,000	South Eastern Power Networks 5.625% 2030	138	0.02

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Telefonica Emisiones 5.445% 2029	131	0.02
150,000	Telereal 4.0902% fixed to floating 2033	156	0.03
50,000	Telereal 6.1645% 2031	59	0.01
100,000	Time Warner Cable 5.75% 2031	124	0.02
between 15 and 25 years to maturity			
100,000	Affordable Housing 2.893% 2043	131	0.02
59,000	Aspire Defence 4.674% 2040 'B'	72	0.01
100,000	Aster Treasury 4.5% 2043	142	0.02
100,000	AT&T 4.875% 2044	128	0.02
100,000	BPHA 4.816% 2044	145	0.02
100,000	Cadent Finance 2.625% 2038	105	0.02
110,000	Connect Plus 2.607% 2039	123	0.02
120,000	Direct Line 9.25% 2042	141	0.02
100,000	Dwr Cymru Financing 2.5% 2036	113	0.02
100,000	E.ON Finance 5.875% 2037	151	0.03
100,000	Eversholt 3.529% 2042	107	0.02
100,000	Gatwick 5.75% 2037	147	0.03
50,000	General Electric 5.375% 2040	60	0.01
90,000	HSBC 6% 2040	122	0.02
100,000	John Lewis 4.25% 2034	98	0.02
110,000	Land Securities 2.625% 2037	120	0.02
100,000	Munich Re 6.625% fixed to floating 2042	113	0.02
75,000	Octagon Healthcare 5.333% 2035	82	0.01
54,076	Peel 8.375% 2040	83	0.01
110,000	RL Finance 6.125% fixed to floating 2043	124	0.02
100,000	Sovereign Housing Capital 5.705% 2039	157	0.03
100,000	TC Dudgeon Ofco 3.158% 2038	112	0.02
100,000	Tesco 5.8006% 2040	129	0.02
100,000	Thames Water 5.125% 2037	138	0.02
50,000	Veolia Environment 6.125% 2037	81	0.01
100,000	Verizon Communications 3.375% 2036	117	0.02
100,000	Wal-Mart 5.25% 2035	154	0.03
greater than 25 years to maturity			
100,000	Aviva 5.125% 2050	112	0.02
100,000	Blend Funding 3.459% 2047	122	0.02
100,000	British American Tobacco 2.25% 2052	78	0.01
100,000	Bromford Housing 3.125% 2048	120	0.02
50,000	Channel Link 6.341% 2046	64	0.01
100,000	EDF 5.125% 2050	152	0.03
50,000	Engie 5% 2060	88	0.02
100,000	Heathrow Funding 2.75% 2049	106	0.02
100,000	Legal & General 5.5% 2064	113	0.02

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	NGG 5.625% fixed to floating 2073	112	0.02
100,000	Optivo Finance 3.283% 2048	118	0.02
100,000	Prudential 5.7% fixed to floating 2063	116	0.02
100,000	SSE 3.625% 2077	100	0.02
100,000	University of Cambridge 2.35% 2078	125	0.02
120,000	Vodafone 3.375% 2049	126	0.02
100,000	Wheatley 4.375% 2044	132	0.02
Perpetual			
100,000	Assicurazioni Generali 6.416% fixed to floating Perpetual	106	0.02
105,000	Aviva 5.9021% fixed to floating Perpetual	108	0.02
111,000	AXA 5.453% fixed to floating Perpetual	125	0.02
100,000	EDF 5.875% fixed to floating Perpetual	108	0.02
200,000	HSBC 5.875% Fixed to Floating Perpetual	209	0.04
100,000	Orange 5.75% fixed to floating Perpetual	111	0.02
100,000	Pennon 2.875% Perpetual	100	0.02
Government Bonds (4.56%)		26,409	4.63
less than 5 years to maturity			
100,000	FMS Wertmanagement 1.125% 2021	101	0.02
514,000	UK (Govt of) 0.5% 2022	517	0.09
2,992,000	UK (Govt of) 0.75% 2023	3,039	0.53
632,000	UK (Govt of) 1% 2024	652	0.11
521,000	UK (Govt of) 1.75% 2022	543	0.09
552,000	UK (Govt of) 2.25% 2023	594	0.10
390,000	UK (Govt of) 3.75% 2021	416	0.07
373,000	UK (Govt of) 3.75% Index-Linked 2019	373	0.07
680,000	UK (Govt of) 4% 2022	742	0.13
1,325,000	UK (Govt of) 4.75% 2020	1,354	0.24
432,000	UK (Govt of) 8% 2021	490	0.09
between 5 and 10 years to maturity			
497,000	UK (Govt of) 2% 2025	548	0.10
391,000	UK (Govt of) 2.75% 2024	438	0.08
630,000	UK (Govt of) 5% 2025	791	0.14
42,000	UK (Govt of) 6% 2028	64	0.01
321,000	UK (Govt of) 6% 2028	486	0.09
between 10 and 15 years to maturity			
636,434	UK (Govt of) 4.25% 2032	922	0.16
614,773	UK (Govt of) 4.75% 2030	902	0.16
119,000	UK (Govt of) 0.875% 2029	124	0.02
between 15 and 25 years to maturity			
585,000	UK (Govt of) 1.75% 2037	670	0.12
492,797	UK (Govt of) 3.25% 2044	731	0.13

Holding	Investment	Market value £'000	Percentage of total net assets
537,000	UK (Govt of) 4.25% 2036	825	0.14
100,000	UK (Govt of) 4.25% 2039	161	0.03
411,000	UK (Govt of) 4.25% 2039	662	0.12
682,152	UK (Govt of) 4.25% 2040	1,116	0.19
615,000	UK (Govt of) 4.5% 2034	946	0.17
30,000	UK (Govt of) 4.5% 2034	46	0.01
474,613	UK (Govt of) 4.5% 2042	823	0.14
109,781	UK (Govt of) 4.75% 2038	186	0.03
greater than 25 years to maturity			
569,927	UK (Govt of) 1.5% 2047	637	0.11
66,000	UK (Govt of) 1.625% 2054	79	0.01
269,000	UK (Govt of) 1.75% 2049	319	0.06
333,000	UK (Govt of) 1.75% 2057	418	0.07
342,263	UK (Govt of) 2.5% 2065	543	0.10
257,000	UK (Govt of) 3.5% 2045	400	0.07
502,016	UK (Govt of) 3.5% 2068	1,007	0.18
426,610	UK (Govt of) 3.75% 2052	758	0.13
432,032	UK (Govt of) 4% 2060	877	0.15
158,195	UK (Govt of) 4.25% 2046	280	0.05
453,678	UK (Govt of) 4.25% 2049	837	0.15
34,000	UK (Govt of) 4.25% 2055	68	0.01
461,024	UK (Govt of) 4.25% 2055	924	0.16
US Dollar Denominated Bonds (1.93%)		839	0.15
Corporate Bonds (0.10%)		289	0.05
between 5 and 10 years to maturity			
120,000	Charter Communications 4.908% 2025	109	0.02
200,000	UBS 4.125% 2026	180	0.03
Government Bonds (0.00%)		550	0.10
greater than 25 years to maturity			
280,000	US Treasury 1% Indexed Bonds 2048	280	0.05
274,600	US Treasury 1% Index-Linked 2049	270	0.05
Equities (58.99%)		332,947	58.34
European Equities (18.46%)		101,932	17.86
Belgium (0.23%)		1,672	0.29
30,302	Shurgard Self Storage	819	0.14
32,545	Umicore	853	0.15

Holding	Investment	Market value £'000	Percentage of total net assets
Denmark (1.51%)		7,296	1.28
119,190	Ambu	1,666	0.29
16,398	Coloplast	1,601	0.28
42,572	Novo Nordisk	1,822	0.32
17,096	Orsted	1,345	0.24
35,127	Tryg	862	0.15
Finland (0.14%)		883	0.15
48,822	Fortum	883	0.15
France (2.69%)		14,737	2.58
18,522	Airbus	2,099	0.37
23,978	Alstom	842	0.15
17,250	Amundi	907	0.16
62,904	AXA	1,187	0.21
3,521	Kering	1,402	0.25
9,451	ORPEA	980	0.17
6,417	SEB	821	0.14
8,091	Teleperformance	1,453	0.25
7,768	Thales	738	0.13
51,609	TOTAL	2,118	0.37
12,850	Ubisoft Entertainment	852	0.15
23,583	Worldline	1,338	0.23
Germany (2.05%)		13,005	2.28
10,055	Allianz	1,819	0.32
16,043	Covestro	595	0.10
4,339	Hypoport	932	0.16
59,996	Infineon Technology	854	0.15
18,006	Nemetschek	784	0.14
21,791	Puma	1,357	0.24
32,583	Rocket Internet	746	0.13
44,732	RWE	1,044	0.18
22,661	SAP	2,217	0.39
20,806	Siemens Healthineers	671	0.12
87,617	TUI	715	0.13
9,707	Wirecard	1,271	0.22
Ireland (0.80%)		4,219	0.74
36,099	CRH	988	0.17
11,378	Kerry	1,113	0.20
23,929	Medtronic	2,118	0.37

Holding	Investment	Market value £'000	Percentage of total net assets
Italy (0.71%)		4,998	0.88
119,048	Davide Campari-Milano	918	0.16
261,097	Enel	1,557	0.27
159,686	FinecoBank	1,354	0.24
21,793	Interpump	511	0.09
36,569	Prysmian	658	0.12
Luxembourg (0.40%)		834	0.15
19,893	Millicom International Cellular	834	0.15
Netherlands (3.95%)		18,651	3.27
17,957	Akzo Nobel	1,320	0.23
12,637	ASML	2,310	0.40
22,505	ASR Nederland	647	0.11
13,248	Koninklijke DSM	1,356	0.24
185,011	Royal Dutch Shell 'A'	4,209	0.74
332,232	Royal Dutch Shell 'B'	7,523	1.32
21,714	Wolters Kluwer	1,286	0.23
Norway (0.18%)		954	0.17
56,557	Telenor	954	0.17
Portugal (0.09%)		411	0.07
34,868	Galp Energia	411	0.07
Spain (0.89%)		4,976	0.87
21,348	Amadeus	1,308	0.23
136,212	Bankinter	653	0.11
38,520	CIE Automotive	734	0.13
141,113	Iberdrola	1,193	0.21
42,806	Inditex	1,088	0.19
Sweden (1.13%)		5,212	0.91
47,869	Assa Abloy	820	0.14
140,255	Ericsson 'B'	897	0.16
42,508	Essity	1,084	0.19
16,398	Lundin Petroleum	408	0.07
21,551	Swedish Match	695	0.12
21,549	Thule Group	349	0.06
84,658	Volvo	959	0.17

Holding	Investment	Market value £'000	Percentage of total net assets
Switzerland (3.69%)		24,084	4.22
67,633	Coca-Cola HBC	1,846	0.32
1,077,407	Glencore	2,552	0.46
1,345,060	IWG	5,610	0.98
21,480	Julius Baer	697	0.12
41,129	Nestle	3,789	0.66
39,850	Novartis	2,944	0.52
1,487	Partners	990	0.17
10,281	Roche	2,308	0.40
14,208	Swiss Re	1,122	0.20
5,848	Temenos	804	0.14
4,866	Zurich	1,422	0.25
North American Equities (17.76%)		108,395	18.99
Bermuda (0.26%)		-	-
Canada (0.47%)		4,173	0.73
36,427	Alimentation Couche-Tard 'B'	1,883	0.33
35,579	Restaurant Brands International	2,290	0.40
United States (17.03%)		104,222	18.26
18,683	Abbvie	1,008	0.18
7,919	Adobe	1,850	0.32
3,961	Alphabet 'A'	3,871	0.68
2,792	Amazon.com	4,072	0.71
8,388	American Tower	1,585	0.28
6,167	Anthem	1,324	0.23
18,555	Apple	3,180	0.56
101,437	Bank of America	2,290	0.40
39,534	Baxter International	2,853	0.50
1,274	Booking	2,055	0.36
37,589	Boston Scientific	1,317	0.23
38,937	Bristol-Myers Squibb	1,536	0.27
7,739	Broadcom	1,795	0.32
10,082	Burlington	1,675	0.29
617	Cable One	655	0.11
14,643	Celanese	1,362	0.24
30,517	Chevron	2,947	0.52
28,628	Citigroup	1,512	0.26
41,550	CMS Energy	2,151	0.38
89,129	Comcast	3,235	0.57
9,151	Constellation	1,534	0.27

Holding	Investment	Market value £'000	Percentage of total net assets
14,629	Deere & Co	1,860	0.33
24,233	Dollar Tree	2,020	0.35
8,648	Electronic Arts	665	0.12
18,802	Eli Lilly	1,743	0.31
20,709	EOG Resources	1,261	0.22
4,563	Equinix	2,083	0.37
18,170	Facebook	2,770	0.49
27,926	First Republic Bank	2,057	0.36
25,711	Fiserv	2,257	0.40
40,340	FLIR	1,631	0.29
43,193	Hanesbrands	484	0.08
12,713	Honeywell International	1,718	0.30
13,711	Intercontinental Exchange	1,052	0.18
20,887	Johnson & Johnson	2,200	0.39
15,101	Kansas City Southern	1,560	0.27
182,061	Kosmos Energy	931	0.16
6,575	L3Harris Technologies	1,141	0.20
96,157	Marvell Technology	1,892	0.33
13,879	Mastercard	3,201	0.56
8,280	McDonald's	1,481	0.26
60,211	Microsoft	6,818	1.19
62,324	Mondelez	2,824	0.49
6,507	Netflix	1,569	0.27
17,196	NextEra Energy	3,091	0.54
26,040	Philip Morris	1,540	0.27
7,822	Raytheon	1,190	0.21
26,305	Schlumberger	700	0.12
48,695	Schwab (Charles)	1,529	0.27
35,204	TJX	1,589	0.28
17,101	United Health	3,282	0.57
47,707	Verizon Communications	2,276	0.40
UK Equities (22.77%)		122,620	21.49
Basic Materials (1.85%)		6,135	1.07
73,057	Anglo American	1,296	0.23
52,129	Johnson Matthey	1,516	0.26
1,174,142	Petra Diamonds	94	0.02
77,821	Rio Tinto	3,229	0.56

Holding	Investment	Market value £'000	Percentage of total net assets
Consumer Goods (3.76%)		20,386	3.57
57,192	Bellway	1,659	0.29
1,183,140	Boohoo.com*	2,855	0.50
222,400	Bovis Homes	2,284	0.40
163,777	British American Tobacco	4,716	0.83
233,191	Countryside Properties	697	0.12
1,010,623	Dixons Carphone	1,085	0.19
44,755	Fever Tree Drinks*	1,011	0.18
194,293	Inchcape	1,122	0.20
134,084	JD Sports	827	0.14
41,269	Reckitt Benckiser	2,640	0.46
191,816	Redrow	1,057	0.18
109,646	SuperGroup	433	0.08
Consumer Services (2.32%)		14,142	2.48
1,295,983	888 Holdings	1,976	0.35
344,933	Cineworld	753	0.13
1,818,359	El Group	5,110	0.89
515,343	GVC	3,240	0.57
181,081	Just Eat	1,423	0.25
501,999	Saga	206	0.04
1,163,603	Stagecoach	1,434	0.25
Financials (6.14%)		30,254	5.30
268,097	Aviva	949	0.17
1,450,161	Barclays	1,981	0.35
57,425	Close Brothers	740	0.13
1,269,404	Grainger	3,097	0.54
1,963,917	Hansteen REIT	1,822	0.32
1,227,889	HSBC	7,260	1.27
906,651	International Personal Finance	800	0.14
271,946	John Laing Group	962	0.17
25,361	London Stock Exchange	1,763	0.31
301,272	Onesavings Bank	969	0.17
159,761	Phoenix	1,033	0.18
185,062	Prudential	2,531	0.44
268,549	Standard Chartered	1,670	0.29
1,310,182	Standard Life	4,677	0.82

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (2.14%)		15,788	2.77
30,576	AstraZeneca	2,237	0.39
117,058	Clinigen*	1,035	0.18
816,161	ConvaTec	1,423	0.25
28,724	Genus	755	0.13
331,784	GlaxoSmithKline	5,678	1.00
345,450	Hutchison China MediTech*	1,226	0.21
1,106,099	Indivior	667	0.12
77,600	NMC Healthcare	1,941	0.34
784,865	Spire Healthcare	826	0.15
Industrials (2.87%)		13,907	2.44
81,904	Bodycote	587	0.10
394,085	Essentra	1,583	0.28
767,321	Melrose Industries	1,388	0.24
1,855,097	Mitie Group	2,718	0.48
384,290	Polypipe	1,440	0.25
170,943	Rolls-Royce	1,318	0.23
167,618	Senior	339	0.06
505,389	Smith (DS)	1,718	0.30
93,896	Ultra Electronics	2,043	0.36
166,197	Vesuvius	773	0.14
Oil & Gas (2.56%)		13,025	2.28
1,505,462	BP	7,529	1.32
1,187,818	Cairn Energy	1,983	0.35
118,017	Energean Oil & Gas	1,168	0.20
200,993	Hunting	918	0.16
399,790	Tullow Oil	816	0.14
162,056	Wood Group	611	0.11
Technology (0.19%)		3,186	0.56
212,071	Avast	806	0.14
34,273	AVEVA	1,267	0.22
44,148	Micro Focus	489	0.09
4,960	Nice	624	0.11
Telecommunications (0.55%)		3,595	0.63
121,882	Inmarsat	736	0.13
1,841,954	Vodafone	2,859	0.50

Holding	Investment	Market value £'000	Percentage of total net assets
Utilities (0.39%)		2,202	0.39
256,557	National Grid	2,202	0.39
Collective Investment Schemes (23.03%)		164,086	28.74
804,156	SLI Emerging Market Local Currency Debt SICAV+	10,743	1.88
7,682,838	SLI Global Bond SICAV+	80,227	14.05
263,898	SLI Global REIT Focus SICAV+	3,659	0.64
71,494,361	SLTM Japan Trust+	32,709	5.73
22,853,142	SLTM Pacific Basin Trust+	36,748	6.44
Derivatives (0.34%)		1,041	0.18
Credit Default Swaps (0.14%)		1,897	0.33
USD 4,163,000	Sell CDX Emerging Markets Series 31 20/06/2024 1%	(169)	(0.03)
USD 5,257,216	Sell CDX Emerging Markets Series 31 20/06/2024 1%	(213)	(0.04)
USD 3,420,000	Sell CDX High Yield North American High Yield Series 32 20/06/2024 5%	217	0.04
USD 3,420,000	Sell CDX High Yield North American High Yield Series 32 20/06/2024 5%	217	0.04
USD 3,420,000	Sell CDX High Yield North American High Yield Series 32 20/06/2024 5%	217	0.04
USD 3,420,000	Sell CDX High Yield North American High Yield Series 32 20/06/2024 5%	217	0.04
EUR 4,770,000	Sell iTraxx Europe Series 31 20/06/2024 5%	522	0.09
EUR 4,440,000	Sell iTraxx Europe Series 31 20/06/2024 5%	486	0.08
EUR 1,215,960	Sell iTraxx Europe Series 31 20/06/2024 5%	133	0.02
EUR 2,481,040	Sell iTraxx Europe Series 31 20/06/2024 5%	270	0.05
Forward Currency Contracts (0.02%)		(37)	(0.01)
	Buy EUR 12,325 Sell GBP 11,271 11/10/2019	-	-
	Buy EUR 13,192 Sell GBP 11,884 11/10/2019	-	-
	Buy EUR 30,297 Sell GBP 27,851 11/10/2019	-	-
	Buy EUR 107,958 Sell GBP 97,505 11/10/2019	-	-
	Buy EUR 135,152 Sell GBP 121,624 11/10/2019	1	-
	Buy EUR 138,131 Sell GBP 127,431 11/10/2019	(2)	-
	Buy GBP 5,691 Sell EUR 6,321 11/10/2019	-	-
	Buy GBP 10,510 Sell EUR 11,374 11/10/2019	-	-
	Buy GBP 11,101 Sell EUR 12,158 11/10/2019	-	-
	Buy GBP 11,515 Sell EUR 12,685 11/10/2019	-	-
	Buy GBP 13,737 Sell EUR 15,178 11/10/2019	-	-
	Buy GBP 13,976 Sell EUR 15,523 11/10/2019	-	-
	Buy GBP 14,829 Sell EUR 16,127 11/10/2019	-	-
	Buy GBP 19,234 Sell EUR 21,060 11/10/2019	-	-
	Buy GBP 113,228 Sell EUR 125,366 11/10/2019	-	-
	Buy GBP 113,927 Sell EUR 124,549 11/10/2019	1	-
	Buy GBP 117,484 Sell EUR 128,096 11/10/2019	2	-
	Buy GBP 274,170 Sell EUR 304,630 11/10/2019	(2)	-

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 439,199 Sell EUR 487,994 11/10/2019	(3)	-
	Buy GBP 6,047 Sell USD 7,320 11/10/2019	-	-
	Buy GBP 13,688 Sell USD 16,678 11/10/2019	-	-
	Buy GBP 19,080 Sell USD 23,222 11/10/2019	-	-
	Buy GBP 216,759 Sell USD 264,321 11/10/2019	-	-
	Buy GBP 218,582 Sell USD 266,897 11/10/2019	-	-
	Buy GBP 273,488 Sell USD 345,299 11/10/2019	(10)	-
	Buy GBP 586,451 Sell USD 740,439 11/10/2019	(20)	(0.01)
	Buy USD 274,220 Sell GBP 226,385 11/10/2019	(2)	-
	Buy USD 375,755 Sell GBP 309,852 11/10/2019	(2)	-
Futures (0.18%)		(819)	(0.14)
81	Long Australian 10 Year Bond Future 16/09/2019	305	0.05
487	Long E-mini MSCI Emerging Market Index Future 20/09/2019	(616)	(0.11)
52	Long FTSE 100 Future 20/09/2019	(183)	(0.03)
1	Long Long Gilt 27/12/2019	1	-
30	Long Short Topix Index Future 12/09/2019	(107)	(0.02)
25	Long US 2 Year Note Future 31/12/2019	1	-
2	Long US Ultra Bond Future (CBT) 19/12/2019	(4)	-
(12)	Short Euro Bond Future 06/09/2019	(8)	-
(222)	Short Euro Stoxx 50 Future 20/09/2019	(71)	(0.01)
(5)	Short Japan 10 Year Bond (TSE) Future 12/09/2019	(65)	(0.01)
(108)	Short Long Gilt 27/12/2019	(88)	(0.01)
(2)	Short Long Gilt 27/12/2019	(2)	-
(87)	Short S&P 500 Index E-mini Future 20/09/2019	1	-
(82)	Short US 10 Year Note Future 19/12/2019	16	-
(1)	Short US 10 Year Note Future 19/12/2019	-	-
(4)	Short US 10 Year Ultra Future 19/12/2019	1	-
Total investment assets and liabilities		539,590	94.52
Net other assets		31,296	5.48
Total Net Assets		570,886	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

* AIM Listed

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		43,562		22,224
Revenue	7,574		8,485	
Expenses	(2,750)		(2,910)	
Interest payable and similar charges	(4)		(6)	
Net revenue before taxation	4,820		5,569	
Taxation	(364)		(387)	
Net revenue after taxation		4,456		5,182
Total return before distributions		48,018		27,406
Distributions		(4,456)		(5,182)
Change in net assets attributable to shareholders from investment activities		43,562		22,224

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		540,142		583,629
Amounts receivable on the issue of shares	4,003		4,447	
Amounts payable on the cancellation of shares	(21,176)		(19,462)	
		(17,173)		(15,015)
Dilution adjustment		7		36
Change in net assets attributable to shareholders from investment activities (see above)		43,562		22,224
Retained distribution on accumulation shares		4,348		5,071
Closing net assets attributable to shareholders		570,886		595,945

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		541,157		503,610
Current assets:				
Debtors	2,759		2,403	
Cash and bank balances	30,295		37,483	
		33,054		39,886
Total assets		574,211		543,496
Liabilities:				
Investment liabilities		(1,567)		(941)
Creditors	(1,156)		(2,021)	
Bank overdrafts	(570)		(370)	
Distribution payable	(32)		(22)	
		(1,758)		(2,413)
Total liabilities		(3,325)		(3,354)
Net assets attributable to shareholders		570,886		540,142

Distribution tables

For the six months ended 31 August 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	1.3610	-	1.3610*	1.4980
Group 2	0.7787	0.5823	1.3610*	1.4980
Institutional accumulation				
Group 1	1.9462	-	1.9462*	2.0886
Group 2	0.8676	1.0786	1.9462*	2.0886
Retail income				
Group 1	0.8906	-	0.8906**	0.9935
Group 2	0.3755	0.5151	0.8906**	0.9935
Institutional income				
Group 1	1.1193	-	1.1193**	1.2225
Group 2	0.5205	0.5988	1.1193**	1.2225
Retail CAT accumulation				
Group 1	1.0454	-	1.0454*	1.1474
Group 2	0.5853	0.4601	1.0454*	1.1474
Standard Life accumulation				
Group 1	0.9848	-	0.9848*	1.0385
Group 2	0.5874	0.3974	0.9848*	1.0385
Platform 1 accumulation				
Group 1	0.8956	-	0.8956*	0.9637
Group 2	0.4137	0.4819	0.8956*	0.9637
Platform 1 income				
Group 1	0.7996	-	0.7996**	0.8750
Group 2	0.3090	0.4906	0.7996**	0.8750

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 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.

Treatment by Corporate Shareholders

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

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

ASI Global Emerging Markets Equity Unconstrained Fund (closed)

[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 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
China (0.00%)		-	-
5,196,000	Tianhe Chemicals*	-	-
Total investment assets		-	-
Net other assets		-	-
Total Net Assets		-	-

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 2019.

* Suspended.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital losses		-		-
Revenue	-		-	
Expenses	-		-	
Net revenue before taxation	-		-	
Taxation	-		-	
Net revenue after taxation		-		-
Total return before distributions		-		-
Distributions		-		-
Change in net assets attributable to shareholders from investment activities		-		-

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
Amounts receivable on the issue of shares	-		-	
Amounts payable on the cancellation of shares	-		-	
		-		-
Dilution adjustment		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
Retained distribution on accumulation shares		-		-
Closing net assets attributable to shareholders		-		-

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		-		-
Current assets:				
Debtors	-		-	
Cash and bank balances	1		1	
		1		1
Total assets		1		1
Liabilities:				
Creditors	(1)		(1)	
		(1)		(1)
Total liabilities		(1)		(1)
Net assets attributable to shareholders		-		-

ASI Global Income Equity Fund

Investment Report

Fund Information

Fund Manager Dominic Byrne

Launch Date 1 May 1986

Investment objective

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

Performance Target: To achieve the return of the MSCI AC World Index plus 2% per annum over rolling five year periods (before charges) with a yield greater than that of this index. The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

- The Fund will invest at least 80% in equities and equity related securities of companies listed on recognised stock exchanges.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to identify the investments they believe are most appropriate for the Fund's objective.
- They will maintain a diverse asset mix at country, sector and stock level, with country and sector weightings within the portfolio typically a by-product of the underlying stock exposure.
- Their primary focus is on stock selection using research techniques to select individual holdings. Given the Fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.
- In seeking to achieve the Performance Target, the MSCI AC World Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 8%. Due to the income nature of the management process, the Fund's performance profile may deviate significantly from that of the MSCI AC World Index.

Derivatives and techniques

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

Performance review

Cumulative performance*

	6 months (%)	1 year (%)	3 years (%)	5 years (%)
Founder Retail Fund Performance	16.8	10.4	26.3	59.3
Founder Institutional Fund Performance	17.1	10.8	27.9	62.7
Retail Fund Performance	16.6	10.0	25.1	56.3
Institutional Fund Performance	16.9	10.5	26.9	60.7
Platform One	16.9	10.5	26.7	60.4
IA Global Equity Income Sector	9.7	5.7	27.6	55.1

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

The US data centre operator Equinix was a major positive for the Fund. Benefiting from growing demand from its cloud customers, the company reported strong first-quarter results that fed through to a rise in full-year guidance for profits. Restaurant Brands, the fast-food owner-operator of Burger King and Tim Hortons, also contributed to the Fund's relative returns. It has maintained an attractive growth profile and consistent cash flow generation. The Italian integrated utility Enel also made a positive contribution, driven by the yield spread on its debt falling, the publication of a positive research note, and a successful investor day. American Tower, the owner of specialist real estate for wireless telecommunications operators, continued to grow both in the US and overseas. Its real estate investment trust (REIT) status has also helped. REITs are interest-rate sensitive and the Federal Reserve has adopted a looser monetary policy. Coca-Cola was another good performer.

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Performance review (continued)

Dutch insurer ASR Nederland detracted from the Fund's performance. Investors are waiting for the outcome of the bidding process for rival insurer Vivat Insurance, with ASR widely considered a potential buyer. Falling long-term interest rates also had a detrimental impact on its liabilities. Pfizer's share price weakened after the announcement of the merger of its Upjohn unit (which manufactures off-patent drugs) with Mylan, on concern about the deal's impact on its margins and cashflow. Pfizer's latest earnings release also revealed a revenue shortfall. Schlumberger, the US oilfield services provider, also disappointed. Its shares were hit by a falling oil price as the reigniting of the US-China dispute increased the risk of slower global growth. BP also underperformed the wider market in tandem with the fall in the oil price. The Fund's lack of a holding in Apple also weighed on relative returns as the shares rose strongly over the period.

Activity

During the period, we initiated a position in French construction company Vinci. We are positive on the future growth of its infrastructure concession division, which has a strong track record of success. Its stable earnings growth leads to an attractive cashflow and dividend profile. We also added to AstraZeneca, the UK pharmaceutical company. It should see its investment in drug development paying off over the next two years, potentially leading to double-digit revenue growth and higher dividend cover. The weighting to leading pan-Asian life insurance business AIA Group was increased. The company's share price was adversely affected by increased US-China trade tensions over the period. However, we believe that the insurer's long-term growth opportunity in China remains intact. We also topped up our holding in real estate company Vonovia. Its shares weakened on news of a proposed rent freeze in the Berlin region but the business has an attractive long-term growth opportunity in German residential real estate. Also, the company's rents and asset values are too low on both a fundamental basis and compared to those in international markets.

In terms of sales, Verizon Communications was reduced after Amazon became a potential buyer of Boost Mobile, the T-Mobile/Sprint merger spin-off. Usually, the entry of Amazon into a market has not played out well for the incumbents. We also reduced our holding in American Tower, following a strong rally in the share price. Elsewhere, we took profits on Kone, the Finnish elevator manufacturer. Following its recent share price performance, we believe there is increasing downside risk from tighter credit conditions for Chinese real estate developers, and this could act as a significant drag on the company's revenues.

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.

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

- Investing in China A shares involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, exchange rate risk/ controls, settlement, tax, quota, liquidity and regulatory risks.
- The Fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the Fund being leveraged (where market exposure and thus the potential for loss by the Fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The Fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The Fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The Fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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 Founder accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	90,228	81,360	87,965	95,292
Closing number of shares	29,769,028	31,217,167	33,675,927	36,794,983
Closing net asset value per share (pence)	303.09	260.62	261.21	258.98
Change in net asset value per share	16.30%	(0.23%)	0.86%	25.51%
Operating charges	1.04%	1.04%	1.04%	1.08%

Institutional Founder accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	7,209	6,870	7,718	8,176
Closing number of shares	2,165,346	2,404,940	2,707,210	2,904,760
Closing net asset value per share (pence)	332.92	285.66	285.10	281.47
Change in net asset value per share	16.54%	0.20%	1.29%	26.06%
Operating charges	0.62%	0.62%	0.62%	0.63%

Retail Founder income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	965	835	861	811
Closing number of shares	1,053,114	1,043,936	1,043,788	965,803
Closing net asset value per share (pence)	91.61	80.00	82.52	83.97
Change in net asset value per share	14.51%	(3.05%)	(1.73%)	21.64%
Operating charges	1.04%	1.04%	1.04%	1.08%

Institutional Founder income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	263	231	261	624
Closing number of shares	277,155	280,083	307,376	726,255
Closing net asset value per share (pence)	94.78	82.60	84.84	85.98
Change in net asset value per share	14.75%	(2.64%)	(1.33%)	22.17%
Operating charges	0.62%	0.62%	0.62%	0.63%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	2	14,756
Closing number of shares	113	113	2,000	17,260,431
Closing net asset value per share (pence)	95.65	83.30	85.58	85.49
Change in net asset value per share	14.83%	(2.66%)	0.11%	22.88%
Operating charges	0.04%	0.04%	0.04%	0.05%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	343	292	400	379
Closing number of shares	339,217	337,519	465,580	453,131
Closing net asset value per share (pence)	101.16	86.59	86.00	83.59
Change in net asset value per share	16.83%	0.69%	2.88%	25.28%
Operating charges	0.12%	0.12%	0.12%	0.13%

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

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

Retail accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	8,911	7,751	9,443	10,461
Closing number of shares	7,943,057	8,022,491	9,721,951	10,831,093
Closing net asset value per share (pence)	112.18	96.62	97.12	96.58
Change in net asset value per share	16.10%	(0.51%)	0.56%	25.12%
Operating charges	1.34%	1.34%	1.34%	1.35%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	4,108	4,658	7,143	5,080
Closing number of shares	3,485,590	4,600,338	7,050,840	5,065,519
Closing net asset value per share (pence)	117.86	101.26	101.31	100.28
Change in net asset value per share	16.39%	(0.05%)	1.03%	25.74%
Operating charges	0.87%	0.87%	0.87%	0.88%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	276	336	325	719
Closing number of shares	311,527	433,061	405,525	878,112
Closing net asset value per share (pence)	88.64	77.53	80.21	81.87
Change in net asset value per share	14.33%	(3.34%)	(2.03%)	21.29%
Operating charges	1.34%	1.34%	1.34%	1.35%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	570	724	907	1,376
Closing number of shares	612,794	892,196	1,085,499	1,619,975
Closing net asset value per share (pence)	93.03	81.18	83.59	84.93
Change in net asset value per share	14.60%	(2.88%)	(1.58%)	21.89%
Operating charges	0.87%	0.87%	0.87%	0.88%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	14,404	14,364	24,759	23,869
Closing number of shares	12,500,094	14,504,662	24,977,958	24,315,599
Closing net asset value per share (pence)	115.23	99.03	99.12	98.16
Change in net asset value per share	16.36%	(0.09%)	0.98%	25.69%
Operating charges	0.92%	0.92%	0.92%	0.93%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	3,710	4,731	7,065	7,356
Closing number of shares	4,007,831	5,854,701	8,487,064	8,694,031
Closing net asset value per share (pence)	92.57	80.80	83.24	84.61
Change in net asset value per share	14.57%	(2.93%)	(1.62%)	21.83%
Operating charges	0.92%	0.92%	0.92%	0.93%

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

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

Institutional A accumulation+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	-	-	1	1
Closing number of shares	-	-	2,200	2,200
Closing net asset value per share (pence)	-	-	63.41	63.22
Change in net asset value per share	-	3.00%	0.30%	24.92%
Operating charges	-	0.49%	1.62%	1.63%

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

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

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

+ Share class closed on 14 June 2018.

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.76%)		128,862	98.38
European Equities (23.84%)		31,601	24.13
Belgium (0.85%)		1,937	1.48
24,845	Anheuser-Busch InBev	1,937	1.48
Denmark (1.79%)		1,613	1.23
65,694	Tryg	1,613	1.23
Finland (3.95%)		1,577	1.20
30,489	Kesko	1,577	1.20
France (0.61%)		2,582	1.97
28,708	Vinci	2,582	1.97
Germany (1.20%)		3,013	2.30
73,851	Vonovia	3,013	2.30
Ireland (0.84%)		1,655	1.26
18,696	Medtronic	1,655	1.26
Italy (2.46%)		3,690	2.82
618,840	Enel	3,690	2.82
Netherlands (5.16%)		4,798	3.67
102,415	ASR Nederland	2,945	2.25
18,117	Koninklijke DSM	1,853	1.42
Norway (2.11%)		3,956	3.02
50,636	Mowi	995	0.76
175,486	Telenor	2,961	2.26
Portugal (0.51%)		-	-
Sweden (0.81%)		-	-
Switzerland (3.55%)		6,780	5.18
44,794	Nestle	4,126	3.15
9,081	Zurich	2,654	2.03
Japanese Equities (6.29%)		5,739	4.38
2,249	GLP J-REIT	2,276	1.74
341,534	Mitsubishi UFJ Financial	1,348	1.03
174,299	ORIX	2,115	1.61

Holding	Investment	Market value £'000	Percentage of total net assets
North American Equities (58.35%)		72,170	55.10
Canada (2.29%)		3,117	2.38
48,421	Restaurant Brands International	3,117	2.38
Panama (0.00%)		1,688	1.29
19,953	Copa Holdings	1,688	1.29
United States (56.06%)		67,365	51.43
12,688	American Tower	2,397	1.83
66,379	Bank of America	1,498	1.14
36,136	Baxter International	2,608	1.99
35,708	Blackstone	1,458	1.11
26,825	Chevron	2,591	1.98
92,081	Cisco Systems	3,538	2.70
24,094	Citigroup	1,272	0.97
13,455	CME	2,400	1.83
57,034	CMS Energy	2,952	2.25
85,638	Coca-Cola	3,868	2.95
12,690	Constellation	2,127	1.62
18,058	Eli Lilly	1,674	1.28
6,732	Equinix	3,073	2.36
15,516	Fidelity National Information Services	1,735	1.33
12,347	Johnson & Johnson	1,300	0.99
9,242	JPMorgan Chase	833	0.64
103,262	Marvell Technology	2,032	1.55
10,018	Mastercard	2,311	1.77
12,826	McDonald's	2,295	1.75
15,400	Merck & Co	1,092	0.83
49,797	Microsoft	5,639	4.31
20,051	NextEra Energy	3,604	2.75
76,404	Pfizer	2,228	1.70
9,907	Raytheon	1,507	1.15
53,421	Schlumberger	1,422	1.09
31,465	Service Corporation International	1,196	0.91
34,430	TJX	1,554	1.19
21,722	Union Pacific	2,887	2.20
11,891	United Health	2,282	1.74
41,753	Verizon Communications	1,992	1.52
Pacific Basin Equities (3.89%)		12,212	9.32
Australia (3.89%)		4,105	3.13
125,214	Aristocrat Leisure	2,009	1.53
203,733	Treasury Wine Estates	2,096	1.60

Holding	Investment	Market value £'000	Percentage of total net assets
China (0.00%)		1,715	1.31
182,000	Ping An Insurance	1,715	1.31
8,100,000	Tianhe Chemicals*	-	-
Hong Kong (0.00%)		2,227	1.70
279,000	AIA	2,227	1.70
Indonesia (0.00%)		1,049	0.80
4,254,504	Bank Rakyat Indonesia	1,049	0.80
Macau (0.00%)		2,206	1.68
592,000	Sands China	2,206	1.68
Singapore (0.00%)		910	0.70
144,300	Oversea-Chinese Banking	910	0.70
UK Equities (5.39%)		7,140	5.45
Consumer Services (0.79%)		750	0.57
343,550	Cineworld	750	0.57
Financials (0.97%)		-	-
Health Care (0.00%)		2,284	1.75
31,221	AstraZeneca	2,284	1.75
Industrials (0.49%)		1,430	1.09
262,238	BAE Systems	1,430	1.09
Oil & Gas (2.34%)		2,676	2.04
535,182	BP	2,676	2.04
Telecommunications (0.80%)		-	-
Derivatives (0.00%)		-	-
Forward Currency Contracts (0.00%)		-	-
Buy GBP 7,293 Sell AUD 12,990 19/09/2019		-	-
Total investment assets		128,862	98.38
Net other assets		2,125	1.62
Total Net Assets		130,987	100.00

All investments 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 2019.

* Suspended.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		17,712		5,177
Revenue	2,278		2,658	
Expenses	(638)		(706)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	1,640		1,951	
Taxation	(257)		(224)	
Net revenue after taxation		1,383		1,727
Total return before distributions		19,095		6,904
Distributions		(1,411)		(1,764)
Change in net assets attributable to shareholders from investment activities		17,684		5,140

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		122,152		146,850
Amounts receivable on the issue of shares	4,732		2,084	
Amounts payable on the cancellation of shares	(14,870)		(15,735)	
		(10,138)		(13,651)
Dilution adjustment		2		26
Change in net assets attributable to shareholders from investment activities (see above)		17,684		5,140
Retained distribution on accumulation shares		1,287		1,573
Closing net assets attributable to shareholders		130,987		139,938

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		128,862		119,415
Current assets:				
Debtors	593		500	
Cash and bank balances	1,773		2,532	
		2,366		3,032
Total assets		131,228		122,447
Liabilities:				
Creditors	(211)		(255)	
Distribution payable	(30)		(40)	
		(241)		(295)
Total liabilities		(241)		(295)
Net assets attributable to shareholders		130,987		122,152

Distribution tables

For the three months ended 31 May 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 May 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail Founder accumulation				
Group 1	2.2037	-	2.2037*	1.9687
Group 2	1.5045	0.6992	2.2037*	1.9687
Institutional Founder accumulation				
Group 1	2.7307	-	2.7307*	2.4481
Group 2	2.0476	0.6831	2.7307*	2.4481
Retail Founder income				
Group 1	0.8859	-	0.8859**	0.8273
Group 2	0.4969	0.3890	0.8859**	0.8273
Institutional Founder income				
Group 1	0.9151	-	0.9151**	0.8510
Group 2	0.3602	0.5549	0.9151**	0.8510
Standard Life income				
Group 1	0.9196	-	0.9196**	0.9465
Group 2	0.9196	-	0.9196**	0.9465
Standard Life accumulation				
Group 1	0.9378	-	0.9378*	0.8460
Group 2	0.6541	0.2837	0.9378*	0.8460
Retail accumulation				
Group 1	0.7391	-	0.7391*	0.6593
Group 2	0.0720	0.6671	0.7391*	0.6593
Institutional accumulation				
Group 1	0.9014	-	0.9014*	0.8066
Group 2	0.5403	0.3611	0.9014*	0.8066
Retail income				
Group 1	0.8582	-	0.8582**	0.8040
Group 2	0.1480	0.7102	0.8582**	0.8040
Institutional income				
Group 1	0.8993	-	0.8993**	0.8383
Group 2	0.5350	0.3643	0.8993**	0.8383

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Platform 1 accumulation				
Group 1	0.8685	-	0.8685*	0.7769
Group 2	0.4281	0.4404	0.8685*	0.7769
Platform 1 income				
Group 1	0.8952	-	0.8952**	0.8347
Group 2	0.3450	0.5502	0.8952**	0.8347
Institutional A accumulation+				
Group 1	-	-	-	0.3986
Group 2	-	-	-	0.3986

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

+ Share class closed on 14 June 2018.

For the three months ended 31 August 2019

Group 1 - shares purchased prior to 1 June 2019

Group 2 - shares purchased between 1 June 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail Founder accumulation				
Group 1	0.8119	-	0.8119*	1.1857
Group 2	0.5377	0.2742	0.8119*	1.1857
Institutional Founder accumulation				
Group 1	1.2332	-	1.2332*	1.6107
Group 2	0.3772	0.8560	1.2332*	1.6107
Retail Founder income				
Group 1	0.4719	-	0.4719**	0.5856
Group 2	0.2453	0.2266	0.4719**	0.5856
Institutional Founder income				
Group 1	0.4881	-	0.4881**	0.6031
Group 2	0.3445	0.1436	0.4881**	0.6031
Standard Life income				
Group 1	0.5482	-	0.5482**	0.6115
Group 2	0.5482	-	0.5482**	0.6115
Standard Life accumulation				
Group 1	0.4915	-	0.4915*	0.5923
Group 2	0.3646	0.1269	0.4915*	0.5923
Retail accumulation				
Group 1	0.2183	-	0.2183*	0.3635
Group 2	0.0551	0.1632	0.2183*	0.3635
Institutional accumulation				
Group 1	0.3646	-	0.3646*	0.5026
Group 2	0.1097	0.2549	0.3646*	0.5026
Retail income				
Group 1	0.4568	-	0.4568**	0.5686
Group 2	0.2784	0.1784	0.4568**	0.5686
Institutional income				
Group 1	0.4791	-	0.4791**	0.5914
Group 2	0.1381	0.3410	0.4791**	0.5914

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Platform 1 accumulation				
Group 1	0.3424	-	0.3424*	0.4798
Group 2	0.2105	0.1319	0.3424*	0.4798
Platform 1 income				
Group 1	0.4769	-	0.4769**	0.5896
Group 2	0.2853	0.1916	0.4769**	0.5896

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 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.

Treatment by Corporate Shareholders

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

	1st Interim Dividend	2nd Interim 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%

ASI Global Smaller Companies Fund

Investment Report

Fund Information

Fund Manager Alan Rowsell
Launch Date 19 January 2012

Investment objective

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

Performance Target: To achieve the return of the MSCI AC World Small Cap Index, plus 3% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Performance Comparator: IA Global Equity Sector Average.

Investment policy

Portfolio securities

- The Fund will invest at least 70% in small-capitalisation equities and equity related securities of companies listed on global stock exchanges.
- Small capitalisation companies are defined as any stock included in the MSCI AC World Small Cap Index or, if not included within the index, any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The Fund may also invest in mid and larger capitalisation companies listed on global stock exchanges.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum.

- In seeking to achieve the Performance Target, the MSCI AC World Small Cap Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the Fund's performance profile may deviate significantly from that of the MSCI AC World Small Cap Index.

Please note: The Fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

Derivatives and techniques

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

Performance review

Cumulative performance*

	6 months (%)	1 year (%)	3 years (%)	5 years (%)
Retail Fund Performance	10.1	-5.3	49.7	112.4
Institutional Fund Performance	10.4	-4.9	52.0	119.1
Platform One	10.4	-5.0	51.6	118.0
IA Global Sector	11.5	5.3	37.0	67.6

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

MarketAxess had a positive impact on Fund returns. The US-listed trading platform is the market leader in the electronic dealing of corporate bonds. It has continued to grow trading volumes on its platform, increasing its market share, and also recently entered the government bond space via an acquisition. The countercyclical nature of its business model provides diversification benefits for the Fund. Another strong contributor to the Fund's return was Insulet, the US-based maker of insulin pumps for diabetes sufferers.

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Performance review (continued)

The company delivered excellent results, benefiting from the launch of a new product, improved sales outside the US, and its expansion into US pharmacies. Elsewhere, French relationship management business Teleperformance also made good progress. It is seeing higher growth and margins ahead of investor expectations. This has translated to upgraded earnings guidance for the year. We expect Teleperformance to continue to exceed forecasts as it shifts its business mix to higher valued-added areas. Pest-control business ServiceMaster and software developer Aspen Technology were other holdings that added value.

On the downside, Abiomed, the US-based maker of heart pumps, was a large detractor from performance as it experienced a period of slower sales growth. It also suffered from confusion around product efficacy. While disappointing, we believe these issues will be resolved and Abiomed remains the clear market leader in heart-pump technology. Evolent Health, the US-based healthcare IT company that helps hospitals to become more efficient and deliver better care, also underperformed. Concerns grew that an existing contract may be scaled down and that new ones are only slowly materialising; however, these (external) issues are likely to be short-lived. Moreover, the company's long-term prospects are improving with the shift to value-based healthcare. Lastly, US-based company Alarm.com was weak due to slower growth in its core software-as-a-service home security product. We are less concerned, though, as we believe that the company - as the market leader in its niche - has plentiful growth opportunities ahead, particularly outside the US and in the commercial sector. Other notable detractors from performance included Japanese chemical company TCI and Chinese restaurant operator Xiabuxiabu Catering.

Investment activity

We established a holding in US-based Axon Enterprises. The company is the market leader in non-lethal stun guns with its Taser product, supplying police forces around the world. Future growth should come from building out a technology ecosystem that improves officer safety and efficiency with products such as body cameras. We also purchased MAP Aktif Adiperkasa, a leading sportswear retailer in Indonesia. The company is benefiting from increased spending on 'athleisure', similar to the trend seen globally. We expect strong revenue growth, driven by the company adding new stores and growing sales at its existing outlets. Elsewhere, we built a new position in Keywords Studios. This UK-based company provides services to video game developers, such as the testing of games and language translation. We are expecting strong growth in future thanks to the rising demand for video games and a trend towards the outsourcing of non-core technical services by game developers.

We sold Kemper, the US-based specialist insurance company, as increased competition impacted pricing. Another sale was Grubhub, the online food ordering and delivering company. While its market continues to grow, a sharp increase in competition has led to lower margins. Elsewhere, we exited US-based company Cognex. The supplier of machine-vision cameras continues to struggle because of trade war uncertainty; manufacturers are delaying investing in new production lines that require the company's machinery.

Synthetic Risk & Reward Indicator



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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	197,318	199,176	145,052	105,843
Closing number of shares	135,748,167	150,472,730	112,501,094	98,418,296
Closing net asset value per share (pence)	145.36	132.37	128.93	107.54
Change in net asset value per share	9.81%	2.67%	19.89%	35.36%
Operating charges	1.47%	1.47%	1.47%	1.48%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	190,494	163,516	173,783	96,400
Closing number of shares	124,206,011	117,384,210	128,729,440	86,059,286
Closing net asset value per share (pence)	153.37	139.30	135.00	112.02
Change in net asset value per share	10.10%	3.19%	20.51%	36.11%
Operating charges	0.95%	0.95%	0.95%	0.96%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	113,923	95,691	49,909	23,863
Closing number of shares	69,533,621	64,580,344	35,055,625	20,371,898
Closing net asset value per share (pence)	163.84	148.17	142.37	117.14
Change in net asset value per share	10.58%	4.07%	21.54%	37.26%
Operating charges	0.10%	0.10%	0.10%	0.11%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	300,013	297,485	163,376	88,789
Closing number of shares	203,694,315	222,265,852	125,842,301	82,337,004
Closing net asset value per share (pence)	147.29	133.84	129.83	107.84
Change in net asset value per share	10.05%	3.09%	20.39%	35.97%
Operating charges	1.05%	1.05%	1.05%	1.06%

Institutional S accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	542,839	556,635	312,360	159,682
Closing number of shares	480,488,456	542,931,531	314,935,186	194,358,447
Closing net asset value per share (pence)	112.98	102.52	99.18	82.16
Change in net asset value per share	10.20%	3.37%	20.72%	36.32%
Operating charges	0.78%	0.78%	0.78%	0.79%

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

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

Institutional A accumulation ⁺	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	2	2
Closing number of shares	–	–	2,200	2,200
Closing net asset value per share (pence)	–	–	84.35	70.54
Change in net asset value per share	–	14.05%	19.58%	34.95%
Operating charges	–	1.80%	1.80%	1.81%

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

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

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

⁺ Share class closed on 14 June 2018.

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.01%)		1,342,932	99.88
Emerging Market Equities (0.00%)		46,134	3.43
Brazil (0.00%)		23,812	1.77
7,094,687	Odontoprev	23,812	1.77
Israel (0.00%)		22,322	1.66
965,357	Kornit Digital	22,322	1.66
European Equities (15.44%)		210,988	15.69
France (3.44%)		60,295	4.48
335,916	Teleperformance	60,295	4.48
Germany (6.00%)		27,496	2.04
160,371	Grenke	10,680	0.79
386,133	Nemetschek	16,816	1.25
Ireland (0.00%)		24,564	1.83
1,548,787	Keywords Studios	24,564	1.83
Italy (4.63%)		62,273	4.64
1,482,990	DoBank	13,236	0.99
2,994,221	FinecoBank	25,391	1.89
1,008,057	Interpump	23,646	1.76
Netherlands (0.11%)		-	-
Poland (0.00%)		21,569	1.60
679,247	Dino Polska	21,569	1.60
Spain (1.26%)		14,791	1.10
775,954	CIE Automotive	14,791	1.10
Japanese Equities (7.27%)		125,121	9.31
120,900	Disco	18,041	1.34
470,753	GMO Payment Gateway	29,934	2.23
1,822,305	Mani	34,989	2.60
1,038,094	MonotaRO	20,960	1.56
710,804	Pigeon	21,197	1.58
North American Equities (42.72%)		571,859	42.53
United States (42.72%)		571,859	42.53
164,312	ABIOMED	26,034	1.94
709,176	ACI Worldwide	17,335	1.29
787,411	Alarm.com	30,763	2.29
349,877	Aspen Technology	38,247	2.84

Holding	Investment	Market value £'000	Percentage of total net assets
493,168	Axon Enterprise	24,277	1.80
1,015,390	Chegg	33,025	2.46
331,872	Cubic	18,871	1.40
2,020,981	Evolent Health	11,384	0.85
1,367,018	HMS	40,971	3.05
317,351	Insulet	40,174	2.99
173,834	Kemper	9,986	0.74
135,455	MarketAxess	44,182	3.29
559,330	MAXIMUS	35,318	2.63
395,556	Paylocity	35,468	2.64
189,800	Poolcorp	30,570	2.27
5,952	Primo Water	60	-
973,407	Service Corporation International	36,991	2.75
1,150,271	ServiceMaster	53,884	4.01
393,765	Wabtec	22,368	1.66
425,691	Wintrust	21,951	1.63
Pacific Basin Equities (18.16%)		277,039	20.60
Australia (4.86%)		104,076	7.74
6,408,983	ALS	27,195	2.02
1,345,694	Altium	27,293	2.03
1,854,840	Appen	26,567	1.98
1,891,475	Jumbo Interactive	23,021	1.71
China (7.79%)		65,375	4.86
305,458	51job	18,009	1.34
4,251,971	Shenzhou	47,366	3.52
Indonesia (0.00%)		15,508	1.15
50,074,643	Map Aktif Adiperkasa	15,508	1.15
South Korea (1.45%)		21,267	1.58
457,308	Dentium	21,267	1.58
Taiwan (4.06%)		70,813	5.27
5,530,000	Sinbon Electronics	19,878	1.48
2,739,922	TCI	22,061	1.64
1,573,394	Voltronic Power Technology	28,874	2.15
UK Equities (14.42%)		111,791	8.32
Consumer Goods (5.22%)		56,690	4.22
1,209,986	Fever Tree Drinks	27,334	2.03
4,759,466	JD Sports	29,356	2.19

Holding	Investment	Market value £'000	Percentage of total net assets
Consumer Services (0.69%)		-	-
Industrials (5.79%)		38,146	2.84
6,336,501	RWS	38,146	2.84
Technology (2.72%)		16,955	1.26
292,411	First Derivatives	6,740	0.50
1,773,469	GB	10,215	0.76
Collective Investment Schemes (2.49%)		-	-
Total investment assets		1,342,932	99.88
Net other assets		1,655	0.12
Total Net Assets		1,344,587	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		128,148		200,867
Revenue	7,785		6,156	
Expenses	(6,210)		(5,267)	
Interest payable and similar charges	(10)		(10)	
Net revenue before taxation	1,565		879	
Taxation	(487)		(366)	
Net revenue after taxation		1,078		513
Total return before equalisation		129,226		201,380
Equalisation on shares*		(57)		(341)
Change in net assets attributable to shareholders from investment activities		129,169		201,039

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,312,503		844,482
Amounts receivable on the issue of shares	64,994		416,010	
Amounts payable on the cancellation of shares*	(162,079)		(7,833)	
		(97,085)		408,177
Dilution adjustment		–		1,314
Change in net assets attributable to shareholders from investment activities (see above)		129,169		201,039
Closing net assets attributable to shareholders		1,344,587		1,455,012

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

* Prior year figures have been reclassified.

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		1,342,932		1,319,039
Current assets:				
Debtors	20,256		4,517	
Cash and bank balances	2,638		2,038	
		22,894		6,555
Total assets		1,365,826		1,325,594
Liabilities:				
Creditors	(13,777)		(13,091)	
Bank overdrafts	(7,462)		-	
		(21,239)		(13,091)
Total liabilities		(21,239)		(13,091)
Net assets attributable to shareholders		1,344,587		1,312,503

ASI Global Unconstrained Equity Fund

Investment Report

Fund Information

Fund Manager Donal Reynolds
Launch Date 16 November 1998

Investment objective

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

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

Performance Comparator: The IA's Global Equity sector.

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

Investment policy

Portfolio securities

- The Fund will invest at least 70% in equities and equity related securities of companies listed on global stock exchanges.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to maintain a concentrated asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the MSCI AC World Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the Fund's performance profile may deviate significantly from that of the MSCI AC World Index.

Derivatives and techniques

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

Performance review

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-1.33	19.65	29.44	11.48	9.92	10.84
Fund (Net) (%)	-1.44	18.89	28.44	10.10	8.52	9.32
Performance target (%)	-1.57	13.91	21.48	10.15	15.47	15.91
Performance comparator (%)	-2.37	11.53	19.44	5.25	11.05	10.88
Portfolio constraining benchmark (%)	-1.80	12.56	19.49	7.02	12.45	12.87

Fidelity National Information Services, the US-based financial services technology company outperformed after its purchase of competitor Worldpay in a \$43bn deal was well received. The rapid growth of online and card payments has spurred consolidation of the payment processing industry. Welcia, the Japanese pharmacy-convenience store operator, added value after delivering higher-than-expected revenue and profit growth. The US datacentre operator Equinix also did well. The firm reported strong second-quarter results that fed through to another rise in its full-year earnings guidance. The company's services continue to be in demand from an increasing array of customers. The shares also benefited from higher market volatility and lower interest rates. Restaurant Brands, the US fast-food restaurant operator, was another outperformer. It released positive results, especially from Burger King, as the strategy to turn around the underperforming brand bore fruit. Given its cashflow strength and growth, the business is particularly attractive in a low interest-rate environment. Mastercard was also a notable outperformer.

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Performance review (continued)

The Dutch insurer ASR Nederland suffered from falling long-term bond yields and discussions of easier monetary policy by the European Central Bank. However, we continue to believe that investors underappreciate the company's balance-sheet strength, as there are significant opportunities in the medium term for shrewd buyers of assets. Grubhub, the US online platform for restaurant pick-up and delivery, disappointed. The company posted weaker-than-expected results from higher costs and increased competition. It also reduced earnings guidance for 2019. Cineworld underperformed on weaker US box-office sales and signs that Regal (its US brand) lost market share. However, we are confident that Regal can regain its market position based on a newly launched subscription service. Looking at box-office trends and slated movie releases, we anticipate increased cinema attendance and better pricing.

Activity

Over the period, we initiated a holding in oilfield services company Schlumberger. We believe the shares will benefit from an upturn in capital equipment spending to rejuvenate maturing oil fields. The weighting to Welcia, the Japanese pharmacy-convenience store operator, was also increased. The business is capable of delivering stronger sales and margins given its skills as a retailer, especially its store format, store space growth and improvements in cost efficiency. Additionally, we initiated a position in German residential property company Vonovia. The business has an attractive long-term growth opportunity in German residential real estate. Its property portfolio's rents and asset values are currently too low on both a fundamental basis and when compared to international markets.

Sales during the period included trimming the holding in Mastercard. The shares have performed well this year, and its current high valuation does not reflect our conviction of the company's risk-reward profile. US defence contractor Raytheon was also sold on news of its merger with United Technologies. We struggled to see the strategic rationale for the proposed deal. In addition, we took profits in Kone, the Finnish elevator manufacturer. After performing well, the company's prospects are now reflected in its valuation. We believe there is increasing downside risk from tighter credit conditions for Chinese real estate developers, which would act as a significant potential drag on Kone's revenues. Lastly, Grubhub, the US online food-ordering platform, was sold. The company continues to experience challenges from competitors, leading to ongoing investment and promotions expenditure and a weakening in its financial results.

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.

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

- Investing in China A shares involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, exchange rate risk/ controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the Fund being leveraged (where market exposure and thus the potential for loss by the Fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The Fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The Fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	19,920	15,106	21,234	26,232
Closing number of shares	13,261,379	11,935,395	16,445,186	20,885,808
Closing net asset value per share (pence)	150.21	126.56	129.12	125.60
Change in net asset value per share	18.69%	(1.98%)	2.80%	24.12%
Operating charges	1.38%	1.39%	1.38%	1.38%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	19,988	21,131	35,225	43,192
Closing number of shares	11,683,207	14,693,474	24,119,704	30,546,058
Closing net asset value per share (pence)	171.09	143.81	146.04	141.40
Change in net asset value per share	18.97%	(1.53%)	3.28%	24.74%
Operating charges	0.91%	0.92%	0.91%	0.91%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,045	976	1,169	998
Closing number of shares	1,389,696	1,541,464	1,800,393	1,578,522
Closing net asset value per share (pence)	75.17	63.34	64.94	63.20
Change in net asset value per share	18.68%	(2.46%)	2.75%	24.12%
Operating charges	1.38%	1.39%	1.38%	1.38%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	4,232	3,993	4,353	4,598
Closing number of shares	2,851,312	3,213,198	3,477,046	3,824,593
Closing net asset value per share (pence)	148.43	124.27	125.18	120.23
Change in net asset value per share	19.44%	(0.73%)	4.12%	25.74%
Operating charges	0.11%	0.12%	0.11%	0.11%

Institutional regulated accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	65,420	73,123	93,641	107,010
Closing number of shares	42,574,230	56,719,756	71,817,992	85,108,939
Closing net asset value per share (pence)	153.66	128.92	130.39	125.73
Change in net asset value per share	19.19%	(1.13%)	3.71%	25.24%
Operating charges	0.51%	0.52%	0.51%	0.51%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	36,347	35,371	59,414	68,168
Closing number of shares	29,302,688	33,907,096	56,032,293	66,333,207
Closing net asset value per share (pence)	124.04	104.32	106.04	102.76
Change in net asset value per share	18.90%	(1.62%)	3.19%	24.60%
Operating charges	1.01%	1.02%	1.01%	1.01%

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

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

Institutional S accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	3,257	3,033	13,585	14,012
Closing number of shares	4,270,025	4,730,465	20,880,448	22,256,548
Closing net asset value per share (pence)	76.28	64.10	65.06	62.96
Change in net asset value per share	19.00%	(1.48%)	3.34%	24.80%
Operating charges	0.86%	0.87%	0.86%	0.86%

Institutional A accumulation+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	–	–	2,200	2,200
Closing net asset value per share (pence)	–	–	63.55	62.00
Change in net asset value per share	–	4.64%	2.50%	23.78%
Operating charges	–	1.71%	1.71%	1.71%

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

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

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

+ Share class closed on 14 June 2018.

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.33%)		146,099	97.26
Emerging Market Equities (0.00%)		3,803	2.53
Israel (0.00%)		3,803	2.53
30,224	Nice	3,803	2.53
European Equities (19.14%)		23,802	15.84
Belgium (1.72%)		-	-
Finland (2.50%)		-	-
France (4.90%)		11,245	7.49
47,508	ORPEA	4,928	3.28
42,939	Ubisoft Entertainment	2,848	1.90
38,565	Vinci	3,469	2.31
Germany (0.00%)		4,437	2.95
108,740	Vonovia	4,437	2.95
Italy (2.98%)		3,972	2.64
220,784	Prysmian	3,972	2.64
Netherlands (4.76%)		4,148	2.76
144,254	ASR Nederland	4,148	2.76
Switzerland (2.28%)		-	-
Japanese Equities (4.26%)		10,230	6.81
98,700	Shionogi	4,346	2.89
137,300	Welcia	5,884	3.92
North American Equities (60.88%)		87,160	58.03
Canada (6.09%)		10,327	6.88
112,959	Alimentation Couche-Tard 'B'	5,840	3.89
69,714	Restaurant Brands International	4,487	2.99
United States (54.79%)		76,833	51.15
5,273	Alphabet 'C'	5,143	3.42
15,726	American Tower	2,971	1.98
176,293	Bank of America	3,979	2.65
66,174	Baxter International	4,776	3.18
145,027	Boston Scientific	5,083	3.38
26,729	Constellation	4,481	2.98
47,665	Dollar Tree	3,972	2.65
12,442	Equinix	5,680	3.78
63,440	Evo Payments	1,545	1.03

Holding	Investment	Market value £'000	Percentage of total net assets
30,310	Fidelity National Information Services	3,389	2.26
51,403	First Republic Bank	3,786	2.52
5,260	GrubHub	256	0.17
236,167	Marvell Technology	4,646	3.09
23,098	Mastercard	5,327	3.55
55,567	Microsoft	6,292	4.19
26,666	NextEra Energy	4,794	3.19
123,218	Schlumberger	3,279	2.18
30,879	Union Pacific	4,104	2.73
17,350	United Health	3,330	2.22
Pacific Basin Equities (10.97%)		15,051	10.02
Australia (3.04%)		5,228	3.48
508,028	Treasury Wine Estates	5,228	3.48
China (7.93%)		9,823	6.54
332,000	Ping An Insurance	3,128	2.08
294,000	Shenzhou	3,275	2.18
100,538	Tencent	3,420	2.28
23,966,000	Tianhe Chemicals**	-	-
Hong Kong (0.00%)		-	-
1,055,400	China Metal Recycling*	-	-
UK Equities (2.08%)		6,053	4.03
Consumer Services (2.08%)		2,540	1.69
1,163,603	Cineworld	2,540	1.69
Health Care (0.00%)		3,513	2.34
205,286	GlaxoSmithKline	3,513	2.34
Collective Investment Schemes (2.86%)		2,434	1.62
2,434	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	2,434	1.62
Total investment assets		148,533	98.88
Net other assets		1,676	1.12
Total Net Assets		150,209	100.00

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 2019.

* Delisted

** Suspended

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		25,685		9,276
Revenue	1,487		2,601	
Expenses	(593)		(801)	
Interest payable and similar charges	–		(1)	
Net revenue before taxation	894		1,799	
Taxation	(111)		(186)	
Net revenue after taxation		783		1,613
Total return before equalisation		26,468		10,889
Equalisation on shares		(69)		–
Change in net assets attributable to shareholders from investment activities		26,399		10,889

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		152,733		228,622
Amounts receivable on the issue of shares	17,858		3,750	
Amounts payable on the cancellation of shares	(46,811)		(57,402)	
		(28,953)		(53,652)
Dilution adjustment		30		126
Change in net assets attributable to shareholders from investment activities (see above)		26,399		10,889
Closing net assets attributable to shareholders		150,209		185,985

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		148,533		153,027
Current assets:				
Debtors	4,547		460	
Cash and bank balances	46		8	
		4,593		468
Total assets		153,126		153,495
Liabilities:				
Creditors	(2,917)		(757)	
Distribution payable	-		(5)	
		(2,917)		(762)
Total liabilities		(2,917)		(762)
Net assets attributable to shareholders		150,209		152,733

ASI High Yield Bond Fund

Investment Report

Fund Information

Fund Manager Steven Logan and Arthur Milson

Launch Date 7 February 2000

Investment objective

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

Performance Target: To achieve the return of the ICE BofAML GBP/Euro Fixed & Floating High Yield Non Financial 3% Constrained (HGD to GBP) plus 0.8% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, ICE BofAML GBP/Euro Fixed&Floating High Yield Non Financial 3% Constrained (HGD to GBP) Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 2.5%. Due to the Fund's risk constraints, the intention is that the Fund's performance profile will not deviate significantly from that of the ICE BofAML GBP/Euro Fixed&Floating High Yield Non Financial 3% Constrained (HGD to GBP) Index over the longer term.

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

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	0.75	4.85	7.84	5.31	4.81	4.62
Fund (Net) (%)	0.65	4.42	7.15	4.34	3.87	3.73
Performance target (%)	0.78	5.33	9.83	6.70	5.96	6.01

The top performer for the Fund over the period was its underweight exposure to the troubled UK holiday operator Thomas Cook, which moved ever closer to bankruptcy near the end of the review period. Another contributor was zero exposure to the paper company Lecta, whose efforts to expand in higher margin speciality paper segments were increasingly hampered by its reducing financing options. On the negative side, the biggest detractor over the period was the Fund's overweight exposure to the Teva Pharmaceutical as it was negatively impacted by opioid litigation worries. Another detractor was overweight exposure to Vodafone, whose bonds were downgraded in August following its largely debt-financed EUR18bn purchase of Liberty Global's operations in Germany, the Czech Republic, Hungary and Romania.

Investment activity

Over the review period, we were net buyers of suitably valued bonds, where we judged the risk/reward balance to be favourable. Sales activity was often used to improve the credit quality of the Fund. In refinancing deals, we purchased Altice (telecoms), Ziggo (telecoms), Entertainment One (media), Cabot (debt recovery), Co-op (retail) and ICT (gaming). We participated in a new issue from Leaseplan (automobile leasing) which was priced attractively. New positions were added in Irish telco Eircom and Italian generic drug distributor Doc Generici.

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Investment activity (continued)

In secondary market trading, we sold a residual position in Saga, as the insurance part of the company is experiencing difficult operating conditions. Following weaker results, we also sold positions in Samsonite and Federal Mogul. A position in lottery operator Intralot was closed following recent contract losses, and we reduced our holdings in auto parts company Superior. Bonds in Channel Tunnel operator Getlink had performed well and we took profits in light of the company's exposure to a potentially adverse Brexit outcome. Meanwhile, we added to positions in Telefonica's hybrid bonds and Netflix. We also reduced our underweight position in Jaguar Land Rover, as protection against future positive merger and acquisition headlines.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	89,329	93,098	101,617	111,071
Closing number of shares	64,336,411	69,695,007	76,854,653	86,659,908
Closing net asset value per share (pence)	138.85	133.58	132.22	128.17
Change in net asset value per share	3.95%	1.03%	3.16%	13.19%
Operating charges	1.02%	1.03%	1.03%	1.02%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	21,013	20,493	22,356	23,587
Closing number of shares	14,201,765	14,420,173	15,943,301	17,409,176
Closing net asset value per share (pence)	147.96	142.12	140.22	135.49
Change in net asset value per share	4.11%	1.36%	3.49%	13.50%
Operating charges	0.70%	0.71%	0.71%	0.70%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	48,493	51,344	59,415	71,985
Closing number of shares	98,771,094	107,115,614	121,821,600	147,664,768
Closing net asset value per share (pence)	49.10	47.93	48.77	48.75
Change in net asset value per share	2.44%	(1.72%)	0.04%	9.28%
Operating charges	1.02%	1.03%	1.03%	1.02%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	31,531	30,849	33,078	36,352
Closing number of shares	64,203,011	64,337,818	67,801,187	74,550,707
Closing net asset value per share (pence)	49.11	47.95	48.79	48.76
Change in net asset value per share	2.42%	(1.72%)	0.06%	9.25%
Operating charges	0.70%	0.71%	0.71%	0.70%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	4,424	42,647
Closing number of shares	201	201	8,895,749	85,660,288
Closing net asset value per share (pence)	49.98	48.81	49.73	49.79
Change in net asset value per share	2.40%	(1.85%)	(0.12%)	9.28%
Operating charges	0.02%	0.03%	0.03%	0.02%

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

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

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

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	128,553	148,136	99,104	66,236
Closing number of shares	106,667,939	128,355,724	87,545,460	60,918,174
Closing net asset value per share (pence)	120.52	115.41	113.20	108.73
Change in net asset value per share	4.43%	1.95%	4.11%	14.08%
Operating charges	0.10%	0.11%	0.11%	0.10%

Institutional regulated accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	37,170	37,754	40,845	43,244
Closing number of shares	17,170,870	18,184,794	19,999,402	21,979,079
Closing net asset value per share (pence)	216.47	207.61	204.23	196.75
Change in net asset value per share	4.27%	1.65%	3.80%	13.79%
Operating charges	0.40%	0.41%	0.41%	0.40%

Standard Life B accumulation*	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	-	-	4	4
Closing number of shares	-	-	4,000	4,000
Closing net asset value per share (pence)	-	-	95.99	92.11
Change in net asset value per share	-	0.91%	4.21%	14.17%
Operating charges	-	-	-	-

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	34,176	30,610	36,946	34,401
Closing number of shares	43,966,500	40,986,462	50,113,614	48,267,563
Closing net asset value per share (pence)	77.73	74.68	73.72	71.27
Change in net asset value per share	4.08%	1.30%	3.44%	13.45%
Operating charges	0.75%	0.76%	0.76%	0.75%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	38,672	39,632	47,891	49,111
Closing number of shares	66,717,895	70,033,718	83,172,570	85,335,487
Closing net asset value per share (pence)	57.96	56.59	57.58	57.55
Change in net asset value per share	2.42%	(1.72%)	0.05%	9.27%
Operating charges	0.75%	0.76%	0.76%	0.75%

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

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

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

* Share Class closed on 14 June 2018

Institutional S accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	– [^]	–	1	1
Closing number of shares	200	200	2,200	2,200
Closing net asset value per share (pence)	67.44	64.53	63.51	61.30
Change in net asset value per share	4.51%	1.61%	3.61%	13.58%
Operating charges	0.58%	0.59%	0.59%	0.58%

Institutional S income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	– ^{^^}	–	1	1
Closing number of shares	200	200	2,200	2,200
Closing net asset value per share (pence)	53.02	51.87	52.81	52.79
Change in net asset value per share	2.22%	(1.78%)	0.04%	9.30%
Operating charges	0.58%	0.59%	0.59%	0.58%

Institutional A accumulation+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	–	–	2,200	2,200
Closing net asset value per share (pence)	–	–	57.75	56.37
Change in net asset value per share	–	0.59%	2.45%	13.58%
Operating charges	–	1.11%	1.11%	1.10%

Institutional A income+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	13
Closing number of shares	–	–	2,200	24,766
Closing net asset value per share (pence)	–	–	54.60	54.05
Change in net asset value per share	–	0.59%	5.11%	13.84%
Operating charges	–	1.11%	1.02%	9.35%

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

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

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

[^] The closing net asset value of Institutional S accumulation is £135.

^{^^} The closing net asset value of Institutional S income is £106.

+ Share Class closed on 14 June 2018

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (91.84%)		404,833	94.38
Euro Denominated Bonds (61.99%)		293,544	68.44
Corporate Bonds (61.99%)		293,544	68.44
less than 5 years to maturity			
2,669,000	Adient 3.5% 2024	1,969	0.46
5,200,000	ADLER Real Estate 1.5% 2021	4,814	1.12
2,500,000	Altice 7.25% 2022	496	0.12
1,840,000	Ardagh Packaging 4.125% 2023	1,699	0.40
3,550,000	Ardagh Packaging 6.75% 2024	3,385	0.79
1,550,000	Arena 2.75% 2023	1,411	0.33
1,805,000	Ball 3.5% 2020	1,703	0.40
5,513,000	Bausch Health 4.5% 2023	5,047	1.18
1,384,000	Cabot FRN 2024	1,292	0.30
3,200,000	Casino Guichard 1.865% Variable 2022	2,596	0.61
3,400,000	Casino Guichard 3.248% Variable 2024	2,760	0.64
2,449,000	Cirsa Finance International 6.25% 2023	2,380	0.55
2,600,000	Corral Petroleum 11.75% 2021	2,461	0.57
1,575,000	Crown European 2.25% 2023	1,512	0.35
2,600,000	Crown European 4% 2022	2,582	0.60
493,000	DKT Finance 7% 2023	480	0.11
3,800,000	Dufry 4.5% 2023	3,521	0.82
2,100,000	Greif 7.375% 2021	2,162	0.50
1,168,000	International Game Technology 3.5% 2024	1,149	0.27
2,880,000	IPD 3 4.5% 2022	2,665	0.62
1,395,000	IPD 3 FRN 2022	1,264	0.29
2,177,000	LeasePlan 7.375% Fixed to Floating 2024	2,084	0.49
3,853,000	Lincoln Financing 3.625% 2024	3,606	0.84
1,200,000	Lincoln Financing FRN 2024	1,095	0.26
8,600,000	Matterhorn Telecom 3.875% 2022	7,851	1.83
8,370,000	MPT Operating Partnership 4% 2022	8,377	1.95
6,315,000	Nassa Topco 2.875% 2024	6,152	1.43
5,260,000	Nomad Foods Bondco 3.25% 2024	4,916	1.15
5,144,000	OCI 5% 2023	4,870	1.14
3,960,000	O-I 6.75% 2020	1,913	0.45
3,243,000	PrestigeBidCo 6.25% 2023	3,073	0.72
1,900,000	Sappi Papier 4% 2023	1,755	0.41
3,000,000	Smurfit Kappa 4.125% 2020	2,753	0.64
5,090,000	TDC 3.75% 2022	5,110	1.19
3,000,000	Telecom Italia 1.125% 2022	2,727	0.64
2,150,000	Tesco 2.125% 2020	1,983	0.46

Holding	Investment	Market value £'000	Percentage of total net assets
3,807,000	Teva Pharmaceutical 1.25% 2023	2,927	0.68
4,280,000	UniCredit 6.95% 2022	4,592	1.07
1,500,000	Verisure 5.75% 2023	1,404	0.33
2,219,000	Verisure Holding 3.5% 2023	2,092	0.49
4,262,000	Volvo 2.125% 2024	3,986	0.93
2,200,000	Volvo 3.25% 2021	2,091	0.49
between 5 and 10 years to maturity			
1,600,000	ADLER Real Estate 3% 2026	1,555	0.36
1,750,000	Altice 6.25% 2025	1,652	0.38
4,240,000	Altice 8% 2027	4,114	0.96
1,106,000	Ardagh Packaging 2.125% 2026	1,034	0.24
7,550,000	Avantor 4.75% 2024	7,329	1.71
3,650,000	Avis Budget Finance 4.75% 2026	3,534	0.82
2,108,000	Banff Merger Sub 8.375% 2026	1,723	0.40
4,906,000	Blitz F18-674 6% 2026	4,811	1.12
2,753,000	Cemex 3.125% 2026	2,571	0.60
915,000	Cirsa Finance International FRN 2025	836	0.19
2,090,000	Crown 3.375% 2025	2,109	0.49
2,830,000	CTC BondCo 5.25% 2025	2,638	0.61
3,785,000	Diocle FRN 2026	3,479	0.81
3,629,000	eircom 3.5% 2026	3,503	0.82
5,900,000	Energizer Gamma Acquisition 4.625% 2026	5,604	1.31
2,030,000	Equinix 2.875% 2025	1,909	0.43
1,840,000	Equinix 2.875% 2026	1,740	0.41
1,640,000	Grifols 3.2% 2025	1,530	0.36
3,221,000	House of Finance 4.375% 2026	3,015	0.70
5,984,000	International Game Technology 3.5% 2026	5,759	1.34
1,095,000	Intertrust Group 3.375% 2025	1,052	0.25
8,355,000	InterXion 4.75% 2025	8,232	1.92
3,577,000	Intrum 3.5% 2026	3,381	0.79
4,330,000	IQVIA 3.25% 2025	4,027	0.94
2,720,000	IQVIA 3.5% 2024	2,510	0.59
1,064,000	La Financiere Atalian 5.125% 2025	667	0.16
2,980,000	MPT Operating Partnership 3.325% 2025	2,997	0.70
1,150,000	Netflix 3.625% 2027	1,126	0.26
1,855,000	Nidda Healthcare 3.5% 2024	1,755	0.41
2,625,000	Paprec 4% 2025	2,362	0.55
2,451,000	Sappi Papier 3.125% 2026	2,264	0.53
1,695,000	Smurfit Kappa 2.75% 2025	1,691	0.39
5,853,000	Tele Columbus 3.875% 2025	5,103	1.19

Holding	Investment	Market value £'000	Percentage of total net assets
4,200,000	Telefonica 4.375% Fixed to Floating 2025	4,192	0.98
7,495,000	Teva Pharmaceutical 1.125% 2024	5,212	1.21
2,670,000	Teva Pharmaceutical 1.625% 2028	1,621	0.38
562,000	Trivium Packaging Finance 3.75% 2026	542	0.13
349,000	Trivium Packaging Finance FRN 2026	323	0.08
968,000	UGI International 3.25% 2025	922	0.21
1,500,000	Unilabs Subholding 5.75% 2025	1,409	0.33
5,872,000	Unitymedia 3.5% 2027	5,641	1.31
6,600,000	Unitymedia 3.75% 2027	6,373	1.49
5,305,000	Unitymedia 4% 2025	4,957	1.16
1,542,000	Unitymedia 6.25% 2029	1,398	0.33
5,099,000	UPCB Finance VII 3.625% 2029	4,923	1.15
2,625,000	WMG Acquisition 3.625% 2026	2,536	0.59
2,000,000	WMG Acquisition 4.125% 2024	1,688	0.39
2,000,000	Ziggo 4.25% 2027	1,964	0.46
11,806,000	Ziggo 4.625% 2025	11,053	2.58
between 10 and 15 years to maturity			
3,450,000	Netflix 3.875% 2029	3,365	0.78
6,300,000	Telecom Italia 7.75% fixed to floating 2033	8,463	1.97
Perpetual			
3,550,000	Danske Bank FRN Perpetual	3,402	0.79
2,400,000	Societe Generale 9.375% fixed to floating Perpetual	2,169	0.51
1,000,000	Solvay 5.869% Perpetual	1,074	0.25
Sterling Denominated Bonds (23.56%)		82,051	19.12
Corporate Bonds (23.56%)		82,051	19.12
less than 5 years to maturity			
5,301,000	Arqiva 6.75% 2023	5,654	1.32
2,015,000	B&M European Value Retail 4.125% 2022	2,041	0.48
4,000,000	Barclays 10% 2021	4,548	1.06
1,066,000	Co-Operative 5.125% 2024	1,115	0.26
2,015,000	CPUK 4.25% 2022	2,037	0.47
2,579,000	GKN 6.75% 2019	2,596	0.61
3,023,000	Jaguar Land Rover 3.875% 2023	2,599	0.61
1,615,000	Moto Finance 4.5% 2022	1,595	0.37
5,180,000	TalkTalk 5.375% 2022	5,291	1.23
500,000	Telecom Italia 5.875% 2023	552	0.13
3,500,000	Tesco 5% 2023	3,897	0.91
4,250,000	Tesco 6.125% 2022	4,733	1.10
730,000	Travis Perkins 4.375% 2021	755	0.18
2,250,000	Travis Perkins 4.5% 2023	2,355	0.55

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
2,550,000	Arrow Global 5.125% 2024	2,522	0.59
4,143,000	Entertainment One 4.625% 2026	4,504	1.05
1,000,000	Miller Homes 5.5% 2024	1,002	0.23
3,040,000	Mitchells & Butlers 5.965% 2025	823	0.19
4,344,000	Pinnacle Bidco 6.375% 2025	4,608	1.07
750,000	Trafford Centre 7.03%% 2029	498	0.12
1,400,000	Virgin Media 5% 2027	1,466	0.34
4,780,000	Virgin Media 6% 2025	5,313	1.24
between 10 and 15 years to maturity			
110,000	Trafford Centre 6.5% 2033	124	0.03
between 15 and 25 years to maturity			
1,825,000	Allied Irish Bank 12.5% 2035	1,302	0.30
1,000,000	Tesco 6.0517% 2039	1,116	0.26
greater than 25 years to maturity			
5,643,000	BHP Billiton 6.5% 2077	6,391	1.49
2,000,000	Koninklijke KPN 6.875% 2073	2,051	0.48
Perpetual			
1,567,000	Aviva 5.9021% fixed to floating Perpetual	1,608	0.37
1,500,000	Bank of Scotland 12% Perpetual	1,686	0.39
3,270,000	CYBG 8% Perpetual	3,060	0.71
700,000	Lloyds Bank 13% fixed to floating Perpetual	1,210	0.28
1,040,000	Santander UK Group 7.375% Perpetual	1,096	0.26
1,800,000	Telefonica 6.75% Perpetual	1,903	0.44
US Dollar Denominated Bonds (6.29%)		29,238	6.82
Corporate Bonds (6.29%)		29,238	6.82
less than 5 years to maturity			
400,000	Altice 7.75% 2022	337	0.08
1,500,000	Altice 8.125% 2024	1,276	0.30
1,500,000	Ardagh Packaging 4.25% 2022	1,250	0.29
1,250,000	Bausch Health 6.5% 2022	1,062	0.25
2,300,000	Centene 4.75% 2022	1,933	0.45
1,000,000	Cirsa Finance International 7.875% 2023	867	0.20
3,000,000	First Quantum Minerals 7.25% 2023	2,319	0.54
400,000	SFR 6.25% 2024	340	0.08
1,650,000	Valeant Pharmaceuticals 7% 2024	1,432	0.33
between 5 and 10 years to maturity			
1,800,000	BBVA 6.5% Fixed to Floating 2025	1,495	0.35
2,000,000	JBS Investments II 7% 2026	1,778	0.41
2,977,000	Tullow Oil 7% 2025	2,420	0.56
3,500,000	UPCB Finance 5.375% 2025	2,957	0.69

Holding	Investment	Market value £'000	Percentage of total net assets
greater than 25 years to maturity			
3,350,000	BHP Billiton 6.25% 2075	2,859	0.67
Perpetual			
2,500,000	Credit Suisse 6.25% Perpetual	2,169	0.51
3,000,000	Lloyds Banking Group FRN Perpetual	2,558	0.60
2,500,000	UBS Group Funding Switzerland FRN Perpetual	2,186	0.51
Equities (0.00%)		-	-
UK Equities (0.00%)		-	-
Basic Materials (0.00%)		-	-
32,987,896,738	Luxfer Holdings	-	-
Collective Investment Schemes (5.33%)		7,279	1.70
7,279	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	7,279	1.70
Derivatives (1.05%)		3,981	0.93
Forward Currency Contracts (1.08%)		3,981	0.93
	Buy EUR 10,271,024 Sell GBP 9,399,876 30/09/2019	(103)	(0.02)
	Buy GBP 2,557,055 Sell EUR 2,796,543 30/09/2019	26	0.01
	Buy GBP 153,112,345 Sell EUR 167,389,113 30/09/2019	1,592	0.37
	Buy GBP 156,285,913 Sell EUR 170,000,000 30/09/2019	2,401	0.56
	Buy GBP 1,476,628 Sell USD 1,800,000 30/09/2019	-	-
	Buy GBP 25,441,372 Sell USD 30,946,208 30/09/2019	65	0.01
	Buy USD 1,800,000 Sell GBP 1,478,140 05/09/2019	-	-
Futures (-0.03%)		-	-
Total investment assets and liabilities		416,093	97.01
Net other assets		12,844	2.99
Total Net Assets		428,937	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		10,608		(2,144)
Revenue	8,684		8,742	
Expenses	(1,326)		(1,450)	
Interest payable and similar charges	(26)		(9)	
Net revenue before taxation	7,332		7,283	
Taxation	–		–	
Net revenue after taxation		7,332		7,283
Total return before distributions		17,940		5,139
Distributions		(7,332)		(7,283)
Change in net assets attributable to shareholders from investment activities		10,608		(2,144)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		451,916		445,684
Amounts receivable on the issue of shares	11,133		47,945	
Amounts payable on the cancellation of shares	(50,122)		(31,862)	
		(38,989)		16,083
Dilution adjustment		107		290
Change in net assets attributable to shareholders from investment activities (see above)		10,608		(2,144)
Retained distribution on accumulation shares		5,294		5,225
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		428,937		465,139

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		416,196		444,011
Current assets:				
Debtors	6,039		7,314	
Cash and bank balances	12,697		7,887	
		18,736		15,201
Total assets		434,932		459,212
Liabilities:				
Investment liabilities		(103)		(147)
Creditors	(4,997)		(660)	
Bank overdrafts	–		(5,617)	
Distribution payable	(895)		(872)	
		(5,892)		(7,149)
Total liabilities		(5,995)		(7,296)
Net assets attributable to shareholders		428,937		451,916

Distribution tables

For the three months ended 31 May 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 May 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	1.0295	-	1.0295*	0.8999
Group 2	0.5957	0.4338	1.0295*	0.8999
Institutional accumulation				
Group 1	1.2117	-	1.2117*	1.0684
Group 2	0.4469	0.7648	1.2117*	1.0684
Retail income				
Group 1	0.3694	-	0.3694**	0.3319
Group 2	0.1396	0.2298	0.3694**	0.3319
Institutional income				
Group 1	0.4088	-	0.4088**	0.3717
Group 2	0.2592	0.1496	0.4088**	0.3717
Standard Life income				
Group 1	0.5123	-	0.5123**	0.4651
Group 2	0.5123	-	0.5123**	0.4651
Standard Life accumulation				
Group 1	1.1615	-	1.1615*	1.0355
Group 2	0.7620	0.3995	1.1615*	1.0355
Institutional regulated accumulation				
Group 1	1.9298	-	1.9298*	1.7121
Group 2	0.6985	1.2313	1.9298*	1.7121
Standard Life B accumulation+				
Group 1	-	-	-	0.8980
Group 2	-	-	-	0.8980
Platform 1 accumulation				
Group 1	0.6273	-	0.6273*	0.5524
Group 2	0.2557	0.3716	0.6273*	0.5524
Platform 1 income				
Group 1	0.4752	-	0.4752**	0.4314
Group 2	0.2275	0.2477	0.4752**	0.4314
Institutional S accumulation				
Group 1	0.6800	-	0.6800*	0.5109
Group 2	0.6800	-	0.6800*	0.5109

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

+ Share class closed on 14 June 2018

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Institutional S income				
Group 1	0.5350	-	0.5350**	0.4259
Group 2	0.5350	-	0.5350**	0.4259
Institutional A accumulation+				
Group 1	-	-	-	0.3845
Group 2	-	-	-	0.3845
Institutional A income+				
Group 1	-	-	-	0.3659
Group 2	-	-	-	0.3659

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

+ Share class closed on 14 June 2018

For the three months ended 31 August 2019

Group 1 - shares purchased prior to 1 June 2019

Group 2 - shares purchased between 1 June 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.9794	-	0.9794*	0.9722
Group 2	0.4735	0.5059	0.9794*	0.9722
Institutional accumulation				
Group 1	1.1612	-	1.1612*	1.1463
Group 2	0.5889	0.5723	1.1612*	1.1463
Retail income				
Group 1	0.3488	-	0.3488**	0.3561
Group 2	0.1601	0.1887	0.3488**	0.3561
Institutional income				
Group 1	0.3885	-	0.3885**	0.3957
Group 2	0.0860	0.3025	0.3885**	0.3957
Standard Life income				
Group 1	0.4924	-	0.4924**	0.4935
Group 2	0.4924	-	0.4924**	0.4935
Standard Life accumulation				
Group 1	1.1251	-	1.1251*	1.1012
Group 2	0.9432	0.1819	1.1251*	1.1012
Institutional regulated accumulation				
Group 1	1.8598	-	1.8598*	1.8273
Group 2	1.4787	0.3811	1.8598*	1.8273
Platform 1 accumulation				
Group 1	0.6003	-	0.6003*	0.5932
Group 2	0.3521	0.2482	0.6003*	0.5932
Platform 1 income				
Group 1	0.4512	-	0.4512**	0.4599
Group 2	0.2046	0.2466	0.4512**	0.4599
Institutional S accumulation				
Group 1	0.6500	-	0.6500*	0.5372
Group 2	0.6500	-	0.6500*	0.5372
Institutional S income				
Group 1	0.5300	-	0.5300**	0.4600
Group 2	0.5300	-	0.5300**	0.4600

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

ASI Investment Grade Corporate Bond Fund

Investment Report

Fund Information

Fund Manager Daniel McKernan and Mark Munro

Launch Date 20 September 1998

Investment objective

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

Performance Target: To achieve the return of the iBoxx Sterling Collateralized & Corporates plus 0.8% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

- The Fund will invest at least 60% in Sterling denominated investment grade corporate bonds.
- The Fund may invest in investment grade bonds issued anywhere in the world by governments and corporations, including sub-sovereigns inflation-linked, convertible, asset backed and mortgage backed bonds. The Fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- At the point of investment all bonds shall be investment grade with a credit rating of "BBB-" or higher from at least one major rating agency such as Standard & Poor's, Moody's or Fitch.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the iBoxx Sterling Collateralized & Corporates is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 2.5%. Due to the Fund's risk constraints, the intention is that the Fund's performance profile will not deviate significantly from that of the iBoxx Sterling Collateralized & Corporates over the longer term.

Please note: The Fund's ability to buy and sell bonds and the

associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	2.01	9.15	11.30	10.55	3.48	5.34
Fund (Net) (%)	1.90	8.64	10.60	9.50	2.53	4.44
Performance comparator (%)	1.58	9.21	11.48	10.62	3.85	6.70

The Fund benefitted from being underweight in the US industrial conglomerate General Electric. This largely reflected a damaging short-seller report compiled by financial investigator Harry Markopolos, which alleged that the company had engaged in fraud in its insurance and oilfield services businesses. Other leading contributors included overweights in Affinity Water, the insurer Aviva and the Swedish bank Swedbank. On the negative side, with the UK retail property sector continuing to attract negative headlines, including Brexit-related worries, this weighed on the Fund's overweights in Intu Metrocentre and Land Securities.

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Investment activity

In the primary market, we took part in debut deals in the sterling market from Berkshire Hathaway. We took part in both the 20-year and 40-year deals, which were well subscribed and which have performed well since issuance. We took part in a new deal for Fidelity National, a US-based payment service provider, which also performed well. We also took part in new deals from more frequent issuers in the sterling market, including Orsted and Gatwick.

In the secondary market, we added to Verizon, where we think the credit trajectory remains positive. We added some risk exposure through the corporate hybrid holdings of EDF and National Grid. However, we also used rally periods to start selectively reducing risk. For example, we trimmed exposure to Vodafone subordinated debt, EDF senior bonds and an off-benchmark position in Euro-denominated Bayer bonds. We had entered Bayer after spreads widened significantly last year on litigation worries related to its 'Round up' weed-killer product, which allegedly causes cancer. With the legal machinations surrounding this appearing likely to be extensive, we took advantage of rally periods to sell. Finally, Land Securities is a very high quality credit with an AA rating but we reduced exposure over the period. This is because we believe its loan-to-value ratio has probably troughed for the current cycle and the company is likely to gear up somewhat from here.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	92,526	90,025	101,050	123,395
Closing number of shares	56,114,673	59,208,860	66,848,383	82,358,563
Closing net asset value per share (pence)	164.89	152.05	151.16	149.83
Change in net asset value per share	8.44%	0.59%	0.89%	11.57%
Operating charges	1.02%	1.02%	1.02%	1.02%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	125,304	112,664	78,174	356,671
Closing number of shares	70,210,744	68,604,773	48,085,444	222,287,009
Closing net asset value per share (pence)	178.47	164.22	162.57	160.45
Change in net asset value per share	8.68%	1.01%	1.32%	11.98%
Operating charges	0.60%	0.61%	0.60%	0.60%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	29,042	28,480	31,957	36,053
Closing number of shares	44,367,856	46,623,613	51,286,468	56,861,501
Closing net asset value per share (pence)	65.46	61.09	62.31	63.41
Change in net asset value per share	7.15%	(1.96%)	(1.73%)	8.90%
Operating charges	1.02%	1.02%	1.02%	1.02%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	53,383	121,250	141,799	124,272
Closing number of shares	81,865,649	199,257,359	228,440,123	196,750,215
Closing net asset value per share (pence)	65.21	60.85	62.07	63.16
Change in net asset value per share	7.17%	(1.97%)	(1.73%)	8.90%
Operating charges	0.60%	0.61%	0.60%	0.60%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	27,518	30,400	20,677	41,009
Closing number of shares	51,852,121	61,385,889	40,896,870	79,707,426
Closing net asset value per share (pence)	53.07	49.52	50.56	51.45
Change in net asset value per share	7.17%	(2.06%)	(1.73%)	8.91%
Operating charges	0.02%	0.02%	0.02%	0.02%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	226	205	344	223
Closing number of shares	231,210	228,818	388,929	257,452
Closing net asset value per share (pence)	97.66	89.64	88.30	86.72
Change in net asset value per share	8.95%	1.52%	1.82%	12.46%
Operating charges	0.10%	0.10%	0.10%	0.10%

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

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

Institutional regulated accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,104	1,068	1,236	1,428
Closing number of shares	661,783	696,275	815,908	956,484
Closing net asset value per share (pence)	166.80	153.33	151.49	149.23
Change in net asset value per share	8.78%	1.21%	1.51%	12.17%
Operating charges	0.40%	0.40%	0.40%	0.40%

Standard Life B accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	2,444	2,449	2,626	2,882
Closing number of shares	2,498,394	2,729,034	2,974,079	3,326,293
Closing net asset value per share (pence)	97.82	89.74	88.31	86.64
Change in net asset value per share	9.00%	1.62%	1.93%	12.53%
Operating charges	–	–	–	–

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	71,171	70,258	24,929	25,648
Closing number of shares	94,854,911	101,735,996	36,443,885	37,968,755
Closing net asset value per share (pence)	75.03	69.06	68.40	67.55
Change in net asset value per share	8.64%	0.96%	1.26%	11.93%
Operating charges	0.65%	0.66%	0.65%	0.65%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	14,132	13,207	16,732	17,096
Closing number of shares	23,355,366	23,389,278	29,047,825	29,168,512
Closing net asset value per share (pence)	60.51	56.47	57.60	58.61
Change in net asset value per share	7.15%	(1.96%)	(1.72%)	8.90%
Operating charges	0.65%	0.66%	0.65%	0.65%

Institutional S accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	128	–	1	1
Closing number of shares	185,720	200	2,200	2,200
Closing net asset value per share (pence)	68.65	63.07	62.32	61.39
Change in net asset value per share	8.85%	1.20%	1.51%	12.15%
Operating charges	0.43%	0.43%	0.43%	0.43%

Institutional S income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	75,973	–	1	1
Closing number of shares	134,213,660	200	2,200	2,200
Closing net asset value per share (pence)	56.61	52.89	54.00	54.95
Change in net asset value per share	7.03%	(2.06%)	(1.73%)	8.90%
Operating charges	0.43%	0.43%	0.43%	0.43%

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

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

Institutional A accumulation+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	–	–	2,200	2,200
Closing net asset value per share (pence)	–	–	55.89	55.55
Change in net asset value per share	–	(0.07%)	0.61%	11.61%
Operating charges	–	1.10%	1.10%	1.10%

Institutional A income+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	–	–	2,200	2,200
Closing net asset value per share (pence)	–	–	53.08	54.01
Change in net asset value per share	–	(0.57%)	(1.72%)	8.89%
Operating charges	–	1.10%	1.10%	1.10%

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

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

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

+ Share class closed on 7 June 2018.

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (98.35%)		486,473	98.68
Euro Denominated Bonds (0.83%)		2,555	0.52
Corporate Bonds (0.83%)		2,555	0.52
between 5 and 10 years to maturity			
1,200,000	Nationwide Building Society FRN 2029	1,091	0.22
greater than 25 years to maturity			
1,600,000	Channel Link Enterprises Finance FRN 2050	1,464	0.30
Sterling Denominated Bonds (95.79%)		476,569	96.67
Corporate Bonds (93.61%)		470,873	95.51
less than 5 years to maturity			
920,000	AA Bond 2.75% 2023	844	0.17
1,401,000	AA Bond 2.875% 2022	1,338	0.27
1,288,000	Anheuser-Busch InBev 9.75% 2024	1,806	0.37
936,000	Atlantia 6.25% 2022	1,022	0.21
2,200,000	Banco Santander 1.375% 2024	2,190	0.44
1,715,000	Bank of America 5.5% 2021	1,866	0.38
1,700,000	Barclays 10% 2021	1,933	0.39
2,352,000	Barclays 3.125% 2024	2,432	0.49
900,000	BMW 1.75% 2022	915	0.19
2,633,000	British American Tobacco 1.75% 2021	2,657	0.54
1,135,000	Citigroup 2.75% 2024	1,195	0.24
1,798,000	Citigroup 5.875% 2024	2,131	0.43
1,697,000	Co-Operative Bank 4.75% 2021	1,801	0.37
1,535,000	Coventry 5.875% 2022	1,746	0.35
1,300,000	Credit Agricole 7.375% 2023	1,609	0.33
936,000	Credit Suisse 3% 2022	979	0.20
1,786,000	Daimler 2.375% 2021	1,837	0.37
1,000,000	Deutsche Bank 1.75% 2021	990	0.20
3,400,000	Deutsche Bank 1.875% 2020	3,399	0.69
2,373,000	Enel 5.625% 2024	2,824	0.57
500,000	FCE Bank 2.727% 2022	510	0.10
2,020,000	First Hydro 9% 2021	2,299	0.47
1,047,000	Friends Life 8.25% 2022	1,229	0.25
1,000,000	Glencore 6% 2022	1,107	0.22
1,992,000	Global Switch 4.375% 2022	2,171	0.44
1,384,000	Go-Ahead 2.5% 2024	1,402	0.28
1,786,000	Heathrow Funding 7.125% 2024	2,189	0.44
2,712,000	HSBC 2.175% 2023	2,756	0.56
894,000	Imperial Brands 9% fixed to floating 2022	1,058	0.21
3,200,000	innogy Finance 5.5% 2022	3,594	0.73
1,100,000	Intesa Sanpaolo 5.25% 2022	1,182	0.24

Holding	Investment	Market value £'000	Percentage of total net assets
3,150,000	Intu (SGS) Finance 4.125% 2023	2,820	0.57
1,787,000	Lend Lease Europe 6.125% 2021	1,939	0.39
1,627,000	Lloyds Bank Corporate Markets 1.75% 2024	1,627	0.33
1,295,000	MetLife Global Funding I 2.625% 2022	1,355	0.28
635,000	New York Life Global Funding 1.625% 2023	650	0.13
1,139,000	Pacific National Finance 5% 2023	1,275	0.26
1,059,000	Petróleos Mexicanos 8.25% 2022	1,161	0.24
2,300,000	Royal Bank of Scotland 5.125% 2024	2,720	0.55
549,000	Scania 1.875% 2022	553	0.11
2,000,000	Telefonica Emisiones 5.289% 2022	2,258	0.46
1,120,000	Thames Water 1.875% 2024	1,140	0.23
1,050,000	THPA Finance 7.127% 2024	521	0.12
1,473,000	Volkswagen Financial Services 1.5% 2021	1,475	0.30
1,200,000	Volkswagen Financial Services 1.625% 2022	1,206	0.24
1,200,000	Volkswagen Financial Services 2.125% 2024	1,219	0.25
800,000	Volkswagen Financial Services 2.75% 2023	830	0.17
1,956,000	Western Power 3.625% 2023	2,090	0.42
2,349,000	Westpac Banking 2.625% 2022	2,468	0.50
between 5 and 10 years to maturity			
1,700,000	Abertis Infraestructuras 3.375% 2026	1,806	0.37
1,713,000	ABP 6.25% 2026	2,140	0.43
831,000	America Movil 5% 2026	1,024	0.21
572,000	Anglian Water 4.5% 2027	699	0.14
895,000	Anglian Water 6.625% 2029	1,283	0.26
2,822,000	Anheuser-Busch InBev 2.25% 2029	2,953	0.60
2,515,000	Annington Funding 3.184% 2029	2,703	0.55
800,000	APT Pipelines 4.25% 2024	906	0.18
1,239,000	Aroundtown 3.25% 2027	1,291	0.26
2,259,000	Assura Financing 3% 2028	2,507	0.51
2,800,000	AT&T 5.5% 2027	3,499	0.71
2,400,000	Bank of America 7% 2028	3,457	0.70
1,700,000	Barclays 3.25% 2027	1,753	0.36
665,000	Barclays 5.75% fixed to floating 2026	803	0.16
1,700,000	Bazalgette Finance 2.375% 2027	1,831	0.37
1,434,000	BNP Paribas 3.375% 2026	1,566	0.32
785,000	BP 1.827% 2025	816	0.17
1,300,000	BPCE 5.25% 2029	1,610	0.33
1,600,000	British American Tobacco 4% 2026	1,794	0.36
1,880,000	Commonwealth Bank of Australia 3% 2026	2,137	0.43
2,665,000	CPUK 3.588% 2025	2,892	0.59
950,000	Credit Suisse FRN 2025	963	0.20
3,422,000	CYBG 3.125% 2025	3,321	0.67
1,000,000	CYBG 4% 2026	1,008	0.20

Holding	Investment	Market value £'000	Percentage of total net assets
2,400,000	Digital Stout 3.3% 2029	2,614	0.53
2,651,000	Eversholt 6.359% 2025	3,299	0.67
801,000	Fidelity National Information Services 2.602% 2025	845	0.17
1,216,000	FirstGroup 6.875% 2024	1,448	0.29
292,000	Fiserv 2.25% 2025	302	0.06
1,900,000	Hammerson 6% fixed to floating 2026	2,159	0.44
2,600,000	Heathrow Funding 6.75% 2026	3,521	0.71
1,093,000	HSBC 2.256% 2026	1,110	0.23
1,072,000	HSBC 2.625% 2028	1,122	0.23
1,692,000	HSBC 3% fixed to floating 2029	1,786	0.36
1,786,000	Intu Debenture 5.562% 2027	1,417	0.29
3,500,000	Land Securities 2.399% 2029	3,767	0.76
1,917,000	Lloyds Bank 5.125% 2025	2,337	0.47
1,715,000	Lloyds Bank 5.75% fixed to floating 2025	1,774	0.36
1,600,000	Lloyds Bank 6% 2029	2,285	0.46
1,300,000	Lloyds Bank 2.25% 2024	1,320	0.27
1,748,000	Lloyds Bank 7.625% 2025	2,236	0.45
1,161,000	London & Quadrant Housing Trust 2.625% 2026	1,230	0.25
1,018,000	Morgan Stanley 2.625% 2027	1,085	0.22
886,000	Nationwide Building Society 3.25% 2028	992	0.20
826,000	NewRiver REIT 3.5% 2028	839	0.17
1,080,000	Northern Powergrid Yorkshire 2.5% 2025	1,146	0.23
1,561,000	Notting Hill Genesis 2.875% 2029	1,673	0.34
550,000	Orange 8.125% 2028	852	0.17
578,000	Orsted 2.125% 2027	613	0.12
1,375,000	Rabobank 4.625% 2029	1,641	0.33
1,866,000	Royal Bank of Scotland 2.875% 2026	1,898	0.39
3,149,000	Santander UK Group 3.625% 2026	3,392	0.69
1,099,000	Scentre Management 3.875% 2026	1,236	0.25
1,375,000	Shaftesbury Chinatown 2.348% 2027	1,406	0.29
1,443,000	Southern Gas Networks 4.875% 2029	1,872	0.38
810,000	SP Manweb 4.875% 2027	1,017	0.21
1,482,000	Stagecoach Group 4% 2025	1,601	0.33
1,500,000	Thames Water 2.875% 2027	1,524	0.31
1,300,000	Thames Water 3.5% 2028	1,453	0.29
700,000	Total Capital 1.75% 2025	725	0.15
500,000	Tritax Big Box REIT 2.625% 2026	520	0.11
1,251,000	Unite Group 3.5% 2028	1,365	0.28
1,300,000	United Utilities 5.625% 2027	1,739	0.35
800,000	Vinci 2.25% 2027	855	0.17
1,600,000	Volkswagen International Finance 3.375% 2026	1,724	0.35
1,518,000	Wells Fargo 2% 2025	1,553	0.32
2,100,000	Welltower 4.8% 2028	2,555	0.52
1,500,000	Westfield America Management 2.125% 2025	1,542	0.31

Holding	Investment	Market value £'000	Percentage of total net assets
1,751,000	Westfield Stratford City Finance 1.642% 2026	1,788	0.36
991,000	Yorkshire Building Society 3.375% 2028	955	0.19
300,000	Yorkshire Water 3.625% 2029	355	0.07
between 10 and 15 years to maturity			
1,241,000	Annington Funding 3.685% 2034	1,390	0.28
2,982,000	APT Pipelines 3.5% 2030	3,353	0.68
1,223,000	Arqiva 4.882% 2032	1,273	0.26
1,600,000	Arqiva 5.34% 2030	1,986	0.40
2,633,000	Barclays 3.25% 2033	2,642	0.54
1,035,000	Canary Wharf Finance 6.455% 2033	270	0.06
1,200,000	Comcast 5.5% 2029	1,651	0.34
364,000	CRH 4.125% 2029	440	0.09
2,336,000	E.ON Finance 6.375% 2032	3,452	0.70
500,000	EDF 6.125% 2034	744	0.15
1,534,000	Fidelity National Information Services 3.36% 2031	1,714	0.35
329,000	Fiserv 3% 2031	354	0.07
500,000	Gatwick 4.625% 2034	648	0.13
4,000,000	GlaxoSmithKline 5.25% 2033	5,804	1.18
900,000	Great Rolling Stock 6.5% 2031	999	0.20
700,000	Greater Gabbard 4.137% 2032	706	0.14
3,017,000	Greene King FRN 2033	2,242	0.46
911,000	Gwynt y Môr 2.778% 2034	855	0.17
2,000,000	HSBC 5.375% 2030	2,328	0.47
1,398,000	HSBC 5.375% 2033	1,791	0.36
1,304,000	innogy Finance 6.25% 2030	1,837	0.37
846,000	Koninklijke KPN 5.75% 2029	1,029	0.21
893,000	London & Quadrant Housing Trust 4.625% 2033	1,164	0.24
1,575,000	Meadowhall Finance 4.986% 2032	1,410	0.29
1,018,000	Notting Hill Housing Trust 3.75% 2032	1,188	0.24
1,000,000	Orange 3.25% 2032	1,141	0.23
1,513,000	Orange 5.625% 2034	2,177	0.44
300,000	Orsted 4.875% 2032	406	0.08
2,832,000	Pension Insurance 5.625% 2030	2,933	0.59
2,563,000	Quadgas Finance 3.375% 2029	2,689	0.55
340,000	Quadrant Housing 7.93% 2033	465	0.09
2,000,000	Severn Trent 2.75% 2031	2,226	0.45
1,200,000	Shaftesbury Carnaby 2.487% 2031	1,235	0.25
1,800,000	Telefonica Emisiones 5.445% 2029	2,367	0.48
1,054,000	Telereal 4.0902% fixed to floating 2033	1,095	0.22
1,961,000	Telereal 4.9741% 2033	1,391	0.28
1,071,000	Telereal FRN 2033	1,036	0.21
500,000	Telereal FRN 2031	461	0.09
1,599,000	Telereal Secured 4.01% 2033	1,330	0.27

Holding	Investment	Market value £'000	Percentage of total net assets
355,000	Thames Water 4.375% 2034	446	0.09
1,607,000	Time Warner Cable 5.75% 2031	1,992	0.40
1,700,000	Total Capital International 1.405% 2031	1,690	0.34
537,000	Verizon Communications 2.5% 2031	575	0.12
2,200,000	Wal-Mart 5.625% 2034	3,383	0.69
2,387,000	Western Power 5.75% 2032	3,392	0.69
between 15 and 25 years to maturity			
1,938,000	Affinity Water 3.278% 2042	2,366	0.48
1,000,000	America Movil 4.375% 2041	1,333	0.27
1,839,000	Anheuser-Busch InBev 2.85% 2037	1,975	0.40
1,097,000	Aspire Defence 4.674% 2040 'A'	1,329	0.27
1,845,000	Aspire Defence 4.674% 2040 'B'	2,235	0.45
360,000	Aster Treasury 4.5% 2043	510	0.10
1,975,000	AT&T 4.25% 2043	2,327	0.47
1,550,000	AT&T 7% 2040	2,455	0.50
2,230,000	Aviva 6.125% 2036	2,630	0.53
2,224,000	Aviva 6.625% fixed to floating 2041	2,405	0.49
971,000	Berkshire Hathaway Finance 2.375% 2039	1,050	0.21
1,246,000	BPHA 4.816% 2044	1,806	0.37
1,300,000	British American Tobacco 5.75% 2040	1,765	0.36
800,000	British American Tobacco 6% 2034	1,087	0.22
1,115,000	Broadgate Financing 4.821% 2036	1,545	0.31
2,675,000	Broadgate Financing 5.098% 2035	3,051	0.62
2,000,000	Cadent Finance 2.625% 2038	2,108	0.43
660,000	Canary Wharf Finance 5.952% 2037	998	0.20
983,000	Circle Anglia 5.2% 2044	1,514	0.31
800,000	Citigroup 6.8% 2038	1,368	0.28
1,800,000	Connect Plus 2.607% 2039	2,008	0.41
2,791,000	Direct Line 9.25% 2042	3,290	0.67
976,000	Dwr Cymru Financing 2.5% 2036	1,108	0.23
2,150,000	E.ON Finance 6.75% 2039	3,577	0.73
900,000	EDF 5.5% 2037	1,300	0.26
1,428,000	Enel 5.75% 2037	2,038	0.41
1,554,000	Eversholt 3.529% 2042	1,663	0.34
320,000	Eversholt 6.697% 2035	424	0.09
550,000	Futures Treasury 3.375% 2044	653	0.13
1,439,000	Gatwick 5.75% 2037	2,116	0.43
328,000	GE Capital 6.25% 2038	436	0.09
400,000	GE Capital 8% 2039	603	0.12
600,000	GlaxoSmithKline 5.25% 2042	932	0.19
1,000,000	GlaxoSmithKline 6.375% 2039	1,688	0.34
700,000	Heathrow Funding 5.875% 2041	1,107	0.22
2,500,000	HSBC 6% 2040	3,400	0.69

Holding	Investment	Market value £'000	Percentage of total net assets
1,750,000	innogy Finance 6.125% 2039	2,756	0.56
1,098,000	John Lewis 4.25% 2034	1,073	0.22
700,000	Land Securities 2.625% 2037	762	0.16
5,000	Lloyds Bank 6.5% 2040	8	–
1,702,000	Morhomes 3.4% 2038	1,906	0.39
1,736,000	Motability Operations 2.375% 2039	1,829	0.37
1,400,000	Munich Re 6.625% fixed to floating 2042	1,585	0.32
1,340,000	Northumbrian Water 5.125% 2042	2,018	0.41
2,000,000	Octagon Healthcare 5.333% 2035	2,178	0.44
2,277,000	Orsted 5.75% 2040	3,677	0.75
766,759	Peel 8.375% 2040	1,179	0.24
2,957,000	QBE Insurance 6.115% 2042	3,220	0.65
580,000	Reseau Ferre de France 5.25% 2035	884	0.18
2,200,000	RL Finance 6.125% fixed to floating 2043	2,474	0.50
1,875,000	RMPA Services 5.337% 2038	1,926	0.39
600,000	Sovereign Housing Capital 5.705% 2039	943	0.19
900,000	SSE 6.25% fixed to floating 2038	1,402	0.28
900,000	TC Dudgeon Ofco 3.158% 2038	1,008	0.20
3,300,000	Tesco 5.8006% 2040	4,266	0.87
1,500,000	Thames Water 5.5% 2041	2,219	0.45
1,071,000	Time Warner Cable 5.25% 2042	1,274	0.26
514,000	Vattenfall 6.875% 2039	913	0.19
1,850,000	Veolia Environment 6.125% 2037	2,988	0.61
2,200,000	Verizon Communications 3.125% 2035	2,508	0.51
700,000	Vinci 2.75% 2034	801	0.16
greater than 25 years to maturity			
604,000	Accent Capital 2.625% 2049	656	0.13
1,536,000	Aviva 5.125% 2050	1,728	0.35
893,000	AXA 5.625% 2054	1,074	0.22
793,000	Berkshire Hathaway Finance 2.625% 2059	926	0.19
1,610,000	Blend Funding 3.459% 2047	1,970	0.40
793,000	British American Tobacco 2.25% 2052	616	0.12
400,000	British American Tobacco 4% 2055	440	0.09
1,187,000	Bromford Housing 3.125% 2048	1,420	0.29
1,000,000	Cadent Finance 2.75% 2046	1,062	0.22
1,000,000	Channel Link 3.043% 2050	1,063	0.22
884,000	Channel Link 6.341% 2046	1,129	0.23
900,000	Clarion Housing 3.125% 2048	1,053	0.21
1,600,000	EDF 5.125% 2050	2,438	0.49
2,400,000	EDF 6% 2114	4,018	0.82
1,500,000	Engie 5% 2060	2,645	0.54
1,800,000	Finsbury Square 2018-2 FRN 2068	1,742	0.35
1,053,000	Gatwick 2.875% 2049	1,108	0.23

Holding	Investment	Market value £'000	Percentage of total net assets
1,000,000	Gatwick 3.25% 2048	1,128	0.23
2,420,000	Heathrow Funding 4.625% 2046	3,449	0.70
1,486,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	1,379	0.28
429,000	Incommunities Treasury 3.25% 2049	513	0.10
400,000	Legal & General 5.5% 2064	450	0.09
3,334,000	NGG 5.625% fixed to floating 2073	3,719	0.75
1,107,000	Notting Hill Housing Trust 4.375% 2054	1,509	0.31
1,679,000	Optivo Finance 3.283% 2048	1,987	0.40
626,000	Paragon FRN 2050	611	0.12
1,671,000	Peabody Capital 4.625% 2053	2,473	0.50
1,161,000	Penarian Housing Finance 3.212% 2052	1,296	0.26
3,200,000	Prudential 5% 2055	3,543	0.72
764,000	Prudential 5.625% FRN 2051	864	0.18
1,600,000	RMAC FRN 2046	1,360	0.28
450,000	Sanctuary Capital 5% 2047	700	0.14
820,000	SSE 3.625% 2077	824	0.17
1,442,000	Tolkien Funding Sukuk FRN 2052	1,152	0.23
750,000	University of Cambridge 2.35% 2078	935	0.19
900,000	University of Cambridge 3.75% 2052	1,404	0.29
1,187,000	Vodafone 3% 2056	1,158	0.24
1,400,000	Vodafone 3.375% 2049	1,464	0.30
600,000	Vodafone 4.875% FRN 2078	629	0.13
887,000	Wellcome Trust 2.517% 2118	1,091	0.22
870,000	Wheatley 4.375% 2044	1,146	0.23
Perpetual			
1,400,000	Assicurazioni Generali 6.269% fixed to floating Perpetual	1,496	0.30
2,284,000	Aviva 5.9021% fixed to floating Perpetual	2,344	0.48
3,000,000	Aviva 6.125% fixed to floating Perpetual	3,224	0.65
1,598,000	AXA 5.453% fixed to floating Perpetual	1,796	0.36
1,000,000	AXA 6.772% fixed to floating Perpetual	1,003	0.20
1,200,000	Bank of Scotland 7.281% Perpetual	1,469	0.30
1,781,000	Credit Agricole 7.5% Perpetual	2,053	0.42
700,000	EDF 5.875% fixed to floating Perpetual	758	0.15
2,400,000	EDF 6% Perpetual	2,641	0.54
950,000	HSBC 5.844% fixed to floating Perpetual	1,254	0.25
2,500,000	HSBC 5.875% Fixed to Floating Perpetual	2,613	0.53
800,000	Orange 5.75% fixed to floating Perpetual	888	0.18
1,200,000	Orange 5.875% Perpetual	1,307	0.27
2,924,000	Pennon 2.875% Perpetual	2,933	0.59
1,938,000	SSE 3.875% fixed to floating Perpetual	1,957	0.40

Holding	Investment	Market value £'000	Percentage of total net assets
Government Bonds (2.18%)		5,696	1.16
between 15 and 25 years to maturity			
1,400,000	UK (Govt of) 4.5% 2042	2,427	0.49
greater than 25 years to maturity			
600,000	UK (Govt of) 4.25% 2046	1,063	0.22
1,100,000	UK (Govt of) 4.25% 2055	2,206	0.45
US Dollar Denominated Bonds (1.73%)		7,349	1.49
Corporate Bonds (1.73%)		7,349	1.49
less than 5 years to maturity			
1,662,000	Danske Bank 5.375% 2024	1,507	0.30
Perpetual			
1,500,000	Royal Bank of Scotland FRN Perpetual	1,655	0.34
2,255,000	SEB 5.75% Perpetual	1,872	0.38
2,800,000	Swedbank 5.5% Perpetual	2,315	0.47
Collective Investment Schemes (0.16%)		531	0.11
531	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	531	0.11
Derivatives (0.02%)		96	0.02
Forward Currency Contracts (0.05%)		96	0.02
Buy EUR 1,515,333 Sell GBP 1,348,889 13/09/2019		22	0.01
Buy GBP 30,016 Sell EUR 32,609 06/11/2019		-	-
Buy GBP 1,106,399 Sell EUR 1,197,347 06/11/2019		21	-
Buy GBP 2,860,415 Sell EUR 3,110,628 06/11/2019		41	0.01
Buy GBP 1,683,421 Sell USD 2,037,701 06/11/2019		15	-
Buy GBP 5,656,612 Sell USD 6,911,266 06/11/2019		(3)	-
Futures (-0.03%)		-	-
Total investment assets and liabilities		487,100	98.81
Net other assets		5,851	1.19
Total Net Assets		492,951	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		33,346		(4,103)
Revenue	8,386		7,651	
Expenses	(1,624)		(1,490)	
Net revenue before taxation	6,762		6,161	
Taxation	-		-	
Net revenue after taxation		6,762		6,161
Total return before distributions		40,108		2,058
Distributions		(6,762)		(6,160)
Change in net assets attributable to shareholders from investment activities		33,346		(4,102)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		470,006		419,528
Amounts receivable on the issue of shares	21,696		25,538	
Amounts payable on the cancellation of shares	(35,934)		(33,716)	
		(14,238)		(8,178)
Dilution adjustment		-		62
Change in net assets attributable to shareholders from investment activities (see above)		33,346		(4,102)
Retained distribution on accumulation shares		3,836		3,081
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		492,951		410,392

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		487,103		463,292
Current assets:				
Debtors	9,547		10,746	
Cash and bank balances	5		823	
		9,552		11,569
Total assets		496,655		474,861
Liabilities:				
Investment liabilities		(3)		(172)
Creditors	(2,270)		(3,267)	
Bank overdrafts	–		(7)	
Distribution payable	(1,431)		(1,409)	
		(3,701)		(4,683)
Total liabilities		(3,704)		(4,855)
Net assets attributable to shareholders		492,951		470,006

Distribution tables

For the three months ended 31 May 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 May 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.9685	-	0.9685*	0.9994
Group 2	0.4216	0.5469	0.9685*	0.9994
Institutional accumulation				
Group 1	1.2241	-	1.2241*	1.2481
Group 2	0.5474	0.6767	1.2241*	1.2481
Retail income				
Group 1	0.3890	-	0.3890**	0.4120
Group 2	0.2592	0.1298	0.3890**	0.4120
Institutional income				
Group 1	0.4536	-	0.4536**	0.4765
Group 2	0.2914	0.1622	0.4536**	0.4765
Standard Life income				
Group 1	0.4434	-	0.4434**	0.4627
Group 2	0.2309	0.2125	0.4434**	0.4627
Standard Life accumulation				
Group 1	0.7841	-	0.7841*	0.7877
Group 2	0.3993	0.3848	0.7841*	0.7877
Institutional regulated accumulation				
Group 1	1.2222	-	1.2222*	1.2399
Group 2	1.2222	-	1.2222*	1.2399
Standard Life B accumulation				
Group 1	0.8087	-	0.8087*	0.8132
Group 2	0.8087	-	0.8087*	0.8132
Platform 1 accumulation				
Group 1	0.5058	-	0.5058*	0.5164
Group 2	0.2361	0.2697	0.5058*	0.5164
Platform 1 income				
Group 1	0.4137	-	0.4137**	0.4349
Group 2	0.2710	0.1427	0.4137**	0.4349
Institutional S accumulation				
Group 1	0.5200	-	0.5200*	0.5172
Group 2	0.5200	-	0.5200*	0.5172
Institutional S income				
Group 1	0.5100	-	0.5100**	0.4463
Group 2	0.5100	-	0.5100**	0.4463

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Institutional A accumulation+				
Group 1	-	-	-	0.3718
Group 2	-	-	-	0.3718
Institutional A income+				
Group 1	-	-	-	0.3472
Group 2	-	-	-	0.3472

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

+ Share class closed on 7 June 2018

For the three months ended 31 August 2019

Group 1 - shares purchased prior to 1 June 2019

Group 2 - shares purchased between 1 June 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.9592	-	0.9592*	0.9827
Group 2	0.5557	0.4035	0.9592*	0.9827
Institutional accumulation				
Group 1	1.2227	-	1.2227*	1.2320
Group 2	0.6617	0.5610	1.2227*	1.2320
Retail income				
Group 1	0.3830	-	0.3830**	0.4024
Group 2	0.1551	0.2279	0.3830**	0.4024
Institutional income				
Group 1	0.4491	-	0.4491**	0.4667
Group 2	0.2941	0.1550	0.4491**	0.4667
Standard Life income				
Group 1	0.4427	-	0.4427**	0.4544
Group 2	0.2847	0.1580	0.4427**	0.4544
Standard Life accumulation				
Group 1	0.7890	-	0.7890*	0.7827
Group 2	0.5156	0.2734	0.7890*	0.7827
Institutional regulated accumulation				
Group 1	1.2246	-	1.2246*	1.2254
Group 2	1.2246	-	1.2246*	1.2254
Standard Life B accumulation				
Group 1	0.8143	-	0.8143*	0.8061
Group 2	0.8143	-	0.8143*	0.8061
Platform 1 accumulation				
Group 1	0.5048	-	0.5048*	0.5094
Group 2	0.3206	0.1842	0.5048*	0.5094
Platform 1 income				
Group 1	0.4098	-	0.4098**	0.4259
Group 2	0.2244	0.1854	0.4098**	0.4259
Institutional S accumulation				
Group 1	0.5019	-	0.5019*	0.5136
Group 2	0.5019	-	0.5019*	0.5136
Institutional S income				
Group 1	0.4235	-	0.4235**	0.4331
Group 2	0.1049	0.3186	0.4235**	0.4331

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

ASI Japanese Growth Equity Fund

Investment Report

Fund Information

Fund Manager	Sumitomo Mitsui Trust Asset Management
Launch Date	16 November 1998

Investment objective

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

Performance Target: To achieve the return of the MSCI Japan Index plus 4% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the MSCI Japan Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the Fund's performance profile may deviate significantly from that of the MSCI Japan Index.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-1.89	10.18	9.35	-6.81	8.54	10.46
Fund (Net) (%)	-1.94	9.54	8.49	-7.94	7.25	9.04
Performance target (%)	-0.17	12.09	14.58	5.25	12.36	15.74
Performance comparator (%)	-1.52	8.68	11.86	-2.15	8.17	11.36

Nomura Research Institute supported the Fund's relative returns. The business consultancy and technology solutions firm benefited from increased spending in Japan on information technology across the corporate spectrum. Toys, video games and amusement parks specialist Bandai Namco Holdings also moved higher, as investors warmed to the value of its content. Meanwhile, Advantest, the manufacturer of testing equipment for semiconductors, posted better-than-expected earnings. These were driven by the growing need for testing devices for 5G and advances in semiconductor design. Daiichi Sankyo, the pharmaceutical company, benefited from increased revenues from a joint venture on vaccines with GlaxoSmithKline and improved returns from sales of existing drugs outside Japan. Sony rallied after the potential competitive threat to its important gaming division was overplayed and an activist shareholder proposed the sale of its semiconductor business.

Our position in Suzuki Motor underperformed on news of disappointing auto sales in India. Yamato Holdings – which we reduced over the period – was another key detractor from the Fund's relative returns. The logistics-delivery provider was marked down after a profit warning. Management announced that it was hit by lower demand for its delivery services and higher costs associated with expanding its parcel service. Other notable detractors from performance over the period included Aisin Seiki (whose share price fell after its introduction to the portfolio) and not having exposure to either Toyota Motor or Nintendo (with both companies' share prices rising strongly over the period).

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Activity

We added to sensors and measuring equipment manufacturer Keyence, as its global expansion delivers stronger earnings. The Fund's position in Hitachi Corporation was also increased. We expect profitability improvements following the expansion of its information and telecommunications division, as well as higher margins in its industrial businesses. Elsewhere, we bought shares in drinks business Asahi Group Holdings given its attractive overseas sales profile. Takeda Pharmaceutical was also bought. We expect to see value from cost-cutting and positive sales synergies. NTT Data rounded off the purchases. This was premised on the potential revenue growth from both the increased digitisation of its home market and its overseas expansion.

In terms of selling activity, we reduced the position in SMC Corp after becoming increasingly concerned about the impact of the US-China trade dispute on the Chinese economy. We also sold the food and medicines business Meiji Holdings due to weaker-than-expected sales in its food division. Suzuki Motor was also sold after we downgraded our projection for demand for its automobiles in India given the Indian government has not yet announced a new stimulus package. Finally, we reduced Itochu Techno Solutions after the share price rose strongly on the back of positive sentiment towards 5G-exposed companies.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	8,067	4,963	6,027	3,694
Closing number of shares	7,988,172	5,410,669	5,632,797	4,078,189
Closing net asset value per share (pence)	100.98	91.72	106.99	90.59
Change in net asset value per share	10.10%	(14.27%)	18.10%	27.20%
Operating charges	1.33%	1.34%	1.34%	1.34%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	104,904	105,462	153,258	141,051
Closing number of shares	88,098,035	97,763,773	122,365,074	133,630,422
Closing net asset value per share (pence)	119.08	107.87	125.25	105.55
Change in net asset value per share	10.39%	(13.88%)	18.66%	27.78%
Operating charges	0.86%	0.87%	0.87%	0.87%

Standard Life income+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	2	1
Closing number of shares	–	–	2,286	2,286
Closing net asset value per share (pence)	–	–	74.82	63.33
Change in net asset value per share	–	0.59%	18.14%	27.27%
Operating charges	–	0.04%	0.04%	0.04%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	175,135	156,030	194,847	159,708
Closing number of shares	224,136,214	221,249,905	239,763,994	234,944,925
Closing net asset value per share (pence)	78.14	70.52	81.27	67.98
Change in net asset value per share	10.81%	(13.23%)	19.55%	28.75%
Operating charges	0.11%	0.12%	0.12%	0.12%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	670	600	1,366	6,674
Closing number of shares	617,359	609,966	1,195,173	6,928,080
Closing net asset value per share (pence)	108.54	98.35	114.25	96.33
Change in net asset value per share	10.36%	(13.92%)	18.60%	27.74%
Operating charges	0.91%	0.92%	0.91%	0.92%

JEG GBP Retail A Hedged++	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	–	6
Closing number of shares	–	–	–	9,817
Closing net asset value per share (pence)	–	–	–	62.30
Change in net asset value per share	–	–	23.60%	10.29%
Operating charges	–	–	1.34%	1.34%

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

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

+ Share class closed on 14 June 2018.

++ Share class closed on 14 December 2017.

JEG GBP Institutional A Hedged++	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	–	24
Closing number of shares	–	–	–	38,646
Closing net asset value per share (pence)	–	–	–	63.39
Change in net asset value per share	–	–	24.63%	10.61%
Operating charges	–	–	0.87%	0.87%

JEG GBP Retail Platform A Hedged++	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	–	113
Closing number of shares	–	–	–	175,088
Closing net asset value per share (pence)	–	–	–	64.72
Change in net asset value per share	–	–	25.15%	10.44%
Operating charges	–	–	0.92%	0.92%

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

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

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

++ Share class closed on 14 December 2017.

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Japanese Equities (96.96%)		280,550	97.15
188,700	Advantest	6,365	2.20
88,200	Aisin Seiki	2,146	0.74
813,100	Amada	6,963	2.41
339,400	Anritsu	5,222	1.81
230,100	Asahi	8,811	3.05
230,600	Asahi Intecc	4,231	1.46
137,200	Bandai Namco	6,623	2.29
556,400	Dai-ichi Life Insurance	6,224	2.16
171,300	Daiichi Sankyo	9,297	3.22
16,900	Disco	2,522	0.87
9,600	Fast Retailing	4,622	1.60
252,300	Fuji Electric	5,904	2.04
224,600	Fuji Oil	5,136	1.78
337,700	Hitachi	9,475	3.28
336,900	Ibiden	5,369	1.86
163,700	Itochu Techno-Solutions	3,708	1.28
41,200	JCR Pharmaceuticals	2,594	0.90
26,800	Keyence	13,022	4.51
270,000	Kyowa Hakko Kirin	4,060	1.41
290,500	Marui	4,749	1.64
183,100	Matsumotokiyoshi Holdings	5,567	1.93
102,800	Meiji	5,861	2.03
227,300	MISUMI	4,232	1.47
217,000	Mitsubishi	4,339	1.50
2,025,100	Mitsubishi UFJ Financial	7,994	2.77
474,800	Mitsui Fudosan	9,344	3.24
159,400	NET One Systems	3,511	1.22
488,300	Nomura Research Institute	7,970	2.76
678,600	NTT Data	7,192	2.49
607,200	Pan Pacific International	7,802	2.70
335,400	Recruit	8,349	2.89
106,200	ROHM Semiconductor	6,211	2.15
560,700	Sanwa	5,118	1.77
103,800	Shin-Etsu Chemical	8,600	2.98
91,000	Shionogi	4,007	1.39
12,300	SMC	3,818	1.32
296,000	Softbank	11,046	3.82
312,600	Sony	14,599	5.06

Holding	Investment	Market value £'000	Percentage of total net assets
145,600	Square Enix	4,764	1.65
282,000	Taiyo Yuden	4,354	1.51
227,700	Takeda Pharmaceutical	6,318	2.19
162,500	Toho	5,663	1.96
467,600	Tokyu	6,869	2.38
148,400	Uni-Charm	3,747	1.30
175,700	Yamaha	6,232	2.16
Forward Currency Contracts (0.00%)		-	-
	Buy GBP 4,421 Sell JPY 568,721 13/09/2019	-	-
Total investment assets		280,550	97.15
Net other assets		8,226	2.85
Total Net Assets		288,776	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		27,128		7,390
Revenue	2,840		3,382	
Expenses	(603)		(799)	
Net revenue before taxation	2,237		2,583	
Taxation	(268)		(331)	
Net revenue after taxation		1,969		2,252
Total return before equalisation		29,097		9,642
Equalisation on shares		(28)		–
Change in net assets attributable to shareholders from investment activities		29,069		9,642

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		267,055		355,500
Amounts receivable on the issue of shares	29,864		3,329	
Amounts payable on the cancellation of shares	(37,212)		(7,903)	
		(7,348)		(4,574)
Dilution adjustment		–		(1)
Change in net assets attributable to shareholders from investment activities (see above)		29,069		9,642
Closing net assets attributable to shareholders		288,776		360,567

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		280,550		258,947
Current assets:				
Debtors	5,061		7,583	
Cash and bank balances	5,216		7,958	
		10,277		15,541
Total assets		290,827		274,488
Liabilities:				
Creditors	(2,051)		(7,433)	
		(2,051)		(7,433)
Total liabilities		(2,051)		(7,433)
Net assets attributable to shareholders		288,776		267,055

ASI Short Duration Credit Fund

Investment Report

Fund Information

Fund Manager Daniel McKernan and Mark Munro
Launch Date 1 May 2003

Investment objective

To generate income and some growth over the short term (1 to 3 years) by investing in Sterling-denominated corporate bonds.

Performance Target: To achieve the return of the Bloomberg Barclays Sterling Corporate and Collateralised Index (Hedged to 2 year duration) plus 1% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the Bloomberg Barclays Sterling Corporate and Collateralised Index (Hedged to 2 year duration) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 3%. Due to the Fund's risk constraints, the intention is that the Fund's performance profile will not deviate significantly from that of the Bloomberg Barclays Sterling Corporate and Collateralised Index (Hedged to 2 year duration) over the longer term.

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

Derivatives and techniques

- The Fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the Fund (often referred to as "Efficient Portfolio Management").
- In particular, the Fund will use derivatives to reduce the Fund's exposure to interest rate risk to a level consistent with that of the Bloomberg Barclays Sterling Corporate and Collateralised Index (Hedged to 2 year duration).
- In addition the Fund may use derivative instruments to manage expected changes in inflation, currencies or credit worthiness of corporations or governments.
- The Fund may also invest in other funds which may use derivatives extensively although these investments shall be in line with Fund's overall risk profile.

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	0.07	3.31	5.38	3.68	2.70	2.66
Fund (Net) (%)	0.00	2.86	4.74	2.74	1.77	1.79
Performance comparator (%)	-0.19	3.38	5.76	4.35	3.45	3.88

The Fund underperformed mainly due to its necessarily short duration positioning, which was disadvantageous in a period very significant declines in developed market government bond yields. In terms of security selection, the Fund performed well. A positive contributor was the Fund's overweight in Tesco, which made significant progress in its turnaround strategy, resulting in a ratings upgrade in June. In addition, the Fund benefitted from being underweight in the US industrial conglomerate General Electric. This largely reflected a damaging short-seller report compiled by financial investigator Harry Markopolos, which alleged that the company had engaged in fraud in its insurance and oilfield services businesses.

On the negative side, exposure to funeral services provider Dignity was detrimental. The firm continues to face headwinds on the back of poor results, coupled with increasing competition and a UK Competition & Markets Authority review of the industry. Additionally, our holding in Intu Metrocentre suffered in line with other issuers in the property sector, with concerns surrounding Brexit adding to uncertainty.

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Investment activity

Towards the end of the review period, the Fund added to Hammerson bonds after they significantly underperformed following Intu's results which showed a write-down in the value of its properties. We felt the negative impact on Hammerson was excessive because it has a large exposure to non-UK markets. We also added Nationwide's Tier-2 debt in Euros. This is a high quality issuer that frequently screens among the best in the Bank of England's stress tests. Valuations are a little rich in sterling but the euro bonds have been trading much more cheaply.

On the sell side, we sold Bayer bonds when performance improved on the back of better-than-expected news regarding litigation concerns as well as some asset disposals. We also exited our exposure to the shipping firm Maersk whose bonds had performed well thanks to the company's strong balance sheet. Longer term, we think Maersk could become more exposed to negative global trade headlines, particularly after the tightening in its spreads since we first added exposure.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	11,751	12,113	12,128	13,640
Closing number of shares	12,950,373	13,712,282	13,732,668	15,789,150
Closing net asset value per share (pence)	90.74	88.33	88.32	86.39
Change in net asset value per share	2.73%	0.01%	2.23%	8.43%
Operating charges	1.03%	1.03%	1.03%	1.03%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	146,774	142,809	153,601	176,086
Closing number of shares	152,214,556	152,470,584	164,704,343	193,837,930
Closing net asset value per share (pence)	96.43	93.66	93.26	90.84
Change in net asset value per share	2.96%	0.43%	2.66%	8.83%
Operating charges	0.61%	0.61%	0.61%	0.61%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	3,374	3,973	4,534	5,210
Closing number of shares	6,232,449	7,466,503	8,388,567	9,727,711
Closing net asset value per share (pence)	54.14	53.20	54.05	53.55
Change in net asset value per share	1.77%	(1.57%)	0.93%	6.86%
Operating charges	1.03%	1.03%	1.03%	1.03%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	9,674	17,915	18,628	27,864
Closing number of shares	17,891,438	33,715,927	34,504,839	52,107,430
Closing net asset value per share (pence)	54.07	53.14	53.99	53.47
Change in net asset value per share	1.75%	(1.57%)	0.97%	6.85%
Operating charges	0.61%	0.61%	0.61%	0.61%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	319	319	2,000	2,000
Closing net asset value per share (pence)	31.61	31.12	31.65	31.37
Change in net asset value per share	1.57%	(1.67%)	0.89%	7.87%
Operating charges	0.03%	0.03%	0.03%	0.03%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	58	55	227	59
Closing number of shares	58,672	57,957	239,295	63,963
Closing net asset value per share (pence)	98.78	95.71	94.83	91.88
Change in net asset value per share	3.21%	0.93%	3.21%	9.28%
Operating charges	0.11%	0.11%	0.11%	0.11%

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

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

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	22,338	31,856	22,960	21,723
Closing number of shares	33,705,749	49,474,476	35,796,026	34,751,705
Closing net asset value per share (pence)	66.27	64.39	64.14	62.51
Change in net asset value per share	2.92%	0.39%	2.61%	8.79%
Operating charges	0.66%	0.66%	0.66%	0.66%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	11,461	10,657	11,034	8,406
Closing number of shares	20,516,391	19,410,528	19,780,460	15,210,706
Closing net asset value per share (pence)	55.86	54.90	55.78	55.26
Change in net asset value per share	1.75%	(1.58%)	0.94%	6.89%
Operating charges	0.66%	0.66%	0.66%	0.66%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (89.92%)		186,598	90.83
Euro Denominated Bonds (4.28%)		8,071	3.93
Corporate Bonds (4.28%)		8,071	3.93
less than 5 years to maturity			
580,000	Landsbankinn 1.375% 2022	537	0.26
700,000	Teva Pharmaceutical 0.375% 2020	620	0.30
between 5 and 10 years to maturity			
975,000	IQVIA 3.25% 2025	906	0.44
600,000	Nationwide Building Society FRN 2029	546	0.27
greater than 25 years to maturity			
750,000	AXA 3.25% 2049	780	0.38
800,000	Channel Link Enterprises Finance FRN 2050	732	0.36
Perpetual			
800,000	Aareal Bank 7.625% fixed to floating Perpetual	746	0.36
1,100,000	ABN Amro 5.75% Perpetual	1,036	0.50
1,600,000	BBVA 6.75% Perpetual	1,478	0.72
750,000	Danske Bank FRN Perpetual	690	0.34
Sterling Denominated Bonds (84.32%)		177,213	86.26
Corporate Bonds (84.32%)		177,213	86.26
less than 5 years to maturity			
400,000	AA Bond 2.75% 2023	367	0.18
499,000	AA Bond 2.875% 2022	477	0.23
800,000	AIG 5% 2023	900	0.44
1,160,000	Anheuser-Busch InBev 9.75% 2024	1,627	0.79
500,000	Arqiva 6.75% 2023	533	0.26
900,000	Banco Santander 1.375% 2024	896	0.44
900,000	Banco Santander 2.75% 2023	941	0.46
1,050,000	Bank of America 6.125% 2021	1,156	0.56
900,000	Banque Federative du Credit Mutuel 1.375% 2021	906	0.44
1,400,000	Banque Federative du Credit Mutuel 2.25% 2023	1,458	0.71
700,000	Barclays 2.375% 2023	704	0.34
860,000	Barclays 3.125% 2024	889	0.43
450,000	Barclays 9.5% 2021	515	0.25
600,000	Barclays 10% 2021	682	0.33
354,000	BASF 1.375% 2022	359	0.17
400,000	BMW 0.875% 2022	398	0.19
952,000	BMW 1.875% 2023	976	0.48
1,040,000	British American Tobacco 1.75% 2021	1,049	0.51
440,000	BUPA 2% 2024	452	0.22
349,000	Citigroup 2.75% 2024	368	0.18

Holding	Investment	Market value £'000	Percentage of total net assets
1,000,000	Citigroup 5.875% 2024	1,185	0.58
500,000	Co-Operative Bank 4.75% 2021	530	0.26
650,000	Credit Agricole 7.375% 2023	804	0.39
512,000	Credit Suisse 3% 2022	535	0.26
650,000	Daimler 2.375% 2021	669	0.33
500,000	Deutsche Bank 1.75% 2021	495	0.24
1,300,000	Deutsche Bank 1.875% 2020	1,300	0.63
600,000	Digital Stout 4.75% 2023	674	0.33
454,000	Enel 5.625% 2024	540	0.26
200,000	FCE Bank 2.727% 2022	204	0.10
550,000	First Hydro 9% 2021	626	0.30
976,000	Friends Life 8.25% 2022	1,145	0.56
600,000	GE Capital 5.125% 2023	659	0.32
800,000	GE Capital 5.875% 2020	837	0.41
800,000	Global Switch 4.375% 2022	872	0.42
960,000	Go-Ahead 2.5% 2024	972	0.47
500,000	Heathrow Funding 7.125% 2024	613	0.30
1,673,000	HSBC 2.175% 2023	1,700	0.83
550,000	Iberdrola 6% 2022	623	0.30
380,000	Innogy 6.5% 2021	412	0.20
1,260,000	Intu (SGS) Finance 4.125% 2023	1,128	0.55
770,000	Lend Lease Europe 6.125% 2021	836	0.41
1,910,000	Lloyds Bank 1.75% 2022	1,951	0.95
400,000	Lloyds Bank 9.625% 2023	506	0.25
714,000	Lloyds Bank Corporate Markets 1.75% 2024	714	0.35
360,000	London Power Networks 5.125% 2023	411	0.20
1,030,000	LVMH 1% 2022	1,034	0.50
540,000	Marks & Spencer 6.125% 2021	593	0.29
540,000	MetLife Global Funding I 2.625% 2022	565	0.28
657,000	New York Life Global Funding 1.625% 2023	672	0.33
524,000	OP Corporate Bank 2.5% 2022	544	0.26
392,000	Petróleos Mexicanos 8.25% 2022	430	0.21
848,000	RSA Insurance 1.625% 2024	850	0.41
580,000	Scania 1.875% 2022	584	0.28
800,000	Scentre 2.375% 2022	823	0.40
249,000	Severn Trent 6.125% 2024	300	0.15
410,000	Southern Gas Networks 4.875% 2023	472	0.23
1,020,000	Swedbank 1.25% 2021	1,022	0.50
800,000	Telefonica Emisiones 5.289% 2022	903	0.44
650,000	Thames Water 2.375% 2023	656	0.32
600,000	THPA Finance 7.127% 2024	298	0.15
800,000	Volkswagen Financial Services 1.625% 2022	804	0.39

Holding	Investment	Market value £'000	Percentage of total net assets
400,000	Volkswagen Financial Services 1.875% 2021	404	0.20
500,000	Volkswagen Financial Services 2.125% 2024	508	0.25
1,000,000	Western Power 3.625% 2023	1,068	0.52
650,000	Western Power 5.25% 2023	737	0.36
700,000	Westpac Banking 2.625% 2022	735	0.36
between 5 and 10 years to maturity			
800,000	Abertis Infraestructuras 3.375% 2026	850	0.41
1,090,000	ABP 6.25% 2026	1,362	0.66
1,480,000	Anheuser-Busch InBev 2.25% 2029	1,549	0.75
440,000	Annington Funding 3.184% 2029	473	0.23
1,079,000	APT Pipelines 4.25% 2024	1,222	0.59
931,000	Aroundtown 3.25% 2027	970	0.47
845,000	Assura Financing 3% 2028	938	0.46
1,400,000	AT&T 5.5% 2027	1,750	0.85
660,000	Bank of America 2.3% 2025	692	0.34
500,000	Bank of America 7% 2028	720	0.35
700,000	Banque Federative du Credit Mutuel 1.75% 2024	714	0.35
500,000	Barclays 3.25% 2027	516	0.25
1,241,000	Bazalgette Finance 2.375% 2027	1,336	0.65
880,000	BP 2.03% 2025	921	0.45
640,000	British American Tobacco 2.125% 2025	647	0.31
500,000	Citigroup 5.15% 2026	615	0.30
1,100,000	Clydesdale Bank 4.625% 2026	1,362	0.66
619,000	CPUK 3.588% 2025	672	0.33
600,000	Credit Suisse FRN 2025	608	0.30
2,200,000	CYBG 5% 2026	2,186	1.06
850,000	Deutsche Telekom 2.5% 2025	904	0.44
1,350,000	Digital Stout 3.3% 2029	1,470	0.72
545,000	Eversholt 6.359% 2025	678	0.33
602,000	Experian 2.125% 2024	627	0.31
356,000	Fidelity National Information Services 2.602% 2025	375	0.18
750,000	FirstGroup 6.875% 2024	893	0.43
585,000	GlaxoSmithKline 3.375% 2027	682	0.33
351,000	Hammerson 3.5% 2025	351	0.17
280,000	Hammerson 7.25% 2028	352	0.17
1,590,000	Heathrow Funding 6.75% 2026	2,153	1.05
1,000,000	HSBC 2.256% 2026	1,015	0.49
800,000	HSBC 2.625% 2028	837	0.41
300,000	HSBC 6.75% 2028	394	0.19
720,000	Imperial Brands 5.5% 2026	875	0.43
820,000	Integrated Accommodation Services 6.48% 2029	597	0.29
604,000	John Lewis 6.125% 2025	688	0.33

Holding	Investment	Market value £'000	Percentage of total net assets
285,000	Lloyds Bank 5.75% fixed to floating 2025	295	0.14
790,000	Lloyds Bank 2.25% 2024	802	0.39
880,000	London & Quadrant Housing Trust 2.25% 2029	909	0.44
1,900,000	Mitchells & Butlers 5.965% 2025	515	0.25
600,000	Nationwide Building Society 3.25% 2028	672	0.33
333,000	Newday Funding 2018 FRN 2026	332	0.16
438,000	NewRiver REIT 3.5% 2028	445	0.22
340,000	Northern Powergrid Yorkshire 2.5% 2025	361	0.18
540,000	Northumbrian Water 1.625% 2026	543	0.26
896,000	Notting Hill Genesis 2.875% 2029	960	0.47
493,000	Orange 5.25% 2025	609	0.30
550,000	Orange 8.125% 2028	852	0.41
400,000	Porterbrook Rail 7.125% 2026	528	0.26
326,000	Prudential 5.875% 2029	451	0.22
380,000	Rabobank 4.625% 2029	453	0.22
1,042,000	Royal Bank of Scotland 2.875% 2026	1,060	0.52
508,000	Santander UK 5.75% 2026	663	0.32
700,000	Santander UK 3.625% 2026	754	0.37
348,000	South Eastern Power Networks 5.5% 2026	434	0.21
700,000	Stagecoach Group 4% 2025	756	0.37
700,000	Telefonica Emisiones 5.375% 2026	853	0.42
1,713,000	Thames Water 3.5% 2028	1,915	0.93
600,000	Thames Water 4% 2025	675	0.33
820,000	Total Capital 1.75% 2025	850	0.41
500,000	Unique Pub Finance 5.659% 2027	363	0.18
600,000	Unite (USAF) II 3.921% 2025	677	0.33
735,000	Unite Group 3.5% 2028	802	0.39
610,000	United Utilities 5.625% 2027	816	0.40
350,000	Vicinity Centres 3.375% 2026	379	0.18
600,000	Volkswagen International Finance 3.375% 2026	646	0.31
1,000,000	Wells Fargo 2% 2025	1,023	0.50
850,000	Welltower 4.8% 2028	1,034	0.50
770,000	Westfield Stratford City Finance 1.642% 2026	786	0.38
740,000	Yorkshire Building Society 3.375% 2028	713	0.35
between 10 and 15 years to maturity			
400,000	Anglian Water 6.293% 2030	581	0.28
480,000	Annington Funding 3.685% 2034	538	0.26
519,000	APT Pipelines 3.125% 2031	567	0.28
800,000	AT&T 4.375% 2029	953	0.46
1,597,000	Barclays 3.25% 2033	1,602	0.78
1,200,000	Broadgate Financing 5.098% 2035	1,369	0.67
510,000	CRH 4.125% 2029	617	0.30

Holding	Investment	Market value £'000	Percentage of total net assets
1,844,000	E.ON Finance 6.375% 2032	2,725	1.33
674,000	Fidelity National Information Services 3.36% 2031	753	0.37
725,000	Gatwick 4.625% 2034	939	0.46
390,000	Great Rolling Stock 6.5% 2031	433	0.21
1,870,000	Greene King FRN 2033	1,390	0.68
879,000	Heathrow Funding 6.45% fixed to floating 2033	1,321	0.64
750,000	HSBC 3% fixed to floating 2029	792	0.39
600,000	HSBC 5.375% 2033	769	0.37
815,000	innogy Finance 6.25% 2030	1,148	0.56
500,000	London & Quadrant Housing Trust 4.625% 2033	652	0.32
800,000	Meadowhall Finance 4.986% 2032	716	0.35
500,000	Orange 3.25% 2032	571	0.28
321,000	Orsted 4.875% 2032	434	0.21
999,000	Pension Insurance 5.625% 2030	1,034	0.50
784,000	Quadgas Finance 3.375% 2029	823	0.40
500,000	Rabobank 4.55% 2029	658	0.32
295,000	Telereal 4.0902% fixed to floating 2033	306	0.15
550,000	Telereal FRN 2033	532	0.26
640,000	Telereal Secured 4.01% 2033	532	0.26
367,000	Thames Water 5.75% 2030	402	0.20
370,000	Verizon Communications 2.5% 2031	396	0.19
505,000	Western Power 5.75% 2032	718	0.35
between 15 and 25 years to maturity			
680,000	America Movil 4.375% 2041	906	0.44
1,454,000	Arqiva 4.04% 2035	1,483	0.72
947,000	Aspire Defence 4.674% 2040 'B'	1,147	0.56
1,100,000	AT&T 4.875% 2044	1,411	0.69
1,040,000	Aviva 6.625% fixed to floating 2041	1,124	0.55
900,000	British American Tobacco 5.75% 2040	1,222	0.59
450,000	British American Tobacco 6% 2034	612	0.30
500,000	Cadent Finance 2.625% 2038	527	0.26
484,000	Citigroup 7.375% 2039	879	0.43
1,245,000	Direct Line 9.25% 2042	1,468	0.71
240,000	Enel 5.75% 2037	343	0.17
600,000	Enel 5.75% 2040	886	0.43
610,000	Eversholt 3.529% 2042	653	0.32
600,000	Eversholt 6.697% 2035	796	0.39
126,000	GE Capital 6.25% 2038	167	0.08
400,000	Great Rolling Stock 6.875% 2035	381	0.19
900,000	HSBC 6% 2040	1,224	0.60
550,000	innogy Finance 6.125% 2039	866	0.42
300,000	Marston's 5.641% 2035	246	0.12

Holding	Investment	Market value £'000	Percentage of total net assets
600,000	Munich Re 6.625% fixed to floating 2042	679	0.33
1,000,000	QBE Insurance 6.115% 2042	1,089	0.53
500,000	RL Finance 6.125% fixed to floating 2043	562	0.27
1,186,000	RMPA Services 5.337% 2038	1,218	0.59
1,100,000	Tesco 5.744% 2040	1,399	0.68
500,000	Tesco 5.8006% 2040	646	0.31
greater than 25 years to maturity			
265,000	Accent Capital 2.625% 2049	288	0.14
650,000	Aviva 5.125% 2050	731	0.36
700,000	Blend Funding 3.459% 2047	856	0.42
642,000	Bromford Housing 3.125% 2048	768	0.37
222,000	Clarion Housing 3.125% 2048	260	0.13
672,000	NGG 5.625% fixed to floating 2073	749	0.36
978,000	Paragon FRN 2050	933	0.45
417,000	Peabody Capital 3.25% 2048	482	0.23
590,000	Penarian Housing Finance 3.212% 2052	659	0.32
660,000	Prudential 5% 2055	731	0.36
444,000	Prudential 5.625% FRN 2051	502	0.24
1,404,000	RMAC FRN 2046	1,193	0.58
600,000	Sanctuary Capital 5% 2047	934	0.45
360,000	SSE 3.625% 2077	362	0.18
760,000	Tolkien Funding Sukuk FRN 2052	607	0.30
1,100,000	Vodafone 3.375% 2049	1,151	0.56
200,000	Vodafone 4.875% FRN 2078	210	0.10
560,000	Wheatley 4.375% 2044	737	0.36
Perpetual			
800,000	Assicurazioni Generali 6.416% fixed to floating Perpetual	846	0.41
990,000	Aviva 5.9021% fixed to floating Perpetual	1,016	0.49
500,000	Aviva 6.125% fixed to floating Perpetual	537	0.26
571,000	AXA 6.6862% fixed to floating Perpetual	678	0.33
1,114,000	AXA 6.772% fixed to floating Perpetual	1,118	0.54
410,000	Credit Agricole 7.5% Perpetual	473	0.23
1,170,000	CYBG 8% Perpetual	1,095	0.53
1,021,000	Dignity 4.6956% Perpetual	861	0.42
900,000	Direct Line 4.75% Perpetual	739	0.36
700,000	EDF 5.875% fixed to floating Perpetual	758	0.37
470,000	HSBC 5.875% fixed to floating Perpetual	491	0.24
425,000	Lloyds Banking Group 7.625% fixed to floating Perpetual	457	0.22
603,000	Orange 5.75% fixed to floating Perpetual	670	0.33
790,000	Pennon 2.875% Perpetual	792	0.39
800,000	SSE 3.875% fixed to floating Perpetual	808	0.39

Holding	Investment	Market value £'000	Percentage of total net assets
US Dollar Denominated Bonds (1.32%)		1,314	0.64
Corporate Bonds (1.32%)		1,314	0.64
less than 5 years to maturity			
430,000	Bausch Health 6.5% 2022	365	0.18
between 5 and 10 years to maturity			
720,000	SPCM 4.875% 2025	603	0.29
Perpetual			
400,000	Societe Generale 7.375% Perpetual	346	0.17
Collective Investment Schemes (5.15%)		11,937	5.81
932,618	SLI Total Return Credit SICAV +	11,937	5.81
Derivatives (-2.01%)		(10,864)	(5.28)
Credit Default Swaps (-0.29%)		(657)	(0.32)
EUR 7,000,000	Buy iTraxx Europe Series 31 20/06/2024 0%	(766)	(0.37)
EUR 1,000,000	Sell iTraxx Europe Series 31 20/06/2024 5%	109	0.05
Forward Currency Contracts (0.21%)		(91)	(0.04)
	Buy GBP 553,046 Sell EUR 598,673 28/10/2019	10	0.01
	Buy GBP 7,545,978 Sell EUR 8,370,964 28/10/2019	(40)	(0.02)
	Buy GBP 29,565 Sell USD 36,185 28/10/2019	-	-
	Buy GBP 2,205,988 Sell USD 2,771,955 28/10/2019	(65)	(0.03)
	Buy USD 207,794 Sell GBP 165,754 28/10/2019	5	-
	Buy USD 965,385 Sell GBP 791,679 28/10/2019	(1)	-
Interest Rate Swaps (-1.93%)		(10,116)	(4.92)
GBP 3,000,000	Pay fixed 0.9175% receive floating GBP-LIBOR 06/09/2034	(122)	(0.06)
GBP 6,000,000	Pay fixed 0.943% receive floating GBP-LIBOR 06/06/2021	(29)	(0.01)
GBP 7,200,000	Pay fixed 1.022% receive floating GBP-LIBOR 14/06/2027	(239)	(0.12)
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	(88)	(0.04)
GBP 9,000,000	Pay fixed 1.335% receive floating GBP-LIBOR 06/06/2026	(458)	(0.22)
GBP 7,000,000	Pay fixed 1.3532% receive floating GBP-LIBOR 08/02/2029	(492)	(0.24)
GBP 5,000,000	Pay fixed 1.3742% receive floating GBP-LIBOR 10/11/2027	(322)	(0.16)
GBP 1,750,000	Pay fixed 1.4075% receive floating GBP-LIBOR 03/04/2042	(289)	(0.14)
GBP 2,140,000	Pay fixed 1.4475% receive floating GBP-LIBOR 17/12/2019	(6)	-
GBP 4,900,000	Pay fixed 1.521% receive floating GBP-LIBOR 18/02/2020	(17)	(0.01)
GBP 2,000,000	Pay fixed 1.5777% receive floating GBP-LIBOR 03/05/2028	(172)	(0.08)
GBP 1,900,000	Pay fixed 1.595% receive floating GBP-LIBOR 25/03/2025	(110)	(0.05)
GBP 2,700,000	Pay fixed 1.59625% receive floating GBP-LIBOR 21/05/2020	(21)	(0.01)
GBP 8,300,000	Pay fixed 1.608% receive floating GBP-LIBOR 28/08/2020	(74)	(0.04)
GBP 160,000	Pay fixed 1.9025% receive floating GBP-LIBOR 25/03/2045	(49)	(0.02)
GBP 2,200,000	Pay fixed 1.906% receive floating GBP-LIBOR 18/02/2025	(157)	(0.08)

Holding	Investment	Market value £'000	Percentage of total net assets
GBP 3,300,000	Pay fixed 2.035% receive floating GBP-LIBOR 21/05/2025	(280)	(0.14)
GBP 330,000	Pay fixed 2.2275% receive floating GBP-LIBOR 17/12/2034	(79)	(0.04)
GBP 260,000	Pay fixed 2.258% receive floating GBP-LIBOR 18/02/2045	(101)	(0.05)
GBP 140,000	Pay fixed 2.275% receive floating GBP-LIBOR 17/12/2044	(55)	(0.03)
GBP 280,000	Pay fixed 2.6675% receive floating GBP-LIBOR 10/11/2044	(137)	(0.07)
GBP 3,200,000	Pay fixed 2.68875% receive floating GBP-LIBOR 05/08/2024	(331)	(0.16)
GBP 1,150,000	Pay fixed 2.761% receive floating GBP-LIBOR 30/04/2024	(122)	(0.06)
GBP 7,050,000	Pay fixed 2.78% receive floating GBP-LIBOR 30/01/2024	(684)	(0.33)
GBP 6,000,000	Pay fixed 2.78% receive floating GBP-LIBOR 26/03/2024	(640)	(0.31)
GBP 6,300,000	Pay fixed 2.955% receive floating GBP-LIBOR 09/01/2024	(660)	(0.32)
GBP 600,000	Pay fixed 3.07125% receive floating GBP-LIBOR 05/08/2044	(345)	(0.17)
GBP 3,200,000	Pay fixed 3.253% receive floating GBP-LIBOR 30/01/2034	(1,183)	(0.58)
GBP 160,000	Pay fixed 3.275% receive floating GBP-LIBOR 17/06/2044	(100)	(0.05)
GBP 2,600,000	Pay fixed 3.31% receive floating GBP-LIBOR 30/01/2044	(1,614)	(0.78)
GBP 2,900,000	Pay fixed 3.365% receive floating GBP-LIBOR 09/01/2034	(1,118)	(0.54)
Total investment assets and liabilities		187,671	91.36
Net other assets		17,759	8.64
Total Net Assets		205,430	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019 £'000	£'000	31 August 2018 £'000	£'000
Income:				
Net capital gains/(losses)		3,768		(2,344)
Revenue	3,667		3,132	
Expenses	(689)		(752)	
Interest payable and similar charges	(552)		-	
Net revenue before taxation	2,426		2,380	
Taxation	-		-	
Net revenue after taxation		2,426		2,380
Total return before distributions		6,194		36
Distributions		(2,426)		(2,380)
Change in net assets attributable to shareholders from investment activities		3,768		(2,344)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019 £'000	£'000	31 August 2018 £'000	£'000
Opening net assets attributable to shareholders		219,378		223,113
Amounts receivable on the issue of shares	13,932		20,384	
Amounts payable on the cancellation of shares	(33,764)		(7,720)	
		(19,832)		12,664
Dilution adjustment		36		39
Change in net assets attributable to shareholders from investment activities (see above)		3,768		(2,344)
Retained distribution on accumulation shares		2,080		2,088
Unclaimed distributions		-		1
Closing net assets attributable to shareholders		205,430		235,561

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

Balance Sheet

As at 31 August 2019

	31 August 2019 £'000	£'000	28 February 2019 £'000	£'000
Assets:				
Fixed assets:				
Investment assets		198,659		210,038
Current assets:				
Debtors	2,871		4,101	
Cash and bank balances	15,398		11,543	
		18,269		15,644
Total assets		216,928		225,682
Liabilities:				
Investment liabilities		(10,988)		(5,886)
Creditors	(344)		(257)	
Distribution payable	(166)		(161)	
		(510)		(418)
Total liabilities		(11,498)		(6,304)
Net assets attributable to shareholders		205,430		219,378

Distribution tables

For the three months ended 31 May 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 May 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.3317	-	0.3317*	0.2771
Group 2	0.2221	0.1096	0.3317*	0.2771
Institutional accumulation				
Group 1	0.4519	-	0.4519*	0.3916
Group 2	0.2614	0.1905	0.4519*	0.3916
Retail income				
Group 1	0.1997	-	0.1997**	0.1696
Group 2	0.1506	0.0491	0.1997**	0.1696
Institutional income				
Group 1	0.2564	-	0.2564**	0.2267
Group 2	0.1870	0.0694	0.2564**	0.2267
Standard Life income				
Group 1	0.2165	-	0.2165**	0.1835
Group 2	0.2165	-	0.2165**	0.1835
Standard Life accumulation				
Group 1	0.5842	-	0.5842*	0.5181
Group 2	0.5842	-	0.5842*	0.5181
Platform 1 accumulation				
Group 1	0.3025	-	0.3025*	0.2612
Group 2	0.1785	0.1240	0.3025*	0.2612
Platform 1 income				
Group 1	0.2579	-	0.2579**	0.2272
Group 2	0.1410	0.1169	0.2579**	0.2272

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

for the three months ended 31 August 2019

Group 1 - shares purchased prior to 1 June 2019

Group 2 - shares purchased between 1 June 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.5345	-	0.5345*	0.4603
Group 2	0.1764	0.3581	0.5345*	0.4603
Institutional accumulation				
Group 1	0.6694	-	0.6694*	0.5857
Group 2	0.3857	0.2837	0.6694*	0.5857
Retail income				
Group 1	0.3208	-	0.3208**	0.2808
Group 2	0.1528	0.1680	0.3208**	0.2808
Institutional income				
Group 1	0.3779	-	0.3779**	0.3376
Group 2	0.1658	0.2121	0.3779**	0.3376
Standard Life income				
Group 1	0.2919	-	0.2919**	0.2475
Group 2	0.2919	-	0.2919**	0.2475
Standard Life accumulation				
Group 1	0.8092	-	0.8092*	0.7156
Group 2	0.1577	0.6515	0.8092*	0.7156
Platform 1 accumulation				
Group 1	0.4518	-	0.4518*	0.3947
Group 2	0.2522	0.1996	0.4518*	0.3947
Platform 1 income				
Group 1	0.3834	-	0.3834**	0.3418
Group 2	0.1997	0.1837	0.3834**	0.3418

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

ASI UK Ethical Equity Fund

Investment Report

Fund Information

Fund Manager Lesley Duncan

Launch Date 20 September 1998

Investment objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares) which meet the ethical criteria set out in the investment manager's Ethical Investment Policy.

Performance Target: To achieve the return of the FTSE All-Share Index, plus 2% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

- The Fund will invest at least 70% in equities and equity related securities of companies listed, incorporated, or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.
- All investments will comply with the Ethical Investment Policy. The Fund uses negative criteria to avoid investing in companies that operate to a degree in certain areas, including but not limited to those deriving revenue from animal testing, weaponry, pornography and gambling services. In addition to excluding such companies which operate in certain industries and activities, the Fund will seek to include companies whose business activities are regarded as making a positive contribution in terms of preserving the environment or improving the quality and safety of human life. In making an assessment of whether business activities make a positive contribution, the investment manager will make reference to the UN Global Compact to define the areas where the Fund seeks to invest in companies with positive business practices and services. The areas include human rights, labour rights, environmental safeguards and combating bribery and corruption. Please refer to the Ethical Investment Policy for further detail.

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 12%. Due to the ethical nature of the management process, there are a material number of stocks and sectors in the FTSE All-Share Index that the Fund is unable to invest, which means the Fund's performance profile may deviate significantly from that of the FTSE All-Share Index.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-3.64	4.22	13.66	-6.05	8.27	8.08
Fund (Net) (%)	-3.77	3.58	12.72	-7.21	6.95	6.68
Performance target (%)	-3.39	5.20	12.45	2.52	8.34	7.59

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Performance review (continued)

Technology developer Aveva Group delivered a robust set of earnings results. These were underpinned by market expansion and the early success of cross-selling following the merger with Schneider. Office supplier IWG (formerly Regus) was another positive holding. Its share price gained after the sale of its Japanese office assets, which should unlock value for the firm. Our zero weighting in Imperial Brands added relative value, as the company performed poorly. Its share price was held in check by ongoing regulatory pressures and the slower-than-expected uptake of its next-generation products. Not owning Glencore also benefited the Fund. The company performed poorly amid concerns about demand for metals. It is also sensitive to slower global growth from the escalating US-China trade dispute.

By contrast, Fever-tree Drinks weighed on the Fund's relative return. The drinks company suffered from slower growth in its range of mixers. It was negatively impacted by poor weather in the UK and the benefit from last year's World Cup dropping out of its sales numbers. However, its longer-term prospects still look bright as it expands overseas, notably in the US. Not owning pharmaceutical companies AstraZeneca and GlaxoSmithKline detracted from returns as these stocks were strongly sought after by investors for their more defensive qualities.

Activity

We established a position in Barclays following an upgrade of its ethical score to 'acceptable'. Ongoing engagement with its management team and progress with the Financial Conduct Authority investigation shows that progress is being made. From a valuation aspect, operational initiatives designed to deliver cost savings are gaining traction. We added multi-utility company National Grid. The business is an attractive mix of regulated and growing non-regulated assets in the UK and US. We believe there are significant growth opportunities in North America with renewables and new technology where National Grid is well placed to benefit.

In terms of sales, we removed media group ITV, given ongoing structural concerns around changing television viewing habits and the rise of new content providers. Over the longer term, this has implications for the company's net advertising share and viewing numbers. Meanwhile, we scaled back our positions in building materials supplier Marshalls following a period of outperformance. We also trimmed software designer Sage amid worries about the outlook for revenue growth in the second half of 2019. Lastly, we reduced insurer Aviva to reflect our lack of conviction in its longer-term outlook.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income. The value of assets held in the Fund may rise and fall as a result of exchange rate fluctuations.

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	59,899	59,488	65,819	65,856
Closing number of shares	34,615,473	35,490,673	37,437,581	42,788,565
Closing net asset value per share (pence)	173.04	167.61	175.81	153.91
Change in net asset value per share	3.24%	(4.66%)	14.23%	13.59%
Operating charges	1.32%	1.32%	1.32%	1.32%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	77,352	77,851	73,555	64,951
Closing number of shares	39,487,586	41,125,771	37,219,549	37,719,481
Closing net asset value per share (pence)	195.89	189.30	197.62	172.19
Change in net asset value per share	3.48%	(4.21%)	14.77%	14.15%
Operating charges	0.85%	0.85%	0.85%	0.85%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	10,442	8,952	4,775	2,048
Closing number of shares	16,644,963	14,766,945	7,400,286	3,590,880
Closing net asset value per share (pence)	62.73	60.62	64.53	57.02
Change in net asset value per share	3.48%	(6.06%)	13.17%	12.24%
Operating charges	0.85%	0.85%	0.85%	0.85%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	561	543	677	526
Closing number of shares	253,566	255,080	306,542	275,465
Closing net asset value per share (pence)	221.28	213.03	220.75	190.91
Change in net asset value per share	3.87%	(3.50%)	15.63%	15.01%
Operating charges	0.10%	0.10%	0.10%	0.10%

Institutional regulated accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	28,784	28,821	29,855	25,963
Closing number of shares	21,855,885	22,697,632	22,623,290	22,681,220
Closing net asset value per share (pence)	131.70	126.98	131.97	114.47
Change in net asset value per share	3.72%	(3.78%)	15.29%	14.66%
Operating charges	0.40%	0.40%	0.40%	0.40%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	127,184	121,565	117,020	93,729
Closing number of shares	117,777,129	116,463,693	107,333,852	98,616,894
Closing net asset value per share (pence)	107.99	104.38	109.02	95.04
Change in net asset value per share	3.46%	(4.26%)	14.71%	14.09%
Operating charges	0.90%	0.90%	0.90%	0.90%

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

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

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	7,687	6,883	4,624	2,361
Closing number of shares	12,260,092	11,355,840	7,167,920	4,141,545
Closing net asset value per share (pence)	62.70	60.61	64.51	57.01
Change in net asset value per share	3.45%	(6.05%)	13.16%	12.22%
Operating charges	0.90%	0.90%	0.90%	0.90%

Institutional A accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	109	129	182	186
Closing number of shares	170,723	208,712	279,456	324,724
Closing net asset value per share (pence)	63.91	61.99	65.20	57.24
Change in net asset value per share	3.10%	(4.92%)	13.91%	13.30%
Operating charges	1.59%	1.60%	1.60%	1.60%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (96.60%)		299,173	95.88
Basic Materials (0.00%)		3,179	1.02
199,121	Mondi	3,179	1.02
Consumer Goods (20.53%)		53,602	17.18
342,224	Bellway	9,924	3.18
3,981,561	Boohoo.com*	9,608	3.08
1,512,711	Countryside Properties	4,523	1.45
1,729,561	Dixons Carphone	1,857	0.60
375,643	Fever Tree Drinks*	8,486	2.72
773,728	Inchcape	4,468	1.43
41,809	JD Sports	258	0.08
958,846	Joules*	2,459	0.79
2,569,045	McCarthy & Stone	3,448	1.10
1,217,533	Redrow	6,709	2.15
471,258	SuperGroup	1,862	0.60
Consumer Services (13.85%)		54,730	17.54
1,663,924	Centaur Media	654	0.21
1,905,010	Cineworld	4,159	1.33
363,534	CVS*	3,146	1.01
1,414,176	Entertainment One	8,266	2.65
222,337	Greggs	4,696	1.50
1,283,860	Hollywood Bowl	2,837	0.91
5,174,708	ITE	3,695	1.18
729,367	Just Eat	5,730	1.84
1,009,628	Mitchells & Butlers	3,518	1.13
285,484	RELX	5,613	1.80
495,746	Rightmove	2,654	0.85
942,857	Trainline	4,478	1.44
370,435	TUI	3,026	0.97
1,137,548	Wilmington	2,258	0.72
Financials (18.46%)		54,380	17.43
654,821	Ashmore	2,953	0.95
571,122	Aviva	2,022	0.65
1,960,992	Barclays	2,678	0.86
926,995	Chesnara	2,609	0.84
391,598	Close Brothers	5,044	1.62
1,724,672	CYBG	2,435	0.78
2,005,191	Grainger	4,893	1.57
723,349	Hammerson	1,641	0.52
311,583	Intermediate Capital	4,160	1.33

Holding	Investment	Market value £'000	Percentage of total net assets
505,726	John Laing Group	1,788	0.57
1,041,669	Onesavings Bank	3,350	1.07
372,354	Phoenix	2,409	0.77
521,791	Prudential	7,136	2.29
364,450	St James's Place	3,344	1.07
928,234	Standard Chartered	5,772	1.85
205,185	Unite	2,146	0.69
Health Care (5.44%)		6,781	2.17
636,693	Clinigen*	5,632	1.80
508,584	Georgia Healthcare	1,149	0.37
Industrials (23.15%)		77,429	24.82
618,985	Bodycote	4,432	1.42
286,156	Diploma	4,533	1.45
520,416	Electrocomponents	3,023	0.97
48,451	Ferguson	2,927	0.94
789,657	Grafton	5,938	1.91
1,578,486	Howdens Joinery	8,492	2.72
294,254	IMI	2,956	0.95
1,227,172	IWG	5,118	1.64
306,579	Marshall's	2,126	0.68
767,213	Midwich*	3,867	1.24
1,997,538	Mitie Group	2,926	0.94
1,906,523	Polypipe	7,146	2.29
681,777	Porvair	3,845	1.23
375,472	Ricardo	2,561	0.82
667,590	Robert Walters	3,378	1.08
960,866	Sanne	5,016	1.61
1,984,239	Smith (DS)	6,744	2.16
515,866	Vesuvius	2,401	0.77
Oil & Gas (1.27%)		3,685	1.18
977,851	Wood Group	3,685	1.18
Technology (10.71%)		30,931	9.91
297,619	Accesso*	2,702	0.87
1,060,271	Avast	4,027	1.29
206,034	AVEVA	7,619	2.44
139,277	Blue Prism*	1,292	0.41
307,466	EMIS*	3,407	1.09
444,939	FDM	3,355	1.08
1,040,563	Kainos	5,172	1.66
146,816	Micro Focus	1,628	0.52
246,834	Sage	1,729	0.55

Holding	Investment	Market value £'000	Percentage of total net assets
Telecommunications (3.19%)		10,246	3.28
393,600	Gamma Communication*	4,054	1.30
300,525	Inmarsat	1,814	0.58
2,820,264	Vodafone	4,378	1.40
Utilities (0.00%)		4,210	1.35
490,491	National Grid	4,210	1.35
Total investment assets		299,173	95.88
Net other assets		12,845	4.12
Total Net Assets		312,018	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

* AIM Listed Securities.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		6,507		12,235
Revenue	5,478		4,932	
Expenses	(1,485)		(1,462)	
Net revenue before taxation	3,993		3,470	
Taxation	-		-	
Net revenue after taxation		3,993		3,470
Total return before equalisation		10,500		15,705
Equalisation on shares		(49)		-
Change in net assets attributable to shareholders from investment activities		10,451		15,705

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		304,232		296,507
Amounts receivable on the issue of shares	16,097		20,193	
Amounts payable on the cancellation of shares	(18,772)		(10,207)	
		(2,675)		9,986
Dilution adjustment		10		88
Change in net assets attributable to shareholders from investment activities (see above)		10,451		15,705
Closing net assets attributable to shareholders		312,018		322,286

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		299,173		293,889
Current assets:				
Debtors	1,492		538	
Cash and bank balances	11,834		10,573	
		13,326		11,111
Total assets		312,499		305,000
Liabilities:				
Creditors	(481)		(463)	
Distribution payable	-		(305)	
		(481)		(768)
Total liabilities		(481)		(768)
Net assets attributable to shareholders		312,018		304,232

ASI UK Government Bond Fund

Investment Report

Fund Information

Fund Manager Philip Laing and Liam O'Donnell

Launch Date 18 September 1998

Investment objective

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

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

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

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to identify investments after analysing global economic and market conditions (for example, interest rates and inflation) in addition to analysing of individual bonds and derivatives.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts All Stocks Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 1.5%. Due to the Fund's risk constraints, the intention is that the Fund's performance profile will not deviate significantly from that of the FTSE Actuaries UK Conventional Gilts All Stocks Index over the longer term.

Derivatives and techniques

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

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	4.36	10.81	11.35	11.89	2.26	5.61
Fund (Net) (%)	4.29	10.45	10.83	11.02	1.35	4.72
Performance target (%)	3.56	10.72	11.00	11.57	2.76	6.30
Performance comparator (%)	4.91	11.63	12.16	12.34	2.00	5.95

Duration positioning added to returns over the period. With yields declining sharply amid related economic growth and Brexit fears, our exposure to gilts added to returns. With yields across all major developed markets also falling sharply, this was supportive for our long position in Australian government bonds and US Treasuries. Conversely, a short position in German government bonds was the major detractor, as bond yields became increasingly negative in the second half of the period.

Investment activity

We think that European Central Bank action later this year will be a positive for the European government bond market, and we retain long exposure in French bonds. In line with previous market cycles, we expect the US yield curve to steepen as the Fed cuts interest rates. On that basis, we have positioned for outperformance of short-dated US rates and Treasury issues versus long-dated rates and longer-dated bonds.

Towards the end of the period, we added strategies targeting outperformance of short-dated US rates and Treasuries versus longer-dated rates and bonds. After disappointing UK economic data, we decided to close a short position on UK interest rates. Following a significant rally in European bonds, we also took profits on Belgian and Austrian issues. After disappointing UK economic data, we decided to close a short position on UK interest rates.

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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.

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

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

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

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

Inflation reduces the buying power of your investment and income. The value of assets held in the Fund may rise and fall as a result of exchange rate fluctuations.

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	5,083	4,941	5,511	4,390
Closing number of shares	6,057,314	6,484,404	7,327,607	5,717,216
Closing net asset value per share (pence)	83.92	76.20	75.20	76.79
Change in net asset value per share	10.13%	1.33%	(2.07%)	5.28%
Operating charges	0.92%	1.08%	1.08%	1.05%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	6,609	6,311	7,245	9,253
Closing number of shares	7,423,704	7,859,018	9,181,687	11,530,869
Closing net asset value per share (pence)	89.02	80.30	78.91	80.24
Change in net asset value per share	10.86%	1.76%	(1.66%)	5.87%
Operating charges	0.55%	0.67%	0.66%	0.63%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,197	1,303	1,429	1,928
Closing number of shares	2,255,895	2,700,187	2,997,042	3,959,192
Closing net asset value per share (pence)	53.05	48.25	47.68	48.70
Change in net asset value per share	9.95%	1.20%	(2.09%)	5.05%
Operating charges	0.92%	1.08%	1.08%	1.05%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	15,264	14,772	450	556
Closing number of shares	28,724,331	30,607,423	944,112	1,141,405
Closing net asset value per share (pence)	53.14	48.26	47.69	48.70
Change in net asset value per share	10.11%	1.20%	(2.07%)	5.05%
Operating charges	0.55%	0.67%	0.66%	0.63%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,674	1,800	1,887	1,538
Closing number of shares	1,719,734	2,042,880	2,189,815	1,764,338
Closing net asset value per share (pence)	97.33	88.10	86.14	87.15
Change in net asset value per share	10.48%	2.28%	(1.16%)	6.19%
Operating charges	0.16%	0.16%	0.16%	0.13%

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

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

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

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	5,868	5,892	7,418	9,694
Closing number of shares	8,933,643	9,938,878	12,726,899	16,347,876
Closing net asset value per share (pence)	65.68	59.29	58.29	59.30
Change in net asset value per share	10.78%	1.72%	(1.70%)	5.67%
Operating charges	0.55%	0.71%	0.71%	0.68%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,246	1,323	1,812	2,359
Closing number of shares	2,026,919	2,378,079	3,296,797	4,202,417
Closing net asset value per share (pence)	61.49	55.63	54.97	56.14
Change in net asset value per share	10.53%	1.20%	(2.08%)	5.05%
Operating charges	0.55%	0.71%	0.71%	0.68%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (99.25%)		36,705	99.36
Euro Denominated Bonds (0.00%)		770	2.08
Government Bonds (0.00%)		770	2.08
greater than 25 years to maturity			
310,000	France (Govt of) 1.5% 2050	367	0.99
308,000	France (Govt of) 2% 2048	403	1.09
Sterling Denominated Bonds (97.99%)		35,198	95.29
Government Bonds (97.99%)		35,198	95.29
less than 5 years to maturity			
218,000	Bank Nederlandse Gemeenten 1.375% 2019	218	0.59
50,000	European Investment Bank 0.875% 2021	50	0.14
297,000	European Investment Bank 0.875% 2023	299	0.81
302,000	European Investment Bank 2.25% 2020	305	0.82
200,000	FMS Wertmanagement 1.125% 2021	202	0.55
248,000	KFW 1.375% 2021	251	0.68
135,000	Landwirtschaftliche Rentenbank 1.375% 2020	136	0.37
713,000	UK (Govt of) 0.5% 2022	717	1.94
728,000	UK (Govt of) 0.75% 2023	740	2.00
460,000	UK (Govt of) 1% 2024	474	1.28
680,000	UK (Govt of) 1.5% 2021	690	1.87
724,000	UK (Govt of) 1.75% 2022	754	2.04
433,000	UK (Govt of) 2% 2020	439	1.19
747,000	UK (Govt of) 2.25% 2023	804	2.18
450,000	UK (Govt of) 3.75% 2020	465	1.26
698,000	UK (Govt of) 3.75% 2021	745	2.02
417,000	UK (Govt of) 3.75% Index-Linked 2019	417	1.13
945,000	UK (Govt of) 4% 2022	1,031	2.79
600,340	UK (Govt of) 8% 2021	681	1.84
between 5 and 10 years to maturity			
634,000	UK (Govt of) 1.25% 2027	679	1.84
700,000	UK (Govt of) 1.5% 2026	757	2.05
518,000	UK (Govt of) 1.625% 2028	575	1.56
694,592	UK (Govt of) 2% 2025	766	2.07
599,000	UK (Govt of) 2.75% 2024	672	1.82
23,000	UK (Govt of) 4.25% 2027	30	0.08
866,802	UK (Govt of) 5% 2025	1,089	2.95
477,083	UK (Govt of) 6% 2028	722	1.95

Holding	Investment	Market value £'000	Percentage of total net assets
between 10 and 15 years to maturity			
121,000	UK(Govt of) 0.875% 2029	126	0.34
876,088	UK (Govt of) 4.25% 2032	1,269	3.43
825,087	UK (Govt of) 4.75% 2030	1,211	3.28
between 15 and 25 years to maturity			
568,000	UK (Govt of) 1.75% 2037	650	1.76
665,018	UK (Govt of) 3.25% 2044	987	2.67
725,096	UK (Govt of) 4.25% 2036	1,114	3.02
566,287	UK (Govt of) 4.25% 2039	912	2.47
990,163	UK (Govt of) 4.25% 2040	1,620	4.39
773,400	UK (Govt of) 4.5% 2034	1,190	3.22
656,702	UK (Govt of) 4.5% 2042	1,139	3.08
197,046	UK (Govt of) 4.75% 2038	333	0.90
greater than 25 years to maturity			
844,428	UK (Govt of) 1.5% 2047	944	2.56
127,000	UK (Govt of) 1.625% 2054	151	0.41
238,000	UK (Govt of) 1.75% 2049	282	0.76
430,000	UK (Govt of) 1.75% 2057	540	1.46
479,278	UK (Govt of) 2.5% 2065	760	2.06
359,000	UK (Govt of) 3.5% 2045	559	1.51
678,241	UK (Govt of) 3.5% 2068	1,361	3.68
584,087	UK (Govt of) 3.75% 2052	1,038	2.81
587,983	UK (Govt of) 4% 2060	1,193	3.23
243,000	UK (Govt of) 4.25% 2046	430	1.17
771,550	UK (Govt of) 4.25% 2049	1,423	3.85
627,403	UK (Govt of) 4.25% 2055	1,258	3.41
US Dollar Denominated Bonds (1.26%)		737	1.99
Government Bonds (1.26%)		737	1.99
greater than 25 years to maturity			
374,800	US Treasury 1% Indexed Bonds 2048	375	1.01
367,600	US Treasury 1% Index-Linked 2049	362	0.98
Collective Investment Schemes (1.67%)		221	0.60
221	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	221	0.60
Derivatives (0.18%)		(111)	(0.30)
Forward Currency Contracts (0.07%)		10	0.03
	Buy GBP 35,196 Sell EUR 38,707 27/11/2019	-	-
	Buy GBP 130,763 Sell EUR 142,712 27/11/2019	1	-
	Buy GBP 157,821 Sell EUR 171,766 27/11/2019	2	0.01
	Buy GBP 453,286 Sell EUR 493,336 27/11/2019	6	0.02
	Buy GBP 288,407 Sell USD 352,750 27/11/2019	-	-
	Buy GBP 437,581 Sell USD 532,788 27/11/2019	1	-

Holding	Investment	Market value £'000	Percentage of total net assets
Futures (0.01%)		(49)	(0.13)
6	Long Long Gilt 27/12/2019	4	0.01
12	Long US 2 Year Note Future 31/12/2019	-	-
2	Long US Ultra Bond Future (CBT) 19/12/2019	(4)	(0.01)
(16)	Short Euro Bond Future 06/09/2019	(50)	(0.13)
(3)	Short US 10 Year Ultra Future 19/12/2019	1	-
Inflation Swaps (0.08%)		(17)	(0.05)
GBP 130,000	Pay fixed 3.445% receive floating UKRPI 15/02/2049	(12)	(0.03)
GBP 302,280	Pay fixed 3.71% receive floating UKRPI 15/12/2028	(3)	(0.01)
GBP 302,280	Pay fixed 3.71% receive floating UKRPI 15/12/2028	(3)	(0.01)
GBP 300,000	Pay floating UKRPI receive fixed 3.5125% 15/03/2029	(8)	(0.02)
GBP 302,280	Pay floating UKRPI receive fixed 3.71% 15/12/2028	3	0.01
GBP 613,720	Pay floating UKRPI receive fixed 3.71% 15/12/2028	6	0.01
Interest Rate Swaps (0.02%)		(55)	(0.15)
GBP 132,000	Pay 0.466% receive SONIA 21/08/2049	(2)	-
GBP 3,49,398,000	Pay 0.673% receive SONIA 31/05/2022	(3)	(0.01)
GBP 474,000	Pay 0.8% receive SONIA 06/06/2029	(20)	(0.05)
GBP 474,000	Pay 0.84% receive SONIA 03/06/2029	(22)	(0.06)
GBP 946,000	Pay 0.844% receive SONIA 31/05/2029	(43)	(0.12)
GBP 225,500	Pay fixed 0.728% receive floating GBP-LIBOR 23/08/2069	(3)	(0.01)
USD 2,280,000	Pay fixed 1.2125% receive floating USD-LIBOR 28/08/2022	-	-
USD 2,245,627	Pay fixed 1.2925% receive floating USD-LIBOR 21/08/2022	(3)	(0.01)
USD 720,953	Pay fixed 1.31% receive floating USD-LIBOR 21/08/2022	(1)	-
USD 1,692,420	Pay fixed 1.31% receive floating USD-LIBOR 21/08/2022	(3)	(0.01)
CAD 2,986,847	Pay floating CAD-BA-CDOR receive fixed 1.483% 19/08/2022	1	-
CAD 976,738	Pay floating CAD-BA-CDOR receive fixed 1.5% 19/08/2022	1	-
CAD 2,243,415	Pay floating CAD-BA-CDOR receive fixed 1.5% 19/08/2022	1	-
CAD 2,333,302	Pay floating CAD-BA-CDOR receive fixed 1.505% 06/08/2022	1	-
CAD 3,230,000	Pay floating CAD-BA-CDOR receive fixed 1.5175% 26/08/2022	2	0.01
CAD 3,900,000	Pay floating CAD-BA-CDOR receive fixed 1.83% 16/07/2022	17	0.05
GBP 30,62,000	Pay SONIA receive 0.673% 31/05/2022	22	0.06
Total investment assets and liabilities		36,815	99.66
Net other assets		126	0.34
Total Net Assets		36,941	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		3,556		330
Revenue	240		142	
Expenses	(104)		(94)	
Net revenue before taxation	136		48	
Taxation	-		-	
Net revenue after taxation		136		48
Total return before distributions		3,692		378
Distributions		(136)		(48)
Change in net assets attributable to shareholders from investment activities		3,556		330

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		36,342		25,752
Amounts receivable on the issue of shares	1,640		1,229	
Amounts payable on the cancellation of shares	(4,662)		(4,034)	
		(3,022)		(2,805)
Dilution adjustment		-		2
Change in net assets attributable to shareholders from investment activities (see above)		3,556		330
Retained distribution on accumulation shares		65		40
Closing net assets attributable to shareholders		36,941		23,319

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		36,995		36,852
Current assets:				
Debtors	289		1,232	
Cash and bank balances	207		34	
		496		1,266
Total assets		37,491		38,118
Liabilities:				
Investment liabilities		(180)		(111)
Creditors	(279)		(1,594)	
Bank overdrafts	(27)		(18)	
Distribution payable	(64)		(53)	
		(370)		(1,665)
Total liabilities		(550)		(1,776)
Net assets attributable to shareholders		36,941		36,342

Distribution tables

For the six months ended 31 August 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	0.1656	-	0.1656*	0.0172
Group 2	0.0291	0.1365	0.1656*	0.0172
Institutional accumulation				
Group 1	0.3332	-	0.3332*	0.1872
Group 2	0.0902	0.2430	0.3332*	0.1872
Retail income				
Group 1	0.1047	-	0.1047**	0.0109
Group 2	0.0331	0.0716	0.1047**	0.0109
Institutional income				
Group 1	0.2000	-	0.2000**	0.1129
Group 2	0.1015	0.0985	0.2000**	0.1129
Standard Life accumulation				
Group 1	0.5395	-	0.5395*	0.4247
Group 2	0.5395	-	0.5395*	0.4247
Platform 1 accumulation				
Group 1	0.2292	-	0.2292*	0.1236
Group 2	0.1371	0.0921	0.2292*	0.1236
Platform 1 income				
Group 1	0.2153	-	0.2153**	0.1165
Group 2	0.1150	0.1003	0.2153**	0.1165

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 2019

ASI UK Growth Equity Fund

Investment Report

Fund Information

Fund Manager Andrew Millington

Launch Date 16 April 2018

Investment objective

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

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

Performance Comparator: IA UK All Companies Equity Sector Average.

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

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 8%. Due to the Fund's risk constraints, the intention is that the Fund's performance profile will not deviate significantly from that of the FTSE All-Share Index over the longer term.

Derivatives and techniques

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

Performance review

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-4.32	1.32	9.20	-5.70	6.02	4.34
Fund (Net) (%)	-4.40	0.69	8.34	-6.84	4.74	2.98
Performance target (%)	-3.30	5.65	13.11	3.56	9.35	8.60
Performance comparator (%)	-3.25	3.87	11.29	-3.14	5.55	5.38

Construction and services group Kier was a notable poor performer during the period. A profit warning on the back of weak sales and the need to reinvest in the business pulled shares lower. This in turn led to concern about its debt level and questions over its working capital. Despite significant liquidity the business was priced to go bust. Just Group also weighed on the Fund's return. The financial services firm's share price declined after it announced an equity placing, which was needed to bolster its balance sheet to meet tougher regulations. Indivior was another holding to detract from performance. The shares fell as it was indicted in the US for mis-selling its opioid drugs. Elsewhere, not holding defensive consumer staple companies, such as Diageo and Unilever, had a major detrimental effect on relative performance.

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Performance review (continued)

On the upside was Convatec Group. The company's shares climbed after management reiterated full-year profit guidance. The wound care specialist pleased investors when it demonstrated a clear plan to improve operational performance. Convatec has been poorly managed with low expectation for the future. It appointed a highly regarded CEO and announced steps to improve corporate performance. The Fund benefited from a significant rerating of IWG. The company owns the Regus and Spaces brand and is the world's leading temporary office space provider. The announcement of a valuable franchise deal for its Japanese business was well received. Finally, our participation in the initial public offering for Network International contributed strongly to performance. The emerging-markets-focused payment processor successfully reached a valuation that was closer to its global group. Not holding the struggling Lloyds Banking Group also helped the Fund's relative return.

Investment Activity

Activity included buying GlaxoSmithKline. Management signalled its intention to split the business into consumer health and pharmaceuticals, with the latter trading at a discount to peers. We therefore anticipate a re-rating of the business once the new team rebuilds confidence in its drugs pipeline. The overhauled leadership team is taking bold steps in terms of corporate activity, its cultural and organisational set-up. AstraZeneca was another holding added to the Fund. Despite its recent outperformance, we still believe investors are underestimating the value of its new cancer treatments. We purchased a stake in Energean Oil over the period. We participated in its capital raising exercise so that the business could buy the gas-focused exploration assets of Italy's Edison. This should enhance the company's earnings. The oil & gas explorer is now one of the biggest independent operators in the eastern Mediterranean. Other notable additions were Network International and Convatec (see above).

We reduced Aviva as its strategic direction is becoming uncertain in light of its collection of relatively mediocre assets. The building materials supplier Ferguson was sold following reasonable performance, and as leading indicators for its business deteriorated in the US, its biggest market. Moreover, much of the necessary firm's restructuring has now been achieved. Other sales included satellite communications specialist Inmarsat and semiconductor manufacturer IQE.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	86,613	89,945	97,856	102,038
Closing number of shares	25,830,832	26,908,178	29,067,158	31,808,234
Closing net asset value per share (pence)	335.31	334.26	336.66	320.79
Change in net asset value per share	0.31%	(0.71%)	4.95%	14.74%
Operating charges	1.32%	1.32%	1.32%	1.32%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	112,251	112,341	114,211	112,234
Closing number of shares	28,403,420	28,582,390	28,987,527	30,034,976
Closing net asset value per share (pence)	395.20	393.04	394.00	373.67
Change in net asset value per share	0.55%	(0.24%)	5.44%	15.31%
Operating charges	0.85%	0.86%	0.85%	0.85%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	– [^]	–	1	1
Closing number of shares	137	137	2,000	2,000
Closing net asset value per share (pence)	66.40	65.84	68.26	66.53
Change in net asset value per share	0.85%	(3.55%)	2.60%	12.08%
Operating charges	0.02%	0.03%	0.02%	0.02%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,678	1,751	1,875	1,795
Closing number of shares	1,289,165	1,357,364	1,460,721	1,485,592
Closing net asset value per share (pence)	130.19	128.99	128.34	120.81
Change in net asset value per share	0.93%	0.51%	6.23%	16.19%
Operating charges	0.10%	0.11%	0.10%	0.10%

Institutional regulated accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	– ^{^^}	–	3	2
Closing number of shares	76	76	2,000	2,000
Closing net asset value per share (pence)	125.47	126.13	122.32	115.52
Change in net asset value per share	(0.52)%	3.11%	5.89%	15.84%
Operating charges	0.40%	0.40%	0.40%	0.40%

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

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

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

[^] The closing net asset value of Standard life Income is £ 91.

^{^^} The closing net asset value of Institutional regulated accumulation is £ 96.

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	9,265	9,928	11,368	11,948
Closing number of shares	11,562,990	12,455,683	14,220,474	15,751,888
Closing net asset value per share (pence)	80.12	79.70	79.94	75.85
Change in net asset value per share	0.53%	(0.30%)	5.39%	15.26%
Operating charges	0.90%	0.91%	0.90%	0.90%

Institutional A accumulation+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	–	–	2,200	2,200
Closing net asset value per share (pence)	–	–	60.88	58.17
Change in net asset value per share	–	9.05%	4.66%	14.44%
Operating charges	–	1.61%	1.60%	1.60%

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

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

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

+ Share class closed on 14 June 2018.

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (97.02%)		205,987	98.18
Basic Materials (9.06%)		17,993	8.58
139,493	Anglo American	2,475	1.18
280,044	BHP	4,965	2.37
305,731	Centamin	443	0.21
1,281,738	Glencore	3,036	1.45
103,607	Johnson Matthey	3,014	1.44
97,848	Rio Tinto	4,060	1.93
Consumer Goods (15.29%)		32,282	15.39
80,230	Associated British Foods	1,821	0.87
114,571	Bellway	3,323	1.58
687,591	Boohoo.com*	1,659	0.79
302,125	British American Tobacco	8,700	4.15
450,244	Countryside Properties	1,346	0.64
626,069	Dixons Carphone	672	0.32
90,537	Fever Tree Drinks*	2,045	0.97
101,272	Imperial Brands	2,151	1.03
930,536	McCarthy & Stone	1,249	0.60
112,972	Reckitt Benckiser	7,228	3.45
172,272	Redrow	949	0.45
288,200	SuperGroup	1,139	0.54
Consumer Services (5.88%)		13,910	6.63
796,541	888 Holdings	1,215	0.58
4,125	ASOS	98	0.05
527,504	Cineworld	1,152	0.55
252,398	GVC	1,587	0.76
175,302	Just Eat	1,377	0.65
344,384	RELX	6,771	3.23
319,445	Rightmove	1,710	0.81
Financials (22.70%)		42,964	20.48
394,282	Ashmore	1,778	0.85
74,597	Aviva	264	0.13
2,330,990	Barclays	3,184	1.52
194,919	Close Brothers	2,511	1.20
1,899,849	HSBC	11,234	5.35
972,643	John Laing Group	3,439	1.64
2,208,527	Just	986	0.47
46,618	London Stock Exchange	3,241	1.54
292,404	Onesavings Bank	940	0.45

Holding	Investment	Market value £'000	Percentage of total net assets
431,714	Phoenix	2,793	1.33
480,811	Prudential	6,575	3.13
157,588	St James's Place	1,446	0.69
735,415	Standard Chartered	4,573	2.18
Health Care (10.44%)		31,843	15.18
129,855	AstraZeneca	9,502	4.53
170,722	Clinigen*	1,510	0.72
1,418,287	ConvaTec	2,472	1.18
100,270	Dechra Pharmaceuticals	3,006	1.43
130,245	Genus	3,423	1.63
601,464	GlaxoSmithKline	10,293	4.91
1,369,737	Indivior	826	0.39
771,049	Spire Healthcare	811	0.39
Industrials (10.29%)		18,939	9.03
776,973	BAE Systems	4,238	2.02
170,688	Bodycote	1,222	0.58
480,403	IWG	2,004	0.96
358,495	Kier	421	0.20
275,156	Network International	1,651	0.79
485,130	Polypipe	1,818	0.87
484,678	Rentokil	2,182	1.04
303,278	Rolls-Royce	2,338	1.11
581,210	Smith (DS)	1,975	0.94
234,276	Vesuvius	1,090	0.52
Oil & Gas (17.24%)		35,469	16.90
2,374,686	BP	11,876	5.66
726,945	Cairn Energy	1,213	0.58
111,032	Energean Oil & Gas	1,099	0.52
327,081	Hunting	1,494	0.71
311,944	Kosmos Energy	1,616	0.77
300,668	Nostrum Oil & Gas	65	0.03
404,664	Royal Dutch Shell 'A'	9,206	4.39
264,747	Royal Dutch Shell 'B'	5,995	2.86
742,937	Tullow Oil	1,517	0.72
368,320	Wood Group	1,388	0.66
Technology (0.51%)		-	-
Telecommunications (3.68%)		7,731	3.68
115,234	Telecom Plus	1,334	0.64
4,121,443	Vodafone	6,397	3.04

Holding	Investment	Market value £'000	Percentage of total net assets
Utilities (1.93%)		4,856	2.31
450,460	National Grid	3,867	1.84
121,544	United Utilities	989	0.47
Collective Investment Schemes (2.59%)		2,836	1.35
2,836	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund +	2,836	1.35
Total investment assets		208,823	99.53
Net other assets		984	0.47
Total Net Assets		209,807	100.00

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 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

* AIM Listed

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(3,130)		11,123
Revenue	5,387		5,209	
Expenses	(1,138)		(1,250)	
Net revenue before taxation	4,249		3,959	
Taxation	(35)		(31)	
Net revenue after taxation		4,214		3,928
Total return before equalisation		1,084		15,051
Equalisation on shares*		(52)		(53)
Change in net assets attributable to shareholders from investment activities		1,032		14,998

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		213,965		225,315
Amounts receivable on the issue of shares	833		918	
Amounts payable on the cancellation of shares*	(6,023)		(7,501)	
		(5,190)		(6,583)
Dilution adjustment		–		23
Change in net assets attributable to shareholders from investment activities (see above)		1,032		14,998
Closing net assets attributable to shareholders		209,807		233,753

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

* Prior year figures have been reclassified.

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		208,823		213,139
Current assets:				
Debtors	1,762		1,143	
Cash and bank balances	1		1	
		1,763		1,144
Total assets		210,586		214,283
Liabilities:				
Creditors	(779)		(318)	
		(779)		(318)
Total liabilities		(779)		(318)
Net assets attributable to shareholders		209,807		213,965

ASI UK High Alpha Equity Fund

Investment Report

Fund Information

Fund Manager Frederik Nassauer

Launch Date 31 January 1992

Investment objective

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

Performance Target: To achieve the return of the FTSE 350 Index plus 4% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

Performance Comparator: IA UK All Companies Equity Sector Average.

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

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to maintain a concentrated asset mix at sector and stock level, with sector weightings within the portfolio typically a by-product of the underlying stock exposure.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the FTSE 350 Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the Fund's performance profile may deviate significantly from that of the FTSE 350 Index.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-4.58	-1.18	7.05	-9.96	5.04	4.74
Fund (Net) (%)	-4.66	-1.76	6.17	-11.06	3.77	3.38
Performance target (%)	-3.24	6.23	13.96	4.81	10.35	9.57
Performance comparator (%)	-3.25	3.87	11.29	-3.14	5.55	5.38

In terms of negative contribution to the Fund, the position in US-based opioid drug manufacturer Indivior was a principle factor. During the period, there were ongoing concerns about generic competition as well as a Department of Justice investigation into the company's sales practices. The holding in UK retailer Dixons Carphone also weighed on performance. The group announced a profit reset in mid-June on the back of ongoing trading difficulties in the domestic mobile market. However, 80% of its profits stem from electricals, which continue to trade resiliently. The position in construction company Kier Group was another key detractor from returns. The stock was negatively affected by the sluggish outlook for UK construction activity, the company's high net debt and an impairment to an existing project. Glencore was also weak, falling amid concerns about metals demand. It is also sensitive to slower global growth from the escalating US-China trade dispute.

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Performance review (continued)

On the positive side was our participation in the initial public offering for Network International. The emerging-markets-focused payment provider successfully reached a valuation that was closer to that of its global payment peers. Energean Oil & Gas also performed well. The purchase of Italy's Edison was well-received by investors as it is expected to enhance the company's earnings. The business will become one of the biggest independent operators in the eastern Mediterranean as a result. Having no exposure to benchmark-heavy stocks such as Lloyds Banking Group and BT Group aided performance.

Investment activity

We established a new position in Coca Cola European Partners. The group is a leading bottler in 13 of Europe's most significant markets. It should see sales boosted by a combination of favourable pricing, merger synergies and operational leverage.

In terms of sales, we removed merchant banking group Close Brothers. This move reflected our concerns that ongoing Brexit uncertainty and declining rates will weigh on net interest margins and act as a drag on near-term mortgage income. We also exited HSBC following a downbeat meeting with its CFO.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	72,512	81,896	57,513	56,504
Closing number of shares	35,252,386	38,900,539	25,982,641	28,005,376
Closing net asset value per share (pence)	205.69	210.53	221.35	201.76
Change in net asset value per share	(2.30%)	(4.89%)	9.71%	14.40%
Operating charges	1.32%	1.32%	1.32%	1.32%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	77,114	100,290	108,606	102,202
Closing number of shares	36,621,851	46,642,694	48,265,529	50,063,989
Closing net asset value per share (pence)	210.57	215.02	225.02	204.14
Change in net asset value per share	(2.07%)	(4.44%)	10.23%	14.97%
Operating charges	0.85%	0.85%	0.85%	0.85%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	9,008	9,863	47,248	46,761
Closing number of shares	10,079,909	10,537,298	46,379,591	48,937,297
Closing net asset value per share (pence)	89.36	93.60	101.87	95.55
Change in net asset value per share	(4.53%)	(8.12%)	6.61%	10.89%
Operating charges	1.32%	1.32%	1.32%	1.32%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	424	517	702	692
Closing number of shares	650,206	758,971	942,915	995,511
Closing net asset value per share (pence)	65.29	68.23	74.42	69.47
Change in net asset value per share	(4.31%)	(8.32%)	7.13%	11.42%
Operating charges	0.85%	0.85%	0.85%	0.85%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	7,939	2
Closing number of shares	99	99	6,679,128	2,000
Closing net asset value per share (pence)	105.90	110.14	118.86	110.05
Change in net asset value per share	(3.85%)	(7.34%)	8.01%	12.70%
Operating charges	0.02%	0.02%	0.02%	0.02%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	429	438	512	432
Closing number of shares	170,891	171,474	193,167	181,035
Closing net asset value per share (pence)	251.10	255.43	265.31	238.89
Change in net asset value per share	(1.70%)	(3.72%)	11.06%	15.84%
Operating charges	0.10%	0.10%	0.10%	0.10%

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

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

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	8,201	9,188	10,594	9,571
Closing number of shares	8,607,400	9,441,567	10,397,625	10,349,773
Closing net asset value per share (pence)	95.28	97.31	101.89	92.48
Change in net asset value per share	(2.09%)	(4.50%)	10.18%	14.91%
Operating charges	0.90%	0.90%	0.90%	0.90%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,666	1,799	2,058	2,046
Closing number of shares	2,208,899	2,282,148	2,392,256	2,545,980
Closing net asset value per share (pence)	75.41	78.83	86.02	80.34
Change in net asset value per share	(4.34%)	(8.36%)	7.07%	11.37%
Operating charges	0.90%	0.90%	0.90%	0.90%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (97.46%)		165,063	97.46
Basic Materials (7.53%)		10,608	6.26
2,311,494	Glencore	5,476	3.23
6,250,000	Hummingbird Resources*	1,731	1.02
81,959	Rio Tinto	3,401	2.01
Consumer Goods (20.29%)		30,185	17.82
79,393	Bellway	2,302	1.36
1,125,435	Boohoo.com*	2,716	1.60
236,881	British American Tobacco	6,821	4.03
78,605	Coca-Cola European Partners	3,536	2.09
129,667	Coca-Cola HBC	3,539	2.09
579,486	Countryside Properties	1,733	1.02
1,520,789	Dixons Carphone	1,632	0.96
444,030	Inchcape	2,564	1.52
687,216	SuperGroup	2,716	1.60
50,553	Unilever	2,626	1.55
Consumer Services (8.44%)		21,355	12.61
2,451,235	888 Holdings	3,738	2.21
74,295	ASOS	1,767	1.04
1,008,024	Cineworld	2,201	1.30
1,102,163	GVC	6,930	4.09
615,829	Just Eat	4,838	2.86
1,567,481	Vivo Energy	1,881	1.11
Financials (23.96%)		28,434	16.79
342,889	Ashmore	1,546	0.91
1,720,874	Barclays	2,350	1.39
315,826	Burford Capital	2,208	1.30
1,197,256	Capital & Counties Properties	2,451	1.45
335,016	HSBC	1,981	1.17
2,754,323	Just	1,230	0.73
69,659	London Stock Exchange	4,843	2.86
415,643	Prudential	5,684	3.36
1,963,921	Purplebricks*	2,510	1.48
583,959	Standard Chartered	3,631	2.14

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (6.10%)		20,207	11.93
34,329	AstraZeneca	2,512	1.48
1,353,319	ConvaTec	2,359	1.39
93,814	Dechra Pharmaceuticals	2,812	1.66
265,082	GlaxoSmithKline	4,537	2.68
1,030,683	Hutchison China MediTech*	3,659	2.16
2,576,048	Indivior	1,553	0.92
110,947	NMC Healthcare	2,775	1.64
Industrials (13.02%)		21,564	12.73
455,658	BAE Systems	2,485	1.47
147,876	CRH	4,046	2.39
407,424	Network International	2,444	1.44
592,316	Rentokil	2,666	1.57
342,635	Rolls-Royce	2,642	1.56
864,111	Smith (DS)	2,937	1.74
440,623	Vesuvius	2,051	1.21
156,614	Weir	2,293	1.35
Oil & Gas (15.85%)		29,517	17.43
1,752,268	BP	8,763	5.17
312,333	Energean Oil & Gas	3,092	1.83
647,745	Kosmos Energy	3,312	1.95
1,732,292	Nostrum Oil & Gas	372	0.22
570,336	Royal Dutch Shell 'B'	12,915	7.63
282,218	Wood Group	1,063	0.63
Telecommunications (2.27%)		-	-
Utilities (0.00%)		3,193	1.89
277,519	SSE	3,193	1.89
Collective Investment Schemes (1.28%)		3,532	2.09
3,532	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	3,532	2.09
Total investment assets		168,595	99.55
Net other assets		759	0.45
Total Net Assets		169,354	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

* AIM Listed

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(7,257)		5,866
Revenue	4,297		6,216	
Expenses	(1,003)		(1,274)	
Net revenue before taxation	3,294		4,942	
Taxation	(18)		(5)	
Net revenue after taxation		3,276		4,937
Total return before distributions		(3,981)		10,803
Distributions		(4,259)		(6,183)
Change in net assets attributable to shareholders from investment activities		(8,240)		4,620

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		203,991		235,172
Amounts receivable on the issue of shares	578		41,917	
Amounts payable on the cancellation of shares	(30,683)		(43,184)	
		(30,105)		(1,267)
Dilution adjustment		47		11
Change in net assets attributable to shareholders from investment activities (see above)		(8,240)		4,620
Retained distribution on accumulation shares		3,661		5,087
Closing net assets attributable to shareholders		169,354		243,623

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		168,595		201,416
Current assets:				
Debtors	1,066		2,949	
Cash and bank balances	2		1	
		1,068		2,950
Total assets		169,663		204,366
Liabilities:				
Creditors	(224)		(312)	
Distribution payable	(85)		(63)	
		(309)		(375)
Total liabilities		(309)		(375)
Net assets attributable to shareholders		169,354		203,991

Distribution tables

For the three months ended 31 May 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 May 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	3.1433	-	3.1433*	3.3296
Group 2	1.4894	1.6539	3.1433*	3.3296
Institutional accumulation				
Group 1	3.2120	-	3.2120*	3.3865
Group 2	1.9688	1.2432	3.2120*	3.3865
Retail income				
Group 1	1.3976	-	1.3976**	1.5312
Group 2	0.3825	1.0151	1.3976**	1.5312
Institutional income				
Group 1	1.0193	-	1.0193**	1.1190
Group 2	0.8901	0.1292	1.0193**	1.1190
Standard Life income				
Group 1	1.6114	-	1.6114**	1.7891
Group 2	1.6114	-	1.6114**	1.7891
Standard Life accumulation				
Group 1	3.8187	-	3.8187*	3.9962
Group 2	2.0397	1.7790	3.8187*	3.9962
Platform 1 accumulation				
Group 1	1.4536	-	1.4536*	1.5333
Group 2	0.5987	0.8549	1.4536*	1.5333
Platform 1 income				
Group 1	1.1775	-	1.1775**	1.2935
Group 2	0.4671	0.7104	1.1775**	1.2935

* Distribution accumulated on 31 May 2019

** Distribution paid on 31 July 2019

For the three months ended 31 August 2019

Group 1 - shares purchased prior to 1 June 2019

Group 2 - shares purchased between 1 June 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	1.5708	-	1.5708*	2.6064
Group 2	1.3427	0.2281	1.5708*	2.6064
Institutional accumulation				
Group 1	1.6074	-	1.6074*	2.5828
Group 2	1.2622	0.3452	1.6074*	2.5828
Retail income				
Group 1	0.6877	-	0.6877**	0.5200
Group 2	0.3783	0.3094	0.6877**	0.5200
Institutional income				
Group 1	0.5023	-	0.5023**	0.8427
Group 2	0.3760	0.1263	0.5023**	0.8427
Standard Life income				
Group 1	0.8006	-	0.8006**	1.3503
Group 2	0.8006	-	0.8006**	1.3503
Standard Life accumulation				
Group 1	1.9157	-	1.9157*	3.0558
Group 2	1.6795	0.2362	1.9157*	3.0558
Platform 1 accumulation				
Group 1	0.7274	-	0.7274*	1.1660
Group 2	0.5846	0.1428	0.7274*	1.1660
Platform 1 income				
Group 1	0.5801	-	0.5801**	0.9703
Group 2	0.3488	0.2313	0.5801**	0.9703

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 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.

Treatment by Corporate Shareholders

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

	1st Interim Dividend	2nd Interim Dividend
Treat as a UK corporate dividend	100.00%	100.00%
Treat as an annual payment net of Income tax at 20%	0%	0%

ASI UK High Income Equity Fund

Investment Report

Fund Information

Fund Manager Iain Pyle

Launch Date 1 May 1986

Investment objective

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

Performance Target: To exceed the IA UK Equity Income Sector Average return over 1 year and to be top quartile over three years or longer and deliver a yield greater than that of the FTSE 350 Index over rolling three year periods. The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes that this is an appropriate target for the Fund based on the investment policy of the Fund.

Investment policy

Portfolio securities

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

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- The combined average yield on assets in the Fund is expected to be higher than the broad UK equity market, as represented by the FTSE 350 Index.
- In seeking to achieve the Performance Target, the FTSE 350 Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 8%. Due to the income nature of the management process, the Fund's performance profile may deviate significantly from that of the FTSE 350 Index.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Net) (%)	-4.46	-2.99	4.71	-10.92	1.74	2.21
Performance target (%)	-3.46	1.42	8.39	-3.76	3.58	4.58
Portfolio constraining benchmark (%)	-3.60	4.40	11.31	0.63	6.32	5.53
Sector Ranking	65/85	70/85	69/85	80/84	60/77	67/73
Quartile	4	4	4	4	4	4

In terms of stock contribution, the position in construction company Kier Group was a key detractor from returns. The stock was negatively affected by the sluggish outlook for UK construction activity, the company's high net debt and an impairment to an existing project. Saga was another major detractor. The stock fell sharply after giving a profit warning and announcing a revised strategy in an attempt to differentiate its insurance business. Glencore was also weak, falling amid concerns about industrial-metal demand. It is also sensitive to slower global growth from the escalating US-China trade dispute. Imperial Brands weakened after US data implied tobacco sales were dropping faster than expected and the slower take-up of next-generation products. Not holding Diageo and Reckitt Benckiser also hurt performance. However, given the yield requirements of the Fund, we are unlikely to chase such stocks that offer a yield well below the market level.

On the positive side, Energean Oil & Gas was the top contributor to the Fund's relative performance. The purchase of Italy's Edison was well received by investors as it is expected to be earnings enhancing.

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Performance (continued)

The business becomes one of the biggest independent operators in the eastern Mediterranean. The position in Vodafone also added value after first-quarter results indicated revenues trends have troughed. The telecom operator also announced plans to create a separate business for its European tower assets, which should be earnings enhancing as infrastructure assets trade at a premium. Not holding Lloyds Banking Group and BT Groups also benefited performance.

Activity

A new position was started in MoneySupermarket. The business has built up a strong, trusted brand in consumer finance. It has opportunities to materially increase future earnings, particularly in mortgages. We established a holding in International Airlines Group due to its attractive yield and dividend growth profile. This is underpinned by its resilient transatlantic business, the engine driving its earnings. The Fund manager Man Group was another addition. The group has an above-average yield that is well covered by its earnings. Additionally, it has a strong and flexible balance sheet. Business risk is well diversified by a broad range of products. A position was started in healthcare products business Convatec. With new management in place, we see potential for significant improvement in the business. The company's cash generating ability should drive dividend growth and see the shares rerated. Additions were also made to the holdings in Energean Oil & Gas and AstraZeneca, among others.

In terms of sales, we sold out of internet-focused real estate business Purple Bricks. While there is significant potential value, recent disappointments in international markets make the growth trajectory less clear. Aerospace engineer Senior was sold because of its exposure to the Boeing 737 Max plane. There is growing concern its re-introduction could be delayed further. We also reduced HSBC as it is priced at a premium to its book value.

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.

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

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The Fund's investments are concentrated in a particular country or sector.
- The Fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the Fund being leveraged (where market exposure and thus the potential for loss by the Fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The Fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The Fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	87,200	96,548	68,077	75,943
Closing number of shares	37,464,010	40,099,571	27,066,578	31,860,354
Closing net asset value per share (pence)	232.76	240.77	251.52	238.36
Change in net asset value per share	(3.33%)	(4.27%)	5.52%	11.45%
Operating charges	1.32%	1.32%	1.31%	1.31%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	231,786	231,571	195,927	145,063
Closing number of shares	88,285,249	85,468,987	69,550,690	54,593,197
Closing net asset value per share (pence)	262.54	270.94	281.70	265.72
Change in net asset value per share	(3.10%)	(3.82%)	6.01%	12.00%
Operating charges	0.85%	0.85%	0.84%	0.84%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	20,520	24,146	72,420	76,307
Closing number of shares	28,279,361	31,162,076	85,131,399	90,939,439
Closing net asset value per share (pence)	72.56	77.48	85.07	83.91
Change in net asset value per share	(6.35%)	(8.92%)	1.38%	6.59%
Operating charges	1.32%	1.32%	1.31%	1.31%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	18,311	32,231	36,939	41,165
Closing number of shares	22,368,608	36,960,876	38,771,540	44,012,526
Closing net asset value per share (pence)	81.86	87.20	95.27	93.53
Change in net asset value per share	(6.12%)	(8.47%)	1.86%	7.14%
Operating charges	0.85%	0.85%	0.84%	0.84%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	27,861	33,640	50,320	80,860
Closing number of shares	46,435,710	52,856,582	72,979,527	120,456,846
Closing net asset value per share (pence)	60.00	63.64	68.95	67.13
Change in net asset value per share	(5.72%)	(7.70%)	2.71%	8.03%
Operating charges	0.02%	0.02%	0.01%	0.01%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	406	469	656	570
Closing number of shares	259,859	291,774	395,824	367,557
Closing net asset value per share (pence)	156.23	160.62	165.76	155.19
Change in net asset value per share	(2.73%)	(3.10%)	6.81%	12.86%
Operating charges	0.10%	0.10%	0.09%	0.09%

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

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

Institutional regulated accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	31,957	42,922	51,500	56,194
Closing number of shares	10,963,262	14,300,401	16,577,787	19,263,296
Closing net asset value per share (pence)	291.49	300.14	310.66	291.72
Change in net asset value per share	(2.88%)	(3.39%)	6.49%	12.51%
Operating charges	0.40%	0.40%	0.39%	0.39%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	25,924	30,320	39,597	42,734
Closing number of shares	30,947,521	35,064,338	44,022,322	50,342,377
Closing net asset value per share (pence)	83.77	86.47	89.95	84.89
Change in net asset value per share	(3.12%)	(3.87%)	5.96%	11.95%
Operating charges	0.90%	0.90%	0.89%	0.89%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	24,123	28,147	36,126	40,364
Closing number of shares	39,383,013	43,126,088	50,637,905	57,602,045
Closing net asset value per share (pence)	61.25	65.27	71.34	70.07
Change in net asset value per share	(6.16%)	(8.51%)	1.81%	7.08%
Operating charges	0.90%	0.90%	0.89%	0.89%

Institutional S accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	– [^]	–	1	1
Closing number of shares	200	200	2,200	2,200
Closing net asset value per share (pence)	63.57	65.48	67.87	63.97
Change in net asset value per share	(2.92%)	(3.52%)	6.10%	12.05%
Operating charges	0.78%	0.78%	0.77%	0.77%

Institutional S income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	– ^{^^}	–	90,042	97,835
Closing number of shares	200	200	160,439,922	177,696,746
Closing net asset value per share (pence)	49.43	51.57	56.12	55.06
Change in net asset value per share	(4.15%)	(8.11%)	1.93%	7.29%
Operating charges	0.78%	0.78%	0.77%	0.77%

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

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

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

[^] The closing net asset value of Institutional S accumulation is £127.

^{^^} The closing net asset value of Institutional S income is £98.

Institutional A accumulation+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of shares	–	–	2,200	2,200
Closing net asset value per share (pence)	–	–	59.34	56.40
Change in net asset value per share	–	0.00%	5.21%	11.13%
Operating charges	–	1.60%	1.59%	1.59%

Institutional A income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	71	75	84	83
Closing number of shares	152,848	152,848	154,848	154,848
Closing net asset value per share (pence)	46.09	49.29	54.26	53.66
Change in net asset value per share	(6.49%)	(9.16%)	1.12%	6.32%
Operating charges	1.60%	1.60%	1.59%	1.59%

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

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

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

+ Share class closed on 7 June 2018.

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (98.51%)		463,903	99.09
Basic Materials (8.17%)		34,166	7.30
881,240	BHP	15,622	3.34
3,046,712	Glencore	7,218	1.54
142,737	Johnson Matthey	4,152	0.89
172,908	Rio Tinto	7,174	1.53
Consumer Goods (14.57%)		58,615	12.52
110,173	Bellway	3,195	0.68
234,883	Bovis Homes	2,412	0.52
731,528	British American Tobacco	21,064	4.50
1,348,542	Countryside Properties	4,032	0.86
165,348	Fever Tree Drinks*	3,735	0.80
470,325	Imperial Brands	9,990	2.13
741,198	Inchcape	4,281	0.91
393,486	Persimmon	7,484	1.60
612,754	SuperGroup	2,422	0.52
Consumer Services (6.90%)		40,011	8.55
1,592,254	888 holdings	2,428	0.52
2,446,576	Cineworld	5,341	1.14
2,925	Go-Ahead	61	0.01
1,730,763	GVC	10,883	2.33
1,035,194	IAG	4,364	0.93
608,055	Just Eat	4,777	1.02
1,290,063	Moneysupermarket.com	4,817	1.03
6,558,240	Saga	2,695	0.58
568,654	TUI	4,645	0.99
Financials (26.04%)		105,442	22.52
887,295	Ashmore	4,002	0.86
2,072,682	Aviva	7,337	1.57
6,655,353	Barclays	9,090	1.94
241,179	Close Brothers	3,106	0.66
926,146	Direct Line	2,621	0.56
2,458,012	Hastings Group	4,496	0.96
1,506,532	HSBC	8,908	1.90
1,785,253	John Laing Group	6,313	1.35
1,938,830	Legal & General	4,256	0.91
96,453	London Stock Exchange	6,705	1.43

Holding	Investment	Market value £'000	Percentage of total net assets
2,538,664	Man Strategic	4,230	0.90
1,245,851	Phoenix	8,059	1.72
1,129,789	Prudential	15,450	3.30
58,853	Purplebricks*	75	0.02
2,408,422	Royal Bank of Scotland	4,465	0.95
836,051	St James's Place	7,672	1.64
1,392,252	Standard Chartered	8,657	1.85
Health Care (7.91%)		64,332	13.74
232,954	Abcam*	2,693	0.58
196,711	AstraZeneca	14,393	3.07
774,643	Clinigen*	6,852	1.46
2,426,578	ConvaTec	4,230	0.90
1,486,947	GlaxoSmithKline	25,448	5.44
976,111	Hutchison China MediTech*	3,465	0.74
3,738,299	Indivior	2,254	0.48
199,816	NMC Healthcare	4,997	1.07
Industrials (7.88%)		26,065	5.57
1,386,255	BAE Systems	7,561	1.61
486,140	Bodycote	3,481	0.75
1,389,564	Kier	1,631	0.35
822,715	Polypipe	3,084	0.66
771,210	Rentokil	3,471	0.74
1,116,270	Smith (DS)	3,794	0.81
653,865	Vesuvius	3,043	0.65
Oil & Gas (19.27%)		98,166	20.97
6,952,247	BP	34,768	7.43
5,100,829	Diversified Gas & Oil	5,254	1.12
1,012,617	Energean Oil & Gas	10,025	2.14
1,084,403	Kosmos Energy	5,544	1.18
850,744	Royal Dutch Shell 'A'	19,355	4.14
554,110	Royal Dutch Shell 'B'	12,548	2.68
16,340,479	Savannah Petroleum*	3,840	0.82
1,714,513	Tullow Oil	3,501	0.75
884,119	Wood Group	3,331	0.71
Telecommunications (3.56%)		17,339	3.70
11,170,865	Vodafone	17,339	3.70

Holding	Investment	Market value £'000	Percentage of total net assets
Utilities (4.21%)		19,767	4.22
1,900,890	National Grid	16,317	3.48
299,819	SSE	3,450	0.74
Collective Investment Schemes (1.09%)		3,318	0.71
3,319	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	3,318	0.71
Total investment assets		467,221	99.80
Net other assets		938	0.20
Total Net Assets		468,159	100.00

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 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

* AIM listed

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(28,152)		11,176
Revenue	15,415		17,696	
Expenses	(2,204)		(2,609)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	13,211		15,086	
Taxation	(139)		(82)	
Net revenue after taxation		13,072		15,004
Total return before distributions		(15,080)		26,180
Distributions		(15,238)		(17,551)
Change in net assets attributable to shareholders from investment activities		(30,318)		8,629

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		520,069		641,690
Amounts receivable on the issue of shares	12,472		64,773	
Amounts payable on the cancellation of shares	(45,885)		(166,221)	
		(33,413)		(101,448)
Dilution adjustment		-		369
Change in net assets attributable to shareholders from investment activities (see above)		(30,318)		8,629
Retained distribution on accumulation shares		11,819		12,102
Unclaimed distributions		2		2
Closing net assets attributable to shareholders		468,159		561,344

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		467,221		517,963
Current assets:				
Debtors	4,549		8,977	
Cash and bank balances	4		4	
		4,553		8,981
Total assets		471,774		526,944
Liabilities:				
Creditors	(678)		(4,453)	
Distribution payable	(2,937)		(2,422)	
		(3,615)		(6,875)
Total liabilities		(3,615)		(6,875)
Net assets attributable to shareholders		468,159		520,069

Distribution tables

For the six months ended 31 August 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	7.2993	-	7.2993*	7.5128
Group 2	4.4565	2.8428	7.2993*	7.5128
Institutional accumulation				
Group 1	8.2230	-	8.2230*	8.4307
Group 2	5.5352	2.6878	8.2230*	8.4307
Retail income				
Group 1	2.3490	-	2.3490**	2.5544
Group 2	1.1163	1.2327	2.3490**	2.5544
Institutional income				
Group 1	2.6466	-	2.6466**	2.8515
Group 2	1.3783	1.2683	2.6466**	2.8515
Standard Life income				
Group 1	1.9353	-	1.9353**	2.0679
Group 2	1.9353	-	1.9353**	2.0679
Standard Life accumulation				
Group 1	4.8835	-	4.8835*	4.9693
Group 2	3.4488	1.4347	4.8835*	4.9693
Institutional regulated accumulation				
Group 1	9.1186	-	9.1186*	9.3079
Group 2	5.0417	4.0769	9.1186*	9.3079
Platform 1 accumulation				
Group 1	2.6241	-	2.6241*	2.6921
Group 2	1.3421	1.2820	2.6241*	2.6921
Platform 1 income				
Group 1	1.9807	-	1.9807**	2.1351
Group 2	0.8720	1.1087	1.9807**	2.1351
Institutional S accumulation				
Group 1	1.9900	-	1.9900*	2.0345
Group 2	1.9900	-	1.9900*	2.0345
Institutional S income				
Group 1	1.6000	-	1.6000**	1.5813
Group 2	1.6000	-	1.6000**	1.5813
Institutional A accumulation				
Group 1		-	-	-
Group 2			-	-
Institutional A income				
Group 1	1.4937	-	1.4937**	1.6212
Group 2	1.4937	-	1.4937**	-

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 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.

Treatment by Corporate Shareholders

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

	Interim Dividend
Treat as a UK corporate dividend	100%
Treat as an annual payment net of Income tax at 20%	0.00%

ASI UK Opportunities Equity Fund

Investment Report

Fund Information

Fund Manager Abby Glennie
Launch Date 25 November 2002

Investment objective

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

Performance Target: To achieve the return of the FTSE All-Share ex FTSE 100 ex Investment Trusts Index, plus 3% per annum (before charges).

The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment policy

Portfolio securities

- The Fund will invest at least 70% in smaller and mid-capitalisation equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Smaller and mid-capitalisation companies are defined as any stock not included in the FTSE All-Share ex FTSE 100 ex Investment Trusts Index.
- The Fund may invest up to 30% in larger capitalisation companies listed, incorporated or domiciled in the UK.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the Performance Target, the FTSE All-Share ex FTSE 100 ex Investment Trusts Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to

exceed 9%. Due to the active nature of the management process, the Fund's performance profile may deviate significantly from that of the FTSE All-Share ex FTSE 100 ex Investment Trusts Index.

Please note: The Fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the Fund may not be able to sell their investment when they want to.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-3.91	8.27	17.57	-9.32	11.05	7.99
Fund (Net) (%)	-4.00	7.63	16.58	-10.41	9.71	6.58
Performance target (%)	-0.83	3.00	13.48	-2.60	7.80	9.13

JD Sports was a standout performer. The company remains a beacon in a troubled retail sector, thanks to the ongoing popularity of its athleisure wear. A position in 4imprint, the maker of promotional products, boosted the Fund's returns. The company's recent update was solid, driving small earnings upgrades. It continues to enjoy both strong organic growth and attractive returns thanks to its incremental marketing investment. 4imprint has a track record of beating earnings estimates, while it has a robust balance sheet and paid a special dividend in 2018. Its first-half 2019 dividend increased 20% in dollar terms, and 29% in sterling. Landscaping and commercial construction firm Marshalls performed well. Its latest results were strong, confirming revenue growth, positive innovation trends and operational efficiencies. Additional highlights included Keywords, Team17 Group and RWS.

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Performance (continued)

Costain, a tech-based construction and engineering firm, was a negative. It issued a profit warning following the loss of two significant contracts. This puts pressure on its order book. We have cut our holding. Shares in Burford Capital, a leader in arbitration and litigation finance, tumbled. The stock came under pressure after an aggressive short-seller note challenged the company's accounting and governance standards. Elsewhere, Cineworld underperformed due to weaker box office sales in the US and signs that Regal (its US brand) had lost market share. The business also suffered some disruption as it undertook refurbishment of its newly-acquired theatres. This impact should diminish over the coming year. Further, we are confident Regal can regain its market position on the basis of a newly-launched subscription service. Holdings in Fever-Tree Drinks and Midwich, and a lack of exposure to IWG also disappointed.

Activity

Trainline is a platform business for rail and coach travel in the UK. During the period, took part in the company's initial public offering (IPO). Trainline enjoys a market-leading position, thanks to robust investment in its tech platform. It also has an impressive CEO and many avenues for growth. Importantly, the company is replicating its successful UK model in Europe. We also purchased shares in Alpha Financial Markets Consulting. This is a company we know well, having owned it in other funds since its IPO. It has a strong Matrix score (our quant-based proprietary research tool) and a good yield of 3.5%. Utilisation levels of consultants remain high, with a broad spread of customers. We think existing clients and new business wins will drive growth. Additional buys included Future, Kainos and Computacenter.

We sold Sanne, a global provider of alternative assets and corporate business services. Its shares tumbled after the company issued a profit warning. It is struggling to deliver operating efficiencies, while spending on overheads was higher than it would have liked. Veterinary firm CVS also issued a profit warning, leading us to sell. 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.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	22,543	23,007	27,409	24,713
Closing number of shares	9,329,589	10,154,393	10,717,251	12,228,414
Closing net asset value per share (pence)	241.63	226.57	255.75	202.09
Change in net asset value per share	6.65%	(11.41%)	26.55%	19.16%
Operating charges	1.33%	1.33%	1.33%	1.33%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	20,088	11,341	8,968	7,244
Closing number of shares	7,333,490	4,425,713	3,115,232	3,199,274
Closing net asset value per share (pence)	273.92	256.25	287.88	226.42
Change in net asset value per share	6.90%	(10.99%)	27.14%	19.75%
Operating charges	0.86%	0.86%	0.86%	0.86%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	572	642	793	741
Closing number of shares	260,202	309,843	338,039	398,252
Closing net asset value per share (pence)	219.72	207.12	234.47	186.04
Change in net asset value per share	6.08%	(11.66%)	26.03%	18.72%
Operating charges	1.33%	1.33%	1.33%	1.33%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,792	1,492	1,014	817
Closing number of shares	797,079	703,874	422,785	430,431
Closing net asset value per share (pence)	224.76	211.88	239.81	189.86
Change in net asset value per share	(6.08%)	(11.65%)	26.31%	18.84%
Operating charges	0.86%	0.86%	0.86%	0.86%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	— [^]	—	2	2
Closing number of shares	92	92	2,000	2,000
Closing net asset value per share (pence)	98.73	93.10	105.37	83.39
Change in net asset value per share	6.05%	(11.64%)	26.36%	18.87%
Operating charges	0.03%	0.03%	0.03%	0.03%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	542	525	600	394
Closing number of shares	179,833	187,076	191,798	161,185
Closing net asset value per share (pence)	301.30	280.79	313.10	244.42
Change in net asset value per share	7.30%	(10.32%)	28.10%	20.65%
Operating charges	0.11%	0.11%	0.11%	0.11%

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

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

Institutional regulated accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	68,931	67,968	81,184	69,326
Closing number of shares	35,327,978	37,322,180	39,859,492	43,471,885
Closing net asset value per share (pence)	195.12	182.11	203.68	159.47
Change in net asset value per share	7.14%	(10.59%)	27.72%	20.29%
Operating charges	0.41%	0.41%	0.41%	0.41%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	20,622	15,847	16,482	10,857
Closing number of shares	18,645,810	15,312,738	14,169,086	11,861,412
Closing net asset value per share (pence)	110.60	103.49	116.32	91.53
Change in net asset value per share	6.87%	(11.03%)	27.08%	19.69%
Operating charges	0.91%	0.91%	0.91%	0.91%

Platform 1 income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,340	1,266	1,715	1,030
Closing number of shares	1,282,072	1,284,048	1,537,274	1,166,544
Closing net asset value per share (pence)	104.55	98.56	111.54	88.32
Change in net asset value per share	(6.08%)	(11.64%)	26.29%	18.84%
Operating charges	0.91%	0.91%	0.91%	0.91%

Institutional A accumulation+	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	-	-	2	1
Closing number of shares	-	-	2,200	2,200
Closing net asset value per share (pence)	-	-	73.23	58.01
Change in net asset value per share	-	5.12%	26.24%	18.82%
Operating charges	-	1.61%	1.61%	1.61%

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

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

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

[^]The closing net asset value of Standard Life income is £85.

⁺ Share class closed on 21 June 2018.

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (99.01%)		132,931	97.43
Consumer Goods (19.08%)		25,713	18.85
365,805	Countryside Properties	1,094	0.80
91,365	Cranswick	2,520	1.85
162,970	Fever Tree Drinks*	3,681	2.70
57,953	Games Workshop	2,537	1.86
466,237	Hilton Food	4,532	3.32
788,730	Hotel Chocolat*	2,910	2.13
696,834	JD Sports	4,298	3.15
1,447,862	Team17	4,141	3.04
Consumer Services (24.99%)		34,640	25.39
169,848	4Imprint	4,705	3.45
626,636	Auto Trader	3,330	2.44
2,029,526	Cineworld	4,430	3.25
175,947	Future	2,083	1.53
216,975	GlobalData	1,779	1.30
228,495	GVC	1,437	1.05
980,571	Hollywood Bowl	2,167	1.59
766,167	Hostelworld	1,031	0.75
646,587	Joules*	1,659	1.22
587,504	Next Fifteen Communications*	3,449	2.53
828,244	On the Beach	3,079	2.26
9,870,319	Phorm**	-	-
800,000	Trainline	3,800	2.78
291,046	YouGov*	1,691	1.24
Financials (4.17%)		10,171	7.46
1,055,171	AJ Bell	4,215	3.09
47,901	Burford Capital	335	0.25
198,104	Intermediate Capital	2,645	1.94
223,685	Liontrust Asset Management	1,718	1.26
148,062	Workspace	1,258	0.92
Health Care (9.89%)		10,130	7.42
227,363	Dechra Pharmaceuticals	6,816	5.00
262,118	Georgia Healthcare	592	0.43
536,734	Medica	628	0.46
83,710	NMC Healthcare	2,094	1.53

Holding	Investment	Market value £'000	Percentage of total net assets
Industrials (26.04%)		30,523	22.37
1,111,911	Alpha Financial Markets*	2,202	1.61
307,313	Costain	459	0.34
164,977	Diploma	2,613	1.92
126,210	Hill & Smith	1,450	1.06
308,575	Keywords Studios*	4,894	3.59
484,559	Marshalls	3,360	2.46
492,593	Melrose Industries	891	0.65
832,015	Midwich*	4,193	3.07
437,783	Porvair	2,469	1.81
902,812	RWS*	5,435	3.98
315,990	Sanne Group	1,650	1.21
1,438,986	Severfield	907	0.67
Oil & Gas (0.53%)		-	-
Technology (11.58%)		17,725	12.99
92,087	AVEVA	3,405	2.49
99,939	Blue Prism*	927	0.68
102,707	Computacenter	1,360	1.00
343,334	FDM	2,589	1.90
123,274	First Derivatives*	2,842	2.08
190,495	GB*	1,097	0.80
800,997	Kainos	3,981	2.92
255,675	Microgen	1,524	1.12
Telecommunications (2.73%)		4,029	2.95
391,154	Gamma Communication*	4,029	2.95
Collective Investment Schemes (1.06%)		1,674	1.23
1,674	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	1,674	1.23
Total investment assets		134,605	98.66
Net other assets		1,825	1.34
Total Net Assets		136,430	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

* AIM listed

** Suspended

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		6,919		8,688
Revenue	1,614		1,366	
Expenses	(482)		(491)	
Net revenue before taxation	1,132		875	
Taxation	(2)		–	
Net revenue after taxation		1,130		875
Total return before distributions		8,049		9,563
Distributions		(1,130)		(875)
Change in net assets attributable to shareholders from investment activities		6,919		8,688

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		122,088		138,169
Amounts receivable on the issue of shares	19,555		8,204	
Amounts payable on the cancellation of shares	(13,330)		(7,548)	
		6,225		656
Dilution adjustment		70		44
Change in net assets attributable to shareholders from investment activities (see above)		6,919		8,688
Retained distribution on accumulation shares		1,128		867
Closing net assets attributable to shareholders		136,430		148,424

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		134,605		122,170
Current assets:				
Debtors	1,992		422	
Cash and bank balances	32		32	
		2,024		454
Total assets		136,629		122,624
Liabilities:				
Creditors	(172)		(530)	
Distribution payable	(27)		(6)	
		(199)		(536)
Total liabilities		(199)		(536)
Net assets attributable to shareholders		136,430		122,088

Distribution tables

For the six months ended 31 August 2019

Group 1 - shares purchased prior to 1 March 2019

Group 2 - shares purchased between 1 March 2019 and 31 August 2019

	Net Income 2019 pence per share	Equalisation 2019 pence per share	Distribution paid 2019 pence per share	Distribution paid 2018 pence per share
Retail accumulation				
Group 1	1.2803	-	1.2803*	0.7857
Group 2	0.9943	0.2860	1.2803*	0.7857
Institutional accumulation				
Group 1	2.1174	-	2.1174*	1.5890
Group 2	0.8904	1.2270	2.1174*	1.5890
Retail income				
Group 1	1.1700	-	1.1700**	0.7181
Group 2	0.5204	0.6496	1.1700**	0.7181
Institutional income				
Group 1	1.7508	-	1.7508**	1.3249
Group 2	1.1798	0.5710	1.7508**	1.3249
Standard Life income				
Group 1	1.1989	-	1.1989**	1.0385
Group 2	1.1989	-	1.1989**	1.0385
Standard Life accumulation				
Group 1	3.4920	-	3.4920*	2.9520
Group 2	1.8682	1.6238	3.4920*	2.9520
Institutional regulated accumulation				
Group 1	1.9605	-	1.9605*	1.6002
Group 2	1.3698	0.5907	1.9605*	1.6002
Platform 1 accumulation				
Group 1	0.8267	-	0.8267*	0.6109
Group 2	0.4849	0.3418	0.8267*	0.6109
Platform 1 income				
Group 1	0.7870	-	0.7870**	0.5816
Group 2	0.4027	0.3843	0.7870**	0.5816

* Distribution accumulated on 31 August 2019

** Distribution paid on 31 October 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 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.

Treatment by Corporate Shareholders

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

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

ASI UK Recovery Equity Fund

Investment Report

Fund Information

Fund Manager Andrew Hunt

Launch Date 6 March 2009

Investment objective

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

Performance Target: To achieve the return of the FTSE All-Share Index plus 4% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the Fund. There is however no certainty or promise that they will achieve the Performance Target.

Performance Comparator: IA UK All Companies Equity Sector Average.

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

Investment policy

Portfolio securities

- The Fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Recovery companies are those that are out of favour with the stock market, in difficulty or whose future prospects are not fully recognised by the market.
- At least 60% of the Fund will be invested in large and mid-capitalisation companies. Large and mid-capitalisation companies are classified as stocks that have a market capitalisation between the largest and smallest stock in the FTSE 350 Index.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to maintain a concentrated asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.

- In seeking to achieve the Performance Target, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation (“tracking error”) between the returns of the Fund and the index is not ordinarily expected to exceed 12%. Due to the active nature of the management process, the Fund’s performance profile may deviate significantly from that of the FTSE All-Share Index.

Please note: The Fund’s ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the Fund may not be able to sell their investment when they want to.

Derivatives and techniques

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

Performance review

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-6.18	-23.77	-18.48	-29.52	-2.37	1.81
Fund (Net) (%)	-6.27	-24.27	-19.16	-30.39	-3.60	0.42
Performance target (%)	-3.21	6.11	13.77	4.61	10.35	9.61
Performance comparator (%)	-3.25	3.87	11.29	-3.14	5.55	5.38

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Performance review (continued)

Energy company Nostrum Oil & Gas was a large detractor from performance. The Kazakhstan-focused business suffered delays to projects, persistent downward revisions to production targets and rising costs. Intu Properties shares were marked down when profits were wiped out by a large devaluation of its property portfolio and a fall in rental income. It also suffered some high-profile tenant failures that included the House of Fraser and HMV, with more expected to follow. It encountered further trouble in having to address a deteriorating loan-to-value ratio and it was forced to cut its dividend. The debt level caused more consternation among investors as it pointed to the likelihood of a rights issue to tackle its problems – intensifying e-commerce activity, and being undermined by economic and political uncertainty. Travel agent Thomas Cook weighed heavily on performance before its disposal. Its travails have been much in recent headlines. It announced profit warnings in the face of increased online competition and consumers moving 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, sterling weakened and an ever increasing debt burden. Saga also fell sharply as the brand's lustre faded. It was another company forced into a profit warning, which led to a revision of its strategy in an attempt to differentiate its insurance business. It has refocused on product innovation and its direct-to-consumer business (away from margin-destroying online comparator websites). Its acknowledgment of a competitive travel market also weighed on investor sentiment. It meant a marked downgrade to its profit for the year and a cut to the dividend. The changed strategy was unexpected, but we are choosing to stick with the investment. If the redesigned products can gain traction, the share price looks too low.

There were some holdings that helped mitigate the relative performance of the Fund. Reach, the former Trinity Mirror newspaper group, delivered strong performance. The shares reacted well to cost savings from the integration of the Express and Star titles' acquisitions, resilient circulation revenues and growing digital sales. This drove better cash generation, helping to improve its debt position. The proposed purchase of JPi Media assets (formerly Johnson Press) was also well received. XLmedia was another successful holding. The digital marketing business is refocusing more on its higher-margin publishing work, with a particular emphasis on the nascent digital US-gambling market. Avoiding Royal Dutch Shell, Lloyds Banking Group and BP was beneficial to relative performance.

Activity

Most of the buying activity has focused on existing holdings that have underperformed, although we believe the long-term investment cases remain intact. The biggest additions were Saga and UK retail Real Estate Investment Trust (known as REITs) companies, Hammerson and Capital & Regional. We believe each has considerable potential upside, even on conservative assumptions. The opportunities are predominately a result of weak investor sentiment from macroeconomic fears and UK political uncertainty. New holdings were dominated by oil & gas companies – Seplat Petroleum Development Company, Gulf Keystone Petroleum and SOCO International. All three of these companies have troubled histories. However, all have new and better management, repaired balance sheets, and each is profitable with net cash. External issues have been resolved. While the companies have bounced back operationally, and are growing again, it has not yet been recognised in their share prices.

In terms of sales, the positions of Tullow, Glencore, and Standard Chartered were reduced after price strength, bringing position sizing down to less aggressive levels. The Fund sold First Group and Aggreko. Both had reached their expected fair values. We believe there are better opportunities elsewhere. Lastly, we exited Thomas Cook given its challenged future. The company's financials deteriorated faster and further than anticipated. It became clear the business will struggle to make it through the difficult times with any shareholder value intact.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	5,182	7,411	8,307	13,273
Closing number of shares	3,084,559	3,328,941	3,536,192	5,752,228
Closing net asset value per share (pence)	167.98	222.63	234.93	230.74
Change in net asset value per share	(24.55%)	(5.24%)	1.82%	57.75%
Operating charges	1.39%	1.38%	1.40%	1.40%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	118,372	154,990	3,632	21,314
Closing number of shares	65,622,728	64,982,269	1,450,022	8,703,435
Closing net asset value per share (pence)	180.38	238.51	250.49	244.89
Change in net asset value per share	(24.37%)	(4.78%)	2.29%	58.54%
Operating charges	0.92%	0.92%	0.93%	0.93%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	6,003	7,902	8,450	5,044
Closing number of shares	3,809,752	3,809,752	3,811,752	2,293,217
Closing net asset value per share (pence)	157.58	207.42	221.67	219.96
Change in net asset value per share	(24.03%)	(6.43%)	0.78%	57.09%
Operating charges	0.03%	0.03%	0.05%	0.05%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	1,210	1,324	1,263	1,155
Closing number of shares	616,641	512,233	469,084	442,293
Closing net asset value per share (pence)	196.24	258.43	269.29	261.18
Change in net asset value per share	(24.06%)	(4.03%)	3.11%	59.80%
Operating charges	0.11%	0.11%	0.13%	0.13%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	3,958	6,839	21,628	27,764
Closing number of shares	4,401,467	5,749,251	17,291,663	22,680,694
Closing net asset value per share (pence)	89.91	118.95	125.08	122.41
Change in net asset value per share	(24.41%)	(4.90%)	2.18%	58.34%
Operating charges	1.01%	1.01%	1.03%	1.03%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (99.28%)		133,095	98.79
Basic Materials (5.09%)		5,614	4.17
1,975,627	Glencore	4,680	3.48
11,723,736	Petra Diamonds	934	0.69
Consumer Goods (8.22%)		15,060	11.18
13,371,144	Accrol*	3,363	2.50
1,673,234	Dixons Carphone	1,796	1.33
3,521,306	Lookers	1,639	1.22
2,431,770	McBride	1,342	1.00
2,027,341	McCarthy & Stone	2,721	2.02
379,966	SuperGroup	1,502	1.11
4,149,798	Topps Tiles	2,697	2.00
Consumer Services (18.18%)		18,328	13.60
55,475	Go-Ahead	1,153	0.85
3,998,724	N Brown	4,306	3.20
535,626	Playtech	1,987	1.47
2,418,348	Reach	2,198	1.63
5,202,483	SafeStyle*	2,653	1.97
9,570,922	Saga	3,934	2.92
2,838,026	XLMedia*	2,097	1.56
Financials (29.99%)		41,333	30.68
836,385	Aviva	2,961	2.20
798,783	Barclays	1,091	0.81
6,344,198	Capital & Regional	919	0.68
3,295,535	CMC Markets	3,111	2.31
2,433,290	CYBG	3,436	2.55
1,071,449	Hammerson	2,431	1.81
4,288,801	Hastings Group	7,844	5.82
1,673,297	International Personal Finance	1,476	1.10
7,880,158	Intu Properties	3,210	2.38
301,921	John Laing Group	1,068	0.79
8,519,171	Just	3,805	2.82
243,181	Man Strategic	405	0.30
1,012,464	Provident Financial	4,082	3.03
883,655	Standard Chartered	5,494	4.08
Health Care (4.72%)		5,337	3.96
8,850,117	Indivior	5,337	3.96

Holding	Investment	Market value £'000	Percentage of total net assets
Industrials (9.26%)		14,838	11.01
1,611,004	Babcock International	8,078	5.99
821,725	Costain	1,228	0.91
6,984,204	Interserve	–	–
3,776,434	Mitie Group	5,532	4.11
7,840,618	Utilitywise	–	–
Oil & Gas (23.82%)		32,585	24.19
8,181,249	BowLeven*	906	0.67
5,002,269	Cairn Energy	8,349	6.20
556,103	Gulf Keystone Petroleum	1,315	0.98
15,905,353	Gulf Marine Services	1,220	0.90
429,333	Kosmos Energy	2,195	1.63
8,308,531	Lamprell	4,204	3.12
8,304,963	Nostrum Oil & Gas	1,781	1.32
1,571,267	Petrofac	6,570	4.88
722,357	Seplat Petroleum Development	749	0.56
1,296,602	Soco	813	0.60
2,195,493	Tullow Oil	4,483	3.33
Collective Investment Schemes (1.28%)		1,352	1.00
1,352	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund+	1,352	1.00
Total investment assets		134,447	99.79
Net other assets		278	0.21
Total Net Assets		134,725	100.00

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 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

* AIM listed

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(45,537)		646
Revenue	3,109		742	
Expenses	(688)		(216)	
Net revenue before taxation	2,421		526	
Taxation	(14)		(27)	
Net revenue after taxation		2,407		499
Total return before equalisation		(43,130)		1,145
Equalisation on shares*		12		196
Change in net assets attributable to shareholders from investment activities		(43,118)		1,341

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		178,466		43,280
Amounts receivable on the issue of shares	5,772		24,211	
Amounts payable on the cancellation of shares*	(6,395)		(4,430)	
		(623)		19,781
Dilution adjustment		–		183
Change in net assets attributable to shareholders from investment activities (see above)		(43,118)		1,341
Closing net assets attributable to shareholders		134,725		64,585

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

* Prior year figures have been reclassified.

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		134,447		179,466
Current assets:				
Debtors	523		32	
Cash and bank balances	23		21	
		546		53
Total assets		134,993		179,519
Liabilities:				
Creditors	(268)		(848)	
Distribution payable	-		(205)	
		(268)		(1,053)
Total liabilities		(268)		(1,053)
Net assets attributable to shareholders		134,725		178,466

ASI UK Smaller Companies Fund

Investment Report Fund Information

Fund Manager Harry Nimmo

Launch Date 6 January 1997

Investment objective

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

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

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

Investment policy

Portfolio securities

- The Fund will invest at least 60% in small-capitalisation equities and equity related securities of companies listed, incorporated, or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Small capitalisation companies are defined as any stock having a market cap less than the 10th percentile stock of the overall UK equity market.
- The Fund may also invest up to 40% in mid and larger capitalisation companies listed, incorporated or domiciled in the UK.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Management process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the Performance Target, the Numis Smaller Companies Plus AIM ex Investment Companies Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index, should not exceed 10%. Due to the active nature of the Investment process, the Fund's performance profile may deviate

significantly from that of the Numis Smaller Companies Plus AIM ex Investment Companies Index.

Derivatives and techniques

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

Performance

Net cumulative and annualised performance*

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	-2.23	10.88	19.80	-2.97	13.89	14.02
Fund (Net) (%)	-2.31	10.20	18.85	-4.16	12.48	12.49
Performance target (%)	-2.45	1.66	8.88	-6.50	7.51	8.22
Performance comparator (%)	-3.23	2.87	8.47	-9.36	8.77	8.33

Multi-platform media company Future was the Fund's best performing stock. The group continues to enjoy earnings upgrades, thanks to robust organic growth and the fruits of recent acquisitions. JD Sports was a standout performer. The company remains a beacon in a troubled retail sector, thanks to the ongoing popularity of its athleisure wear. A position in 4Imprint, the maker of promotional products, boosted the Fund's returns. The company's recent update was solid, driving small earnings upgrades. It continues to enjoy both strong organic growth and attractive returns thanks to its incremental marketing investment. 4Imprint has a track record of beating earnings estimates, while it has a robust balance sheet. So much so, that it paid a special dividend in 2018. Its first-half 2019 dividend increased 20% in dollar terms, and 29% in sterling. Additional highlights included Dechra Pharmaceuticals, Gamma Communication and RWS.

By contrast, Fever-tree Drinks weighed on the Fund's relative return. The drinks company suffered from slower growth in its range of mixers.

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Performance (continued)

It was negatively impacted by poor weather in the UK and the benefit from last year's World Cup dropping out of its sales numbers. However, its longer-term prospects still look bright as it expands overseas. Abcam, which sells antibodies to research institutions and drug makers, continued its poor run. Investors have frowned upon the company's decision to continue its internally funded expansion plans. However, management recently responded by saying they had been clear about their intentions to invest for growth. They also highlighted that revenues had more than doubled over the last five years. Real estate investment trust Workspace disappointed despite results that were in line with forecasts. The company was caught up in the wider sell-off of UK-focused businesses. A position in Telecom Plus and lack of exposure to Centamin and Ultra Electronics also weighed on relative returns.

Activity

We took part in Trainline's initial public offering, the platform business for rail and coach travel in the UK. The company enjoys a market-leading position, thanks to robust investment in its tech platform. It also has an impressive CEO and many avenues for growth. Importantly, the company is replicating its successful UK model in Europe. This should drive future returns. We bought 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. Elsewhere, we built a position in Games Workshop, the originator of the board-game Warhammer. The group continues to expand, with online now accounting for 27% of sales. This has lifted margins and revenues. The future also looks promising. We believe the US market should grow quickly, while the company has a toe-hold in the Far East. New initiatives – from film production to online gaming – will also drive returns.

We reduced our exposure to Sanne, the global provider of alternative assets and corporate business services. The group is struggling to deliver operating efficiencies, while spending on overheads are higher than it would have liked. We also have questions around its management team. Meanwhile, we sold shares in Costain, a tech-based construction and engineering firm. It issued a profit-warning following the loss of two significant contracts. This puts pressure on its order book. We exited 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.

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.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

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	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	187,874	189,961	206,287	182,052
Closing number of shares	24,898,503	27,472,182	28,588,576	31,383,591
Closing net asset value per share (pence)	754.56	691.47	721.57	580.09
Change in net asset value per share	9.12%	(4.17%)	24.39%	15.96%
Operating charges	1.36%	1.36%	1.36%	1.36%

Institutional accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	368,619	341,314	346,824	326,267
Closing number of shares	41,178,948	41,705,804	40,802,002	47,969,757
Closing net asset value per share (pence)	895.16	818.38	850.02	680.15
Change in net asset value per share	9.38%	(3.72%)	24.98%	16.56%
Operating charges	0.89%	0.89%	0.89%	0.89%

Retail income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	5,358	4,744	8,389	6,769
Closing number of shares	7,466,737	7,214,003	11,979,379	11,826,530
Closing net asset value per share (pence)	71.76	65.76	70.03	57.23
Change in net asset value per share	9.12%	(6.10%)	22.37%	13.73%
Operating charges	1.36%	1.36%	1.36%	1.36%

Institutional income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	18,684	15,888	13,638	8,363
Closing number of shares	19,541,024	18,175,500	14,721,013	11,097,979
Closing net asset value per share (pence)	95.62	87.41	92.65	75.36
Change in net asset value per share	9.39%	(5.66%)	22.94%	14.37%
Operating charges	0.89%	0.89%	0.89%	0.89%

Standard Life income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	7,283	7,490	8,538	13,558
Closing number of shares	3,313,918	3,743,287	4,062,296	8,001,149
Closing net asset value per share (pence)	219.76	200.09	210.17	169.45
Change in net asset value per share	9.83%	(4.80%)	24.03%	15.40%
Operating charges	0.01%	0.01%	0.01%	0.01%

Standard Life accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	6,387	6,057	6,271	4,541
Closing number of shares	2,002,299	2,084,918	2,094,218	1,910,423
Closing net asset value per share (pence)	318.99	290.54	299.44	237.72
Change in net asset value per share	9.79%	(2.97%)	25.96%	17.47%
Operating charges	0.09%	0.09%	0.09%	0.09%

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

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

Institutional regulated accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	345,975	329,698	353,379	303,353
Closing number of shares	76,221,364	79,609,699	82,481,385	88,842,529
Closing net asset value per share (pence)	453.91	414.14	428.43	341.45
Change in net asset value per share	9.60%	(3.34%)	25.47%	17.01%
Operating charges	0.49%	0.49%	0.49%	0.49%

Platform 1 accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	209,880	194,238	209,379	173,718
Closing number of shares	158,438,454	160,304,880	166,203,721	172,163,127
Closing net asset value per share (pence)	132.47	121.17	125.98	100.90
Change in net asset value per share	9.33%	(3.82%)	24.86%	16.42%
Operating charges	0.99%	0.99%	0.99%	0.99%

Institutional S accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	282,059	268,177	266,107	195,925
Closing number of shares	290,027,512	301,805,474	288,679,049	265,946,108
Closing net asset value per share (pence)	97.25	88.86	92.18	73.67
Change in net asset value per share	9.44%	(3.60%)	25.13%	16.68%
Operating charges	0.77%	0.77%	0.77%	0.77%

Institutional S income	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	35,180	33,778	35,934	36,955
Closing number of shares	40,175,929	42,219,582	42,430,306	53,711,127
Closing net asset value per share (pence)	87.56	80.00	84.69	68.80
Change in net asset value per share	9.45%	(5.54%)	23.10%	14.51%
Operating charges	0.77%	0.77%	0.77%	0.77%

Institutional A accumulation	31 August 2019	28 February 2019	28 February 2018	28 February 2017
Closing net asset value (£'000)	294	274	294	330
Closing number of shares	385,204	390,874	400,769	557,155
Closing net asset value per share (pence)	76.37	70.10	73.40	59.20
Change in net asset value per share	8.94%	(4.50%)	23.99%	15.60%
Operating charges	1.69%	1.69%	1.69%	1.69%

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

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

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

Portfolio Statement

As at 31 August 2019

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (92.41%)		1,390,985	94.78
Consumer Goods (17.53%)		291,677	19.87
12,557,746	Boohoo.com*	30,302	2.06
1,354,080	Cranswick	37,346	2.54
1,420,567	Fever Tree Drinks*	32,091	2.19
814,742	Games Workshop	35,669	2.43
1,932,324	Greggs	40,811	2.78
4,663,988	Hilton Food	45,334	3.09
3,843,138	Hotel Chocolat*	14,181	0.97
7,307,913	JD Sports	45,075	3.07
3,800,000	Team17	10,868	0.74
Consumer Services (14.30%)		238,994	16.28
1,884,064	4Imprint	52,189	3.56
3,531,838	Dart Group*	26,542	1.81
4,465,314	Future	52,869	3.60
2,029,204	GlobalData	16,639	1.13
6,493,876	Hollywood Bowl	14,351	0.98
7,124,189	Motorpoint	17,525	1.19
2,736,223	Next Fifteen Communications*	16,062	1.09
2,739,568	On the Beach	10,186	0.69
3,386,052	Trainline	16,084	1.10
2,847,991	YouGov*	16,547	1.13
Financials (11.41%)		185,203	12.62
7,184,455	AJ Bell	28,702	1.96
2,548,313	Big Yellow	27,242	1.86
365,364	Brooks Macdonald*	6,805	0.46
3,964,303	JTC	14,073	0.96
1,509,750	Mattioli Woods*	11,285	0.77
4,286,021	Paragon	18,687	1.27
5,427,309	Safestore	36,390	2.48
4,946,361	Workspace	42,019	2.86
Health Care (8.38%)		103,190	7.03
2,661,111	Abcam*	30,762	2.10
2,080,693	Dechra Pharmaceuticals	62,379	4.25
2,730,633	Eco Animal Health*	10,049	0.68

Holding	Investment	Market value £'000	Percentage of total net assets
Industrials (24.04%)		343,775	23.43
1,296,627	Costain	1,937	0.13
2,989,998	Diploma	47,362	3.23
1,940,419	Fisher (J) & Sons	38,614	2.63
1,288,853	Gooch & Housego*	13,211	0.90
2,831,478	Hill & Smith	32,534	2.22
6,464,594	Marshalls	44,832	3.05
4,547,916	Midwich*	22,921	1.56
2,775,559	PayPoint	24,591	1.68
2,367,103	Ricardo	16,144	1.10
8,280,177	RWS*	49,847	3.40
4,775,469	Sanne	24,928	1.70
1,172,686	XP Power	26,854	1.83
Technology (10.78%)		144,833	9.87
446,699	Craneware*	8,063	0.55
2,961,861	FDM	22,332	1.52
1,574,578	First Derivatives*	36,294	2.47
8,430,466	GB*	48,560	3.31
5,952,502	Kainos	29,584	2.02
Telecommunications (5.97%)		83,313	5.68
5,494,105	Gamma Communication*	56,589	3.86
2,307,753	Telecom Plus	26,724	1.82
Collective Investment Schemes (4.96%)		73,288	4.99
73,288	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund+	73,288	4.99
Total investment assets		1,464,273	99.77
Net other assets		3,320	0.23
Total Net Assets		1,467,593	100.00

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

The percentage figures in brackets show the comparative holding as at 28 February 2019.

* AIM Listed

+ Managed by subsidiaries of Standard Life Aberdeen plc.

Statement of Total Return

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		121,406		136,276
Revenue	16,062		16,680	
Expenses	(6,367)		(6,549)	
Net revenue before taxation	9,695		10,131	
Taxation	-		-	
Net revenue after taxation		9,695		10,131
Total return before equalisation		131,101		146,407
Equalisation on shares		(234)		-
Change in net assets attributable to shareholders from investment activities		130,867		146,407

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 August 2019

	31 August 2019		31 August 2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,391,619		1,455,040
Amounts receivable on the issue of shares	42,897		72,002	
Amounts payable on the cancellation of shares	(97,790)		(45,407)	
		(54,893)		26,595
Dilution adjustment		-		(128)
Change in net assets attributable to shareholders from investment activities (see above)		130,867		146,407
Closing net assets attributable to shareholders		1,467,593		1,627,914

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

Balance Sheet

As at 31 August 2019

	31 August 2019		28 February 2019	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		1,464,273		1,355,069
Current assets:				
Debtors	2,907		3,358	
Cash and bank balances	3,633		38,633	
		6,540		41,991
Total assets		1,470,813		1,397,060
Liabilities:				
Creditors	(3,220)		(4,192)	
Distribution payable	-		(1,249)	
		(3,220)		(5,441)
Total liabilities		(3,220)		(5,441)
Net assets attributable to shareholders		1,467,593		1,391,619

Further Information

Report and financial statements

The Interim Report is available online at 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 Aberdeen Standard OEIC II is available online at aberdeenstandard.com.

Prices

The most recent share prices are published daily online at 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 Sub-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 Sub-fund to Sub-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 Sub-fund for shares in another Sub-fund. Switching instructions can either be given by accessing your investments online at www.myaccountonline.co.uk/asi or by calling us on 0345 113 6966 (+44 (0) 1268 445 488).

UCITS

The Sub-funds were certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the ACD to market the Sub-funds in member States of the European Union subject to relevant local laws, specifically marketing laws.

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