

# Aberdeen Standard OEIC II

Annual Long Report  
For the year ended 28 February 2021



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# Report of the Authorised Corporate Director

Aberdeen Standard OEIC II ('the Company') is an open-ended investment company with variable capital. The Company is incorporated in Scotland with registered number SI000004 and is currently authorised pursuant on Regulation 14 of the Open Ended Investment Companies Regulations 2001 (the "OEIC Regulations"). The effective date of the authorisation order made by the Financial Conduct Authority (the "FCA") was 22 May 1998.

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

## Appointments

### Authorised Corporate Director

Aberdeen Standard Fund Managers Limited

#### Registered office

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

#### Correspondence address

PO Box 12233  
Chelmsford  
CM99 2EE

### Investment Adviser

Standard Life Investments Limited

#### Registered Office

1 George Street  
Edinburgh  
EH2 2LL

#### Correspondence address

1 George Street  
Edinburgh  
EH2 2LL

### Depositary

Citibank Europe plc, acting through its UK Branch

#### Registered Office

1 North Wall Quay  
Dublin  
Ireland

#### Correspondence address

Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

### Registrar

SS&C Financial Services Europe Limited

SS&C House  
St Nicholas Lane  
Basildon  
Essex  
SS16 5FS

### Independent Auditor

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

### Note:

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

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

Financial details and Fund Managers' reviews of the individual funds for the year ended 28 February 2021 are given in the following pages of this report.

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

The funds are valued on a mid-price basis and dealt at a single price regardless of whether a purchase or sale is being affected.

The daily price for each fund appears on the Aberdeen Standard website at [aberdeenstandard.com](http://aberdeenstandard.com).

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

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

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

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

### Significant events

Investors will be aware of the COVID-19 outbreak and that the outlook for many capital markets has been volatile since 28 February 2021, the year-end of Aberdeen Standard OEIC II. Whilst the impact of COVID-19 was reflected in fund operations and global markets at year-end, the continued efforts to mitigate the pandemic through global lockdowns and government interventions have resulted in prolonged market uncertainty. As a result, the NAVs of certain funds have fluctuated since the year-end. The subsequent events note within the fund financial statements provides a quantification of this fluctuation in NAV.

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

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

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

As at 28 June 2021, no funds have been suspended and based on the Manager's assessment of the factors noted above, has adequate financial resources to continue in operation.

### Developments and prospectus updates since 29 February 2020

- On 27 March 2020 the ASI American Unconstrained Equity Fund SL Inc Shareclass was closed.
- On 27 March 2020 the ASI Global Income Equity Fund SL Inc Shareclass was closed.
- On 27 March 2020 the ASI UK Growth Equity Fund Institutional R Acc Shareclass was closed.
- On 27 March 2020 the ASI UK Growth Equity Fund SL Inc Shareclass was closed.
- On 27 March 2020 the ASI UK High Alpha Equity Fund SL Inc Shareclass was closed.
- On 27 March 2020 the ASI UK Opportunities Equity Fund SL Inc Shareclass was closed.
- On 31 March 2020 the Transfer Agent of the fund changed its name from DST Financial Services Europe Limited to SS&C Financial Services Europe Limited and updated its mailing address as a result of this. There was no impact to the fund as a result of this change.
- On 7 July 2020 the ASI Global Unconstrained Equity Fund changed its name to ASI Global Focused Equity Fund.
- On 7 July 2020 the Asset Backed/Mortgage Backed Securities risk information in the prospectus was updated.
- On 30 September 2020 the ASI UK Recovery Equity Fund Institutional Accumulation shareclass was closed.

- On 21 October 2020 the ASI Europe ex UK Smaller Companies Fund Institutional Income shareclass was launched.
- On 22 October 2020 the ASI UK Recovery Equity Fund was closed.
- On 21 December 2020 Aberdeen Standard Investments (Japan) Limited was appointed as Investment Sub-Adviser of the ASI Japanese Growth Equity Fund replacing Sumitomo Mitsui Trust Asset Management Co. Ltd.
- On 31 December 2020 Aberdeen Standard Investments (Asia) Limited was appointed as Investment Sub-Adviser of the ASI Japanese Growth Equity Fund.
- On 21 January 2021 the prospectus was updated in relation to the wording and contact details of the complaints information, to recognise the UK leaving the European Union, additional wording within the Derivative Risks section to provide further clarity and a refresh of the taxation sections of the prospectus.
- On 21 January 2021 the risk warnings in relation to Asset Backed/Mortgage Backed Securities were updated in the prospectus.
- On 27 November 2020, the termination of the ASI Emerging Market Government Bond Fund was completed. Termination accounts for the period from 27 January 2020 to 27 November 2020 were filed with the FCA on 25 February 2021.
- The list of funds managed by the ACD was updated, where appropriate;
- On 31 May 2021, Gary Marshall resigned as a director of Aberdeen Standard Fund Managers Limited;
- On 31 May 2021, Alison Donaldson resigned as a director of Aberdeen Standard Fund Managers Limited;
- On 31 May 2021, Robert McKillop was appointed as a director of Aberdeen Standard Fund Managers Limited;
- On 31 May 2021, Claire Marshall was appointed as a director of Aberdeen Standard Fund Managers Limited;
- Performance and dilution figures were refreshed, where appropriate;
- The list of sub-custodians was refreshed, where appropriate.
- The list of eligible markets was refreshed, where appropriate.

#### Assessment of value

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

#### Crossholding information

There were no cross holdings between funds in the Company as at 28 February 2021 (2020: nil).

## Statement of the Authorised Corporate Director's Responsibilities

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

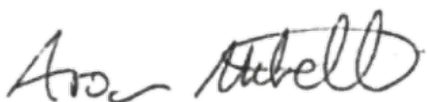
In preparing the financial statements the ACD is responsible for:

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

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

## Authorised Corporate Director's Statement

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



**Aron Mitchell**  
Director  
Aberdeen Standard Fund Managers Limited  
28 June 2021



**Claire Marshall**  
Director  
Aberdeen Standard Fund Managers Limited  
28 June 2021

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

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

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

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

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



Citibank Europe plc  
UK Branch, London  
28 June 2021

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

## Opinion

We have audited the financial statements of the Company for the year ended 28 February 2021 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 2 and the accounting policies set out on pages 14 to 16.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub-funds as at 28 February 2021 and of the net revenue/expense and the net capital gains/losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

## Basis for opinion

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

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

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

In respect of ASI UK Recovery Equity Fund and Global Emerging Markets Equity Unconstrained Fund, we draw attention to the disclosure made in accounting policy 1a. "Basis of preparation" to the financial statements which explains that the financial statements of these sub-funds have not been prepared on a going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

## Going concern

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

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

Our conclusions based on this work:

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

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

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

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

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

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the ACD, the Depositary, the Administrator and the Investment Adviser;
- Reading ACD board minutes.



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

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

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

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

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

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

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

#### **Other information**

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

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

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

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

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

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

#### **Authorised Corporate Director's responsibilities**

As explained more fully in their statement set out on page 6 the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

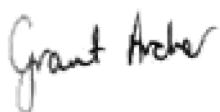
### Auditor's responsibilities

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

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

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

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



**Grant Archer**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
St Vincent Plaza  
319 St Vincent Street  
Glasgow  
G2 5AS  
28 June 2021

# Investment Report

1 March 2020 – 28 February 2021

## Global Overview

Globally, stock markets rose over the past 12 months, but with considerable divergence by country. While US and Chinese stocks performed extremely well, markets in other countries saw declines. Shares in Latin America, in particular, fared badly. COVID-19 was the dominant factor in 2020, causing a huge fall in the markets in March. However, stocks have broadly been recovering since then.

Interest-rate cuts were prevalent over the period. The US Federal Reserve (Fed) reduced the main rate twice in March 2020, with the final cut taking the main US rate to near zero. The European Central Bank (ECB) announced a stimulus plan worth €1.35 trillion to counter the economic effects of coronavirus. Both the US and the European Union (EU) announced expanded stimulus measures in December 2020. President Biden proposed an additional US\$1.9 trillion stimulus package in January 2021.

In March 2020, investors sold stocks in favour of assets that they considered to be less risky, such as government bonds. But decisive action by governments and central banks to limit economic damage supported investor sentiment and markets began to recover in April.

The recovery stalled in September and October, reversing some recent gains. In November, however, the relatively smooth US presidential election – coupled with news of three major COVID-19 vaccines – buoyed sentiment. This positive sentiment persisted throughout the rest of 2020 due to the launch of vaccination programmes, the approval of stimulus packages and the reaching of a Brexit trade deal.

However, momentum stalled again in January and February 2021. At the end of the period, global bond markets experienced a marked sell-off, spurring worries that this could impact the fragile global recovery. This also negatively affected equities.

## Individual market overviews

**UK equities** were among the poorer developed markets, ending lower over the 12 months. During a period of considerable political upheaval, investors grappled with Brexit-related uncertainty and the economic fallout from the coronavirus pandemic. In March of 2020, UK stocks tumbled in line with their global peers, as the economic fallout from the coronavirus pandemic became clear. However, the Bank of England (BoE) and UK government cut interest rates and announced a record spending package, respectively. Stocks rose thereafter, as the economy began to reopen after months of economic lockdown. Towards the end of the period, the rollout of vaccination programmes, and the UK and the EU agreeing on a last-minute Brexit trade deal all supported UK equities. Meanwhile, by the end of February, ramp-ups in the vaccination programme meant over 20 million people had received their first dose by month-end.

**US equities** registered positive returns over the past 12 months. The spread of coronavirus sparked precipitous falls in early March 2020. Drastic government and central-bank responses then drove a dramatic market recovery. In November, the US presidential election, coupled with three major vaccine announcements, was positive for equities. US stock markets ended the year at new all-time highs, with former President Trump finally signing a new US\$900 billion stimulus package. January 2021 saw markets pulling back slightly. A surge in bond yields weighed on markets in February, but stocks were positive overall. President Biden also unveiled a new proposed US\$1.9 trillion stimulus package, which passed the House of Representatives in February.

**European equities** finished higher over the period. Investor confidence nosedived with market returns as COVID-19 spread around the world. In response, the ECB announced a massive €750 billion corporate and government bond-buying scheme to shore up markets. Bond buying by global central banks ignited a rebound in European bourses thereafter. Equities rallied in November after major vaccine breakthroughs, a Biden presidency and falling new coronavirus cases in the latter half of the month. The rollout of vaccinations, a new Brexit trade deal and the €500 billion expansion of the ECB's monetary stimulus programme all drove markets upwards at the end of 2020. The start of 2021 brought a halt to this upward momentum, and most European indices fell amid renewed lockdown measures after a rise in COVID-19 infections. However, the region's equities performed well in February.

**Japanese equities** increased over the 12 months to the end of February. The coronavirus outbreak rocked Japanese stocks and markets dipped precariously. Shinzo Abe, the then prime minister, declared a nationwide state of emergency in April. As economic activity dried up, the Bank of Japan announced a ¥117 trillion stimulus package, which helped local equity markets to rebound strongly. However, investor optimism was dampened by evidence of a deep recession due to lockdown measures. Towards the end of 2020, optimism surrounding COVID-19 vaccines and a fresh economic stimulus package drove markets upwards. The first month of 2021 saw markets dip slightly as infection numbers rose. February was another positive month, and the Nikkei 225 Index hit a new high not seen since 1990.

**Asian equities** rose over the period. Stocks tumbled following the coronavirus outbreak in China and subsequent spread to the rest of the world early in the period. In response, Asian central banks further reduced rates, leading to a recovery in markets. News of vaccine breakthroughs and the outcome of the US election helped extend this trend into November. Equities maintained their strong performance due to the roll out of vaccination programmes and the approval of the new US stimulus bill in December. In January 2021, President Biden's new proposed US\$1.9 trillion stimulus plan also buoyed Asian markets. However, surging bond yields in February depressed markets, and most Asia Pacific indices saw negative returns for the month.

#### Bond markets

In fixed income, government bond markets were mostly down over the 12 months. As fears about the COVID-19 outbreak encouraged a 'flight to safety' at the beginning of the period, investors abandoned risky assets in favour of government debt. However, buoyed by vaccine progress and in anticipation of another round of fiscal stimulus, demand for government bonds fell in early 2021. This trend was amplified in February as inflation expectations continued to climb, and bond prices fell across the board. Corporate bond returns were positive over the period. Investment-grade issues saw solid returns, and even though the high-yield sector was more turbulent, it still posted strong performance. This was despite COVID-19 hitting economies and companies, leading to fears over the creditworthiness of the high-yield sector.

#### Outlook for equities

Increasing optimism that recent COVID-19 vaccine rollouts may help fuel a sharp economic recovery in 2021 has become the major driving force in markets. In particular, stocks have enjoyed a strong rebound from the low point in March last year. As the economic rebound has begun, investors have generally shifted to small-cap and cyclical companies at the expense of more defensive assets. Low interest rates are supportive for equities as well as corporate bonds, and continued fiscal action should provide extra support. Spikes in market volatility are likely, with the potential sources being vaccine setbacks, weak corporate earnings or policy mistakes.

#### Outlook for bonds

Within fixed income, along with the pandemic, economic factors and politics continue to dominate markets. On the political front, with the Democrats now in control of both houses of Congress, US President Joe Biden now has more leeway to increase fiscal spending, seen as positive for global risk assets. However, in mainland Europe, the slow pace of the vaccine rollout has stoked fears of a weaker economic recovery, which may keep European government bond yields low.

# Ethical Funds Advisory Group Report

## Ethical Funds Advisory Group Report

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

## The Aberdeen Standard Investments Ethical Funds Advisory Group

The Aberdeen Standard Investments Ethical Funds Advisory Group is chaired by the Global Head of Distribution Governance and Risk. It comprises of investors in the ethical funds and senior 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 2020 annual investor survey, current ethical issues, climate change and the future governance of our responsible investment product range. .

## Voting record – ASI UK Ethical Equity Fund

We took action and voted against remuneration resolutions at the AGMs of RELX Plc, Boohoo, Centaur Media Plc, Electrocomponents Plc, Aveva Group Plc, Mitie Group Plc, JD Sports, Joules Group Plc, Just Eat Takeaway.com, Ashmore Group Plc, Ferguson Plc, Diploma Plc, Hyve Group Plc, Cineworld Group Plc, Hollywood Bowl Group Plc and Grainger Plc.

We voted against the appointment of the chairs of the Nomination Committees at Aveva Group Plc due to the lack of gender diversity on the board.

At the general meetings of Boohoo and Ashmore plc we voted against due to concerns regarding the length of auditor tenure, which could impede independence. At Boohoo the auditors, PwC, also provided remuneration advice and at Ashmore plc KPMG have been auditors for 23 years which is beyond the 20 year tenure limit which we apply.

We abstained on the re-election of directors of Georgia Healthcare Group Plc due to related party transactions.

At the general meeting of Barclays Plc we voted in favour of a shareholder resolution on climate disclosure.

## 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 2020 investor survey focused on a number of issues, including fossil fuels, the SDGs, 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  
12 March 2021

# Notes to the financial statements of Aberdeen Standard OEIC II

## a. Basis of preparation

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 (IMA SORP 2014), FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

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

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

## b. Valuation of investments

Listed investments have been valued at fair value as at the close of business on 28 February 2021. The SORP defines fair value as the market value of each security, in an active market, this is generally the quoted bid price.

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

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

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

## c. Foreign Exchange

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

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

## d. Dilution

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

## e. Revenue

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

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

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

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

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

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

Interest on bank deposits is recognised on an accruals basis.

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

Interest on debt securities is recognised on an accruals basis.

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

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

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

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

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

#### **f. Expenses**

All expenses other than those relating to the purchase and sale of investments are charged against revenue on an accruals basis in the Statement of Total Return, except for the Annual Management Charge (AMC) for the ASI UK High Alpha Equity Fund, the ASI UK High Income Equity Fund, and the ASI (SLI) Corporate Bond Fund, which is taken from capital. For the ASI Emerging Markets Income Equity Fund, ASI Global Income Equity Fund, the ASI UK Smaller Companies Fund, the ASI Europe ex UK Income Equity Fund and the ASI American Income Equity Fund, the AMC charge is taken from income in respect of accumulation shares and capital in respect of income shares.

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

#### **g. Taxation**

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

UK dividends are disclosed net of any related tax credit.

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

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

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

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

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

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

#### **h. Distributions**

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

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

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

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



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

**i. Equalisation**

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

**j. Derivatives**

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

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

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

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

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

**k. Collateral and margin**

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

### Risk management policies

Generic risks that the Aberdeen Standard Investments (ASI) range are exposed to and the risk management techniques employed are disclosed below. Numerical disclosures and specific risks, where relevant, are disclosed within the financial statements.

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



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

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

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

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

### Risk Definitions & Risk Management Processes

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

(1) Systematic risk stems from any factor that causes a change in the valuation of groups of assets. These factors may emerge from a number of sources, including but not limited to economic conditions, political events or actions, the actions of central banks or policy makers, industry events or, indeed, investor behaviour and risk appetite.

(2) Specific or Idiosyncratic Risk, which is the part of risk directly associated with a particular asset, outside the realms of, and not captured by Systematic Risk. In other words, it is the component of risk that is peculiar to a specific asset, and may manifest itself in various guises, for example: corporate actions, fraud or bankruptcy.

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

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

- **Leverage:** has the effect of gearing a Fund's expected performance by allowing it to gain greater exposure to underlying investment opportunities (gains and losses). The higher the leverage the greater the risk (potential loss).
- **Value-at-Risk (VaR) and Conditional VaR (CVaR):** VaR measures with a degree of confidence the maximum the Fund could expect to lose in any given time frame. Assuming a normal (Gaussian) distribution, this is a function of the volatility of the Fund's returns. The higher the volatility, the higher the VaR, the greater the risk. CVaR calculates the expected tail loss, under the assumption that the VaR has been reached.
- **Volatility, Tracking Error (TE):** Volatility measures the size of variation in returns that a Fund is likely to expect. The higher the volatility the higher the risk. TE measures the expected magnitude of divergence of returns between the Fund and benchmark over a given time.
- **Risk Decomposition:** Volatility, tracking error and VaR may be broken down to show contribution from market related factors ("Systematic" Risk) and instrument specific (Idiosyncratic Risk). This is not a different measure as such, but is intended to highlight the sources of volatility and VaR.
- **Concentration Risk:** By grouping the portfolio into various different exposures (e.g. country, sector, issuer, asset, etc.), we are able to see where, if any, concentration risk exists.
- **Stress Tests and Scenario Analysis:** This captures how much the current portfolio will make or lose if certain market conditions occur.
- **Back Testing:** This process helps to assess the adequacy of the VaR model and is carried out in line with UCITS regulatory requirements (FCA COLL 6.12). Excessive levels of overshoots and the reasons behind them are reported to the Board.

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

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

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

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

Measuring liquidity risk is subject to three main dimensions:

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

#### **Liquidity Risk Management Framework**

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

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

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

- iv) **Operational Risk**

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

#### **Operational Risk Management**

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

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

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

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

# ASI (SLI) Asian Pacific Growth Equity Fund

For the year ended 28 February 2021

## Investment Objective

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

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

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

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

## Investment Policy

### Portfolio Securities:

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

Over the period under review, the fund returned 34.05% (source: Factset, Platform 1 accumulation shares). This compared to a return of 30.78% for our performance target (the MSCI AC Asia Pacific ex Japan Index +3%).

Looking at the positives first, our stock picks in China boosted returns. China Tourism Group Duty Free rallied on news of its takeover of Hainan Duty Free, which strengthened its market leadership, and Beijing's loosening of restrictions on the lucrative duty-free industry, particularly in Hainan. Premium liquor maker Kweichow Moutai fared well as it was able to sustain price hikes. Meanwhile, Tencent approached all-time highs on surging demand for its mobile games during the coronavirus pandemic, though a subsequent clampdown on monopolistic practices in the sector capped gains. Elsewhere, our core technology holdings, Taiwan Semiconductor Manufacturing Co and Samsung Electronics, continued to benefit from a pandemic-driven boom in demand for electronics devices.

Conversely, weak sentiment surrounding China's real estate sector, in view of a tightening policy and liquidity environment, hurt China Resources Land (CR Land). Despite the industry headwinds, we believe CR Land is well-placed for continued market share gains given its robust balance sheet and competitive financing cost. Our lack of exposure to electric vehicle maker Nio, as well as internet firms JD.com, Baidu and Pinduoduo, which rallied during the period, also proved costly. Holdings in Australian biotech company CSL and China's Ping An Insurance disappointed too.

## Portfolio Activity

In the second half of the period, we continued to initiate stocks aligned to the region's structural growth trends. The introductions included Dutch-headquartered ASM International, which is the global leader in single-wafer atomic layer deposition technology, a high-precision process that deposits ultra-thin films onto a wafer. As semiconductor chips shrink, demand for such processes is increasing, thereby expanding the size of its market. South Korea's Samsung Biologics is the world's largest biopharmaceutical contract manufacturer. Though it entered the industry just eight years ago, it now matches the leading players in scale and technological know-how, with a clear cost advantage. We also invested in India's Ultratech Cement, given that it would benefit from increased housing demand and infrastructure spending over the long term. Lastly, China's Wanhua Chemical supplies chemicals used in polyurethane products common across many industries, including rigid and flexible insulation foam for homes and refrigerators. With its leadership in terms of technology and cost, the company has garnered close to a quarter of global market share.

In view of China's pledge to become carbon neutral by 2060, we introduced three quality mainland names in the electric vehicle, renewable energy and power sectors. The first, Yunnan Energy New Material, is the world's largest maker of lithium-ion battery separators. It will be a key beneficiary of Beijing's push to put more new-energy vehicles on the road. The company is more

operationally efficient than its peers, which would support its margins amid pricing pressure. The second, Longi Green Energy Technology, is the world's largest solar wafer maker. We believe it would be among the winners of Beijing's renewable energy push, given its technological and cost leadership. It also has extensive experience in manufacturing high-efficiency mono-crystalline solar wafers. Third, Nari Technology supplies power-grid automation and industrial control products to State Grid and South Grid, which dominate electricity distribution in China. Nari remains the best placed to benefit from power grid reform.

We also initiated two other Chinese stocks hitched to domestic consumption, given that a rising middle class will drive China's long-term growth. We are big believers of China's premiumisation story, wherein higher disposable incomes spur demand for healthcare products, wealth management services, insurance and luxury goods and services.

Wuxi Biologics is one of the world's leading contract manufacturers for biologic drugs. It benefits from the trend of outsourced research and development, especially given China's low cost of clinical research compared to developed countries, and is also known for its highly efficient operations. The second addition was JD Health, through our subscription in its Hong Kong initial public offer. JD Health operates retail pharmacies and provides round-the-clock online healthcare services, such as medical consultations and prescription renewal. Its prospects are underpinned by its robust e-commerce platform, which helps fund growth, and structural changes, such as sector deregulation, alongside a shift to online sales and consultations.

Elsewhere, we introduced Australian medical-device maker Nanosonics on valuation grounds after share-price weakness. The company's core product, Trophon, offers high-level disinfection of ultrasound probes and helps prevent cross infection among patients. It is also the only device of its kind to have obtained US regulatory approval. Given its superior technology, Nanosonics has been gaining market share, particularly in North America.

To fund these, we sold Asian Paints, Bapcor, China Construction Bank, SAIC Motor and SITC International.

### Portfolio Outlook and Strategy

Inflation is emerging as a cause for concern on the back of improving economic prospects, reflected in rising bond yields. If yields rise much more quickly than justified by economic recovery, financial conditions may tighten and pose challenges to both policymakers and corporates. In Asia, positive trends in the results season thus far point to a rebound in corporate earnings this year. In addition, both governments and central banks have continued to provide further support for economies. All this underpin the recovery story, as well as Asian stock valuations which remain reasonably attractive compared to developed markets, such as the US.

We think that in an environment of rising inflation and input costs, companies with stronger pricing power, such as those that we own, should perform better as they will likely be able to pass costs through to their customers and protect margins. We remain watchful of macroeconomic developments and their potential impact on the portfolio, and continue to monitor the earnings and guidance from our holdings across the region. While we track market developments closely, we adopt a long-term investment

perspective. We believe many of the changes sparked by the pandemic are here to stay, including faster adoption of cloud computing, e-commerce and 5G networks. In addition, Asia's burgeoning middle class will fuel rising demand for healthcare services and wealth management, while the region's urbanisation and infrastructure needs remain vast. We remain focused on quality Asian companies that will benefit from a recovery and are best-placed to capitalise on these structural growth opportunities.

March 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 28 February 2021.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	355.22	330.58	357.24
Return before operating charges*	117.35	29.94	(21.85)
Operating charges	(5.71)	(5.30)	(4.81)
Return after operating charges*	111.64	24.64	(26.66)
Distributions	(2.94)	(4.05)	(4.54)
Retained distributions on accumulation shares	2.94	4.05	4.54
Closing net asset value per share	466.86	355.22	330.58
* after direct transaction costs of:	0.39	0.40	0.26
<b>Performance</b>			
Return after charges	31.43%	7.45%	(7.46%)
<b>Other information</b>			
Closing net asset value (£'000)	14,521	13,002	13,276
Closing number of shares	3,110,250	3,660,152	4,015,987
Operating charges	1.44%	1.47%	1.41%
Direct transaction costs	0.10%	0.11%	0.08%
<b>Prices</b>			
Highest share price	513.3	391.8	370.9
Lowest share price	304.2	333.1	308.1

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	410.38	380.13	408.66
Return before operating charges*	135.99	34.37	(25.04)
Operating charges	(4.47)	(4.12)	(3.69)
Return after operating charges*	131.52	30.25	(28.73)
Distributions	(5.59)	(6.62)	(7.04)
Retained distributions on accumulation shares	5.59	6.62	7.04
Closing net asset value per share	541.90	410.38	380.13
* after direct transaction costs of:	0.46	0.46	0.30
<b>Performance</b>			
Return after charges	32.05%	7.96%	(7.03%)
<b>Other information</b>			
Closing net asset value (£'000)	4,590	4,134	20,805
Closing number of shares	847,024	1,007,457	5,473,077
Operating charges	0.97%	1.00%	0.94%
Direct transaction costs	0.10%	0.11%	0.08%
<b>Prices</b>			
Highest share price	595.7	452.3	425.0
Lowest share price	351.5	383.1	353.7

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

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

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

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

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	81.53	76.76	84.11
Return before operating charges*	26.94	6.94	(5.15)
Operating charges	(1.31)	(1.23)	(1.13)
Return after operating charges*	25.63	5.71	(6.28)
Distributions	(0.67)	(0.94)	(1.07)
Closing net asset value per share	106.49	81.53	76.76
* after direct transaction costs of:	0.09	0.09	0.06
<b>Performance</b>			
Return after charges	31.44%	7.44%	(7.47%)
<b>Other information</b>			
Closing net asset value (£'000)	1,371	1,245	1,264
Closing number of shares	1,287,902	1,527,171	1,647,006
Operating charges	1.44%	1.47%	1.41%
Direct transaction costs	0.10%	0.11%	0.08%
<b>Prices</b>			
Highest share price	117.8	90.97	87.31
Lowest share price	69.82	77.35	72.54

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

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

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

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



Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	152.00	139.76	149.20
Return before operating charges*	50.61	12.62	(9.16)
Operating charges	(0.38)	(0.38)	(0.28)
Return after operating charges*	50.23	12.24	(9.44)
Distributions	(3.37)	(3.59)	(3.65)
Retained distributions on accumulation shares	3.37	3.59	3.65
Closing net asset value per share	202.23	152.00	139.76
* after direct transaction costs of:	0.17	0.17	0.11
<b>Performance</b>			
Return after charges	33.05%	8.76%	(6.33%)
<b>Other information</b>			
Closing net asset value (£'000)	1,127	763	690
Closing number of shares	557,506	502,270	493,912
Operating charges	0.22%	0.25%	0.19%
Direct transaction costs	0.10%	0.11%	0.08%
<b>Prices</b>			
Highest share price	222.3	167.4	155.4
Lowest share price	130.3	140.9	129.7

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

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

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

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

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	107.69	99.82	107.41
Return before operating charges*	35.69	9.01	(6.57)
Operating charges	(1.25)	(1.14)	(1.02)
Return after operating charges*	34.44	7.87	(7.59)
Distributions	(1.40)	(1.68)	(1.80)
Retained distributions on accumulation shares	1.40	1.68	1.80
Closing net asset value per share	142.13	107.69	99.82
* after direct transaction costs of:	0.12	0.12	0.08
<b>Performance</b>			
Return after charges	31.98%	7.88%	(7.07%)
<b>Other information</b>			
Closing net asset value (£'000)	13,699	9,476	9,233
Closing number of shares	9,637,698	8,799,111	9,249,170
Operating charges	1.02%	1.05%	0.99%
Direct transaction costs	0.10%	0.11%	0.08%
<b>Prices</b>			
Highest share price	156.3	118.7	111.6
Lowest share price	92.24	100.6	92.90

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

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

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

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

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Pacific Basin Equities (98.84%)</b>		<b>34,779</b>	<b>98.50</b>
<b>Australia (13.42%)</b>		<b>4,889</b>	<b>13.85</b>
32,106	Aristocrat Leisure	539	1.53
870	ASM International	169	0.48
1,312	ASML	530	1.50
28,512	BHP	647	1.83
4,514	Cochlear	525	1.49
10,740	Commonwealth Bank of Australia	485	1.37
5,654	CSL	822	2.33
28,477	Goodman	260	0.74
20,673	Nanosonics	69	0.19
14,300	National Australia Bank	195	0.55
5,800	Rio Tinto	408	1.16
18,173	Westpac Banking	240	0.68
<b>China (34.17%)</b>		<b>12,203</b>	<b>34.56</b>
11,400	Alibaba	244	0.69
10,393	Alibaba ADR	1,767	5.00
63,500	Anhui Conch Cement 'H'	292	0.83
80,000	China Conch Venture	255	0.72
13,835	China International Travel Service 'A'	470	1.33
94,038	China Merchants Bank 'H'	516	1.46
6,440	GDS ADR	470	1.33
126,195	Haitian International	310	0.88
11,162	Hangzhou Tigermed Consulting 'A'	173	0.49
3,700	Hangzhou Tigermed Consulting 'H'	52	0.15
8,450	JD Health International	110	0.31
3,648	KE Holdings	167	0.47
2,500	Kweichow Moutai 'A'	586	1.66
29,300	LONGi Green Energy Technology 'A'	338	0.96
16,500	Meituan Dianping 'B'	517	1.46
23,700	Midea 'A'	243	0.69
54,000	NARI Technology 'A'	169	0.48
2,595	NetEase ADR	203	0.58
2,610	New Oriental Education & Technology ADR	332	0.94
92,584	Ping An Insurance 'H'	813	2.30
49,667	Shanghai International Airport 'A'	339	0.96
46,953	Tencent	2,868	8.12

			Market Value £'000	Percentage of total net assets
Holding	Investment			
1,660,000	Tianhe Chemicals**		-	-
12,700	Wanhua Chemical 'A'		183	0.52
55,500	Wuxi Biologics Cayman		491	1.39
25,200	Yunnan Energy New Material 'A'		295	0.84
<b>Hong Kong (11.32%)</b>			<b>2,935</b>	<b>8.31</b>
148,122	AIA		1,325	3.75
155,600	Budweiser Brewing		339	0.96
424,000	China High Precision Automation**		-	-
147,000	China Metal Recycling**		-	-
223,093	China Resources Land		757	2.14
11,774	Hong Kong Exchanges & Clearing		514	1.46
<b>India (9.54%)</b>			<b>3,653</b>	<b>10.35</b>
23,500	Hindustan Unilever		487	1.38
34,640	Housing Development Finance		856	2.43
136,000	ITC		269	0.76
22,255	Kotak Mahindra Bank		388	1.10
27,236	Larsen & Toubro		382	1.08
42,916	SBI Life Insurance		359	1.02
20,100	Tata Consultancy Services		568	1.61
5,800	UltraTech Cement		344	0.97
<b>Indonesia (3.04%)</b>			<b>745</b>	<b>2.11</b>
442,523	Bank Central Asia		745	2.11
<b>Macau (0.92%)</b>			<b>349</b>	<b>0.99</b>
104,501	Sands China		349	0.99
<b>Malaysia (0.49%)</b>			<b>-</b>	<b>-</b>
<b>New Zealand (0.00%)</b>			<b>444</b>	<b>1.26</b>
17,300	Fisher & Paykel Healthcare		255	0.72
2,910	Xero		189	0.54

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Philippines (1.08%)</b>		<b>270</b>	<b>0.76</b>
470,200	Ayala Land REIT	270	0.76
<b>Singapore (3.13%)</b>		<b>1,006</b>	<b>2.85</b>
188,992	Capitaland	322	0.91
26,674	DBS	382	1.08
51,124	Oversea-Chinese Banking	302	0.86
<b>South Korea (11.59%)</b>		<b>4,122</b>	<b>11.67</b>
953	LG Chemical	504	1.43
500	Samsung Biologics	239	0.68
15,100	Samsung Electronics	793	2.24
34,936	Samsung Electronics (Preference)	1,619	4.58
1,141	Samsung SDI	490	1.39
5,313	SK Hynix	477	1.35
<b>Taiwan (8.82%)</b>		<b>4,042</b>	<b>11.45</b>
270,000	Hon Hai Precision	777	2.20
64,000	Taiwan Mobile	160	0.45
199,534	Taiwan Semiconductors Manufacturing	3,105	8.80
<b>Thailand (1.32%)</b>		<b>121</b>	<b>0.34</b>
30,670	Advanced Info Service (Alien Market)	121	0.34
<b>Collective Investment Schemes (0.30%)</b>		<b>149</b>	<b>0.42</b>
149	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	149	0.42
<b>Total investment assets</b>		<b>34,928</b>	<b>98.92</b>
<b>Net other assets</b>		<b>380</b>	<b>1.08</b>
<b>Total Net Assets</b>		<b>35,308</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\*\* Delisted.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	8,202	3,991
Revenue	2	648	1,221
Expenses	3	(347)	(483)
Interest payable and similar charges		(1)	-
Net revenue before taxation		300	738
Taxation	4	(14)	(58)
Net revenue after taxation		286	680
<b>Total return before distributions</b>		<b>8,488</b>	<b>4,671</b>
Distributions	5	(319)	(680)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>8,169</b>	<b>3,991</b>

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

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>28,620</b>	<b>45,268</b>
Amounts receivable on the issue of shares	5,716	4,631
Amounts payable on the cancellation of shares	(7,497)	(25,691)
	(1,781)	(21,060)
Dilution adjustment	7	40
Change in net assets attributable to shareholders from investment activities (see above)	8,169	3,991
Retained distribution on accumulation shares	293	381
<b>Closing net assets attributable to shareholders</b>	<b>35,308</b>	<b>28,620</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		34,928	28,375
<b>Current assets:</b>			
Debtors	6	369	187
Cash and bank balances	7	208	229
		577	416
<b>Total assets</b>		<b>35,505</b>	<b>28,791</b>
<b>Liabilities:</b>			
Provisions for liabilities	8	(25)	-
Creditors	9	(163)	(157)
Distribution payable		(9)	(14)
		(172)	(171)
<b>Total liabilities</b>		<b>(197)</b>	<b>(171)</b>
<b>Net assets attributable to shareholders</b>		<b>35,308</b>	<b>28,620</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	8,231	3,992
Forward currency contracts	11	4
Other (losses)/gains	(19)	22
Transaction charges	(21)	(27)
<b>Net capital gains</b>	<b>8,202</b>	<b>3,991</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	11	5
Overseas dividends	601	1,152
Overseas REIT	6	11
UK dividends	30	53
<b>Total revenue</b>	<b>648</b>	<b>1,221</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	307	409
Dealing charge	6	5
Registration fees	13	22
	326	436
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	5	10
Depositary's fees	2	7
	7	17
<b>Other:</b>		
Audit fee	9	9
Professional fees	5	21
	14	30
<b>Total expenses</b>	<b>347</b>	<b>483</b>

Irrecoverable VAT is included in the above expenses where relevant.



## 4. Taxation

	2021 £'000	2020 £'000
<b>(a) Analysis of charge in year</b>		
Adjustments in respect of prior periods	(80)	-
Overseas taxes	61	58
Overseas capital gains tax in capital	8	-
Total current tax	(11)	58
Deferred tax (note 4c)	25	-
<b>Total taxation (note 4b)</b>	<b>14</b>	<b>58</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	300	738
Corporation tax at 20% (2020: 20%)	60	148
Effects of:		
Revenue not subject to taxation	(126)	(241)
Overseas taxes	61	58
Excess allowable expenses	66	93
Adjustments in respect of prior periods	(80)	-
Overseas capital gains tax in capital	8	-
Deferred Tax	25	-
<b>Total tax charge for year (note 4a)</b>	<b>14</b>	<b>58</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Deferred tax</b>		
Deferred tax charge in statement of total return for year (note 4a)	25	-
<b>Provision at the end of the year</b>	<b>25</b>	<b>-</b>
<b>(d) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £794,000 (2020: £728,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.		

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

	2021 £'000	2020 £'000
Distribution	302	395
Add: Income deducted on cancellation of shares	63	333
Deduct: Income received on issue of shares	(46)	(48)
<b>Total distributions for the year</b>	<b>319</b>	<b>680</b>

	2021 £'000	2020 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	286	680
Overseas capital gains tax	33	-
<b>Total distributions</b>	<b>319</b>	<b>680</b>

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

#### 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	76	74
Amounts receivable from the ACD for the issue of shares	7	6
Overseas withholding tax recoverable	13	-
Sales awaiting settlement	273	107
<b>Total debtors</b>	<b>369</b>	<b>187</b>

#### 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	208	229
	<b>208</b>	<b>229</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	149	87
<b>Net liquidity</b>	<b>357</b>	<b>316</b>

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

#### 8. Provisions for liabilities

	2021 £'000	2020 £'000
<b>The provisions for liabilities comprise:</b>		
Overseas capital gains tax	25	-
	<b>25</b>	<b>-</b>

#### 9. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	30	26
Accrued expenses payable to the Depositary or associates of the Depositary	4	1
Amounts payable to the ACD for cancellation of shares	28	114
Other accrued expenses	9	16
Purchases awaiting settlement	92	-
<b>Total creditors</b>	<b>163</b>	<b>157</b>

**10. Related Party Transactions**

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

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

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

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

**11. Portfolio Transaction Costs**

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

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

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Equities	10,302	7,065	12,068	27,653
Collective investment schemes	9,924	14,905	9,862	15,264
Corporate actions	-	-	5	16
<b>Trades in the year before transaction costs</b>	<b>20,226</b>	<b>21,970</b>	<b>21,935</b>	<b>42,933</b>
<b>Commissions</b>				
Equities	6	7	(6)	(10)
<b>Total commissions</b>	<b>6</b>	<b>7</b>	<b>(6)</b>	<b>(10)</b>
<b>Taxes</b>				
Equities	5	3	(14)	(29)
<b>Total taxes</b>	<b>5</b>	<b>3</b>	<b>(14)</b>	<b>(29)</b>
<b>Total transaction costs</b>	<b>11</b>	<b>10</b>	<b>(20)</b>	<b>(39)</b>
<b>Total net trades in the year after transaction costs</b>	<b>20,237</b>	<b>21,980</b>	<b>21,915</b>	<b>42,894</b>

Total transaction costs expressed as a percentage of asset type cost	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.06	0.10	0.05	0.04
<b>Taxes</b>				
Equities	0.05	0.04	0.11	0.11

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.04	0.04
Taxes	0.06	0.07

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.21% (2020: 0.22%), this is representative of the average spread on the assets held during the year.

## 12. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	3,660,152	943,693	(1,441,125)	(52,470)	3,110,250
Institutional accumulation	1,007,457	26,669	(173,127)	(13,975)	847,024
Retail income	1,527,171	139,794	(217,452)	(161,611)	1,287,902
Standard Life accumulation	502,270	78,780	(23,544)	-	557,506
Platform 1 accumulation	8,799,111	1,295,462	(805,223)	348,348	9,637,698

## 13. Fair Value Hierarchy

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

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

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

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

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	34,779	-	-	28,288	-	-
Collective Investment Schemes	-	149	-	-	87	-
<b>Total investment assets</b>	<b>34,779</b>	<b>149</b>	<b>-</b>	<b>28,288</b>	<b>87</b>	<b>-</b>

## 14. Risk Management Policies and Disclosures

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

### Foreign currency risk

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

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Australian Dollar	3,947	3,129
China Renminbi	2,797	2,340
Euro	699	273
Hong Kong Dollar	10,017	8,279
Indian Rupee	3,638	2,786
Indonesian Rupiah	745	878
Malaysian Ringgit	-	139

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Philippines Peso	270	309
Singapore Dollar	1,043	917
South Korean Won	4,153	3,421
Taiwan Dollar	4,068	2,551
Thai Baht	123	380
US Dollar	3,082	2,836
<b>Total</b>	<b>34,582</b>	<b>28,238</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £1,729,000 (2020: £1,412,000).

#### Interest rate risk

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

#### Other price risk

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

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

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £1,746,000 (2020: £1,419,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £172,000 (2020: £171,000).

### 15. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Accumulation class has increased by 0.24% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	2.9405	-	2.9405	4.0464
Group 2	0.6251	2.3154	2.9405	4.0464
<b>Institutional accumulation</b>				
Group 1	5.5856	-	5.5856	6.6154
Group 2	1.3275	4.2581	5.5856	6.6154
<b>Retail income</b>				
Group 1	0.6749	-	0.6749	0.9397
Group 2	0.2370	0.4379	0.6749	0.9397
<b>Standard Life accumulation</b>				
Group 1	3.3708	-	3.3708	3.5903
Group 2	0.8071	2.5637	3.3708	3.5903
<b>Platform 1 accumulation</b>				
Group 1	1.4045	-	1.4045	1.6822
Group 2	0.3091	1.0954	1.4045	1.6822

**Equalisation**

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

# ASI (SLI) Corporate Bond Fund

For the year ended 28 February 2021

## Investment Objective

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

**Performance Target:** To exceed the IA Sterling Corporate bond Sector Average return (after charges) over 1 year and be top quartile over rolling three year periods. The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

## Investment Policy

### Portfolio Securities:

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

Over the period under review, the fund returned 1.9% (source: Factset, Platform 1 accumulation shares). This compared to a return of 2.1% for our performance target the IA Sterling Corporate Bond Sector Average).

The fund underperformed its target over the review period. Looking at individual securities, retail-focused real estate companies detracted from performance. Shopping centres, in particular, have been hit as lockdowns led to shop closures and reduced footfall in commercial centres. Accordingly, Intu was one of the fund's worst performer; Newriver and Shaftesbury, which owns central London retail space, also weighed on returns. Other detractors included Sainsburys and funeral services firm Dignity.

On the positive side, banks were the top-performing sector, with an underweight in Dutch bank Rabobank being the top individual contributor. Virgin Money and Deutsche Bank were also among the top performers. Heathrow Airport, which was hit initially as COVID-19 lockdowns suppressed global travel, recovered later in the period and contributed positively to the fund.

## Portfolio Activity

Early in the period, in the primary market, we bought Tesco, Southern Water, British American Tobacco and the UK residential landlord Grainger. Later in the period, we bought new issues including a 2031 bond from BNP Paribas and a corporate hybrid from Iberdrola. We bought the attractively priced 2031 bonds of Digital Realty. This is a leading data centre operator, which is a preferred sector benefiting from accelerating demand for online activity in the post-coronavirus world.

In middle of 2020, we sold the subordinated debt of CYBG and the corporate hybrids of the Scottish utility SSE. We have reduced exposure to the French energy company Total, selling throughout the period. More recently, we have trimmed our holding in supermarket Morrisons and sold out of global drinks manufacturer AB InBev. In the secondary market, we started a position in Commerzbank, which we think offers good prospects. We bought attractively priced subordinated debt from Rabobank and Danske Bank.

## Portfolio Outlook and Strategy

Risk premiums are now relatively tight, making investment-grade bonds far from cheap. The recent back-up in government bond yields has started to have an impact on other financial markets. Rising inflation risks are being priced into markets and rising real yields usually have an impact on risk assets. Given the relatively low protection offered by tight spreads, there is scope for volatility in credit markets. Improving fundamentals, as COVID-19 restrictions are lifted and vaccines rolled out, may provide some support, but volatility is likely to rise if recent trends persist.

Markets, in general, do not offer the asymmetries they did at the start of the review period, but we still expect corporate bonds to remain supported by extraordinary levels of central bank support. While mass vaccination programmes continue to gather pace, there is still a long way to go before countries achieve anything

close to herd immunity. We expect the rest of the year to be marked by improving growth but significant economic scarring from the crisis. Unemployment is high, ensuring large output gaps for many years to come.

With the last-minute Brexit trade deal, a significant tail risk for the corporate bond market has been removed. However, adjusting to our new trading relationship will undoubtedly continue to cause disruption. This will likely mean the UK will lag the recovery in other developed market economies during 2021, at least. We expect a steeper yield curve, as the Bank of England gradually tapers asset purchases and the policy rate remains on hold.

As we move through 2021, economic growth should recover and head in the right direction. However, two risks have the potential to upend the recovery. Namely, a major set-back in terms of COVID-19 or if rates markets and inflation expectations rise, which may destabilise investment-grade markets. Outside of these risks, we do expect some bouts of volatility and spread widening.

March 2021



### Risk and reward profile

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

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

Risk and reward indicator table as at 28 February 2021.

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

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid. 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.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	380.34	343.27	339.39
Return before operating charges*	10.01	40.84	7.38
Operating charges	(3.95)	(3.77)	(3.50)
Return after operating charges*	6.06	37.07	3.88
Distributions	(12.39)	(12.45)	(12.09)
Retained distributions on accumulation shares	12.39	12.45	12.09
Closing net asset value per share	386.40	380.34	343.27
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.59%	10.80%	1.14%
<b>Other information</b>			
Closing net asset value (£'000)	57,147	60,205	58,696
Closing number of shares	14,789,827	15,829,495	17,098,799
Operating charges	1.03%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	404.6	385.2	345.7
Lowest share price	334.4	345.0	334.4

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	64.10	57.61	56.72
Return before operating charges*	1.68	6.87	1.24
Operating charges	(0.39)	(0.38)	(0.35)
Return after operating charges*	1.29	6.49	0.89
Distributions	(2.09)	(2.09)	(2.02)
Retained distributions on accumulation shares	2.09	2.09	2.02
Closing net asset value per share	65.39	64.10	57.61
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	2.01%	11.27%	1.57%
<b>Other information</b>			
Closing net asset value (£'000)	43,646	115,346	105,206
Closing number of shares	66,743,975	179,950,237	182,615,780
Operating charges	0.61%	0.61%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	68.44	64.91	58.02
Lowest share price	56.38	57.91	56.06

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Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	108.11	100.93	103.40
Return before operating charges*	2.84	11.88	2.21
Operating charges	(1.11)	(1.09)	(1.05)
Return after operating charges*	1.73	10.79	1.16
Distributions	(3.48)	(3.61)	(3.63)
Closing net asset value per share	106.36	108.11	100.93
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.60%	10.69%	1.12%
<b>Other information</b>			
Closing net asset value (£'000)	25,244	26,759	27,470
Closing number of shares	23,734,495	24,750,945	27,218,270
Operating charges	1.03%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	112.3	110.4	104.3
Lowest share price	95.08	101.4	99.21

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

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Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	55.32	51.43	52.47
Return before operating charges*	1.46	6.06	1.13
Operating charges	(0.34)	(0.32)	(0.32)
Return after operating charges*	1.12	5.74	0.81
Distributions	(1.78)	(1.85)	(1.85)
Closing net asset value per share	54.66	55.32	51.43
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	2.02%	11.16%	1.54%
<b>Other information</b>			
Closing net asset value (£'000)	11,222	519	5,156
Closing number of shares	20,532,132	938,793	10,026,675
Operating charges	0.61%	0.61%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	57.65	56.47	52.97
Lowest share price	48.66	51.69	50.50

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

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

Standard Life income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.61	52.32	53.18
Return before operating charges*	1.50	6.19	1.04
Operating charges	(0.02)	(0.02)	(0.02)
Return after operating charges*	1.48	6.17	1.02
Distributions	(1.83)	(1.88)	(1.88)
Closing net asset value per share	56.26	56.61	52.32
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	2.61%	11.79%	1.92%
<b>Other information</b>			
Closing net asset value (£'000)	3,918	16,194	16,396
Closing number of shares	6,964,912	28,605,016	31,336,541
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	59.28	57.78	53.74
Lowest share price	49.81	52.47	51.41

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

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

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

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.55	58.61	57.42
Return before operating charges*	1.73	7.01	1.25
Operating charges	(0.07)	(0.07)	(0.06)
Return after operating charges*	1.66	6.94	1.19
Distributions	(2.15)	(2.14)	(2.05)
Retained distributions on accumulation shares	2.15	2.14	2.05
Closing net asset value per share	67.21	65.55	58.61
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	2.53%	11.84%	2.07%
<b>Other information</b>			
Closing net asset value (£'000)	24	23	39
Closing number of shares	36,329	34,525	66,915
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	70.29	66.38	59.03
Lowest share price	57.67	58.91	56.97

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

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

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

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

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	166.58	149.80	147.56
Return before operating charges*	4.39	17.84	3.22
Operating charges	(1.11)	(1.06)	(0.98)
Return after operating charges*	3.28	16.78	2.24
Distributions	(5.43)	(5.44)	(5.26)
Retained distributions on accumulation shares	5.43	5.44	5.26
Closing net asset value per share	169.86	166.58	149.80
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.97%	11.20%	1.52%
<b>Other information</b>			
Closing net asset value (£'000)	10,320	14,325	13,153
Closing number of shares	6,075,427	8,599,343	8,780,254
Operating charges	0.66%	0.66%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	177.8	168.7	150.9
Lowest share price	146.5	150.6	145.8

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

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

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

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



Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	121.31	112.83	115.17
Return before operating charges*	3.19	13.31	2.46
Operating charges	(0.80)	(0.78)	(0.75)
Return after operating charges*	2.39	12.53	1.71
Distributions	(3.91)	(4.05)	(4.05)
Closing net asset value per share	119.79	121.31	112.83
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.97%	11.11%	1.48%
<b>Other information</b>			
Closing net asset value (£'000)	10,337	11,014	11,389
Closing number of shares	8,628,609	9,079,018	10,094,824
Operating charges	0.66%	0.66%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	126.4	123.8	116.3
Lowest share price	106.7	113.4	110.8

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

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

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

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

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (97.92%)</b>		<b>159,175</b>	<b>98.34</b>
<b>Euro Denominated Bonds (0.89%)</b>		<b>6,883</b>	<b>4.25</b>
<b>Corporate Bonds (0.89%)</b>		<b>6,883</b>	<b>4.25</b>
Perpetual			
1,000,000	Aareal Bank 7.625% fixed to floating Perpetual	865	0.54
800,000	Abanca Corp Bancaria 6% fixed to floating Perpetual	694	0.43
300,000	Abertis Infraestructuras Finance 3.248% fixed to floating Perpetual	266	0.16
700,000	Deutsche Bank 6% fixed to floating Perpetual	604	0.37
611,000	Enel 2.25% fixed to floating Perpetual	552	0.34
389,000	ENI 2.625% fixed to floating Perpetual	349	0.22
1,100,000	Iberdrola International 1.874% fixed to floating Perpetual	974	0.60
1,050,488	Stichting FRN Perpetual	1,161	0.72
600,000	Telefonica Europe 2.376% fixed to floating Perpetual	505	0.31
500,000	Volkswagen International 3.5% fixed to floating Perpetual	453	0.28
500,000	Volkswagen International 3.875% fixed to floating Perpetual	460	0.28
<b>Sterling Denominated Bonds (95.63%)</b>		<b>148,251</b>	<b>91.59</b>
<b>Corporate Bonds (95.38%)</b>		<b>144,902</b>	<b>89.52</b>
less than 5 years to maturity			
750,000	AA Bond 2.875% 2022	754	0.47
609,000	Bellis Acquisition 3.25% 2026	616	0.38
750,000	British American Tobacco 2.125% 2025	775	0.48
1,700,000	CPUK 3.588% 2025	1,808	1.12
300,000	CYBG 3.125% 2025	312	0.19
1,500,000	Deutsche Bank 2.625% 2024	1,563	0.97
1,000,000	FirstGroup 5.25% 2022	1,062	0.66
500,000	FirstGroup 6.875% 2024	574	0.36
1,000,000	Ford Motor Credit 2.748% 2024	1,009	0.62
1,190,000	Go-Ahead 2.5% 2024	1,214	0.75
1,250,000	Hammerson 3.5% 2025	1,267	0.78
2,000,000	Heathrow Funding 7.125% 2024	2,265	1.40
2,000,000	Highbury Finance 7.017% 2023	1,354	0.84
1,500,000	Intu (SGS) Finance 3.875% 2023	856	0.53
2,000,000	Intu (SGS) Finance 4.125% 2023	899	0.56
1,500,000	Lloyds Bank 7.625% 2025	1,872	1.16
1,047,000	Lloyds Bank Corporate Markets 1.75% 2024	1,072	0.66
780,000	Lloyds Banking 2.25% 2024	811	0.50
750,000	Pacific National Finance 5% 2023	809	0.50

		Market Value £'000	Percentage of total net assets
Holding	Investment		
1,000,000	Santander UK 3.625% 2026	1,098	0.68
920,000	Stagecoach 4% 2025	973	0.60
900,000	Volkswagen Financial Services 1.875% 2024	921	0.57
600,000	Volkswagen Financial Services 2.125% 2024	619	0.38
500,000	Volkswagen Financial Services 2.75% 2023	521	0.32
between 5 and 10 years to maturity			
1,300,000	ABP 6.25% 2026	1,566	0.97
1,000,000	Athene Global Funding 1.75% 2027	999	0.62
1,250,000	Barclays 3% 2026	1,337	0.83
1,000,000	Barclays 3.25% 2027	1,084	0.67
1,500,000	Barclays 3.75% fixed to floating 2030	1,614	1.00
750,000	British American Tobacco 4% 2026	840	0.52
750,000	Canary Wharf Finance 6.8% 2030	501	0.31
874,000	Citigroup 1.75% 2026	895	0.55
750,000	Comcast 5.5% 2029	986	0.61
886,000	CPUK 3.69% 2028	954	0.59
670,000	CYBG 4% 2026	727	0.45
1,000,000	Danske Bank 2.25% fixed to floating 2028	1,025	0.63
2,260,000	Delamare 5.5457% 2029	1,952	1.21
900,000	Deutsche Bank 1.875% fixed to floating 2028	883	0.55
830,000	Digital Stout 3.3% 2029	915	0.57
668,000	Grainger 3% 2030	699	0.43
470,000	Hammerson 7.25% 2028	549	0.34
500,000	Heathrow Funding 6.75% 2026	627	0.39
1,500,000	HSBC 2.625% 2028	1,593	0.98
1,156,000	HSBC 3% fixed to floating 2030	1,243	0.77
1,500,000	HSBC 6.75% 2028	1,951	1.21
1,700,000	HSBC Bank 5.375% fixed to floating 2030	2,010	1.24
1,000,000	Imperial Brands 5.5% 2026	1,199	0.74
1,500,000	London & Quadrant Housing Trust 2.25% 2029	1,567	0.97
500,000	London & Quadrant Housing Trust 2.625% 2026	534	0.33
700,000	National Express 2.375% 2028	715	0.44
600,000	NatWest 2.875% 2026	637	0.39
1,000,000	NatWest 3.125% fixed to floating 2027	1,075	0.66
559,000	NatWest 3.622% fixed to floating 2030	597	0.37
1,000,000	NewRiver REIT 3.5% 2028	919	0.57
500,000	Pension Insurance 8% 2026	644	0.40
500,000	Quadgas Finance 3.375% 2029	532	0.33
750,000	Rabobank 4.625% 2029	890	0.55
1,000,000	Santander UK 3.875% 2029	1,191	0.74
890,000	Shaftesbury Chinatown 2.348% 2027	874	0.54

			Market Value £'000	Percentage of total net assets
Holding	Investment			
750,000	Thames Water 3.5% 2028		836	0.52
733,000	Unite 3.5% 2028		797	0.49
1,369,000	Virgin Money UK 5.125% 2030		1,493	0.92
750,000	Vmed O2 UK Financing I 4% 2029		754	0.47
1,000,000	Welltower 4.8% 2028		1,179	0.73
720,000	Westfield Stratford City Finance 1.642% 2026		711	0.44
241,000	Whitbread 2.375% 2027		237	0.15
750,000	Yorkshire Power 7.25% 2028		1,035	0.64
between 10 and 15 years to maturity				
1,000,000	Annington Funding 3.685% 2034		1,147	0.71
1,700,000	Arqiva 4.882% 2032		1,555	0.96
1,500,000	AT&T 5.2% 2033		1,932	1.19
500,000	Barclays 3.25% 2033		549	0.34
1,400,000	BNP Paribas 1.25% 2031		1,301	0.80
62,000	British American Tobacco 6% 2034		82	0.05
2,000,000	Broadgate Financing 5.098% 2035		2,060	1.27
500,000	Centrica 7% 2033		765	0.47
1,500,000	Eversholt 6.697% 2035		1,936	1.20
267,000	GE Capital 5.875% 2033		356	0.22
510,000	Great Rolling Stock 6.5% 2031		527	0.33
1,500,000	Great Rolling Stock 6.875% 2035		1,282	0.79
1,500,000	Heathrow Funding 6.45% fixed to floating 2033		2,041	1.26
1,475,000	Lloyds Banking 2.707% 2035		1,472	0.91
2,000,000	Longstone Finance 4.896% 2031		2,300	1.42
500,000	Orsted 4.875% 2032		654	0.40
613,000	Pension Insurance 3.625% 2032		627	0.39
2,600,000	Premiertel 6.175% 2032		2,627	1.62
510,000	Severn Trent 2.75% 2031		563	0.35
528,507	Shaftesbury Carnaby 2.487% 2031		506	0.31
2,000,000	Telereal 6.1645% 2031		2,201	1.36
400,000	Welltower 4.5% 2034		482	0.30
750,000	Western Power 5.75% 2032		1,036	0.64
797,000	Wm Morrison Supermarkets 2.5% 2031		830	0.51
between 15 and 25 years to maturity				
1,500,000	AT&T 4.875% 2044		1,919	1.19
800,000	Aviva 6.125% 2036		962	0.59
750,000	Citigroup 6.8% 2038		1,268	0.78
1,000,000	E.ON Finance 6.75% 2039		1,623	1.00
2,000,000	Gatwick 5.75% 2037		2,613	1.61
500,000	General Electric 5.375% 2040		662	0.41

			Market Value £'000	Percentage of total net assets
	<b>Holding</b>	<b>Investment</b>		
	1,000,000	GlaxoSmithKline 4.25% 2045	1,395	0.86
	750,000	Heathrow Funding 5.875% 2041	1,040	0.64
	512,000	Home 3.125% 2043	570	0.35
	1,000,000	innogy Finance 6.125% 2039	1,534	0.95
	750,000	Morhomes 3.4% 2038	815	0.50
	750,000	RL Finance 6.125% fixed to floating 2043	835	0.52
	500,000	Southern Water Services Finance 3% 2037	529	0.33
	1,000,000	Tesco 5.744% 2040	1,253	0.77
	500,000	Tesco 5.8006% 2040	638	0.39
	1,000,000	Tesco 6.0517% 2039	1,065	0.66
	750,000	Thames Water 5.5% 2041	1,095	0.68
	943,000	Verizon Communications 1.875% 2038	876	0.54
	500,000	Verizon Communications 3.375% 2036	569	0.35
greater than 25 years to maturity				
	903,000	AA Bond 5.5% 2050	998	0.62
	750,000	American International 5.75% fixed to floating 2067	641	0.40
	363,000	Aviva 4% fixed to floating 2055	393	0.24
	1,000,000	Aviva 5.125% 2050	1,166	0.72
	705,000	Blend Funding 3.459% 2047	841	0.52
	750,000	British American Tobacco 2.25% 2052	553	0.34
	556,000	Bromford Housing 3.125% 2048	658	0.41
	820,000	Channel Link 3.043% 2050	813	0.50
	824,000	Dignity 4.6956% 2049	639	0.39
	1,000,000	EDF 6% 2114	1,638	1.01
	750,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	669	0.41
	1,500,000	NGG 5.625% fixed to floating 2073	1,708	1.06
	630,000	Ørsted 2.5% fixed to floating 3021	623	0.38
	423,000	Peabody Capital 3.25% 2048	496	0.31
	800,000	Prudential 5% 2055	909	0.56
	583,000	Prudential 5.625% fixed to floating 2051	672	0.41
	500,000	RL Finance 4.875% fixed to floating 2049	539	0.33
	1,000,000	Vodafone 3% 2056	1,001	0.62
Perpetual				
	1,500,000	Aviva 6.125% fixed to floating Perpetual	1,594	0.98
	1,000,000	AXA 6.6862% fixed to floating Perpetual	1,220	0.75
	750,000	Barclays 7.25% fixed to floating Perpetual	797	0.49
	500,000	BP Capital Markets 4.25% fixed to floating Perpetual	528	0.33
	500,000	EDF 5.875% fixed to floating Perpetual	562	0.35
	1,000,000	EDF 6% fixed to floating Perpetual	1,117	0.69
	1,300,000	HSBC 5.844% fixed to floating Perpetual	1,833	1.13

Holding	Investment	Market Value £'000	Percentage of total net assets
785,000	HSBC 5.875% fixed to floating Perpetual	864	0.53
1,250,000	Lloyds Banking 7.625% fixed to floating Perpetual	1,351	0.83
318,000	National Express 4.25% fixed to floating Perpetual	327	0.20
328,000	Natwest 5.125% fixed to floating Perpetual	343	0.21
876,000	SSE 3.74% fixed to floating Perpetual	927	0.57
<b>Government Bonds (0.25%)</b>		<b>3,349</b>	<b>2.07</b>
between 5 and 10 years to maturity			
3,500,000	UK (Govt of) 0.375% 2030	3,349	2.07
<b>US Dollar Denominated Bonds (1.40%)</b>		<b>4,041</b>	<b>2.50</b>
<b>Corporate Bonds (1.40%)</b>		<b>4,041</b>	<b>2.50</b>
between 10 and 15 years to maturity			
1,000,000	Dresdner Funding Trust I 8.151% 2031	1,023	0.63
Perpetual			
885,000	BNP Paribas 4.5% fixed to floating Perpetual	619	0.38
1,000,000	Danske Bank 6.125% fixed to floating Perpetual	767	0.48
1,000,000	Natwest FRN Perpetual	688	0.43
1,000,000	Standard Chartered 7.014% Perpetual	944	0.58
<b>Collective Investment Schemes (0.89%)</b>		<b>121</b>	<b>0.08</b>
139	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc <sup>+</sup>	120	0.08
1	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	1	-
<b>Derivatives (0.08%)</b>		<b>47</b>	<b>0.03</b>
<b>Forward Currency Contracts (-0.06%)</b>		<b>243</b>	<b>0.15</b>
Buy EUR 503,833 Sell GBP 443,232 11/05/2021		(5)	-
Buy EUR 991,387 Sell GBP 872,472 11/05/2021		(11)	(0.01)
Buy EUR 1,018,079 Sell GBP 900,557 11/05/2021		(16)	(0.01)
Buy EUR 1,026,724 Sell GBP 891,622 11/05/2021		1	-
Buy EUR 1,040,025 Sell GBP 905,298 11/05/2021		(1)	-
Buy GBP 530,739 Sell EUR 600,000 11/05/2021		9	0.01
Buy GBP 10,733,832 Sell EUR 12,159,538 11/05/2021		163	0.10
Buy GBP 4,197,747 Sell USD 5,727,233 11/05/2021		103	0.06

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Futures (0.14%)</b>		<b>(196)</b>	<b>(0.12)</b>
200	Long Long Gilt Future 28/06/2021	(196)	(0.12)
Total investment assets and liabilities		159,343	98.45
Net other assets		2,515	1.55
<b>Total Net Assets</b>		<b>161,858</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital (losses)/gains	1	(234)	19,396
Revenue	2	7,071	8,490
Expenses	3	(1,599)	(1,787)
Interest payable and similar charges		(1)	-
Net revenue before taxation		5,471	6,703
Taxation	4	-	-
Net revenue after taxation		5,471	6,703
<b>Total return before distributions</b>		<b>5,237</b>	<b>26,099</b>
Distributions	5	(7,017)	(8,425)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,780)</b>	<b>17,674</b>

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

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>244,385</b>	<b>237,505</b>
Amounts receivable on the issue of shares	3,002	12,143
Amounts payable on the cancellation of shares	(89,052)	(29,385)
	(86,050)	(17,242)
Dilution adjustment	356	15
Change in net assets attributable to shareholders from investment activities (see above)	(1,780)	17,674
Retained distribution on accumulation shares	4,947	6,433
<b>Closing net assets attributable to shareholders</b>	<b>161,858</b>	<b>244,385</b>



## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		159,572	241,809
<b>Current assets:</b>			
Debtors	6	3,675	3,512
Cash and bank balances	7	708	239
		4,383	3,751
<b>Total assets</b>		<b>163,955</b>	<b>245,560</b>
<b>Liabilities:</b>			
Investment liabilities		(229)	(136)
Creditors	8	(792)	(504)
Bank overdrafts	7	(675)	(100)
Distribution payable		(401)	(435)
		(1,868)	(1,039)
<b>Total liabilities</b>		<b>(2,097)</b>	<b>(1,175)</b>
<b>Net assets attributable to shareholders</b>		<b>161,858</b>	<b>244,385</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital (Losses)/Gains

	2021 £'000	2020 £'000
Non-derivative securities	189	18,781
Derivative contracts	(829)	968
Forward currency contracts	365	(364)
Other gains	48	17
Transaction charges	(7)	(6)
<b>Net capital (losses)/gains</b>	<b>(234)</b>	<b>19,396</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	7	45
Interest on debt securities	7,064	8,445
<b>Total revenue</b>	<b>7,071</b>	<b>8,490</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,440	1,595
Dealing charge	11	13
Registration fees	95	114
	1,546	1,722
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	15	17
Depositary's fees	26	34
	41	51
<b>Other:</b>		
Audit fee	12	13
Professional fees	-	1
	12	14
<b>Total expenses</b>	<b>1,599</b>	<b>1,787</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) Analysis of charge in year		
Total taxation	-	-
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	5,471	6,703
Corporation tax at 20% (2020: 20%)	1,094	1,341
Effects of:		
Distributions treated as tax deductible	(1,094)	(1,341)
Total tax charge for year (note 4a)	-	-

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

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

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

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

	2021 £'000	2020 £'000
First interim distribution	1,864	2,256
Second interim distribution	1,793	2,105
Third interim distribution	1,709	2,018
Final distribution	1,272	1,938
	6,638	8,317
Add: Income deducted on cancellation of shares	452	157
Deduct: Income received on issue of shares	(73)	(49)
Total distributions for the year	7,017	8,425
Movement between net revenue and distributions		
Net revenue after taxation	5,471	6,703
Expenses charged to capital	1,546	1,722
Total distributions	7,017	8,425

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

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

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

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	1,962	3,465
Amounts receivable from the ACD for the issue of shares	12	47
Sales awaiting settlement	1,701	-
Total debtors	3,675	3,512

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	14	2
Cash at broker	694	237
	<b>708</b>	<b>239</b>
<b>Bank overdrafts</b>		
Overdraft at bank	(675)	(100)
	<b>(675)</b>	<b>(100)</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	1	2,176
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund*	120	-
<b>Net liquidity</b>	<b>154</b>	<b>2,315</b>

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

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	107	137
Accrued expenses payable to the Depositary or associates of the Depositary	5	6
Amounts payable to the ACD for cancellation of shares	668	348
Other accrued expenses	12	13
<b>Total creditors</b>	<b>792</b>	<b>504</b>

## 9. Related Party Transactions

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

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

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

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

## 10. Portfolio Transaction Costs

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

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

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

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

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bonds	61,099	61,285	140,188	68,615
Collective investment schemes	83,451	58,912	85,507	63,795
<b>Trades in the year before transaction costs</b>	<b>144,550</b>	<b>120,197</b>	<b>225,695</b>	<b>132,410</b>
<b>Total net trades in the year after transaction costs</b>	<b>144,550</b>	<b>120,197</b>	<b>225,695</b>	<b>132,410</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.95% (2020: 0.78%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	15,829,495	86,313	(1,097,172)	(28,809)	14,789,827
Institutional accumulation	179,950,237	5,589	(113,211,851)	-	66,743,975
Retail income	24,750,945	412,877	(1,377,772)	(51,555)	23,734,495
Institutional income	938,793	1,369,874	(1,317,431)	19,540,896	20,532,132
Standard Life income	28,605,016	1,273,096	(3,921,902)	(18,991,298)	6,964,912
Standard Life accumulation	34,525	1,804	-	-	36,329
Platform 1 accumulation	8,599,343	178,788	(2,768,451)	65,747	6,075,427
Platform 1 income	9,079,018	378,490	(874,842)	45,943	8,628,609

#### 12. Fair Value Hierarchy

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

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

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

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

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	3,349	155,826	-	-	239,282	-
Collective Investment Schemes	-	121	-	-	2,176	-
Derivatives	-	276	-	343	8	-
<b>Total investment assets</b>	<b>3,349</b>	<b>156,223</b>	<b>-</b>	<b>343</b>	<b>241,466</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(196)	(33)	-	-	(136)	-
<b>Total investment liabilities</b>	<b>(196)</b>	<b>(33)</b>	<b>-</b>	<b>-</b>	<b>(136)</b>	<b>-</b>

### 13. Risk Management Policies and Disclosures

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

#### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

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

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

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

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

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2020</b>				
<b>Currency</b>				
UK Sterling	9,128	226,887	8,380	244,395
Euro	2	2,180	(2,188)	(6)
US Dollar	623	2,777	(3,404)	(4)
<b>Total</b>	<b>9,753</b>	<b>231,844</b>	<b>2,788</b>	<b>244,385</b>

#### Other price risk

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

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

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

<b>2021</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>
VaR 99% 1 Month	2.75%	4.36%	3.90%
<b>2020</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>
VaR 99% 1 Month	2.27%	2.87%	2.61%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 3.82%, £6,183,000 (2020: 2.87%, £6,936,000) in a one month period.

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

#### Counterparty risk

##### Credit quality of debt security investment assets

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

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

	Market value £'000	Percentage of total net assets %
<b>2020</b>		
Investment grade securities	226,880	92.84
Below investment grade securities	9,952	4.08
Unrated securities	2,450	1.00
<b>Total value of securities</b>	<b>239,282</b>	<b>97.92</b>

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

##### Financial derivatives instrument risk

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

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

	2021		2020	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	19,169	243	7,132	(128)
Futures	25,554	(196)	29,576	343
<b>Total market exposure</b>	<b>44,723</b>	<b>47</b>	<b>36,708</b>	<b>215</b>

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

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

##### Counterparty Exposure

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

	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>2021</b>			
<b>Broker concentrations</b>			
Goldman Sachs	694	2	(196)
	<b>694</b>	<b>2</b>	<b>(196)</b>

2020	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>Broker concentrations</b>			
Goldman Sachs	237	-	343
	<b>237</b>	<b>-</b>	<b>343</b>

### Counterparty Table

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

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

2020	Bi-lateral forwards £'000	Net exposure £'000
<b>Counterparties</b>		
BNP Paribas	(44)	(44)
Citigroup	(92)	(92)
Standard Chartered	8	8
<b>Total</b>	<b>(128)</b>	<b>(128)</b>

Stock collateral is of an appropriate quality and date for the fund.

Collateral stock issuer concentration	2021 £'000	2020 £'000
United Kingdom (Government of)	(245)	-



**Liquidity risk**

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

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

2020	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(136)	-	-	(136)
<b>Non-derivatives</b>					
Bank overdrafts	(100)	-	-	-	(100)
Other creditors	-	(504)	-	-	(504)
Distribution payable	-	(435)	-	-	(435)
<b>Total financial liabilities</b>	<b>(100)</b>	<b>(1,075)</b>	<b>-</b>	<b>-</b>	<b>(1,175)</b>

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Accumulation class has increased by 2.98% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 May 2020

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Retail accumulation</b>				
Group 1	3.1458	-	3.1458	3.2605
Group 2	1.5256	1.6202	3.1458	3.2605
<b>Institutional accumulation</b>				
Group 1	0.5304	-	0.5304	0.5475
Group 2	0.0753	0.4551	0.5304	0.5475
<b>Retail income</b>				
Group 1	0.8941	-	0.8941	0.9585
Group 2	0.4823	0.4118	0.8941	0.9585
<b>Institutional income</b>				
Group 1	0.4578	-	0.4578	0.4896
Group 2	0.1714	0.2864	0.4578	0.4896
<b>Standard Life income</b>				
Group 1	0.4687	-	0.4687	0.4970
Group 2	0.1594	0.3093	0.4687	0.4970
<b>Standard Life accumulation</b>				
Group 1	0.5434	-	0.5434	0.5558
Group 2	0.3544	0.1890	0.5434	0.5558
<b>Platform 1 accumulation</b>				
Group 1	1.3785	-	1.3785	1.4235
Group 2	0.8490	0.5295	1.3785	1.4235
<b>Platform 1 income</b>				
Group 1	1.0037	-	1.0037	1.0721
Group 2	0.4667	0.5370	1.0037	1.0721

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 June 2020

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

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	3.0843	-	3.0843	3.1312
Group 2	1.6735	1.4108	3.0843	3.1312
<b>Institutional accumulation</b>				
Group 1	0.5207	-	0.5207	0.5263
Group 2	0.2597	0.2610	0.5207	0.5263
<b>Retail income</b>				
Group 1	0.8691	-	0.8691	0.9121
Group 2	0.4801	0.3890	0.8691	0.9121
<b>Institutional income</b>				
Group 1	0.4455	-	0.4455	0.4654
Group 2	0.1512	0.2943	0.4455	0.4654
<b>Standard Life income</b>				
Group 1	0.4569	-	0.4569	0.4746
Group 2	0.3853	0.0716	0.4569	0.4746
<b>Standard Life accumulation</b>				
Group 1	0.5342	-	0.5342	0.5363
Group 2	0.3413	0.1929	0.5342	0.5363
<b>Platform 1 accumulation</b>				
Group 1	1.3511	-	1.3511	1.3684
Group 2	0.6666	0.6845	1.3511	1.3684
<b>Platform 1 income</b>				
Group 1	0.9766	-	0.9766	1.0210
Group 2	0.4900	0.4866	0.9766	1.0210

**Third interim interest distribution**

Group 1 - shares purchased prior to 1 September 2020

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

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Retail accumulation</b>				
Group 1	3.1243	-	3.1243	3.0469
Group 2	1.4197	1.7046	3.1243	3.0469
<b>Institutional accumulation</b>				
Group 1	0.5279	-	0.5279	0.5127
Group 2	0.0250	0.5029	0.5279	0.5127
<b>Retail income</b>				
Group 1	0.8739	-	0.8739	0.8801
Group 2	0.2338	0.6401	0.8739	0.8801
<b>Institutional income</b>				
Group 1	0.4483	-	0.4483	0.4497
Group 2	0.1618	0.2865	0.4483	0.4497
<b>Standard Life income</b>				
Group 1	0.4605	-	0.4605	0.4590
Group 2	0.3322	0.1283	0.4605	0.4590
<b>Standard Life accumulation</b>				
Group 1	0.5423	-	0.5423	0.5238
Group 2	0.3560	0.1863	0.5423	0.5238
<b>Platform 1 accumulation</b>				
Group 1	1.3716	-	1.3716	1.3329
Group 2	0.7354	0.6362	1.3716	1.3329
<b>Platform 1 income</b>				
Group 1	0.9829	-	0.9829	0.9861
Group 2	0.5075	0.4754	0.9829	0.9861

**Final interest distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	3.0309	-	3.0309	3.0110
Group 2	1.6911	1.3398	3.0309	3.0110
<b>Institutional accumulation</b>				
Group 1	0.5127	-	0.5127	0.5073
Group 2	0.2585	0.2542	0.5127	0.5073
<b>Retail income</b>				
Group 1	0.8407	-	0.8407	0.8626
Group 2	0.1891	0.6516	0.8407	0.8626
<b>Institutional income</b>				
Group 1	0.4316	-	0.4316	0.4412
Group 2	0.0798	0.3518	0.4316	0.4412
<b>Standard Life income</b>				
Group 1	0.4441	-	0.4441	0.4512
Group 2	0.1946	0.2495	0.4441	0.4512
<b>Standard Life accumulation</b>				
Group 1	0.5269	-	0.5269	0.5210
Group 2	0.3375	0.1894	0.5269	0.5210
<b>Platform 1 accumulation</b>				
Group 1	1.3318	-	1.3318	1.3181
Group 2	0.5937	0.7381	1.3318	1.3181
<b>Platform 1 income</b>				
Group 1	0.9463	-	0.9463	0.9674
Group 2	0.4236	0.5227	0.9463	0.9674

**Equalisation**

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

# ASI (SLI) Emerging Markets Equity Fund

For the year ended 28 February 2021

## 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

Over the one-year period to end-February 2021, the fund returned 27.73% (source: Factset, Platform 1 accumulation shares) versus a return of 27.92% for its performance target (the MSCI Emerging Markets Index +3%). The fund's double-digit annual return, despite the dramatic shock from the COVID-19 pandemic at the beginning of 2020, was largely driven by good stock selection, especially in Korea and Taiwan. By sector, the exposure to information technology and materials stocks proved helpful.

At the stock level, technology-related holdings contributed most over the reporting period, particularly those in Northeast Asia. Semiconductor suppliers Samsung Electronics, Sk Hynix and Taiwan Semiconductor Manufacturing Co (TSMC) led the outperformance. The improved outlook for memory prices amid tighter supply, with lower inventory levels and lower investment in capacity for chip-makers, supported shares of these companies. Taiwan-based semiconductor manufacturer GlobalWafers also contributed. News of its acquisition of German silicon wafer company Siltronic AG boosted its share price as the move was expected to consolidate the industry and raise its pricing power. Additionally, China-based Longi Green Energy, the world's largest mono-crystalline silicon wafer manufacturer was one of the best performers. We introduced the stock in the first half of the period, and its contribution to performance is attributable to its healthy results due to growing demand for its products.

Among materials stocks, holding South Korean electric-vehicle battery maker LG Chem benefited the fund; its share price rose on investors' expectations that the demand for electric vehicles will increase, led by supportive government policies and subsidies globally. Meanwhile, volatile commodity prices earlier in the period saw investors stay away from mining stocks, but the recovery in iron ore prices towards the end of the period underpinned a rebound for the sector. Brazil-based Vale and Grupo Mexico Sab rose, bolstering the Fund's returns; their decent fourth-quarter earnings renewed investors' confidence. Additionally, following Vale's 2019 dam disaster, the company made progress on the ESG front as it set up a division to focus on sustainability issues, which also pleased investors.

Conversely, the main detractor to performance was the fund's underweight to the consumer discretionary sector, particularly online retailers. These stocks performed especially well over the period due to lockdowns and social-distancing measures that boosted demand for e-commerce services. Hence, the lack of exposure to Chinese online retailers Meituan Dianping, JD.Com and Pinduoduo, as well as internet services provider Baidu, detracted. The fund's underweight to the sector is due to the lower income appeal of such holdings because technology companies tend not

to pay dividends, opting instead to plough profits back to fuel growth and expansion. We maintain a cautious stance here due to technology, regulatory and competitive risks for the sector. Having said that, the exposure to Tencent supported performance as the entertainment and social-media giant proved defensive as time spent on digital entertainment, including online games, surged in the period.

#### Portfolio Activity

In key portfolio activity, in the interim report we had mentioned several attractively valued stocks introduced into the portfolio in the first half of the period. In the second half, we continued to raise our exposure to companies that we felt could maintain good returns for shareholders due to their respective market-leading positions and good prospects of market share gains. These included, Taiwan-based and industry-leading electronics producer Accton Technology Corp; Indian lender Bandhan Bank; fintech firm Kaspi; leading Chinese sportswear company Li Ning; Indian natural gas distribution company Mahanagar Gas; leading online and mobile gaming company Netease; freight operator Pacific Basin Shipping; and South Korean Wonik IPS that manufactures equipment for the semiconductor industry.

Against these, we exited Enel Americas, Hangzhou Hikvision, Inter Rao, PT Telkom, Xiabu Xiabu and Yandex, due to our lower conviction in these holdings and to fund more compelling opportunities elsewhere.

#### Portfolio Outlook and Strategy

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

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

March 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 28 February 2021.

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

- Investing in China A shares involves special considerations and risks, including 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.



## Comparative tables

	2021	2020	2019
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	87.65	82.56	91.56
Return before operating charges*	23.26	6.31	(7.84)
Operating charges	(1.29)	(1.22)	(1.16)
Return after operating charges*	21.97	5.09	(9.00)
Distributions	(1.07)	(1.47)	(1.14)
Retained distributions on accumulation shares	1.07	1.47	1.14
Closing net asset value per share	109.62	87.65	82.56
* after direct transaction costs of:	0.09	0.07	0.07
<b>Performance</b>			
Return after charges	25.07%	6.17%	(9.83%)
<b>Other information</b>			
Closing net asset value (£'000)	88,928	55,427	51,466
Closing number of shares	81,122,088	63,236,069	62,336,727
Operating charges	1.37%	1.37%	1.39%
Direct transaction costs	0.09%	0.08%	0.08%
<b>Prices</b>			
Highest share price	118.1	98.75	93.25
Lowest share price	72.57	82.66	74.61

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	91.76	86.07	95.05
Return before operating charges*	24.72	6.53	(8.18)
Operating charges	(0.76)	(0.84)	(0.80)
Return after operating charges*	23.96	5.69	(8.98)
Distributions	(1.93)	(1.95)	(1.56)
Retained distributions on accumulation shares	1.93	1.95	1.56
Closing net asset value per share	115.72	91.76	86.07
* after direct transaction costs of:	0.08	0.07	0.07
<b>Performance</b>			
Return after charges	26.11%	6.61%	(9.45%)
<b>Other information</b>			
Closing net asset value (£'000)	1,811	44,861	74,265
Closing number of shares	1,564,650	48,892,113	86,284,972
Operating charges	0.90%	0.90%	0.92%
Direct transaction costs	0.09%	0.08%	0.08%
<b>Prices</b>			
Highest share price	124.7	103.4	96.83
Lowest share price	75.99	86.18	77.66

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

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

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

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

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	82.57	76.88	84.29
Return before operating charges*	22.05	5.81	(7.28)
Operating charges	(0.13)	(0.12)	(0.13)
Return after operating charges*	21.92	5.69	(7.41)
Distributions	(2.06)	(2.36)	(1.95)
Retained distributions on accumulation shares	2.06	2.36	1.95
Closing net asset value per share	104.49	82.57	76.88
* after direct transaction costs of:	0.08	0.07	0.06
<b>Performance</b>			
Return after charges	26.55%	7.40%	(8.79%)
<b>Other information</b>			
Closing net asset value (£'000)	1,401	1,073	1,077
Closing number of shares	1,340,943	1,299,916	1,401,120
Operating charges	0.15%	0.15%	0.17%
Direct transaction costs	0.09%	0.08%	0.08%
<b>Prices</b>			
Highest share price	112.5	92.90	85.89
Lowest share price	68.40	76.98	69.18

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

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

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

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

Standard Life B accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	97.84	91.00	99.65
Return before operating charges*	26.13	6.85	(8.64)
Operating charges	-	(0.01)	(0.01)
Return after operating charges*	26.13	6.84	(8.65)
Distributions	(2.55)	(2.91)	(2.42)
Retained distributions on accumulation shares	2.55	2.91	2.42
Closing net asset value per share	123.97	97.84	91.00
* after direct transaction costs of:	0.10	0.08	0.07
<b>Performance</b>			
Return after charges	26.71%	7.52%	(8.68%)
<b>Other information</b>			
Closing net asset value (£'000)	107,997	90,051	87,709
Closing number of shares	87,112,016	92,036,969	96,380,715
Operating charges	-	-	0.02%
Direct transaction costs	0.09%	0.08%	0.08%
<b>Prices</b>			
Highest share price	133.5	110.1	101.6
Lowest share price	81.06	91.13	81.86

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

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

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

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

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	91.05	85.45	94.40
Return before operating charges*	24.19	6.48	(8.12)
Operating charges	(0.90)	(0.88)	(0.83)
Return after operating charges*	23.29	5.60	(8.95)
Distributions	(1.50)	(1.90)	(1.51)
Retained distributions on accumulation shares	1.50	1.90	1.51
Closing net asset value per share	114.34	91.05	85.45
* after direct transaction costs of:	0.09	0.07	0.07
<b>Performance</b>			
Return after charges	25.58%	6.55%	(9.48%)
<b>Other information</b>			
Closing net asset value (£'000)	2,001	2,499	2,624
Closing number of shares	1,749,956	2,744,374	3,071,319
Operating charges	0.95%	0.95%	0.97%
Direct transaction costs	0.09%	0.08%	0.08%
<b>Prices</b>			
Highest share price	123.2	102.6	96.17
Lowest share price	75.41	85.55	77.11

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

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

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

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

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Europe, Middle East &amp; Africa Equities (12.62%)</b>		<b>21,921</b>	<b>10.85</b>
<b>Georgia (1.23%)</b>		<b>1,715</b>	<b>0.85</b>
94,533	Bank of Georgia	942	0.47
153,335	Georgia Capital	773	0.38
<b>Luxembourg (0.28%)</b>		<b>-</b>	<b>-</b>
<b>Netherlands (0.00%)</b>		<b>1,237</b>	<b>0.61</b>
14,528	Prosus	1,237	0.61
<b>Nigeria (0.30%)</b>		<b>661</b>	<b>0.33</b>
816,447	Seplat Petroleum Development	661	0.33
<b>Poland (0.00%)</b>		<b>1,891</b>	<b>0.94</b>
119,975	InPost	1,891	0.94
<b>Russia (6.96%)</b>		<b>6,918</b>	<b>3.42</b>
242,548	Globaltrans Investment	1,153	0.57
20,425	HeadHunter	508	0.25
18,153	LUKOIL	963	0.48
55,042	MMC Norilsk Nickel ADR	1,235	0.61
122,451	Sberbank of Russia ADR	1,270	0.63
46,928	Severstal	605	0.30
50,932	X5 Retail	1,184	0.58
<b>South Africa (3.27%)</b>		<b>8,685</b>	<b>4.30</b>
37,751	Naspers	6,272	3.10
410,403	Vodacom	2,413	1.20
<b>Turkey (0.58%)</b>		<b>814</b>	<b>0.40</b>
533,116	Turkcell Iletisim	814	0.40

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Latin America Equities (13.79%)</b>		<b>16,071</b>	<b>7.95</b>
<b>Brazil (5.29%)</b>		<b>6,945</b>	<b>3.44</b>
546,231	Banco Bradesco (Preference)	1,612	0.80
112,059	Cyrela Brazil Realty	355	0.18
82,395	Telefonica Brasil (Preference)	465	0.23
340,562	Vale	4,131	2.04
98,753	YDUQS Part	382	0.19
<b>Chile (0.78%)</b>		-	-
<b>Mexico (5.59%)</b>		<b>7,919</b>	<b>3.91</b>
78,117	FEMSA	381	0.19
470,323	Grupo Aeroportuario del Centro Norte	1,943	0.96
445,698	Grupo Financiero Banorte	1,601	0.79
822,396	Grupo México	2,790	1.38
1,200,270	PLA Administradora Industrial REIT	1,204	0.59
<b>Panama (0.74%)</b>		-	-
<b>Peru (1.39%)</b>		<b>1,207</b>	<b>0.60</b>
10,547	Credicorp	1,207	0.60
<b>Pacific Basin Equities (72.52%)</b>		<b>156,513</b>	<b>77.43</b>
<b>China (30.47%)</b>		<b>64,328</b>	<b>31.83</b>
79,018	Alibaba ADR	13,436	6.65
91,140	ANTA Sports Products	1,000	0.50
30,036	Autohome ADR	2,450	1.21
189,500	China Conch Venture	603	0.30
7,021,729	China Construction Bank 'H'	4,027	1.99
512,062	China Merchants Bank 'H'	2,809	1.39
2,443,000	Dali Foods	1,063	0.53
265,614	Haitian International	653	0.32
87,819	Hollysys Automation Technologies	945	0.47
48,758	Huazhu ADR	2,029	1.00
21,588	JD.com ADR	1,449	0.72
18,600	Joinn Laboratories China 'H'	237	0.12
212,000	Li Ning	852	0.42
211,405	LONGi Green Energy Technology 'A'	2,438	1.21
344,145	NARI Technology 'A'	1,078	0.53

Holding	Investment	Market Value £'000	Percentage of total net assets
45,377	NetEase ADR	3,555	1.76
9,604	New Oriental Education & Technology ADR	1,220	0.60
657,624	Ping An Insurance 'H'	5,776	2.86
228,766	Tencent	13,974	6.91
6,850,000	Tianhe Chemicals**	-	-
45,108	Trip.com ADR	1,271	0.63
88,800	Venustech 'A'	303	0.15
285,157	Weichai Power 'H'	597	0.30
17,143	Wuliangye Yibin 'A'	530	0.26
178,695	Wuxi Biologics Cayman	1,582	0.78
294,600	Xinjiang Goldwind Science & Technology 'H'	451	0.22
<b>Hong Kong (3.89%)</b>		<b>7,689</b>	<b>3.80</b>
584,813	Budweiser Brewing	1,275	0.63
649,777	China Metal Recycling**	-	-
257,423	China Mobile	1,274	0.63
641,634	China Resources Land	2,177	1.08
7,265,000	Pacific Basin Shipping	1,293	0.64
892,204	SITC	1,670	0.82
<b>India (8.40%)</b>		<b>20,952</b>	<b>10.37</b>
22,055	Axis Bank GDR	771	0.38
25,264	Bajaj	881	0.44
203,230	Bandhan Bank	682	0.34
268,125	Biocon	1,018	0.50
215,415	Crompton Greaves 'C'	800	0.40
132,018	Housing Development Finance	3,264	1.62
7,984	Info Edge India	380	0.19
1,063,383	ITC	2,106	1.04
58,439	Kotak Mahindra Bank	1,018	0.50
208,918	Larsen & Toubro	2,930	1.45
52,276	Mahanagar Gas	590	0.29
131,599	Oberoi Realty	694	0.34
467,698	Power Grid Corp of India	973	0.48
113,517	Reliance Industries	2,298	1.14
3,759	Reliance Industries (partly paid)	44	0.02
54,744	Tata Consultancy Services	1,546	0.77
106,924	Tech Mahindra	957	0.47



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Indonesia (1.63%)</b>		<b>1,344</b>	<b>0.66</b>
5,681,561	Bank Rakyat Indonesia	1,344	0.66
<b>Kazakhstan (0.00%)</b>		<b>1,501</b>	<b>0.74</b>
29,816	Kaspi	1,501	0.74
<b>Macau (2.00%)</b>		<b>5,221</b>	<b>2.58</b>
1,562,117	Sands China	5,221	2.58
<b>Philippines (0.00%)</b>		<b>25</b>	<b>0.01</b>
43,300	Ayala Land REIT	25	0.01
<b>South Korea (13.40%)</b>		<b>28,735</b>	<b>14.22</b>
18,192	LG Chemical (Preference)	4,511	2.23
172,448	Samsung Electronics	9,057	4.48
172,491	Samsung Electronics (Preference)	7,995	3.96
47,433	Shinhan Finance	995	0.49
56,853	SK Hynix	5,103	2.53
33,926	WONIK IPS	1,074	0.53
<b>Taiwan (10.06%)</b>		<b>25,221</b>	<b>12.48</b>
147,000	Accton Technology	991	0.49
369,295	Chroma ATE	1,939	0.96
129,958	Globalwafers	2,470	1.22
738,590	Hon Hai Precision	2,124	1.05
148,073	President Chain Store	996	0.49
450,000	Sunonwealth Electric Machine Industry	647	0.32
942,664	Taiwan Semiconductors Manufacturing	14,670	7.26
460,685	Taiwan Union Technology	1,384	0.69
<b>Thailand (2.67%)</b>		<b>1,497</b>	<b>0.74</b>
221,068	Advanced Info Service (Alien Market)	868	0.43
477,100	Intouch (Alien Market)	629	0.31

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (0.65%)</b>		<b>3,665</b>	<b>1.81</b>
3,665	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	3,665	1.81
Total investment assets		198,170	98.04
Net other assets		3,968	1.96
<b>Total Net Assets</b>		<b>202,138</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\*\* Delisted.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	32,224	11,770
Revenue	2	4,687	7,262
Expenses	3	(960)	(1,408)
Interest payable and similar charges		(2)	(1)
Net revenue before taxation		3,725	5,853
Taxation	4	(497)	(513)
Net revenue after taxation		3,228	5,340
<b>Total return before distributions</b>		<b>35,452</b>	<b>17,110</b>
Distributions	5	(3,228)	(5,340)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>32,224</b>	<b>11,770</b>

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

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>193,911</b>	<b>217,141</b>
Amounts receivable on the issue of shares	29,218	13,332
Amounts payable on the cancellation of shares	(56,510)	(53,021)
	(27,292)	(39,689)
Dilution adjustment	126	39
Change in net assets attributable to shareholders from investment activities (see above)	32,224	11,770
Retained distribution on accumulation shares	3,169	4,650
<b>Closing net assets attributable to shareholders</b>	<b>202,138</b>	<b>193,911</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		198,170	193,091
<b>Current assets:</b>			
Debtors	6	3,535	1,068
Cash and bank balances	7	751	409
		4,286	1,477
Total assets		202,456	194,568
<b>Liabilities:</b>			
Creditors	8	(318)	(657)
		(318)	(657)
Total liabilities		(318)	(657)
Net assets attributable to shareholders		202,138	193,911

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	32,241	11,787
Forward currency contracts	5	(26)
Other (losses)/gains	(1)	47
Transaction charges	(21)	(38)
<b>Net capital gains</b>	<b>32,224</b>	<b>11,770</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	4	17
Overseas dividends	4,228	7,010
Overseas REIT	107	170
UK dividends	348	65
<b>Total revenue</b>	<b>4,687</b>	<b>7,262</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	923	1,285
Dealing charge	1	1
Registration fees	10	61
	934	1,347
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	12	22
Depositary's fees	7	17
	19	39
<b>Other:</b>		
Audit fee	4	6
Professional fees	3	16
	7	22
<b>Total expenses</b>	<b>960</b>	<b>1,408</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	497	513
<b>Total taxation</b>	<b>497</b>	<b>513</b>
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	3,725	5,853
Corporation tax at 20% (2020: 20%)	745	1,171
Effects of:		
Revenue not subject to taxation	(879)	(1,359)
Overseas taxes	497	513
Overseas tax expensed	(8)	(14)
Excess allowable expenses	142	202
<b>Total tax charge for year (note 4a)</b>	<b>497</b>	<b>513</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,385,000 (2020: £1,243,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5. Distributions

	2021 £'000	2020 £'000
Distribution	3,169	4,650
Add: Income deducted on cancellation of shares	294	849
Deduct: Income received on issue of shares	(235)	(159)
<b>Total distributions for the year</b>	<b>3,228</b>	<b>5,340</b>

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

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	680	640
Amounts receivable from the ACD for the issue of shares	2,331	361
Expenses reimbursement receivable from the ACD	44	14
Overseas withholding tax recoverable	83	-
Sales awaiting settlement	397	53
<b>Total debtors</b>	<b>3,535</b>	<b>1,068</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	751	410
Cash at broker	-	(1)
	<b>751</b>	<b>409</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	3,665	1,261
<b>Net liquidity</b>	<b>4,416</b>	<b>1,670</b>

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

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	92	102
Accrued expenses payable to the Depositary or associates of the Depositary	13	9
Amounts payable to the ACD for cancellation of shares	89	532
Other accrued expenses	9	14
Purchases awaiting settlement	115	-
<b>Total creditors</b>	<b>318</b>	<b>657</b>

## 9. Related Party Transactions

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

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

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

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

## 10. Portfolio Transaction Costs

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

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

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Equities	40,844	39,315	70,551	73,880
Collective investment schemes	59,382	52,918	56,978	52,699
Corporate actions	12	-	39	128
<b>Trades in the year before transaction costs</b>	<b>100,238</b>	<b>92,233</b>	<b>127,568</b>	<b>126,707</b>

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Commissions</b>				
Equities	29	40	(31)	(39)
<b>Total commissions</b>	<b>29</b>	<b>40</b>	<b>(31)</b>	<b>(39)</b>
<b>Taxes</b>				
Equities	24	21	(71)	(76)
<b>Total taxes</b>	<b>24</b>	<b>21</b>	<b>(71)</b>	<b>(76)</b>
<b>Total transaction costs</b>	<b>53</b>	<b>61</b>	<b>(102)</b>	<b>(115)</b>
<b>Total net trades in the year after transaction costs</b>	<b>100,291</b>	<b>92,294</b>	<b>127,466</b>	<b>126,592</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.07	0.10	0.04	0.05
<b>Taxes</b>				
Equities	0.06	0.05	0.10	0.10

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.03	0.04
Taxes	0.06	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.21% (2020: 0.21%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Closing shares 2021
Retail accumulation	63,236,069	29,863,959	(11,977,940)	81,122,088
Institutional accumulation	48,892,113	37,551	(47,365,014)	1,564,650
Standard Life accumulation	1,299,916	136,119	(95,092)	1,340,943
Standard Life B accumulation	92,036,969	-	(4,924,953)	87,112,016
Platform 1 accumulation	2,744,374	293,976	(1,288,394)	1,749,956



## 12. Fair Value Hierarchy

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

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

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

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

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	194,505	-	-	191,830	-	-
Collective Investment Schemes	-	3,665	-	-	1,261	-
<b>Total investment assets</b>	<b>194,505</b>	<b>3,665</b>	<b>-</b>	<b>191,830</b>	<b>1,261</b>	<b>-</b>

## 13. Risk Management Policies and Disclosures

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

### Foreign currency risk

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

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Brazilian Real	6,970	10,409
Chilean Peso	-	1,517
China Renminbi	4,349	678
Euro	3,128	-
Hong Kong Dollar	46,418	47,542
Indian Rupee	20,253	15,312
Indonesian Rupiah	1,344	3,211
Mexican Peso	7,954	10,833
Philippines Peso	25	-
Russian Ruble	605	2,638
South Africa Rand	8,684	6,336
South Korean Won	29,295	26,387
Taiwan Dollar	25,221	19,697
Thai Baht	1,528	5,266
Turkish Lira	814	1,126
US Dollar	37,334	39,006
<b>Total</b>	<b>193,922</b>	<b>189,958</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £9,696,000 (2020: £9,498,000).

### Interest rate risk

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

**Other price risk**

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

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

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £9,909,000 (2020: £9,655,000).

**Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

**Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £296,000 (2020: £657,000).

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Accumulation class has increased by 1.35% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	1.0697	-	1.0697	1.4749
Group 2	0.3016	0.7681	1.0697	1.4749
<b>Institutional accumulation</b>				
Group 1	1.9342	-	1.9342	1.9524
Group 2	0.7445	1.1897	1.9342	1.9524
<b>Standard Life accumulation</b>				
Group 1	2.0586	-	2.0586	2.3640
Group 2	0.7150	1.3436	2.0586	2.3640
<b>Standard Life B accumulation</b>				
Group 1	2.5452	-	2.5452	2.9114
Group 2	2.5452	-	2.5452	2.9114
<b>Platform 1 accumulation</b>				
Group 1	1.5046	-	1.5046	1.8973
Group 2	0.7722	0.7324	1.5046	1.8973

**Equalisation**

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

# ASI AAA Bond Fund

For the year ended 28 February 2021

## Investment Objective

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

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

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

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 60% in Sterling denominated bonds, such as government and corporate bonds (including asset backed and mortgage backed).
- The fund may invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, inflation-linked, convertible, asset backed and mortgage backed bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- At the point of investment, bonds shall have a credit rating of "AAA-" or higher from at least one major rating agency such as Standard & Poor's, Moody's or Fitch, with the exception of any UK Government bond held by the fund (up to a 20% limit).
- The fund may also invest in other funds (including those managed by 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 Markit iBoxx Sterling Non Gilts (AAA) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 3%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the Markit iBoxx Sterling Non Gilts (AAA) over the long term.

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

## Derivatives and Techniques:

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

## Performance Review

Over the period under review, the fund returned -1.0% (source: Factset, Platform 1 accumulation shares). This compared to a return of 0.7% for our performance target (the Markit iBoxx Sterling Non Gilts AAA Index +0.65%).

The fund underperformed its target over the review period. In terms of individual securities, retail-focused real estate companies detracted from performance. Shopping centres, in particular, have been hit as lockdowns led to shop closures and reduced footfall in commercial centres. Meadowhall, Sheffield's out of town shopping centre, was the Fund's worst performer. Westfield and the Trafford Centre also weighed on returns. Other detractors included the fund's UK gilt positions and an overweight in health charity Wellcome Trust.

On the positive side, the top contributor to relative performance was an overweight holding of an ultra-long-dated bond from the University of Oxford. In a period where interest rates have fallen substantially, long-dated bonds have performed well. Underweight positions in supranational and state-owned entities also contributed to the Fund's performance. This includes the German regional development bank KfW, the European Investment Bank and the World Bank. An off-benchmark position in Microsoft also contributed.

## Portfolio Activity

In the first half of the review period, in the primary market, we bought the 2023 and 2029 bonds of the Canada Pension Plan Investment Board, which is one of our preferred credits. We also bought the 2025 bonds of BNG bank, which is a Dutch bank specialising in providing financing for publicly owned organisations. Throughout the period, we have reduced our exposure to Meadowhall, selling their 2032 bonds. More recently, we reduced our University of Oxford position and removed Navient, the US student loan servicing company. We have also added to our position in US insurer New York Life.

### Portfolio Outlook and Strategy

Risk premiums are now relatively tight, making investment-grade bonds far from cheap. The recent back-up in government bond yields has started to have an impact on other financial markets. Rising inflation risks are being priced into markets and rising real yields usually have an impact on risk assets. Given the relatively low protection offered by tight spreads, there is scope for volatility in credit markets. Improving fundamentals, as COVID-19 restrictions are lifted and vaccines rolled out, may provide some support, but volatility is likely to rise if recent trends persist.

Markets, in general, do not offer the asymmetries they did at the start of the review period, but we still expect corporate bonds to remain supported by extraordinary levels of central bank support. While mass vaccination programmes continue to gather pace, there is still a long way to go before countries achieve anything close to herd immunity. We expect the rest of the year to be marked by improving growth but significant economic scarring from the crisis. Unemployment is high, ensuring large output gaps for many years to come.

With the last-minute Brexit trade deal, a significant tail risk for the corporate bond market has been removed. However, adjusting to our new trading relationship will undoubtedly continue to cause disruption. This will likely mean the UK will lag the recovery in other developed market economies during 2021, at least. We expect a steeper yield curve, as the Bank of England gradually tapers asset purchases and the policy rate remains on hold.

As we move through 2021, economic growth should recover and head in the right direction. However, two risks have the potential to upend the recovery. Namely, a major set-back in terms of COVID-19 or if rates markets and inflation expectations rise, which may destabilise investment-grade markets. Outside of these risks, we do expect some bouts of volatility and spread widening.

March 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 28 February 2021.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

## Comparative tables

	2021	2020	2019
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	100.68	94.98	94.41
Return before operating charges*	(0.21)	6.72	1.55
Operating charges	(1.05)	(1.02)	(0.98)
Return after operating charges*	(1.26)	5.70	0.57
Distributions	(0.98)	(1.36)	(1.47)
Retained distributions on accumulation shares	0.98	1.36	1.47
Closing net asset value per share	99.42	100.68	94.98
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(1.25%)	6.00%	0.60%
<b>Other information</b>			
Closing net asset value (£'000)	7,745	8,853	9,315
Closing number of shares	7,790,153	8,792,333	9,807,474
Operating charges	1.03%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	103.3	101.0	95.92
Lowest share price	96.63	95.20	93.74

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	109.32	102.70	101.66
Return before operating charges*	(0.24)	7.27	1.67
Operating charges	(0.67)	(0.65)	(0.63)
Return after operating charges*	(0.91)	6.62	1.04
Distributions	(1.54)	(1.92)	(2.02)
Retained distributions on accumulation shares	1.54	1.92	2.02
Closing net asset value per share	108.41	109.32	102.70
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.83%)	6.45%	1.02%
<b>Other information</b>			
Closing net asset value (£'000)	6,076	6,852	7,849
Closing number of shares	5,604,990	6,267,856	7,643,067
Operating charges	0.61%	0.61%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	112.3	109.7	103.7
Lowest share price	104.9	102.9	101.2

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

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

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

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



Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	58.51	55.96	56.50
Return before operating charges*	(0.11)	3.95	0.92
Operating charges	(0.61)	(0.60)	(0.58)
Return after operating charges*	(0.72)	3.35	0.34
Distributions	(0.57)	(0.80)	(0.88)
Closing net asset value per share	57.22	58.51	55.96
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(1.23%)	5.99%	0.60%
<b>Other information</b>			
Closing net asset value (£'000)	2,180	2,344	2,506
Closing number of shares	3,809,509	4,005,816	4,478,941
Operating charges	1.03%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	60.05	58.96	57.15
Lowest share price	56.16	56.08	55.66

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

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

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

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

Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	58.91	56.33	56.87
Return before operating charges*	(0.13)	3.99	0.93
Operating charges	(0.36)	(0.36)	(0.35)
Return after operating charges*	(0.49)	3.63	0.58
Distributions	(0.82)	(1.05)	(1.12)
Closing net asset value per share	57.60	58.91	56.33
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.83%)	6.44%	1.02%
<b>Other information</b>			
Closing net asset value (£'000)	2,624	4,481	6,340
Closing number of shares	4,555,932	7,607,642	11,255,422
Operating charges	0.61%	0.61%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	60.46	59.39	57.59
Lowest share price	56.55	56.46	56.06

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

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

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

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

Retail CAT accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	101.60	95.81	95.21
Return before operating charges*	(0.22)	6.78	1.56
Operating charges	(1.03)	(0.99)	(0.96)
Return after operating charges*	(1.25)	5.79	0.60
Distributions	(1.02)	(1.41)	(1.52)
Retained distributions on accumulation shares	1.02	1.41	1.52
Closing net asset value per share	100.35	101.60	95.81
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(1.23%)	6.04%	0.63%
<b>Other information</b>			
Closing net asset value (£'000)	24,198	25,438	25,825
Closing number of shares	24,112,764	25,036,471	26,954,716
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	104.3	101.9	96.76
Lowest share price	97.52	96.03	94.55

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

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

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

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

Standard Life income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.92	52.75	53.28
Return before operating charges*	0.17	3.96	0.99
Operating charges	(0.02)	(0.02)	(0.02)
Return after operating charges*	0.15	3.94	0.97
Distributions	(1.62)	(1.77)	(1.50)
Closing net asset value per share	53.45	54.92	52.75
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.27%	7.47%	1.82%
<b>Other information</b>			
Closing net asset value (£'000) <sup>A</sup>	-	-	-
Closing number of shares	189	189	189
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	56.37	55.70	54.03
Lowest share price	52.73	52.86	52.58

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

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

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

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

<sup>A</sup> The closing net asset Value of Standard Life Income is £101 (2020:£104, 2019:£100).

Retail CAT income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	58.89	56.32	56.86
Return before operating charges*	(0.12)	3.97	0.93
Operating charges	(0.59)	(0.58)	(0.57)
Return after operating charges*	(0.71)	3.39	0.36
Distributions	(0.59)	(0.82)	(0.90)
Closing net asset value per share	57.59	58.89	56.32
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(1.21%)	6.02%	0.63%
<b>Other information</b>			
Closing net asset value (£'000)	4,573	4,801	4,900
Closing number of shares	7,939,992	8,152,498	8,699,190
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	60.44	59.30	57.53
Lowest share price	56.53	56.40	56.03

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

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

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

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

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.72	75.46	74.32
Return before operating charges*	(0.19)	5.35	1.22
Operating charges	(0.09)	(0.09)	(0.08)
Return after operating charges*	(0.28)	5.26	1.14
Distributions	(1.55)	(1.81)	(1.86)
Retained distributions on accumulation shares	1.55	1.81	1.86
Closing net asset value per share	80.44	80.72	75.46
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.35%)	6.97%	1.54%
<b>Other information</b>			
Closing net asset value (£'000)	121	99	117
Closing number of shares	151,079	122,646	155,089
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	83.24	81.00	76.17
Lowest share price	77.51	75.63	74.21

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

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

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

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

Institutional regulated accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.08	75.07	74.16
Return before operating charges*	(0.18)	5.33	1.22
Operating charges	(0.33)	(0.32)	(0.31)
Return after operating charges*	(0.51)	5.01	0.91
Distributions	(1.29)	(1.56)	(1.63)
Retained distributions on accumulation shares	1.29	1.56	1.63
Closing net asset value per share	79.57	80.08	75.07
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.64%)	6.67%	1.23%
<b>Other information</b>			
Closing net asset value (£'000)	5,231	4,672	3,808
Closing number of shares	6,573,762	5,834,402	5,072,823
Operating charges	0.41%	0.41%	0.41%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	82.39	80.30	75.80
Lowest share price	76.88	75.24	73.92

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

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

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

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

Standard Life B accumulation <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	-	-	76.40
Return before operating charges*	-	-	0.46
Operating charges	-	-	-
Return after operating charges*	-	-	0.46
Distributions	-	-	(0.48)
Retained distributions on accumulation shares	-	-	0.48
Redemption value as at 7 June 2018	-	-	(76.86)
Closing net asset value per share	-	-	-
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	-	-	0.60%
<b>Other information</b>			
Closing net asset value (£'000)	-	-	-
Closing number of shares	-	-	-
Operating charges	-	-	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	-	-	77.54
Lowest share price	-	-	76.35

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

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

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

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

<sup>A</sup> Standard Life B accumulation share class closed on 7 June 2018.



Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	64.50	60.62	60.03
Return before operating charges*	(0.11)	4.30	0.99
Operating charges	(0.43)	(0.42)	(0.40)
Return after operating charges*	(0.54)	3.88	0.59
Distributions	(0.87)	(1.10)	(1.16)
Retained distributions on accumulation shares	0.87	1.10	1.16
Closing net asset value per share	63.96	64.50	60.62
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.84%)	6.40%	0.98%
<b>Other information</b>			
Closing net asset value (£'000)	5,881	6,239	5,953
Closing number of shares	9,194,114	9,673,925	9,821,056
Operating charges	0.66%	0.66%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	66.23	64.69	61.21
Lowest share price	61.91	60.76	59.74

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

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

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

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

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	55.76	53.32	53.83
Return before operating charges*	(0.12)	3.76	0.89
Operating charges	(0.37)	(0.36)	(0.36)
Return after operating charges*	(0.49)	3.40	0.53
Distributions	(0.74)	(0.96)	(1.04)
Closing net asset value per share	54.53	55.76	53.32
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.88%)	6.38%	0.98%
<b>Other information</b>			
Closing net asset value (£'000)	2,978	2,768	2,980
Closing number of shares	5,462,179	4,963,837	5,588,233
Operating charges	0.66%	0.66%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	57.23	56.21	54.51
Lowest share price	53.53	53.44	53.06

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

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

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

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

Institutional S accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	58.18	54.53	53.86
Return before operating charges*	(0.14)	3.87	0.88
Operating charges	(0.23)	(0.22)	(0.21)
Return after operating charges*	(0.37)	3.65	0.67
Distributions	(0.95)	(1.15)	(1.19)
Retained distributions on accumulation shares	0.95	1.15	1.19
Closing net asset value per share	57.81	58.18	54.53
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.64%)	6.69%	1.24%
<b>Other information</b>			
Closing net asset value (£'000)	4,454	4,892	5,063
Closing number of shares	7,704,141	8,408,130	9,284,839
Operating charges	0.39%	0.39%	0.39%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	59.86	58.35	55.06
Lowest share price	55.85	54.65	53.69

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

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

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

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

Institutional S income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.40	51.06	51.55
Return before operating charges*	(0.12)	3.61	0.84
Operating charges	(0.21)	(0.21)	(0.20)
Return after operating charges*	(0.33)	3.40	0.64
Distributions	(0.86)	(1.06)	(1.13)
Closing net asset value per share	52.21	53.40	51.06
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.62%)	6.66%	1.24%
<b>Other information</b>			
Closing net asset value (£'000)	149,417	147,279	98,959
Closing number of shares	286,161,875	275,818,260	193,809,856
Operating charges	0.39%	0.39%	0.39%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	54.81	53.86	52.23
Lowest share price	51.27	51.18	50.83

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

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

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

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

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (95.39%)</b>		<b>207,096</b>	<b>96.11</b>
<b>Euro Denominated Bonds (1.62%)</b>		<b>1,774</b>	<b>1.61</b>
<b>Corporate Bonds (0.82%)</b>		<b>1,774</b>	<b>0.82</b>
between 5 and 10 years to maturity			
1,650,000	Microsoft 3.125% 2028	1,774	0.82
<b>Government Bonds (0.80%)</b>		<b>1,695</b>	<b>0.79</b>
between 5 and 10 years to maturity			
1,800,000	Temasek 1.5% 2028	1,695	0.79
<b>Sterling Denominated Bonds (85.86%)</b>		<b>185,809</b>	<b>86.23</b>
<b>Corporate Bonds (56.48%)</b>		<b>117,045</b>	<b>54.32</b>
less than 5 years to maturity			
1,803,000	Asian Development Bank 1.375% 2025	1,869	0.87
4,000,000	Bank Nederlandse Gemeenten 1% 2022	4,035	1.87
7,571,000	Bank Nederlandse Gemeenten 5.375% 2021	7,676	3.56
700,000	Bank of Scotland 4.875% 2024	813	0.38
4,000,000	Barclays 4.25% 2022	4,141	1.92
1,672,000	BNG Bank 0.375% 2025	1,661	0.77
1,000,000	BNG Bank 1.625% 2025	1,050	0.49
675,000	Inter-American Development Bank 1.25% 2023	691	0.32
1,000,000	Johnson & Johnson 5.5% 2024	1,177	0.55
1,390,000	KFW 0.875% 2022	1,400	0.65
1,265,000	KFW 5.5% 2025	1,534	0.71
2,000,000	Landwirtschaftliche Rentenbank 1.375% 2025	2,078	0.96
940,000	Lloyds Bank 1.75% 2022	956	0.44
2,000,000	Lloyds Bank 5.125% 2025	2,356	1.09
2,500,000	Nationwide Building Society 5.625% 2026	3,085	1.43
3,477,000	NatWest 5.125% 2024	3,931	1.82
1,190,000	New York Life Global Funding 1% 2021	1,197	0.56
2,030,000	New York Life Global Funding 1.625% 2023	2,088	0.97
1,933,000	New York Life Global Funding 1.75% 2022	1,979	0.92
750,000	Royal Bank of Canada 1.125% 2021	756	0.35
5,025,000	Wellcome Trust 4.75% 2021	5,079	2.36
1,440,000	Westpac Banking 1% 2022	1,455	0.68

		Market Value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
5,130,000	Broadgate Financing 4.949% 2031	1,479	0.69
1,595,000	Canary Wharf Finance 6.455% 2033	345	0.16
2,100,000	Clydesdale Bank 4.625% 2026	2,508	1.16
5,048,000	Commonwealth Bank of Australia 3% 2026	5,613	2.61
6,513,000	CPPIB Capital 1.125% 2029	6,485	3.01
2,320,000	Credit Foncier 5.5% 2027	2,921	1.36
5,000,000	International Finance 0.75% 2027	5,001	2.32
1,700,000	KFW 6% 2028	2,351	1.09
1,174,000	Lloyds Bank 4.875% 2027	1,449	0.67
2,380,000	Lloyds Bank 6% 2029	3,255	1.51
2,000,000	National Australia Bank 3% 2026	2,229	1.03
1,588,000	New York Life Global Funding 0.75% 2028	1,524	0.71
1,015,000	New York Life Global Funding 1.25% 2026	1,026	0.48
700,000	Newday Funding 2018-2 FRN 2026	701	0.33
4,141,000	Santander UK 5.75% 2026	5,152	2.39
2,427,000	Westfield Stratford City Finance 1.642% 2026	2,397	1.11
between 10 and 15 years to maturity			
610,000	Broadgate Financing 4.821% 2036	774	0.36
800,000	Broadgate Financing 4.851% 2033	975	0.45
1,046,000	KFW 5.75% 2032	1,554	0.72
2,000,000	Nederlandse Waterschapsbank 5.375% 2032	2,878	1.34
3,000,000	Trafford Centre FRN 2038	2,510	1.16
between 15 and 25 years to maturity			
961,000	Paragon FRN 2045	544	0.25
2,033,000	Temasek 5.125% 2040	3,145	1.46
1,300,000	Wellcome Trust 4.625% 2036	1,890	0.88
greater than 25 years to maturity			
801,000	Paragon FRN 2050	636	0.30
340,000	Precise Mortgage Funding FRN 2056	308	0.14
700,000	RMAC FRN 2046	504	0.23
644,000	University of Cambridge 2.35% 2078	821	0.38
680,000	University of Cambridge 3.75% 2052	1,033	0.48
2,000,000	University of Oxford 2.544% 2117	2,350	1.09
521,000	Wellcome Trust 2.517% 2118	623	0.29
630,000	Wellcome Trust 4% 2059	1,057	0.49

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Government Bonds (29.38%)</b>		<b>68,764</b>	<b>31.91</b>
less than 5 years to maturity			
3,000,000	CPPIB Capital 0.375% 2023	3,003	1.39
543,000	CPPIB Capital 0.875% 2024	551	0.26
2,740,000	European Investment Bank 0.875% 2023	2,784	1.29
5,600,000	European Investment Bank 1.125% 2021	5,630	2.61
1,300,000	European Investment Bank 4.25% 2021	1,341	0.62
4,741,000	European Investment Bank 5.5% 2025	5,716	2.65
1,670,000	UK (Govt of) 2.75% 2024	1,819	0.84
between 5 and 10 years to maturity			
750,000	European Bank for Reconstruction & Development 5.625% 2028	1,007	0.47
2,000,000	European Investment Bank 1% 2026	2,043	0.95
2,250,000	European Investment Bank 4.5% 2029	2,882	1.34
1,200,000	European Investment Bank 6% 2028	1,660	0.77
2,400,000	Inter-American Development Bank 0.5% 2026	2,382	1.11
2,500,000	KFW 0.875% 2026	2,536	1.18
9,758,000	UK (Govt of) 1.5% 2026	10,320	4.79
3,280,000	UK (Govt of) 6% 2028	4,600	2.13
between 10 and 15 years to maturity			
2,900,000	European Investment Bank 5.625% fixed to floating 2032	4,272	1.98
1,750,000	Tenn Valley Authority 5.625% 2032	2,490	1.16
between 15 and 25 years to maturity			
3,210,000	European Investment Bank 3.875% 2037	4,403	2.04
1,500,000	European Investment Bank 4.5% 2044	2,374	1.10
3,000,000	European Investment Bank 5% 2039	4,760	2.21
greater than 25 years to maturity			
1,211,000	European Investment Bank 4.625% fixed to floating 2054	2,191	1.02
<b>Sweden Denominated Bonds (3.95%)</b>		<b>10,430</b>	<b>4.84</b>
<b>Government bonds (3.95%)</b>		<b>10,430</b>	<b>4.84</b>
less than 5 years to maturity			
118,800,000	Kommuninvest I Sverige 1% 2025	10,430	4.84

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>US Dollar Denominated Bonds (3.96%)</b>		<b>7,388</b>	<b>3.43</b>
<b>Corporate Bonds (3.96%)</b>		<b>7,388</b>	<b>3.43</b>
between 5 and 10 years to maturity			
1,300,000	Johnson & Johnson 2.45% 2026	997	0.46
1,500,000	New York Life Global Funding 3% 2028	1,162	0.54
between 10 and 15 years to maturity			
2,680,000	Microsoft 3.5% 2035	2,238	1.04
between 15 and 25 years to maturity			
2,500,000	Johnson & Johnson 5.95% 2037	2,611	1.21
greater than 25 years to maturity			
540,000	President & Fellows of Harvard College 2.517% 2050	380	0.18
<b>Collective Investment Schemes (1.92%)</b>		<b>5,295</b>	<b>2.46</b>
5,295	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	5,295	2.46
<b>Derivatives (-0.21%)</b>		<b>181</b>	<b>0.08</b>
<b>Forward Currency Contracts (-0.13%)</b>		<b>527</b>	<b>0.24</b>
	Buy GBP 3,674,707 Sell EUR 4,144,293 05/05/2021	72	0.03
	Buy GBP 10,927,329 Sell SEK 124,944,885 05/05/2021	284	0.13
	Buy GBP 7,875,603 Sell USD 10,776,440 05/05/2021	170	0.08
	Buy USD 352,074 Sell GBP 251,249 05/05/2021	1	-
<b>Futures (-0.17%)</b>		<b>(604)</b>	<b>(0.28)</b>
188	Long Australia 10 Year Bond Future 15/03/2021	(1,022)	(0.47)
(58)	Short Canadian 10 Year Bond Future 21/06/2021	143	0.07
(12)	Short Euro Bond Future 08/03/2021	8	-
(121)	Short Long Gilt Future 28/06/2021	168	0.08
(61)	Short US 10 Year Note (CBT) Future 21/06/2021	69	0.03
(25)	Short US Long Bond (CBT) Future 21/06/2021	30	0.01



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Interest Rate Swaps (0.09%)</b>		<b>258</b>	<b>0.12</b>
GBP 2,763,000	Pay fixed 1.14887% receive floating GBP-LIBOR 24/01/2030	(296)	(0.14)
GBP 3,370,000	Pay floating GBP-LIBOR receive fixed 2.6% 24/01/2030	242	0.12
GBP 9,473,000	Pay floating GBP-LIBOR receive fixed 1.1765% 24/01/2030	312	0.14
Total investment assets and liabilities		212,572	98.65
Net other assets		2,906	1.35
<b>Total Net Assets</b>		<b>215,478</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

### Statement of total return

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital (losses)/gains	1	(5,083)	8,134
Revenue	2	4,461	4,680
Expenses	3	(1,169)	(1,072)
Interest payable and similar charges		(6)	(1)
Net revenue before taxation		3,286	3,607
Taxation	4	-	-
Net revenue after taxation		3,286	3,607
<b>Total return before distributions</b>		<b>(1,797)</b>	<b>11,741</b>
Distributions	5	(3,286)	(3,607)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(5,083)</b>	<b>8,134</b>

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

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>218,718</b>	<b>173,615</b>
Amounts receivable on the issue of shares	48,894	53,310
Amounts payable on the cancellation of shares	(47,815)	(17,276)
	1,079	36,034
Dilution adjustment	52	19
Change in net assets attributable to shareholders from investment activities (see above)	(5,083)	8,134
Retained distribution on accumulation shares	709	916
Unclaimed distributions	3	-
<b>Closing net assets attributable to shareholders</b>	<b>215,478</b>	<b>218,718</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		213,890	213,533
<b>Current assets:</b>			
Debtors	6	2,832	3,913
Cash and bank balances	7	1,401	3,439
		4,233	7,352
<b>Total assets</b>		<b>218,123</b>	<b>220,885</b>
<b>Liabilities:</b>			
Investment liabilities		(1,318)	(1,154)
Creditors	8	(361)	(321)
Bank overdrafts	7	(351)	-
Distribution payable		(615)	(692)
		(1,327)	(1,013)
<b>Total liabilities</b>		<b>(2,645)</b>	<b>(2,167)</b>
<b>Net assets attributable to shareholders</b>		<b>215,478</b>	<b>218,718</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital (Losses)/Gains

	2021 £'000	2020 £'000
Non-derivative securities	(5,127)	9,481
Derivative contracts	(287)	(1,199)
Forward currency contracts	275	(250)
Other gains	65	109
Transaction charges	(9)	(7)
<b>Net capital (losses)/gains</b>	<b>(5,083)</b>	<b>8,134</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	24	51
Derivative revenue	107	76
Interest on debt securities	4,330	4,553
<b>Total revenue</b>	<b>4,461</b>	<b>4,680</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	916	851
Dealing charge	53	43
Registration fees	147	123
	1,116	1,017
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	14	13
Depositary's fees	27	28
	41	41
<b>Other:</b>		
Audit fee	12	13
Professional fees	-	1
	12	14
<b>Total expenses</b>	<b>1,169</b>	<b>1,072</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) Analysis of charge in year		
Total taxation	-	-
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	3,286	3,607
Corporation tax at 20% (2020: 20%)	657	722
Effects of:		
Distributions treated as tax deductible	(657)	(722)
Total tax charge for year (note 4a)	-	-

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

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

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

## 5. Distributions

	2021 £'000	2020 £'000
First interim distribution	873	895
Second interim distribution	852	1,055
Third interim distribution	817	902
Final distribution	767	882
	3,309	3,734
Add: Income deducted on cancellation of shares	74	42
Deduct: Income received on issue of shares	(97)	(169)
Total distributions for the year	3,286	3,607

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

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	2,813	2,899
Amounts receivable from the ACD for the issue of shares	19	1,014
Total debtors	2,832	3,913

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	146	2,766
Cash at broker	904	673
Collateral cash pledged to counterparties <sup>-</sup>	351	-
	<b>1,401</b>	<b>3,439</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	(351)	-
	<b>(351)</b>	<b>-</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	5,295	4,201
<b>Net liquidity</b>	<b>6,345</b>	<b>7,640</b>

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

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

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

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	83	83
Accrued expenses payable to the Depositary or associates of the Depositary	5	3
Amounts payable to the ACD for cancellation of shares	261	218
Other accrued expenses	12	17
<b>Total creditors</b>	<b>361</b>	<b>321</b>

## 9. Related Party Transactions

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

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

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

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

## 10. Portfolio Transaction Costs

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

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

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

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

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bonds	26,836	44,285	21,610	10,650
Collective investment schemes	53,957	52,821	52,859	50,600
Corporate actions	-	-	-	1,912
<b>Trades in the year before transaction costs</b>	<b>80,793</b>	<b>97,106</b>	<b>74,469</b>	<b>63,162</b>
<b>Total net trades in the year after transaction costs</b>	<b>80,793</b>	<b>97,106</b>	<b>74,469</b>	<b>63,162</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.37% (2020: 0.46%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	8,792,333	599,911	(1,589,644)	(12,447)	7,790,153
Institutional accumulation	6,267,856	2,713,869	(3,393,222)	16,487	5,604,990
Retail income	4,005,816	22,312	(194,619)	(24,000)	3,809,509
Institutional income	7,607,642	1,058,761	(3,871,712)	(238,759)	4,555,932
Retail CAT accumulation	25,036,471	191,732	(1,113,853)	(1,586)	24,112,764
Standard Life income	189	-	-	-	189
Retail CAT income	8,152,498	341,890	(554,396)	-	7,939,992
Standard Life accumulation	122,646	95,836	(67,403)	-	151,079
Institutional regulated accumulation	5,834,402	8,093,529	(7,354,169)	-	6,573,762
Platform 1 accumulation	9,673,925	5,892,986	(6,366,765)	(6,032)	9,194,114
Platform 1 income	4,963,837	3,497,194	(3,011,948)	13,096	5,462,179
Institutional S accumulation	8,408,130	72,711	(776,700)	-	7,704,141
Institutional S income	275,818,260	58,950,858	(48,883,417)	276,174	286,161,875

#### 12. Fair Value Hierarchy

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

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

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

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

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	25,319	181,777	-	21,216	187,408	-
Collective Investment Schemes	-	5,295	-	-	4,201	-
Derivatives	418	1,081	-	60	648	-
<b>Total investment assets</b>	<b>25,737</b>	<b>188,153</b>	<b>-</b>	<b>21,276</b>	<b>192,257</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(1,022)	(296)	-	(425)	(729)	-
<b>Total investment liabilities</b>	<b>(1,022)</b>	<b>(296)</b>	<b>-</b>	<b>(425)</b>	<b>(729)</b>	<b>-</b>

### 13. Risk Management Policies and Disclosures

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

#### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

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

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

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

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

	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2020</b>				
<b>Currency</b>				
UK Sterling	12,926	180,974	23,185	217,085
Australian Dollar	-	-	60	60
Euro	1,735	3,545	(3,739)	1,541
Swedish Krona	1	8,644	(8,688)	(43)
US Dollar	(2)	8,635	(8,558)	75
<b>Total</b>	<b>14,660</b>	<b>201,798</b>	<b>2,260</b>	<b>218,718</b>



### Other price risk

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

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

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

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

2020	Minimum	Maximum	Average
VaR 99% 1 Month	1.92%	2.23%	2.06%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 2.06%, £4,439,000 (2020: 2.08%, £4,417,000) in a one month period.

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

### Counterparty risk

#### Credit quality of debt security investment assets

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

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

2020	Market value £'000	Percentage of total net assets %
Investment grade securities	208,624	95.39
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>208,624</b>	<b>95.39</b>

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

### Financial derivatives instrument risk

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

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

	2021		2020	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	22,303	527	23,979	(275)
Futures	42,728	(604)	25,513	(365)
Swaps	15,606	258	19,388	194
<b>Total market exposure</b>	<b>80,637</b>	<b>181</b>	<b>68,880</b>	<b>(446)</b>

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

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

#### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange.

Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>2021</b>			
<b>Broker concentrations</b>			
Goldman Sachs	904	289	(346)
	<b>904</b>	<b>289</b>	<b>(346)</b>

	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>2020</b>			
<b>Broker concentrations</b>			
Goldman Sachs	540	158	(365)
	<b>540</b>	<b>158</b>	<b>(365)</b>

#### Counterparty Table

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

2021	Bi-lateral swaps £'000	Bi-lateral forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
<b>Counterparties</b>					
Natwest Markets	-	170	-	(140)	30
Standard Chartered	-	285	(240)	-	45
UBS	-	72	(111)	-	(39)
<b>Total</b>	<b>-</b>	<b>527</b>	<b>(351)</b>	<b>(140)</b>	<b>36</b>

2020	Collateral (held)/pledged				
	Bi-lateral swaps £'000	Bi-lateral forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
<b>Counterparties</b>					
Bank of America Merrill Lynch	(124)	(86)	-	-	(210)
Deutsche Bank	-	(213)	-	-	(213)
Morgan Stanley	318	-	-	(335)	(17)
NatWest Markets	-	(19)	-	-	(19)
UBS	-	43	-	-	43
<b>Total</b>	<b>194</b>	<b>(275)</b>	<b>-</b>	<b>(335)</b>	<b>(292)</b>

Stock collateral is of an appropriate quality and date for the fund.

Collateral stock issuer concentration	2021 £'000	2020 £'000
United Kingdom (Government of)	149	(177)
	<b>149</b>	<b>(177)</b>

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

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

#### Liquidity risk

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

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

2020	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(743)	-	(411)	(1,154)
<b>Non-derivatives</b>					
Other creditors	-	(321)	-	-	(321)
Distribution payable	-	(692)	-	-	(692)
<b>Total financial liabilities</b>	<b>-</b>	<b>(1,756)</b>	<b>-</b>	<b>(411)</b>	<b>(2,167)</b>

#### 14. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional S Accumulation class has increased by 0.94% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 May 2020

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Retail accumulation</b>				
Group 1	0.2707	-	0.2707	0.3753
Group 2	0.0634	0.2073	0.2707	0.3753
<b>Institutional accumulation</b>				
Group 1	0.4100	-	0.4100	0.5161
Group 2	0.1569	0.2531	0.4100	0.5161
<b>Retail income</b>				
Group 1	0.1574	-	0.1574	0.2211
Group 2	0.0612	0.0962	0.1574	0.2211
<b>Institutional income</b>				
Group 1	0.2213	-	0.2213	0.2831
Group 2	0.1887	0.0326	0.2213	0.2831
<b>Retail CAT accumulation</b>				
Group 1	0.2814	-	0.2814	0.3872
Group 2	0.1777	0.1037	0.2814	0.3872
<b>Standard Life income</b>				
Group 1	0.4126	-	0.4126	0.4813
Group 2	0.4126	-	0.4126	0.4813
<b>Retail CAT income</b>				
Group 1	0.1631	-	0.1631	0.2275
Group 2	0.0432	0.1199	0.1631	0.2275
<b>Standard Life accumulation</b>				
Group 1	0.4048	-	0.4048	0.4760
Group 2	0.3317	0.0731	0.4048	0.4760
<b>Institutional regulated accumulation</b>				
Group 1	0.3409	-	0.3409	0.4156
Group 2	0.2491	0.0918	0.3409	0.4156

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Platform 1 accumulation</b>				
Group 1	0.2339	-	0.2339	0.2968
Group 2	0.0561	0.1778	0.2339	0.2968
<b>Platform 1 income</b>				
Group 1	0.2022	-	0.2022	0.2611
Group 2	0.1588	0.0434	0.2022	0.2611
<b>Institutional S accumulation</b>				
Group 1	0.2507	-	0.2507	0.3047
Group 2	0.1392	0.1115	0.2507	0.3047
<b>Institutional S income</b>				
Group 1	0.2301	-	0.2301	0.2853
Group 2	0.0924	0.1377	0.2301	0.2853

#### Second interim interest distribution

Group 1 - shares purchased prior to 1 June 2020

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

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	0.2484	-	0.2484	0.3949
Group 2	0.2150	0.0334	0.2484	0.3949
<b>Institutional accumulation</b>				
Group 1	0.3879	-	0.3879	0.5405
Group 2	0.2748	0.1131	0.3879	0.5405
<b>Retail income</b>				
Group 1	0.1439	-	0.1439	0.2317
Group 2	0.1165	0.0274	0.1439	0.2317
<b>Institutional income</b>				
Group 1	0.2083	-	0.2083	0.2950
Group 2	0.1093	0.0990	0.2083	0.2950
<b>Retail CAT accumulation</b>				
Group 1	0.2576	-	0.2576	0.4064
Group 2	0.1673	0.0903	0.2576	0.4064

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Standard Life income</b>				
Group 1	0.3967	-	0.3967	0.4866
Group 2	0.3967	-	0.3967	0.4866
<b>Retail CAT income</b>				
Group 1	0.1488	-	0.1488	0.2380
Group 2	0.0718	0.0770	0.1488	0.2380
<b>Standard Life accumulation</b>				
Group 1	0.3907	-	0.3907	0.4967
Group 2	0.2473	0.1434	0.3907	0.4967
<b>Institutional regulated accumulation</b>				
Group 1	0.3255	-	0.3255	0.4346
Group 2	0.2072	0.1183	0.3255	0.4346
<b>Platform 1 accumulation</b>				
Group 1	0.2205	-	0.2205	0.3111
Group 2	0.1656	0.0549	0.2205	0.3111
<b>Platform 1 income</b>				
Group 1	0.1899	-	0.1899	0.2723
Group 2	0.0974	0.0925	0.1899	0.2723
<b>Institutional S accumulation</b>				
Group 1	0.2394	-	0.2394	0.3187
Group 2	0.2037	0.0357	0.2394	0.3187
<b>Institutional S income</b>				
Group 1	0.2188	-	0.2188	0.2969
Group 2	0.1253	0.0935	0.2188	0.2969

**Third interim interest distribution**

Group 1 - shares purchased prior to 1 September 2020

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

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Retail accumulation</b>				
Group 1	0.2367	-	0.2367	0.3072
Group 2	0.0333	0.2034	0.2367	0.3072
<b>Institutional accumulation</b>				
Group 1	0.3752	-	0.3752	0.4456
Group 2	0.0597	0.3155	0.3752	0.4456
<b>Retail income</b>				
Group 1	0.1367	-	0.1367	0.1797
Group 2	0.0526	0.0841	0.1367	0.1797
<b>Institutional income</b>				
Group 1	0.2001	-	0.2001	0.2420
Group 2	0.1554	0.0447	0.2001	0.2420
<b>Retail CAT accumulation</b>				
Group 1	0.2447	-	0.2447	0.3168
Group 2	0.1584	0.0863	0.2447	0.3168
<b>Standard Life income</b>				
Group 1	0.4020	-	0.4020	0.4073
Group 2	0.4020	-	0.4020	0.4073
<b>Retail CAT income</b>				
Group 1	0.1412	-	0.1412	0.1848
Group 2	0.0795	0.0617	0.1412	0.1848
<b>Standard Life accumulation</b>				
Group 1	0.3795	-	0.3795	0.4271
Group 2	0.2453	0.1342	0.3795	0.4271
<b>Institutional regulated accumulation</b>				
Group 1	0.3158	-	0.3158	0.3648
Group 2	0.1142	0.2016	0.3158	0.3648
<b>Platform 1 accumulation</b>				
Group 1	0.2065	-	0.2065	0.2551
Group 2	0.0236	0.1829	0.2065	0.2551



	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Platform 1 income</b>				
Group 1	0.1760	-	0.1760	0.2222
Group 2	0.0744	0.1016	0.1760	0.2222
<b>Institutional S accumulation</b>				
Group 1	0.2318	-	0.2318	0.2683
Group 2	0.2069	0.0249	0.2318	0.2683
<b>Institutional S income</b>				
Group 1	0.2110	-	0.2110	0.2487
Group 2	0.0937	0.1173	0.2110	0.2487

**Final interest distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	0.2257	-	0.2257	0.2801
Group 2	0.1591	0.0666	0.2257	0.2801
<b>Institutional accumulation</b>				
Group 1	0.3624	-	0.3624	0.4168
Group 2	0.2117	0.1507	0.3624	0.4168
<b>Retail income</b>				
Group 1	0.1299	-	0.1299	0.1632
Group 2	0.0545	0.0754	0.1299	0.1632
<b>Institutional income</b>				
Group 1	0.1916	-	0.1916	0.2254
Group 2	0.1410	0.0506	0.1916	0.2254
<b>Retail CAT accumulation</b>				
Group 1	0.2341	-	0.2341	0.2976
Group 2	0.1455	0.0886	0.2341	0.2976
<b>Standard Life income</b>				
Group 1	0.4073	-	0.4073	0.3914
Group 2	0.4073	-	0.4073	0.3914

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail CAT income</b>				
Group 1	0.1347	-	0.1347	0.1694
Group 2	0.0786	0.0561	0.1347	0.1694
<b>Standard Life accumulation</b>				
Group 1	0.3715	-	0.3715	0.4063
Group 2	0.2358	0.1357	0.3715	0.4063
<b>Institutional regulated accumulation</b>				
Group 1	0.3049	-	0.3049	0.3455
Group 2	0.2272	0.0777	0.3049	0.3455
<b>Platform 1 accumulation</b>				
Group 1	0.2056	-	0.2056	0.2380
Group 2	0.1114	0.0942	0.2056	0.2380
<b>Platform 1 income</b>				
Group 1	0.1741	-	0.1741	0.2065
Group 2	0.1095	0.0646	0.1741	0.2065
<b>Institutional S accumulation</b>				
Group 1	0.2243	-	0.2243	0.2533
Group 2	0.1504	0.0739	0.2243	0.2533
<b>Institutional S income</b>				
Group 1	0.2033	-	0.2033	0.2335
Group 2	0.0977	0.1056	0.2033	0.2335

#### Equalisation

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

# ASI American Income Equity Fund

For the year ended 28 February 2021

## 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 Review

Over the 12-month period to the end of February, the fund returned 13.9% (source: Factset, Platform 1 accumulation shares). This compared to a return of 22.0% for our performance target (the S&P 500 Index +2%). Fund returns are net of fees (source: Factset, Platform 1 accumulation shares). Meanwhile, the Fund's yield was 1.0% over the year, versus a yield target of 1.5% (the S&P 500 Index).

The fund invests only in dividend-paying stocks, allocating capital across three different categories: Dividend Growth, High Dividend and Opportunity. Dividend Growth focuses on companies that offer more than 10% growth in the dividend. High Dividend is comprised of higher-yielding stocks with stable cash flow generation and, usually, solid balance sheets. Opportunity highlights dividend-paying stocks where the dividend characteristics are secondary to fundamental valuation reasons to include in the portfolio. This combination of categories enables a balance in portfolio construction of defensive and more cyclical/aggressive positions among dividend payers. However, this balance was a major determinant in the underperformance for the year. Only investing in dividend payers had a meaningful impact on performance, accounting for 50% of the underperformance. Beyond this, High Dividend payers significantly underperformed the broader market, offering less than half of the annualised return of the broader market in this category. With almost one-third of the capital in High Dividend stocks, this further contributed to the underperformance of the Fund. The Opportunity category in the Fund broadly outperformed the markets, partially offsetting the impact of these more defensive portfolio construction rules.

The lack of positioning in Amazon (a non-dividend payer) was the main drag on performance. Amazon benefited from the rise in e-commerce and increased use of cloud services during the COVID-19 pandemic. Other detractors from performance included First Energy, a regulated utility that had separated from its power generation business a couple of years ago. Political scandal involving nuclear plants that were owned by the power generation business were discovered and resulted in massive share declines and the ousting of leading management. Raytheon Technologies was another underperformer in an environment that was not supportive for the aerospace and defence industry. Questions about the defence budget under President Biden with a Democratic-controlled Congress weighed on the industry. As a result, Lockheed Martin also underperformed the market, with its exposure to defence offsetting its commercial aerospace exposure. Despite strong revenues during the pandemic, defence budget growth is expected to tail off. Fidelity National Information Services struggled as the press reported that Fidelity had considered (but aborted) a merger with peer Global Payments. This was taken badly by the market, which questioned the motivation behind the deal and Fidelity's seeming willingness to overpay.

In terms of the fund's main outperformers, Marvell (Opportunity) was the top-performing stock. The US semiconductor company was boosted by the US government's actions against Huawei as part of its trade dispute with China. Marvell is a supplier to its competitors, Samsung and Nokia, and performed well as a result. Broadcom (Opportunity) was another contributor to performance. Solid earnings results and increasing momentum in wireless technology, given content growth in 5G, has driven a re-rating as the dividend yield returned to more appropriate levels (sub-4%). Broadcom is an example where its yield qualified it for High Dividend, but was categorised as an Opportunity stock since its selection was based on expected valuation gains. Other strong performers included US bank Goldman Sachs (Opportunity). Increased optimism around post-pandemic economic growth spurred shares. It also benefited from the removal of share buyback restrictions on large banks. Shares in US-based semiconductor company NXP Semiconductors (Dividend Growth) recovered as investors became less concerned about the impact of the pandemic on industrial production and car sales, which together represent the majority of NXP's end-market revenues. Management's comments about demand being close to a trough provided comfort.

#### Portfolio Activity

During the first half of the review period, we initiated a position in NXP Semiconductors. The company had been underperforming its peers, given its outsized exposure to the auto industry and balance-sheet leverage. However, we looked through the near-term weakness, and NXP went on to become one of the Fund's top performers. Other purchases over the year included JP Morgan (Opportunity), which we bought to increase cyclical as well as interest-rate exposure, following our exit from Citigroup. We also chose JP Morgan for its scale, consistent investment in its business and market-leading technology, which is driving growth in its book value. We initiated a position in Emerson Electric (High Dividend). Internal cost-cutting looks likely to continue to overdeliver, and the top-line outlook should benefit the multinational manufacturer during the post-coronavirus recovery. Another addition was CMS Energy (High Dividend). The company's relative valuation was at multi-year lows, despite solid and consistent execution as a high-quality utility that will offer steady, high single-digit growth. We bought rail operator Kansas City Southern (Dividend Growth) in 2021, having exited our existing holding earlier on in the review period, over coronavirus-related concerns. The company is seeing strong sales growth and consistent pricing power, which should drive margins and capital returns higher. We also bought Tetra Tech (Dividend Growth), whose business in water and environmental services should benefit from expanded use under the Biden administration. We expect Tetra Tech's M&A activity to continue to enhance its offerings. Procter & Gamble (High Dividend) was bought again after underperformance, as we are positive on brand positioning and growth post corporate reorganisation. CSX Corporation (Opportunity) was added as a preferred rail. We expect to see increased volumes for the freight transport sector. Alliant Energy (High Dividend) was added as a preferred utility with sustainable growth that is not priced as a high quality utility. L3Harris Technologies (Dividend Growth) was added on confidence in the revenue and cost synergies expected from the merger of L3Technologies and Harris Corporation. Cogent Communications Holdings (High Dividend) was added after being hit hard on slowing corporate business that we viewed as transitory. We expect double-digit earnings growth.

Conversely, we exited our position in First Energy (High Dividend) when it was clear the bribery scandal was not going to be focused only on the power generation business. Given our lower conviction in funeral goods and services provider Service Corporation International (Opportunity), we sold our position to take profits. We also took profits by exiting our positions in manufacturer Trane Technologies (Opportunity, purchased earlier on in the review period) and data-centre real estate investment trust Equinix (Dividend Growth). Having bought Union Pacific (Dividend Growth) during the year in review, we sold it after our analyst downgraded it to 'hold' following a rise in its share price, preferring other rails within coverage. We also sold Citigroup (Opportunity) after our analyst downgraded to 'hold,' following a rally in the money centre bank's shares on the prospect of a credit recovery. Our view was that the expected improvement in profitability will take longer than initially thought. We also exited FLIR Systems (Opportunity) on lower conviction after poor execution. We sold Raytheon Technologies (Dividend Growth) on concerns about its business mix and preferences for other capital goods stocks. Merck (High Dividend) was held for its yield, but sold with limited upside expected in shares. We exited Deere & Company (High Dividend) on concerns that growth would be slow to return. We sold Disney (non-payer), as the suspension of the dividend appeared likely to continue for a while, due to the pandemic. We also exited Eli Lilly and Company (Opportunity), as risk-reward appeared to be negatively skewed heading into a major data readout. We sold First Republic Bank (Opportunity), as valuation hit an all-time high and we saw risk-reward as balanced.

#### Portfolio Outlook and Strategy

We remain mindful of how much of the expected economic improvement has been priced in after the strong market rally that occurred after the initial decline at the beginning of the pandemic. We also recognise that favourable economic conditions will likely continue to support rising markets. Conditions that support rising equity markets – low interest rates and low inflation – remain in place for now. While we see early signs that inflation could start to come through and rates could rise in response, the levels will likely remain low enough to continue serving as a tailwind. However, valuations in the market are far from cheap, so any economic concerns that might hit corporate profitability are being monitored. In addition, as the Biden administration moves past COVID-19 issues and towards its agenda, concerns on higher taxes, drug pricing and increased regulation will likely become more prominent.

The fund's strategy remains focused on blending bottom-up fundamental research with disciplined portfolio construction across the three categories. The nature of this fund is to only give exposure to dividend-paying stocks, so a significant portion of the current risk in the fund is difficult to mitigate. Risk factors continue to be regularly analysed to inform portfolio construction, with efforts to mitigate the impact of unintended moves in factor risks.

Every sector is being reviewed while also considering environmental, social and governance issues, exposure to growth, value, industrial cycles and other risk factors. The portfolio is currently overweight industrials, consumer staples and information technology. The biggest underweights are in consumer discretionary, communication services and materials. The fund continues to hold modestly lower volatility and beta, and holds a relatively concentrated 49 stocks.

March 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 28 February 2021.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	76.51	67.52	63.66
Return before operating charges*	10.56	10.04	4.78
Operating charges	(1.13)	(1.05)	(0.92)
Return after operating charges*	9.43	8.99	3.86
Distributions	(0.29)	(0.46)	(0.45)
Retained distributions on accumulation shares	0.29	0.46	0.45
Closing net asset value per share	85.94	76.51	67.52
* after direct transaction costs of:	0.04	0.04	0.03
<b>Performance</b>			
Return after charges	12.33%	13.31%	6.06%
<b>Other information</b>			
Closing net asset value (£'000)	6,338	782	47
Closing number of shares	7,373,547	1,021,806	69,952
Operating charges	1.33%	1.33%	1.35%
Direct transaction costs	0.05%	0.05%	0.05%
<b>Prices</b>			
Highest share price	90.10	86.30	72.58
Lowest share price	64.56	67.90	59.16

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	77.82	68.38	64.16
Return before operating charges*	10.68	10.13	4.81
Operating charges	(0.72)	(0.69)	(0.59)
Return after operating charges*	9.96	9.44	4.22
Distributions	(0.89)	(0.88)	(0.76)
Retained distributions on accumulation shares	0.89	0.88	0.76
Closing net asset value per share	87.78	77.82	68.38
* after direct transaction costs of:	0.04	0.04	0.03
<b>Performance</b>			
Return after charges	12.80%	13.81%	6.58%
<b>Other information</b>			
Closing net asset value (£'000)	157,653	120,176	5,956
Closing number of shares	179,602,906	154,428,294	8,711,396
Operating charges	0.86%	0.86%	0.88%
Direct transaction costs	0.05%	0.05%	0.05%
<b>Prices</b>			
Highest share price	91.97	87.80	73.36
Lowest share price	65.68	68.78	59.65

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

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	71.35	64.21	61.70
Return before operating charges*	9.74	9.52	4.64
Operating charges	(1.01)	(0.97)	(0.85)
Return after operating charges*	8.73	8.55	3.79
Distributions	(1.44)	(1.41)	(1.28)
Closing net asset value per share	78.64	71.35	64.21
* after direct transaction costs of:	0.04	0.04	0.03
<b>Performance</b>			
Return after charges	12.24%	13.32%	6.14%
<b>Other information</b>			
Closing net asset value (£'000)	18	20	5
Closing number of shares	22,750	27,320	7,086
Operating charges	1.33%	1.33%	1.35%
Direct transaction costs	0.05%	0.05%	0.05%
<b>Prices</b>			
Highest share price	82.82	80.90	69.69
Lowest share price	60.22	64.60	57.36

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

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



Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	72.53	64.98	62.17
Return before operating charges*	9.96	9.56	4.66
Operating charges	(0.67)	(0.58)	(0.57)
Return after operating charges*	9.29	8.98	4.09
Distributions	(1.49)	(1.43)	(1.28)
Closing net asset value per share	80.33	72.53	64.98
* after direct transaction costs of:	0.04	0.04	0.03
<b>Performance</b>			
Return after charges	12.81%	13.82%	6.58%
<b>Other information</b>			
Closing net asset value (£'000)	55	29	15,763
Closing number of shares	68,545	39,821	24,257,979
Operating charges	0.86%	0.86%	0.88%
Direct transaction costs	0.05%	0.05%	0.05%
<b>Prices</b>			
Highest share price	84.53	82.22	70.39
Lowest share price	61.24	65.38	57.81

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

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

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

Standard Life income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.59	51.16	48.54
Return before operating charges*	7.89	7.57	3.65
Operating charges	(0.02)	(0.02)	(0.03)
Return after operating charges*	7.87	7.55	3.62
Distributions	(1.16)	(1.12)	(1.00)
Closing net asset value per share	64.30	57.59	51.16
* after direct transaction costs of:	0.03	0.03	0.03
<b>Performance</b>			
Return after charges	13.67%	14.76%	7.46%
<b>Other information</b>			
Closing net asset value (£'000)	6,907	12,047	11,364
Closing number of shares	10,742,143	20,920,164	22,213,109
Operating charges	0.03%	0.03%	0.05%
Direct transaction costs	0.05%	0.05%	0.05%
<b>Prices</b>			
Highest share price	67.59	65.26	55.23
Lowest share price	48.64	51.47	45.16

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

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

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

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

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.04	69.79	65.01
Return before operating charges*	11.03	10.34	4.87
Operating charges	(0.10)	(0.09)	(0.09)
Return after operating charges*	10.93	10.25	4.78
Distributions	(1.57)	(1.48)	(1.30)
Retained distributions on accumulation shares	1.57	1.48	1.30
Closing net asset value per share	90.97	80.04	69.79
* after direct transaction costs of:	0.04	0.04	0.03
<b>Performance</b>			
Return after charges	13.66%	14.69%	7.35%
<b>Other information</b>			
Closing net asset value (£'000)	94	54	54
Closing number of shares	103,040	67,641	77,457
Operating charges	0.11%	0.11%	0.13%
Direct transaction costs	0.05%	0.05%	0.05%
<b>Prices</b>			
Highest share price	95.22	90.30	74.66
Lowest share price	67.59	70.21	60.47

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

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

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	77.70	68.30	64.13
Return before operating charges*	10.67	10.12	4.81
Operating charges	(0.77)	(0.72)	(0.64)
Return after operating charges*	9.90	9.40	4.17
Distributions	(0.85)	(0.83)	(0.73)
Retained distributions on accumulation shares	0.85	0.83	0.73
Closing net asset value per share	87.60	77.70	68.30
* after direct transaction costs of:	0.04	0.04	0.03
<b>Performance</b>			
Return after charges	12.74%	13.76%	6.50%
<b>Other information</b>			
Closing net asset value (£'000)	718	315	200
Closing number of shares	820,017	405,072	292,192
Operating charges	0.91%	0.91%	0.93%
Direct transaction costs	0.05%	0.05%	0.05%
<b>Prices</b>			
Highest share price	91.79	87.67	73.30
Lowest share price	65.58	68.70	59.62

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

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

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

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

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	72.46	64.94	62.14
Return before operating charges*	9.92	9.63	4.65
Operating charges	(0.71)	(0.68)	(0.60)
Return after operating charges*	9.21	8.95	4.05
Distributions	(1.47)	(1.43)	(1.25)
Closing net asset value per share	80.20	72.46	64.94
* after direct transaction costs of:	0.04	0.04	0.03
<b>Performance</b>			
Return after charges	12.71%	13.78%	6.52%
<b>Other information</b>			
Closing net asset value (£'000)	120	64	34
Closing number of shares	149,590	88,761	51,996
Operating charges	0.91%	0.91%	0.93%
Direct transaction costs	0.05%	0.05%	0.05%
<b>Prices</b>			
Highest share price	84.41	82.14	70.36
Lowest share price	61.17	65.34	57.79

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

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

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

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

Institutional S accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	71.32	62.38	58.56
Return before operating charges*	9.86	9.49	4.25
Operating charges	(0.57)	(0.55)	(0.43)
Return after operating charges*	9.29	8.94	3.82
Distributions	(0.96)	(1.08)	(0.63)
Retained distributions on accumulation shares	0.96	1.08	0.63
Closing net asset value per share	80.61	71.32	62.38
* after direct transaction costs of:	0.04	0.04	0.03
<b>Performance</b>			
Return after charges	13.03%	14.33%	6.52%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	-^
Closing number of shares	1,432	1,432	200
Operating charges	0.74%	0.74%	0.70%
Direct transaction costs	0.05%	0.05%	0.05%
<b>Prices</b>			
Highest share price	84.45	80.47	67.06
Lowest share price	60.20	62.75	54.45

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

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

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

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

^ The closing net asset value of Institutional S accumulation is £125.

Institutional S income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	66.70	59.65	57.01
Return before operating charges*	9.17	8.92	4.29
Operating charges	(0.53)	(0.52)	(0.42)
Return after operating charges*	8.64	8.40	3.87
Distributions	(1.35)	(1.35)	(1.23)
Closing net asset value per share	73.99	66.70	59.65
* after direct transaction costs of:	0.04	0.04	0.03
<b>Performance</b>			
Return after charges	12.95%	14.08%	6.79%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	-^
Closing number of shares	1,504	1,504	200
Operating charges	0.74%	0.74%	0.70%
Direct transaction costs	0.05%	0.05%	0.05%
<b>Prices</b>			
Highest share price	77.86	75.60	64.65
Lowest share price	56.31	60.00	53.02

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

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

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

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

^ The closing net asset value of Institutional S income is £119.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>North American Equities (98.12%)</b>		<b>166,625</b>	<b>96.93</b>
<b>Communication Services (6.30%)</b>		<b>13,902</b>	<b>8.09</b>
59,682	Activision Blizzard	4,078	2.37
48,092	Cogent Communications	2,056	1.20
128,823	Comcast	4,851	2.82
73,764	Verizon Communications	2,917	1.70
<b>Consumer Discretionary (8.01%)</b>		<b>10,197</b>	<b>5.93</b>
33,860	Genuine Parts	2,551	1.48
29,527	Lowe's	3,373	1.96
17,458	McDonald's	2,574	1.50
39,671	Restaurant Brands International	1,699	0.99
<b>Consumer Staples (9.55%)</b>		<b>12,659</b>	<b>7.36</b>
102,015	Alimentation Couche-Tard 'B'	2,203	1.28
12,366	Constellation	1,893	1.10
44,266	Mondelez	1,683	0.98
56,337	Philip Morris	3,385	1.97
39,567	Procter & Gamble	3,495	2.03
<b>Energy (5.00%)</b>		<b>5,721</b>	<b>3.33</b>
40,798	Chevron	2,916	1.70
115,493	Enbridge	2,805	1.63
<b>Financials (7.73%)</b>		<b>18,642</b>	<b>10.84</b>
157,922	Bank of America	3,917	2.28
22,477	Goldman Sachs	5,135	2.99
43,057	JPMorgan Chase	4,530	2.63
89,716	Schwab (Charles)	3,960	2.30
16,061	TMX	1,100	0.64



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Health Care (16.86%)</b>		<b>21,284</b>	<b>12.38</b>
70,930	Abbvie	5,465	3.18
30,845	Baxter International	1,714	1.00
75,452	Bristol-Myers Squibb	3,309	1.92
37,073	Johnson & Johnson	4,197	2.44
38,616	Medtronic	3,230	1.88
14,195	United Health	3,369	1.96
<b>Industrials (9.48%)</b>		<b>21,160</b>	<b>12.31</b>
32,240	CSX	2,111	1.23
48,337	Emerson Electric	2,969	1.73
32,558	Honeywell International	4,711	2.74
23,592	Hunt (JB) Transport	2,476	1.44
12,133	Kansas City Southern	1,841	1.07
14,675	L3Harris Technologies	1,909	1.11
5,471	Lockheed Martin	1,291	0.75
15,762	Tetra Tech	1,560	0.91
28,916	Waste Management	2,292	1.33
<b>Information Technology (24.82%)</b>		<b>49,582</b>	<b>28.84</b>
15,904	Accenture	2,853	1.66
135,475	Apple	11,744	6.83
13,471	Broadcom	4,526	2.63
59,096	Cisco Systems	1,896	1.10
31,595	Fidelity National Information Services	3,116	1.81
44,652	Marvell Technology	1,542	0.90
24,914	Mastercard	6,300	3.67
86,753	Microsoft	14,407	8.38
24,505	NXP Semiconductors	3,198	1.86
<b>Materials (1.68%)</b>		<b>2,742</b>	<b>1.60</b>
15,001	Air Products & Chemicals	2,742	1.60
<b>Real Estate (4.67%)</b>		<b>4,587</b>	<b>2.67</b>
17,397	American Tower REIT	2,688	1.56
80,409	MGM Growth Properties REIT	1,899	1.11

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Utilities (4.02%)</b>		<b>6,149</b>	<b>3.58</b>
44,557	Alliant Energy	1,471	0.86
48,351	CMS Energy	1,870	1.09
53,440	NextEra Energy	2,808	1.63
<b>Collective Investment Schemes (2.13%)</b>		<b>3,242</b>	<b>1.89</b>
3,242	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	3,242	1.89
Total investment assets		169,867	98.82
Net other assets		2,038	1.18
<b>Total Net Assets</b>		<b>171,905</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	13,715	5,357
Revenue	2	3,030	2,123
Expenses	3	(1,107)	(698)
Interest payable and similar charges		-	(3)
Net revenue before taxation		1,923	1,422
Taxation	4	(412)	(292)
Net revenue after taxation		1,511	1,130
<b>Total return before distributions</b>		<b>15,226</b>	<b>6,487</b>
Distributions	5	(1,512)	(1,147)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>13,714</b>	<b>5,340</b>

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

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>133,489</b>	<b>33,423</b>
Amounts receivable on the issue of shares	71,346	126,958
Amounts payable on the cancellation of shares	(48,051)	(33,301)
	23,295	93,657
Dilution adjustment	22	78
Change in net assets attributable to shareholders from investment activities (see above)	13,714	5,340
Retained distribution on accumulation shares	1,385	991
<b>Closing net assets attributable to shareholders</b>	<b>171,905</b>	<b>133,489</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		169,867	133,818
<b>Current assets:</b>			
Debtors	6	3,569	397
Cash and bank balances	7	110	40
		3,679	437
Total assets		173,546	134,255
<b>Liabilities:</b>			
Creditors	8	(1,611)	(709)
Distribution payable		(30)	(57)
		(1,641)	(766)
Total liabilities		(1,641)	(766)
<b>Net assets attributable to shareholders</b>		<b>171,905</b>	<b>133,489</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	13,889	5,542
Forward currency contracts	(69)	(140)
Other losses	(92)	(38)
Transaction charges	(13)	(7)
<b>Net capital gains</b>	<b>13,715</b>	<b>5,357</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	8	16
Overseas dividends	2,903	2,038
Overseas REIT	119	69
<b>Total revenue</b>	<b>3,030</b>	<b>2,123</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	978	611
Registration fees	100	64
	1,078	675
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	6	4
Depositary's fees	14	8
	20	12
<b>Other:</b>		
Audit fee	9	9
Professional fees	-	2
	9	11
<b>Total expenses</b>	<b>1,107</b>	<b>698</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	412	292
<b>Total taxation</b>	<b>412</b>	<b>292</b>

(b)

	2021 £'000	2020 £'000
<b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is the greater than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	1,923	1,422
Corporation tax at 20% (2020: 20%)	384	284
Effects of:		
Revenue not subject to taxation	(581)	(408)
Overseas taxes	412	293
Overseas tax expensed	(3)	(2)
Excess allowable expenses	200	125
<b>Total tax charge for year (note 4a)</b>	<b>412</b>	<b>292</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £535,000 (2020: £335,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2021 £'000	2020 £'000
First interim distribution	443	158
Second interim distribution	357	296
Third interim distribution	352	414
Final distribution	380	359
	1,532	1,227
Add: Income deducted on cancellation of shares	41	60
Deduct: Income received on issue of shares	(61)	(140)
<b>Total distributions for the year</b>	<b>1,512</b>	<b>1,147</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,511	1,130
Expenses charged to capital	1	17
<b>Total distributions</b>	<b>1,512</b>	<b>1,147</b>

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

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

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

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	208	240
Amounts receivable from the ACD for the issue of shares	385	157
Sales awaiting settlement	2,976	-
<b>Total debtors</b>	<b>3,569</b>	<b>397</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	110	40
	<b>110</b>	<b>40</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	3,242	2,836
<b>Net liquidity</b>	<b>3,352</b>	<b>2,876</b>

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

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	103	89
Accrued expenses payable to the Depositary or associates of the Depositary	3	2
Amounts payable to the ACD for cancellation of shares	72	608
Other accrued expenses	9	10
Purchases awaiting settlement	1,424	-
<b>Total creditors</b>	<b>1,611</b>	<b>709</b>

## 9. Related Party Transactions

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

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

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

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

## 10. Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	106,042	132,512	84,343	39,721
Collective investment schemes	67,256	25,233	66,850	23,280
<b>Trades in the year before transaction costs</b>	<b>173,298</b>	<b>157,745</b>	<b>151,193</b>	<b>63,001</b>
<b>Commissions</b>				
Equities	35	30	(34)	(19)
<b>Total commissions</b>	<b>35</b>	<b>30</b>	<b>(34)</b>	<b>(19)</b>

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Taxes</b>				
Equities	-	-	(2)	(1)
<b>Total taxes</b>	-	-	(2)	(1)
<b>Total transaction costs</b>	<b>35</b>	<b>30</b>	<b>(36)</b>	<b>(20)</b>
<b>Total net trades in the year after transaction costs</b>	<b>173,333</b>	<b>157,775</b>	<b>151,157</b>	<b>62,981</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.03	0.02	0.04	0.05
<b>Total transaction costs expressed as a percentage of net asset value</b>			<b>2021 %</b>	<b>2020 %</b>
Commissions			0.05	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.05% (2020: 0.04%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Closing shares 2021
Retail accumulation	1,021,806	32,614,495	(26,262,754)	7,373,547
Institutional accumulation	154,428,294	47,765,207	(22,590,595)	179,602,906
Retail income	27,320	6,924	(11,494)	22,750
Institutional income	39,821	60,319	(31,595)	68,545
Standard Life income	20,920,164	-	(10,178,021)	10,742,143
Standard Life accumulation	67,641	45,366	(9,967)	103,040
Platform 1 income	88,761	133,312	(72,483)	149,590
Platform 1 accumulation	405,072	2,218,140	(1,803,195)	820,017
Institutional S accumulation	1,432	-	-	1,432
Institutional S income	1,504	-	-	1,504

#### 12. Fair Value Hierarchy

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

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

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

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



	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	166,625	-	-	130,982	-	-
Collective Investment Schemes	-	3,242	-	-	2,836	-
<b>Total investment assets</b>	<b>166,625</b>	<b>3,242</b>	<b>-</b>	<b>130,982</b>	<b>2,836</b>	<b>-</b>

### 13. Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Canadian Dollar	6,112	5,671
US Dollar	162,381	125,587
<b>Total</b>	<b>168,493</b>	<b>131,258</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £8,425,000 (2020: £6,563,000).

#### Interest rate risk

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

#### Other price risk

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

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

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £8,493,000 (2020: £6,691,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £1,641,000 (2020: £766,000).

### 14. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional S Accumulation class has increased by 9.93% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 May 2020

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Retail accumulation</b>				
Group 1	0.1000	-	0.1000	0.1416
Group 2	0.0587	0.0413	0.1000	0.1416
<b>Institutional accumulation</b>				
Group 1	0.2567	-	0.2567	0.2310
Group 2	0.2444	0.0123	0.2567	0.2310
<b>Retail income</b>				
Group 1	0.3804	-	0.3804	0.3532
Group 2	0.2633	0.1171	0.3804	0.3532
<b>Institutional income</b>				
Group 1	0.3864	-	0.3864	0.3764
Group 2	0.2746	0.1118	0.3864	0.3764
<b>Standard Life income</b>				
Group 1	0.3053	-	0.3053	0.2779
Group 2	0.3053	-	0.3053	0.2779
<b>Standard Life accumulation</b>				
Group 1	0.4115	-	0.4115	0.3698
Group 2	0.1880	0.2235	0.4115	0.3698
<b>Platform 1 accumulation</b>				
Group 1	0.2460	-	0.2460	0.2182
Group 2	0.1381	0.1079	0.2460	0.2182
<b>Platform 1 income</b>				
Group 1	0.3861	-	0.3861	0.3566
Group 2	0.1864	0.1997	0.3861	0.3566
<b>Institutional S accumulation</b>				
Group 1	0.2590	-	0.2590	0.2900
Group 2	0.2590	-	0.2590	0.2900
<b>Institutional S income</b>				
Group 1	0.3356	-	0.3356	0.3350
Group 2	0.3356	-	0.3356	0.3350

**Second interim dividend distribution**

Group 1 - shares purchased prior to 1 June 2020

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

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	-	-	-	0.1263
Group 2	-	-	-	0.1263
<b>Institutional accumulation</b>				
Group 1	0.2221	-	0.2221	0.2316
Group 2	0.1294	0.0927	0.2221	0.2316
<b>Retail income</b>				
Group 1	0.3683	-	0.3683	0.3551
Group 2	0.3193	0.0490	0.3683	0.3551
<b>Institutional income</b>				
Group 1	0.3783	-	0.3783	0.3486
Group 2	0.3440	0.0343	0.3783	0.3486
<b>Standard Life income</b>				
Group 1	0.2894	-	0.2894	0.2826
Group 2	0.2894	-	0.2894	0.2826
<b>Standard Life accumulation</b>				
Group 1	0.3937	-	0.3937	0.3722
Group 2	0.3247	0.0690	0.3937	0.3722
<b>Platform 1 accumulation</b>				
Group 1	0.2117	-	0.2117	0.2083
Group 2	0.1021	0.1096	0.2117	0.2083
<b>Platform 1 income</b>				
Group 1	0.3759	-	0.3759	0.3583
Group 2	0.2806	0.0953	0.3759	0.3583
<b>Institutional S accumulation</b>				
Group 1	0.2451	-	0.2451	0.3050
Group 2	0.2451	-	0.2451	0.3050
<b>Institutional S income</b>				
Group 1	0.3503	-	0.3503	0.3350
Group 2	0.3503	-	0.3503	0.3350

**Third interim dividend distribution**

Group 1 - shares purchased prior to 1 September 2020

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

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Retail accumulation</b>				
Group 1	0.0952	-	0.0952	0.1430
Group 2	0.0884	0.0068	0.0952	0.1430
<b>Institutional accumulation</b>				
Group 1	0.2218	-	0.2218	0.2268
Group 2	0.0839	0.1379	0.2218	0.2268
<b>Retail income</b>				
Group 1	0.3563	-	0.3563	0.3638
Group 2	0.3563	-	0.3563	0.3638
<b>Institutional income</b>				
Group 1	0.3788	-	0.3788	0.3653
Group 2	0.2528	0.1260	0.3788	0.3653
<b>Standard Life income</b>				
Group 1	0.2916	-	0.2916	0.2893
Group 2	0.2916	-	0.2916	0.2893
<b>Standard Life accumulation</b>				
Group 1	0.3969	-	0.3969	0.3807
Group 2	0.1690	0.2279	0.3969	0.3807
<b>Platform 1 accumulation</b>				
Group 1	0.2152	-	0.2152	0.2170
Group 2	0.0800	0.1352	0.2152	0.2170
<b>Platform 1 income</b>				
Group 1	0.3690	-	0.3690	0.3666
Group 2	0.2885	0.0805	0.3690	0.3666
<b>Institutional S accumulation</b>				
Group 1	0.2416	-	0.2416	0.2723
Group 2	0.2416	-	0.2416	0.2723
<b>Institutional S income</b>				
Group 1	0.3476	-	0.3476	0.3676
Group 2	0.3476	-	0.3476	0.3676

**Final dividend distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	0.0988	-	0.0988	0.0505
Group 2	0.0792	0.0196	0.0988	0.0505
<b>Institutional accumulation</b>				
Group 1	0.1895	-	0.1895	0.1948
Group 2	0.0655	0.1240	0.1895	0.1948
<b>Retail income</b>				
Group 1	0.3356	-	0.3356	0.3426
Group 2	0.3356	-	0.3356	0.3426
<b>Institutional income</b>				
Group 1	0.3422	-	0.3422	0.3421
Group 2	0.1751	0.1671	0.3422	0.3421
<b>Standard Life income</b>				
Group 1	0.2725	-	0.2725	0.2706
Group 2	0.2725	-	0.2725	0.2706
<b>Standard Life accumulation</b>				
Group 1	0.3665	-	0.3665	0.3605
Group 2	0.2141	0.1524	0.3665	0.3605
<b>Platform 1 accumulation</b>				
Group 1	0.1790	-	0.1790	0.1857
Group 2	0.0616	0.1174	0.1790	0.1857
<b>Platform 1 income</b>				
Group 1	0.3418	-	0.3418	0.3438
Group 2	0.2043	0.1375	0.3418	0.3438
<b>Institutional S accumulation</b>				
Group 1	0.2108	-	0.2108	0.2094
Group 2	0.2108	-	0.2108	0.2094
<b>Institutional S income</b>				
Group 1	0.3184	-	0.3184	0.3164
Group 2	0.3184	-	0.3184	0.3164

**Equalisation**

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

# ASI American Unconstrained Equity Fund

For the year ended 28 February 2021

## 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 Review

Over the period under review, the fund returned 16.6% (source: Factset, Platform 1 accumulation shares). This compared to a return of 23.1% for our performance target (S&P 500 Index +3%).

As an unconstrained portfolio, the fund focuses on making concentrated bets in the highest conviction ideas. The composition of the S&P 500 shifted over the last couple of years, however. Some index components have grown so large, that they become the largest relative positions in the fund if a position is not held. This was a noted problem last year as Apple was not deemed a top idea, and inadvertently became the biggest relative position bet made while Apple shares outperformed. Portfolio construction rules were adjusted to allow some allocation of capital to manage position sizes for situations like this to mitigate the impact in the future. Still, the early impact that Apple made was a primary driver of underperformance for the fund. Other detractors from performance included FirstEnergy, a regulated utility which had separated from its power generation business a couple years ago. Initial underperformance was in line with other utilities as the market dismissed defensive stocks. However, political scandal involving nuclear plants that were owned by the power generation business was uncovered and resulted in massive valuation declines and the ouster of leading management. Medical-device company Boston Scientific sold off after questions were raised around the sustainability of its organic growth rate were raised. Boston Scientific announced the discontinuation of its Lotus heart valve product line, which had long been promoted by the company as a key growth driver and had been expected to grow into a solid business. Elsewhere, Restaurant Brands shares were pressured as sales at Tim Hortons were disproportionately impacted by COVID-19 due to the loss of breakfast traffic around people commuting to work.

In terms of the fund's main outperformers, Marvell was one holding that performed well. The US semiconductor company was boosted by the US government's actions against Huawei as part of its trade dispute with China. Marvell is a supplier to its competitors, Samsung and Nokia, and performed well as a result. Shares in US-based semiconductor company NXP Semiconductors recovered as investors became less concerned about the impact of the pandemic on industrial production and car sales, which together represent the majority of NXP's end-market revenues. Management's comments about demand being close to a trough provided comfort. Other strong performers included Goldman Sachs, which benefitted from increased optimism around the roll out of COVID-19 vaccines, given its economic sensitivity. It also benefited from the removal of share buyback restrictions on large banks. Lastly, a healthy demand outlook supported data-centre real estate investment trust Equinix, as adoption of different cloud applications broadly was pulled forward during the pandemic.

## Portfolio Activity

We bought rail operator Kansas City Southern, which has a heavy focus on US-Mexico trade. The company is seeing strong sales growth and consistent pricing power, which should drive margins and capital returns higher. Electrical products manufacturer

Emerson Electric Co was added, as cost cutting efforts in 2020 should pay off as the business recovers after the pandemic in 2021. Other additions included JP Morgan and Bank of America. Both are high-quality money centre banks, which should see share gains from technology investments made, have solid dividends and offer optionality around potentially rising interest rates. We also added rare disease pharmaceutical company Horizon Therapeutics, which we believe will see higher-than-expected peak sales of its key drugs. Earlier in the year, ConocoPhillips was bought for its low-cost assets that should enable the company to support dividend payments and produce in an environment of lower crude prices, and offered some energy exposure if a rebound in oil prices were to occur. We also purchased Enbridge, the mid-stream energy company that manages pipelines from Canada to the US. Most of the company's business is has favourable contracting that supports the high dividend and offers some more exposure to Energy. A position in NXP Semiconductors was also initiated after the stock underperformed due to outsized exposure to autos and balance-sheet leverage. However, we viewed the leverage as manageable and see the auto exposure as a long-term positive.

In terms of sales, we sold Alimentation Couche-Tard after it contemplated acquiring Carrefour. A deal of this sort would be inconsistent with our investment thesis on the stock, so we determined that management's appetite for deal targets would not be constrained as we would like. We also sold out of Chevron Corporation. After Chevron outperformed during the recovery from the oil-price shock, we recycled our position into ConocoPhillips, where we have higher conviction. We also sold our holdings in EOG Resources after it recovered from the oil-price shock. Concerns remain over where oil prices and demand will settle in 2021, and EOG's dividend could be at risk in addition to its premium valuation. Turning to the healthcare sector, we sold UnitedHealth Group, as the CEO's surprise departure was a concern. We exited Citigroup after its shares rallied on the prospect of a credit recovery, and improvement in profitability may take longer than we initially thought. With the defence budget expected to be pressured under the Biden administration, we decided to move on from L3Harris Technologies. Elsewhere, we exited Restaurant Brands International, as the turnaround of its Tim Hortons brand is progressing slower than expected. Other sales included Mondelez International, where we took profits after decent performance during lockdown. Further, we sold Union Pacific, as upside to the stock was seen as more limited and other rails were preferred. Lastly, we exited Trane Technologies to take profits as strong earnings growth for its key businesses was fully priced in.

### Portfolio Outlook and Strategy

We remain mindful of how much of the expected economic improvement has been priced in, but recognise that favourable economic conditions would likely continue to support rising markets. Conditions that support rising equity markets – low interest rates and low inflation – remain in place for now. While we see early signs that inflation could start to come through and rates could rise in response, the levels will likely remain low enough to continue serving as a tailwind. However, valuations in the market are far from cheap, so any economic concerns that might hit corporate profitability are being monitored. In addition, as the Biden administration moves past COVID-19 issues and towards its agenda, concerns on higher taxes, drug pricing and increased regulation will likely become more prominent.

Every sector is being reviewed and considered in the context of environmental, social and governance issues, exposure to growth and value, industrial cycles and other risk factors. Although our focus remains on stock picking from a bottom-up perspective, portfolio construction considerations are applied to mitigate unintended thematic concerns and to manage unintended relative bets. Our stock-selection process has resulted in the Fund being overweight in communication services, industrials and utilities. Meanwhile, our biggest underweight positions are in consumer discretionary, materials and healthcare.

March 2021

Risk and reward profile

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

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

Risk and reward indicator table as at 28 February 2021.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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



## Comparative tables

	2021	2020	2019
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	160.56	144.72	140.57
Return before operating charges*	25.80	18.03	6.07
Operating charges	(2.37)	(2.19)	(1.92)
Return after operating charges*	23.43	15.84	4.15
Closing net asset value per share	183.99	160.56	144.72
* after direct transaction costs of:	0.13	0.14	0.11
<b>Performance</b>			
Return after charges	14.59%	10.95%	2.95%
<b>Other information</b>			
Closing net asset value (£'000)	28,446	30,638	28,385
Closing number of shares	15,460,886	19,082,115	19,614,130
Operating charges	1.35%	1.35%	1.33%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	192.1	181.5	155.9
Lowest share price	135.7	145.3	129.0

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	189.67	170.17	164.52
Return before operating charges*	30.53	21.15	7.11
Operating charges	(1.83)	(1.65)	(1.46)
Return after operating charges*	28.70	19.50	5.65
Distributions	(0.77)	(0.82)	(0.72)
Retained distributions on accumulation shares	0.77	0.82	0.72
Closing net asset value per share	218.37	189.67	170.17
* after direct transaction costs of:	0.15	0.16	0.13
<b>Performance</b>			
Return after charges	15.13%	11.46%	3.43%
<b>Other information</b>			
Closing net asset value (£'000)	6,511	9,945	36,134
Closing number of shares	2,981,469	5,243,013	21,234,107
Operating charges	0.88%	0.88%	0.86%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	227.8	214.4	182.9
Lowest share price	160.3	170.9	151.5

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Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	79.48	71.64	69.59
Return before operating charges*	12.76	8.92	3.00
Operating charges	(1.17)	(1.08)	(0.95)
Return after operating charges*	11.59	7.84	2.05
Closing net asset value per share	91.07	79.48	71.64
* after direct transaction costs of:	0.06	0.07	0.05
<b>Performance</b>			
Return after charges	14.58%	10.94%	2.95%
<b>Other information</b>			
Closing net asset value (£'000)	963	911	951
Closing number of shares	1,057,283	1,145,268	1,327,871
Operating charges	1.35%	1.35%	1.33%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	95.08	89.86	77.18
Lowest share price	67.17	71.93	63.90

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

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

Standard Life income <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	166.08	149.76	145.40
Return before operating charges*	(13.57)	18.78	6.40
Operating charges	(0.00)	(0.08)	(0.05)
Return after operating charges*	(13.57)	18.70	6.35
Distributions	-	(2.38)	(1.99)
Redemption value as at 27 March 2020	(152.51)	-	-
Closing net asset value per share	-	166.08	149.76
* after direct transaction costs of:	0.01	0.14	0.12
<b>Performance</b>			
Return after charges	(8.17%)	12.49%	4.37%
<b>Other information</b>			
Closing net asset value (£'000)	-	- <sup>^</sup>	- <sup>^</sup>
Closing number of shares	-	63	63
Operating charges	0.05%	0.05%	0.03%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	172.7	190.4	162.3
Lowest share price	140.4	150.4	134.9

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

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

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

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

<sup>^</sup> The closing net asset value of standard life income is 2020 £104, 2019 £94.

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

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	169.87	151.26	145.15
Return before operating charges*	27.42	18.83	6.28
Operating charges	(0.25)	(0.22)	(0.17)
Return after operating charges*	27.17	18.61	6.11
Distributions	(2.09)	(2.01)	(1.76)
Retained distributions on accumulation shares	2.09	2.01	1.76
Closing net asset value per share	197.04	169.87	151.26
* after direct transaction costs of:	0.14	0.15	0.12
<b>Performance</b>			
Return after charges	15.99%	12.30%	4.21%
<b>Other information</b>			
Closing net asset value (£'000)	1,336	1,209	1,210
Closing number of shares	678,157	711,851	799,650
Operating charges	0.13%	0.13%	0.11%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	205.4	192.0	162.0
Lowest share price	143.7	151.9	134.5

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

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

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

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

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	140.06	125.71	121.59
Return before operating charges*	22.54	15.66	5.26
Operating charges	(1.43)	(1.31)	(1.14)
Return after operating charges*	21.11	14.35	4.12
Distributions	(0.49)	(0.53)	(0.47)
Retained distributions on accumulation shares	0.49	0.53	0.47
Closing net asset value per share	161.17	140.06	125.71
* after direct transaction costs of:	0.11	0.12	0.10
<b>Performance</b>			
Return after charges	15.07%	11.42%	3.39%
<b>Other information</b>			
Closing net asset value (£'000)	20,052	21,316	27,758
Closing number of shares	12,441,600	15,219,096	22,080,869
Operating charges	0.93%	0.93%	0.91%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	168.2	158.3	135.1
Lowest share price	118.4	126.2	112.0

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

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

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

Institutional S accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	76.16	68.19	65.80
Return before operating charges*	12.36	8.60	2.88
Operating charges	(0.68)	(0.63)	(0.49)
Return after operating charges*	11.68	7.97	2.39
Distributions	(0.44)	(0.48)	(0.42)
Retained distributions on accumulation shares	0.44	0.48	0.42
Closing net asset value per share	87.84	76.16	68.19
* after direct transaction costs of:	0.06	0.07	0.05
<b>Performance</b>			
Return after charges	15.34%	11.69%	3.63%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,340	1,340	965
Operating charges	0.81%	0.81%	0.72%
Direct transaction costs	0.07%	0.09%	0.08%
<b>Prices</b>			
Highest share price	91.62	86.09	73.19
Lowest share price	64.38	68.48	60.70

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

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

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

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

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>North American Equities (98.95%)</b>		<b>55,882</b>	<b>97.51</b>
<b>Communication Services (11.49%)</b>		<b>8,655</b>	<b>15.10</b>
2,885	Alphabet 'C'	4,196	7.32
2,903	Charter Communications	1,273	2.22
11,379	Facebook	2,092	3.65
12,747	T-Mobile	1,094	1.91
<b>Consumer Discretionary (12.08%)</b>		<b>6,714</b>	<b>11.72</b>
1,676	Amazon.com	3,704	6.46
7,822	Burlington	1,448	2.53
5,973	Genuine Parts	450	0.79
9,732	Lowe's	1,112	1.94
<b>Consumer Staples (8.83%)</b>		<b>1,201</b>	<b>2.10</b>
7,847	Constellation	1,201	2.10
<b>Energy (3.16%)</b>		<b>1,661</b>	<b>2.90</b>
27,778	ConocoPhillips	1,033	1.80
25,858	Enbridge	628	1.10
<b>Financials (7.11%)</b>		<b>7,042</b>	<b>12.28</b>
66,125	Bank of America	1,640	2.86
8,457	Goldman Sachs	1,932	3.37
16,938	JPMorgan Chase	1,782	3.11
38,230	Schwab (Charles)	1,688	2.94
<b>Health Care (16.58%)</b>		<b>6,323</b>	<b>11.03</b>
27,035	Abbvie	2,083	3.64
58,951	Boston Scientific	1,635	2.85
28,902	Bristol-Myers Squibb	1,267	2.21
20,592	Horizon Therapeutics	1,338	2.33



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Industrials (8.81%)</b>		<b>5,616</b>	<b>9.80</b>
31,262	Allison Transmission	848	1.48
16,592	Emerson Electric	1,019	1.78
10,732	Honeywell International	1,553	2.71
11,219	Hunt (JB) Transport	1,177	2.05
6,714	Kansas City Southern	1,019	1.78
<b>Information Technology (23.79%)</b>		<b>15,232</b>	<b>26.58</b>
20,558	Apple	1,782	3.11
12,739	Fidelity National Information Services	1,257	2.20
14,436	Fiserv	1,191	2.08
8,234	Mastercard	2,082	3.63
29,500	Microsoft	4,899	8.55
8,648	Nice ADR	1,417	2.47
12,140	NXP Semiconductors	1,584	2.76
10,797	Pegasystems	1,020	1.78
<b>Materials (1.33%)</b>		<b>1,062</b>	<b>1.85</b>
5,807	Air Products & Chemicals	1,062	1.85
<b>Real Estate (2.92%)</b>		<b>1,207</b>	<b>2.11</b>
7,810	American Tower REIT	1,207	2.11
<b>Utilities (2.85%)</b>		<b>1,169</b>	<b>2.04</b>
22,247	NextEra Energy	1,169	2.04
<b>Collective Investment Schemes (1.61%)</b>		<b>889</b>	<b>1.55</b>
1,243	Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund Z1 Inc <sup>+</sup>	889	1.55
Total investment assets		56,771	99.06
Net other assets		538	0.94
<b>Total Net Assets</b>		<b>57,309</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.

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

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	9,453	10,342
Revenue	2	973	1,213
Expenses	3	(729)	(852)
Interest payable and similar charges		(1)	-
Net revenue before taxation		243	361
Taxation	4	(140)	(169)
Net revenue after taxation		103	192
<b>Total return before distributions</b>		<b>9,556</b>	<b>10,534</b>
Distributions	5	(131)	(206)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>9,425</b>	<b>10,328</b>

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

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>64,020</b>	<b>94,439</b>
Amounts receivable on the issue of shares	29,137	38,099
Amounts payable on the cancellation of shares	(45,377)	(78,998)
	(16,240)	(40,899)
Dilution adjustment	6	14
Change in net assets attributable to shareholders from investment activities (see above)	9,425	10,328
Retained distribution on accumulation shares	98	138
<b>Closing net assets attributable to shareholders</b>	<b>57,309</b>	<b>64,020</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		56,771	64,376
<b>Current assets:</b>			
Debtors	6	1,475	692
Cash and bank balances	7	40	38
		1,515	730
Total assets		58,286	65,106
<b>Liabilities:</b>			
Creditors	8	(977)	(1,086)
		(977)	(1,086)
Total liabilities		(977)	(1,086)
Net assets attributable to shareholders		57,309	64,020

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	9,666	10,353
Forward currency contracts	(1)	-
Other (losses)/gains	(194)	3
Transaction charges	(18)	(14)
<b>Net capital gains</b>	<b>9,453</b>	<b>10,342</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	6	17
Overseas dividends	925	1,075
Overseas REIT	42	121
<b>Total revenue</b>	<b>973</b>	<b>1,213</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	671	778
Dealing charge	12	12
Registration fees	27	38
	710	828
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	2	3
Depositary's fees	7	11
	9	14
<b>Other:</b>		
Audit fee	10	8
Professional fees	-	2
	10	10
<b>Total expenses</b>	<b>729</b>	<b>852</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	140	169
<b>Total taxation</b>	<b>140</b>	<b>169</b>
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is the greater than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	243	361
Corporation tax at 20% (2020: 20%)	49	72
Effects of:		
Revenue not subject to taxation	(185)	(215)
Overseas taxes	140	170
Overseas tax expensed	(1)	(4)
Excess allowable expenses	137	146
<b>Total tax charge for year (note 4a)</b>	<b>140</b>	<b>169</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,014,000 (2020: £1,876,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2021 £'000	2020 £'000
Distribution	98	138
Add: Income deducted on cancellation of shares	48	99
Deduct: Income received on issue of shares	(15)	(31)
<b>Total distributions for the year</b>	<b>131</b>	<b>206</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	103	192
Shortfall transfer from capital to revenue	28	14
<b>Total distributions</b>	<b>131</b>	<b>206</b>

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

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	48	67
Amounts receivable from the ACD for the issue of shares	47	28
Sales awaiting settlement	1,380	597
<b>Total debtors</b>	<b>1,475</b>	<b>692</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	40	38
	<b>40</b>	<b>38</b>
Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund*	889	1,026
	<b>889</b>	<b>1,026</b>
<b>Net liquidity</b>	<b>929</b>	<b>1,064</b>

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

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	49	60
Accrued expenses payable to the Depositary or associates of the Depositary	4	1
Amounts payable to the ACD for cancellation of shares	115	661
Other accrued expenses	9	12
Purchases awaiting settlement	800	352
<b>Total creditors</b>	<b>977</b>	<b>1,086</b>

## 9. Related Party Transactions

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

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

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

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

## 10. Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	50,921	66,745	68,259	108,123
Collective investment schemes	43,063	66,003	43,162	66,588
Corporate actions	95	-	-	-
<b>Trades in the year before transaction costs</b>	<b>94,079</b>	<b>132,748</b>	<b>111,421</b>	<b>174,711</b>

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Commissions</b>				
Equities	21	27	(26)	(40)
<b>Total commissions</b>	<b>21</b>	<b>27</b>	<b>(26)</b>	<b>(40)</b>
<b>Taxes</b>				
Equities	-	-	(1)	(2)
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(2)</b>
<b>Total transaction costs</b>	<b>21</b>	<b>27</b>	<b>(27)</b>	<b>(42)</b>
<b>Total net trades in the year after transaction costs</b>	<b>94,100</b>	<b>132,775</b>	<b>111,394</b>	<b>174,669</b>

Total transaction costs expressed as a percentage of asset type cost	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.04	0.04	0.04	0.04

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
	0.07	0.09
<b>Commissions</b>		

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.05% (2020: 0.04%), this is representative of the average spread on the assets held during the year.

## 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	19,082,115	11,952,567	(15,549,797)	(23,999)	15,460,886
Institutional accumulation	5,243,013	1,058,097	(3,317,095)	(2,546)	2,981,469
Retail income	1,145,268	63,980	(151,965)	-	1,057,283
Standard Life income	63	-	(63)	-	-
Standard Life accumulation	711,851	112,059	(145,753)	-	678,157
Platform 1 accumulation	15,219,096	4,041,315	(6,849,760)	30,949	12,441,600
Institutional S accumulation	1,340	-	-	-	1,340

## 12. Fair Value Hierarchy

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

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

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

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

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	55,882	-	-	63,350	-	-
Collective Investment Schemes	-	889	-	-	1,026	-
<b>Total investment assets</b>	<b>55,882</b>	<b>889</b>	<b>-</b>	<b>63,350</b>	<b>1,026</b>	<b>-</b>

### 13. Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Canadian Dollar	628	1,853
Euro	4	4
US Dollar	56,808	62,873
<b>Total</b>	<b>57,440</b>	<b>64,730</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £2,872,000 (2020: £3,236,000).

#### Interest rate risk

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

#### Other price risk

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

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

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £2,839,000 (2020: £3,219,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £977,000 (2020: £1,086,000).

### 14. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional S Accumulation class has increased by 11.88% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.



**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.7680	-	0.7680	0.8161
Group 2	0.7129	0.0551	0.7680	0.8161
<b>Retail income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Standard Life income</b>				
Group 1	-	-	-	2.3780
Group 2	-	-	-	2.3780
<b>Standard Life accumulation</b>				
Group 1	2.0915	-	2.0915	2.0129
Group 2	1.7117	0.3798	2.0915	2.0129
<b>Platform 1 accumulation</b>				
Group 1	0.4913	-	0.4913	0.5313
Group 2	0.2683	0.2230	0.4913	0.5313
<b>Institutional S accumulation</b>				
Group 1	0.4402	-	0.4402	0.4835
Group 2	0.4402	-	0.4402	0.4835

**Equalisation**

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

# ASI Emerging Markets Income Equity Fund

For the year ended 28 February 2021

## 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

Over the one-year period to end-February 2021, the fund returned 25.60% (source: Factset, Platform 1 accumulation shares) versus a 26.85% return for its performance target (the MSCI Emerging Markets Index +2%). Meanwhile, the fund's yield was 1.83% over the year, versus a yield target of 2.44% (the MSCI Emerging Markets Index).

The fund's double-digit annual return, despite the dramatic shock from the COVID-19 pandemic at the beginning of 2020, was largely driven by good stock selection, especially in Korea and Taiwan. By sector, the exposure to dividend-growth information technology stocks and high-yielding materials stocks proved helpful.

At the stock level, technology-related holdings contributed most over the reporting period, particularly those in Northeast Asia. High-dividend semiconductor supplier Samsung Electronics, as well as dividend-growth stocks Sk Hynix and Taiwan Semiconductor Manufacturing Co (TSMC) led rally. The improved outlook for memory prices amid tighter supply, with lower inventory levels and lower investment in capacity for chip-makers, supported shares of these companies. Additionally, Taiwan-based semiconductor manufacturer GlobalWafers, another good dividend-yielding stock, also contributed. News of its acquisition of German silicon wafer company Siltronic AG boosted its share price as the move was expected to consolidate the industry and raise its pricing power.

Among materials stocks, holding South Korean electric-vehicle battery maker LG Chem benefited the fund; its share price rose on investors' expectations that the demand for electric vehicles will increase, led by supportive government policies and subsidies globally. Meanwhile, volatile commodity prices earlier in the period saw investors stay away from mining stocks, but the recovery in iron ore prices towards the end of the period underpinned a rebound for the sector. Brazil-based Vale and Grupo Mexico Sab rose, bolstering the Fund's returns. These high-dividend stocks saw decent fourth-quarter earnings, which renewed investors' confidence. Additionally, following Vale's 2019 dam disaster, the company made progress on the ESG front as it set up a division to focus on sustainability issues, which also pleased investors.

Conversely, the main detractor to performance was the fund's underweight to the consumer discretionary sector, particularly online retailers. These stocks performed especially well over the period due to lockdowns and social-distancing measures that

boosted demand for e-commerce services. Hence, the lack of exposure to Chinese online retailers Meituan Dianping, JD.Com and Pinduoduo, as well as internet services provider Baidu, detracted. The Fund's underweight to the sector is due to the lower income appeal of such holdings because technology companies tend not to pay dividends, opting instead to plough profits back to fuel growth and expansion. We maintain a cautious stance here due to technology, regulatory and competitive risks for the sector.

#### Portfolio Activity

In key portfolio activity, in the interim report we had mentioned several attractively valued, dividend-growth stocks introduced into the portfolio in the first half of the period. In the second half, we introduced Indian lender Bandhan Bank; Polish e-commerce-related logistic player InPost; Indian natural gas distribution company Mahanagar Gas; and Chinese online and mobile gaming company Netease, as we see good prospects of market share gains and yield growth for these stocks. We also continued to raise our exposure to companies that we felt could maintain a high dividend yield for shareholders, due to their respective market-leading positions. These included Taiwan-based electronics company Accton Technology Corp; Brazilian brewer Ambev; and fintech firm Kaspi.

Against these, we exited Enel Americas, Hangzhou Hikvision, Xiabu Xiabu and Yandex, due to our lower conviction in these holdings and to fund more compelling opportunities elsewhere.

#### Portfolio Outlook and Strategy

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

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

March 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 28 February 2021.

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

- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The 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.

## Comparative tables

	2021	2020	2019
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.70	78.09	84.43
Return before operating charges*	20.36	6.76	(5.27)
Operating charges	(1.18)	(1.15)	(1.07)
Return after operating charges*	19.18	5.61	(6.34)
Distributions	(1.56)	(1.95)	(1.85)
Retained distributions on accumulation shares	1.56	(1.95)	1.85
Closing net asset value per share	102.88	83.70	78.09
* after direct transaction costs of:	0.08	0.06	0.05
<b>Performance</b>			
Return after charges	22.92%	7.18%	(7.51%)
<b>Other information</b>			
Closing net asset value (£'000)	9,759	5,207	3,555
Closing number of shares	9,485,609	6,220,144	4,552,241
Operating charges	1.35%	1.35%	1.37%
Direct transaction costs	0.09%	0.07%	0.06%
<b>Prices</b>			
Highest share price	110.2	94.48	85.81
Lowest share price	68.68	78.05	70.70

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	87.30	81.05	87.48
Return before operating charges*	21.30	7.03	(5.70)
Operating charges	(0.80)	(0.78)	(0.73)
Return after operating charges*	20.50	6.25	(6.43)
Distributions	(2.05)	(2.45)	(2.13)
Retained distributions on accumulation shares	2.05	2.45	2.13
Closing net asset value per share	107.80	87.30	81.05
* after direct transaction costs of:	0.08	0.06	0.05
<b>Performance</b>			
Return after charges	23.48%	7.71%	(7.35%)
<b>Other information</b>			
Closing net asset value (£'000)	247,080	268,717	278,128
Closing number of shares	229,193,137	307,817,593	343,163,470
Operating charges	0.88%	0.88%	0.90%
Direct transaction costs	0.09%	0.07%	0.06%
<b>Prices</b>			
Highest share price	115.4	98.43	88.92
Lowest share price	71.62	81.08	73.42

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

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

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

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

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	66.88	64.73	72.67
Return before operating charges*	15.88	5.58	(4.70)
Operating charges	(0.92)	(0.94)	(0.90)
Return after operating charges*	14.96	4.64	(5.60)
Distributions	(2.12)	(2.49)	(2.34)
Closing net asset value per share	79.72	66.88	64.73
* after direct transaction costs of:	0.06	0.05	0.04
<b>Performance</b>			
Return after charges	22.37%	7.17%	(7.71%)
<b>Other information</b>			
Closing net asset value (£'000)	281	331	449
Closing number of shares	352,279	495,268	692,966
Operating charges	1.35%	1.35%	1.37%
Direct transaction costs	0.09%	0.07%	0.06%
<b>Prices</b>			
Highest share price	85.88	75.92	73.88
Lowest share price	54.84	64.77	59.49

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

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

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

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

Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	69.85	67.30	75.20
Return before operating charges*	16.65	5.77	(4.93)
Operating charges	(0.62)	(0.64)	(0.62)
Return after operating charges*	16.03	5.13	(5.55)
Distributions	(2.21)	(2.58)	(2.35)
Closing net asset value per share	83.67	69.85	67.30
* after direct transaction costs of:	0.07	0.05	0.04
<b>Performance</b>			
Return after charges	22.95%	7.62%	(7.38%)
<b>Other information</b>			
Closing net asset value (£'000)	4,661	15,926	21,425
Closing number of shares	5,570,988	22,800,995	31,836,444
Operating charges	0.88%	0.88%	0.90%
Direct transaction costs	0.09%	0.07%	0.06%
<b>Prices</b>			
Highest share price	90.12	79.25	76.45
Lowest share price	57.29	67.34	61.73

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

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

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

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



Standard Life income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.03	70.73	78.38
Return before operating charges*	17.74	6.02	(5.18)
Operating charges	(0.03)	(0.03)	(0.05)
Return after operating charges*	17.71	5.99	(5.23)
Distributions	(2.33)	(2.69)	(2.42)
Closing net asset value per share	89.41	74.03	70.73
* after direct transaction costs of:	0.07	0.05	0.04
<b>Performance</b>			
Return after charges	23.92%	8.47%	(6.67%)
<b>Other information</b>			
Closing net asset value (£'000)	7,778	6,288	7,433
Closing number of shares	8,699,618	8,493,356	10,509,712
Operating charges	0.05%	0.05%	0.07%
Direct transaction costs	0.09%	0.07%	0.06%
<b>Prices</b>			
Highest share price	96.28	83.89	79.71
Lowest share price	60.74	70.78	64.66

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

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

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

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

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	91.52	84.39	90.48
Return before operating charges*	22.44	7.25	(5.96)
Operating charges	(0.12)	(0.12)	(0.13)
Return after operating charges*	22.32	7.13	(6.09)
Distributions	(2.85)	(3.19)	(2.77)
Retained distributions on accumulation shares	2.85	3.19	2.77
Closing net asset value per share	113.84	91.52	84.39
* after direct transaction costs of:	0.09	0.06	0.05
<b>Performance</b>			
Return after charges	24.39%	8.45%	(6.73%)
<b>Other information</b>			
Closing net asset value (£'000)	557,363	437,019	402,903
Closing number of shares	489,611,992	477,495,663	477,451,030
Operating charges	0.13%	0.13%	0.15%
Direct transaction costs	0.09%	0.07%	0.06%
<b>Prices</b>			
Highest share price	121.8	103.1	92.04
Lowest share price	75.09	84.46	76.26

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

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

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

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

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	86.91	80.73	87.18
Return before operating charges*	21.19	7.00	(5.68)
Operating charges	(0.84)	(0.82)	(0.77)
Return after operating charges*	20.35	6.18	(6.45)
Distributions	(1.99)	(2.41)	(2.08)
Retained distributions on accumulation shares	1.99	2.41	2.08
Closing net asset value per share	107.26	86.91	80.73
* after direct transaction costs of:	0.08	0.06	0.05
<b>Performance</b>			
Return after charges	23.42%	7.66%	(7.40%)
<b>Other information</b>			
Closing net asset value (£'000)	29,883	30,869	24,027
Closing number of shares	27,860,736	35,518,738	29,763,576
Operating charges	0.93%	0.93%	0.95%
Direct transaction costs	0.09%	0.07%	0.06%
<b>Prices</b>			
Highest share price	114.8	98.00	88.61
Lowest share price	71.29	80.76	73.14

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

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

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

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

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	69.57	67.07	74.99
Return before operating charges*	16.57	5.75	(4.93)
Operating charges	(0.66)	(0.67)	(0.65)
Return after operating charges*	15.91	5.08	(5.58)
Distributions	(2.20)	(2.58)	(2.34)
Closing net asset value per share	83.28	69.57	67.07
* after direct transaction costs of:	0.07	0.05	0.04
<b>Performance</b>			
Return after charges	22.87%	7.57%	(7.44%)
<b>Other information</b>			
Closing net asset value (£'000)	30,624	36,282	27,082
Closing number of shares	36,772,076	52,154,327	40,377,117
Operating charges	0.93%	0.93%	0.95%
Direct transaction costs	0.09%	0.07%	0.06%
<b>Prices</b>			
Highest share price	89.70	78.95	76.24
Lowest share price	57.06	67.11	61.53

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

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

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

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

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (98.69%)</b>		<b>886,445</b>	<b>99.89</b>
<b>Europe, Middle East &amp; African Equities (15.24%)</b>		<b>110,959</b>	<b>12.50</b>
<b>Georgia (1.17%)</b>		<b>5,191</b>	<b>0.58</b>
520,664	Bank of Georgia	5,191	0.58
<b>Hungary (0.54%)</b>		<b>4,147</b>	<b>0.47</b>
4,247,609	Magyar Telekom	4,147	0.47
<b>Luxembourg (0.23%)</b>		-	-
<b>Nigeria (0.67%)</b>		<b>6,233</b>	<b>0.70</b>
7,695,136	Seplat Petroleum Development	6,233	0.70
<b>Poland (0.00%)</b>		<b>6,483</b>	<b>0.73</b>
411,269	InPost	6,483	0.73
<b>Russia (8.53%)</b>		<b>44,485</b>	<b>5.01</b>
6,455,294	Detsky	8,704	0.98
1,355,220	Globaltrans Investment	6,446	0.72
47,602	Lukoil ADR	2,526	0.28
244,274	MMC Norilsk Nickel ADR	5,481	0.62
4,367,009	Sberbank of Russia (Preference)	10,448	1.18
232,269	Severstal	2,996	0.34
339,139	X5 Retail	7,884	0.89
<b>South Africa (3.04%)</b>		<b>35,190</b>	<b>3.97</b>
119,722	Naspers	19,890	2.24
850,250	Sanlam	2,439	0.28
2,187,612	Vodacom	12,861	1.45
<b>Turkey (1.06%)</b>		<b>9,230</b>	<b>1.04</b>
6,047,008	Turkcell Iletisim	9,230	1.04

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Latin America Equities (15.22%)</b>		<b>88,272</b>	<b>9.95</b>
<b>Brazil (6.74%)</b>		<b>43,017</b>	<b>4.85</b>
1,264,608	AmBev	2,274	0.26
3,292,614	Banco Bradesco (Preference)	9,719	1.09
1,389,126	Itaúsa (Preference)	1,774	0.20
900,198	Petrobras (Preference)	2,568	0.29
1,213,014	TAESA	4,756	0.54
591,983	Telefonica Brasil (Preference)	3,343	0.38
1,531,892	Vale	18,583	2.09
<b>Chile (0.81%)</b>		-	-
<b>Mexico (5.84%)</b>		<b>45,255</b>	<b>5.10</b>
2,369,967	Grupo Aeroportuario del Centro Norte	9,788	1.10
1,938,893	Grupo Financiero Banorte	6,965	0.79
6,220,537	Grupo México	21,103	2.38
7,374,499	PLA Administradora Industrial REIT	7,399	0.83
<b>Panama (0.75%)</b>		-	-
<b>Peru (1.08%)</b>		-	-
<b>Pacific Basin Equities (68.23%)</b>		<b>687,214</b>	<b>77.44</b>
<b>China (25.55%)</b>		<b>247,727</b>	<b>27.91</b>
295,187	Alibaba ADR	50,193	5.66
246,370	ANTA Sports Products	2,703	0.30
60,433	Autohome ADR	4,929	0.56
967,500	China Conch Venture	3,078	0.35
32,162,354	China Construction Bank 'H'	18,445	2.08
4,244,000	China Life Insurance 'H'	6,394	0.72
2,285,360	China Merchants Bank 'H'	12,538	1.41
3,885,322	China Petroleum 'H'	1,537	0.17
21,702,584	Dali Foods	9,445	1.06
12,505,988	Goodbaby International	1,361	0.15
1,158,837	Haitian International	2,848	0.32
424,788	Hollysys Automation Technologies	4,573	0.52
108,275	Huazhu ADR	4,505	0.51
82,400	Joinn Laboratories China 'H'	1,048	0.12
920,000	Li Ning	3,698	0.42
4,886,890	NARI Technology 'A'	15,309	1.72
175,213	NetEase ADR	13,725	1.55

			Market Value £'000	Percentage of total net assets
Holding	Investment			
3,832,186	Ping An Insurance 'H'		33,656	3.79
723,500	Tencent		44,195	4.98
14,664,682	Tianhe Chemicals**		-	-
3,594,000	TK		1,001	0.11
1,326,385	Weichai Power 'H'		2,776	0.31
242,365	Wuliangye Yibin 'A'		7,491	0.84
1,488,800	Xinjiang Goldwind Science & Technology 'H'		2,279	0.26
<b>Hong Kong (4.62%)</b>			<b>37,882</b>	<b>4.27</b>
1,898,500	Budweiser Brewing		4,140	0.46
550,950	China Lumena New Materials**		-	-
88,800	China Metal Recycling**		-	-
1,988,965	China Mobile		9,839	1.11
3,681,853	China Resources Land		12,493	1.41
34,853,000	Pacific Basin Shipping		6,202	0.70
2,782,481	SITC		5,208	0.59
<b>India (7.09%)</b>			<b>90,708</b>	<b>10.22</b>
347,540	Bajaj		12,127	1.37
978,136	Bandhan Bank		3,282	0.37
721,284	Crompton Greaves 'C'		2,678	0.30
572,808	Housing Development Finance		14,161	1.60
6,230,000	IRB InvIT		3,294	0.37
4,750,639	ITC		9,412	1.06
613,340	Larsen & Toubro		8,602	0.97
752,418	Mahanagar Gas		8,488	0.96
4,496,135	Power Grid Corp of India		9,356	1.05
317,383	Reliance Industries		6,424	0.72
16,557	Reliance Industries		195	0.02
266,595	Tata Consultancy Services		7,528	0.85
576,875	Tech Mahindra		5,161	0.58
<b>Indonesia (1.93%)</b>			<b>6,223</b>	<b>0.70</b>
26,304,100	Bank Rakyat Indonesia		6,223	0.70

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Kazakhstan (0.00%)</b>		<b>7,325</b>	<b>0.83</b>
145,478	Kaspi	7,325	0.83
<b>Macau (2.35%)</b>		<b>26,941</b>	<b>3.04</b>
8,060,547	Sands China	26,941	3.04
<b>Malaysia (0.40%)</b>		<b>2,718</b>	<b>0.31</b>
8,738,323	UOA Development	2,718	0.31
<b>Philippines (0.00%)</b>		<b>3,900</b>	<b>0.44</b>
17,900,200	Asian Terminals	3,900	0.44
<b>South Korea (12.36%)</b>		<b>128,231</b>	<b>14.45</b>
85,026	LG Chemical (Preference)	21,084	2.38
443,520	Samsung Electronics	23,295	2.62
1,241,839	Samsung Electronics (Preference)	57,556	6.49
234,446	Shinhan Finance	4,918	0.55
238,157	SK Hynix	21,378	2.41
<b>Taiwan (10.57%)</b>		<b>125,678</b>	<b>14.16</b>
714,000	Accton Technology	4,813	0.54
1,912,423	Chroma ATE	10,043	1.13
578,823	Globalwafers	10,999	1.24
4,518,000	Hon Hai Precision	12,994	1.46
665,743	President Chain Store	4,479	0.51
3,391,000	Sunonwealth Electric Machine Industry	4,877	0.55
4,521,899	Taiwan Semiconductors Manufacturing	70,370	7.93
2,364,000	Taiwan Union Technology	7,103	0.80
<b>Thailand (3.36%)</b>		<b>9,881</b>	<b>1.11</b>
938,178	Advanced Info Service (Alien Market)	3,685	0.41
1,992,100	Intouch (Alien Market)	2,624	0.30
7,486,616	Supalai	3,572	0.40



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (0.20%)</b>		-	-
-	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	-	-
Total investment assets		886,445	99.89
Net other assets		984	0.11
<b>Total Net Assets</b>		<b>887,429</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 29 February 2020.

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

<sup>\*\*</sup> Delisted.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	160,415	37,559
Revenue	2	28,026	32,397
Expenses	3	(3,448)	(3,885)
Interest payable and similar charges		(16)	(5)
Net revenue before taxation		24,562	28,507
Taxation	4	(4,514)	(2,507)
Net revenue after taxation		20,048	26,000
<b>Total return before distributions</b>		<b>180,463</b>	<b>63,559</b>
Distributions	5	(22,075)	(26,435)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>158,388</b>	<b>37,124</b>

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

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>800,639</b>	<b>765,002</b>
Amounts receivable on the issue of shares	44,354	58,207
Amounts payable on the cancellation of shares	(135,944)	(83,903)
	(91,590)	(25,696)
Change in net assets attributable to shareholders from investment activities (see above)	158,388	37,124
Retained distribution on accumulation shares	19,992	24,209
<b>Closing net assets attributable to shareholders</b>	<b>887,429</b>	<b>800,639</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		886,445	791,712
<b>Current assets:</b>			
Debtors	6	4,981	5,597
Cash and bank balances	7	2,202	4,545
		7,183	10,142
<b>Total assets</b>		<b>893,628</b>	<b>801,854</b>
<b>Liabilities:</b>			
Provisions for liabilities	8	(1,463)	-
Creditors	9	(1,737)	(820)
Bank overdrafts	7	(2,730)	(8)
Distribution payable		(269)	(387)
		(4,736)	(1,215)
<b>Total liabilities</b>		<b>(6,199)</b>	<b>(1,215)</b>
<b>Net assets attributable to shareholders</b>		<b>887,429</b>	<b>800,639</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	161,031	37,376
Forward currency contracts	38	(88)
Other (losses)/gains	(549)	332
Transaction charges	(105)	(61)
<b>Net capital gains</b>	<b>160,415</b>	<b>37,559</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	8	47
Overseas dividends	25,786	29,082
Overseas REIT	659	972
UK dividends	1,573	2,296
<b>Total revenue</b>	<b>28,026</b>	<b>32,397</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,518	2,888
Dealing charge	34	30
Registration fees	637	651
	3,189	3,569
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	171	204
Depositary's fees	69	69
	240	273
<b>Other:</b>		
Audit fee	9	9
Professional fees	10	34
	19	43
<b>Total expenses</b>	<b>3,448</b>	<b>3,885</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
<b>(a) Analysis of charge in year</b>		
Overseas capital gains tax in capital	118	-
Overseas taxes	2,933	2,507
Total current tax	3,051	2,507
Deferred tax (note 4c)	1,463	-
<b>Total taxation (note 4b)</b>	<b>4,514</b>	<b>2,507</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	24,562	28,507
Corporation tax at 20% (2020: 20%)	4,912	5,701
Effects of:		
Revenue not subject to taxation	(5,285)	(5,929)
Overseas taxes	2,933	2,507
Overseas tax expensed	(43)	(79)
Excess allowable expenses	416	307
Overseas capital gains tax in capital	118	-
Deferred tax	1,463	-
<b>Total tax charge for year (note 4a)</b>	<b>4,514</b>	<b>2,507</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Deferred tax</b>		
Deferred tax charge in statement of total return for year (note 4a)	1,463	-
<b>Provision at the end of the year</b>	<b>1,463</b>	<b>-</b>
<b>(d) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,220,000 (2020: £804,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.		

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

	2021 £'000	2020 £'000
First interim distribution	5,091	7,351
Second interim distribution	7,643	9,565
Third interim distribution	4,225	4,901
Final distribution	4,747	4,433
	21,706	26,250
Add: Income deducted on cancellation of shares	455	420
Deduct: Income received on issue of shares	(86)	(235)
<b>Total distributions for the year</b>	<b>22,075</b>	<b>26,435</b>

	2021 £'000	2020 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	20,048	26,000
Expenses charged to capital	445	435
Overseas capital gains tax	1,581	-
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	-	(1)
<b>Total distributions</b>	<b>22,075</b>	<b>26,435</b>

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

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

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

#### 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	3,208	2,377
Amounts receivable from the ACD for the issue of shares	1,311	1,873
Overseas withholding tax recoverable	430	-
Sales awaiting settlement	32	1,347
<b>Total debtors</b>	<b>4,981</b>	<b>5,597</b>

#### 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	2,202	4,545
	<b>2,202</b>	<b>4,545</b>
<b>Bank overdrafts</b>		
Overdraft at bank	(2,730)	(8)
	<b>(2,730)</b>	<b>(8)</b>
<b>Net liquidity</b>	<b>(528)</b>	<b>4,537</b>

#### 8. Provisions for liabilities

	2021 £'000	2020 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	1,463	-
	<b>1,463</b>	<b>-</b>

## 9. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	279	315
Accrued expenses payable to the Depositary or associates of the Depositary	51	37
Amounts payable to the ACD for cancellation of shares	796	452
Other accrued expenses	9	16
Purchases awaiting settlement	602	-
<b>Total creditors</b>	<b>1,737</b>	<b>820</b>

## 10. Related Party Transactions

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

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

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

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

## 11. Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	227,734	194,180	293,134	190,307
Collective investment schemes	115,877	126,631	117,470	132,234
Corporate actions	55	-	114	416
<b>Trades in the year before transaction costs</b>	<b>343,666</b>	<b>320,811</b>	<b>410,718</b>	<b>322,957</b>
<b>Commissions</b>				
Equities	183	126	(163)	(112)
<b>Total commissions</b>	<b>183</b>	<b>126</b>	<b>(163)</b>	<b>(112)</b>
<b>Taxes</b>				
Equities	125	118	(281)	(181)
<b>Total taxes</b>	<b>125</b>	<b>118</b>	<b>(281)</b>	<b>(181)</b>
<b>Total transaction costs</b>	<b>308</b>	<b>244</b>	<b>(444)</b>	<b>(293)</b>
<b>Total net trades in the year after transaction costs</b>	<b>343,974</b>	<b>321,055</b>	<b>410,274</b>	<b>322,664</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.08	0.07	0.06	0.06
<b>Taxes</b>				
Equities	0.05	0.06	0.10	0.10

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.04	0.03
Taxes	0.05	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.23% (2020: 0.24%), this is representative of the average spread on the assets held during the year.

## 12. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	6,220,144	14,335,083	(11,069,618)	-	9,485,609
Institutional accumulation	307,817,593	5,934,584	(84,579,252)	20,212	229,193,137
Retail income	495,268	486,116	(615,281)	(13,824)	352,279
Institutional income	22,800,995	4,019,579	(21,255,824)	6,238	5,570,988
Standard Life income	8,493,356	2,320,497	(2,114,235)	-	8,699,618
Standard Life accumulation	477,495,663	12,119,149	(2,820)	-	489,611,992
Platform 1 accumulation	35,518,738	6,942,228	(14,579,919)	(20,311)	27,860,736
Platform 1 income	52,154,327	8,351,846	(23,741,079)	6,982	36,772,076

## 13. Fair Value Hierarchy

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

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

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

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

	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3	2020 £'000 Level 1	2020 £'000 Level 2	2020 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	886,445	-	-	790,119	-	-
Collective Investment Schemes	-	-	-	-	1,593	-
<b>Total investment assets</b>	<b>886,445</b>	<b>-</b>	<b>-</b>	<b>790,119</b>	<b>1,593</b>	<b>-</b>



#### 14. Risk Management Policies and Disclosures

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

##### Foreign currency risk

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

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Brazilian Real	43,139	54,661
Chilean Peso	-	6,505
China Renminbi	22,800	2,803
Euro	6,483	-
Hong Kong Dollar	211,305	197,074
Hungarian Forint	4,147	4,317
Indian Rupee	90,130	57,325
Indonesian Rupiah	6,398	15,844
Malaysian Ringgit	2,718	3,165
Mexican Peso	45,521	46,798
Philippines Peso	3,900	-
Russian Ruble	22,148	26,864
South Africa Rand	35,189	24,355
South Korean Won	130,926	100,260
Taiwan Dollar	126,280	87,584
Thai Baht	10,012	27,058
Turkish Lira	8,429	8,496
US Dollar	108,582	120,597
<b>Total</b>	<b>878,107</b>	<b>783,706</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £43,905,000 (2020: £39,185,000).

##### Interest rate risk

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

##### Other price risk

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

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

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £44,249,000 (2020: £39,586,000).

**Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

**Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £6,199,000 (2020: £1,215,000).

**15. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Accumulation class has increased by 2.12% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 May 2020

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Retail accumulation</b>				
Group 1	0.3721	-	0.3721	0.6308
Group 2	0.3309	0.0412	0.3721	0.6308
<b>Institutional accumulation</b>				
Group 1	0.4746	-	0.4746	0.6915
Group 2	0.2757	0.1989	0.4746	0.6915
<b>Retail income</b>				
Group 1	0.4856	-	0.4856	0.6942
Group 2	0.4357	0.0499	0.4856	0.6942
<b>Institutional income</b>				
Group 1	0.5049	-	0.5049	0.7093
Group 2	0.3103	0.1946	0.5049	0.7093
<b>Standard Life income</b>				
Group 1	0.5302	-	0.5302	0.7315
Group 2	0.5302	-	0.5302	0.7315
<b>Standard Life accumulation</b>				
Group 1	0.6422	-	0.6422	0.8585
Group 2	0.6298	0.0124	0.6422	0.8585
<b>Platform 1 accumulation</b>				
Group 1	0.4598	-	0.4598	0.6806
Group 2	0.3101	0.1497	0.4598	0.6806
<b>Platform 1 income</b>				
Group 1	0.5028	-	0.5028	0.7056
Group 2	0.3302	0.1726	0.5028	0.7056

**Second interim dividend distribution**

Group 1 - shares purchased prior to 1 June 2020

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

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	0.6273	-	0.6273	0.7388
Group 2	0.5781	0.0492	0.6273	0.7388
<b>Institutional accumulation</b>				
Group 1	0.7576	-	0.7576	0.9468
Group 2	0.5074	0.2502	0.7576	0.9468
<b>Retail income</b>				
Group 1	0.7102	-	0.7102	0.8875
Group 2	0.1070	0.6032	0.7102	0.8875
<b>Institutional income</b>				
Group 1	0.7398	-	0.7398	0.9177
Group 2	0.2399	0.4999	0.7398	0.9177
<b>Standard Life income</b>				
Group 1	0.7783	-	0.7783	0.9582
Group 2	0.0815	0.6968	0.7783	0.9582
<b>Standard Life accumulation</b>				
Group 1	0.9560	-	0.9560	1.1398
Group 2	0.8902	0.0658	0.9560	1.1398
<b>Platform 1 accumulation</b>				
Group 1	0.7418	-	0.7418	0.9336
Group 2	0.4222	0.3196	0.7418	0.9336
<b>Platform 1 income</b>				
Group 1	0.7367	-	0.7367	0.9159
Group 2	0.3878	0.3489	0.7367	0.9159

**Third interim dividend distribution**

Group 1 - shares purchased prior to 1 September 2020

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

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Retail accumulation</b>				
Group 1	0.2593	-	0.2593	0.3059
Group 2	0.1342	0.1251	0.2593	0.3059
<b>Institutional accumulation</b>				
Group 1	0.3787	-	0.3787	0.4336
Group 2	0.0635	0.3152	0.3787	0.4336
<b>Retail income</b>				
Group 1	0.4262	-	0.4262	0.4762
Group 2	0.1402	0.2860	0.4262	0.4762
<b>Institutional income</b>				
Group 1	0.4436	-	0.4436	0.4951
Group 2	0.1386	0.3050	0.4436	0.4951
<b>Standard Life income</b>				
Group 1	0.4669	-	0.4669	0.5175
Group 2	0.4669	-	0.4669	0.5175
<b>Standard Life accumulation</b>				
Group 1	0.5715	-	0.5715	0.6168
Group 2	0.5562	0.0153	0.5715	0.6168
<b>Platform 1 accumulation</b>				
Group 1	0.3651	-	0.3651	0.4227
Group 2	0.0740	0.2911	0.3651	0.4227
<b>Platform 1 income</b>				
Group 1	0.4417	-	0.4417	0.4941
Group 2	0.1489	0.2928	0.4417	0.4941

**Final dividend distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	0.2991	-	0.2991	0.2728
Group 2	0.1125	0.1866	0.2991	0.2728
<b>Institutional accumulation</b>				
Group 1	0.4395	-	0.4395	0.3740
Group 2	0.1959	0.2436	0.4395	0.3740
<b>Retail income</b>				
Group 1	0.4948	-	0.4948	0.4364
Group 2	0.2443	0.2505	0.4948	0.4364
<b>Institutional income</b>				
Group 1	0.5196	-	0.5196	0.4600
Group 2	0.2685	0.2511	0.5196	0.4600
<b>Standard Life income</b>				
Group 1	0.5516	-	0.5516	0.4801
Group 2	0.5516	-	0.5516	0.4801
<b>Standard Life accumulation</b>				
Group 1	0.6791	-	0.6791	0.5748
Group 2	0.4403	0.2388	0.6791	0.5748
<b>Platform 1 accumulation</b>				
Group 1	0.4241	-	0.4241	0.3726
Group 2	0.1314	0.2927	0.4241	0.3726
<b>Platform 1 income</b>				
Group 1	0.5166	-	0.5166	0.4596
Group 2	0.2544	0.2622	0.5166	0.4596

**Equalisation**

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

# ASI Europe ex UK Growth Equity Fund

For the year ended 28 February 2021

## Investment Objective

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

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

**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 Review

Over the period under review, the fund returned 19.5% (source: Factset, Platform 1 accumulation shares). This compared to a return of 17.6% for our performance target (the FTSE World Europe ex UK Index +3%).

In terms of performance, Dutch semiconductor equipment maker ASML made a significant contribution to the Fund's outperformance. A global shortage of microchips drove demand for its products. We are particularly encouraged by ArcelorMittal's impressive showing, considering the negative outlook for European steel in early 2020. Single-use endoscope maker Ambu added value. The Danish healthcare company's focus on single-use products came into its own during the COVID-19 pandemic. Elsewhere, other notable successes included Nordnet, a new Swedish digital bank and savings platform, internet group Prosus and clean-energy business Siemens Energy. On the downside, a number of holdings were weighed down by the impact of COVID-19 lockdowns. Galp Energia suffered from a weak crude price. Meanwhile, ingredients supplier Kerry Group suffered as some of its key customers, such as Starbucks and McDonald's, were affected by restricted trading. Lastly, some stocks not owned negatively affected relative returns. These included luxury good business LVMH Moët Hennessy and Adyen, a payments solution platform.

## Portfolio Activity

New holdings introduced included Nordnet, the largest online wealth platform in the Nordic region. We also added Allegro, a newly listed Polish online shopping platform similar to Amazon. We introduced consumer staples company Danone. We should see a turnaround in its waters business once Europe exits lockdown. We also believe the move towards plant-based dairy products is underestimated and should benefit the group. We added a position in Tryg to the Fund. The Danish insurer is undergoing a major capital allocation shift with its move to buy RSA's Nordic business. This should allow for steady, profitable growth. A new position was established in Swiss luxury watch manufacturer Swatch. We believe it is undervalued as a result of its precious metals and diamonds stock not reflecting the price rise in precious metals. We also added Schibsted, as it is a growing business that has demonstrated an ability to create value through well targeted acquisitions. In another move, we added steel group ArcelorMittal, where the management team is clearly outlining a change in strategy to focus on value over volume. On the exit side, we took profits in Coloplast. It had performed well during the downturn and was looking expensive. We also sold some of our cyclical holdings that had done well. These included Dutch multinational AkzoNobel and French industrial group Air Liquide. Lastly, we sold Heineken, as we looked to concentrate the Fund's beverages holding in Pernod Ricard, our preferred brand.

### Portfolio Outlook and Strategy

The COVID-19 pandemic will continue to dominate news headlines and shape market sentiment in 2021. Vaccines have given us hope that we are approaching a point of near normality. However, it looks increasingly likely that the first few months of 2021 will be challenging, given the rapidly rising infection rates, the logistical and financial challenges of vaccine access and rollout in most parts of the world. All these could delay a global economic recovery. Elsewhere, investors eagerly await signs of what a Biden presidency may bring, both in terms of priorities for the US economy and foreign policy in the years ahead. We have identified some key themes resulting from the new environment: digitalisation and working from home. These trends look set to continue in the post-pandemic world. There is also an increasing focus on environmental, social and governance issues, energy transition and efficiency. Finally, we have balanced these positions in the Fund with cyclical names where we have identified strong recovery opportunities and solid balance sheets.

March 2021



### Risk and reward profile

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

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

Risk and reward indicator table as at 28 February 2021.

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.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	199.76	184.27	200.91
Return before operating charges*	39.38	18.21	(14.00)
Operating charges	(2.88)	(2.72)	(2.64)
Return after operating charges*	36.50	15.49	(16.64)
Distributions	(0.87)	(2.31)	(2.81)
Retained distributions on accumulation shares	0.87	2.31	2.81
Closing net asset value per share	236.26	199.76	184.27
* after direct transaction costs of:	0.19	0.16	0.19
<b>Performance</b>			
Return after charges	18.27%	8.41%	(8.28%)
<b>Other information</b>			
Closing net asset value (£'000)	33,531	37,111	36,496
Closing number of shares	14,192,113	18,577,912	19,806,111
Operating charges	1.35%	1.35%	1.36%
Direct transaction costs	0.09%	0.08%	0.10%
<b>Prices</b>			
Highest share price	246.7	222.5	212.4
Lowest share price	155.6	183.6	174.2

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	235.22	215.97	234.37
Return before operating charges*	46.51	21.34	(16.37)
Operating charges	(2.21)	(2.09)	(2.03)
Return after operating charges*	44.30	19.25	(18.40)
Distributions	(2.22)	(3.82)	(4.35)
Retained distributions on accumulation shares	2.22	3.82	4.35
Closing net asset value per share	279.52	235.22	215.97
* after direct transaction costs of:	0.22	0.19	0.22
<b>Performance</b>			
Return after charges	18.83%	8.91%	(7.85%)
<b>Other information</b>			
Closing net asset value (£'000)	35,475	32,863	34,181
Closing number of shares	12,691,692	13,971,028	15,826,865
Operating charges	0.88%	0.88%	0.88%
Direct transaction costs	0.09%	0.08%	0.10%
<b>Prices</b>			
Highest share price	291.9	261.9	248.4
Lowest share price	183.3	215.2	204.0

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

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

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

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

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.93	61.54	68.14
Return before operating charges*	13.01	6.07	(4.74)
Operating charges	(0.96)	(0.91)	(0.90)
Return after operating charges*	12.05	5.16	(5.64)
Distributions	(0.28)	(0.77)	(0.96)
Closing net asset value per share	77.70	65.93	61.54
* after direct transaction costs of:	0.06	0.06	0.06
<b>Performance</b>			
Return after charges	18.28%	8.38%	(8.28%)
<b>Other information</b>			
Closing net asset value (£'000)	897	773	629
Closing number of shares	1,155,097	1,172,621	1,022,576
Operating charges	1.35%	1.35%	1.36%
Direct transaction costs	0.09%	0.08%	0.10%
<b>Prices</b>			
Highest share price	81.44	74.30	72.04
Lowest share price	51.36	61.32	59.09

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

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

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

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

Standard Life income <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share			107.26
Return before operating charges*			2.80
Operating charges			(0.06)
Return after operating charges*			2.74
Distributions			-
Retained distributions on accumulation shares			(110.00)
Reemption value as at 14 June 2018			-
* after direct transaction costs of:			0.05
<b>Performance</b>			
Return after charges			2.55%
<b>Other information</b>			
Closing net asset value (£'000)			-
Closing number of shares			-
Operating charges			0.06%
Direct transaction costs			0.10%
<b>Prices</b>			
Highest share price			112.0
Lowest share price			101.5

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

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

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

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

<sup>A</sup> Standard Life income share class closed on 14 June 2018.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	174.55	159.08	171.34
Return before operating charges*	34.66	15.70	(12.03)
Operating charges	(0.24)	(0.23)	(0.23)
Return after operating charges*	34.42	15.47	(12.26)
Distributions	(3.07)	(4.13)	(4.44)
Retained distributions on accumulation shares	3.07	4.13	4.44
Closing net asset value per share	208.97	174.55	159.08
* after direct transaction costs of:	0.16	0.14	0.16
<b>Performance</b>			
Return after charges	19.72%	9.72%	(7.16%)
<b>Other information</b>			
Closing net asset value (£'000)	934	938	1,014
Closing number of shares	446,745	537,339	637,373
Operating charges	0.13%	0.13%	0.14%
Direct transaction costs	0.09%	0.08%	0.10%
<b>Prices</b>			
Highest share price	218.1	194.4	182.2
Lowest share price	136.0	158.6	150.1

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

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

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

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

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	105.24	96.70	104.98
Return before operating charges*	20.81	9.53	(7.32)
Operating charges	(1.06)	(0.99)	(0.96)
Return after operating charges*	19.75	8.54	(8.28)
Distributions	(0.94)	(1.66)	(1.90)
Retained distributions on accumulation shares	0.94	1.66	1.90
Closing net asset value per share	124.99	105.24	96.70
* after direct transaction costs of:	0.10	0.09	0.10
<b>Performance</b>			
Return after charges	18.77%	8.83%	(7.89%)
<b>Other information</b>			
Closing net asset value (£'000)	9,295	8,064	8,614
Closing number of shares	7,436,795	7,662,940	8,908,006
Operating charges	0.93%	0.93%	0.94%
Direct transaction costs	0.09%	0.08%	0.10%
<b>Prices</b>			
Highest share price	130.5	117.2	111.2
Lowest share price	81.99	96.36	91.36

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

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

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

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

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (99.57%)</b>		<b>79,507</b>	<b>99.22</b>
<b>European Equities (99.57%)</b>		<b>79,507</b>	<b>99.22</b>
<b>Austria (2.99%)</b>		<b>2,375</b>	<b>2.96</b>
63,615	BAWAG Group	2,375	2.96
<b>Denmark (7.00%)</b>		<b>6,219</b>	<b>7.76</b>
33,036	Ambu	1,102	1.38
10,611	DSV	1,405	1.75
54,759	Novo Nordisk	2,799	3.49
40,256	Tryg	913	1.14
<b>Finland (0.00%)</b>		<b>1,824</b>	<b>2.28</b>
280,145	Nordea Bank	1,824	2.28
<b>France (28.68%)</b>		<b>23,266</b>	<b>29.03</b>
28,581	Airbus	2,380	2.97
42,766	Alstom	1,535	1.92
30,864	Amundi	1,687	2.10
172,057	AXA	3,106	3.88
33,158	Danone	1,625	2.03
13,699	Pernod Ricard	1,871	2.33
23,674	Schneider Electric	2,524	3.15
8,001	Teleperformance	2,035	2.54
20,574	Thales	1,401	1.75
18,769	Ubisoft Entertainment	1,101	1.37
78,253	Vivendi	1,941	2.42
32,171	Worldline	2,060	2.57
<b>Germany (13.85%)</b>		<b>10,538</b>	<b>13.15</b>
15,132	Deutsche Boerse	1,781	2.22
80,587	RWE	2,190	2.73
25,741	SAP	2,272	2.84
23,358	Siemens	2,593	3.24
62,646	Siemens Energy	1,702	2.12



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Ireland (5.80%)</b>		<b>3,774</b>	<b>4.71</b>
32,245	CRH	1,002	1.25
14,903	Kerry	1,293	1.61
10,687	Paddy Power Betfair	1,479	1.85
<b>Italy (6.54%)</b>		<b>3,543</b>	<b>4.42</b>
327,663	Enel	2,230	2.78
103,817	FinecoBank	1,313	1.64
<b>Luxembourg (0.00%)</b>		<b>1,312</b>	<b>1.64</b>
78,090	ArcelorMittal	1,312	1.64
<b>Netherlands (11.09%)</b>		<b>8,591</b>	<b>10.72</b>
11,289	ASML	4,561	5.69
11,323	Koninklijke DSM	1,342	1.68
31,581	Prosus	2,688	3.35
<b>Norway (1.25%)</b>		<b>1,732</b>	<b>2.16</b>
59,463	Schibsted	1,732	2.16
<b>Portugal (2.27%)</b>		-	-
<b>Spain (2.23%)</b>		<b>1,135</b>	<b>1.42</b>
47,885	Inditex	1,135	1.42
<b>Sweden (2.99%)</b>		<b>4,848</b>	<b>6.05</b>
70,395	Lundin Petroleum	1,638	2.04
134,463	Nordnet	1,739	2.17
28,493	Swedish Match	1,471	1.84
<b>Switzerland (14.88%)</b>		<b>10,350</b>	<b>12.92</b>
48,017	Nestle	3,604	4.50
1,836	Partners	1,582	1.97
13,806	Roche	3,250	4.06
8,938	Swatch	1,914	2.39

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (0.65%)</b>		<b>872</b>	<b>1.09</b>
872	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	872	1.09
Total investment assets		80,379	100.31
Net other liabilities		(247)	(0.31)
<b>Total Net Assets</b>		<b>80,132</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	12,268	6,085
Revenue	2	1,479	2,340
Expenses	3	(821)	(926)
Interest payable and similar charges		(1)	-
Net revenue before taxation		657	1,414
Taxation	4	(73)	(181)
Net revenue after taxation		584	1,233
<b>Total return before distributions</b>		<b>12,852</b>	<b>7,318</b>
Distributions	5	(584)	(1,233)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>12,268</b>	<b>6,085</b>

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

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>79,749</b>	<b>80,934</b>
Amounts receivable on the issue of shares	12,390	1,764
Amounts payable on the cancellation of shares	(24,768)	(10,147)
	(12,378)	(8,383)
Dilution adjustment	6	2
Change in net assets attributable to shareholders from investment activities (see above)	12,268	6,085
Retained distribution on accumulation shares	487	1,111
<b>Closing net assets attributable to shareholders</b>	<b>80,132</b>	<b>79,749</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		80,379	79,928
<b>Current assets:</b>			
Debtors	6	1,629	1,005
Cash and bank balances	7	59	69
		1,688	1,074
Total assets		82,067	81,002
<b>Liabilities:</b>			
Creditors	8	(1,932)	(1,244)
Distribution payable		(3)	(9)
		(1,935)	(1,253)
Total liabilities		(1,935)	(1,253)
<b>Net assets attributable to shareholders</b>		<b>80,132</b>	<b>79,749</b>

## Notes to the financial statements

For the year ended 28 February 2021

### 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	12,285	6,077
Forward currency contracts	-	1
Other (losses)/gains	(6)	18
Transaction charges	(11)	(11)
<b>Net capital gains</b>	<b>12,268</b>	<b>6,085</b>

### 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	13	14
Overseas dividends	1,466	2,326
<b>Total revenue</b>	<b>1,479</b>	<b>2,340</b>

### 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	761	851
Dealing charge	5	4
Registration fees	31	37
	797	892
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	6	9
Depositary's fees	9	14
	15	23
<b>Other:</b>		
Audit fee	9	10
Professional fees	-	1
	9	11
<b>Total expenses</b>	<b>821</b>	<b>926</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
<b>(a) Analysis of charge in year</b>		
Adjustments in respect of prior periods	(149)	-
Overseas taxes	222	181
<b>Total taxation</b>	<b>73</b>	<b>181</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	657	1,414
Corporation tax at 20% (2020: 20%)	131	283
Effects of:		
Revenue not subject to taxation	(281)	(453)
Overseas taxes	222	181
Overseas tax expensed	(2)	(2)
Excess allowable expenses	152	172
Adjustments in respect of prior periods	(149)	-
<b>Total tax charge for year (note 4a)</b>	<b>73</b>	<b>181</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,889,000 (2020: £1,737,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5. Distributions

	2021 £'000	2020 £'000
Distribution	491	1,120
Add: Income deducted on cancellation of shares	174	139
Deduct: Income received on issue of shares	(81)	(26)
<b>Total distributions for the year</b>	<b>584</b>	<b>1,233</b>

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

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	14	-
Amounts receivable from the ACD for the issue of shares	8	50
Overseas withholding tax recoverable	236	309
Sales awaiting settlement	1,371	646
<b>Total debtors</b>	<b>1,629</b>	<b>1,005</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	59	69
	<b>59</b>	<b>69</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	872	522
	<b>872</b>	<b>522</b>
<b>Net liquidity</b>	<b>931</b>	<b>591</b>

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

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	63	72
Accrued expenses payable to the Depositary or associates of the Depositary	3	3
Amounts payable to the ACD for cancellation of shares	139	66
Other accrued expenses	9	11
Purchases awaiting settlement	1,718	1,092
<b>Total creditors</b>	<b>1,932</b>	<b>1,244</b>

## 9. Related Party Transactions

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

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

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

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

## 10. Portfolio Transaction Costs

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

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

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Equities	30,151	26,669	42,671	31,951
Collective investment schemes	21,595	13,419	21,246	15,010
Corporate actions	270	-	-	162
<b>Trades in the year before transaction costs</b>	<b>52,016</b>	<b>40,088</b>	<b>63,917</b>	<b>47,123</b>

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Commissions</b>				
Equities	16	18	(19)	(19)
<b>Total commissions</b>	<b>16</b>	<b>18</b>	<b>(19)</b>	<b>(19)</b>
<b>Taxes</b>				
Equities	31	33	-	-
<b>Total taxes</b>	<b>31</b>	<b>33</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>47</b>	<b>51</b>	<b>(19)</b>	<b>(19)</b>
<b>Total net trades in the year after transaction costs</b>	<b>52,063</b>	<b>40,139</b>	<b>63,898</b>	<b>47,104</b>

Total transaction costs expressed as a percentage of asset type cost	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.05	0.07	0.04	0.06
<b>Taxes</b>				
Equities	0.10	0.12	-	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.05	0.04
Taxes	0.04	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.05% (2020: 0.07%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	18,577,912	830,992	(5,085,930)	(130,861)	14,192,113
Institutional accumulation	13,971,028	3,155,986	(4,435,949)	627	12,691,692
Retail income	1,172,621	176,586	(194,110)	-	1,155,097
Standard Life accumulation	537,339	41,285	(132,605)	726	446,745
Platform 1 accumulation	7,662,940	1,344,508	(1,816,238)	245,585	7,436,795

#### 12. Fair Value Hierarchy

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

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

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

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



	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	79,507	-	-	79,406	-	-
Collective Investment Schemes	-	872	-	-	522	-
<b>Total investment assets</b>	<b>79,507</b>	<b>872</b>	<b>-</b>	<b>79,406</b>	<b>522</b>	<b>-</b>

### 13. Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Danish Krone	6,326	5,727
Euro	56,160	58,299
Norwegian Krone	1,732	995
Swedish Krona	4,847	2,381
Swiss Franc	10,350	11,900
US Dollar	-	29
<b>Total</b>	<b>79,415</b>	<b>79,331</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £3,971,000 (2020: £3,967,000).

#### Interest rate risk

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

#### Other price risk

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

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

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £4,019,000 (2020: £3,996,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £1,935,000 (2020: £1,253,000).

### 14. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Accumulation class has increased by 9.74% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	0.8661	-	0.8661	2.3079
Group 2	-	0.8661	0.8661	2.3079
<b>Institutional accumulation</b>				
Group 1	2.2168	-	2.2168	3.8187
Group 2	0.1802	2.0366	2.2168	3.8187
<b>Retail income</b>				
Group 1	0.2848	-	0.2848	0.7709
Group 2	-	0.2848	0.2848	0.7709
<b>Standard Life accumulation</b>				
Group 1	3.0724	-	3.0724	4.1293
Group 2	1.3265	1.7459	3.0724	4.1293
<b>Platform 1 accumulation</b>				
Group 1	0.9354	-	0.9354	1.6565
Group 2	0.5276	0.4078	0.9354	1.6565

**Equalisation**

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

# ASI Europe ex UK Income Equity Fund

For the year ended 28 February 2021

## 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 Review

Over the 12-month period to the end of February, the fund returned 14.0% (source: Factset, Platform 1 accumulation shares). This compared to a return of 16.5% for our performance target (the FTSE World Europe (ex UK) Index +2%). Meanwhile, the Fund's yield was 2.3% over the 12 months, versus a yield target of 2.9% (the FTSE World Europe ex UK Index). From an income perspective, the fund delivered resilient distributions against a highly challenging backdrop for dividends.

Airbus detracted from returns, as lockdowns to tackle COVID-19 restricted air travel, weighing on the aerospace company's share price. Airbus will likely see its order book shrink, as the cash flows of airlines are under severe pressure. This should force the company to slow down its production line. The French construction-to-telecoms company Bouygues announced weak earnings. Engie, the French energy group, weighed on returns. The company was affected by restructuring costs, as its transition to renewable energy sources continued. It also saw falling energy demand during the COVID-19 pandemic. Lastly, Bayer underperformed. The German life-sciences business was weak on the unsatisfactory resolution of its ongoing glyphosate litigation.

On a more positive note, FincoBank, the online-focused Italian bank, performed well over the period. Management confirmed its commitment to the dividend. Long-term growth has been supported by increased demand for digital services, following COVID-19, and political developments in Italy. Deutsche Post, the German post and parcels business, continued to perform well, as its end markets appear to be recovering well. It also announced encouraging trading numbers and confirmed payment of the delayed dividend payment. Swedish auto manufacturer Volvo demonstrated better-than-expected control over its costs through a challenging period. This fed through into higher profits. There were also encouraging early signs of a recovery in its trucks division.

## Portfolio Activity

We established a holding in retailer Ahold Delhaize. A weak share price from the pandemic-induced sell-off presented an attractive entry point into the Dutch-Belgium supermarket. We expect the business to do well, as it has limited exposure to the non-food sector. Munich Re, the German insurer, was added to the fund, as we like its strong balance sheet, particularly given the outlook of slow economic growth. The business is set up well for an improving operating backdrop, beyond the COVID-19 crises. We purchased Deutsche Telecom, given its attractive dividend yield, improving growth profile and strong restructuring potential due to its holding in T-Mobile US. Engie was reintroduced into the fund, following significant share-price underperformance and our growing conviction around the potential for a material change in the company's strategy. Elsewhere, we also added Daimler to the fund.

The German auto manufacturer's lower spending should see increased cash flow, which should drive dividend growth. Lastly, Swiss luxury goods firm Swatch was another addition. We are expecting it to benefit from better economic conditions.

We exited SES, the Luxembourg-based satellite operator. A ruling in the US stopped the private sale of radio spectrum, with the implication of higher cost for the company. With airlines under severe pressure, we decided to sell Airbus, as the company is likely to see its order book shrink. We sold Sampo, the Finnish insurance company. We were worried about a potential change to the company's dividend policy. The source of our worry was its large shareholding in Nordic bank Nordea, which is undergoing a major restructuring exercise. Finally, we exited Danish healthcare company Coloplast after its strong share-price performance.

#### Portfolio Outlook and Strategy

The outlook for European equity markets is more favourable than it has been for some time. 2021 earnings growth looks attractive and, for first time in a while, is expected to outpace that of the US. We must bear in mind, though, that it has taken unprecedented levels of stimulus to avoid a more severe economic crisis. This debt has to be repaid at some point. This means economic growth and interest rates are likely to remain low while debt levels continue to increase. In our view, markets are likely to remain highly volatile over the medium term. In terms of the outlook for dividends, it is likely that announcements with 2020 results will be cautious, affecting dividend distributions during 2021. However, the commentary on dividends is set to become more bullish throughout the year, with a strong recovery in payouts announced with 2021 results. We believe an active approach to stock picking is the best way to navigate a route through this uncertainty.

March 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 28 February 2021.

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

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund 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.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	129.55	121.83	132.73
Return before operating charges*	18.20	9.49	(9.20)
Operating charges	(1.81)	(1.77)	(1.70)
Return after operating charges*	16.39	7.72	(10.90)
Distributions	(2.91)	(3.00)	(2.97)
Retained distributions on accumulation shares	2.91	3.00	2.97
Closing net asset value per share	145.94	129.55	121.83
* after direct transaction costs of:	0.13	0.15	0.12
<b>Performance</b>			
Return after charges	12.65%	6.34%	(8.21%)
<b>Other information</b>			
Closing net asset value (£'000)	7,866	7,834	8,674
Closing number of shares	5,389,955	6,046,764	7,119,360
Operating charges	1.32%	1.33%	1.33%
Direct transaction costs	0.09%	0.11%	0.09%
<b>Prices</b>			
Highest share price	153.1	143.7	137.9
Lowest share price	101.0	121.5	115.0

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	138.31	129.46	140.38
Return before operating charges*	19.49	10.07	(9.75)
Operating charges	(1.24)	(1.22)	(1.17)
Return after operating charges*	18.25	8.85	(10.92)
Distributions	(3.66)	(3.86)	(3.78)
Retained distributions on accumulation shares	3.66	3.86	3.78
Closing net asset value per share	156.56	138.31	129.46
* after direct transaction costs of:	0.14	0.16	0.13
<b>Performance</b>			
Return after charges	13.19%	6.84%	(7.78%)
<b>Other information</b>			
Closing net asset value (£'000)	290,899	234,392	200,244
Closing number of shares	185,806,699	169,466,115	154,677,587
Operating charges	0.85%	0.86%	0.86%
Direct transaction costs	0.09%	0.11%	0.09%
<b>Prices</b>			
Highest share price	164.1	153.4	146.2
Lowest share price	107.9	129.1	122.1

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

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

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

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

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.60	81.61	92.19
Return before operating charges*	11.56	6.29	(6.23)
Operating charges	(1.14)	(1.16)	(1.16)
Return after operating charges*	10.42	5.13	(7.39)
Distributions	(2.91)	(3.14)	(3.19)
Closing net asset value per share	91.11	83.60	81.61
* after direct transaction costs of:	0.08	0.10	0.08
<b>Performance</b>			
Return after charges	12.46%	6.29%	(8.02%)
<b>Other information</b>			
Closing net asset value (£'000)	1,024	1,195	1,763
Closing number of shares	1,123,399	1,429,628	2,160,145
Operating charges	1.32%	1.33%	1.33%
Direct transaction costs	0.09%	0.11%	0.09%
<b>Prices</b>			
Highest share price	95.78	93.07	94.90
Lowest share price	65.21	80.83	77.53

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

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

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



Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	89.56	87.04	97.85
Return before operating charges*	12.41	6.67	(6.62)
Operating charges	(0.79)	(0.80)	(0.80)
Return after operating charges*	11.62	5.87	(7.42)
Distributions	(3.12)	(3.35)	(3.39)
Closing net asset value per share	98.06	89.56	87.04
* after direct transaction costs of:	0.09	0.10	0.09
<b>Performance</b>			
Return after charges	12.97%	6.74%	(7.58%)
<b>Other information</b>			
Closing net asset value (£'000)	295,361	363,956	460,527
Closing number of shares	301,195,408	406,365,931	529,094,088
Operating charges	0.85%	0.86%	0.86%
Direct transaction costs	0.09%	0.11%	0.09%
<b>Prices</b>			
Highest share price	103.0	99.71	100.8
Lowest share price	69.88	86.31	82.62

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

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

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

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

Standard Life income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	98.02	94.46	105.32
Return before operating charges*	13.63	7.23	(7.18)
Operating charges	(0.02)	(0.03)	(0.03)
Return after operating charges*	13.61	7.20	(7.21)
Distributions	(3.42)	(3.64)	(3.65)
Closing net asset value per share	108.21	98.02	94.46
* after direct transaction costs of:	0.10	0.11	0.09
<b>Performance</b>			
Return after charges	13.88%	7.62%	(6.85%)
<b>Other information</b>			
Closing net asset value (£'000)	9,640	10,849	11,119
Closing number of shares	8,908,507	11,068,360	11,770,889
Operating charges	0.02%	0.03%	0.03%
Direct transaction costs	0.09%	0.11%	0.09%
<b>Prices</b>			
Highest share price	113.6	109.1	108.7
Lowest share price	76.50	93.87	89.54

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

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

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

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

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	149.26	138.66	149.22
Return before operating charges*	21.12	10.77	(10.41)
Operating charges	(0.16)	(0.17)	(0.15)
Return after operating charges*	20.96	10.60	(10.56)
Distributions	(5.15)	(5.28)	(5.12)
Retained distributions on accumulation shares	5.15	5.28	5.12
Closing net asset value per share	170.22	149.26	138.66
* after direct transaction costs of:	0.15	0.17	0.13
<b>Performance</b>			
Return after charges	14.04%	7.64%	(7.08%)
<b>Other information</b>			
Closing net asset value (£'000)	925	1,036	1,040
Closing number of shares	543,399	693,816	749,863
Operating charges	0.10%	0.11%	0.11%
Direct transaction costs	0.09%	0.11%	0.09%
<b>Prices</b>			
Highest share price	178.3	165.5	156.0
Lowest share price	116.5	138.3	130.6

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

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

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

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

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	103.06	96.51	104.72
Return before operating charges*	14.51	7.51	(7.29)
Operating charges	(0.98)	(0.96)	(0.92)
Return after operating charges*	13.53	6.55	(8.21)
Distributions	(2.67)	(2.82)	(2.77)
Retained distributions on accumulation shares	2.67	2.82	2.77
Closing net asset value per share	116.59	103.06	96.51
* after direct transaction costs of:	0.10	0.12	0.09
<b>Performance</b>			
Return after charges	13.13%	6.79%	(7.84%)
<b>Other information</b>			
Closing net asset value (£'000)	29,711	32,101	41,202
Closing number of shares	25,483,898	31,149,268	42,692,928
Operating charges	0.90%	0.91%	0.91%
Direct transaction costs	0.09%	0.11%	0.09%
<b>Prices</b>			
Highest share price	122.2	114.3	109.0
Lowest share price	80.40	96.24	91.06

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

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

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

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

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	77.29	75.14	84.54
Return before operating charges*	10.69	5.77	(5.74)
Operating charges	(0.72)	(0.73)	(0.73)
Return after operating charges*	9.97	5.04	(6.47)
Distributions	(2.69)	(2.89)	(2.93)
Closing net asset value per share	84.57	77.29	75.14
* after direct transaction costs of:	0.08	0.09	0.07
<b>Performance</b>			
Return after charges	12.90%	6.71%	(7.65%)
<b>Other information</b>			
Closing net asset value (£'000)	27,951	31,424	41,309
Closing number of shares	33,049,174	40,659,205	54,973,232
Operating charges	0.90%	0.91%	0.91%
Direct transaction costs	0.09%	0.11%	0.09%
<b>Prices</b>			
Highest share price	88.87	86.04	87.09
Lowest share price	60.30	74.51	71.33

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

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

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

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

Institutional S accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	76.12	71.07	77.49
Return before operating charges*	10.76	5.64	(5.91)
Operating charges	(0.59)	(0.59)	(0.51)
Return after operating charges*	10.17	5.05	(6.42)
Distributions	(2.15)	(2.38)	(2.21)
Retained distributions on accumulation shares	2.15	2.38	2.21
Closing net asset value per share	86.29	76.12	71.07
* after direct transaction costs of:	0.08	0.09	0.07
<b>Performance</b>			
Return after charges	13.36%	7.11%	(8.28%)
<b>Other information</b>			
Closing net asset value (£'000)	1	1	-^
Closing number of shares	1,336	1,336	200
Operating charges	0.73%	0.74%	0.66%
Direct transaction costs	0.09%	0.11%	0.09%
<b>Prices</b>			
Highest share price	90.44	84.39	80.39
Lowest share price	59.38	70.91	67.14

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

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

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

^ The closing net asset value of Institutional S accumulation is £142.

Institutional S income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	59.67	57.90	65.45
Return before operating charges*	8.28	4.45	(4.43)
Operating charges	(0.45)	(0.47)	(0.41)
Return after operating charges*	7.83	3.98	(4.84)
Distributions	(2.09)	(2.21)	(2.71)
Closing net asset value per share	65.41	59.67	57.90
* after direct transaction costs of:	0.06	0.07	0.06
<b>Performance</b>			
Return after charges	13.12%	6.87%	(7.39%)
<b>Other information</b>			
Closing net asset value (£'000)	1	1	-^
Closing number of shares	1,637	1,637	200
Operating charges	0.73%	0.74%	0.66%
Direct transaction costs	0.09%	0.11%	0.09%
<b>Prices</b>			
Highest share price	68.70	66.42	67.35
Lowest share price	46.56	57.43	55.25

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

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

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

^ The closing net asset value of Institutional S income is £116.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (97.11%)</b>		<b>660,651</b>	<b>99.59</b>
<b>European Equities (97.11%)</b>		<b>660,651</b>	<b>99.59</b>
<b>Belgium (0.61%)</b>		-	-
<b>Denmark (6.63%)</b>		<b>42,404</b>	<b>6.39</b>
100,333	Carlsberg	11,403	1.72
443,053	Novo Nordisk	22,646	3.41
368,494	Tryg	8,355	1.26
<b>Finland (5.62%)</b>		<b>63,585</b>	<b>9.59</b>
626,826	Fortum	11,292	1.70
546,333	Kesko	9,970	1.51
137,301	Kone	7,844	1.18
72,784	Neste	3,436	0.52
3,009,080	Nordea Bank	19,588	2.95
417,805	UPM-Kymmene	11,455	1.73
<b>France (20.00%)</b>		<b>93,551</b>	<b>14.10</b>
931,019	AXA	16,808	2.53
335,054	Bouygues	9,759	1.47
1,184,734	Engie	12,430	1.88
18,563	LVMH	8,461	1.28
223,038	Sanofi	14,678	2.21
145,764	Schneider Electric	15,540	2.34
476,562	TOTAL	15,875	2.39
<b>Germany (12.31%)</b>		<b>141,843</b>	<b>21.38</b>
227,040	Bayer	9,862	1.48
255,670	Daimler	14,674	2.21
75,528	Deutsche Boerse	8,888	1.34
683,867	Deutsche Post	24,277	3.66
987,610	Deutsche Telekom	12,848	1.94
65,410	Munich Re	13,777	2.08
746,944	RWE	20,297	3.06
184,012	Siemens	20,423	3.08



			Market Value £'000	Percentage of total net assets
Holding	Investment			
351,447	Siemens Energy		9,550	1.44
158,263	Vonovia		7,247	1.09
Ireland (0.83%)			-	-
Italy (10.75%)			57,162	8.62
3,754,323	Enel		25,554	3.85
1,723,776	FinecoBank		21,805	3.29
1,310,262	Mediobanca		9,803	1.48
Luxembourg (1.03%)			-	-
Netherlands (7.81%)			64,643	9.74
169,142	Akzo Nobel		12,561	1.89
56,361	ASML		22,770	3.43
125,820	Koninklijke DSM		14,916	2.25
434,080	NN Group		14,396	2.17
Norway (5.10%)			14,650	2.21
437,135	Mowi		7,592	1.15
606,615	Telenor		7,058	1.06
Spain (1.32%)			18,702	2.82
1,742,751	Iberdrola		15,758	2.38
124,166	Inditex		2,944	0.44
Sweden (10.35%)			83,250	12.55
195,737	Atlas Copco 'A'		8,035	1.21
746,370	Lundin Petroleum		17,369	2.62
1,099,266	Nordnet		14,213	2.14
236,100	Swedish Match		12,187	1.84
629,429	Tele2		5,716	0.86
1,401,540	Volvo		25,730	3.88

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Switzerland (14.75%)</b>		<b>80,861</b>	<b>12.19</b>
208,031	Nestle	15,614	2.35
16,494	Partners	14,211	2.14
80,459	Roche	18,937	2.86
33,745	Swatch	7,228	1.09
84,735	Zurich	24,871	3.75
<b>Collective Investment Schemes (1.45%)</b>		<b>2,660</b>	<b>0.40</b>
185	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	159	0.02
2,500	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	2,501	0.38
Total investment assets		663,311	99.99
Net other assets		68	0.01
<b>Total Net Assets</b>		<b>663,379</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	58,930	31,826
Revenue	2	24,379	30,094
Expenses	3	(5,344)	(6,334)
Interest payable and similar charges		(23)	(25)
Net revenue before taxation		19,012	23,735
Taxation	4	(2,452)	(2,261)
Net revenue after taxation		16,560	21,474
<b>Total return before distributions</b>		<b>75,490</b>	<b>53,300</b>
Distributions	5	(19,482)	(25,334)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>56,008</b>	<b>27,966</b>

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

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>682,789</b>	<b>765,878</b>
Amounts receivable on the issue of shares	119,610	75,197
Amounts payable on the cancellation of shares	(201,896)	(193,713)
	(82,286)	(118,516)
Dilution adjustment	48	57
Change in net assets attributable to shareholders from investment activities (see above)	56,008	27,966
Retained distribution on accumulation shares	6,820	7,404
<b>Closing net assets attributable to shareholders</b>	<b>663,379</b>	<b>682,789</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		663,311	672,972
<b>Current assets:</b>			
Debtors	6	15,027	11,015
Cash and bank balances	7	1,871	2,058
		16,898	13,073
Total assets		680,209	686,045
<b>Liabilities:</b>			
Creditors	8	(15,861)	(1,419)
Bank overdrafts	7	(178)	(196)
Distribution payable		(791)	(1,641)
		(16,830)	(3,256)
Total liabilities		(16,830)	(3,256)
Net assets attributable to shareholders		663,379	682,789

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	58,166	31,541
Forward currency contracts	(5)	(8)
Other gains	791	316
Transaction charges	(22)	(23)
<b>Net capital gains</b>	<b>58,930</b>	<b>31,826</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	92	25
Overseas dividends	24,287	30,069
<b>Total revenue</b>	<b>24,379</b>	<b>30,094</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	4,688	5,524
Dealing charge	30	37
Registration fees	488	574
	5,206	6,135
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	60	74
Depositary's fees	58	67
	118	141
<b>Other:</b>		
Audit fee	9	9
Professional fees	11	49
	20	58
<b>Total expenses</b>	<b>5,344</b>	<b>6,334</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	2,452	2,261
<b>Total taxation</b>	<b>2,452</b>	<b>2,261</b>
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	19,012	23,735
Corporation tax at 20% (2020: 20%)	3,802	4,747
Effects of:		
Revenue not subject to taxation	(4,857)	(6,014)
Overseas taxes	2,452	2,261
Excess allowable expenses	1,055	1,267
<b>Total tax charge for year (note 4a)</b>	<b>2,452</b>	<b>2,261</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £9,506,000 (2020: £8,451,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2021 £'000	2020 £'000
First interim distribution	9,224	17,543
Second interim distribution	5,548	2,447
Third interim distribution	3,171	2,653
Final distribution	883	2,132
	18,826	24,775
Add: Income deducted on cancellation of shares	757	735
Deduct: Income received on issue of shares	(101)	(176)
<b>Total distributions for the year</b>	<b>19,482</b>	<b>25,334</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	16,560	21,474
Expenses charged to capital	2,915	3,860
Shortfall transfer from capital to revenue	7	-
<b>Total distributions</b>	<b>19,482</b>	<b>25,334</b>

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

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

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

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	166	803
Overseas withholding tax recoverable	2,461	4,087
Sales awaiting settlement	12,400	6,125
<b>Total debtors</b>	<b>15,027</b>	<b>11,015</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	1,871	2,058
	<b>1,871</b>	<b>2,058</b>
<b>Bank overdrafts</b>		
Overdraft at bank	(178)	(196)
	<b>(178)</b>	<b>(196)</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	159	-
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund*	2,501	9,884
	<b>2,660</b>	<b>9,884</b>
<b>Net liquidity</b>	<b>4,353</b>	<b>11,746</b>

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

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	431	486
Accrued expenses payable to the Depositary or associates of the Depositary	16	40
Amounts payable to the ACD for cancellation of shares	1,839	881
Other accrued expenses	9	12
Purchases awaiting settlement	13,566	-
<b>Total creditors</b>	<b>15,861</b>	<b>1,419</b>

## 9. Related Party Transactions

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

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

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

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

# 10. Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	433,925	335,363	494,790	469,550
Collective investment schemes	200,321	174,275	207,870	170,935
Corporate actions	-	-	-	1,418
<b>Trades in the year before transaction costs</b>	<b>634,246</b>	<b>509,638</b>	<b>702,660</b>	<b>641,903</b>
<b>Commissions</b>				
Equities	175	196	(205)	(289)
<b>Total commissions</b>	<b>175</b>	<b>196</b>	<b>(205)</b>	<b>(289)</b>
<b>Taxes</b>				
Equities	207	331	-	-
<b>Total taxes</b>	<b>207</b>	<b>331</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>382</b>	<b>527</b>	<b>(205)</b>	<b>(289)</b>
<b>Total net trades in the year after transaction costs</b>	<b>634,628</b>	<b>510,165</b>	<b>702,455</b>	<b>641,614</b>

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.06	0.04	0.06
<b>Taxes</b>				
Equities	0.05	0.10	-	-

	2021 %	2020 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.06	0.07
Taxes	0.03	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.05% (2020: 0.06%), this is representative of the average spread on the assets held during the year.



## 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	6,046,764	354,345	(1,011,154)	-	5,389,955
Institutional accumulation	169,466,115	68,566,077	(52,234,155)	8,662	185,806,699
Retail income	1,429,628	92,849	(396,771)	(2,307)	1,123,399
Institutional income	406,365,931	7,104,366	(112,229,753)	(45,136)	301,195,408
Standard Life income	11,068,360	1,210,945	(3,370,798)	-	8,908,507
Standard Life accumulation	693,816	41,915	(192,332)	-	543,399
Platform 1 accumulation	31,149,268	1,276,368	(6,930,106)	(11,632)	25,483,898
Platform 1 income	40,659,205	795,690	(8,460,540)	54,819	33,049,174
Institutional S accumulation	1,336	-	-	-	1,336
Institutional S income	1,637	-	-	-	1,637

## 12. Fair Value Hierarchy

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

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

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

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

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	660,651	-	-	663,088	-	-
Collective Investment Schemes	-	2,660	-	-	9,884	-
<b>Total investment assets</b>	<b>660,651</b>	<b>2,660</b>	<b>-</b>	<b>663,088</b>	<b>9,884</b>	<b>-</b>

## 13. Risk Management Policies and Disclosures

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

### Foreign currency risk

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

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Danish Krone	45,119	48,120
Euro	444,732	429,654
Norwegian Krone	14,660	35,649
Swedish Krona	76,661	71,928
Swiss Franc	82,574	100,693
<b>Total</b>	<b>663,746</b>	<b>686,044</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £33,187,000 (2020: £34,302,000).

**Interest rate risk**

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

**Other price risk**

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

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

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £33,166,000 (2020: £33,649,000).

**Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

**Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £16,830,000 (2020: £3,256,000).

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional S Accumulation class has increased by 11.12% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 May 2020

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Retail accumulation</b>				
Group 1	1.5976	-	1.5976	2.6197
Group 2	1.3859	0.2117	1.5976	2.6197
<b>Institutional accumulation</b>				
Group 1	1.8584	-	1.8584	2.9434
Group 2	0.9989	0.8595	1.8584	2.9434
<b>Retail income</b>				
Group 1	1.2839	-	1.2839	2.0301
Group 2	1.0626	0.2213	1.2839	2.0301
<b>Institutional income</b>				
Group 1	1.3763	-	1.3763	2.1664
Group 2	0.8922	0.4841	1.3763	2.1664
<b>Standard Life income</b>				
Group 1	1.5080	-	1.5080	2.3540
Group 2	1.5080	-	1.5080	2.3540
<b>Standard Life accumulation</b>				
Group 1	2.2679	-	2.2679	3.4261
Group 2	1.0899	1.1780	2.2679	3.4261
<b>Platform 1 accumulation</b>				
Group 1	1.3727	-	1.3727	2.1813
Group 2	0.8294	0.5433	1.3727	2.1813
<b>Platform 1 income</b>				
Group 1	1.1876	-	1.1876	1.8701
Group 2	0.6594	0.5282	1.1876	1.8701
<b>Institutional S accumulation</b>				
Group 1	1.0499	-	1.0499	1.7000
Group 2	1.0499	-	1.0499	1.7000
<b>Institutional S income</b>				
Group 1	0.9163	-	0.9163	1.4250
Group 2	0.9163	-	0.9163	1.4250

**Second interim dividend distribution**

Group 1 - shares purchased prior to 1 June 2020

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

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	0.9093	-	0.9093	0.1207
Group 2	0.7004	0.2089	0.9093	0.1207
<b>Institutional accumulation</b>				
Group 1	1.1483	-	1.1483	0.2950
Group 2	0.7002	0.4481	1.1483	0.2950
<b>Retail income</b>				
Group 1	0.8682	-	0.8682	0.3618
Group 2	0.7484	0.1198	0.8682	0.3618
<b>Institutional income</b>				
Group 1	0.9317	-	0.9317	0.3865
Group 2	0.5401	0.3916	0.9317	0.3865
<b>Standard Life income</b>				
Group 1	1.0209	-	1.0209	0.4206
Group 2	0.1516	0.8693	1.0209	0.4206
<b>Standard Life accumulation</b>				
Group 1	1.5495	-	1.5495	0.6022
Group 2	1.0368	0.5127	1.5495	0.6022
<b>Platform 1 accumulation</b>				
Group 1	0.8415	-	0.8415	0.2068
Group 2	0.3213	0.5202	0.8415	0.2068
<b>Platform 1 income</b>				
Group 1	0.8039	-	0.8039	0.3335
Group 2	0.4069	0.3970	0.8039	0.3335
<b>Institutional S accumulation</b>				
Group 1	0.6660	-	0.6660	0.2550
Group 2	0.6660	-	0.6660	0.2550
<b>Institutional S income</b>				
Group 1	0.6255	-	0.6255	0.2500
Group 2	0.6255	-	0.6255	0.2500

**Third interim dividend distribution**

Group 1 - shares purchased prior to 1 September 2020

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

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Retail accumulation</b>				
Group 1	0.4010	-	0.4010	0.1833
Group 2	0.0196	0.3814	0.4010	0.1833
<b>Institutional accumulation</b>				
Group 1	0.6062	-	0.6062	0.3679
Group 2	0.0427	0.5635	0.6062	0.3679
<b>Retail income</b>				
Group 1	0.5411	-	0.5411	0.4067
Group 2	0.0658	0.4753	0.5411	0.4067
<b>Institutional income</b>				
Group 1	0.5808	-	0.5808	0.4344
Group 2	0.1432	0.4376	0.5808	0.4344
<b>Standard Life income</b>				
Group 1	0.6392	-	0.6392	0.4737
Group 2	0.6392	-	0.6392	0.4737
<b>Standard Life accumulation</b>				
Group 1	0.9639	-	0.9639	0.6845
Group 2	0.2076	0.7563	0.9639	0.6845
<b>Platform 1 accumulation</b>				
Group 1	0.4381	-	0.4381	0.2599
Group 2	0.0934	0.3447	0.4381	0.2599
<b>Platform 1 income</b>				
Group 1	0.5010	-	0.5010	0.3749
Group 2	0.0993	0.4017	0.5010	0.3749
<b>Institutional S accumulation</b>				
Group 1	0.3689	-	0.3689	0.2469
Group 2	0.3689	-	0.3689	0.2469
<b>Institutional S income</b>				
Group 1	0.3872	-	0.3872	0.2901
Group 2	0.3872	-	0.3872	0.2901

**Final dividend distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	-	-	-	0.0717
Group 2	-	-	-	0.0717
<b>Institutional accumulation</b>				
Group 1	0.0462	-	0.0462	0.2531
Group 2	0.0092	0.0370	0.0462	0.2531
<b>Retail income</b>				
Group 1	0.2160	-	0.2160	0.3368
Group 2	0.1189	0.0971	0.2160	0.3368
<b>Institutional income</b>				
Group 1	0.2323	-	0.2323	0.3607
Group 2	0.1284	0.1039	0.2323	0.3607
<b>Standard Life income</b>				
Group 1	0.2559	-	0.2559	0.3943
Group 2	0.2559	-	0.2559	0.3943
<b>Standard Life accumulation</b>				
Group 1	0.3679	-	0.3679	0.5663
Group 2	0.2745	0.0934	0.3679	0.5663
<b>Platform 1 accumulation</b>				
Group 1	0.0175	-	0.0175	0.1722
Group 2	0.0060	0.0115	0.0175	0.1722
<b>Platform 1 income</b>				
Group 1	0.2005	-	0.2005	0.3112
Group 2	0.1155	0.0850	0.2005	0.3112
<b>Institutional S accumulation</b>				
Group 1	0.0621	-	0.0621	0.1758
Group 2	0.0621	-	0.0621	0.1758
<b>Institutional S income</b>				
Group 1	0.1576	-	0.1576	0.2412
Group 2	0.1576	-	0.1576	0.2412

**Equalisation**

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

# ASI Europe ex UK Smaller Companies Fund

For the year ended 28 February 2021

## 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 Review

Over the period under review, the fund returned 29.7% (source: Factset, Platform 1 accumulation shares). This compared to a return of 32.2% for our performance target (the EMIX Smaller European Companies ex UK Index +3%).

Our holding in Troax was relatively strong over the period following better-than-expected results. The business has seen good order intake in the warehouse automation segment, as customers press ahead with projects. We believe this market will continue to remain strong as the demand for warehousing – specifically, warehouse automation – will continue to benefit from the move towards online retail. Swiss pharmaceuticals business Bachem performed extremely well following a strong set of results that were well ahead of expectations. The business is experiencing strong growth from its core peptide business and newly established oligonucleotide business. The company upgraded its medium-term earnings guidance. Other strong performers included fragrance manufacturer Interparfums and Dermapharm, a pharmaceutical company.

By contrast, our holding in France-listed nursing home operator Orpea was relatively weak. The business has been negatively affected by COVID-19. Grenke, the German small-ticket IT leasing business, was also weak. It was subject to an attack from a short seller, who made several allegations against the company. Finally, VIB Vermoegen and Hibernia, both real estate investment trust (REIT), also detracted from returns.

### Portfolio Activity

We initiated a position in Italian asset manager Azimut. It has a strong position in its core Italian market and an international network that we believe is underrated by investors. Following the implementation of a new management structure, we believe the business will be able to post faster growth than expected. We also added to our holding in Norma Group, a German joining technology business. The company should benefit from a recovery in its key markets, such as automotive. We topped up German

fork-lift truck manufacturer Jungheinrich. The business has exposure to structural growth in the warehouse market from growing online retail activity and increased automation within warehousing. Elsewhere, we increased our position in Dutch lactic-acid manufacturer Cobion, following a positive management update that highlighted the growth opportunity from using polylactic acid as a compostable bioplastic. On sales, we reduced Bachem for risk-management reasons after its exceptional performance over the last year. We also reduced Finnish retailer Kesko for similar reasons. The investment case for each remains positive. Therefore, we have retained both as core holdings. Lastly, we exited German small-ticket IT leasing business Grenke for reasons outlined above.

#### Portfolio Outlook and Strategy

Stock markets continued to rally on positive COVID-19 vaccine news. Lower-quality and cyclical-value stocks have rebounded the most, with higher-quality and more defensive shares lagging.

Given our consistent preference for quality, growth and momentum stocks, it was not surprising that the Fund lagged the broader stock market. This is how we would expect the Fund to perform given current market conditions. Typically, rotation into value stocks tends to be short-lived in small caps. This is due to investors eventually refocusing on bottom-up, company fundamentals rather than top-down issues, which should fade in due course.

March 2021



### Risk and reward profile

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

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

Risk and reward indicator table as at 28 February 2021.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	285.65	272.58	291.08
Return before operating charges*	85.16	17.11	(14.57)
Operating charges	(4.42)	(4.04)	(3.93)
Return after operating charges*	80.74	13.07	(18.50)
Distributions	(1.02)	(2.99)	(2.74)
Retained distributions on accumulation shares	1.02	2.99	2.74
Closing net asset value per share	366.39	285.65	272.58
* after direct transaction costs of:	0.07	0.15	0.12
<b>Performance</b>			
Return after charges	28.27%	4.79%	(6.36%)
<b>Other information</b>			
Closing net asset value (£'000)	6,047	5,387	5,775
Closing number of shares	1,650,507	1,885,744	2,118,604
Operating charges	1.38%	1.38%	1.37%
Direct transaction costs	0.02%	0.05%	0.04%
<b>Prices</b>			
Highest share price	382.9	315.4	317.4
Lowest share price	221.8	275.0	246.4

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.77	74.83	79.53
Return before operating charges*	23.57	4.67	(3.99)
Operating charges	(0.82)	(0.73)	(0.71)
Return after operating charges*	22.75	3.94	(4.70)
Distributions	(0.47)	(1.01)	(0.94)
Retained distributions on accumulation shares	0.47	1.01	0.94
Closing net asset value per share	101.52	78.77	74.83
* after direct transaction costs of:	0.02	0.04	0.03
<b>Performance</b>			
Return after charges	28.88%	5.27%	(5.91%)
<b>Other information</b>			
Closing net asset value (£'000)	3,532	2,087	12,859
Closing number of shares	3,479,029	2,649,094	17,184,305
Operating charges	0.91%	0.91%	0.90%
Direct transaction costs	0.02%	0.05%	0.04%
<b>Prices</b>			
Highest share price	106.1	86.98	86.94
Lowest share price	61.17	75.50	67.58

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

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

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

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

Institutional income <sup>^</sup>	2021 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	50.00 <sup>^</sup>
Return before operating charges*	4.15
Operating charges	(0.17)
Return after operating charges*	3.98
Closing net asset value per share	53.98
* after direct transaction costs of:	0.00
<b>Performance</b>	
Return after charges	7.96%
<b>Other information</b>	
Closing net asset value (£'000)	1
Closing number of shares	2,000
Operating charges	0.91%
Direct transaction costs	0.02%
<b>Prices</b>	
Highest share price	56.40
Lowest share price	47.05

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

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

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

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

<sup>^</sup> Institutional Income share class was launched on 21 October 2020.

<sup>^</sup> The opening net asset value stated is the share class launch price.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	81.43	76.76	80.98
Return before operating charges*	24.45	4.80	(4.10)
Operating charges	(0.15)	(0.13)	(0.12)
Return after operating charges*	24.30	4.67	(4.22)
Distributions	(0.97)	(1.51)	(1.31)
Retained distributions on accumulation shares	0.97	1.51	1.31
Closing net asset value per share	105.73	81.43	76.76
* after direct transaction costs of:	0.02	0.04	0.03
<b>Performance</b>			
Return after charges	29.84%	6.08%	(5.21%)
<b>Other information</b>			
Closing net asset value (£'000)	1,098	859	712
Closing number of shares	1,038,455	1,055,005	926,978
Operating charges	0.16%	0.16%	0.15%
Direct transaction costs	0.02%	0.05%	0.04%
<b>Prices</b>			
Highest share price	110.5	89.89	88.85
Lowest share price	63.25	77.46	69.23

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

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

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

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

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	309.00	293.64	312.25
Return before operating charges*	92.36	18.39	(15.68)
Operating charges	(3.35)	(3.03)	(2.93)
Return after operating charges*	89.01	15.36	(18.61)
Distributions	(1.77)	(3.88)	(3.62)
Retained distributions on accumulation shares	1.77	3.88	3.62
Closing net asset value per share	398.01	309.00	293.64
* after direct transaction costs of:	0.07	0.16	0.13
<b>Performance</b>			
Return after charges	28.81%	5.23%	(5.96%)
<b>Other information</b>			
Closing net asset value (£'000)	31,536	26,316	32,685
Closing number of shares	7,923,436	8,516,771	11,131,197
Operating charges	0.96%	0.96%	0.95%
Direct transaction costs	0.02%	0.05%	0.04%
<b>Prices</b>			
Highest share price	415.9	341.2	341.2
Lowest share price	239.9	296.3	265.2

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

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

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

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

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>European Equities (98.37%)</b>		<b>40,177</b>	<b>95.17</b>
<b>Belgium (0.57%)</b>		<b>420</b>	<b>0.99</b>
24,489	Fagron	420	0.99
<b>Denmark (5.14%)</b>		<b>1,209</b>	<b>2.86</b>
13,824	SimCorp A/S	1,209	2.86
<b>Finland (4.98%)</b>		<b>1,730</b>	<b>4.10</b>
94,804	Kesko	1,730	4.10
<b>France (18.96%)</b>		<b>6,744</b>	<b>15.98</b>
9,530	Eurazeo	507	1.20
56,885	Interparfums	2,363	5.60
11,715	LISI	207	0.49
20,745	Nexity	729	1.73
13,290	ORPEA	1,148	2.72
7,036	Teleperformance	1,790	4.24
<b>Germany (33.19%)</b>		<b>12,268</b>	<b>29.06</b>
2,203	Amadeus Fire	226	0.53
3,069	Cewe Stiftung & Co	290	0.69
13,265	CTS Eventim	649	1.54
42,493	Dermapharm	2,176	5.15
31,912	Jungheinrich	991	2.35
17,207	Nemetschek	778	1.84
884	New Work	169	0.40
21,091	NORMA	722	1.71
25,398	OHB	774	1.83
66,767	PATRIZIA Immobilien	1,310	3.10
2,768	Rational	1,700	4.03
5,705	Sixt	510	1.21
35,674	Takkt	362	0.86
63,012	VIB Vermoegen REIT	1,611	3.82

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Ireland (6.67%)</b>		<b>2,135</b>	<b>5.06</b>
1,382,428	Hibernia REIT	1,351	3.20
121,281	Irish Continental	445	1.06
114,808	Origin Enterprises	339	0.80
<b>Italy (10.33%)</b>		<b>5,737</b>	<b>13.59</b>
61,676	Azimut	1,018	2.41
177,975	FinecoBank	2,251	5.33
64,203	Interpump	2,120	5.02
21,370	MARR	348	0.83
<b>Luxembourg (1.15%)</b>		<b>515</b>	<b>1.22</b>
9,604	Stabilus	515	1.22
<b>Netherlands (2.08%)</b>		<b>1,043</b>	<b>2.47</b>
25,507	Corbion	1,043	2.47
<b>Norway (1.20%)</b>		<b>672</b>	<b>1.59</b>
50,544	Borregaard	672	1.59
<b>Spain (3.65%)</b>		<b>1,915</b>	<b>4.54</b>
51,241	Almirall	491	1.16
26,712	CIE Automotive	527	1.25
37,042	Fluidra	716	1.70
2,121	Vidrala	181	0.43
<b>Sweden (5.92%)</b>		<b>3,890</b>	<b>9.21</b>
7,151	AddTech 'B'	74	0.17
60,977	Bulten	542	1.28
158,228	Troax	3,274	7.76



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Switzerland (4.53%)</b>		<b>1,899</b>	<b>4.50</b>
4,976	Bachem	1,352	3.20
2,948	Komax	547	1.30
<b>Collective Investment Schemes (1.76%)</b>		<b>1,992</b>	<b>4.72</b>
446	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	384	0.91
1,608	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1,608	3.81
Total investment assets		42,169	99.89
Net other assets		45	0.11
<b>Total Net Assets</b>		<b>42,214</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	9,014	2,738
Revenue	2	439	1,080
Expenses	3	(357)	(454)
Interest payable and similar charges		-	(1)
Net revenue before taxation		82	625
Taxation	4	(5)	(75)
Net revenue after taxation		77	550
<b>Total return before distributions</b>		<b>9,091</b>	<b>3,288</b>
Distributions	5	(181)	(644)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>8,910</b>	<b>2,644</b>

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

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>34,649</b>	<b>52,031</b>
Amounts receivable on the issue of shares	5,019	1,769
Amounts payable on the cancellation of shares	(6,547)	(22,390)
	(1,528)	(20,621)
Dilution adjustment	3	15
Change in net assets attributable to shareholders from investment activities (see above)	8,910	2,644
Retained distribution on accumulation shares	180	580
<b>Closing net assets attributable to shareholders</b>	<b>42,214</b>	<b>34,649</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		42,169	34,693
<b>Current assets:</b>			
Debtors	6	133	87
Cash and bank balances	7	3	2
		136	89
<b>Total assets</b>		<b>42,305</b>	<b>34,782</b>
<b>Liabilities:</b>			
Creditors	8	(91)	(133)
		(91)	(133)
<b>Total liabilities</b>		<b>(91)</b>	<b>(133)</b>
<b>Net assets attributable to shareholders</b>		<b>42,214</b>	<b>34,649</b>

## Notes to the financial statements

For the year ended 28 February 2021

### 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	9,002	2,738
Other gains	23	15
Transaction charges	(11)	(15)
<b>Net capital gains</b>	<b>9,014</b>	<b>2,738</b>

### 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	3	9
Overseas dividends	436	1,071
<b>Total revenue</b>	<b>439</b>	<b>1,080</b>

### 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	301	383
Dealing charge	14	15
Registration fees	25	33
	340	431
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	3	4
Depositary's fees	5	8
	8	12
<b>Other:</b>		
Audit fee	9	9
Professional fees	-	2
	9	11
<b>Total expenses</b>	<b>357</b>	<b>454</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	5	75
<b>Total taxation</b>	<b>5</b>	<b>75</b>
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	82	625
Corporation tax at 20% (2020: 20%)	16	125
Effects of:		
Revenue not subject to taxation	(87)	(214)
Overseas taxes	5	75
Excess allowable expenses	71	89
<b>Total tax charge for year (note 4a)</b>	<b>5</b>	<b>75</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £482,000 (2020: £411,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2021 £'000	2020 £'000
Interim distribution	178	578
Final distribution	2	2
	180	580
Add: Income deducted on cancellation of shares	6	72
Deduct: Income received on issue of shares	(5)	(8)
<b>Total distributions for the year</b>	<b>181</b>	<b>644</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	77	550
Shortfall transfer from capital to revenue	104	94
<b>Total distributions</b>	<b>181</b>	<b>644</b>

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

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	-	1
Amounts receivable from the ACD for the issue of shares	57	18
Overseas withholding tax recoverable	76	68
<b>Total debtors</b>	<b>133</b>	<b>87</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	3	2
	<b>3</b>	<b>2</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund*	384	-
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	1,608	608
<b>Net liquidity</b>	<b>1,995</b>	<b>610</b>

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

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	31	28
Accrued expenses payable to the Depositary or associates of the Depositary	2	-
Amounts payable to the ACD for cancellation of shares	44	93
Other accrued expenses	9	12
Purchases awaiting settlement	5	-
<b>Total creditors</b>	<b>91</b>	<b>133</b>

## 9. Related Party Transactions

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

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

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

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

## 10. Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	2,191	2,770	4,727	21,431
Collective investment schemes	7,709	15,336	6,316	16,923
Corporate actions	-	-	392	-
<b>Trades in the year before transaction costs</b>	<b>9,900</b>	<b>18,106</b>	<b>11,435</b>	<b>38,354</b>

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Commissions</b>				
Equities	3	3	(4)	(20)
<b>Total commissions</b>	<b>3</b>	<b>3</b>	<b>(4)</b>	<b>(20)</b>
<b>Taxes</b>				
Equities	1	-	-	-
<b>Total taxes</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>4</b>	<b>3</b>	<b>(4)</b>	<b>(20)</b>
<b>Total net trades in the year after transaction costs</b>	<b>9,904</b>	<b>18,109</b>	<b>11,431</b>	<b>38,334</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.12	0.10	0.09	0.09
<b>Taxes</b>				
Equities	0.05	-	-	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.02	0.05

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.21% (2020: 0.24%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	1,885,744	72,709	(272,044)	(35,902)	1,650,507
Institutional accumulation	2,649,094	1,180,382	(350,447)	-	3,479,029
Institutional income	-	2,000	-	-	2,000
Standard Life accumulation	1,055,005	254,716	(271,266)	-	1,038,455
Platform 1 accumulation	8,516,771	973,311	(1,599,788)	33,142	7,923,436

## 12. Fair Value Hierarchy

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

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

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

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

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	40,177	-	-	34,085	-	-
Collective Investment Schemes	-	1,992	-	-	608	-
<b>Total investment assets</b>	<b>40,177</b>	<b>1,992</b>	<b>-</b>	<b>34,085</b>	<b>608</b>	<b>-</b>

## 13. Risk Management Policies and Disclosures

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

### Foreign currency risk

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

Currency	Net foreign currency exposure	Net foreign currency exposure
	2021 £'000	2020 £'000
Danish Krone	1,216	1,787
Euro	32,961	28,319
Norwegian Krone	672	426
Swedish Krona	3,885	2,052
Swiss Franc	1,899	1,569
<b>Total</b>	<b>40,633</b>	<b>34,153</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £2,032,000 (2020: £1,708,000).

### Interest rate risk

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

### Other price risk

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

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

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £2,108,000 (2020: £1,735,000).



**Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

**Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £91,000 (2020: £133,000).

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Income class has increased by 14.40% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

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

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	1.0246	-	1.0246	2.9924
Group 2	0.5820	0.4426	1.0246	2.9924
<b>Institutional accumulation</b>				
Group 1	0.4723	-	0.4723	1.0103
Group 2	0.1182	0.3541	0.4723	1.0103
<b>Standard Life accumulation</b>				
Group 1	0.8009	-	0.8009	1.3464
Group 2	0.4939	0.3070	0.8009	1.3464
<b>Platform 1 accumulation</b>				
Group 1	1.7698	-	1.7698	3.8792
Group 2	0.9792	0.7906	1.7698	3.8792

**Final dividend distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.1739	-	0.1739	0.1675
Group 2	0.0645	0.1094	0.1739	0.1675
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

**Equalisation**

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

# ASI Global Balanced Growth Fund

For the year ended 28 February 2021

## Investment Objective

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

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

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

## Investment Policy

### Portfolio Securities:

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

- The fund may also invest in other funds which may use derivatives extensively although these investments shall be in line with fund's overall risk profile.

## Performance Review

Over the period under review, the fund returned 13.4% (source: Factset, Platform 1 accumulation shares). This compared to a return of 10.9% for our performance target (IA Mixed Investment 40-85% Shares Sector Average).

### Equity portfolios

Within the UK, Israel-based online gaming business 888 contributed to performance. The company's shares have performed well during lockdown, helped by strong revenue growth. Fellow gaming business Entain (formerly GVC) was also a beneficiary of better trading for online gaming. Elsewhere, holdings in speciality pharmaceuticals company Indivior contributed to returns. The shares rallied after a positive ruling for its US Department of Justice indictment case about the mis-selling of one of its opioid products, Suboxone Film. Conversely, fashion retailer Superdry detracted from returns, as it was heavily affected by COVID-19. The closure of stores and lockdown restrictions meant that demand for its products declined sharply. In addition, Just Eat's share price was weak over the period, despite seeing positive sales growth throughout lockdown. A large acquisition has stretched its balance sheet, while there is a threat of increased competition from the likes of Uber Eats and Deliveroo. Cinema operator Cineworld was also a significant detractor from performance. The business struggled, as it had to grapple with the impact of movie theatre closures from COVID-19 along with its high debt load.

In the US portfolio, shares in technology firm Marvell rose in response to early evidence of 5G base station revenue opportunities emerging and the company's growing relevance in large data centres. Israel-based NICE also performed well, driven by an increase in demand for cloud-based contact centres. Amazon benefited from its exposure to e-commerce during the pandemic and above-forecast growth in its web services operations. Further, Amazon continued to grow its advertising business and expand operating margins. On the downside, our underweight position in technology company Apple detracted from performance as its share price moved higher. We felt that increasing competition and rising component costs would erode Apple's profitability. Elsewhere, we were underweight the energy sector, as we felt oil prices would suffer during the pandemic. However, we maintained some exposure through Chevron, which hurt performance. Lastly, Boston Scientific sold off after the pandemic created limited demand for its products.

Elsewhere, in Europe, medical device company Ambu performed well, thanks to its exposure to single-use scopes for endoscopic lung procedures. It benefited from the current climate, with fears around contamination limiting the attractions of multi-use systems. Denmark-based wind-farm operator Ørsted contributed to returns. Increasing government commitments to green energy have supported the company's shares. Holdings in ArcelorMittal

also benefited performance. Investors are confident about demand within the steel industry, while the company has a positive cash position. On the downside, holdings in Umicore, the Belgium-based battery maker and recycler, detracted from performance. Fears about delays to the construction of the Tesla gigafactory in Germany and the use of different technologies weighed on the company's share price. Tobacco company Swedish Match also suffered as investors rotated away from more defensive names. Lastly, German software company SAP dragged on performance. The company issued a profit warning after lacklustre third-quarter financial results.

#### Government bond portfolio

The UK government bond portfolio fell over the 12 months. Global government bonds performed well after the initial pandemic response, with central banks cutting policy rates and launching asset purchase programmes in response to the COVID-19 crisis. As a result, yields plummeted into the middle of 2020. However, in the latter half of 2020, yields moved higher amid economies reopening and optimistic vaccine news.

We reduced exposure to interest-rate risk as yields fell. Also, we took profits on many longer-term strategies as profit targets were reached. We adopted a yield-curve steepening strategy, which protected the portfolio over the second half of the year. The US election, Brexit deal and the Democratic Party's success in the Senate all added to positive sentiment towards the end of the period. Further announcements about aggressive fiscal stimulus from major economies (particularly the US) and an acknowledgement that more spending was required in the UK further fuelled optimism over global growth prospects. The resultant sell-off in government bonds in early 2021 was significant, with UK 10-year yields rising 0.62% year to date. While government bonds fell, the portfolio outperformed its comparator benchmark. The portfolio's performance over the review period was driven by strong gains in both dollar-bloc rates markets (particularly the US), while UK rates trading was the top performer over the year.

As yields continue to rise sharply, we look for opportunities to scale up our government bond positions. We remain of the view that yields are ultimately capped by structural factors and aggressive central bank support.

#### Portfolio Activity

After starting a position in Diageo earlier in the year, we increased our exposure, taking advantage of share price weakness. We increased our position in AstraZeneca, as the shares have pulled back somewhat since the middle of 2020. We expect its strong and diversified research and development pipeline will continue to lift earnings. Elsewhere, we increased our exposure to Unilever, as its weighting on the benchmark had increased dramatically. So, we acted to avoid a large underweight position in a high-quality, low-risk position with the potential to deliver mid-to-high single-digit growth over time. Conversely, we exited Boohoo following allegations of poor working conditions in its supply chain. We also sold out of TUI, as we had some concerns about the positioning of the business after the pandemic. In addition, we sold Ei Group (formerly Enterprise Inns), following a successful bid for the company from Stonegate.

Turning to the US, we bought NXP Semiconductors after its shares underperformed relative to peers because of its high debt levels and exposure to auto sales. We consider the debt manageable and view the firm's auto exposure as a secular tailwind, despite the near-term pressures. We also bought T-Mobile, as we believe the synergies created from its merger with Sprint were not fully reflected in its share price. Elsewhere, we added CSX as we expect the rail transportation company to benefit as the economy reopens. In terms of sales, we exited Netflix after it reached our price target. In addition, we sold Booking.com due to concerns about the longevity of the pandemic and its impact on the hotel industry. We sold First Republic Bank after it outperformed the market, driven by profitable loan growth.

In Europe, we purchased oil-refining company Neste. Its bio-diesel exposure should benefit from increasing regulation, particularly in Europe. We also added to Austrian bank BAWAG Group following an analyst recommendation. We added ArcelorMittal, as we see it as an undervalued company with the potential for recovery, while its balance sheet has improved following the recent capital raise. In terms of sales, we sold down Allianz and Julius Baer Group, as we sought to consolidate our financials holdings following the purchase of BAWAG Group. Elsewhere, we exited our position in Coloplast, as we are concerned about future growth opportunities over the short term.

#### Portfolio Outlook and Strategy

Increasing optimism that recent COVID-19 vaccine rollouts may help fuel a sharp economic recovery in 2021 has become the major driving force in markets. In particular, stocks have enjoyed a strong rebound from the low point in March last year. As the economic rebound has begun, investors have generally shifted to small cap and cyclical companies at the expense of more defensive assets. Low interest rates are supportive for equities as well as corporate bonds, and continued fiscal action should provide extra support. Spikes in market volatility are likely, with the potential sources being vaccine setbacks, weak corporate earnings or policy mistakes.

Within fixed income, along with the pandemic, economic factors and politics continue to dominate markets. On the political front, with the Democrats now in control of both houses of Congress, US President Joe Biden now has more leeway to increase fiscal spending, seen as positive for global risk assets. However, in mainland Europe, the slow pace of the vaccine rollout has stoked fears of a weaker economic recovery, which may keep European government bond yields low.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator. The risk and reward indicator changed from 4 to 5 on 31 July 2020.

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

Risk and reward indicator table as at 28 February 2021.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	177.12	167.38	170.99
Return before operating charges*	23.29	11.64	(1.86)
Operating charges	(1.93)	(1.90)	(1.75)
Return after operating charges*	21.36	9.74	(3.61)
Distributions	(1.18)	(2.04)	(2.35)
Retained distributions on accumulation shares	1.18	2.04	2.35
Closing net asset value per share	198.48	177.12	167.38
* after direct transaction costs of:	0.10	0.08	0.08
<b>Performance</b>			
Return after charges	12.06%	5.82%	(2.11%)
<b>Other information</b>			
Closing net asset value (£'000)	333,453	312,938	314,917
Closing number of shares	168,007,029	176,682,881	188,142,906
Operating charges	1.04%	1.05%	1.02%
Direct transaction costs	0.06%	0.04%	0.05%
<b>Prices</b>			
Highest share price	207.5	191.5	181.4
Lowest share price	149.1	168.3	158.5

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

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

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

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

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	199.45	187.70	190.94
Return before operating charges*	26.29	13.03	(2.08)
Operating charges	(1.30)	(1.28)	(1.16)
Return after operating charges*	24.99	11.75	(3.24)
Distributions	(2.21)	(3.14)	(3.43)
Retained distributions on accumulation shares	2.21	3.14	3.43
Closing net asset value per share	224.44	199.45	187.70
* after direct transaction costs of:	0.12	0.09	0.09
<b>Performance</b>			
Return after charges	12.53%	6.26%	(1.70%)
<b>Other information</b>			
Closing net asset value (£'000)	28,919	26,264	24,949
Closing number of shares	12,884,951	13,167,897	13,291,799
Operating charges	0.62%	0.63%	0.60%
Direct transaction costs	0.06%	0.04%	0.05%
<b>Prices</b>			
Highest share price	234.5	215.6	203.0
Lowest share price	167.9	188.8	177.6

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Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	114.59	109.53	113.40
Return before operating charges*	15.03	7.63	(1.16)
Operating charges	(1.25)	(1.24)	(1.16)
Return after operating charges*	13.78	6.39	(2.32)
Distributions	(0.76)	(1.33)	(1.55)
Closing net asset value per share	127.61	114.59	109.53
* after direct transaction costs of:	0.07	0.05	0.05
<b>Performance</b>			
Return after charges	12.03%	5.83%	(2.05%)
<b>Other information</b>			
Closing net asset value (£'000)	1,851	1,697	1,588
Closing number of shares	1,450,488	1,480,510	1,450,215
Operating charges	1.04%	1.05%	1.02%
Direct transaction costs	0.06%	0.04%	0.05%
<b>Prices</b>			
Highest share price	133.6	124.4	120.3
Lowest share price	96.40	110.1	104.2

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

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

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

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

Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	112.93	107.94	111.76
Return before operating charges*	14.82	7.52	(1.15)
Operating charges	(0.74)	(0.73)	(0.67)
Return after operating charges*	14.08	6.79	(1.82)
Distributions	(1.25)	(1.80)	(2.00)
Closing net asset value per share	125.76	112.93	107.94
* after direct transaction costs of:	0.07	0.05	0.05
<b>Performance</b>			
Return after charges	12.47%	6.29%	(1.63%)
<b>Other information</b>			
Closing net asset value (£'000)	799	677	674
Closing number of shares	635,525	599,876	624,600
Operating charges	0.62%	0.63%	0.60%
Direct transaction costs	0.06%	0.04%	0.05%
<b>Prices</b>			
Highest share price	131.9	122.8	118.8
Lowest share price	95.02	108.6	102.9

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

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

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

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

Retail CAT accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	134.00	126.60	129.30
Return before operating charges*	17.61	8.76	(1.40)
Operating charges	(1.41)	(1.36)	(1.30)
Return after operating charges*	16.20	7.40	(2.70)
Distributions	(0.94)	(1.57)	(1.80)
Retained distributions on accumulation shares	0.94	1.57	1.80
Closing net asset value per share	150.20	134.00	126.60
* after direct transaction costs of:	0.08	0.06	0.06
<b>Performance</b>			
Return after charges	12.09%	5.85%	(2.09%)
<b>Other information</b>			
Closing net asset value (£'000)	191,838	177,685	179,691
Closing number of shares	127,722,152	132,602,927	141,937,179
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.06%	0.04%	0.05%
<b>Prices</b>			
Highest share price	157.0	144.9	137.2
Lowest share price	112.8	127.3	119.9

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

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

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

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

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.86	78.57	79.60
Return before operating charges*	11.01	5.40	(0.95)
Operating charges	(0.11)	(0.11)	(0.08)
Return after operating charges*	10.90	5.29	(1.03)
Distributions	(1.30)	(1.69)	(1.77)
Retained distributions on accumulation shares	1.30	1.69	1.77
Closing net asset value per share	94.76	83.86	78.57
* after direct transaction costs of:	0.05	0.04	0.04
<b>Performance</b>			
Return after charges	13.00%	6.73%	(1.29%)
<b>Other information</b>			
Closing net asset value (£'000)	2,482	2,236	2,241
Closing number of shares	2,618,765	2,666,098	2,852,501
Operating charges	0.12%	0.13%	0.10%
Direct transaction costs	0.06%	0.04%	0.05%
<b>Prices</b>			
Highest share price	98.95	90.63	84.80
Lowest share price	70.59	79.03	74.29

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

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

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

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

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.17	88.67	90.24
Return before operating charges*	12.40	6.15	(0.98)
Operating charges	(0.66)	(0.65)	(0.59)
Return after operating charges*	11.74	5.50	(1.57)
Distributions	(1.00)	(1.44)	(1.58)
Retained distributions on accumulation shares	1.00	1.44	1.58
Closing net asset value per share	105.91	94.17	88.67
* after direct transaction costs of:	0.05	0.04	0.04
<b>Performance</b>			
Return after charges	12.47%	6.20%	(1.74%)
<b>Other information</b>			
Closing net asset value (£'000)	18,842	16,590	14,737
Closing number of shares	17,789,313	17,618,030	16,620,905
Operating charges	0.67%	0.68%	0.65%
Direct transaction costs	0.06%	0.04%	0.05%
<b>Prices</b>			
Highest share price	110.7	101.8	95.93
Lowest share price	79.27	89.17	83.91

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

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

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

Highest and Lowest prices are based on official published daily NAVs

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	82.81	79.15	81.95
Return before operating charges*	10.87	5.52	(0.84)
Operating charges	(0.58)	(0.58)	(0.53)
Return after operating charges*	10.29	4.94	(1.37)
Distributions	(0.87)	(1.28)	(1.43)
Closing net asset value per share	92.23	82.81	79.15
* after direct transaction costs of:	0.05	0.04	0.04
<b>Performance</b>			
Return after charges	12.43%	6.24%	(1.67%)
<b>Other information</b>			
Closing net asset value (£'000)	1,330	1,175	1,345
Closing number of shares	1,442,502	1,419,361	1,698,647
Operating charges	0.67%	0.68%	0.65%
Direct transaction costs	0.06%	0.04%	0.05%
<b>Prices</b>			
Highest share price	96.71	90.05	87.11
Lowest share price	69.68	79.60	75.42

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

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

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

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

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (11.05%)</b>		<b>48,919</b>	<b>8.44</b>
<b>Australian Dollar Denominated Bonds (0.00%)</b>		<b>126</b>	<b>0.02</b>
<b>Government Bonds (0.00%)</b>		<b>126</b>	<b>0.02</b>
greater than 25 years to maturity			
133,000	Australia (Commonwealth of) 1.75% 2051	57	0.01
122,000	Australia (Commonwealth of) 3% 2047	69	0.01
<b>Euro Denominated Bonds (0.03%)</b>		<b>265</b>	<b>0.05</b>
<b>Corporate Bonds (0.03%)</b>		<b>265</b>	<b>0.05</b>
less than 5 years to maturity			
100,000	Standard Chartered 0.75% fixed to floating 2023	88	0.02
between 5 and 10 years to maturity			
100,000	Citigroup 1.25% fixed to floating 2026	91	0.02
greater than 25 years to maturity			
100,000	Channel Link Enterprises Finance 1.761% fixed to floating 2050	86	0.01
<b>Sterling Denominated Bonds (7.58%)</b>		<b>40,686</b>	<b>7.02</b>
<b>Corporate Bonds (2.63%)</b>		<b>14,643</b>	<b>2.53</b>
less than 5 years to maturity			
100,000	Banque Federative du Credit Mutuel 1.75% 2024	103	0.02
70,000	Barclays 10% 2021	71	0.01
271,000	BNG Bank 1.625% 2025	285	0.05
100,000	BNP Paribas 3.375% 2026	110	0.02
50,000	British American Tobacco 7.25% 2024	59	0.01
100,000	Citigroup 5.875% 2024	115	0.02
100,000	CPUK 3.588% 2025	106	0.02
100,000	Credit Agricole 7.375% 2023	118	0.02
100,000	Deutsche Bank 2.625% 2024	104	0.02
110,000	Enel 5.625% 2024	128	0.02
100,000	First Abu Dhabi Bank 1.375% 2023	101	0.02
100,000	First Hydro 9% 2021	103	0.02
100,000	Global Switch 4.375% 2022	106	0.02
100,000	Heathrow Funding 7.125% 2024	113	0.02
70,000	Imperial Brands 8.125% 2024	84	0.01

			Market value £'000	Percentage of total net assets
Holding	Investment			
100,000	Intesa Sanpaolo 5.25% 2022		104	0.02
200,000	Intu (SGS) Finance 4.125% 2023		90	0.01
60,000	Lloyds Bank 7.625% 2025		75	0.01
100,000	National Australia Bank 1.375% 2022		101	0.02
271,000	Network Rail 4.75% 2024		305	0.05
150,000	New York Life Global Funding 1% 2021		151	0.03
110,000	Santander UK 3.625% 2026		121	0.02
100,000	Stagecoach Group 4% 2025		106	0.02
100,000	Volkswagen Financial Services 1.125% 2023		100	0.02
100,000	Volkswagen Financial Services 1.625% 2022		101	0.02
100,000	Volkswagen Financial Services 1.875% 2024		102	0.02
100,000	Westfield America Management REIT 2.125% 2025		101	0.02
between 5 and 10 years to maturity				
150,000	ABP 6.25% 2026		181	0.03
120,000	Anheuser-Busch InBev 2.25% 2029		126	0.02
100,000	APT Pipelines 3.5% 2030		111	0.02
100,000	Athene Global Funding 1.75% 2027		100	0.02
100,000	Bank of America 7% 2028		139	0.02
200,000	Barclays 3% 2026		214	0.04
100,000	Bazalgette Finance 2.375% 2027		106	0.02
100,000	BPCE 5.25% 2029		123	0.02
100,000	Citigroup 1.75% 2026		102	0.02
100,000	Clydesdale Bank 4.625% 2026		119	0.02
100,000	Danske Bank 2.25% fixed to floating 2028		102	0.02
100,000	Deutsche Bank 1.875% fixed to floating 2028		98	0.02
100,000	Digital Stout 3.75% 2030		115	0.02
100,000	Heathrow Funding 2.75% 2029		102	0.02
100,000	HSBC 2.625% 2028		106	0.02
100,000	HSBC 3% fixed to floating 2030		107	0.02
53,000	HSBC Bank 5.375% 2030		63	0.01
100,000	ING 1.125% fixed to floating 2028		97	0.02
150,000	innogy Finance 6.25% 2030		204	0.03
100,000	Lloyds Bank 4.875% 2027		123	0.02
100,000	Quadgas Finance 3.375% 2029		106	0.02
100,000	Rabobank 4.625% 2029		119	0.02
100,000	Santander UK 5.75% 2026		124	0.02
100,000	Scentre Management REIT 3.875% 2026		111	0.02
100,000	Shaftesbury Chinatown 2.348% 2027		98	0.02
100,000	South Eastern Power Networks 5.625% 2030		134	0.02
87,000	Southern Gas Networks 4.875% 2029		109	0.02
100,000	Telefonica Emisiones 5.445% 2029		127	0.02



		Market value £'000	Percentage of total net assets
Holding	Investment		
100,000	Tritax Big Box REIT 2.625% 2026	107	0.02
119,000	Unite Group REIT 3.5% 2028	129	0.02
89,000	United Utilities 5.625% 2027	114	0.02
100,000	Virgin Money UK 4% fixed to floating 2027	109	0.02
100,000	Welltower REIT 4.8% 2028	118	0.02
100,000	Westfield Stratford City Finance 1.642% 2026	99	0.02
50,000	Yorkshire Power 7.25% 2028	69	0.01
between 10 and 15 years to maturity			
100,000	Annington Funding 3.685% 2034	115	0.02
100,000	Arqiva 4.882% 2032	91	0.02
110,000	Barclays 3.25% 2033	121	0.02
100,000	BNP Paribas 1.25% 2031	93	0.02
100,000	Broadgate Financing 4.851% 2033	122	0.02
35,000	Canary Wharf Finance 6.455% 2033	8	-
100,000	EDF 6.125% 2034	144	0.02
100,000	Fidelity National Information Services 3.36% 2031	112	0.02
100,000	Gatwick 4.625% 2034	117	0.02
100,000	GlaxoSmithKline 5.25% 2033	140	0.02
100,000	Great Rolling Stock 6.5% 2031	103	0.02
80,000	Greene King FRN 2033	54	0.01
100,000	John Lewis 4.25% 2034	100	0.02
75,000	Octagon Healthcare 5.333% 2035	77	0.01
100,000	Orange 3.25% 2032	113	0.02
70,000	Orange 5.625% 2034	99	0.02
150,000	Telereal 4.0902% fixed to floating 2033	153	0.03
50,000	Telereal 6.1645% 2031	55	0.01
100,000	Time Warner Cable 5.75% 2031	125	0.02
100,000	Wal-Mart 5.25% 2035	147	0.02
between 15 and 25 years to maturity			
100,000	Affordable Housing 2.893% 2043	123	0.02
59,000	Aspire Defence 4.674% 2040 'B'	66	0.01
100,000	Aster Treasury 4.5% 2043	141	0.02
100,000	AT&T 4.875% 2044	128	0.02
100,000	BPHA 4.816% 2044	144	0.02
100,000	Cadent Finance 2.625% 2038	103	0.02
110,000	Connect Plus 2.607% 2039	115	0.02
120,000	Direct Line 9.25% 2042	131	0.02
100,000	Dwr Cymru Financing 2.5% 2036	110	0.02
200,000	E.ON Finance 5.875% 2037	293	0.05
100,000	Eversholt 3.529% 2042	109	0.02

			Market value £'000	Percentage of total net assets
Holding	Investment			
100,000	Gatwick 5.75% 2037		131	0.02
50,000	General Electric 5.375% 2040		66	0.01
90,000	HSBC 6% 2040		124	0.02
110,000	Land Securities 2.625% 2037		115	0.02
100,000	Munich Re 6.625% fixed to floating 2042		107	0.02
110,000	RL Finance 6.125% fixed to floating 2043		122	0.02
100,000	Southern Water Services Finance 3% 2037		106	0.02
100,000	Sovereign Housing Capital 5.705% 2039		156	0.03
100,000	TC Dudgeon Ofeto 3.158% 2038		108	0.02
100,000	Tesco 5.8006% 2040		128	0.02
100,000	Thames Water 5.125% 2037		137	0.02
50,000	Veolia Environment 6.125% 2037		78	0.01
100,000	Verizon Communications 3.375% 2036		114	0.02
100,000	Wheatley 4.375% 2044		131	0.02
greater than 25 years to maturity				
100,000	Aviva 4% fixed to floating 2055		108	0.02
100,000	Aviva 5.125% 2050		117	0.02
100,000	Blend Funding 3.459% 2047		119	0.02
100,000	British American Tobacco 2.25% 2052		74	0.01
100,000	Bromford Housing 3.125% 2048		118	0.02
50,000	Channel Link 6.341% 2046		57	0.01
100,000	EDF 5.125% 2050		146	0.03
50,000	Engie 5% 2060		85	0.01
100,000	Heathrow Funding 2.75% 2049		94	0.02
100,000	Legal & General 5.5% 2064		120	0.02
100,000	NGG 5.625% fixed to floating 2073		114	0.02
100,000	Northern Powergrid Northeast 1.875% 2062 2062		92	0.02
100,000	Optivo Finance 3.283% 2048		117	0.02
100,000	Prudential 5.7% fixed to floating 2063		124	0.02
100,000	SSE 3.625% 2077		103	0.02
100,000	University of Cambridge 2.35% 2078		127	0.02
120,000	Vodafone 3.375% 2049		130	0.02
Perpetual				
111,000	AXA 5.453% fixed to floating Perpetual		128	0.02
100,000	EDF 5.875% fixed to floating Perpetual		112	0.02
100,000	Orange 5.75% fixed to floating Perpetual		109	0.02

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Government Bonds (4.95%)</b>		<b>26,043</b>	<b>4.49</b>
less than 5 years to maturity			
96,000	European Bank for Reconstruction & Development 1.25% 2022	98	0.02
300,000	FMS Wertmanagement 1.125% 2021	302	0.05
100,000	FMS Wertmanagement 1.125% 2023	102	0.02
59,000	Landwirtschaftliche Rentenbank 1.125% 2023	60	0.01
35,000	Nordic Investment Bank 1.125% 2022	36	0.01
1,222,000	UK (Govt of) 0.125% 2023	1,222	0.21
169,000	UK (Govt of) 0.125% 2024	169	0.03
471,000	UK (Govt of) 0.125% 2026	465	0.08
430,000	UK (Govt of) 0.5% 2022	433	0.08
91,000	UK (Govt of) 0.625% 2025	92	0.02
20,000	UK (Govt of) 0.75% 2023	20	-
356,000	UK (Govt of) 1.75% 2022	365	0.06
371,000	UK (Govt of) 2% 2025	399	0.07
320,000	UK (Govt of) 2.25% 2023	337	0.06
566,000	UK (Govt of) 2.75% 2024	616	0.11
406,000	UK (Govt of) 4% 2022	422	0.07
6,000	UK (Govt of) 5% 2025	7	-
432,000	UK (Govt of) 8% 2021	441	0.08
between 5 and 10 years to maturity			
181,000	UK (Govt of) 0.125% 2028	175	0.03
1,153,000	UK (Govt of) 0.375% 2030	1,103	0.19
1,148,000	UK (Govt of) 1.25% 2027	1,200	0.21
650,000	UK (Govt of) 1.5% 2026	687	0.12
563,000	UK (Govt of) 1.625% 2028	604	0.10
481,000	UK (Govt of) 4.25% 2027	599	0.10
1,888,956	UK (Govt of) 4.75% 2030	2,586	0.45
300,000	UK (Govt of) 6% 2028	421	0.07
980,000	UK (Govt of) 0.875% 2029	990	0.17
between 10 and 15 years to maturity			
203,000	UK (Govt of) 0.25% 2031	190	0.03
86,000	UK (Govt of) 0.625% 2035	80	0.01
586,434	UK (Govt of) 4.25% 2032	793	0.14
30,000	UK (Govt of) 4.5% 2034	43	0.01
between 15 and 25 years to maturity			
988,000	UK (Govt of) 0.875% 2046	883	0.15
1,565,000	UK (Govt of) 1.25% 2041	1,540	0.27

		Market value £'000	Percentage of total net assets
Holding	Investment		
458,000	UK (Govt of) 1.75% 2037	494	0.09
200,000	UK (Govt of) 3.25% 2044	275	0.05
140,000	UK (Govt of) 3.5% 2045	201	0.03
461,000	UK (Govt of) 4.25% 2036	659	0.11
440,000	UK (Govt of) 4.25% 2039	659	0.11
189,152	UK (Govt of) 4.25% 2040	287	0.05
328,613	UK (Govt of) 4.5% 2042	526	0.09
206,000	UK (Govt of) 4.75% 2038	323	0.06
greater than 25 years to maturity			
256,000	UK (Govt of) 0.5% 2061	191	0.03
875,000	UK (Govt of) 0.625% 2050	715	0.12
657,927	UK (Govt of) 1.5% 2047	677	0.12
429,000	UK (Govt of) 1.625% 2054	459	0.08
95,000	UK (Govt of) 1.625% 2071	110	0.02
45,000	UK (Govt of) 1.75% 2049	49	0.01
1,090,000	UK (Govt of) 1.75% 2057	1,221	0.21
267,263	UK (Govt of) 2.5% 2065	376	0.06
302,016	UK (Govt of) 3.5% 2068	540	0.09
36,610	UK (Govt of) 3.75% 2052	59	0.01
134,032	UK (Govt of) 4% 2060	244	0.04
86,195	UK (Govt of) 4.25% 2046	140	0.02
198,024	UK (Govt of) 4.25% 2055	358	0.06
Swedish Krona Denominated Bonds (0.20%)		-	-
Government Bonds (0.20%)		-	-
US Dollar Denominated Bonds (3.24%)		7,842	1.35
Corporate Bonds (0.02%)		98	0.01
less than 5 years to maturity			
120,000	Charter Communications 4.908% 2025	98	0.01
Government Bonds (3.22%)		7,744	1.34
greater than 25 years to maturity			
8,477,400	US Treasury 1% Index-Linked 2049	7,744	1.34

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (57.35%)</b>		<b>337,140</b>	<b>58.18</b>
<b>Emerging Market Equities (0.00%)</b>		<b>933</b>	<b>0.16</b>
<b>Argentina (0.00%)</b>		<b>933</b>	<b>0.16</b>
797	MercadoLibre	933	0.16
<b>European Equities (17.25%)</b>		<b>98,307</b>	<b>16.96</b>
<b>Austria (0.38%)</b>		<b>1,467</b>	<b>0.25</b>
39,291	BAWAG Group	1,467	0.25
<b>Belgium (0.37%)</b>		<b>964</b>	<b>0.17</b>
22,840	Umicore	964	0.17
<b>Denmark (1.14%)</b>		<b>6,547</b>	<b>1.13</b>
42,741	Ambu	1,426	0.25
9,536	DSV	1,263	0.22
29,878	Novo Nordisk	1,527	0.26
11,291	Ørsted	1,313	0.23
7,483	Vestas Wind Systems	1,018	0.17
<b>Finland (0.28%)</b>		<b>4,182</b>	<b>0.72</b>
34,264	Fortum	617	0.11
17,518	Kone	1,001	0.17
22,225	Neste	1,049	0.18
232,727	Nordea Bank	1,515	0.26
<b>France (2.24%)</b>		<b>10,291</b>	<b>1.78</b>
12,999	Airbus	1,082	0.19
32,218	Alstom	1,156	0.20
25,399	Amundi	1,388	0.24
58,668	AXA	1,059	0.18
17,815	Danone	873	0.15
18,790	Schneider Electric	2,003	0.35
3,026	Teleperformance	770	0.13
5,451	Thales	371	0.07
9,018	Ubisoft Entertainment	529	0.09
16,551	Worldline	1,060	0.18

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Germany (2.04%)</b>		<b>13,574</b>	<b>2.34</b>
26,459	CTS Eventim	1,294	0.22
10,867	Deutsche Boerse	1,279	0.22
5,852	Hannover Rueck	712	0.12
3,455	Hypoport	1,740	0.30
47,568	Infineon Technology	1,485	0.25
24,012	Jungheinrich (Preference)	745	0.13
12,637	Nemetschek	571	0.10
9,897	Puma	756	0.13
50,450	RWE	1,371	0.24
17,475	SAP	1,543	0.27
47,359	Siemens Energy	1,287	0.22
19,939	Siemens Healthineers	791	0.14
<b>Ireland (1.16%)</b>		<b>5,755</b>	<b>0.99</b>
33,921	CRH	1,050	0.18
193,903	Grafton	1,918	0.33
13,813	Kerry	1,199	0.21
18,982	Medtronic	1,588	0.27
<b>Israel (0.60%)</b>		<b>5,273</b>	<b>0.91</b>
5,978	Cyberark Software	628	0.11
4,136	Fiverr International	799	0.14
12,062	Kornit Digital	975	0.17
57,679	Maytronics	656	0.11
13,521	Nice ADR	2,215	0.38
<b>Italy (0.86%)</b>		<b>3,641</b>	<b>0.63</b>
83,552	Davide Campari-Milano	680	0.12
216,457	Enel	1,473	0.25
77,712	FinecoBank	983	0.17
15,294	Interpump	505	0.09
<b>Luxembourg (0.24%)</b>		<b>2,016</b>	<b>0.35</b>
76,720	ArcelorMittal	1,289	0.22
21,266	Shurgard Self Storage	727	0.13

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Netherlands (3.46%)</b>		<b>20,049</b>	<b>3.46</b>
1,184	Adyen	1,969	0.34
10,851	ASML	4,384	0.76
7,477	Just Eat Takeaway.Com (EUR listing)	519	0.09
17,464	Just Eat Takeaway.Com (UK listing)	1,207	0.21
9,430	Koninklijke DSM	1,118	0.19
20,898	NXP Semiconductors	2,727	0.47
13,612	Prosus	1,159	0.20
122,235	Royal Dutch Shell 'A'	1,766	0.30
312,180	Royal Dutch Shell 'B'	4,331	0.75
15,240	Wolters Kluwer	869	0.15
<b>Norway (0.11%)</b>		<b>1,183</b>	<b>0.20</b>
40,611	Schibsted	1,183	0.20
<b>Poland (0.00%)</b>		<b>653</b>	<b>0.11</b>
52,917	Allegro	653	0.11
<b>Spain (0.86%)</b>		<b>4,053</b>	<b>0.70</b>
19,325	Amadeus	965	0.17
15,176	Cellnex Telecom	593	0.10
27,034	CIE Automotive	534	0.09
138,096	Iberdrola	1,249	0.22
30,042	Inditex	712	0.12
<b>Sweden (0.58%)</b>		<b>4,239</b>	<b>0.73</b>
44,200	Lundin Petroleum	1,029	0.18
103,514	Nordnet	1,338	0.23
15,125	Swedish Match	781	0.13
59,415	Volvo	1,091	0.19
<b>Switzerland (2.93%)</b>		<b>14,420</b>	<b>2.49</b>
85,585	Coca-Cola HBC	1,915	0.33
1,270,897	Glencore	3,694	0.64
522,103	IWG	1,879	0.33
28,865	Nestle	2,167	0.37

Holding	Investment	Market value £'000	Percentage of total net assets
10,664	Novartis	659	0.11
1,045	Partners	900	0.16
7,217	Roche	1,699	0.29
873	Straumann	758	0.13
3,499	Swatch	749	0.13
<b>Japanese Equities (0.08%)</b>		<b>814</b>	<b>0.14</b>
2,400	Keyence	814	0.14
<b>North American Equities (18.95%)</b>		<b>110,912</b>	<b>19.14</b>
<b>Canada (0.56%)</b>		<b>2,712</b>	<b>0.47</b>
46,454	Alimentation Couche-Tard 'B'	1,003	0.17
20,577	Enbridge	500	0.09
28,223	Restaurant Brands International	1,209	0.21
<b>United States (18.39%)</b>		<b>108,200</b>	<b>18.67</b>
26,855	Abbvie	2,069	0.36
10,775	Activision Blizzard	736	0.13
4,096	Adobe	1,346	0.23
8,753	Air Products & Chemicals	1,600	0.28
13,877	Akamai Technologies	937	0.16
22,811	Alliant Energy	753	0.13
47,886	Allison Transmission	1,299	0.22
4,514	Alphabet 'A'	6,522	1.13
3,235	Amazon.com	7,150	1.23
16,493	American Express	1,595	0.28
10,120	American Tower REIT	1,564	0.27
60,971	Apple	5,286	0.91
3,800	Autodesk	750	0.13
6,858	Axon Enterprise	811	0.14
80,466	Bank of America	1,996	0.34
23,568	Baxter International	1,310	0.23
424	Booking	705	0.12
91,995	Boston Scientific	2,551	0.44
30,887	Bristol-Myers Squibb	1,354	0.23
5,354	Broadcom	1,799	0.31
5,134	Burlington	950	0.16
24,208	Chevron	1,730	0.30
32,960	CMS Energy	1,275	0.22



Holding	Investment	Market value £'000	Percentage of total net assets
70,703	Comcast	2,663	0.46
7,462	Constellation	1,142	0.20
17,502	CSX	1,146	0.20
19,223	Dollar Tree	1,350	0.23
24,164	Emerson Electric	1,484	0.26
1,087	Equinix REIT	504	0.09
16,233	Facebook	2,985	0.52
10,862	Fidelity National Information Services	1,071	0.18
20,395	Fiserv	1,683	0.29
14,115	Genuine Parts	1,064	0.18
18,684	Globus Medical	835	0.14
11,563	Goldman Sachs	2,642	0.46
34,262	Hanesbrands	433	0.07
14,033	Honeywell International	2,030	0.35
16,153	Horizon Therapeutics	1,050	0.18
13,010	Hunt (JB) Transport	1,365	0.24
3,170	Insulet	587	0.10
21,383	Intercontinental Exchange	1,687	0.29
21,210	JPMorgan Chase	2,231	0.38
7,833	Kansas City Southern	1,189	0.21
8,451	L3Harris Technologies	1,100	0.19
42,979	Marvell Technology	1,484	0.26
14,779	Mastercard	3,737	0.64
54,312	Microsoft	9,019	1.56
26,600	Mondelez	1,011	0.17
1,699	Netflix	654	0.11
27,276	NextEra Energy	1,433	0.25
6,888	NIKE	664	0.11
13,973	Philip Morris	840	0.14
16,862	Procter & Gamble	1,489	0.26
12,596	Ralph Lauren	1,054	0.18
62,175	Schwab (Charles)	2,744	0.47
27,925	TJX	1,318	0.23
14,536	T-Mobile	1,247	0.22
11,187	United Health	2,655	0.46
5,090	Walt Disney	688	0.12
13,216	Waste Management	1,048	0.18
10,875	Workiva	786	0.14
<b>Pacific Basin Equities (0.88%)</b>		<b>4,324</b>	<b>0.75</b>
<b>Australia (0.08%)</b>		<b>525</b>	<b>0.09</b>
3,611	CSL	525	0.09

Holding	Investment	Market value £'000	Percentage of total net assets
<b>China (0.34%)</b>		<b>1,740</b>	<b>0.30</b>
2,990	Alibaba ADR	508	0.09
1,500	Kuaishou Technology	43	0.01
70,500	Ping An Insurance 'H'	619	0.10
64,361	Wuxi Biologics Cayman	570	0.10
<b>Hong Kong (0.21%)</b>		<b>-</b>	<b>-</b>
<b>New Zealand (0.08%)</b>		<b>634</b>	<b>0.11</b>
9,759	Xero	634	0.11
<b>Taiwan (0.17%)</b>		<b>1,425</b>	<b>0.25</b>
91,571	Taiwan Semiconductors Manufacturing	1,425	0.25
<b>UK Equities (20.19%)</b>		<b>121,850</b>	<b>21.03</b>
<b>Basic Materials (1.08%)</b>		<b>9,399</b>	<b>1.61</b>
54,530	Anglo American	1,512	0.26
48,982	Johnson Matthey	1,496	0.26
64,892	Mondi	1,119	0.19
1,103,276	Petra Diamonds	19	-
75,002	Rio Tinto	4,640	0.79
29,009	Victrex	613	0.11
<b>Consumer Goods (3.93%)</b>		<b>23,397</b>	<b>4.04</b>
37,497	Bellway	1,053	0.18
153,893	British American Tobacco	3,824	0.66
325,341	Countryside Properties	1,514	0.26
179,740	Crest Nicholson	577	0.10
184,799	Diageo	5,197	0.90
32,173	Fever Tree Drinks++	733	0.13
132,431	Inchcape	938	0.16
125,991	JD Sports	1,046	0.18
36,284	Persimmon	939	0.16
46,450	Reckitt Benckiser	2,786	0.48
111,000	Unilever	4,143	0.72
101,566	Watches of Switzerland	647	0.11

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Consumer Services (1.80%)</b>		<b>13,202</b>	<b>2.28</b>
668,085	888	1,981	0.34
5,542	ASOS <sup>++</sup>	310	0.05
324,114	Cineworld	318	0.06
55,178	Dunelm	693	0.12
466,437	FirstGroup <sup>++</sup>	420	0.07
68,767	Go-Ahead	807	0.14
216,106	GVC	3,052	0.53
122,820	Howdens Joinery	855	0.15
55,984	Jet2 <sup>++</sup>	813	0.14
270,444	Moonpig	1,216	0.21
61,557	RELX	1,042	0.18
946,914	Stagecoach	880	0.15
42,697	WH Smith	815	0.14
<b>Financials (4.80%)</b>		<b>27,846</b>	<b>4.81</b>
300,043	Ashmore	1,237	0.21
1,362,637	Barclays	2,174	0.37
75,711	Close Brothers	1,177	0.20
599,857	Grainger	1,611	0.28
702,432	HSBC	2,993	0.52
88,973	Intermediate Capital	1,539	0.27
337,967	John Laing	1,019	0.18
23,831	London Stock Exchange	2,292	0.40
476,610	Melrose Industries	790	0.14
283,088	OSB Group	1,255	0.22
150,118	Phoenix	1,066	0.18
173,892	Prudential	2,448	0.42
417,197	Standard Chartered	1,927	0.33
1,310,182	Standard Life Private Equity Trust	5,359	0.92
98,820	Unite REIT	959	0.17
<b>Health Care (3.08%)</b>		<b>19,505</b>	<b>3.37</b>
98,998	Abcam <sup>++</sup>	1,678	0.29
114,917	AstraZeneca	7,980	1.38
109,992	Clinigen <sup>++</sup>	784	0.14
766,901	ConvaTec	1,444	0.25
26,991	Genus <sup>++</sup>	1,358	0.23
311,760	GlaxoSmithKline	3,712	0.64

	Holding	Investment	Market value £'000	Percentage of total net assets
	1,039,340	Indivior	1,335	0.23
	72,916	NMC Healthcare*	-	-
	87,641	Smith & Nephew	1,214	0.21
<b>Industrials (2.31%)</b>			<b>10,319</b>	<b>1.78</b>
	287,665	Bodycote	2,078	0.36
	102,824	Electrocomponents	997	0.17
	141,543	Euromoney Institutional Investor	1,374	0.24
	383,168	Polypipe	2,107	0.36
	696,041	Rolls-Royce	749	0.13
	474,886	Smith (DS)	1,887	0.33
	216,582	Vesuvius	1,127	0.19
<b>Oil &amp; Gas (1.79%)</b>			<b>8,441</b>	<b>1.46</b>
	1,491,271	BP	4,350	0.75
	658,553	Cairn Energy	1,257	0.22
	218,692	Energean Oil & Gas	1,977	0.34
	286,709	Wood Group	857	0.15
<b>Technology (0.55%)</b>			<b>3,719</b>	<b>0.64</b>
	160,631	Avast	742	0.13
	71,202	AVEVA	2,417	0.42
	38,303	Softcat	560	0.09
<b>Telecommunications (0.41%)</b>			<b>3,067</b>	<b>0.53</b>
	2,514,309	Vodafone	3,067	0.53
<b>Utilities (0.44%)</b>			<b>2,955</b>	<b>0.51</b>
	245,812	National Grid	1,982	0.34
	73,516	SSE	973	0.17
<b>Collective Investment Schemes (26.75%)</b>			<b>140,949</b>	<b>24.32</b>
	1,376,621	Aberdeen Standard SICAV I - Global Government Bond Fund Z Acc <sup>+</sup>	18,926	3.27
	12,046,885	ASI Emerging Markets Income Equity Standard Life Acc <sup>+</sup>	13,806	2.38
	418,582	SLI Emerging Market Local Currency Debt SICAV Z Acc Unhdg <sup>+</sup>	5,177	0.89
	1,408,999	SLI Global Bond SICAV Z Acc <sup>+</sup>	13,072	2.26

Holding	Investment	Market value £'000	Percentage of total net assets
870,211	SLI Total Return Credit SICAV Z Acc <sup>+</sup>	12,275	2.12
71,494,361	SLTM Japan Trust I Acc <sup>+</sup>	38,099	6.57
19,485,488	SLTM Pacific Basin Trust I Acc <sup>+</sup>	39,594	6.83
<b>Derivatives (-0.05%)</b>		<b>(424)</b>	<b>(0.07)</b>
<b>Credit Default Swaps (0.06%)</b>		<b>322</b>	<b>0.06</b>
EUR 5,550,000	Buy iTraxx Europe Series 34 20/12/2025 0%	(542)	(0.09)
EUR 6,170,000	Buy iTraxx Europe Series 34 20/12/2025 0%	(602)	(0.10)
USD 12,182,216	Sell CDX Emerging Markets Series 34 20/12/2025 1%	(336)	(0.06)
EUR 5,550,000	Sell iTraxx Europe Series 34 20/12/2025 5%	542	0.09
EUR 12,907,000	Sell iTraxx Europe Series 34 20/12/2025 5%	1,260	0.22
<b>Forward Currency Contracts (-0.04%)</b>		<b>136</b>	<b>0.02</b>
	Buy AUD 7,511 Sell GBP 4,207 12/04/2021	-	-
	Buy AUD 8,666 Sell GBP 4,898 12/04/2021	-	-
	Buy GBP 142,448 Sell AUD 253,424 12/04/2021	2	-
	Buy GBP 273,124 Sell EUR 304,742 12/04/2021	8	-
	Buy GBP 3,147 Sell SEK 35,717 12/04/2021	-	-
	Buy GBP 826,421 Sell SEK 9,295,768 12/04/2021	35	0.01
	Buy GBP 104,360 Sell USD 141,980 12/04/2021	3	-
	Buy GBP 14,652,126 Sell USD 19,934,038 12/04/2021	398	0.07
	Buy SEK 9,331,537 Sell GBP 823,371 12/04/2021	(29)	-
	Buy USD 3,441 Sell GBP 2,519 12/04/2021	-	-
	Buy USD 19,934,038 Sell GBP 14,535,175 12/04/2021	(281)	(0.06)
<b>Futures (-0.07%)</b>		<b>(882)</b>	<b>(0.15)</b>
8	Long Australia 10 Year Bond Future 15/03/2021	(18)	-
134	Long Australia 10 Year Bond Future 15/03/2021	(728)	(0.13)
278	Long FTSE 100 Index Future 19/03/2021	(83)	(0.01)
9	Long Long Gilt Future 28/06/2021	(4)	-
1	Long Long Gilt Future 28/06/2021	(1)	-
62	Long MSCI Emerging Markets Index Future 19/03/2021	196	0.03
2	Long US Ultra Bond (CBT) Future 21/06/2021	(2)	-
(93)	Short Euro Stoxx 50 Future 19/03/2021	(80)	(0.01)
(20)	Short Euro-BTP Future 08/03/2021	16	-
(5)	Short Japan 10 Year Bond Future (TSE) 15/03/2021	48	0.01
(54)	Short Long Gilt Future 28/06/2021	54	0.01
(44)	Short S&P 500 E-mini Future 19/03/2021	(170)	(0.03)
(23)	Short Topix Index Future 11/03/2021	(132)	(0.02)

Holding	Investment	Market value £'000	Percentage of total net assets
(13)	Short US 10 Year Ultra Future 21/06/2021	12	-
(16)	Short US 5 Year Note (CBT) Future 30/06/2021	10	-
Total investment assets and liabilities		526,584	90.87
Net other assets		52,930	9.13
<b>Total Net Assets</b>		<b>579,514</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\*\* AIM listed.

\* Suspended.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	59,703	25,686
Revenue	2	9,423	12,692
Expenses	3	(5,352)	(5,504)
Interest payable and similar charges	4	(19)	(5)
Net revenue before taxation		4,052	7,183
Taxation	5	(262)	(526)
Net revenue after taxation		3,790	6,657
<b>Total return before distributions</b>		<b>63,493</b>	<b>32,343</b>
Distributions	6	(3,790)	(6,657)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>59,703</b>	<b>25,686</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>539,262</b>	<b>540,142</b>
Amounts receivable on the issue of shares	7,196	6,163
Amounts payable on the cancellation of shares	(30,377)	(39,250)
	(23,181)	(33,087)
Dilution adjustment	-	6
Change in net assets attributable to shareholders from investment activities (see above)	59,703	25,686
Retained distribution on accumulation shares	3,730	6,515
<b>Closing net assets attributable to shareholders</b>	<b>579,514</b>	<b>539,262</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		529,592	516,199
<b>Current assets:</b>			
Debtors	7	7,456	1,709
Cash and bank balances	8	54,399	28,906
		61,855	30,615
Total assets		591,447	546,814
<b>Liabilities:</b>			
Investment liabilities		(3,008)	(3,365)
Creditors	9	(8,424)	(3,505)
Bank overdrafts	8	(490)	(665)
Distribution payable		(11)	(17)
		(8,925)	(4,187)
Total liabilities		(11,933)	(7,552)
Net assets attributable to shareholders		579,514	539,262



## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	55,977	29,403
Derivative contracts	3,129	(3,184)
Forward currency contracts	1,101	(470)
Other losses	(467)	(27)
Transaction charges	(37)	(36)
<b>Net capital gains</b>	<b>59,703</b>	<b>25,686</b>

## 2. Revenue

	2021 £'000	2020 £'000
ACD fee rebate on collective investment scheme holdings	591	569
Bank and margin interest	29	187
Derivative revenue	-	6
<b>Income from Overseas Collective Investment Schemes</b>		
Franked income	87	-
Unfranked income	1,304	556
<b>Income from UK Collective Investment Schemes</b>		
Franked income	1,005	918
Interest on debt securities	932	830
Overseas dividends	2,481	3,937
Overseas REIT	58	77
UK dividends	2,936	5,498
UK REIT	-	114
<b>Total revenue</b>	<b>9,423</b>	<b>12,692</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	5,218	5,373
Dealing charge	10	8
Registration fees	39	38
	5,267	5,419
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	23	18
Depositary's fees	50	53
	73	71

	2021 £'000	2020 £'000
<b>Other:</b>		
Audit fee	12	13
Professional fees	-	1
	12	14
<b>Total expenses</b>	<b>5,352</b>	<b>5,504</b>

Irrecoverable VAT is included in the above expenses where relevant.

#### 4. Interest Payable and Similar Charges

	2021 £'000	2020 £'000
Derivative expense	14	-
Interest payable	5	5
<b>Total interest payable &amp; similar charges</b>	<b>19</b>	<b>5</b>

#### 5. Taxation

	2021 £'000	2020 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	262	526
<b>Total taxation (note 5b)</b>	<b>262</b>	<b>526</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	4,052	7,183
Corporation tax at 20% (2020: 20%)	810	1,437
Effects of:		
Revenue not subject to taxation	(1,301)	(2,063)
Overseas taxes	262	526
Overseas tax expensed	(2)	(3)
Excess allowable expenses	493	629
<b>Total tax charge for year (note 5a)</b>	<b>262</b>	<b>526</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £5,959,000 (2020: £5,466,000 (restated)) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 6. Distributions

	2021 £'000	2020 £'000
Interim distribution	2,659	4,380
Final distribution	1,103	2,185
	3,762	6,565
Add: Income deducted on cancellation of shares	41	125
Deduct: Income received on issue of shares	(13)	(33)
<b>Total distributions for the year</b>	<b>3,790</b>	<b>6,657</b>

Details of the distribution per share are set out in this fund's distribution tables.

## 7. Debtors

	2021 £'000	2020 £'000
Accrued revenue	900	1,155
Amounts receivable from the ACD for the issue of shares	2	7
Overseas withholding tax recoverable	228	252
Sales awaiting settlement	6,278	247
Accrued Management Fee Rebate	48	48
<b>Total debtors</b>	<b>7,456</b>	<b>1,709</b>

## 8. Liquidity

	2021 £'000	2020 £'000
Cash and bank balances		
Cash at bank	167	57
Cash at broker	3,115	1,664
Collateral cash pledged to counterparties <sup>-</sup>	51,117	27,185
	54,399	28,906
Bank overdrafts		
Collateral cash pledged by counterparties <sup>^</sup>	(490)	(665)
	(490)	(665)
<b>Net liquidity</b>	<b>53,909</b>	<b>28,241</b>

<sup>-</sup> This reflects cash the fund retains beneficial ownership of however which is currently being used to manage bilateral counterparty exposure on out of the money derivative positions.

<sup>^</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

## 9. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	428	443
Accrued expenses payable to the Depositary or associates of the Depositary	14	8
Amounts payable to the ACD for cancellation of shares	394	280
Other accrued expenses	17	18
Purchases awaiting settlement	7,571	2,756
<b>Total creditors</b>	<b>8,424</b>	<b>3,505</b>

**10. Related Party Transactions**

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 9.

**11. Portfolio Transaction Costs**

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bonds	35,557	78,763	43,943	81,742
Equities	93,700	107,432	107,509	128,974
Collective investment schemes	60,847	33,567	82,294	24,863
Corporate actions	2,016	-	2,842	2,627
<b>Trades in the year before transaction costs</b>	<b>192,120</b>	<b>219,762</b>	<b>236,588</b>	<b>238,206</b>
<b>Commissions</b>				
Equities	49	52	(52)	(59)
<b>Total commissions</b>	<b>49</b>	<b>52</b>	<b>(52)</b>	<b>(59)</b>
<b>Taxes</b>				
Equities	201	128	(3)	(1)
<b>Total taxes</b>	<b>201</b>	<b>128</b>	<b>(3)</b>	<b>(1)</b>
<b>Total transaction costs</b>	<b>250</b>	<b>180</b>	<b>(55)</b>	<b>(60)</b>
<b>Total net trades in the year after transaction costs</b>	<b>192,370</b>	<b>219,942</b>	<b>236,533</b>	<b>238,146</b>

Total transaction costs expressed as a percentage of asset type cost	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.05	0.05	0.05	0.05
<b>Taxes</b>				
Equities	0.21	0.12	-	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.02	0.02
Taxes	0.04	0.02

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.10% (2020: 0.13%), this is representative of the average spread on the assets held during the year.

## 12. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	176,682,881	54,473	(8,404,978)	(325,347)	168,007,029
Institutional accumulation	13,167,897	976,578	(1,271,954)	12,430	12,884,951
Retail income	1,480,510	20,441	(50,463)	-	1,450,488
Institutional income	599,876	197,901	(162,252)	-	635,525
Retail CAT accumulation	132,602,927	1,996,979	(6,303,309)	(574,445)	127,722,152
Standard Life accumulation	2,666,098	187,507	(234,840)	-	2,618,765
Platform 1 accumulation	17,618,030	1,520,111	(2,751,216)	1,402,388	17,789,313
Platform 1 income	1,419,361	375,312	(352,171)	-	1,442,502

## 13. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3	2020 £'000 Level 1	2020 £'000 Level 2	2020 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	33,653	15,266	-	43,402	16,108	-
Equities	337,140	-	-	309,375	-	-
Collective Investment Schemes	-	140,949	-	-	144,236	-
Derivatives	336	2,248	-	2,004	1,075	-
<b>Total investment assets</b>	<b>371,129</b>	<b>158,463</b>	<b>-</b>	<b>354,781</b>	<b>161,419</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(1,218)	(1,790)	-	(2,374)	(991)	-
<b>Total investment liabilities</b>	<b>(1,218)</b>	<b>(1,790)</b>	<b>-</b>	<b>(2,374)</b>	<b>(991)</b>	<b>-</b>

## 14. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

	Net foreign currency exposure	Net foreign currency exposure
Currency	2021 £'000	2020 £'000
Australian Dollar	372	1,012
Canadian Dollar	994	1,551
Danish Krone	6,665	6,277
Euro	50,523	52,376
Hong Kong Dollar	1,182	1,352
Israeli Shekel	656	-
Japanese Yen	695	364
Norwegian Krone	1,183	598
Polish Zloty	(8)	-
Swedish Krona	4,238	3,771
Swiss Franc	8,012	9,120
Taiwan Dollar	1,366	(3)
US Dollar	160,141	163,622
<b>Total</b>	<b>236,019</b>	<b>240,040</b>

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2021</b>				
<b>Currency</b>				
UK Sterling	53,897	40,638	248,960	343,495
Australian Dollar	14	126	232	372
Canadian Dollar	-	-	994	994
Danish Krone	-	-	6,665	6,665
Euro	21	265	50,237	50,523
Hong Kong Dollar	-	-	1,182	1,182
Israeli Shekel	-	-	656	656
Japanese Yen	-	-	695	695
Norwegian Krone	-	-	1,183	1,183
Polish Zloty	-	-	(8)	(8)
Swedish Krona	-	-	4,238	4,238
Swiss Franc	-	-	8,012	8,012
Taiwan Dollar	4	-	1,362	1,366
US Dollar	7,772	98	152,271	160,141
<b>Total</b>	<b>61,708</b>	<b>41,127</b>	<b>476,679</b>	<b>579,514</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2020</b>				
<b>Currency</b>				
UK Sterling	28,810	40,234	230,178	299,222
Australian Dollar	3	-	1,009	1,012
Canadian Dollar	1	-	1,550	1,551
Danish Krone	-	-	6,277	6,277
Euro	160	-	52,216	52,376
Hong Kong Dollar	-	-	1,352	1,352
Japanese Yen	2	-	362	364
Norwegian Krone	-	-	598	598
Swedish Krona	-	1,057	2,714	3,771
Swiss Franc	-	-	9,120	9,120
Taiwan Dollar	-	-	(3)	(3)
US Dollar	17,376	105	146,141	163,622
<b>Total</b>	<b>46,352</b>	<b>41,396</b>	<b>451,514</b>	<b>539,262</b>

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the Fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

<b>2021</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>
VaR 99% 1 Month	6.46%	14.76%	9.07%

<b>2020</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>
VaR 99% 1 Month	5.88%	6.35%	6.12%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 6.64%, £34,965,000 (2020: 6.35%, £32,565,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

#### Counterparty risk

##### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

	Market value £'000	Percentage of total net assets %
<b>2021</b>		
Investment grade securities	48,191	8.32
Below investment grade securities	427	0.06
Unrated securities	301	0.06
<b>Total value of securities</b>	<b>48,919</b>	<b>8.44</b>

2020	Market value £'000	Percentage of total net assets %
Investment grade securities	58,785	10.91
Below investment grade securities	231	0.04
Unrated securities	494	0.10
<b>Total value of securities</b>	<b>59,510</b>	<b>11.05</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

#### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2021 Market exposure £'000	2021 Market value £'000	2020 Market exposure £'000	2020 Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	30,616	136	18,262	(224)
Futures	62,359	(882)	75,581	(370)
Swaps	34,563	322	22,868	308
<b>Total market exposure</b>	<b>127,538</b>	<b>(424)</b>	<b>116,711</b>	<b>(286)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

#### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange.

Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

2021	Cash (held)/pledged £'000	Stock (held)/ pledged £'000	Market value of derivatives £'000
<b>Broker concentrations</b>			
Goldman Sachs	3,115	1,000	(224)
	<b>3,115</b>	<b>1,000</b>	<b>(224)</b>

2020	Cash (held)/pledged £'000	Stock (held)/ pledged £'000	Market value of derivatives £'000
<b>Broker concentrations</b>			
Goldman Sachs	1,664	552	702
	<b>1,664</b>	<b>552</b>	<b>702</b>



**Counterparty Table**

At the balance sheet date the fund had the following exposures:

			Collateral (held)/pledged		
	Bi-lateral swaps	Bi-lateral	Cash	Stock	Net exposure
2021	£'000	forwards	£'000	£'000	£'000
Counterparties					
Barclays	(336)	-	-	271	(65)
Citigroup	-	(281)	-	439	158
Goldman Sachs	-	2	-	-	2
HSBC	-	(29)	-	-	(29)
Morgan Stanley	-	35	-	-	35
StateStreet	-	409	(490)	-	(81)
Total	(336)	136	(490)	710	20

2020	Bi-lateral swaps £'000	Bi-lateral forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Counterparties					
Barclays	(764)	-	-	485	(279)
Credit Agricole	-	(223)	-	-	(223)
Deutsche Bank	-	(1)	-	-	(1)
HSBC	-	3	-	-	3
Standard Chartered	-	(2)	-	-	(2)
UBS	-	(1)	-	-	(1)
Total	(764)	(224)	-	485	(503)

Stock collateral is of an appropriate quality and date for the fund.

	2021 £'000	2020 £'000
<b>Collateral stock issuer concentration</b>		
United Kingdom (Government of)	1,710	1,037
	<b>1,710</b>	<b>1,037</b>

The total mark to market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

Margin exchanged and collateral held or pledged is in the form of high quality assets e.g. cash/gilts. Positions are fully collateralised at all times. Restrictions are placed on the right of either party to reuse collateral assets.

**Liquidity risk**

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(1,528)	(1,480)	-	(3,008)
<b>Non-derivatives</b>					
Bank overdrafts	(490)	-	-	-	(490)
Other creditors	-	(8,424)	-	-	(8,424)
Distribution payable	-	(11)	-	-	(11)
<b>Total financial liabilities</b>	<b>(490)</b>	<b>(9,963)</b>	<b>(1,480)</b>	<b>-</b>	<b>(11,933)</b>

2020	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(2,601)	(764)	-	(3,365)
<b>Non-derivatives</b>					
Bank overdrafts	(665)	-	-	-	(665)
Other creditors	-	(3,505)	-	-	(3,505)
Distribution payable	-	(17)	-	-	(17)
<b>Total financial liabilities</b>	<b>(665)</b>	<b>(6,123)</b>	<b>(764)</b>	<b>-</b>	<b>(7,552)</b>

#### 14. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Accumulation class has increased by 5.55% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	0.8477	-	0.8477	1.3610
Group 2	0.5239	0.3238	0.8477	1.3610
<b>Institutional accumulation</b>				
Group 1	1.3748	-	1.3748	1.9462
Group 2	0.9043	0.4705	1.3748	1.9462
<b>Retail income</b>				
Group 1	0.5483	-	0.5483	0.8906
Group 2	0.4059	0.1424	0.5483	0.8906
<b>Institutional income</b>				
Group 1	0.7783	-	0.7783	1.1193
Group 2	0.6459	0.1324	0.7783	1.1193
<b>Retail CAT accumulation</b>				
Group 1	0.6678	-	0.6678	1.0454
Group 2	0.4275	0.2403	0.6678	1.0454
<b>Standard Life accumulation</b>				
Group 1	0.7299	-	0.7299	0.9848
Group 2	0.4821	0.2478	0.7299	0.9848
<b>Platform 1 accumulation</b>				
Group 1	0.6254	-	0.6254	0.8956
Group 2	0.4096	0.2158	0.6254	0.8956
<b>Platform 1 income</b>				
Group 1	0.5499	-	0.5499	0.7996
Group 2	0.2999	0.2500	0.5499	0.7996

**Final dividend distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	0.3340	-	0.3340	0.6775
Group 2	0.2463	0.0877	0.3340	0.6775
<b>Institutional accumulation</b>				
Group 1	0.8381	-	0.8381	1.1962
Group 2	0.5320	0.3061	0.8381	1.1962
<b>Retail income</b>				
Group 1	0.2153	-	0.2153	0.4402
Group 2	0.2121	0.0032	0.2153	0.4402
<b>Institutional income</b>				
Group 1	0.4714	-	0.4714	0.6817
Group 2	0.3561	0.1153	0.4714	0.6817
<b>Retail CAT accumulation</b>				
Group 1	0.2676	-	0.2676	0.5271
Group 2	0.2090	0.0586	0.2676	0.5271
<b>Standard Life accumulation</b>				
Group 1	0.5690	-	0.5690	0.7043
Group 2	0.2510	0.3180	0.5690	0.7043
<b>Platform 1 accumulation</b>				
Group 1	0.3697	-	0.3697	0.5406
Group 2	0.1625	0.2072	0.3697	0.5406
<b>Platform 1 income</b>				
Group 1	0.3231	-	0.3231	0.4782
Group 2	0.1762	0.1469	0.3231	0.4782

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI Global Focused Equity Fund

For the year ended 28 February 2021

## 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.
- The fund looks to deliver a concentrated portfolio of the highest conviction investment ideas of the management team in companies of all sizes.
- In seeking to achieve the Performance Target, the MSCI AC World Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI AC World Index.

### Derivatives and Techniques:

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

Over the period under review, the fund returned 15.2% (source: Factset, Platform 1 accumulation shares). This compared to a return of 22.7% for our performance target (the MSCI AC World Index +3%).

The UK-US cinema operator Cineworld was a significant detractor from performance. The business struggled, as it had to grapple with the impact of movie theatre closures from COVID-19 along with its high debt load. This added to the increasing pressure from the rise of streaming services. Our holding in France-listed nursing home operator Orpea also detracted from performance. The business has been negatively affected by COVID-19. Other major stocks to weigh on performance included a holding in Fidelity National Information Services and Apple, where we had no exposure during a period when technology shares outperformed the broader market by some margin.

On a more positive note, textile manufacturer Shenzhou International performed well after releasing better-than-expected results. Its shares received another boost when Nike, one of its main customers, announced positive results that showed a better-demand environment. Tencent Holdings was one of the top positive contributors to performance. The technology and gaming giant has the largest online gaming offering in China, and this has proven to be relatively defensive during the coronavirus crisis. This made Tencent more resilient than its competitors during the virus-induced economic slowdown. This was backed up by a strong set of results. Other holdings to add value included technology companies Marvell Technology Group and NXP Semiconductors.

## Portfolio Activity

We initiated a position in the data & analytics provider IHS Markit. The company's shares have lagged due to its exposure to transport and energy sector clients, which have struggled over most of the last twelve months. But they have a competitive advantage due to a strong proprietary and scalable offering, as well as a robust balance sheet. We bought US software firm Pegasystems, which is transitioning to a cloud subscription business model. We believe there is significant upside if management can achieve their cashflow and contract-value growth targets. Additionally, we also initiated a position in Chinese e-commerce firm Alibaba. We believe the risk-reward balance is better than for competitors. Elsewhere, we purchased Kerry Group, the Irish-based ingredients company. The company is a trusted partner to many leading global brands, such as Starbucks and McDonalds.

On sales, we exited our position in Alimentation Couche-Tard, one of the largest operators of convenience stores with integrated petrol stations in the US and Europe. We believe the growth of electric vehicles could challenge the firm over the long run. We sold our position in Microsoft, which has had a run of strong performance. Similarly, we trimmed our position in Amazon, which has been a beneficiary of higher trade during the COVID-19

pandemic. Though we believe in Amazon's longer-term prospects, we see limited upside in the near term and believe shares may be sensitive to vaccine news as opposed to fundamentals. Lastly, we exited Constellation Brands, the US beer manufacturer of the Corona brand. While the company continues to gain market share, we felt that the scope for further gains had diminished.

#### Portfolio Outlook and Strategy

We continue to manage the fund by investing in our best fundamental investment ideas that we believe will outperform the benchmark over the long term. Holdings have been consolidated to concentrate our positions in our highest conviction ideas. We believe this approach will better enable us to outperform.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- Investing in China A shares involves special considerations and risks, including 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.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	138.82	126.56	129.12
Return before operating charges*	20.31	14.24	(0.77)
Operating charges	(2.09)	(1.98)	(1.79)
Return after operating charges*	18.22	12.26	(2.56)
Distributions	-	(0.30)	(0.61)
Retained distributions on accumulation shares	-	0.30	0.61
Closing net asset value per share	157.04	138.82	126.56
* after direct transaction costs of:	0.23	0.16	0.18
<b>Performance</b>			
Return after charges	13.12%	9.69%	(1.98%)
<b>Other information</b>			
Closing net asset value (£'000)	15,144	14,316	15,106
Closing number of shares	9,643,785	10,312,272	11,935,395
Operating charges	1.38%	1.38%	1.39%
Direct transaction costs	0.15%	0.11%	0.14%
<b>Prices</b>			
Highest share price	168.3	155.6	139.0
Lowest share price	111.0	127.4	115.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.



Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	158.49	143.81	146.04
Return before operating charges*	23.20	16.17	(0.88)
Operating charges	(1.57)	(1.49)	(1.35)
Return after operating charges*	21.63	14.68	(2.23)
Distributions	(0.39)	(1.11)	(1.38)
Retained distributions on accumulation shares	0.39	1.11	1.38
Closing net asset value per share	180.12	158.49	143.81
* after direct transaction costs of:	0.26	0.18	0.21
<b>Performance</b>			
Return after charges	13.65%	10.21%	(1.53%)
<b>Other information</b>			
Closing net asset value (£'000)	16,628	17,281	21,131
Closing number of shares	9,231,583	10,903,310	14,693,474
Operating charges	0.91%	0.91%	0.92%
Direct transaction costs	0.15%	0.11%	0.14%
<b>Prices</b>			
Highest share price	192.9	177.6	157.5
Lowest share price	126.8	144.7	130.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	69.32	63.34	64.94
Return before operating charges*	10.13	7.12	(0.39)
Operating charges	(1.04)	(0.99)	(0.90)
Return after operating charges*	9.09	6.13	(1.29)
Distributions	-	(0.15)	(0.31)
Closing net asset value per share	78.41	69.32	63.34
* after direct transaction costs of:	0.11	0.08	0.09
<b>Performance</b>			
Return after charges	13.11%	9.68%	(1.99%)
<b>Other information</b>			
Closing net asset value (£'000)	948	937	976
Closing number of shares	1,209,617	1,351,971	1,541,464
Operating charges	1.38%	1.38%	1.39%
Direct transaction costs	0.15%	0.11%	0.14%
<b>Prices</b>			
Highest share price	84.02	77.87	69.89
Lowest share price	55.44	63.75	57.89

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	138.06	124.27	125.18
Return before operating charges*	20.27	13.95	(0.76)
Operating charges	(0.17)	(0.16)	(0.15)
Return after operating charges*	20.10	13.79	(0.91)
Distributions	(1.55)	(2.10)	(2.19)
Retained distributions on accumulation shares	1.55	2.10	2.19
Closing net asset value per share	158.16	138.06	124.27
* after direct transaction costs of:	0.23	0.15	0.18
<b>Performance</b>			
Return after charges	14.56%	11.10%	(0.73%)
<b>Other information</b>			
Closing net asset value (£'000)	3,535	3,250	3,993
Closing number of shares	2,234,776	2,354,170	3,213,198
Operating charges	0.11%	0.11%	0.12%
Direct transaction costs	0.15%	0.11%	0.14%
<b>Prices</b>			
Highest share price	169.2	154.7	135.5
Lowest share price	110.5	125.1	112.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	142.62	128.92	130.39
Return before operating charges*	20.92	14.45	(0.79)
Operating charges	(0.80)	(0.75)	(0.68)
Return after operating charges*	20.12	13.70	(1.47)
Distributions	(0.98)	(1.58)	(1.76)
Retained distributions on accumulation shares	0.98	1.58	1.76
Closing net asset value per share	162.74	142.62	128.92
* after direct transaction costs of:	0.23	0.16	0.19
<b>Performance</b>			
Return after charges	14.11%	10.63%	(1.13%)
<b>Other information</b>			
Closing net asset value (£'000)	57,618	55,587	73,123
Closing number of shares	35,405,429	38,975,168	56,719,756
Operating charges	0.51%	0.51%	0.52%
Direct transaction costs	0.15%	0.11%	0.14%
<b>Prices</b>			
Highest share price	174.2	159.8	140.9
Lowest share price	114.1	129.8	117.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	114.87	104.32	106.04
Return before operating charges*	16.81	11.75	(0.64)
Operating charges	(1.26)	(1.20)	(1.08)
Return after operating charges*	15.55	10.55	(1.72)
Distributions	(0.16)	(0.69)	(0.90)
Retained distributions on accumulation shares	0.16	0.69	0.90
Closing net asset value per share	130.42	114.87	104.32
* after direct transaction costs of:	0.19	0.13	0.15
<b>Performance</b>			
Return after charges	13.54%	10.11%	(1.62%)
<b>Other information</b>			
Closing net asset value (£'000)	22,694	26,241	35,371
Closing number of shares	17,401,269	22,844,638	33,907,096
Operating charges	1.01%	1.01%	1.02%
Direct transaction costs	0.15%	0.11%	0.14%
<b>Prices</b>			
Highest share price	139.7	128.7	114.3
Lowest share price	91.86	105.0	94.83

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional S accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	70.67	64.10	65.06
Return before operating charges*	10.36	7.20	(0.39)
Operating charges	(0.66)	(0.63)	(0.57)
Return after operating charges*	9.70	6.57	(0.96)
Distributions	(0.21)	(0.53)	(0.65)
Retained distributions on accumulation shares	0.21	0.53	0.65
Closing net asset value per share	80.37	70.67	64.10
* after direct transaction costs of:	0.12	0.08	0.09
<b>Performance</b>			
Return after charges	13.73%	10.25%	(1.48%)
<b>Other information</b>			
Closing net asset value (£'000)	2,650	2,771	3,033
Closing number of shares	3,297,248	3,920,882	4,730,465
Operating charges	0.86%	0.86%	0.87%
Direct transaction costs	0.15%	0.11%	0.14%
<b>Prices</b>			
Highest share price	86.05	79.21	70.18
Lowest share price	56.52	64.52	58.25

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
Equities (99.60%)		122,197	102.50
Emerging Market Equities (2.40%)		-	-
Israel (2.40%)		5,458	4.58
33,319	Nice ADR	5,458	4.58
European Equities (22.93%)		33,626	28.20
France (8.75%)		9,319	7.81
122,288	Alstom	4,389	3.68
57,076	ORPEA	4,930	4.13
Germany (5.05%)		10,834	9.09
200,158	RWE	5,439	4.56
117,822	Vonovia	5,395	4.53
Ireland (0.00%)		3,715	3.12
42,812	Kerry	3,715	3.12
Italy (3.00%)		-	-
Netherlands (6.13%)		5,317	4.46
40,745	NXP Semiconductors	5,317	4.46
Spain (0.00%)		4,441	3.72
113,577	Cellnex Telecom	4,441	3.72
Japanese Equities (2.82%)		-	-
North American Equities (54.93%)		48,602	40.77
Canada (7.15%)		-	-
United States (47.78%)		48,602	40.77
1,555	Amazon.com	3,437	2.88
22,102	Autodesk	4,361	3.66
213,203	Boston Scientific	5,912	4.96
27,993	Facebook	5,148	4.32
55,695	Fidelity National Information Services	5,493	4.61

Holding	Investment	Market Value £'000	Percentage of total net assets
23,241	Goldman Sachs	5,310	4.46
108,164	Las Vegas Sands	4,843	4.06
102,006	Mondelez	3,878	3.25
55,204	Pegasystems	5,214	4.37
21,096	United Health	5,006	4.20
<b>Pacific Basin Equities (11.89%)</b>		<b>23,698</b>	<b>19.88</b>
<b>Australia (2.81%)</b>		<b>4,304</b>	<b>3.61</b>
29,605	CSL	4,304	3.61
<b>China (9.08%)</b>		<b>19,394</b>	<b>16.27</b>
23,482	Alibaba ADR	3,993	3.35
682,088	Ping An Insurance 'H'	5,990	5.02
300,637	Shenzhou	4,466	3.75
80,957	Tencent	4,945	4.15
20,362,000	Tianhe Chemicals**	-	-
<b>Hong Kong (0.00%)</b>		<b>-</b>	<b>-</b>
1,055,400	China Metal Recycling**	-	-
<b>UK Equities (4.63%)</b>		<b>10,813</b>	<b>9.07</b>
<b>Consumer Services (2.15%)</b>		<b>-</b>	<b>-</b>
<b>Financials (0.00%)</b>		<b>5,332</b>	<b>4.47</b>
82,763	IHS Markit	5,332	4.47
<b>Health Care (2.48%)</b>		<b>5,481</b>	<b>4.60</b>
78,937	AstraZeneca	5,481	4.60
<b>Collective Investment Schemes (0.00%)</b>		<b>1,418</b>	<b>1.19</b>
1,418	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	1,418	1.19
Total investment assets		123,615	103.69
Net other liabilities		(4,398)	(3.69)
<b>Total Net Assets</b>		<b>119,217</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>\*\*</sup> Delisted.



**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	15,551	15,434
Revenue	2	1,482	2,512
Expenses	3	(959)	(1,126)
Interest payable and similar charges		(1)	(2)
Net revenue before taxation		522	1,384
Taxation	4	(69)	(196)
Net revenue after taxation		453	1,188
<b>Total return before distributions</b>		<b>16,004</b>	<b>16,622</b>
Distributions	5	(493)	(1,188)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>15,511</b>	<b>15,434</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>120,383</b>	<b>152,733</b>
Amounts receivable on the issue of shares	11,576	21,528
Amounts payable on the cancellation of shares	(28,704)	(70,338)
	(17,128)	(48,810)
Dilution adjustment	1	30
Change in net assets attributable to shareholders from investment activities (see above)	15,511	15,434
Retained distribution on accumulation shares	450	996
<b>Closing net assets attributable to shareholders</b>	<b>119,217</b>	<b>120,383</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		123,615	119,902
<b>Current assets:</b>			
Debtors	6	1,019	1,667
Cash and bank balances	7	3	1
		1,022	1,668
Total assets		124,637	121,570
<b>Liabilities:</b>			
Creditors	8	(5,420)	(908)
Bank overdrafts	7	-	(277)
Distribution payable		-	(2)
		(5,420)	(1,187)
Total liabilities		(5,420)	(1,187)
<b>Net assets attributable to shareholders</b>		<b>119,217</b>	<b>120,383</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	15,592	15,320
Forward currency contracts	13	3
Other (losses)/gains	(44)	118
Transaction charges	(10)	(7)
<b>Net capital gains</b>	<b>15,551</b>	<b>15,434</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	10	22
Overseas dividends	1,249	1,957
Overseas REIT	68	134
UK dividends	155	399
<b>Total revenue</b>	<b>1,482</b>	<b>2,512</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	830	969
Dealing charge	14	18
Registration fees	85	101
	929	1,088
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	8	9
Depositary's fees	13	18
	21	27
<b>Other:</b>		
Audit fee	9	9
Professional fees	-	2
	9	11
<b>Total expenses</b>	<b>959</b>	<b>1,126</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
<b>(a) Analysis of charge in year</b>		
Adjustments in respect of prior periods	(73)	-
Overseas taxes	142	196
<b>Total taxation</b>	<b>69</b>	<b>196</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	522	1,384
Corporation tax at 20% (2020: 20%)	104	277
Effects of:		
Revenue not subject to taxation	(280)	(471)
Overseas taxes	142	196
Overseas tax expensed	(2)	(4)
Excess allowable expenses	178	198
Adjustments in respect of prior periods	(73)	-
<b>Total tax charge for year (note 4a)</b>	<b>69</b>	<b>196</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

**(c) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,193,000 (2020: £2,015,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5. Distributions (including the movement between net income and distributions)

	2021 £'000	2020 £'000
Distribution	450	998
Add: Income deducted on cancellation of shares	67	252
Deduct: Income received on issue of shares	(24)	(62)
<b>Total distributions for the year</b>	<b>493</b>	<b>1,188</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	453	1,188
Shortfall transfer from capital to revenue	40	-
<b>Total distributions</b>	<b>493</b>	<b>1,188</b>

Details of the distribution per share are set out in this fund's distribution tables.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	109	174
Amounts receivable from the ACD for the issue of shares	167	7
Overseas withholding tax recoverable	55	160
Sales awaiting settlement	688	1,326
<b>Total debtors</b>	<b>1,019</b>	<b>1,667</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	3	1
	<b>3</b>	<b>1</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	-	(277)
	-	(277)
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	1,418	-
<b>Net liquidity</b>	<b>1,421</b>	<b>(276)</b>

<sup>^</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	73	79
Accrued expenses payable to the Depositary or associates of the Depositary	4	3
Amounts payable to the ACD for cancellation of shares	221	816
Other accrued expenses	9	10
Purchases awaiting settlement	5,113	-
<b>Total creditors</b>	<b>5,420</b>	<b>908</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

# 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	88,597	75,200	103,083	118,960
Collective investment schemes	48,471	49,370	47,053	53,731
Corporate actions	969	-	-	481
<b>Trades in the year before transaction costs</b>	<b>138,037</b>	<b>124,570</b>	<b>150,136</b>	<b>173,172</b>
<b>Commissions</b>				
Equities	35	38	(42)	(51)
<b>Total commissions</b>	<b>35</b>	<b>38</b>	<b>(42)</b>	<b>(51)</b>
<b>Taxes</b>				
Equities	95	63	(11)	(4)
<b>Total taxes</b>	<b>95</b>	<b>63</b>	<b>(11)</b>	<b>(4)</b>
<b>Total transaction costs</b>	<b>130</b>	<b>101</b>	<b>(53)</b>	<b>(55)</b>
<b>Total net trades in the year after transaction costs</b>	<b>138,167</b>	<b>124,671</b>	<b>150,083</b>	<b>173,117</b>

	Purchases		Sales	
<b>Total transaction costs expressed as a percentage of asset type cost</b>	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.04	0.05	0.04	0.04
<b>Taxes</b>				
Equities	0.11	0.08	0.01	-

<b>Total transaction costs expressed as a percentage of net asset value</b>	2021 %	2020 %
Commissions	0.06	0.06
Taxes	0.09	0.05

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.11% (2020: 0.09%), this is representative of the average spread on the assets held during the year.

## 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	10,312,272	4,952,827	(5,567,321)	(53,993)	9,643,785
Institutional accumulation	10,903,310	305,834	(1,980,649)	3,088	9,231,583
Retail income	1,351,971	19,736	(162,090)	-	1,209,617
Standard Life accumulation	2,354,170	88,672	(209,696)	1,630	2,234,776
Institutional regulated accumulation	38,975,168	2,168,508	(5,738,247)	-	35,405,429
Platform 1 accumulation	22,844,638	145,995	(5,648,319)	58,955	17,401,269
Institutional S accumulation	3,920,882	-	(623,634)	-	3,297,248

## 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	122,197	-	-	119,902	-	-
Collective Investment Schemes	-	1,418	-	-	-	-
<b>Total investment assets</b>	<b>122,197</b>	<b>1,418</b>	<b>-</b>	<b>119,902</b>	<b>-</b>	<b>-</b>

## 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Australian Dollar	4,304	3,383
Canadian Dollar	-	4,656
Danish Krone	25	98
Euro	23,861	24,804
Hong Kong Dollar	15,401	10,932
Japanese Yen	-	3,390
Swiss Franc	-	1
US Dollar	68,747	68,656
<b>Total</b>	<b>112,338</b>	<b>115,920</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £5,617,000 (2020: £5,796,000).

**Interest rate risk**

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

**Other price risk**

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £6,181,000 (2020: £5,995,000).

**Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

**Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £5,420,000 (2020: £1,187,000).

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic.

Since the year end the NAV per share of Institutional Regulated Accumulation class has increased by 7.12% (to 21 June 2021).

Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.



**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	-	-	-	0.2981
Group 2	-	-	-	0.2981
<b>Institutional accumulation</b>				
Group 1	0.3897	-	0.3897	1.1097
Group 2	-	0.3897	0.3897	1.1097
<b>Retail income</b>				
Group 1	-	-	-	0.1493
Group 2	-	-	-	0.1493
<b>Standard Life accumulation</b>				
Group 1	1.5515	-	1.5515	2.0978
Group 2	0.7861	0.7654	1.5515	2.0978
<b>Institutional regulated accumulation</b>				
Group 1	0.9754	-	0.9754	1.5847
Group 2	0.2786	0.6968	0.9754	1.5847
<b>Platform 1 accumulation</b>				
Group 1	0.1573	-	0.1573	0.6858
Group 2	-	0.1573	0.1573	0.6858
<b>Institutional S accumulation</b>				
Group 1	0.2124	-	0.2124	0.5313
Group 2	0.2124	-	0.2124	0.5313

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI Global Income Equity Fund

For the year ended 28 February 2021

## 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 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

Over the period under review, the fund returned 10.4% (source: Factset, Platform 1 accumulation shares). This compared to a return of 21.7% for our performance target (the MSCI AC World Index +2%). Meanwhile, the fund's yield was 1.4% over the 12 months, versus a yield target of 2.2% (the MSCI AC World Index).

Many of our holdings to lose value suffered from the negative effects of COVID-19 lockdowns. Panama-based airlines business Copa Holdings detracted from performance. The company lost value due to international travel restrictions imposed to deal with the COVID-19 pandemic. The travel and leisure sector had been acutely hit by the virus. Given the unknown time horizon to recovery and violation of our thesis, we sold the shares. The shares continued to underperform since the date of sale. Procter & Gamble, the household and personal care business, weighed on returns. Its premium product mix and international exposure was a disadvantage during the COVID-19 crises, as investors preferred more US-focused businesses. Having reorganised the business, with a re-focus on growing categories where it has leadership, it is positioned to move forward. Having no exposure to some of the technology winners over the last 12 months dragged on returns, with Apple and Tesla having a large negative impact on the fund's performance.

On a positive note, Taiwan's TSMC boosted performance. Shares of the semiconductor company surged on increased demand for electronics, as more people worked from home during the pandemic. News that US rival Intel planned to outsource production of its latest chip technology, due to schedule delays, also helped lift TSMC's stock price. Samsung Electronics's stock rose on increasing demand for memory chips. Memory prices rose, given industrial manufacturers' low inventory, such as car makers, and weak investment by semiconductor companies. The Chinese textile manufacturer Shenzhou International performed well after releasing better-than-expected results. Its shares received another boost when Nike, one of its main customers, announced positive results.

## Portfolio Activity

We added Pepsi and Mondelez to the fund because of their large exposure to snacks. We purchased AbbVie, in recognition of its strong cash flows and increasingly certain drug pipeline. We initiated a position in Procter & Gamble to add some exposure to high-quality staples. We purchased Shenzhou International, the sportswear garment maker. This was in recognition of its strong cash flow and the strength in casual wear during the pandemic. We gained exposure to green energy through the purchase of RWE. The business is making good progress in moving away from fossil fuels to renewable energy sources. Patent rulings have distracted investors to Bristol-Myers Squibb's strengths. The company has a drug development pipeline of some potential. The shares have a decent yield and the balance sheet is getting stronger. We initiated a position in Samsung Electronics due to its high quality and undervalued cash flows. We initiated a position in the luxury goods maker LVMH. High-end spending appears to have

persisted, despite broader economic challenges, particularly in China. Elsewhere, we bought Emerson Electric. Automation orders have bottomed and are poised for recovery, while cost restructuring should enhance margins.

Sales included Coca-Cola. We had concerns around 'out of home' purchases during lockdowns. We sold our position in Macau casino operator Sands China due to worries over the length of lockdown and its effect on visitor numbers. We sold Constellation Brands in favour of Heineken, reflecting our preference for stronger balance sheets and global growth potential. We took profits in Marvell Technologies due to strong performance. We exited Pfizer after recent performance seems to have favoured short-term enthusiasm for low-margin vaccine contract wins over longer-term drug development missteps. Lastly, with the US defence budget under pressure, we cut our exposure by selling Lockheed Martin.

#### Portfolio Outlook and Strategy

We continue to manage the fund by investing in our best fundamental investment ideas that we believe will outperform the benchmark over the long term. Holdings have been consolidated to concentrate our positions in our highest conviction ideas. We believe this approach will better enable us to outperform.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The 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.

## Comparative tables

Retail Founder accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	282.69	260.62	261.21
Return before operating charges*	28.85	25.11	2.16
Operating charges	(3.04)	(3.04)	(2.75)
Return after operating charges*	25.81	22.07	(0.59)
Distributions	(3.93)	(5.12)	(4.99)
Retained distributions on accumulation shares	3.93	5.12	4.99
Closing net asset value per share	308.50	282.69	260.62
* after direct transaction costs of:	0.33	0.30	0.21
<b>Performance</b>			
Return after charges	9.13%	8.47%	(0.23%)
<b>Other information</b>			
Closing net asset value (£'000)	82,551	80,911	81,360
Closing number of shares	26,758,460	28,622,225	31,217,167
Operating charges	1.04%	1.04%	1.04%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	325.3	315.9	280.2
Lowest share price	229.0	261.7	246.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional Founder accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	311.14	285.66	285.10
Return before operating charges*	31.85	27.47	2.35
Operating charges	(2.01)	(1.99)	(1.79)
Return after operating charges*	29.84	25.48	0.56
Distributions	(5.69)	(6.97)	(6.67)
Retained distributions on accumulation shares	5.69	6.97	6.67
Closing net asset value per share	340.98	311.14	285.66
* after direct transaction costs of:	0.37	0.33	0.23
<b>Performance</b>			
Return after charges	9.59%	8.92%	0.20%
<b>Other information</b>			
Closing net asset value (£'000)	6,210	6,193	6,870
Closing number of shares	1,821,125	1,990,333	2,404,940
Operating charges	0.62%	0.62%	0.62%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	359.4	347.7	306.4
Lowest share price	252.2	286.8	268.9

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Highest and Lowest prices are based on official published daily NAVs.

Retail Founder income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.39	80.00	82.52
Return before operating charges*	8.54	7.75	0.73
Operating charges	(0.90)	(0.92)	(0.86)
Return after operating charges*	7.64	6.83	(0.13)
Distributions	(2.03)	(2.44)	(2.39)
Closing net asset value per share	90.00	84.39	80.00
* after direct transaction costs of:	0.10	0.09	0.06
<b>Performance</b>			
Return after charges	9.05%	8.54%	(0.16%)
<b>Other information</b>			
Closing net asset value (£'000)	1,272	1,228	835
Closing number of shares	1,413,076	1,455,530	1,043,936
Operating charges	1.04%	1.04%	1.04%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	95.39	94.90	87.64
Lowest share price	68.37	80.35	76.60

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Highest and Lowest prices are based on official published daily NAVs.

Institutional Founder income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	87.48	82.60	84.84
Return before operating charges*	8.88	7.98	0.75
Operating charges	(0.56)	(0.57)	(0.53)
Return after operating charges*	8.32	7.41	0.22
Distributions	(2.11)	(2.53)	(2.46)
Closing net asset value per share	93.69	87.48	82.60
* after direct transaction costs of:	0.10	0.10	0.07
<b>Performance</b>			
Return after charges	9.51%	8.97%	0.26%
<b>Other information</b>			
Closing net asset value (£'000)	273	224	231
Closing number of shares	291,485	256,062	280,083
Operating charges	0.62%	0.62%	0.62%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	99.24	98.38	90.28
Lowest share price	70.90	82.97	79.03

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Standard Life income <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	88.47	83.30	85.58
Return before operating charges*	(10.48)	7.83	0.30
Operating charges	(0.00)	(0.04)	(0.04)
Return after operating charges*	(10.48)	7.79	0.26
Distributions	-	(2.62)	(2.54)
Redemption Value as at 27 March 2020	(77.99)	-	-
Closing net asset value per share	-	88.47	83.30
* after direct transaction costs of:	0.01	0.10	0.07
<b>Performance</b>			
Return after charges	(11.85)%	9.35%	0.30%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	- <sup>^</sup>
Closing number of shares	-	1,066	113
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	91.95	99.48	174.5
Lowest share price	71.72	83.69	79.78

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Standard Life Income share class closed on 27 March 2020.

<sup>^</sup> The closing net asset value of standard life income is £94.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.77	86.59	86.00
Return before operating charges*	9.73	8.30	0.70
Operating charges	(0.12)	(0.12)	(0.11)
Return after operating charges*	9.61	8.18	0.59
Distributions	(2.23)	(2.60)	(2.44)
Retained distributions on accumulation shares	2.23	2.60	2.44
Closing net asset value per share	104.38	94.77	86.59
* after direct transaction costs of:	0.11	0.10	0.07
<b>Performance</b>			
Return after charges	10.14%	9.45%	0.69%
<b>Other information</b>			
Closing net asset value (£'000)	308	279	292
Closing number of shares	295,118	293,884	337,519
Operating charges	0.12%	0.12%	0.12%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	109.9	105.9	92.62
Lowest share price	76.83	86.96	81.15

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Highest and Lowest prices are based on official published daily NAVs.

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	104.47	96.62	97.12
Return before operating charges*	10.64	9.30	0.81
Operating charges	(1.44)	(1.45)	(1.31)
Return after operating charges*	9.20	7.85	(0.50)
Distributions	(1.12)	(1.57)	(1.56)
Retained distributions on accumulation shares	1.12	1.57	1.56
Closing net asset value per share	113.67	104.47	96.62
* after direct transaction costs of:	0.12	0.11	0.08
<b>Performance</b>			
Return after charges	8.81%	8.12%	(0.51%)
<b>Other information</b>			
Closing net asset value (£'000)	8,732	8,080	7,751
Closing number of shares	7,681,275	7,734,247	8,022,491
Operating charges	1.34%	1.34%	1.34%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	119.9	116.8	104.1
Lowest share price	84.63	97.01	91.57

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Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	110.01	101.26	101.31
Return before operating charges*	11.25	9.73	0.84
Operating charges	(0.99)	(0.98)	(0.89)
Return after operating charges*	10.26	8.75	(0.05)
Distributions	(1.72)	(2.19)	(2.11)
Retained distributions on accumulation shares	1.72	2.19	2.11
Closing net asset value per share	120.27	110.01	101.26
* after direct transaction costs of:	0.13	0.12	0.08
<b>Performance</b>			
Return after charges	9.33%	8.64%	(0.05%)
<b>Other information</b>			
Closing net asset value (£'000)	4,109	3,466	4,658
Closing number of shares	3,416,901	3,150,437	4,600,338
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	126.8	122.9	108.8
Lowest share price	89.15	101.7	95.55

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Highest and Lowest prices are based on official published daily NAVs.

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	81.52	77.53	80.21
Return before operating charges*	8.23	7.49	0.71
Operating charges	(1.12)	(1.14)	(1.07)
Return after operating charges*	7.11	6.35	(0.36)
Distributions	(1.96)	(2.36)	(2.32)
Closing net asset value per share	86.67	81.52	77.53
* after direct transaction costs of:	0.10	0.09	0.06
<b>Performance</b>			
Return after charges	8.72%	8.19%	(0.45%)
<b>Other information</b>			
Closing net asset value (£'000)	236	254	336
Closing number of shares	272,593	311,947	433,061
Operating charges	1.34%	1.34%	1.34%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	91.89	91.69	85.08
Lowest share price	66.03	77.86	74.28

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Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	85.78	81.18	83.59
Return before operating charges*	8.67	7.86	0.74
Operating charges	(0.76)	(0.78)	(0.73)
Return after operating charges*	7.91	7.08	0.01
Distributions	(2.06)	(2.48)	(2.42)
Closing net asset value per share	91.63	85.78	81.18
* after direct transaction costs of:	0.10	0.09	0.07
<b>Performance</b>			
Return after charges	9.22%	8.72%	0.01%
<b>Other information</b>			
Closing net asset value (£'000)	342	407	724
Closing number of shares	373,580	474,151	892,196
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	97.09	96.45	88.84
Lowest share price	69.50	81.54	77.70

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Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	107.53	99.03	99.12
Return before operating charges*	10.98	9.52	0.83
Operating charges	(1.02)	(1.02)	(0.92)
Return after operating charges*	9.96	8.50	(0.09)
Distributions	(1.63)	(2.08)	(2.01)
Retained distributions on accumulation shares	1.63	2.08	2.01
Closing net asset value per share	117.49	107.53	99.03
* after direct transaction costs of:	0.13	0.11	0.08
<b>Performance</b>			
Return after charges	9.26%	8.58%	(0.09%)
<b>Other information</b>			
Closing net asset value (£'000)	10,971	11,934	14,364
Closing number of shares	9,337,380	11,098,428	14,504,662
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	123.9	120.2	106.4
Lowest share price	87.14	99.43	93.48

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Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	85.31	80.80	83.24
Return before operating charges*	8.63	7.80	0.74
Operating charges	(0.80)	(0.82)	(0.77)
Return after operating charges*	7.83	6.98	(0.03)
Distributions	(2.05)	(2.47)	(2.41)
Closing net asset value per share	91.09	85.31	80.80
* after direct transaction costs of:	0.10	0.09	0.07
<b>Performance</b>			
Return after charges	9.18%	8.64%	(0.04%)
<b>Other information</b>			
Closing net asset value (£'000)	2,756	3,007	4,731
Closing number of shares	3,025,863	3,524,922	5,854,701
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.11%	0.10%	0.08%
<b>Prices</b>			
Highest share price	96.53	95.95	88.46
Lowest share price	69.13	81.15	77.35

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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## Portfolio Statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
Equities (98.89%)		115,742	98.29
Emerging Market Equities (4.01%)		-	-
Brazil (1.11%)		-	-
Mexico (1.22%)		-	-
Panama (1.68%)		-	-
European Equities (29.65%)		32,450	27.56
Austria (1.02%)		2,389	2.03
63,994	BAWAG Group	2,389	2.03
Belgium (1.21%)		-	-
Denmark (1.22%)		1,501	1.27
66,219	Tryg	1,501	1.27
France (5.68%)		7,029	5.97
87,427	AXA	1,578	1.34
4,080	LVMH	1,860	1.58
20,196	Schneider Electric	2,153	1.83
19,250	Vinci	1,438	1.22
Germany (3.42%)		5,690	4.83
10,200	Deutsche Boerse	1,200	1.02
60,202	RWE	1,636	1.39
62,321	Vonovia	2,854	2.42
Ireland (2.78%)		3,046	2.59
21,596	Medtronic	1,806	1.54
11,325	Trane Technologies	1,240	1.05
Italy (2.76%)		3,287	2.79
482,916	Enel	3,287	2.79

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Netherlands (5.00%)</b>		<b>4,036</b>	<b>3.43</b>
25,803	Heineken Holdings	1,595	1.36
20,588	Koninklijke DSM	2,441	2.07
<b>Norway (2.59%)</b>		<b>-</b>	<b>-</b>
<b>Switzerland (3.97%)</b>		<b>5,472</b>	<b>4.65</b>
36,977	Nestle	2,775	2.36
9,187	Zurich	2,697	2.29
<b>Japanese Equities (2.96%)</b>		<b>3,465</b>	<b>2.94</b>
1,096	GLP J-REIT	1,270	1.08
99,400	KDDI	2,195	1.86
<b>North American Equities (44.42%)</b>		<b>52,131</b>	<b>44.27</b>
<b>United States (44.42%)</b>		<b>52,131</b>	<b>44.27</b>
39,827	Abbvie	3,069	2.61
9,703	American Tower REIT	1,499	1.27
34,996	Baxter International	1,945	1.65
37,309	Blackstone	1,847	1.57
31,018	Bristol-Myers Squibb	1,360	1.16
101,743	Coca-Cola	3,564	3.03
28,070	Dolby Laboratories	1,960	1.66
15,791	Eli Lilly	2,312	1.96
30,476	Emerson Electric	1,872	1.59
2,921	Equinix REIT	1,353	1.15
24,727	Fidelity National Information Services	2,439	2.07
11,330	Goldman Sachs	2,588	2.20
27,927	Intercontinental Exchange	2,204	1.87
14,733	L3Harris Technologies	1,917	1.63
10,460	Lowe's	1,195	1.01
10,445	Mastercard	2,641	2.24
44,516	Microsoft	7,393	6.28
50,730	NextEra Energy	2,666	2.26
29,821	Procter & Gamble	2,634	2.24
36,304	TJX	1,713	1.45
10,200	Union Pacific	1,502	1.28
10,357	United Health	2,458	2.09

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Pacific Basin Equities (10.40%)</b>		<b>22,442</b>	<b>19.06</b>
<b>Australia (1.48%)</b>		-	-
<b>China (1.51%)</b>		<b>8,406</b>	<b>7.14</b>
368,932	Ping An Insurance 'H'	3,240	2.75
181,248	Shenzhou	2,692	2.29
40,500	Tencent	2,474	2.10
8,100,000	Tianhe Chemicals**	-	-
<b>Hong Kong (1.62%)</b>		<b>2,033</b>	<b>1.73</b>
145,588	AIA	1,303	1.11
257,500	Health & Happiness International	730	0.62
<b>Indonesia (1.11%)</b>		<b>383</b>	<b>0.32</b>
611,500	Indocement Tunggal Prakarsa	383	0.32
<b>Macau (2.50%)</b>		-	-
<b>South Korea (0.95%)</b>		<b>5,230</b>	<b>4.44</b>
112,847	Samsung Electronics (Preference)	5,230	4.44
<b>Taiwan (1.23%)</b>		<b>6,390</b>	<b>5.43</b>
410,605	Taiwan Semiconductors Manufacturing	6,390	5.43
<b>UK Equities (7.45%)</b>		<b>5,254</b>	<b>4.46</b>
<b>Basic Materials (0.00%)</b>		<b>1,962</b>	<b>1.67</b>
31,721	Rio Tinto	1,962	1.67
<b>Consumer Services (1.80%)</b>		-	-
<b>Health Care (2.18%)</b>		<b>3,292</b>	<b>2.79</b>
47,410	AstraZeneca	3,292	2.79

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Industrials (1.47%)</b>		-	-
<b>Oil &amp; Gas (2.00%)</b>		-	-
Total investment assets		115,742	98.29
Net other assets		2,018	1.71
<b>Total Net Assets</b>		<b>117,760</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 29 February 2020.

\*\* Delisted.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	9,009	8,348
Revenue	2	3,118	3,963
Expenses	3	(1,178)	(1,277)
Interest payable and similar charges		(1)	(1)
Net revenue before taxation		1,939	2,685
Taxation	4	(329)	(397)
Net revenue after taxation		1,610	2,288
<b>Total return before distributions</b>		<b>10,619</b>	<b>10,636</b>
Distributions	5	(1,655)	(2,341)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>8,964</b>	<b>8,295</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>115,984</b>	<b>122,152</b>
Amounts receivable on the issue of shares	15,385	8,023
Amounts payable on the cancellation of shares	(24,120)	(24,626)
	(8,735)	(16,603)
Dilution adjustment	3	2
Change in net assets attributable to shareholders from investment activities (see above)	8,964	8,295
Retained distribution on accumulation shares	1,544	2,138
<b>Closing net assets attributable to shareholders</b>	<b>117,760</b>	<b>115,984</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		115,742	114,696
<b>Current assets:</b>			
Debtors	6	401	2,951
Cash and bank balances		1,922	955
		2,323	3,906
<b>Total assets</b>		<b>118,065</b>	<b>118,602</b>
<b>Liabilities:</b>			
Creditors	7	(281)	(2,585)
Distribution payable		(24)	(33)
		(305)	(2,618)
<b>Total liabilities</b>		<b>(305)</b>	<b>(2,618)</b>
<b>Net assets attributable to shareholders</b>		<b>117,760</b>	<b>115,984</b>

## Notes to the Financial Statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	9,031	8,379
Forward currency contracts	14	-
Other losses	(22)	(20)
Transaction charges	(14)	(11)
<b>Net capital gains</b>	<b>9,009</b>	<b>8,348</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	1	12
Overseas dividends	2,719	3,571
Overseas REIT	121	-
UK dividends	277	380
<b>Total revenue</b>	<b>3,118</b>	<b>3,963</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,117	1,202
Dealing charge	7	9
Registration fees	20	24
	1,144	1,235
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	9	9
Depositary's fees	12	17
	21	26
<b>Other:</b>		
Audit fee	9	9
Professional fees	4	7
	13	16
<b>Total expenses</b>	<b>1,178</b>	<b>1,277</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	329	397
<b>Total taxation</b>	<b>329</b>	<b>397</b>

(b)

**Factors affecting current tax charge for the year**

The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

	2021 £'000	2020 £'000
Net revenue before taxation	1,939	2,685
Corporation tax at 20% (2020: 20%)	388	537
Effects of:		
Revenue not subject to taxation	(599)	(747)
Overseas taxes	329	397
Overseas tax expensed	(3)	(5)
Excess allowable expenses	214	215
<b>Total tax charge for year (note 4a)</b>	<b>329</b>	<b>397</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c)

**Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,536,000 (2020: £2,321,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

**5. Distributions (including the movement between net income and distributions)**

	2021 £'000	2020 £'000
First interim distribution	447	1,005
Second interim distribution	702	373
Third interim distribution	210	469
Final distribution	301	447
	1,660	2,294
Add: Income deducted on cancellation of shares	29	68
Deduct: Income received on issue of shares	(34)	(21)
<b>Total distributions for the year</b>	<b>1,655</b>	<b>2,341</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,610	2,288
Expenses charged to capital	45	53
<b>Total distributions</b>	<b>1,655</b>	<b>2,341</b>

Expenses taken to capital include the ACD, Registration and Dealing expenses.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

6.

**Debtors**

	2021 £'000	2020 £'000
Accrued revenue	275	333
Amounts receivable from the ACD for the issue of shares	-	9
Overseas withholding tax recoverable	126	125
Sales awaiting settlement	-	2,484
<b>Total debtors</b>	<b>401</b>	<b>2,951</b>



## 7. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	93	98
Accrued expenses payable to the Depositary or associates of the Depositary	4	5
Amounts payable to the ACD for cancellation of shares	175	458
Other accrued expenses	9	11
Purchases awaiting settlement	-	2,013
<b>Total creditors</b>	<b>281</b>	<b>2,585</b>

## 8. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 7.

## 9. Portfolio Transaction Costs

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	74,170	67,771	82,299	80,900
Corporate actions	-	-	-	107
<b>Trades in the year before transaction costs</b>	<b>74,170</b>	<b>67,771</b>	<b>82,299</b>	<b>81,007</b>
<b>Commissions</b>				
Equities	33	35	(42)	(40)
<b>Total commissions</b>	<b>33</b>	<b>35</b>	<b>(42)</b>	<b>(40)</b>
<b>Taxes</b>				
Equities	46	55	(12)	(2)
<b>Total taxes</b>	<b>46</b>	<b>55</b>	<b>(12)</b>	<b>(2)</b>
<b>Total transaction costs</b>	<b>79</b>	<b>90</b>	<b>(54)</b>	<b>(42)</b>
<b>Total net trades in the year after transaction costs</b>	<b>74,249</b>	<b>67,861</b>	<b>82,245</b>	<b>80,965</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.05	0.05	0.05	0.05
<b>Taxes</b>				
Equities	0.06	0.08	0.01	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.06	0.06
Taxes	0.05	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.06% (2020: 0.10%), this is representative of the average spread on the assets held during the year.

#### 10. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail Founder accumulation	28,622,225	37,443	(1,877,694)	(23,514)	26,758,460
Institutional Founder accumulation	1,990,333	262,891	(453,424)	21,325	1,821,125
Retail Founder income	1,455,530	-	(42,454)	-	1,413,076
Institutional Founder income	256,062	46,473	(11,050)	-	291,485
Standard Life income	1,066	-	(1,066)	-	-
Standard Life accumulation	293,884	10,464	(9,230)	-	295,118
Retail accumulation	7,734,247	12,137,013	(12,189,985)	-	7,681,275
Institutional accumulation	3,150,437	768,752	(466,347)	(35,941)	3,416,901
Retail income	311,947	2,449	(41,803)	-	272,593
Institutional income	474,151	6,646	(107,217)	-	373,580
Platform 1 accumulation	11,098,428	377,902	(2,175,722)	36,772	9,337,380
Platform 1 income	3,524,922	208,034	(707,093)	-	3,025,863

## 11. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	115,742	-	-	114,696	-	-
<b>Total investment assets</b>	<b>115,742</b>	<b>-</b>	<b>-</b>	<b>114,696</b>	<b>-</b>	<b>-</b>

## 12. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Australian Dollar	-	1,715
Brazilian Real	-	1,287
Danish Krone	1,586	1,500
Euro	22,480	18,730
Hong Kong Dollar	10,439	6,523
Indonesian Rupiah	383	1,328
Japanese Yen	3,485	4,835
Mexican Peso	-	1,421
Norwegian Krone	-	3,015
Singapore Dollar	19	1,150
South Korean Won	5,353	1,113
Swiss Franc	5,472	4,600
Taiwan Dollar	6,398	1,257
US Dollar	55,262	58,536
<b>Total</b>	<b>110,877</b>	<b>107,010</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £5,544,000 (2020: £5,351,000).

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

**Other price risk**

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £5,787,000 (2020: £5,735,000).

**Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

**Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £305,000 (2020: £2,618,000).

**13. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic.

Since the year end the NAV per share of Institutional Founder Accumulation class has increased by 7.52% (to 21 June 2021).

Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 May 2020

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Retail accumulation</b>				
Group 1	1.0381	-	1.0381	2.2037
Group 2	0.8476	0.1905	1.0381	2.2037
<b>Institutional Founder accumulation</b>				
Group 1	1.4489	-	1.4489	2.7307
Group 2	0.7814	0.6675	1.4489	2.7307
<b>Retail Founder income</b>				
Group 1	0.5080	-	0.5080	0.8859
Group 2	0.5080	-	0.5080	0.8859
<b>Institutional Founder income</b>				
Group 1	0.5267	-	0.5267	0.9151
Group 2	0.1820	0.3447	0.5267	0.9151
<b>Standard Life income</b>				
Group 1	-	-	-	0.9196
Group 2	-	-	-	0.9196
<b>Standard Life accumulation</b>				
Group 1	0.5517	-	0.5517	0.9378
Group 2	0.1955	0.3562	0.5517	0.9378
<b>Retail accumulation</b>				
Group 1	0.3079	-	0.3079	0.7391
Group 2	0.0910	0.2169	0.3079	0.7391
<b>Institutional accumulation</b>				
Group 1	0.4474	-	0.4474	0.9014
Group 2	0.1939	0.2535	0.4474	0.9014
<b>Retail income</b>				
Group 1	0.4906	-	0.4906	0.8582
Group 2	0.1818	0.3088	0.4906	0.8582

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Institutional income</b>				
Group 1	0.5164	-	0.5164	0.8993
Group 2	0.2015	0.3149	0.5164	0.8993
<b>Platform 1 accumulation</b>				
Group 1	0.4246	-	0.4246	0.8685
Group 2	0.3180	0.1066	0.4246	0.8685
<b>Platform 1 income</b>				
Group 1	0.5136	-	0.5136	0.8952
Group 2	0.2894	0.2242	0.5136	0.8952

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 June 2020

Group 2 - shares purchased between 1 June 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail Founder accumulation</b>				
Group 1	1.6596	-	1.6596	0.8119
Group 2	1.1056	0.5540	1.6596	0.8119
<b>Institutional Founder accumulation</b>				
Group 1	2.1705	-	2.1705	1.2332
Group 2	1.2563	0.9142	2.1705	1.2332
<b>Retail Founder income</b>				
Group 1	0.7109	-	0.7109	0.4719
Group 2	0.7109	-	0.7109	0.4719
<b>Institutional Founder income</b>				
Group 1	0.7384	-	0.7384	0.4881
Group 2	0.5025	0.2359	0.7384	0.4881
<b>Standard Life income</b>				
Group 1	-	-	-	0.5482
Group 2	-	-	-	0.5482
<b>Standard Life accumulation</b>				
Group 1	0.7859	-	0.7859	0.4915
Group 2	0.5270	0.2589	0.7859	0.4915
<b>Retail accumulation</b>				
Group 1	0.5307	-	0.5307	0.2183
Group 2	0.1764	0.3543	0.5307	0.2183
<b>Institutional accumulation</b>				
Group 1	0.6951	-	0.6951	0.3646
Group 2	0.4057	0.2894	0.6951	0.3646
<b>Retail income</b>				
Group 1	0.6859	-	0.6859	0.4568
Group 2	0.3792	0.3067	0.6859	0.4568
<b>Institutional income</b>				
Group 1	0.7232	-	0.7232	0.4791
Group 2	0.2980	0.4252	0.7232	0.4791

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Platform 1 accumulation</b>				
Group 1	0.6652	-	0.6652	0.3424
Group 2	0.4049	0.2603	0.6652	0.3424
<b>Platform 1 income</b>				
Group 1	0.7188	-	0.7188	0.4769
Group 2	0.2850	0.4338	0.7188	0.4769



**Third interim dividend distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 30 November 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Retail Founder accumulation</b>				
Group 1	0.4935	-	0.4935	1.0656
Group 2	0.1693	0.3242	0.4935	1.0656
<b>Institutional Founder accumulation</b>				
Group 1	0.8923	-	0.8923	1.5113
Group 2	0.6101	0.2822	0.8923	1.5113
<b>Retail Founder income</b>				
Group 1	0.3650	-	0.3650	0.5449
Group 2	0.3650	-	0.3650	0.5449
<b>Institutional Founder income</b>				
Group 1	0.3793	-	0.3793	0.5639
Group 2	0.0596	0.3197	0.3793	0.5639
<b>Standard Life income</b>				
Group 1	-	-	-	0.5794
Group 2	-	-	-	0.5794
<b>Standard Life accumulation</b>				
Group 1	0.3998	-	0.3998	0.5881
Group 2	0.2070	0.1928	0.3998	0.5881
<b>Retail accumulation</b>				
Group 1	0.0968	-	0.0968	0.3090
Group 2	-	0.0968	0.0968	0.3090
<b>Institutional accumulation</b>				
Group 1	0.2415	-	0.2415	0.4645
Group 2	0.0809	0.1606	0.2415	0.4645
<b>Retail income</b>				
Group 1	0.3516	-	0.3516	0.5271
Group 2	0.1495	0.2021	0.3516	0.5271
<b>Institutional income</b>				
Group 1	0.3714	-	0.3714	0.5550
Group 2	0.1512	0.2202	0.3714	0.5550

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Platform 1 accumulation</b>				
Group 1	0.2219	-	0.2219	0.4393
Group 2	0.0275	0.1944	0.2219	0.4393
<b>Platform 1 income</b>				
Group 1	0.3693	-	0.3693	0.5511
Group 2	0.2357	0.1336	0.3693	0.5511

**Final dividend distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail Founder accumulation</b>				
Group 1	0.7399	-	0.7399	1.0381
Group 2	0.5518	0.1881	0.7399	1.0381
<b>Institutional Founder accumulation</b>				
Group 1	1.1793	-	1.1793	1.4988
Group 2	0.4956	0.6837	1.1793	1.4988
<b>Retail Founder income</b>				
Group 1	0.4456	-	0.4456	0.5402
Group 2	0.4456	-	0.4456	0.5402
<b>Institutional Founder income</b>				
Group 1	0.4635	-	0.4635	0.5607
Group 2	0.2975	0.1660	0.4635	0.5607
<b>Standard Life income</b>				
Group 1	-	-	-	0.5710
Group 2	-	-	-	0.5710
<b>Standard Life accumulation</b>				
Group 1	0.4926	-	0.4926	0.5789
Group 2	0.3357	0.1569	0.4926	0.5789
<b>Retail accumulation</b>				
Group 1	0.1855	-	0.1855	0.3032
Group 2	0.1031	0.0824	0.1855	0.3032
<b>Institutional accumulation</b>				
Group 1	0.3395	-	0.3395	0.4569
Group 2	0.0658	0.2737	0.3395	0.4569
<b>Retail income</b>				
Group 1	0.4292	-	0.4292	0.5222
Group 2	0.2617	0.1675	0.4292	0.5222
<b>Institutional income</b>				
Group 1	0.4531	-	0.4531	0.5488
Group 2	0.2472	0.2059	0.4531	0.5488

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Platform 1 accumulation</b>				
Group 1	0.3174	-	0.3174	0.4324
Group 2	0.1796	0.1378	0.3174	0.4324
<b>Platform 1 income</b>				
Group 1	0.4508	-	0.4508	0.5466
Group 2	0.2732	0.1776	0.4508	0.5466

#### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI Global Smaller Companies Fund

For the year ended 28 February 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in Global small-capitalisation equities (company shares).

**Performance Target:** To achieve the return of the MSCI AC World Small Cap Index, plus 3% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

**Performance Comparator:** IA Global Equity Sector Average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 70% in small-capitalisation equities and equity related securities of companies listed on global stock exchanges.
- Small capitalisation companies are defined as any stock included in the MSCI AC World Small Cap Index or, if not included within the index, any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The fund may also invest in mid and larger capitalisation companies listed on global stock exchanges.
- The fund may also invest in other funds (including those managed by 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

Over the period under review, the fund returned 42.1% (source: Factset, Platform 1 accumulation shares). This compared to a return of 32.6% for our performance target (the MSCI AC World Small Cap Index +3%).

Generac added value. It is the leading manufacturer of standby generators for the US residential market. The company reported strong results as the higher number of people staying at home amid the pandemic resulted in a record demand for home generators. The company's prospects are further boosted by the increased frequency of unpredictable and severe weather events, which are exacerbated by the underinvestment in electrical-power infrastructure. Kornit Digital, the manufacturer of digital printers for the textile and apparel industry, reported sales and earnings ahead of consensus. The company is seeing demand rising from a shift to online purchasing and a greater awareness of our impact on the environment, confirming our belief that these will be long-term trends. Chegg was the biggest contributor to performance thanks to a surge in subscriptions for its online education tools. With schools and colleges closed, students are being forced to study from home, which means they are looking online for help with their coursework. We see Chegg as a market leader in this space and an example of a business where the lockdown has accelerated a secular trend towards digitalisation that was already under way. Elsewhere, many other holdings did extremely well during the year, including US companies Chegg and Axon, along with Taiwanese companies Sinbon Electronics and Voltronic Power Technology. All made powerful gains.

By contrast, the top detractors from performance had a relatively small impact. Holdings of note to weigh on returns included Envestnet and Jet2. While Envestnet's earnings came in ahead of expectations, the company unveiled a new investment programme to help it sustain future growth. This had the effect of lowering future profit margins. The financial technology and services provider's plan had not been communicated to investors, and took them by surprise. Lastly, travel operator Jet2 (formerly Dart Group) plunged along with the wider travel sector when COVID-19 travel restrictions were imposed. Earnings were hit by cancelled flights, postponed bookings and costly refunds (now sold).

### Portfolio Activity

We bought Generac, the leading manufacturer of residential standby generators in the US. The company is seeing increasing demand as severe electrical power outages rise, in part as a result of underinvestment in the power grid nationally. We bought two healthcare companies, Chemed and Amedisys. Both are leading providers of hospice services and caring for the elderly and sick at home. This area is seeing greater attention as it improves patients' wellbeing, leading to better outcomes as well as helping to deliver lower healthcare costs. We initiated a position in sound engineer Dolby Labs. We are seeing new client wins, such as a partnership with Netflix, as the company develops its next generation of products. We also added Genus to the Fund. The UK genetic engineering specialist continues to see high levels of interest across its porcine and bovine supply chain. We took an initial position in Dunelm, the UK homeware retailer. The management has invested in its digital offering and the group is well positioned in the value segment of the furnishings market. We acquired a stake in Dutch speciality chemical business Corbion. We are positive on a number of aspects in the business. We see solid growth in its Sustainable Food Solution operations as food producers switch from chemical preservatives to naturally occurring enzymes. We started a new position in German business Jungheinrich, a leading provider of forklift trucks and stackers used in warehouse automation. We see strong structural growth in this area as companies shift to e-commerce. We also bought Floor & Décor. It specialises in hard flooring for the US residential and trade markets. A shift from carpets to hard flooring has supported growth.

Sales included UK mixer-drinks business Fever-Tree. US sales were below expectations. We exited Jumbo Interactive, the Australian online lottery-ticket seller, due to lost earnings momentum. We sold TCI Co on concerns about the impact on sales of tighter regulation in the health food supplement market. We exited UK online rail-ticket seller Trainline because of falling revenue from a drop in passenger traffic. We exited printed-circuit-board software designer Altium. We have gradually reduced our exposure to the company following a series of price cuts to induce customers to buy its products. We sold 51Job, the Chinese online recruitment and outsourced human-resources provider as the company faces macro headwinds. Lastly, we exited smart transport and defence contractor Cubic. We have a number of concerns regarding the pressure on transportation authorities' budgets and on the upfront investments required for Cubic's defence contracts.

### Portfolio Outlook and Strategy

We were encouraged to see a return of a fundamental investing approach at the start of February after a sharp rotation into value shares after the announcement of successful COVID-19 trials on the prospect of economic recovery happening sooner than expected. As far as the sharp uptick in bond yields is concerned, we support the view expressed by several economists that bond yields are unlikely to rerate materially from here. Yields are only just back to pre-COVID levels, and a broad-based economic recovery is still in its early, but tentative, stages.

While the vaccine rollout widens and economies slowly reopen, government support is gradually being withdrawn and corporate taxes may have to increase. In China, where the turnaround has been fastest, policy normalisation already appears to be underway. Elsewhere, we will watch how government policy plays

out over the next few months, the pace at which support is removed and the impact it has on the recovery.

In the current environment, we are looking to balance the portfolio between our high conviction, medium to long-term structural growth-stocks and high-quality stocks that should get an additional boost to their growth from economic recovery.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	130.38	132.37	128.93
Return before operating charges*	55.10	0.09	5.45
Operating charges	(2.36)	(2.08)	(2.01)
Return after operating charges*	52.74	(1.99)	3.44
Closing net asset value per share	183.12	130.38	132.37
* after direct transaction costs of:	0.15	0.17	0.13
<b>Performance</b>			
Return after charges	40.45%	(1.50%)	2.67%
<b>Other information</b>			
Closing net asset value (£'000)	250,994	161,075	199,176
Closing number of shares	137,068,391	123,540,788	150,472,730
Operating charges	1.47%	1.47%	1.47%
Direct transaction costs	0.09%	0.12%	0.10%
<b>Prices</b>			
Highest share price	198.3	150.4	155.9
Lowest share price	104.4	129.9	116.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.



Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	137.92	139.30	135.00
Return before operating charges*	58.39	0.04	5.68
Operating charges	(1.59)	(1.42)	(1.38)
Return after operating charges*	56.80	(1.38)	4.30
Closing net asset value per share	194.72	137.92	139.30
* after direct transaction costs of:	0.16	0.18	0.14
<b>Performance</b>			
Return after charges	41.18%	(0.99%)	3.19%
<b>Other information</b>			
Closing net asset value (£'000)	194,089	167,990	163,516
Closing number of shares	99,677,137	121,800,968	117,384,210
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.09%	0.12%	0.10%
<b>Prices</b>			
Highest share price	210.8	158.6	163.6
Lowest share price	110.4	137.1	122.1

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Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	147.98	148.17	142.37
Return before operating charges*	62.90	(0.03)	5.95
Operating charges	(0.18)	(0.16)	(0.15)
Return after operating charges*	62.72	(0.19)	5.80
Distributions	(0.96)	(1.20)	(1.06)
Retained distributions on accumulation shares	0.96	1.20	1.06
Closing net asset value per share	210.70	147.98	148.17
* after direct transaction costs of:	0.17	0.19	0.15
<b>Performance</b>			
Return after charges	42.38%	(0.13%)	4.07%
<b>Other information</b>			
Closing net asset value (£'000)	152,894	98,122	95,691
Closing number of shares	72,564,372	66,305,556	64,580,344
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.09%	0.12%	0.10%
<b>Prices</b>			
Highest share price	228.1	169.4	173.3
Lowest share price	118.5	145.9	129.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	132.40	133.84	129.83
Return before operating charges*	56.04	0.06	5.46
Operating charges	(1.70)	(1.50)	(1.45)
Return after operating charges*	54.34	(1.44)	4.01
Closing net asset value per share	186.74	132.40	133.84
* after direct transaction costs of:	0.15	0.17	0.13
<b>Performance</b>			
Return after charges	41.04%	(1.08%)	3.09%
<b>Other information</b>			
Closing net asset value (£'000)	312,036	230,572	297,485
Closing number of shares	167,099,232	174,147,951	222,265,852
Operating charges	1.05%	1.05%	1.05%
Direct transaction costs	0.09%	0.12%	0.10%
<b>Prices</b>			
Highest share price	202.2	152.4	157.3
Lowest share price	106.0	131.7	117.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional S accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	101.70	102.52	99.18
Return before operating charges*	43.09	0.04	4.16
Operating charges	(0.97)	(0.86)	(0.82)
Return after operating charges*	42.12	(0.82)	3.34
Distributions	-	(0.08)	(0.02)
Retained distributions on accumulation shares	-	0.08	0.02
Closing net asset value per share	143.82	101.70	102.52
* after direct transaction costs of:	0.12	0.13	0.10
<b>Performance</b>			
Return after charges	41.42%	(0.80%)	3.37%
<b>Other information</b>			
Closing net asset value (£'000)	587,365	434,886	556,635
Closing number of shares	408,399,954	427,630,496	542,931,531
Operating charges	0.78%	0.78%	0.78%
Direct transaction costs	0.09%	0.12%	0.10%
<b>Prices</b>			
Highest share price	155.7	116.8	120.3
Lowest share price	81.42	100.9	89.84

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (96.89%)</b>		<b>1,433,944</b>	<b>95.76</b>
<b>Emerging Market Equities (3.44%)</b>		<b>61,561</b>	<b>4.11</b>
<b>Brazil (0.14%)</b>		-	-
<b>Israel (3.30%)</b>		<b>61,561</b>	<b>4.11</b>
761,864	Kornit Digital	61,561	4.11
<b>European Equities (14.39%)</b>		<b>280,012</b>	<b>18.70</b>
<b>Finland (0.00%)</b>		<b>21,411</b>	<b>1.43</b>
1,173,287	Kesko	21,411	1.43
<b>France (3.73%)</b>		<b>24,105</b>	<b>1.61</b>
94,763	Teleperformance	24,105	1.61
<b>Germany (1.71%)</b>		<b>42,688</b>	<b>2.85</b>
1,019,086	Jungheinrich (Preference)	31,639	2.11
244,517	Nemetschek	11,049	0.74
<b>Ireland (1.90%)</b>		<b>35,581</b>	<b>2.38</b>
1,416,428	Keywords Studios <sup>++</sup>	35,581	2.38
<b>Italy (4.18%)</b>		<b>73,259</b>	<b>4.89</b>
2,896,690	FinecoBank <sup>++</sup>	36,641	2.45
1,108,780	Interpump	36,618	2.44
<b>Netherlands (0.00%)</b>		<b>37,258</b>	<b>2.49</b>
911,148	Corbion	37,258	2.49
<b>Poland (1.75%)</b>		<b>18,381</b>	<b>1.23</b>
389,108	Dino Polska	18,381	1.23

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Spain (1.12%)</b>		<b>27,329</b>	<b>1.82</b>
1,384,270	CIE Automotive	27,329	1.82
<b>Japanese Equities (10.77%)</b>		<b>125,180</b>	<b>8.36</b>
140,753	GMO Payment Gateway	13,305	0.89
264,100	Grace Technology	9,468	0.63
730,000	JMDC	24,847	1.66
1,058,305	Mani	17,556	1.17
714,053	Nihon M&A Center	27,804	1.86
619,670	Technopro	32,200	2.15
<b>North American Equities (39.99%)</b>		<b>668,290</b>	<b>44.63</b>
<b>United States (39.99%)</b>		<b>668,290</b>	<b>44.63</b>
210,554	Amedisys	38,145	2.55
441,358	Axon Enterprise	52,224	3.49
696,754	Chegg	48,121	3.21
62,754	Chemed	20,007	1.34
579,328	Dolby Laboratories	40,451	2.70
641,626	Envestnet	29,376	1.96
596,391	Floor & Décor	40,541	2.71
286,231	Generac	67,429	4.50
271,700	Insulet	50,325	3.36
1,005,961	Lattice Semiconductor	34,595	2.31
36,937	MarketAxess Holdings	14,669	0.98
215,905	MAXIMUS	12,539	0.84
296,448	Paylocity	40,505	2.70
142,537	Poolcorp	34,108	2.28
371,390	Siteone Landscape Supply	42,106	2.81
273,396	TechTarget	16,291	1.09
848,983	Terminix Global	27,326	1.82
346,393	Trex	22,707	1.52
747,572	YETI	36,825	2.46
<b>Pacific Basin Equities (17.90%)</b>		<b>152,453</b>	<b>10.18</b>
<b>Australia (6.55%)</b>		<b>47,367</b>	<b>3.17</b>
6,159,450	ALS	32,880	2.20
1,567,438	Appen	14,487	0.97

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>China (3.33%)</b>		-	-
<b>Indonesia (0.86%)</b>		-	-
<b>South Korea (0.00%)</b>		18,328	1.22
262,908	Douzone Bizon	18,328	1.22
<b>Taiwan (7.16%)</b>		86,758	5.79
6,825,229	Sinbon Electronics	46,885	3.13
4,373,394	Taiwan Union Technology	13,140	0.88
905,236	Voltronic Power Technology	26,733	1.78
<b>UK Equities (10.40%)</b>		146,448	9.78
<b>Consumer Goods (1.19%)</b>		-	-
<b>Consumer Services (5.19%)</b>		54,937	3.66
1,775,275	Dunelm	22,298	1.49
1,417,186	Future	27,607	1.84
430,122	GlobalData**	5,032	0.33
<b>Health Care (2.03%)</b>		44,147	2.95
877,672	Genus	44,147	2.95
<b>Industrials (1.99%)</b>		24,363	1.63
4,033,552	RWS**	24,363	1.63
<b>Technology (0.00%)</b>		23,001	1.54
1,750,437	Kainos	23,001	1.54
<b>Collective Investment Schemes (3.45%)</b>		64,534	4.31
64,534	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	64,534	4.31
<b>Total investment assets</b>		1,498,478	100.07
<b>Net other liabilities</b>		(1,100)	(0.07)
<b>Total Net Assets</b>		1,497,378	100.00

All investments are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\*\* AIM listed.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	413,830	3,302
Revenue	2	8,491	12,057
Expenses	3	(11,398)	(11,836)
Interest payable and similar charges		(8)	(19)
Net (expense)/revenue before taxation		(2,915)	202
Taxation	4	(663)	(757)
Net expense after taxation		(3,578)	(555)
<b>Total return before distributions</b>		<b>410,252</b>	<b>2,747</b>
Distributions	5	(602)	(1,304)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>409,650</b>	<b>1,443</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>1,092,645</b>	<b>1,312,503</b>
Amounts receivable on the issue of shares	195,234	85,414
Amounts payable on the cancellation of shares	(200,844)	(307,846)
	(5,610)	(222,432)
Change in net assets attributable to shareholders from investment activities (see above)	409,650	1,443
Retained distribution on accumulation shares	693	1,131
<b>Closing net assets attributable to shareholders</b>	<b>1,497,378</b>	<b>1,092,645</b>



## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		1,498,478	1,096,331
<b>Current assets:</b>			
Debtors	6	4,600	8,954
Cash and bank balances	7	1,177	2,469
		5,777	11,423
Total assets		1,504,255	1,107,754
<b>Liabilities:</b>			
Creditors	8	(6,872)	(15,094)
Bank overdrafts	7	(5)	(15)
		(6,877)	(15,109)
Total liabilities		(6,877)	(15,109)
<b>Net assets attributable to shareholders</b>		<b>1,497,378</b>	<b>1,092,645</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	414,229	3,550
Forward currency contracts	-	(14)
Other losses	(374)	(197)
Transaction charges	(25)	(37)
<b>Net capital gains</b>	<b>413,830</b>	<b>3,302</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	100	187
Overseas dividends	7,771	10,756
UK dividends	620	1,114
<b>Total revenue</b>	<b>8,491</b>	<b>12,057</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	10,032	10,389
Dealing charge	284	304
Registration fees	847	889
	11,163	11,582
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	123	137
Depositary's fees	93	84
	216	221
<b>Other:</b>		
Audit fee	9	9
Professional fees	10	24
	19	33
<b>Total expenses</b>	<b>11,398</b>	<b>11,836</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	663	757
<b>Total taxation</b>	<b>663</b>	<b>757</b>
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is the greater than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net (expense)/revenue before taxation	(2,915)	202
Corporation tax at 20% (2020: 20%)	(583)	41
Effects of:		
Revenue not subject to taxation	(1,678)	(2,355)
Overseas taxes	663	757
Overseas tax expensed	-	(3)
Excess allowable expenses	2,261	2,317
<b>Total tax charge for year (note 4a)</b>	<b>663</b>	<b>757</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) **Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £10,527,000 (2020: £8,266,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5. Distributions (including the movement between net income and distributions)

	2021 £'000	2020 £'000
Distribution	693	1,131
Add: Income deducted on cancellation of shares	24	273
Deduct: Income received on issue of shares	(115)	(100)
<b>Total distributions for the year</b>	<b>602</b>	<b>1,304</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	(3,578)	(555)
Shortfall transfer from capital to revenue	4,180	1,859
<b>Total distributions</b>	<b>602</b>	<b>1,304</b>

Details of the distribution per share are set out in this fund's distribution tables.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	335	381
Amounts receivable from the ACD for the issue of shares	2,360	39
Overseas withholding tax recoverable	481	207
Sales awaiting settlement	1,424	8,327
<b>Total debtors</b>	<b>4,600</b>	<b>8,954</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	1,177	2,469
	<b>1,177</b>	<b>2,469</b>
<b>Bank overdrafts</b>		
Overdraft at bank	(5)	(15)
	<b>(5)</b>	<b>(15)</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	64,534	37,748
<b>Net liquidity</b>	<b>65,706</b>	<b>40,202</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	1,062	840
Accrued expenses payable to the Depositary or associates of the Depositary	33	30
Amounts payable to the ACD for cancellation of shares	801	8,707
Other accrued expenses	9	26
Purchases awaiting settlement	4,967	5,491
<b>Total creditors</b>	<b>6,872</b>	<b>15,094</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	573,546	644,044	613,601	877,107
Collective investment schemes	329,514	399,600	302,728	394,478
Corporate actions	21	146	-	-
<b>Trades in the year before transaction costs</b>	<b>903,081</b>	<b>1,043,790</b>	<b>916,329</b>	<b>1,271,585</b>

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Commissions</b>				
Equities	360	552	(330)	(530)
<b>Total commissions</b>	<b>360</b>	<b>552</b>	<b>(330)</b>	<b>(530)</b>
<b>Taxes</b>				
Equities	296	286	(179)	(168)
<b>Total taxes</b>	<b>296</b>	<b>286</b>	<b>(179)</b>	<b>(168)</b>
<b>Total transaction costs</b>	<b>656</b>	<b>838</b>	<b>(509)</b>	<b>(698)</b>
<b>Total net trades in the year after transaction costs</b>	<b>903,737</b>	<b>1,044,628</b>	<b>915,820</b>	<b>1,270,887</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.06	0.09	0.05	0.06
<b>Taxes</b>				
Equities	0.05	0.04	0.03	0.02

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.05	0.08
Taxes	0.04	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.32% (2020: 0.33%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	123,540,788	38,121,828	(23,540,322)	(1,053,903)	137,068,391
Institutional accumulation	121,800,968	12,727,488	(34,869,334)	18,015	99,677,137
Standard Life accumulation	66,305,556	15,586,798	(9,327,982)	-	72,564,372
Platform 1 accumulation	174,147,951	18,273,343	(25,562,699)	240,637	167,099,232
Institutional S accumulation	427,630,496	35,126,278	(55,368,975)	1,012,155	408,399,954

## 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	1,433,944	-	-	1,058,583	-	-
Collective Investment Schemes	-	64,534	-	-	37,748	-
<b>Total investment assets</b>	<b>1,433,944</b>	<b>64,534</b>	<b>-</b>	<b>1,058,583</b>	<b>37,748</b>	<b>-</b>

## 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Australian Dollar	48,790	74,536
Brazilian Real	-	1,490
Euro	227,243	118,368
Hong Kong Dollar	-	20,986
Indonesian Rupiah	-	9,357
Japanese Yen	125,422	117,904
Polish Zloty	18,381	19,112
South Korean Won	18,405	26
Taiwan Dollar	86,782	77,230
US Dollar	725,340	493,243
<b>Total</b>	<b>1,250,363</b>	<b>932,252</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £62,518,000 (2020: £46,613,000).

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £74,924,000 (2020: £54,817,000).

**Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

**Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £6,877,000 (2020: £15,109,000).

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional S Accumulation class has increased by 4.99% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.9556	-	0.9556	1.1962
Group 2	0.2339	0.7217	0.9556	1.1962
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional S accumulation</b>				
Group 1	-	-	-	0.0790
Group 2	-	-	-	0.0790

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.



# ASI High Yield Bond Fund

For the year ended 28 February 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling and Euro denominated subinvestment 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 Review

Over the period under review, the fund returned 7.1% (source: Factset, Platform 1 accumulation shares). This compared to a return of 6.8% for our performance target (the ICE BofAML GBP/Euro Fixed & Floating High Yield Non-Financial 3% Constrained (HGD to GBP) +0.8%).

The top performer for the fund over the period was Digital Realty, a leading data centre operator. This is one of our preferred sectors, which benefits from accelerating demand for online activity in the post-coronavirus world. In financials, an off-benchmark position in Virgin Money performed well. The fund also benefited from zero-exposure to theatre operator AMC Entertainment and Selecta Group, which provides vending machines in offices. Both suffered credit ratings downgrades over the period as coronavirus lockdowns changed working practices and shuttered entertainment venues.

On the negative side, the fund's biggest detractor was car rental firm Avis Budget Group. An overweight in Pinnacle, owner of Pure Gym, weighed on returns as membership revenues were hit by enforced closures. An underweight position in logistics firm CMA CGM also hurt performance, as this outperformed the index.

## Portfolio Activity

In the primary market, early in the period, we bought new issues from Ford Motor Company, Merlin Entertainments, Virgin Media and the elevator business being spun out of ThyssenKrupp. Towards the end of the period, we bought a 2027 bond from specialist lender Together Financial Services and started a new position in Spanish bank ABANCA with an attractively priced subordinated note. In January, we bought a dual-issue of 2027 and 2029 bonds from home alarm manufacturer Verisure.

Early in the period, we used the increase in 'fallen angels' as a source of attractive secondary-market investments. As well as participating in the Ford Motor new issue, we purchased bonds from ZFF, Pemex and RCI Banque. The fund's position in autos was increased to capture the attractive yields on offer and also to reflect the fact that the weighting in the benchmark had increased with the 'fallen angels'. We therefore added positions such as Faurecia, Motherson, Fiat, General Motors and Jaguar Land Rover. Later in the period, we bought cruise ship operator Carnival – anticipating the return of transport and leisure later in 2021. In the energy sector, we bought a 2022 issue from EnQuest, which we feel is undervalued. We have switched our holdings in Mexican state-owned oil producer Pemex, selling short-dated issues for an attractive 2029 bond. We reduced exposure to Telecom Italia and sold out of Danske Bank.

### Portfolio Outlook and Strategy

Despite the strong rally that occurred during the last quarter of 2020, we continue to remain broadly constructive of the market. Valuations on a significant proportion of bonds (particularly those not affected by COVID-19) look to have largely retraced their weakness. Nonetheless, high-yield bonds offer a source of additional yield in a world where a significant proportion of debt is ultra-low yielding or, indeed, negative yielding. The backdrop of ongoing central bank support, expectations of vaccine-related improving macroeconomic conditions and decline in default rates during 2021 should benefit the asset class.

Risks do remain, however, including the deterioration in the COVID-19 situation, which has reimposed lockdowns throughout Europe, and will be having an economic impact. Once again, many business sectors have had to close substantial parts of their operations – this will negatively impact their liquidity positions and balance sheet strength.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator. The risk and reward indicator changed from 3 to 4 on 31 July 2020.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	139.42	133.58	132.22
Return before operating charges*	10.91	7.29	2.72
Operating charges	(1.43)	(1.45)	(1.36)
Return after operating charges*	9.48	5.84	1.36
Distributions	(5.50)	(3.91)	(3.65)
Retained distributions on accumulation shares	5.50	3.91	3.65
Closing net asset value per share	148.90	139.42	133.58
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.80%	4.37%	1.03%
<b>Other information</b>			
Closing net asset value (£'000)	82,772	84,701	93,098
Closing number of shares	55,591,054	60,751,437	69,695,007
Operating charges	1.03%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	150.3	143.5	134.6
Lowest share price	114.7	133.9	130.0

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	148.83	142.12	140.22
Return before operating charges*	11.66	7.75	2.90
Operating charges	(1.05)	(1.04)	(1.00)
Return after operating charges*	10.61	6.71	1.90
Distributions	(6.35)	(4.68)	(4.33)
Retained distributions on accumulation shares	6.35	4.68	4.33
Closing net asset value per share	159.44	148.83	142.12
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.13%	4.72%	1.35%
<b>Other information</b>			
Closing net asset value (£'000)	19,044	19,561	20,493
Closing number of shares	11,944,126	13,143,275	14,420,173
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	160.9	153.2	143.0
Lowest share price	122.4	142.4	138.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	48.62	47.93	48.77
Return before operating charges*	3.72	2.59	0.99
Operating charges	(0.49)	(0.50)	(0.50)
Return after operating charges*	3.23	2.09	0.49
Distributions	(1.89)	(1.40)	(1.33)
Closing net asset value per share	49.96	48.62	47.93
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.64%	4.36%	1.00%
<b>Other information</b>			
Closing net asset value (£'000)	43,698	45,947	51,344
Closing number of shares	87,461,123	94,494,741	107,115,614
Operating charges	1.03%	1.03%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	50.90	50.42	49.21
Lowest share price	40.00	47.89	46.96

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	48.64	47.95	48.79
Return before operating charges*	3.72	2.60	0.99
Operating charges	(0.34)	(0.35)	(0.34)
Return after operating charges*	3.38	2.25	0.65
Distributions	(2.04)	(1.56)	(1.49)
Closing net asset value per share	49.98	48.64	47.95
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.95%	4.69%	1.33%
<b>Other information</b>			
Closing net asset value (£'000)	24,031	30,034	30,849
Closing number of shares	48,085,185	61,753,084	64,337,818
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	50.95	50.48	49.25
Lowest share price	40.02	47.90	46.99

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	49.49	48.81	49.73
Return before operating charges*	3.79	2.66	0.93
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	3.78	2.65	0.92
Distributions	(2.42)	(1.97)	(1.84)
Closing net asset value per share	50.85	49.49	48.81
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.64%	5.43%	1.85%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	- <sup>^</sup>
Closing number of shares	1,996	1,996	201
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.92	51.44	50.27
Lowest share price	40.75	48.78	47.87

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> The closing net asset value of Standard Life income is £98.



Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	121.59	115.41	113.20
Return before operating charges*	9.58	6.31	2.33
Operating charges	(0.13)	(0.13)	(0.12)
Return after operating charges*	9.45	6.18	2.21
Distributions	(5.94)	(4.53)	(4.19)
Retained distributions on accumulation shares	5.94	4.53	4.19
Closing net asset value per share	131.04	121.59	115.41
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.77%	5.35%	1.95%
<b>Other information</b>			
Closing net asset value (£'000)	83,423	85,208	148,136
Closing number of shares	63,661,792	70,080,607	128,355,724
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	132.2	125.1	115.9
Lowest share price	100.1	115.7	112.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	218.07	207.61	204.23
Return before operating charges*	17.14	11.34	4.22
Operating charges	(0.89)	(0.88)	(0.84)
Return after operating charges*	16.25	10.46	3.38
Distributions	(9.97)	(7.49)	(6.93)
Retained distributions on accumulation shares	9.97	7.49	6.93
Closing net asset value per share	234.32	218.07	207.61
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.45%	5.04%	1.65%
<b>Other information</b>			
Closing net asset value (£'000)	33,674	34,869	37,754
Closing number of shares	14,370,684	15,989,980	18,184,794
Operating charges	0.41%	0.41%	0.41%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	236.5	224.4	208.7
Lowest share price	179.4	208.1	201.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life B accumulation^	2019 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	95.99
Return before operating charges*	0.87
Operating charges	-
Return after operating charges*	0.87
Distributions	(0.90)
Retained distributions on accumulation shares	0.90
Redemption value as at 14 June 2018	(96.86)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	0.91%
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	-
Direct transaction costs	-
<b>Prices</b>	
Highest share price	97.05
Lowest share price	96.15

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^ Standard Life B accumulation closed on 14 June 2018.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.17	74.68	73.72
Return before operating charges*	6.13	4.08	1.52
Operating charges	(0.59)	(0.59)	(0.56)
Return after operating charges*	5.54	3.49	0.96
Distributions	(3.29)	(2.42)	(2.24)
Retained distributions on accumulation shares	3.29	2.42	2.24
Closing net asset value per share	83.71	78.17	74.68
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.09%	4.67%	1.30%
<b>Other information</b>			
Closing net asset value (£'000)	27,472	27,729	30,610
Closing number of shares	32,818,970	35,470,314	40,986,462
Operating charges	0.76%	0.76%	0.76%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	84.49	80.46	75.19
Lowest share price	64.31	74.84	72.64

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.41	56.59	57.58
Return before operating charges*	4.39	3.07	1.17
Operating charges	(0.43)	(0.44)	(0.43)
Return after operating charges*	3.96	2.63	0.74
Distributions	(2.38)	(1.81)	(1.73)
Closing net asset value per share	58.99	57.41	56.59
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.90%	4.65%	1.29%
<b>Other information</b>			
Closing net asset value (£'000)	33,362	36,162	39,632
Closing number of shares	56,549,779	62,987,253	70,033,718
Operating charges	0.76%	0.76%	0.76%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	60.14	59.57	58.13
Lowest share price	47.24	56.54	55.45

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional S accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	67.97	64.53	63.51
Return before operating charges*	5.40	3.84	1.40
Operating charges	(0.40)	(0.40)	(0.38)
Return after operating charges*	5.00	3.44	1.02
Distributions	(3.07)	(2.49)	(2.16)
Retained distributions on accumulation shares	3.07	2.49	2.16
Closing net asset value per share	72.97	67.97	64.53
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.36%	5.33%	1.60%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	- <sup>^</sup>
Closing number of shares	1,531	1,531	200
Operating charges	0.59%	0.59%	0.59%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	73.65	69.95	64.84
Lowest share price	55.92	64.66	62.71

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> The closing net asset value of Institutional S accumulation is £129.

Institutional S income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	52.50	51.87	52.81
Return before operating charges*	4.05	2.92	1.22
Operating charges	(0.31)	(0.31)	(0.31)
Return after operating charges*	3.74	2.61	0.91
Distributions	(2.32)	(1.98)	(1.85)
Closing net asset value per share	53.92	52.50	51.87
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.12%	5.03%	1.72%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	- <sup>^</sup>
Closing number of shares	1,893	1,893	200
Operating charges	0.59%	0.59%	0.59%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	55.00	54.50	53.35
Lowest share price	43.20	51.71	50.87

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> The closing net asset value of Institutional S income is £104.

Institutional A accumulation^	2019 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	57.75
Return before operating charges*	0.66
Operating charges	(0.32)
Return after operating charges*	0.34
Distributions	(0.38)
Retained distributions on accumulation shares	0.38
Redemption value as at 14 June 2018	(58.09)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	0.59%
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	1.11%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	58.26
Lowest share price	57.69

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^ Institutional A accumulation closed on 14 June 2018.



Institutional A income <sup>^</sup>	2019 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	54.60
Return before operating charges*	0.63
Operating charges	(0.31)
Return after operating charges*	0.32
Distributions	(0.37)
Redemption value as at 14 June 2018	(54.55)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	0.59%
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	1.11%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	55.08
Lowest share price	54.17

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> Institutional A income closed on 14 June 2018.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (95.31%)</b>		<b>336,708</b>	<b>96.90</b>
<b>Euro Denominated Bonds (69.97%)</b>		<b>242,193</b>	<b>69.70</b>
<b>Corporate Bonds (69.97%)</b>		<b>242,193</b>	<b>69.70</b>
less than 5 years to maturity			
995,000	Adevinta 2.625% 2025	876	0.25
2,539,000	Adient 3.5% 2024	2,244	0.65
2,000,000	Autostrade 1.625% 2023	1,753	0.50
592,000	B2Holding 7% 2021	527	0.15
1,150,000	Burger King France 6% 2024	1,011	0.29
3,600,000	Carnival 10.125% 2026	3,634	1.05
2,000,000	Casino Guichard Perrachon 6.625% 2026	1,794	0.52
2,449,000	Cirsa Finance International 6.25% 2023	2,113	0.61
1,768,210	Cirsa Finance International 7.25% 2025	1,335	0.38
915,000	Cirsa Finance International FRN 2025	747	0.22
2,138,000	Cogent Communications 4.375% 2024	1,903	0.55
4,180,000	Consus Real Estate 9.625% 2024	3,846	1.11
2,830,000	CTC BondCo 5.25% 2025	2,500	0.72
2,125,000	Douglas 6.25% 2022	1,817	0.52
1,500,000	EG Global Finance 4.375% 2025	1,283	0.37
1,500,000	eG Global Finance 6.25% 2025	1,332	0.38
2,797,000	Explorer II 3.375% 2025	2,141	0.62
1,521,000	Gamma Bidco 6.25% 2025	1,380	0.40
1,278,000	Garfunkelux Holdco 3 6.75% 2025	1,138	0.33
2,145,000	HT Troplast 9.25% 2025	2,062	0.59
880,000	IHO Verwaltungs 3.625% 2025	777	0.22
1,900,000	INEOS 5.375% 2024	1,665	0.48
1,095,000	Intertrust 3.375% 2025	969	0.28
1,064,000	La Financiere Atalian 5.125% 2025	899	0.26
3,853,000	Lincoln Financing 3.625% 2024	3,375	0.97
1,200,000	Lincoln Financing FRN 2024	1,042	0.30
2,160,000	Monitchem HoldCo 3 5.25% 2025	1,922	0.55
1,500,000	Monitchem Holdco 5.25% 2025	1,307	0.38
1,212,000	Motion Finco 7% 2025	1,112	0.32
3,121,000	Nassa Topco 2.875% 2024	2,835	0.82
2,113,594	Newco GB 8% 2022	1,807	0.52
4,175,000	Nidda Healthcare 3.5% 2024	3,656	1.05
2,550,000	Novafives 5% 2025	1,983	0.57
4,699,000	OCI 3.125% 2024	4,151	1.19
1,564,000	OI European 2.875% 2025	1,373	0.40

		Market Value £'000	Percentage of total net assets
Holding	Investment		
1,000,000	Pemex Project 5.5% 2025	937	0.27
2,858,000	Petroleos Mexicanos 3.75% 2024	2,532	0.73
2,025,000	Petroleos Mexicanos 5.125% 2023	1,847	0.53
2,095,000	PrestigeBidCo 6.25% 2023	1,843	0.53
1,022,000	Rolls-Royce 4.625% 2026	952	0.27
855,000	Samvardhana Moterson Automotive Systems 1.8% 2024	732	0.21
1,245,000	Sazka 4.125% 2024	1,098	0.32
332,000	SoftBank 4.75% 2025	322	0.09
709,677	Summer Bidco 9% 2025	647	0.19
2,500,000	Summer BidCo 9.75% 2025	2,327	0.67
2,195,000	Techem Verwaltungsgesellschaft 675 mbH 2% 2025	1,878	0.54
1,973,000	Tele Columbus 3.875% 2025	1,727	0.50
5,495,000	Teva Pharmaceutical 1.125% 2024	4,481	1.29
1,807,000	Teva Pharmaceutical 1.25% 2023	1,537	0.44
692,000	Teva Pharmaceutical Finance Netherlands II 6% 2025	654	0.19
760,000	UGI International 3.25% 2025	673	0.19
1,935,000	Unilabs Subholding 5.75% 2025	1,709	0.49
1,269,000	United Group 4.875% 2024	1,122	0.32
2,219,000	Verisure Holding 3.5% 2023	1,945	0.56
972,000	Volvo 2.125% 2024	873	0.25
1,200,000	ZF Europe Finance 2% 2026	1,031	0.30
900,000	ZF Finance 3% 09/21/2025	809	0.23
between 5 and 10 years to maturity			
1,195,000	Altice 3.375% 2028	1,014	0.29
4,460,000	Altice 4.75% 2028	3,716	1.07
1,700,000	Altice France 5.875% 2027	1,580	0.45
8,140,000	Altice France 8% 2027	7,710	2.22
1,225,000	ARD Finance 5% 2027	1,099	0.32
1,106,000	Ardagh Packaging 2.125% 2026	965	0.28
605,000	Arena 1.875% 2028	480	0.14
1,225,000	Atlantia 1.875% 2028	1,050	0.30
4,347,000	Atlantia 2% 2028	3,866	1.11
4,574,000	Banca Monte dei Paschi di Siena 8% fixed to floating 2030	4,086	1.18
2,858,000	Banff Merger Sub 8.375% 2026	2,618	0.75
3,906,000	Blitz F18-674 6% 2026	3,518	1.01
1,500,000	Casino Guichard Perrachon 4.048% 2026	1,263	0.36
2,785,000	Diocle FRN 2026	2,180	0.63
1,069,000	Encore Capital 4.25% 2028	940	0.27
2,275,000	Energizer Gamma Acquisition 4.625% 2026	2,032	0.59
1,000,000	Faurecia 2.375% 2027	876	0.25
1,000,000	Faurecia 3.125% 2026	893	0.26

		Market Value £'000	Percentage of total net assets
Holding	Investment		
1,769,000	Faurecia 3.75% 2028	1,614	0.46
1,099,000	Fiat Chrysler Automobiles 4.5% 2028	1,178	0.34
1,721,000	House of Finance 4.375% 2026	1,508	0.43
925,000	IHO Verwaltungs 3.875% 2027	829	0.24
1,683,000	INEOS Finance 3.375% 2026	1,504	0.43
1,500,000	Ineos Styrolution 2.25% 2027	1,266	0.36
5,484,000	International Game Technology 3.5% 2026	4,826	1.39
3,577,000	Intrum 3.5% 2026	3,091	0.89
1,829,000	Jaguar Land Rover Automotive 6.875% 2026	1,774	0.51
786,000	Kleopatra 2 6.5% 2026	658	0.19
706,000	Kleopatra Finco 4.25% 2026	606	0.17
6,577,000	Matterhorn Telecom 3.125% 2026	5,641	1.62
2,094,000	Motion Bondco 4.5% 2027	1,772	0.51
1,150,000	Netflix 3.625% 2027	1,142	0.33
3,450,000	Netflix 3.875% 2029	3,573	1.03
6,699,000	Petroleos Mexicanos 4.75% 2029	5,674	1.63
4,700,000	RCI Banque 2.625% fixed to floating 2030	4,083	1.17
2,000,000	Sigma 5.75% 2026	1,693	0.49
1,253,000	Sofima 3.75% 2028	1,092	0.31
1,107,000	Sofima 4% 2028	964	0.28
3,300,000	SoftBank 5% 2028	3,309	0.95
618,000	SoftBank 5.25% 2027	617	0.18
5,099,000	UPCB Finance VII 3.625% 2029	4,525	1.30
1,850,000	Verisure 3.25% 2027	1,616	0.47
2,535,000	Verisure 5.25% 2029	2,265	0.65
1,722,000	Vertical Holdco 6.625% 2028	1,589	0.46
874,000	Vertical Midco 4.375% 2027	794	0.23
748,000	Vertical Midco FRN 2027	659	0.19
859,000	Victoria 3.625% 2026	748	0.22
1,400,000	ZF Europe Finance 2.5% 2027	1,219	0.35
1,100,000	ZF Finance 3.75% 2028	1,020	0.29
9,317,000	Ziggo 3.375% 2030	8,028	2.31
between 10 and 15 years to maturity			
1,100,000	Telecom Italia 7.75% fixed to floating 2033	1,406	0.40
greater than 25 years to maturity			
897,000	British Telecom 1.874% fixed to floating 2080	769	0.22
2,376,000	Vodafone 2.625% 2080	2,108	0.61

	Holding	Investment	Market Value £'000	Percentage of total net assets
Perpetual				
	2,600,000	Abanca Corp Bancaria 6% fixed to floating Perpetual	2,254	0.65
	1,300,000	Abertis Infraestructuras Finance 3.248% fixed to floating Perpetual	1,151	0.33
	763,000	Banco BPM 6.125% fixed to floating Perpetual	655	0.19
	1,200,000	Banco Santander 4.375% fixed to floating Perpetual	1,041	0.30
	1,600,000	Banco Santander 6.25% fixed to floating Perpetual	1,410	0.41
	1,800,000	Bankia 6.375% fixed to floating Perpetual	1,660	0.48
	409,000	BP Capital Markets 3.25% fixed to floating Perpetual	374	0.11
	340,000	BP Capital Markets 3.625% fixed to floating Perpetual	315	0.09
	716,000	ELM 3.75% fixed to floating Perpetual	666	0.19
	2,033,000	Intesa Sanpaolo 5.5% fixed to floating Perpetual	1,873	0.54
	2,177,000	LeasePlan 7.375% fixed to floating 2024	2,046	0.59
	5,303,046	Stichting FRN Perpetual	5,862	1.69
	4,000,000	Telefonica 3% fixed to floating Perpetual	3,577	1.03
	2,500,000	Telefonica 5.875% fixed to floating Perpetual	2,430	0.70
	4,200,000	Telefonica Europe 4.375% fixed to floating Perpetual	3,940	1.13
	1,500,000	Unicredit 6.625% fixed to floating Perpetual	1,373	0.40
	580,000	Unione di Banche 5.875% fixed to floating Perpetual	535	0.15
Sterling Denominated Bonds (20.32%)			75,229	21.65
Corporate Bonds (20.32%)			75,229	21.65
less than 5 years to maturity				
	854,000	AA Bond 6.5% 2026	876	0.25
	5,301,000	Arqiva 6.75% 2023	5,471	1.57
	2,550,000	Arrow Global 5.125% 2024	2,568	0.74
	1,625,000	Bellis Acquisition 3.25% 2026	1,644	0.47
	3,500,000	Cabot 7.5% 2023	1,573	0.45
	2,159,000	Encore Capital 5.375% 2026	2,222	0.64
	3,139,000	Garfunkelux Holdco 3 7.75% 2025	3,218	0.93
	1,750,000	Iceland Bondco 4.625% 2025	1,737	0.50
	480,000	Jaguar Land Rover 3.875% 2023	479	0.14
	1,900,000	La Financiere Atalian 6.625% 2025	1,853	0.53
	1,300,000	Matalan Finance 6.75% 2023	1,103	0.32
	3,040,000	Mitchells & Butlers 5.965% 2025	548	0.16
	1,000,000	Moto Finance 4.5% 2022	968	0.28
	3,650,000	Shop Direct Funding 7.75% 2022	3,708	1.07
	5,204,000	Talk Talk 3.875% 2025	5,102	1.47
	890,000	Travis Perkins 3.75% 2026	941	0.27
	2,250,000	Travis Perkins 4.5% 2023	2,408	0.69

			Market Value £'000	Percentage of total net assets
	<b>Holding</b>	<b>Investment</b>		
between 5 and 10 years to maturity				
	706,000	Bellis Finco 4% 2027	711	0.20
	2,779,000	Jerrold Finco 5.25% 2027	2,819	0.81
	2,942,000	MPT Operating Partnership 3.692% 2028	3,108	0.89
	3,623,000	Rolls-Royce 5.75% 2027	3,924	1.13
	2,599,000	Thames Water Kemble Finance 4.625% 2026	2,627	0.76
	1,656,000	Virgin Media 4.25% 2030	1,678	0.48
	4,520,000	Virgin Media 4.875% 2028	4,643	1.34
	3,473,000	Vmed O2 UK Financing I 4% 2029	3,491	1.01
between 10 and 15 years to maturity				
	999,000	Lloyds Banking 2.707% 2035	997	0.29
greater than 25 years to maturity				
	840,000	RAC Bond 5% 2046	839	0.24
	1,257,000	RL Finance 4.875% Fixed to Floating 2039	1,356	0.39
Perpetual				
	1,450,000	Bank of Scotland 12% Perpetual	1,614	0.46
	1,000,000	Barclays 7.25% fixed to floating Perpetual	1,062	0.31
	807,000	BP Capital Markets 4.25% fixed to floating Perpetual	852	0.25
	5,270,000	CYBG 8% fixed to floating Perpetual	5,434	1.56
	2,500,000	Deutsche Bank 7.125% fixed to floating Perpetual	2,589	0.74
	1,038,000	National Express 4.25% fixed to floating Perpetual	1,066	0.31
<b>US Dollar Denominated Bonds (5.02%)</b>			<b>19,286</b>	<b>5.55</b>
<b>Corporate Bonds (5.02%)</b>			<b>19,286</b>	<b>5.55</b>
less than 5 years to maturity				
	2,200,000	Adams Homes 7.5% 2025	1,648	0.47
	4,474,644	EnQuest 7% 2022	2,735	0.79
	3,000,000	First Quantum Minerals 7.25% 2023	2,189	0.63
	4,026,000	Ford Motor 8.5% 2023	3,218	0.93
	1,352,000	Ford Motor 9% 2025	1,171	0.34
	4,000,000	JBS Investments II 7% 2026	3,046	0.88
between 5 and 10 years to maturity				
	270,000	Ford Motor 9.625% 2030	275	0.08

Holding	Investment	Market Value £'000	Percentage of total net assets
Perpetual			
2,009,000	General Motors Financial 5.75% fixed to floating Perpetual	1,500	0.43
1,500,000	Lloyds Banking 7.5% fixed to floating Perpetual	1,228	0.35
800,000	SoftBank 6% fixed to floating Perpetual	576	0.16
1,800,000	Standard Chartered 7.014% fixed Perpetual	1,700	0.49
Equities (0.00%)		-	-
UK Equities (0.00%)		-	-
Basic Materials (0.00%)		-	-
32,987,896,738	Luxfer*	-	-
Collective Investment Schemes (4.28%)		4,178	1.20
2,500	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc <sup>+</sup>	2,152	0.62
2,026	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	2,026	0.58
Derivatives (-2.36%)		436	0.13
Forward Currency Contracts (-2.36%)		436	0.13
	Buy EUR 859,000 Sell GBP 746,801 05/03/2021	(1)	-
	Buy EUR 128,071 Sell GBP 110,824 24/03/2021	1	-
	Buy EUR 1,285,273 Sell GBP 1,119,006 24/03/2021	(3)	-
	Buy EUR 7,815,706 Sell GBP 6,774,621 24/03/2021	14	-
	Buy GBP 747,048 Sell EUR 859,000 24/03/2021	1	-
	Buy GBP 2,136,553 Sell EUR 2,470,806 24/03/2021	(9)	-
	Buy GBP 115,165,503 Sell EUR 132,440,666 24/03/2021	128	0.04
	Buy GBP 140,760,217 Sell EUR 161,871,926 24/03/2021	159	0.05
	Buy GBP 19,458,882 Sell USD 27,006,263 24/03/2021	146	0.04
Total investment assets and liabilities		341,322	98.23
Net other assets		6,157	1.77
Total Net Assets		347,479	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 29 February 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

\* Suspended.

### Statement of total return

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	7,846	7,528
Revenue	2	17,080	16,323
Expenses	3	(2,224)	(2,600)
Interest payable and similar charges		(21)	(59)
Net revenue before taxation		14,835	13,664
Taxation	4	(7)	-
Net revenue after taxation		14,828	13,664
<b>Total return before distributions</b>		<b>22,674</b>	<b>21,192</b>
Distributions	5	(14,828)	(13,664)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>7,846</b>	<b>7,528</b>

### Statement of change in net assets attributable to shareholders

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>364,214</b>	<b>451,916</b>
Amounts receivable on the issue of shares	9,786	11,667
Amounts payable on the cancellation of shares	(45,089)	(116,899)
	(35,303)	(105,232)
Dilution adjustment	145	252
Change in net assets attributable to shareholders from investment activities (see above)	7,846	7,528
Retained distribution on accumulation shares	10,575	9,748
Unclaimed distributions	2	2
<b>Closing net assets attributable to shareholders</b>	<b>347,479</b>	<b>364,214</b>



## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		341,335	362,918
<b>Current assets:</b>			
Debtors	6	4,702	7,166
Cash and bank balances	7	6,601	5,144
		11,303	12,310
Total assets		352,638	375,228
<b>Liabilities:</b>			
Investment liabilities		(13)	(8,795)
Bank overdrafts	7	(3,056)	-
Creditors	8	(1,103)	(1,335)
Distribution payable		(987)	(884)
		(5,146)	(2,219)
Total liabilities		(5,159)	(11,014)
Net assets attributable to shareholders		347,479	364,214

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	8,321	7,092
Derivative contracts	-	(92)
Forward currency contracts	(350)	1,005
Other losses	(107)	(460)
Transaction charges	(18)	(17)
<b>Net capital gains</b>	<b>7,846</b>	<b>7,528</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	23	103
Interest on debt securities	17,057	16,220
<b>Total revenue</b>	<b>17,080</b>	<b>16,323</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,948	2,248
Dealing charge	29	35
Registration fees	176	226
	2,153	2,509
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	22	28
Depositary's fees	37	49
	59	77
<b>Other:</b>		
Audit fee	12	13
Professional fees	-	1
	12	14
<b>Total expenses</b>	<b>2,224</b>	<b>2,600</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
<b>(a) Analysis of charge in year</b>		
Corporation tax	1	-
Double taxation relief	(1)	-
Overseas taxes	7	-
<b>Total taxation</b>	<b>7</b>	<b>-</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	14,835	13,664
Corporation tax at 20% (2020: 20%)	2,967	2,733
Effects of:		
Overseas taxes	7	-
Double taxation relief	(1)	-
Distributions treated as tax deductible	(2,966)	(2,733)
<b>Total tax charge for year (note 4a)</b>	<b>7</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

**(c) Factors that may affect future tax charge**

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

## 5. Distributions

	2021 £'000	2020 £'000
First interim distribution	3,356	3,686
Second interim distribution	3,798	3,473
Third interim distribution	3,927	3,131
Final distribution	3,543	3,010
	14,624	13,300
Add: Income deducted on cancellation of shares	259	423
Deduct: Income received on issue of shares	(55)	(59)
<b>Total distributions for the year</b>	<b>14,828</b>	<b>13,664</b>

Details of the distribution per share are set out in this fund's distribution tables.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	4,121	4,945
Amounts receivable from the ACD for the issue of shares	581	67
Sales awaiting settlement	-	2,154
<b>Total debtors</b>	<b>4,702</b>	<b>7,166</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	5,687	5,131
Cash at broker	10	5
Collateral cash pledged to counterparties <sup>-</sup>	904	8
	<b>6,601</b>	<b>5,144</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	(3,056)	-
	<b>(3,056)</b>	<b>-</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	2,026	15,585
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund*	2,152	1
<b>Net liquidity</b>	<b>7,723</b>	<b>20,730</b>

<sup>-</sup> This reflects cash the fund retains beneficial ownership of however which is currently being used to manage bilateral counterparty exposure on out of the money derivative positions.

<sup>^</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	187	189
Accrued expenses payable to the Depositary or associates of the Depositary	9	27
Amounts payable to the ACD for cancellation of shares	149	523
Other accrued expenses	12	15
Purchases awaiting settlement	746	581
<b>Total creditors</b>	<b>1,103</b>	<b>1,335</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bonds	196,032	233,542	215,405	301,342
Collective investment schemes	228,679	334,219	240,047	342,747
Corporate actions	-	-	-	4,950
<b>Trades in the year before transaction costs</b>	<b>424,711</b>	<b>567,761</b>	<b>455,452</b>	<b>649,039</b>
<b>Total net trades in the year after transaction costs</b>	<b>424,711</b>	<b>567,761</b>	<b>455,452</b>	<b>649,039</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.95% (2020: 0.90%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	60,751,437	499,062	(5,632,276)	(27,169)	55,591,054
Institutional accumulation	13,143,275	265,187	(1,492,244)	27,908	11,944,126
Retail income	94,494,741	193,936	(6,989,214)	(238,340)	87,461,123
Institutional income	61,753,084	3,446,144	(17,114,043)	-	48,085,185
Standard Life income	1,996	-	-	-	1,996
Standard Life accumulation	70,080,607	21,172	(6,439,987)	-	63,661,792
Institutional regulated accumulation	15,989,980	1,008,194	(2,627,490)	-	14,370,684
Platform 1 accumulation	35,470,314	3,657,151	(6,303,746)	(4,749)	32,818,970
Platform 1 income	62,987,253	2,862,858	(9,502,159)	201,827	56,549,779
Institutional S accumulation	1,531	-	-	-	1,531
Institutional S income	1,893	-	-	-	1,893

#### 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3	2020 £'000 Level 1	2020 £'000 Level 2	2020 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	-	336,708	-	-	347,129	-
Collective Investment Schemes	-	4,178	-	-	15,586	-
Derivatives	-	449	-	-	203	-
<b>Total investment assets</b>	-	<b>341,335</b>	-	-	<b>362,918</b>	-
<b>Fair value of investment liabilities</b>						
Derivatives	-	(13)	-	-	(8,795)	-
<b>Total investment liabilities</b>	-	<b>(13)</b>	-	-	<b>(8,795)</b>	-

### 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2021</b>				
<b>Currency</b>				
UK Sterling	2,085	75,231	270,033	347,349
Euro	13,779	233,987	(247,945)	(179)
US Dollar	2,792	16,557	(19,040)	309
<b>Total</b>	<b>18,656</b>	<b>325,775</b>	<b>3,048</b>	<b>347,479</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2020</b>				
<b>Currency</b>				
UK Sterling	31,872	58,176	278,497	368,545
Euro	19,540	239,984	(263,313)	(3,789)
US Dollar	4,440	13,847	(18,829)	(542)
<b>Total</b>	<b>55,852</b>	<b>312,007</b>	<b>(3,645)</b>	<b>364,214</b>

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the Fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2021	Minimum	Maximum	Average
VaR 99% 1 Month	1.45%	4.49%	3.76%

2020	Minimum	Maximum	Average
VaR 99% 1 Month	0.71%	1.28%	0.85%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 3.35%, £11,640,000 (2020: 1.28%, £4,533,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

#### Counterparty risk

##### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	7,914	2.28
Below investment grade securities	319,778	92.03
Unrated securities	9,016	2.59
<b>Total value of securities</b>	<b>336,708</b>	<b>96.90</b>

2020	Market value £'000	Percentage of total net assets %
Investment grade securities	28,853	7.92
Below investment grade securities	316,364	86.86
Unrated securities	1,912	0.52
<b>Total value of securities</b>	<b>347,129</b>	<b>95.31</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

#### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2021		2020	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	286,605	436	303,648	(8,592)
<b>Total market exposure</b>	<b>286,605</b>	<b>436</b>	<b>303,648</b>	<b>(8,592)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange. Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>2021</b>			
<b>Broker concentrations</b>			
Goldman Sachs	10	-	-
	<b>10</b>	<b>-</b>	<b>-</b>

	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>2020</b>			
<b>Broker concentrations</b>			
Goldman Sachs	5	-	-
	<b>5</b>	<b>-</b>	<b>-</b>

### Counterparty Table

At the balance sheet date the fund had the following exposures:

		Collateral (held)/pledged		
	Bi-lateral forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
<b>2021</b>				
<b>Counterparties</b>				
BNP Paribas	159	(1,512)	-	(1,353)
Citigroup	14	-	-	14
Lloyds Bank	(9)	-	-	(9)
Morgan Stanley	1	-	-	1
Royal Bank of Canada	(3)	-	-	(3)
UBS	274	(1,544)	-	(1,270)
<b>Total</b>	<b>436</b>	<b>(3,056)</b>	<b>-</b>	<b>(2,620)</b>

		Collateral (held)/pledged		
	Bi-lateral forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
<b>2020</b>				
<b>Counterparties</b>				
Credit Agricole	(37)	-	-	(37)
Lloyds Bank	(8,420)	-	-	(8,420)
Morgan Stanley	(16)	8	-	(8)
NatWest Markets	86	-	-	86
Standard Chartered	10	-	-	10
StateStreet	60	-	-	60
UBS	(275)	-	-	(275)
<b>Total</b>	<b>(8,592)</b>	<b>8</b>	<b>-</b>	<b>(8,584)</b>



**Liquidity risk**

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(13)	-	-	(13)
<b>Non-derivatives</b>					
Bank overdraft	(3,056)	-	-	-	(3,056)
Other creditors	-	(1,103)	-	-	(1,103)
Distribution payable	-	(987)	-	-	(987)
<b>Total financial liabilities</b>	<b>(3,056)</b>	<b>(2,103)</b>	<b>-</b>	<b>-</b>	<b>(5,159)</b>

2020	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(8,795)	-	-	(8,795)
<b>Non-derivatives</b>					
Other creditors	-	(1,335)	-	-	(1,335)
Distribution payable	-	(884)	-	-	(884)
<b>Total financial liabilities</b>	<b>-</b>	<b>(11,014)</b>	<b>-</b>	<b>-</b>	<b>(11,014)</b>

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional S Accumulation class has increased by 2.74% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 May 2020

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Retail accumulation</b>				
Group 1	1.2143	-	1.2143	1.0295
Group 2	0.5874	0.6269	1.2143	1.0295
<b>Institutional accumulation</b>				
Group 1	1.4031	-	1.4031	1.2117
Group 2	0.6969	0.7062	1.4031	1.2117
<b>Retail income</b>				
Group 1	0.4218	-	0.4218	0.3694
Group 2	0.1951	0.2267	0.4218	0.3694
<b>Institutional income</b>				
Group 1	0.4588	-	0.4588	0.4088
Group 2	0.3053	0.1535	0.4588	0.4088
<b>Standard Life income</b>				
Group 1	0.5429	-	0.5429	0.5123
Group 2	0.5429	-	0.5429	0.5123
<b>Standard Life accumulation</b>				
Group 1	1.3180	-	1.3180	1.1615
Group 2	0.8540	0.4640	1.3180	1.1615
<b>Institutional regulated accumulation</b>				
Group 1	2.2097	-	2.2097	1.9298
Group 2	1.6396	0.5701	2.2097	1.9298
<b>Platform 1 accumulation</b>				
Group 1	0.7277	-	0.7277	0.6273
Group 2	0.3289	0.3988	0.7277	0.6273
<b>Platform 1 income</b>				
Group 1	0.5345	-	0.5345	0.4752
Group 2	0.2890	0.2455	0.5345	0.4752

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Institutional S accumulation</b>				
Group 1	0.6716	-	0.6716	0.6800
Group 2	0.6716	-	0.6716	0.6800
<b>Institutional S income</b>				
Group 1	0.5192	-	0.5192	0.5350
Group 2	0.5192	-	0.5192	0.5350

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 June 2020

Group 2 - shares purchased between 1 June 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	1.4083	-	1.4083	0.9794
Group 2	0.5072	0.9011	1.4083	0.9794
<b>Institutional accumulation</b>				
Group 1	1.6244	-	1.6244	1.1612
Group 2	1.0071	0.6173	1.6244	1.1612
<b>Retail income</b>				
Group 1	0.4866	-	0.4866	0.3488
Group 2	0.2010	0.2856	0.4866	0.3488
<b>Institutional income</b>				
Group 1	0.5256	-	0.5256	0.3885
Group 2	0.3345	0.1911	0.5256	0.3885
<b>Standard Life income</b>				
Group 1	0.6201	-	0.6201	0.4924
Group 2	0.6201	-	0.6201	0.4924
<b>Standard Life accumulation</b>				
Group 1	1.5135	-	1.5135	1.1251
Group 2	1.1899	0.3236	1.5135	1.1251
<b>Institutional regulated accumulation</b>				
Group 1	2.5472	-	2.5472	1.8598
Group 2	1.6661	0.8811	2.5472	1.8598

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Platform 1 accumulation</b>				
Group 1	0.8434	-	0.8434	0.6003
Group 2	0.4737	0.3697	0.8434	0.6003
<b>Platform 1 income</b>				
Group 1	0.6133	-	0.6133	0.4512
Group 2	0.2711	0.3422	0.6133	0.4512
<b>Institutional S accumulation</b>				
Group 1	0.7833	-	0.7833	0.6500
Group 2	0.7833	-	0.7833	0.6500
<b>Institutional S income</b>				
Group 1	0.5969	-	0.5969	0.5300
Group 2	0.5969	-	0.5969	0.5300

### Third interim interest distribution

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 30 November 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Retail accumulation</b>				
Group 1	1.4928	-	1.4928	0.9054
Group 2	0.6935	0.7993	1.4928	0.9054
<b>Institutional accumulation</b>				
Group 1	1.7179	-	1.7179	1.0837
Group 2	0.7146	1.0033	1.7179	1.0837
<b>Retail income</b>				
Group 1	0.5111	-	0.5111	0.3201
Group 2	0.1182	0.3929	0.5111	0.3201
<b>Institutional income</b>				
Group 1	0.5500	-	0.5500	0.3596
Group 2	0.2575	0.2925	0.5500	0.3596
<b>Standard Life income</b>				
Group 1	0.6501	-	0.6501	0.4713
Group 2	0.6501	-	0.6501	0.4713

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Standard Life accumulation</b>				
Group 1	1.5945	-	1.5945	1.0644
Group 2	1.0137	0.5808	1.5945	1.0644
<b>Institutional regulated accumulation</b>				
Group 1	2.6893	-	2.6893	1.7487
Group 2	1.9875	0.7018	2.6893	1.7487
<b>Platform 1 accumulation</b>				
Group 1	0.8928	-	0.8928	0.5598
Group 2	0.1595	0.7333	0.8928	0.5598
<b>Platform 1 income</b>				
Group 1	0.6423	-	0.6423	0.4172
Group 2	0.1895	0.4528	0.6423	0.4172
<b>Institutional S accumulation</b>				
Group 1	0.8284	-	0.8284	0.5592
Group 2	0.8284	-	0.8284	0.5592
<b>Institutional S income</b>				
Group 1	0.6265	-	0.6265	0.4527
Group 2	0.6265	-	0.6265	0.4527

**Final interest distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	1.3805	-	1.3805	0.9987
Group 2	0.4368	0.9437	1.3805	0.9987
<b>Institutional accumulation</b>				
Group 1	1.6029	-	1.6029	1.2190
Group 2	0.3447	1.2582	1.6029	1.2190
<b>Retail income</b>				
Group 1	0.4674	-	0.4674	0.3616
Group 2	0.1759	0.2915	0.4674	0.3616

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Institutional income</b>				
Group 1	0.5070	-	0.5070	0.4016
Group 2	0.3564	0.1506	0.5070	0.4016
<b>Standard Life income</b>				
Group 1	0.6045	-	0.6045	0.4913
Group 2	0.6045	-	0.6045	0.4913
<b>Standard Life accumulation</b>				
Group 1	1.5097	-	1.5097	1.1753
Group 2	0.9337	0.5760	1.5097	1.1753
<b>Institutional regulated accumulation</b>				
Group 1	2.5280	-	2.5280	1.9514
Group 2	0.9113	1.6167	2.5280	1.9514
<b>Platform 1 accumulation</b>				
Group 1	0.8308	-	0.8308	0.6305
Group 2	0.3726	0.4582	0.8308	0.6305
<b>Platform 1 income</b>				
Group 1	0.5920	-	0.5920	0.4667
Group 2	0.1571	0.4349	0.5920	0.4667
<b>Institutional S accumulation</b>				
Group 1	0.7827	-	0.7827	0.5958
Group 2	0.7827	-	0.7827	0.5958
<b>Institutional S income</b>				
Group 1	0.5800	-	0.5800	0.4574
Group 2	0.5800	-	0.5800	0.4574

#### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI Investment Grade Corporate Bond Fund

For the year ended 28 February 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated investment grade corporate bonds.

**Performance Target:** To achieve the return of the iBoxx Sterling Collateralized & Corporates 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 subsovereigns 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 Review

Over the period under review, the fund returned 1.0% (source: Factset, Platform 1 accumulation shares). This compared to a return of 2.3% for our performance target (the iBoxx Sterling Collateralized & Corporates Index +0.8%).

Although the fund underperformed compared to the benchmark, stock selection was positive. From a ratings perspective, the fund's overweight positioning in high yield and underweight in AA and A-rated credits contributed positively to performance, whereas an overweight in BBB credits detracted.

Energy and utilities was the best sector for the fund. In terms of individual securities, retail-focused real estate companies suffered over the period. Shopping centres, in particular, have been hit as lockdowns led to shop closures and reduced footfall in commercial centres. Accordingly, British Land and Shaftesbury, which owns central London retail space, weighed on returns. As COVID-19 lockdowns suppressed travel, holdings in Heathrow Airport and Eurotunnel operator Getlink also struggled. On the positive side, Southern Water and E.ON were among the top performers, as was French government-owned Electricité de France (EDF). Further, the lack of exposure to Intu also contributed to relative performance.

## Portfolio Activity

Early in the period, in the primary market, we bought Tesco, Southern Water, British American Tobacco and the UK residential landlord Grainger. Later in the period, we bought new issues including a 2031 bond from BNP Paribas and the attractively priced 2031 bonds of Digital Realty. This is a leading data centre operator, which is a preferred sector benefiting from accelerating demand for online activity in the post-coronavirus world.

In the middle of 2020, we sold the long-dated debt of Vodafone and the corporate hybrids of the French utility EDF. More recently, we sold out of global drinks manufacturer AB InBev. We switched a maturing bond from Deutsche Bank to an attractively priced 2028 issue. With the vaccine rollout leading to hopes of normalisation in life, we started a new position in publicans Whitbread, which we think offers good upside potential.

## Portfolio Outlook and Strategy

Financial repression through monetary policy and quantitative easing continues apace. It means there is a real chance the UK moves to negative interest rates at some point this year. Central banks are increasingly using investment grade corporate bond markets as a policy tool – to stabilise markets when volatility rises. As a result, investor demand for yield is likely to see investment-grade spreads move lower.

There is already evidence of this in higher-rated sterling bonds where spreads have surpassed the tightness of the last decade. BBBs have further to run to catch up, therefore we expect further compression. This is because COVID-19 and other select names are trading quite wide. Some of these names should compress as long as there continues to be light at the end of the long COVID-19 tunnel.

While high yield and AT1s are certainly not cheap on an all-in yield basis, spreads could tighten further if rates markets are kept in check. Despite historically low all-in yields, these areas still offer attractive real yields compared to plain vanilla investing grade indices.

Brexit and the US election are out the way. Despite their controversies, they provide further support for the market in the short term. The hit to economic growth in 2020 was extreme. While the evenness or strength of the recovery remains difficult to forecast, we expect growth to recover in 2021 and head in the right direction.

The two potential risks we envisage are: a major setback on COVID-19, which is very hard for us to analyse let alone position for; and rates markets and inflation expectations continuing to rise and eventually destabilising investment-grade markets. A large fiscal stimulus package from the Democrats could fuel this view.

Beyond these risks, we expect to see bouts of volatility and spread widening on technical pullbacks as the market tries to digest new issues (particularly in Europe and the US) and asset allocation decisions from investors. However, it is hard to imagine these pullbacks being long-lived. On their own they would undoubtedly present buying opportunities.

That leaves us cautious of long-dated names where curves are flat and spreads tight. We want to remain long of carry however, as it is hard to envision too much spread tightening at the index level from here. We expect yields to be a large component of potential returns this year. We will look to bolster liquidity mainly through the sale of higher-quality names that have performed well. That will give us firepower to take advantage of any pullback in spreads in the months ahead.

March 2021



### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	167.96	152.05	151.16
Return before operating charges*	3.11	17.57	2.44
Operating charges	(1.73)	(1.66)	(1.55)
Return after operating charges*	1.38	15.91	0.89
Distributions	(3.66)	(3.80)	(3.88)
Retained distributions on accumulation shares	3.66	3.80	3.88
Closing net asset value per share	169.34	167.96	152.05
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.82%	10.46%	0.59%
<b>Other information</b>			
Closing net asset value (£'000)	83,590	89,958	90,025
Closing number of shares	49,363,628	53,558,016	59,208,860
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	178.1	170.4	153.4
Lowest share price	147.7	152.8	148.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	182.19	164.22	162.57
Return before operating charges*	3.37	19.03	2.64
Operating charges	(1.11)	(1.06)	(0.99)
Return after operating charges*	2.26	17.97	1.65
Distributions	(4.75)	(4.86)	(4.87)
Retained distributions on accumulation shares	4.75	(4.86)	4.87
Closing net asset value per share	184.45	182.19	164.22
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.24%	10.94%	1.02%
<b>Other information</b>			
Closing net asset value (£'000)	85,564	119,649	112,664
Closing number of shares	46,389,715	65,672,711	68,604,773
Operating charges	0.60%	0.60%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	193.9	184.8	165.7
Lowest share price	160.2	165.0	160.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.93	61.09	62.31
Return before operating charges*	1.22	7.02	0.99
Operating charges	(0.67)	(0.66)	(0.63)
Return after operating charges*	0.55	6.36	0.36
Distributions	(1.42)	(1.52)	(1.58)
Closing net asset value per share	65.06	65.93	61.09
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.83%	10.41%	0.58%
<b>Other information</b>			
Closing net asset value (£'000)	25,529	28,038	28,480
Closing number of shares	39,242,377	42,524,164	46,623,613
Operating charges	1.02%	1.02%	1.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	68.78	67.26	62.79
Lowest share price	57.98	61.37	60.16

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.68	60.85	62.07
Return before operating charges*	1.23	6.99	0.99
Operating charges	(0.40)	(0.38)	(0.37)
Return after operating charges*	0.83	6.61	0.62
Distributions	(1.70)	(1.78)	(1.84)
Closing net asset value per share	64.81	65.68	60.85
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.26%	10.86%	1.00%
<b>Other information</b>			
Closing net asset value (£'000)	45,285	39,668	121,250
Closing number of shares	69,873,813	60,391,408	199,257,359
Operating charges	0.60%	0.60%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	68.55	67.07	62.57
Lowest share price	57.78	61.14	59.93

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.46	49.52	50.56
Return before operating charges*	0.98	5.71	0.77
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	0.97	5.70	0.76
Distributions	(1.69)	(1.76)	(1.80)
Closing net asset value per share	52.74	53.46	49.52
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.81%	11.51%	1.50%
<b>Other information</b>			
Closing net asset value (£'000)	3,874	27,023	30,400
Closing number of shares	7,346,033	50,549,524	61,385,889
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	55.82	54.66	51.02
Lowest share price	47.04	49.76	48.82

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.94	89.64	88.30
Return before operating charges*	1.83	10.40	1.43
Operating charges	(0.10)	(0.10)	(0.09)
Return after operating charges*	1.73	10.30	1.34
Distributions	(3.12)	(3.14)	(3.09)
Retained distributions on accumulation shares	3.12	3.14	3.09
Closing net asset value per share	101.67	99.94	89.64
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.73%	11.49%	1.52%
<b>Other information</b>			
Closing net asset value (£'000)	232	225	205
Closing number of shares	227,827	224,825	228,818
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	106.8	101.4	90.44
Lowest share price	87.93	90.06	87.55

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	170.45	153.33	151.49
Return before operating charges*	3.15	17.78	2.46
Operating charges	(0.69)	(0.66)	(0.62)
Return after operating charges*	2.46	17.12	1.84
Distributions	(4.79)	(4.87)	(4.84)
Retained distributions on accumulation shares	4.79	4.87	4.84
Closing net asset value per share	172.91	170.45	153.33
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.44%	11.17%	1.21%
<b>Other information</b>			
Closing net asset value (£'000)	608	698	1,068
Closing number of shares	351,633	409,611	696,275
Operating charges	0.40%	0.40%	0.40%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	181.7	172.9	154.7
Lowest share price	149.9	154.1	149.9

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Standard Life B accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	100.16	89.74	88.31
Return before operating charges*	1.85	10.42	1.43
Operating charges	-	-	-
Return after operating charges*	1.85	10.42	1.43
Distributions	(3.23)	(3.24)	(3.19)
Retained distributions on accumulation shares	3.23	3.24	3.19
Closing net asset value per share	102.01	100.16	89.74
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.85%	11.61%	1.62%
<b>Other information</b>			
Closing net asset value (£'000)	2,054	2,356	2,449
Closing number of shares	2,013,187	2,352,768	2,729,034
Operating charges	-	-	-
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	107.1	101.6	90.53
Lowest share price	88.12	90.16	87.62

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	76.57	69.06	68.40
Return before operating charges*	1.42	7.99	1.11
Operating charges	(0.50)	(0.48)	(0.45)
Return after operating charges*	0.92	7.51	0.66
Distributions	(1.96)	(2.00)	(2.02)
Retained distributions on accumulation shares	1.96	2.00	2.02
Closing net asset value per share	77.49	76.57	69.06
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.20%	10.87%	0.97%
<b>Other information</b>			
Closing net asset value (£'000)	20,325	39,583	70,258
Closing number of shares	26,231,061	51,692,408	101,735,996
Operating charges	0.65%	0.65%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	81.46	77.68	69.68
Lowest share price	67.35	69.38	67.54

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	60.95	56.47	57.60
Return before operating charges*	1.13	6.49	0.92
Operating charges	(0.40)	(0.39)	(0.37)
Return after operating charges*	0.73	6.10	0.55
Distributions	(1.54)	(1.62)	(1.68)
Closing net asset value per share	60.14	60.95	56.47
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.20%	10.80%	0.95%
<b>Other information</b>			
Closing net asset value (£'000)	12,279	13,802	13,207
Closing number of shares	20,417,853	22,644,353	23,389,278
Operating charges	0.65%	0.65%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	63.60	62.23	58.06
Lowest share price	53.61	56.73	55.61

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Institutional S accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	70.14	63.07	62.32
Return before operating charges*	1.29	7.37	1.02
Operating charges	(0.30)	(0.30)	(0.27)
Return after operating charges*	0.99	7.07	0.75
Distributions	(1.95)	(2.01)	(1.96)
Retained distributions on accumulation shares	1.95	2.01	1.96
Closing net asset value per share	71.13	70.14	63.07
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.41%	11.21%	1.21%
<b>Other information</b>			
Closing net asset value (£'000)	61	173	-
Closing number of shares	85,386	246,097	200
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	74.76	71.15	63.63
Lowest share price	61.70	63.37	61.66

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional S income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.02	52.89	54.00
Return before operating charges*	1.06	6.11	0.83
Operating charges	(0.25)	(0.24)	(0.23)
Return after operating charges*	0.81	5.87	0.60
Distributions	(1.57)	(1.74)	(1.71)
Closing net asset value per share	56.26	57.02	52.89
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.42%	11.10%	1.11%
<b>Other information</b>			
Closing net asset value (£'000)	58,401	70,381	-
Closing number of shares	103,806,361	123,432,174	200
Operating charges	0.43%	0.43%	0.43%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	59.51	58.24	54.45
Lowest share price	50.16	53.14	52.18

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (98.43%)</b>		<b>330,980</b>	<b>97.98</b>
<b>Euro Denominated Bonds (0.55%)</b>		<b>4,596</b>	<b>1.36</b>
<b>Corporate Bonds (0.55%)</b>		<b>4,596</b>	<b>1.36</b>
between 10 and 15 years to maturity			
1,889,000	Digital Intrepid 0.625% 2031	1,575	0.47
greater than 25 years to maturity			
1,600,000	Channel Link Enterprises Finance FRN 2050	1,379	0.41
Perpetual			
900,000	Volkswagen International 3.5% fixed to floating Perpetual	815	0.24
900,000	Volkswagen International 3.875% fixed to floating Perpetual	827	0.24
<b>Sterling Denominated Bonds (96.68%)</b>		<b>321,590</b>	<b>95.20</b>
<b>Corporate Bonds (95.43%)</b>		<b>313,139</b>	<b>92.70</b>
less than 5 years to maturity			
920,000	AA Bond 2.75% 2023	927	0.27
2,200,000	Banco Santander 1.375% 2024	2,229	0.66
2,052,000	Barclays 3.125% 2024	2,167	0.64
1,000,000	Barclays 10% 2021	1,020	0.30
1,434,000	BNP Paribas 3.375% 2026	1,575	0.47
935,000	Citigroup 2.75% 2024	986	0.29
1,798,000	Citigroup 5.875% 2024	2,071	0.61
1,535,000	Coventry 5.875% 2022	1,660	0.49
2,665,000	CPUK 3.588% 2025	2,834	0.84
1,100,000	Credit Agricole 7.375% 2023	1,294	0.38
1,148,000	Credit Suisse FRN 2025	1,188	0.35
922,000	CYBG 3.125% 2025	960	0.28
2,900,000	Deutsche Bank 2.625% 2024	3,022	0.90
1,300,000	Eversholt 6.359% 2025	1,602	0.47
500,000	FCE Bank 2.727% 2022	506	0.15
1,084,000	First Abu Dhabi Bank 1.375% 2023	1,095	0.32
1,320,000	First Hydro 9% 2021	1,363	0.40
1,216,000	FirstGroup 6.875% 2024	1,397	0.41
1,692,000	Global Switch 4.375% 2022	1,792	0.53
1,384,000	Go-Ahead 2.5% 2024	1,411	0.42
1,338,000	Hammerson 3.5% 2025	1,356	0.40
862,000	Hammerson 6% fixed to floating 2026	952	0.28

		Market Value £'000	Percentage of total net assets
Holding	Investment		
1,786,000	Heathrow Funding 7.125% 2024	2,023	0.60
1,500,000	HSBC 2.175% 2023	1,528	0.45
3,150,000	Intu (SGS) Finance 4.125% 2023	1,416	0.42
1,200,000	Landesbank Baden Wuerttemberg 1.125% 2025	1,202	0.36
2,258,000	Lloyds Bank 7.625% 2025	2,818	0.83
1,627,000	Lloyds Bank Corporate Markets 1.75% 2024	1,665	0.49
650,000	Lloyds Banking Group 2.25% 2024	676	0.20
818,000	MPT Operating Partnership 2.55% 2023	830	0.25
1,239,000	Pacific National Finance 5% 2023	1,337	0.40
1,200,000	Petroleos Mexicanos 3.75% 2025	1,177	0.35
2,700,000	Santander UK 3.625% 2026	2,965	0.88
900,000	Scania 1.875% 2022	912	0.27
1,400,000	Societe Generale 1.875% 2024	1,432	0.42
1,482,000	Stagecoach Group 4% 2025	1,567	0.46
1,550,000	Telefonica Emisiones 5.289% 2022	1,678	0.50
1,400,000	Volkswagen Financial Services 1.875% 2024	1,433	0.42
1,000,000	Wells Fargo 2% 2025	1,036	0.31
1,286,000	Western Power 3.625% 2023	1,361	0.40
1,000,000	Westfield America Management 2.125% 2025	1,011	0.30
between 5 and 10 years to maturity			
1,713,000	ABP 6.25% 2026	2,063	0.61
1,400,000	Anglian Water 2.625% 2027	1,458	0.43
2,315,000	Annington Funding 3.184% 2029	2,508	0.74
1,000,000	APT Pipelines 3.5% 2030	1,112	0.33
1,200,000	Arqiva 5.34% 2030	1,461	0.43
555,000	Assura Financing 1.5% 2030	549	0.16
841,000	Assura Financing 3% 2028	931	0.28
1,300,000	AT&T 5.5% 2027	1,588	0.47
1,793,000	Athene Global Funding 1.75% 2027	1,791	0.53
2,400,000	Bank of America 7% 2028	3,347	0.99
733,000	Barclays 1.7% fixed to floating 2026	744	0.22
1,400,000	Barclays 3.25% 2027	1,517	0.45
665,000	Barclays 5.75% fixed to floating 2026	801	0.24
700,000	Bazalgette Finance 2.375% 2027	743	0.22
1,300,000	BPCE 5.25% 2029	1,601	0.47
1,000,000	British American Tobacco 4% 2026	1,121	0.33
1,174,000	Citigroup 1.75% 2026	1,202	0.36
829,000	CK Hutchison 2% 2027	841	0.25
700,000	Comcast 5.5% 2029	920	0.27
1,580,000	Commonwealth Bank of Australia 3% 2026	1,757	0.52

		Market Value £'000	Percentage of total net assets
Holding	Investment		
510,000	Credit Suisse 2.25% fixed to floating 2028	527	0.16
1,000,000	CYBG 4% 2026	1,085	0.32
1,034,000	Danske Bank 2.25% fixed to floating 2028	1,060	0.31
1,500,000	Deutsche Bank 1.875% fixed to floating 2028	1,472	0.44
915,000	Digital Stout 3.3% 2029	1,009	0.30
115,000	General Electric 5.25% fixed to floating 2028	141	0.04
1,209,000	Grainger 3% 2030	1,266	0.38
300,000	Hammerson 7.25% 2028	350	0.10
1,500,000	Heathrow Funding 6.75% 2026	1,881	0.56
546,000	HSBC 2.256% 2026	568	0.17
1,072,000	HSBC 2.625% 2028	1,138	0.34
1,492,000	HSBC 3% Fixed to Floating 2030	1,604	0.47
2,515,000	HSBC Bank 5.375% 2030	2,973	0.88
1,304,000	innogy Finance 6.25% 2030	1,777	0.53
792,000	Land Securities 2.399% 2029	827	0.25
1,600,000	Lloyds Bank 6% 2029	2,188	0.65
1,161,000	London & Quadrant Housing Trust 2.625% 2026	1,240	0.37
1,018,000	Morgan Stanley 2.625% 2027	1,096	0.33
979,000	MPT Operating Partnership 3.692% 2028	1,034	0.31
927,000	NatWest 3.622% fixed to floating 2030	990	0.29
826,000	NewRiver REIT 3.5% 2028	759	0.23
261,000	Notting Hill Genesis 2.875% 2029	281	0.08
1,132,000	Pension Insurance 5.625% 2030	1,350	0.40
1,273,000	Quadgas Finance 3.375% 2029	1,353	0.40
1,575,000	Rabobank 4.625% 2029	1,870	0.55
1,375,000	Shaftesbury Chinatown 2.348% 2027	1,351	0.40
943,000	Southern Gas Networks 4.875% 2029	1,180	0.35
1,300,000	Telefonica Emisiones 5.445% 2029	1,647	0.49
301,000	Tesco 2.75% 2030	319	0.09
1,100,000	Thames Water 3.5% 2028	1,226	0.36
1,151,000	Unite Group 3.5% 2028	1,252	0.37
800,000	United Utilities 5.625% 2027	1,027	0.30
1,734,000	Verizon Communications 1.125% 2028	1,670	0.49
821,000	Verizon Communications 1.875% 2030	822	0.24
300,000	Virgin Money UK 4% fixed to floating 2027	328	0.10
980,000	Virgin Money UK 7.875% fixed to floating 2028	1,118	0.33
1,600,000	Volkswagen International Finance 3.375% 2026	1,751	0.52
2,000,000	Welltower 4.8% 2028	2,357	0.70
1,751,000	Westfield Stratford City Finance 1.642% 2026	1,730	0.51
430,000	Whitbread 2.375% 2027	423	0.13



		Market Value £'000	Percentage of total net assets
between 10 and 15 years to maturity			
823,000	Arqiva 4.882% 2032	753	0.22
1,500,000	Barclays 3.25% 2033	1,647	0.49
2,600,000	BNP Paribas 1.25% 2031	2,417	0.72
199,000	British American Tobacco 6% 2034	263	0.08
2,675,000	Broadgate Financing 5.098% 2035	2,756	0.82
1,035,000	Canary Wharf Finance 6.455% 2033	224	0.07
700,000	Centrica 7% 2033	1,071	0.32
1,036,000	E.ON Finance 6.375% 2032	1,476	0.44
466,000	Eastern Power Networks 2.125% 2033	483	0.14
500,000	Gatwick 4.625% 2034	585	0.17
180,000	GE Capital 5.875% 2033	240	0.07
2,700,000	GlaxoSmithKline 5.25% 2033	3,783	1.12
900,000	Great Rolling Stock 6.5% 2031	930	0.28
1,759,000	Greene King FRN 2033	1,188	0.35
511,000	Gwynt y Môr 2.778% 2034	443	0.13
798,000	HSBC 5.375% 2033	1,055	0.31
948,000	John Lewis 4.25% 2034	946	0.28
743,000	London & Quadrant Housing Trust 4.625% 2033	968	0.29
700,000	Meadowhall Finance 4.986% 2032	522	0.16
718,000	Notting Hill Housing Trust 3.75% 2032	844	0.25
1,500,000	Octagon Healthcare 5.333% 2035	1,548	0.46
300,000	Orange 3.25% 2032	340	0.10
1,513,000	Orange 5.625% 2034	2,130	0.63
818,000	Pension Insurance 3.625% 2032	837	0.25
340,000	Quadrant Housing 7.93% 2033	416	0.12
872,000	Scottish Hydro 2.25% 2035	906	0.27
1,200,000	Shaftesbury Carnaby 2.487% 2031	1,148	0.34
745,000	SP Transimission 2% 2031	767	0.23
1,961,000	Telereal 4.9741% 2033	1,203	0.36
999,000	Telereal Secured 4.01% 2033	748	0.22
303,000	Telereal Securitisation 1.3657% 2031	303	0.09
418,000	Telereal Securitisation 1.9632% fixed to floating 2033	418	0.12
500,000	Telereal Securitisation FRN 2031	475	0.14
355,000	Thames Water 4.375% 2034	442	0.13
1,607,000	Time Warner Cable 5.75% 2031	2,014	0.60
1,500,000	Verizon Communications 3.125% 2035	1,655	0.49
1,800,000	Wal-Mart 5.625% 2034	2,669	0.79
2,387,000	Western Power 5.75% 2032	3,297	0.98

		Market Value £'000	Percentage of total net assets
	<b>Holding Investment</b>		
between 15 and 25 years to maturity			
900,000	America Movil 4.375% 2041	1,146	0.34
1,645,000	Aspire Defence 4.674% 2040 'B'	1,847	0.55
1,975,000	AT&T 4.25% 2043	2,321	0.69
1,300,000	AT&T 7% 2040	2,038	0.60
2,230,000	Aviva 6.125% 2036	2,682	0.79
2,000,000	Aviva 6.625% fixed to floating 2041	2,029	0.60
700,000	BPHA 4.816% 2044	1,005	0.30
750,000	British American Tobacco 5.75% 2040	993	0.29
600,000	British Telecom 6.375% 2037	883	0.26
800,000	Broadgate Financing 4.821% 2036	1,015	0.30
1,000,000	Cadent Finance 2.625% 2038	1,028	0.30
660,000	Canary Wharf Finance 5.952% 2037	909	0.27
880,000	Circle Anglia 5.2% 2044	1,349	0.40
800,000	Citigroup 6.8% 2038	1,352	0.40
1,100,000	Connect Plus 2.607% 2039	1,145	0.34
1,000,000	Direct Line 9.25% 2042	1,095	0.32
1,650,000	E.ON Finance 6.75% 2039	2,677	0.79
1,500,000	EDF 5.5% 2041	2,147	0.64
1,300,000	Enel 5.75% 2037	1,868	0.55
1,554,000	Eversholt 3.529% 2042	1,696	0.50
1,353,000	Eversholt Funding 2.742% 2040	1,382	0.41
550,000	Futures Treasury 3.375% 2044	665	0.20
1,439,000	Gatwick 5.75% 2037	1,880	0.56
328,000	GE Capital 6.25% 2038	470	0.14
420,000	GE Capital 8% 2039	689	0.20
400,000	General Electric 5.375% 2040	530	0.16
1,000,000	GlaxoSmithKline 6.375% 2039	1,644	0.49
2,200,000	HSBC 6% 2040	3,036	0.90
1,550,000	innogy Finance 6.125% 2039	2,377	0.70
500,000	Land Securities 2.625% 2037	522	0.15
1,702,000	Morhomes 3.4% 2038	1,850	0.55
1,736,000	Motability Operations 2.375% 2039	1,843	0.55
1,400,000	Munich Re 6.625% fixed to floating 2042	1,498	0.44
1,140,000	Northumbrian Water 5.125% 2042	1,683	0.50
942,000	Orsted 5.75% 2040	1,477	0.44
2,057,000	QBE Insurance 6.115% 2042	2,172	0.64
1,200,000	RL Finance 6.125% fixed to floating 2043	1,336	0.40
1,275,000	RMPA Services 5.337% 2038	1,216	0.36
653,000	Severn Trent 2% 2040	633	0.19
1,959,000	Southern Water Services Finance 3% 2037	2,071	0.61
900,000	SSE 6.25% fixed to floating 2038	1,415	0.42

		Market Value £'000	Percentage of total net assets
Holding	Investment		
900,000	TC Dudgeon Ofco 3.158% 2038	973	0.29
3,600,000	Tesco 5.8006% 2040	4,596	1.36
1,300,000	Thames Water 5.5% 2041	1,899	0.56
709,000	United Utilities Water Finance 1.875% 2042	675	0.20
870,000	Wheatley 4.375% 2044	1,144	0.34
greater than 25 years to maturity			
451,000	AA Bond 5.5% 2050	499	0.15
655,000	Aviva 4% fixed to floating 2055	708	0.21
1,700,000	Aviva 5.125% 2050	1,982	0.59
893,000	AXA 5.625% 2054	1,120	0.33
511,000	Blend Funding 2.922% 2054	561	0.17
1,110,000	Blend Funding 3.459% 2047	1,324	0.39
593,000	British American Tobacco 2.25% 2052	437	0.13
400,000	British American Tobacco 4% 2055	411	0.12
550,000	Bromford Housing 3.125% 2048	651	0.19
700,000	Channel Link 3.043% 2050	694	0.21
884,000	Channel Link 6.341% 2046	1,002	0.30
800,000	EDF 5.125% 2050	1,165	0.34
1,000,000	EDF 6% 2114	1,638	0.48
400,000	Engie 5% 2060	678	0.20
1,800,000	Finsbury Square 2018-2 FRN 2068	1,085	0.32
1,053,000	Gatwick 2.875% 2049	968	0.29
700,000	Gatwick 3.25% 2048	686	0.20
2,420,000	Heathrow Funding 4.625% 2046	3,004	0.89
1,166,000	Hyde Housing Association 1.75% 2055	996	0.29
1,486,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	1,326	0.39
429,000	Incommunities Treasury 3.25% 2049	514	0.15
400,000	Legal & General 5.5% 2064	481	0.14
1,500,000	NGG 5.625% fixed to floating 2073	1,708	0.51
850,000	Northern Powergrid Northeast 1.875% 2062 2062	784	0.23
1,107,000	Notting Hill Housing Trust 4.375% 2054	1,573	0.47
1,679,000	Optivo Finance 3.283% 2048	1,962	0.58
1,196,000	Ørsted 2.5% fixed to floating 3021	1,183	0.35
626,000	Paragon FRN 2050	619	0.18
1,243,000	Peabody Capital 4.625% 2053	1,887	0.56
1,161,000	Penarian Housing Finance 3.212% 2052	1,273	0.38
2,400,000	Prudential 5% 2055	2,727	0.81
404,000	Prudential 5.625% FRN 2051	465	0.14
1,184,000	RL Finance 4.875% Fixed to Floating 2049	1,277	0.38
1,600,000	RMAC FRN 2046	1,151	0.34
434,000	Sovereign Housing 2.375% 2048	450	0.13

			Market Value £'000	Percentage of total net assets
Holding	Investment			
820,000	SSE 3.625% 2077		842	0.25
500,000	University of Cambridge 2.35% 2078		637	0.19
600,000	University of Cambridge 3.75% 2052		911	0.27
900,000	Vodafone 3% 2056		901	0.27
700,000	Vodafone 3.375% 2049		758	0.22
887,000	Wellcome Trust 2.517% 2118		1,060	0.31
653,000	Wrekin Housing 2.5% 2048		685	0.20
Perpetual				
1,400,000	Assicurazioni Generali 6.269% fixed to floating Perpetual		1,588	0.47
2,800,000	Aviva 6.125% fixed to floating Perpetual		2,975	0.88
1,598,000	AXA 5.453% fixed to floating Perpetual		1,837	0.54
902,000	BP Capital Markets 4.25% fixed to floating Perpetual		953	0.28
1,581,000	Credit Agricole 7.5% fixed to floating Perpetual		1,862	0.55
700,000	EDF 5.875% fixed to floating Perpetual		787	0.23
500,000	EDF 6% fixed to floating Perpetual		559	0.17
950,000	HSBC 5.844% fixed to floating Perpetual		1,340	0.40
1,354,000	Lloyds Banking Group 7.625% fixed to floating Perpetual		1,464	0.43
678,000	Nationwide Building Society 5.75% fixed to floating Perpetual		752	0.22
1,757,000	SSE 3.74% fixed to floating Perpetual		1,859	0.55
<b>Government Bonds (1.25%)</b>			<b>8,451</b>	<b>2.50</b>
between 5 and 10 years to maturity				
2,242,000	UK (Govt of) 4.75% 2030		3,069	0.91
between 15 and 25 years to maturity				
1,950,000	UK (Govt of) 4.5% 2042		3,122	0.92
greater than 25 years to maturity				
1,389,000	UK (Govt of) 4.25% 2046		2,260	0.67
<b>US Dollar Denominated Bonds (1.20%)</b>			<b>4,794</b>	<b>1.42</b>
<b>Corporate Bonds (1.20%)</b>			<b>4,794</b>	<b>1.42</b>
Perpetual				
1,900,000	Australia & New Zealand Banking FRN Perpetual		1,198	0.36
2,575,000	BNP Paribas 4.5% fixed to floating Perpetual		1,802	0.53
1,900,000	Standard Chartered 7.014% Perpetual		1,794	0.53

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (0.70%)</b>		<b>4,143</b>	<b>1.22</b>
139	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc <sup>+</sup>	120	0.03
4,023	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	4,023	1.19
<b>Derivatives (-0.01%)</b>		<b>261</b>	<b>0.08</b>
<b>Forward Currency Contracts (-0.04%)</b>		<b>236</b>	<b>0.07</b>
	Buy EUR 223,629 Sell GBP 194,182 05/05/2021	-	-
	Buy EUR 876,151 Sell GBP 765,318 05/05/2021	(4)	-
	Buy EUR 878,498 Sell GBP 756,190 05/05/2021	7	-
	Buy GBP 6,529,844 Sell EUR 7,364,284 05/05/2021	128	0.04
	Buy GBP 38,464 Sell USD 52,631 05/05/2021	1	-
	Buy GBP 396,390 Sell USD 549,106 05/05/2021	4	-
	Buy GBP 4,582,395 Sell USD 6,270,238 05/05/2021	99	0.03
	Buy USD 137,659 Sell GBP 98,869 05/05/2021	1	-
<b>Futures (0.03%)</b>		<b>25</b>	<b>0.01</b>
32	Long Long Gilt Future 28/06/2021	(32)	(0.01)
(18)	Short Euro Bond Future 08/03/2021	57	0.02
<b>Total investment assets and liabilities</b>		<b>335,384</b>	<b>99.28</b>
<b>Net other assets</b>		<b>2,418</b>	<b>0.72</b>
<b>Total Net Assets</b>		<b>337,802</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 29 February 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital (losses)/gains	1	(5,050)	36,435
Revenue	2	12,572	16,023
Expenses	3	(2,645)	(3,136)
Interest payable and similar charges		(1)	(2)
Net revenue before taxation		9,926	12,885
Taxation	4	-	-
Net revenue after taxation		9,926	12,885
<b>Total return before distributions</b>		<b>4,876</b>	<b>49,320</b>
Distributions	5	(9,926)	(12,885)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(5,050)</b>	<b>36,435</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>431,554</b>	<b>470,006</b>
Amounts receivable on the issue of shares	15,128	27,183
Amounts payable on the cancellation of shares	(109,476)	(109,192)
	(94,348)	(82,009)
Dilution adjustment	179	35
Change in net assets attributable to shareholders from investment activities (see above)	(5,050)	36,435
Retained distribution on accumulation shares	5,465	7,085
Unclaimed distributions	2	2
<b>Closing net assets attributable to shareholders</b>	<b>337,802</b>	<b>431,554</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		335,420	427,940
<b>Current assets:</b>			
Debtors	6	7,654	6,162
Cash and bank balances	7	163	88
		7,817	6,250
<b>Total assets</b>		<b>343,237</b>	<b>434,190</b>
<b>Liabilities:</b>			
Investment liabilities		(36)	(172)
Creditors	8	(4,253)	(1,248)
Bank overdrafts	7	(240)	-
Distribution payable		(906)	(1,216)
		(5,399)	(2,464)
<b>Total liabilities</b>		<b>(5,435)</b>	<b>(2,636)</b>
<b>Net assets attributable to shareholders</b>		<b>337,802</b>	<b>431,554</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital (Losses)/Gains

	2021 £'000	2020 £'000
Non-derivative securities	(4,946)	36,446
Derivative contracts	(206)	213
Forward currency contracts	160	(248)
Other (losses)/gains	(50)	32
Transaction charges	(8)	(8)
<b>Net capital (losses)/gains</b>	<b>(5,050)</b>	<b>36,435</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	6	16
Interest on debt securities	12,566	16,007
<b>Total revenue</b>	<b>12,572</b>	<b>16,023</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,317	2,721
Dealing charge	40	53
Registration fees	209	259
	2,566	3,033
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	26	34
Depositary's fees	41	55
	67	89
<b>Other:</b>		
Audit fee	12	13
Professional fees	-	1
	12	14
<b>Total expenses</b>	<b>2,645</b>	<b>3,136</b>

Irrecoverable VAT is included in the above expenses where relevant.



## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Total taxation	-	-
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	9,926	12,885
Corporation tax at 20% (2020: 20%)	1,985	2,577
Effects of:		
Distributions treated as tax deductible	(1,985)	(2,577)
<b>Total tax charge for year (note 4a)</b>	-	-

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) **Factors that may affect future tax charge**

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

## 5. Distributions

	2021 £'000	2020 £'000
First interim distribution	2,626	3,379
Second interim distribution	2,491	3,338
Third interim distribution	2,373	3,083
Final distribution	2,008	2,770
	9,498	12,570
Add: Income deducted on cancellation of shares	524	565
Deduct: Income received on issue of shares	(96)	(250)
<b>Total distributions for the year</b>	<b>9,926</b>	<b>12,885</b>

Details of the distribution per share are set out in this fund's distribution tables.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	4,419	6,134
Amounts receivable from the ACD for the issue of shares	38	28
Sales awaiting settlement	3,197	-
<b>Total debtors</b>	<b>7,654</b>	<b>6,162</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	71	2
Cash at broker	92	86
	<b>163</b>	<b>88</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties^	(240)	-
	<b>(240)</b>	<b>-</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	4,023	3,035
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund*	120	-
<b>Net liquidity</b>	<b>4,066</b>	<b>3,123</b>

^ This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	197	219
Accrued expenses payable to the Depositary or associates of the Depositary	8	15
Amounts payable to the ACD for cancellation of shares	3,315	999
Other accrued expenses	12	15
Purchases awaiting settlement	721	-
<b>Total creditors</b>	<b>4,253</b>	<b>1,248</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bonds	73,893	121,304	160,738	192,679
Collective investment schemes	88,713	103,148	87,605	100,868
<b>Trades in the year before transaction costs</b>	<b>162,606</b>	<b>224,452</b>	<b>248,343</b>	<b>293,547</b>
<b>Total net trades in the year after transaction costs</b>	<b>162,606</b>	<b>224,452</b>	<b>248,343</b>	<b>293,547</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.89% (2020: 0.81%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	53,558,016	185,494	(4,299,286)	(80,596)	49,363,628
Institutional accumulation	65,672,711	3,794,202	(23,108,468)	31,270	46,389,715
Retail income	42,524,164	184,589	(3,303,832)	(162,544)	39,242,377
Institutional income	60,391,408	3,156,294	(7,891,709)	14,217,820	69,873,813
Standard Life income	50,549,524	1,557,739	(27,906,315)	(16,854,915)	7,346,033
Standard Life accumulation	224,825	89,696	(86,694)	-	227,827
Institutional regulated accumulation	409,611	-	(57,978)	-	351,633
Standard Life B accumulation	2,352,768	116,948	(456,529)	-	2,013,187
Platform 1 accumulation	51,692,408	636,605	(26,172,857)	74,905	26,231,061
Platform 1 income	22,644,353	765,769	(3,052,183)	59,914	20,417,853
Institutional S accumulation	246,097	-	(160,711)	-	85,386
Institutional S income	123,432,174	6,395,642	(25,624,159)	(397,296)	103,806,361

#### 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	8,451	322,529	-	5,397	419,348	-
Collective Investment Schemes	-	4,143	-	-	3,035	-
Derivatives	57	240	-	117	43	-
<b>Total investment assets</b>	<b>8,508</b>	<b>326,912</b>	<b>-</b>	<b>5,514</b>	<b>422,426</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(32)	(4)	-	-	(172)	-
<b>Total investment liabilities</b>	<b>(32)</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>(172)</b>	<b>-</b>

### 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2021</b>				
<b>Currency</b>				
UK Sterling	8,520	317,072	12,139	337,731
Euro	1	4,596	(4,577)	20
US Dollar	1,261	3,596	(4,806)	51
<b>Total</b>	<b>9,782</b>	<b>325,264</b>	<b>2,756</b>	<b>337,802</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2020</b>				
<b>Currency</b>				
UK Sterling	74,513	345,846	11,156	431,515
Euro	2,385	-	(2,355)	30
US Dollar	5,123	-	(5,114)	9
<b>Total</b>	<b>82,021</b>	<b>345,846</b>	<b>3,687</b>	<b>431,554</b>

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the Fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2021	Minimum	Maximum	Average
VaR 99% 1 Month	2.72%	4.97%	4.37%

2020	Minimum	Maximum	Average
VaR 99% 1 Month	2.65%	2.91%	2.78%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 3.93%, £13,276,000 (2020: 2.89%, £12,362,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

#### Counterparty risk

##### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	310,828	92.01
Below investment grade securities	14,622	4.33
Unrated securities	5,530	1.64
<b>Total value of securities</b>	<b>330,980</b>	<b>97.98</b>

2020	Market value £'000	Percentage of total net assets %
Investment grade securities	403,517	93.51
Below investment grade securities	11,166	2.59
Unrated securities	10,062	2.33
<b>Total value of securities</b>	<b>424,745</b>	<b>98.43</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

#### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2021		2020	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	13,133	236	14,679	(129)
Futures	1,379	26	11,103	117
<b>Total market exposure</b>	<b>14,512</b>	<b>262</b>	<b>25,782</b>	<b>(12)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange. Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

2021	Cash (held)/pledged £'000	Stock (held)/ pledged £'000	Market value of derivatives £'000
<b>Broker concentrations</b>			
Goldman Sachs	92	-	26
	92	-	26

2020	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>Broker concentrations</b>			
Goldman Sachs	86	-	117
	86	-	117

### Counterparty Table

At the balance sheet date the fund had the following exposures:

2021	Bi-lateral forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
<b>Counterparties</b>				
Citigroup	(4)	-	-	(4)
Goldman Sachs	7	-	-	7
Morgan Stanley	4	-	-	4
Natwest Markets	100	(120)	-	(20)
Standard Chartered	1	-	-	1
UBS	128	(120)	-	8
<b>Total</b>	<b>236</b>	<b>(240)</b>	<b>-</b>	<b>(4)</b>

2020	Bi-lateral forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
<b>Counterparties</b>				
BNP Paribas	14	-	-	14
Deutsche Bank	(41)	-	-	(41)
Lloyds	(32)	-	-	(32)
Standard Chartered	9	-	-	9
UBS AG	(79)	-	-	(79)
<b>Total</b>	<b>(129)</b>	<b>-</b>	<b>-</b>	<b>(129)</b>

The total mark to market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

Margin exchanged and collateral held or pledged is in the form of high quality assets e.g. cash/gilts. Positions are fully collateralised at all times. Restrictions are placed on the right of either party to reuse collateral assets.

**Liquidity risk**

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(36)	-	-	(36)
<b>Non-derivatives</b>					
Other creditors	-	(4,253)	-	-	(4,253)
Distribution payable	-	(906)	-	-	(906)
<b>Total financial liabilities</b>	-	(5,195)	-	-	(5,195)

2020	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(172)	-	-	(172)
<b>Non-derivatives</b>					
Other creditors	-	(1,248)	-	-	(1,248)
Distribution payable	-	(1,216)	-	-	(1,216)
<b>Total financial liabilities</b>	-	(2,636)	-	-	(2,636)

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic.

Since the year end the NAV per share of Institutional Regulated Accumulation class has increased by 2.54% (to 21 June 2021).

Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 May 2020

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Retail accumulation</b>				
Group 1	0.9413	-	0.9413	0.9685
Group 2	0.6129	0.3284	0.9413	0.9685
<b>Institutional accumulation</b>				
Group 1	1.2065	-	1.2065	1.2241
Group 2	0.2545	0.9520	1.2065	1.2241
<b>Retail income</b>				
Group 1	0.3689	-	0.3689	0.3890
Group 2	0.1939	0.1750	0.3689	0.3890
<b>Institutional income</b>				
Group 1	0.4350	-	0.4350	0.4536
Group 2	0.0939	0.3411	0.4350	0.4536
<b>Standard Life income</b>				
Group 1	0.4299	-	0.4299	0.4434
Group 2	0.1062	0.3237	0.4299	0.4434
<b>Standard Life accumulation</b>				
Group 1	0.7839	-	0.7839	0.7841
Group 2	0.3010	0.4829	0.7839	0.7841
<b>Institutional regulated accumulation</b>				
Group 1	1.2120	-	1.2120	1.2222
Group 2	1.2120	-	1.2120	1.2222
<b>Standard Life B accumulation</b>				
Group 1	0.8108	-	0.8108	0.8087
Group 2	0.6271	0.1837	0.8108	0.8087
<b>Platform 1 accumulation</b>				
Group 1	0.4980	-	0.4980	0.5058
Group 2	0.2975	0.2005	0.4980	0.5058



	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Platform 1 income</b>				
Group 1	0.3961	-	0.3961	0.4137
Group 2	0.2240	0.1721	0.3961	0.4137
<b>Institutional S accumulation</b>				
Group 1	0.4938	-	0.4938	0.5200
Group 2	0.4938	-	0.4938	0.5200
<b>Institutional S income</b>				
Group 1	0.4013	-	0.4013	0.5100
Group 2	0.1016	0.2997	0.4013	0.5100

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 June 2020

Group 2 - shares purchased between 1 June 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	0.9397	-	0.9397	0.9592
Group 2	0.5226	0.4171	0.9397	0.9592
<b>Institutional accumulation</b>				
Group 1	1.2160	-	1.2160	1.2227
Group 2	1.1432	0.0728	1.2160	1.2227
<b>Retail income</b>				
Group 1	0.3667	-	0.3667	0.3830
Group 2	0.1350	0.2317	0.3667	0.3830
<b>Institutional income</b>				
Group 1	0.4354	-	0.4354	0.4491
Group 2	0.2798	0.1556	0.4354	0.4491
<b>Standard Life income</b>				
Group 1	0.4332	-	0.4332	0.4427
Group 2	0.3663	0.0669	0.4332	0.4427
<b>Standard Life accumulation</b>				
Group 1	0.7955	-	0.7955	0.7890
Group 2	0.5086	0.2869	0.7955	0.7890

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Institutional regulated accumulation</b>				
Group 1	1.2254	-	1.2254	1.2246
Group 2	1.2254	-	1.2254	1.2246
<b>Standard Life B accumulation</b>				
Group 1	0.8230	-	0.8230	0.8143
Group 2	0.8230	-	0.8230	0.8143
<b>Platform 1 accumulation</b>				
Group 1	0.5012	-	0.5012	0.5048
Group 2	0.2852	0.2160	0.5012	0.5048
<b>Platform 1 income</b>				
Group 1	0.3962	-	0.3962	0.4098
Group 2	0.1968	0.1994	0.3962	0.4098
<b>Institutional S accumulation</b>				
Group 1	0.4989	-	0.4989	0.5019
Group 2	0.4989	-	0.4989	-
<b>Institutional S income</b>				
Group 1	0.4026	-	0.4026	0.4235
Group 2	0.3153	0.0873	0.4026	0.4235

**Third interim interest distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 30 November 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Retail accumulation</b>				
Group 1	0.9107	-	0.9107	0.9540
Group 2	0.5617	0.3490	0.9107	0.9540
<b>Institutional accumulation</b>				
Group 1	1.1858	-	1.1858	1.2191
Group 2	0.1030	1.0828	1.1858	1.2191
<b>Retail income</b>				
Group 1	0.3537	-	0.3537	0.3787
Group 2	0.1716	0.1821	0.3537	0.3787
<b>Institutional income</b>				
Group 1	0.4219	-	0.4219	0.4454
Group 2	0.2230	0.1989	0.4219	0.4454
<b>Standard Life income</b>				
Group 1	0.4220	-	0.4220	0.4392
Group 2	0.3039	0.1181	0.4220	0.4392
<b>Standard Life accumulation</b>				
Group 1	0.7805	-	0.7805	0.7885
Group 2	0.5091	0.2714	0.7805	0.7885
<b>Institutional regulated accumulation</b>				
Group 1	1.1996	-	1.1996	1.2222
Group 2	1.1996	-	1.1996	1.2222
<b>Standard Life B accumulation</b>				
Group 1	0.8097	-	0.8097	0.8143
Group 2	0.8097	-	0.8097	0.8143
<b>Platform 1 accumulation</b>				
Group 1	0.4898	-	0.4898	0.5030
Group 2	0.2230	0.2668	0.4898	0.5030

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Platform 1 income</b>				
Group 1	0.3840	-	0.3840	0.4057
Group 2	0.1894	0.1946	0.3840	0.4057
<b>Institutional S accumulation</b>				
Group 1	0.4892	-	0.4892	0.4981
Group 2	0.4892	-	0.4892	0.4981
<b>Institutional S income</b>				
Group 1	0.3909	-	0.3909	0.4107
Group 2	0.2653	0.1256	0.3909	0.4107

**Final interest distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	0.8656	-	0.8656	0.9144
Group 2	0.4167	0.4489	0.8656	0.9144
<b>Institutional accumulation</b>				
Group 1	1.1408	-	1.1408	1.1926
Group 2	0.6139	0.5269	1.1408	1.1926
<b>Retail income</b>				
Group 1	0.3342	-	0.3342	0.3654
Group 2	0.0432	0.2910	0.3342	0.3654
<b>Institutional income</b>				
Group 1	0.4027	-	0.4027	0.4325
Group 2	0.0913	0.3114	0.4027	0.4325
<b>Standard Life income</b>				
Group 1	0.4070	-	0.4070	0.4297
Group 2	0.1754	0.2316	0.4070	0.4297
<b>Standard Life accumulation</b>				
Group 1	0.7578	-	0.7578	0.7773
Group 2	0.4028	0.3550	0.7578	0.7773

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Institutional regulated accumulation</b>				
Group 1	1.1565	-	1.1565	1.1999
Group 2	1.1565	-	1.1565	1.1999
<b>Standard Life B accumulation</b>				
Group 1	0.7861	-	0.7861	0.8033
Group 2	0.3373	0.4488	0.7861	0.8033
<b>Platform 1 accumulation</b>				
Group 1	0.4694	-	0.4694	0.4910
Group 2	0.2020	0.2674	0.4694	0.4910
<b>Platform 1 income</b>				
Group 1	0.3663	-	0.3663	0.3942
Group 2	0.1885	0.1778	0.3663	0.3942
<b>Institutional S accumulation</b>				
Group 1	0.4700	-	0.4700	0.4883
Group 2	0.4700	-	0.4700	0.4883
<b>Institutional S income</b>				
Group 1	0.3746	-	0.3746	0.3996
Group 2	0.1275	0.2471	0.3746	0.3996

**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

For the year ended 28 February 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in Japanese equities (company shares).

**Performance Target:** To achieve the return of the MSCI Japan Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

**Performance Comparator:** IA Japan Equity Sector Average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated, or domiciled in Japan or companies that derive a significant proportion of their revenues or profits from Japanese operations or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by 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 finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI Japan Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI Japan Index.

### Derivatives and techniques:

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

Over the period under review, the fund returned 27.9% (source: Factset, Platform 1 accumulation shares). This compared to a return of 21.7% for our performance target (the MSCI Japan Index plus 3% per annum over rolling three-year periods from 21 January 2021. Prior: MSCI Japan Index plus 4%). Source: Fund = Factset, performance target = Factset.

IBIDEN had a positive impact on returns. It announced better-than-expected earnings, driven by increased demand for its integrated circuits products from higher sales of computers used in data centres. GMO Payment Gateway performed well after it sold its stake in an unprofitable subsidiary. Toy and hobby business Bandai Namco Holdings did well following the reopening of offline amusement stores and shops. It is also saw robust demand for its high-end toys and profitable gaming businesses. This is underpinned by its intellectual property ownership of characters linked to the rising popularity of anime globally. Sony and electronic components manufacturer Taiyo Yuden also helped the Fund to outperform.

On the downside, Aisin Seiki (now sold), the automotive transmission maker, weighed on returns as concerns grew of how it will adapt to the shift to electric vehicles. Our holding in Tokyo Electron also detracted from performance. Real estate company Mitsui Fudosan also weighed on returns (now sold). Lastly, having no exposure to Nintendo reduced relative returns.

## Portfolio Activity

Following a management change, we started to restructure the Fund in January 2021.

Prior to restructuring, new purchases included Rakuten. It is set to benefit from the expansion of its e-commerce business and increased use of cashless payment that accelerated during COVID-19 restrictions. Bengo4.com was also added on expectations of growth in its online contract platform. The business is driven by a change in Japanese business culture from using physical stamp (seal)-based contracts to electronic signature-based contracts. Daifuku was another purchase. Its earnings growth is led by stronger demand for efficient logistics and automation due to increased e-commerce transactions.

On sales, the position in Takeda Pharmaceutical was cut after strong performance. Logistics firm Nippon Express was sold as its share price was close to the target price. Another sale was NTT Data, as its US operations were not performing well and with IT expenditure being cut during the COVID-19 crisis. Finally, Amada, the machine tool manufacturer, was sold on falling auto investments due to COVID-19.

Since the restructuring, we decided to exit bicycle components supplier Shimano in light of high valuations and better opportunities elsewhere. With the proceeds, we initiated a position in MonotaRO, an e-commerce company that focuses on industrial products. The company is a pioneer in providing Japan's small-and-medium-sized companies with easy access to maintenance, repair and operations products. This market has

traditionally been served by a fragmented group of distributors. We believe the company has a long runway for growth from further disruption of traditional processes among millions of Japanese companies. This is possible through easier access to the wide range of products available with quick delivery. The company's customer base is also stable, as its business is aligned to its customers' interests of reducing operational costs and improving efficiency of their processes.

#### Portfolio Outlook and Strategy

With COVID-19 vaccinations being rolled out across the globe, the bifurcation of the markets in the last year, a separation of pandemic winners and losers, has started to reverse. But the extent of the pandemic suggests that some trends will be more entrenched. This is clear when we look across the Asia Pacific region; where economies have reopened, social and business activities have resumed, but some habits formed during shutdowns remain. Additionally, businesses that have delayed expansion plans are making up for lost time, resulting in a broad-based pick-up in corporate capital expenditures; there is pent-up demand not only from last year's business disruption, but also from geopolitical uncertainty the year before. This presents an attractive backdrop for improving fundamentals across Japanese corporations.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.



## Comparative tables

	2021	2020	2019
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	95.75	91.72	106.99
Return before operating charges*	25.02	5.37	(13.90)
Operating charges	(1.52)	(1.34)	(1.37)
Return after operating charges*	23.50	4.03	(15.27)
Distributions	-	(0.22)	(0.29)
Retained distributions on accumulation shares	-	0.22	0.29
Closing net asset value per share	119.25	95.75	91.72
* after direct transaction costs of:	0.09	0.09	0.09
<b>Performance</b>			
Return after charges	24.54%	4.39%	(14.27%)
<b>Other information</b>			
Closing net asset value (£'000)	10,354	6,733	4,963
Closing number of shares	8,682,622	7,031,655	5,410,669
Operating charges	1.33%	1.33%	1.34%
Direct transaction costs	0.08%	0.09%	0.09%
<b>Prices</b>			
Highest share price	131.9	107.5	112.6
Lowest share price	80.43	91.26	91.53

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	113.10	107.87	125.25
Return before operating charges*	29.57	6.24	(16.33)
Operating charges	(1.13)	(1.01)	(1.05)
Return after operating charges*	28.44	5.23	(17.38)
Distributions	(0.35)	(0.81)	(0.90)
Retained distributions on accumulation shares	0.35	0.81	0.90
Closing net asset value per share	141.54	113.10	107.87
* after direct transaction costs of:	0.11	0.10	0.11
<b>Performance</b>			
Return after charges	25.15%	4.85%	(13.88%)
<b>Other information</b>			
Closing net asset value (£'000)	2,122	42,265	105,462
Closing number of shares	1,499,595	37,368,488	97,763,773
Operating charges	0.86%	0.87%	0.87%
Direct transaction costs	0.08%	0.09%	0.09%
<b>Prices</b>			
Highest share price	156.5	127.0	132.2
Lowest share price	95.02	107.3	107.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life income <sup>A</sup>	2019 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	74.82
Return before operating charges*	0.45
Operating charges	(0.01)
Return after operating charges*	0.44
Redemption value as at 14 June 2018	(75.26)
Closing net asset value per share	-
* after direct transaction costs of:	0.02
<b>Performance</b>	
Return after charges	0.59%
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.04%
Direct transaction costs	0.09%
<b>Prices</b>	
Highest share price	76.20
Lowest share price	69.27

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Standard Life income share class closed on 14 June 2018.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.52	70.52	81.27
Return before operating charges*	19.53	4.09	(10.66)
Operating charges	(0.10)	(0.09)	(0.09)
Return after operating charges*	19.43	4.00	(10.75)
Distributions	(0.90)	(1.12)	(1.18)
Retained distributions on accumulation shares	0.90	1.12	1.18
Closing net asset value per share	93.95	74.52	70.52
* after direct transaction costs of:	0.07	0.07	0.07
<b>Performance</b>			
Return after charges	26.07%	5.67%	(13.23%)
<b>Other information</b>			
Closing net asset value (£'000)	203,339	163,969	156,030
Closing number of shares	216,427,566	220,045,928	221,249,905
Operating charges	0.11%	0.11%	0.12%
Direct transaction costs	0.08%	0.09%	0.09%
<b>Prices</b>			
Highest share price	103.8	83.62	86.17
Lowest share price	62.63	70.20	70.30

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	103.08	98.35	114.25
Return before operating charges*	26.97	5.72	(14.89)
Operating charges	(1.12)	(0.99)	(1.01)
Return after operating charges*	25.85	4.73	(15.90)
Distributions	(0.26)	(0.68)	(0.76)
Retained distributions on accumulation shares	0.26	0.68	0.76
Closing net asset value per share	128.93	103.08	98.35
* after direct transaction costs of:	0.10	0.09	0.10
<b>Performance</b>			
Return after charges	25.08%	4.81%	(13.92%)
<b>Other information</b>			
Closing net asset value (£'000)	930	626	600
Closing number of shares	721,038	607,430	609,966
Operating charges	0.91%	0.92%	0.92%
Direct transaction costs	0.08%	0.09%	0.09%
<b>Prices</b>			
Highest share price	142.6	115.7	120.6
Lowest share price	86.61	97.87	98.11

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Japanese Equities (97.74%)</b>		<b>214,597</b>	<b>99.01</b>
<b>Industrials (17.72%)</b>		<b>45,709</b>	<b>21.09</b>
728,500	Amada	6,309	2.91
33,000	Daifuku	2,253	1.04
35,000	Daikin Industries	4,857	2.24
44,500	Fanuc	7,854	3.62
68,500	Makita	2,079	0.96
314,500	MISUMI	6,852	3.16
28,000	MonotaRO	1,149	0.53
174,000	Nabtesco	5,274	2.43
27,500	Nihon M&A Center	1,071	0.50
226,000	Recruit	8,011	3.70
<b>Consumer Staples (4.88%)</b>		<b>15,466</b>	<b>7.14</b>
258,000	Asahi	7,980	3.68
43,000	Pigeon	1,110	0.51
64,000	Shiseido	3,397	1.57
130,500	Welcia	2,979	1.38
<b>Health Care (15.23%)</b>		<b>24,771</b>	<b>11.43</b>
20,500	As One	1,879	0.87
132,500	Asahi Intecc	2,713	1.25
239,500	Astellas Pharmaceuticals	2,688	1.24
127,000	Chugai Pharmaceutical	4,061	1.87
218,500	Daiichi Sankyo	4,415	2.04
89,500	Hoya	7,267	3.35
23,500	Sysmex	1,748	0.81
<b>Consumer Discretionary (17.75%)</b>		<b>42,575</b>	<b>19.64</b>
50,500	Denso Corporation	2,165	1.00
90,000	Koito Manufacturing	4,284	1.98
24,000	Nitori	3,200	1.48
175,000	Sony	13,059	6.02

			Market Value £'000	Percentage of total net assets
Holding	Investment			
135,000	Stanley Electric		2,855	1.32
180,000	Toyota Motor		9,504	4.38
157,500	USS		2,138	0.99
34,500	Workman		1,853	0.85
88,500	Yamaha		3,517	1.62
<b>Financials (5.60%)</b>			<b>20,529</b>	<b>9.47</b>
242,000	Japan Exchange Group		3,725	1.72
360,000	Tokio Marine		12,696	5.86
29,500	Tokyo Century		1,372	0.63
83,500	Zenkoku Hosho		2,736	1.26
<b>Real Estate (3.02%)</b>			<b>6,730</b>	<b>3.10</b>
1,507,500	Tokyu Fudosan		6,730	3.10
<b>Information Technology (24.22%)</b>			<b>33,545</b>	<b>15.48</b>
64,000	Advantest		3,755	1.73
28,300	Keyence		9,604	4.43
91,500	Murata Manufacturing		5,578	2.57
111,500	NEC		4,334	2.00
99,500	Otsuka		3,307	1.53
284,500	Renesas Electronics		2,231	1.03
16,200	Tokyo Electron		4,736	2.19
<b>Materials (3.06%)</b>			<b>19,272</b>	<b>8.89</b>
174,600	Kansai Paint		3,259	1.50
44,000	Nippon Paint		2,337	1.08
84,000	Shin-Etsu Chemical		9,784	4.51
290,000	Taiyo Nippon Sanso		3,892	1.80
<b>Communication Services (6.26%)</b>			<b>6,000</b>	<b>2.77</b>
127,500	KDDI		2,815	1.30
732,500	Yahoo Japan		3,185	1.47

Holding	Investment	Market Value £'000	Percentage of total net assets
Derivatives (0.00%)		-	-
Forward Currency Contracts (0.00%)		-	-
Buy GBP 5,696 Sell JPY 844,590 24/03/2021		-	-
Total investment assets		214,597	99.01
Net other assets		2,148	0.99
<b>Total Net Assets</b>		<b>216,745</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.



**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	55,056	16,864
Revenue	2	3,115	4,927
Expenses	3	(666)	(1,035)
Interest payable and similar charges		(1)	(1)
Net revenue before taxation		2,448	3,891
Taxation	4	(313)	(488)
Net revenue after taxation		2,135	3,403
<b>Total return before distributions</b>		<b>57,191</b>	<b>20,267</b>
Distributions	5	(2,154)	(3,403)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>55,037</b>	<b>16,864</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>213,593</b>	<b>267,055</b>
Amounts receivable on the issue of shares	20,941	53,087
Amounts payable on the cancellation of shares	(74,832)	(126,186)
	(53,891)	(73,099)
Dilution adjustment	55	(2)
Change in net assets attributable to shareholders from investment activities (see above)	55,037	16,864
Retained distribution on accumulation shares	1,951	2,775
<b>Closing net assets attributable to shareholders</b>	<b>216,745</b>	<b>213,593</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		214,597	208,768
<b>Current assets:</b>			
Debtors	6	940	1,070
Cash and bank balances	7	2,754	4,952
		3,694	6,022
Total assets		218,291	214,790
<b>Liabilities:</b>			
Creditors	8	(1,546)	(1,197)
		(1,546)	(1,197)
Total liabilities		(1,546)	(1,197)
Net assets attributable to shareholders		216,745	213,593

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	55,318	16,628
Other (losses)/gains	(244)	258
Transaction charges	(18)	(22)
<b>Net capital gains</b>	<b>55,056</b>	<b>16,864</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	1	3
Overseas dividends	3,114	4,924
<b>Total revenue</b>	<b>3,115</b>	<b>4,927</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	416	763
Dealing charge	1	-
Registration fees	188	211
	605	974
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	25	25
Depositary's fees	26	25
	51	50
<b>Other:</b>		
Audit fee	9	10
Professional fees	1	1
	10	11
<b>Total expenses</b>	<b>666</b>	<b>1,035</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	313	488
<b>Total taxation</b>	<b>313</b>	<b>488</b>
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	2,448	3,891
Corporation tax at 20% (2020: 20%)	490	778
Effects of:		
Revenue not subject to taxation	(623)	(985)
Overseas taxes	313	488
Excess allowable expenses	133	207
<b>Total tax charge for year (note 4a)</b>	<b>313</b>	<b>488</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) **Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,036,000 (2020: £1,904,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5. Distributions

	2021 £'000	2020 £'000
Distribution	1,951	2,775
Add: Income deducted on cancellation of shares	240	874
Deduct: Income received on issue of shares	(37)	(246)
<b>Total distributions for the year</b>	<b>2,154</b>	<b>3,403</b>

Details of the distribution per share are set out in this fund's distribution table.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	91	124
Amounts receivable from the ACD for the issue of shares	63	63
Sales awaiting settlement	786	883
<b>Total debtors</b>	<b>940</b>	<b>1,070</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	2,205	3,507
Deposits with original maturity of less than 3 months	549	1,445
<b>Net liquidity</b>	<b>2,754</b>	<b>4,952</b>

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	28	51
Accrued expenses payable to the Depositary or associates of the Depositary	11	5
Amounts payable to the ACD for cancellation of shares	22	140
Other accrued expenses	9	13
Purchases awaiting settlement	1,476	988
<b>Total creditors</b>	<b>1,546</b>	<b>1,197</b>

## 9. Related party transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio transaction costs

There are no transaction costs associated with the purchases or sales of collective investment schemes and derivatives during the year, or in the prior year.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	309,435	199,390	359,122	266,430
<b>Trades in the year before transaction costs</b>	<b>309,435</b>	<b>199,390</b>	<b>359,122</b>	<b>266,430</b>
<b>Commissions</b>				
Equities	93	99	(106)	(133)
<b>Total commissions</b>	<b>93</b>	<b>99</b>	<b>(106)</b>	<b>(133)</b>
<b>Total transaction costs</b>	<b>93</b>	<b>99</b>	<b>(106)</b>	<b>(133)</b>
<b>Total net trades in the year after transaction costs</b>	<b>309,528</b>	<b>199,489</b>	<b>359,016</b>	<b>266,297</b>

Total transaction costs expressed as a percentage of asset type cost	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.03	0.05	0.03	0.05
<b>Total transaction costs expressed as a percentage of net asset value</b>				
			2021 %	2020 %
Commissions			0.08	0.09

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.31% (2020: 0.35%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	7,031,655	13,446,633	(11,790,734)	(4,932)	8,682,622
Institutional accumulation	37,368,488	3,823,005	(39,691,898)	-	1,499,595
Standard Life accumulation	220,045,928	191,312	(3,809,674)	-	216,427,566
Platform 1 accumulation	607,430	398,291	(289,252)	4,569	721,038

#### 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	214,597	-	-	208,768	-	-
<b>Total investment assets</b>	<b>214,597</b>	<b>-</b>	<b>-</b>	<b>208,768</b>	<b>-</b>	<b>-</b>

#### 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

##### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure 2021 £'000	Net foreign currency exposure 2020 £'000
Japanese Yen	216,200	212,288
<b>Total</b>	<b>216,200</b>	<b>212,288</b>

At 28 February 2021, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £10,810,000 (2020: £10,614,000).

**Interest rate risk**

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

**Other price risk**

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £10,730,000 (2020: £10,438,000).

**Financial derivatives instrument risk**

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2021		2020	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	6	-	4	-
<b>Total market exposure</b>	<b>6</b>	<b>-</b>	<b>4</b>	<b>-</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

**Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £1,546,000 (2020: £1,197,000).

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Retail Accumulation class has decreased by 1.06% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	-	-	-	0.2224
Group 2	-	-	-	0.2224
<b>Institutional accumulation</b>				
Group 1	0.3518	-	0.3518	0.8058
Group 2	0.0146	0.3372	0.3518	0.8058
<b>Standard Life accumulation</b>				
Group 1	0.8981	-	0.8981	1.1152
Group 2	0.0095	0.8886	0.8981	1.1152
<b>Platform 1 accumulation</b>				
Group 1	0.2613	-	0.2613	0.6796
Group 2	-	0.2613	0.2613	0.6796

**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 Short Duration Credit Fund

For the year ended 28 February 2021

## 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 Review

Over the period under review, the fund returned 3.9% (source: Factset, Platform 1 accumulation shares). This compared to a return of 4.9% for our performance target (the Bloomberg Barclays Sterling Corporate and Collateralised Index (Hedged to 2-year duration) +1%).

The fund underperformed broadly the performance target over the period. On the negative side, admin service provider Intertrust was the worst performer. Additionally, the COVID-19 pandemic has had a detrimental impact on the hospitality industry, bars and restaurants, in particular, have seen sharp drops in revenue due to lockdown restrictions. As a result, publicans Marstons and Greene King weighed on returns.

However, credit selection was positive, in particular, overweight positions in BBB-rated and high yield bonds. An underweight position in General Electric and an overweight in cigarette maker British American Tobacco also performed well.

## Portfolio Activity

Early in the period, we purchased new issues including Southern Water, British American Tobacco and the water company Severn Trent. We also selectively added subordinated bank debt, an example of which was Banco Santander. Towards the end of the period, we bought issues from ING, Deutsche Bank and Danish state-owned wind energy company Orsted.

In the secondary market, in May, as valuations were improving, we added exposure to Heathrow Airport and Gatwick Airport at attractive prices. Later in 2020, as oil prices began to recover, we reduced exposure to the Australian pipeline company APT Pipelines. Later in the period, we took profits on data centre owner Digital Realty, following a run of good performance. We also sold insurer Munich Re, which has struggled over the period.

## Portfolio Outlook and Strategy

Risk premiums are now relatively tight, making investment-grade bonds far from cheap. The recent back-up in government bond yields has started to have an impact on other financial markets. Rising inflation risks are being priced into markets and rising real yields usually have an impact on risk assets. Given the relatively low protection offered by tight spreads, there is scope for volatility in credit markets. Improving fundamentals, as COVID-19 restrictions are lifted and vaccines rolled out, may provide some support, but volatility is likely to rise if recent trends persist.

Markets, in general, do not offer the asymmetries they did at the start of the review period, but we still expect corporate bonds to remain supported by extraordinary levels of central bank support. While mass vaccination programmes continue to gather pace, there is still a long way to go before countries achieve anything close to herd immunity. We expect the rest of the year to be marked by improving growth but significant economic scarring from the crisis. Unemployment is high, ensuring large output gaps for many years to come.

With the last-minute Brexit trade deal, a significant tail risk for the corporate bond market has been removed. However, adjusting to our new trading relationship will undoubtedly continue to cause disruption. This will likely mean the UK will lag the recovery in other developed market economies during 2021, at least. We expect a steeper yield curve, as the Bank of England gradually tapers asset purchases and the policy rate remains on hold.

As we move through 2021, economic growth should recover and head in the right direction. However, two risks have the potential to upend the recovery. Namely, a major set-back in terms of COVID-19 or if rates markets and inflation expectations rise, which may destabilise investment-grade markets. Outside of these risks, we do expect some bouts of volatility and spread widening.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←			→			
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment. Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner. The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	92.63	88.33	88.32
Return before operating charges*	4.18	5.25	0.92
Operating charges	(0.99)	(0.95)	(0.91)
Return after operating charges*	3.19	4.30	0.01
Distributions	(2.30)	(1.54)	(1.41)
Retained distributions on accumulation shares	2.30	(1.54)	1.41
Closing net asset value per share	95.82	92.63	88.33
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.44%	4.87%	0.02%
<b>Other information</b>			
Closing net asset value (£'000)	9,821	10,769	12,113
Closing number of shares	10,249,415	11,625,001	13,712,282
Operating charges	1.07%	1.04%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	96.95	93.75	88.61
Lowest share price	84.20	88.66	86.71

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	98.63	93.66	93.26
Return before operating charges*	4.45	5.57	0.97
Operating charges	(0.63)	(0.60)	(0.57)
Return after operating charges*	3.82	4.97	0.40
Distributions	(2.86)	(2.01)	(1.88)
Retained distributions on accumulation shares	2.86	2.01	1.88
Closing net asset value per share	102.45	98.63	93.66
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.87%	5.31%	0.43%
<b>Other information</b>			
Closing net asset value (£'000)	5,421	15,153	142,809
Closing number of shares	5,291,386	15,362,975	152,470,584
Operating charges	0.65%	0.62%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	103.6	99.84	93.93
Lowest share price	89.67	94.02	91.89

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.86	53.20	54.05
Return before operating charges*	2.45	3.15	0.56
Operating charges	(0.58)	(0.57)	(0.55)
Return after operating charges*	1.87	2.58	0.01
Distributions	(1.35)	(0.92)	(0.86)
Closing net asset value per share	55.38	54.86	53.20
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.41%	4.85%	0.02%
<b>Other information</b>			
Closing net asset value (£'000)	2,478	3,139	3,973
Closing number of shares	4,474,701	5,721,585	7,466,503
Operating charges	1.07%	1.04%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	56.39	55.76	54.23
Lowest share price	49.88	53.41	52.45

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.79	53.14	53.99
Return before operating charges*	2.44	3.14	0.56
Operating charges	(0.35)	(0.34)	(0.33)
Return after operating charges*	2.09	2.80	0.23
Distributions	(1.58)	(1.15)	(1.08)
Closing net asset value per share	55.30	54.79	53.14
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.81%	5.27%	0.43%
<b>Other information</b>			
Closing net asset value (£'000)	3,395	8,906	17,915
Closing number of shares	6,138,791	16,254,024	33,715,927
Operating charges	0.65%	0.62%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	56.34	55.74	54.20
Lowest share price	49.83	53.34	52.40

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	32.02	31.12	31.65
Return before operating charges*	1.44	1.82	0.28
Operating charges	(0.02)	(0.01)	(0.01)
Return after operating charges*	1.42	1.81	0.27
Distributions	(1.12)	(0.91)	(0.80)
Closing net asset value per share	32.32	32.02	31.12
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.43%	5.82%	0.85%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	<sup>A</sup>
Closing number of shares	3,149	3,149	319
Operating charges	0.07%	0.04%	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	32.97	32.62	31.81
Lowest share price	29.13	31.22	30.76

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> The closing net asset value of Standard life income is £99.



Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	101.29	95.71	94.83
Return before operating charges*	4.60	5.70	0.99
Operating charges	(0.15)	(0.12)	(0.11)
Return after operating charges*	4.45	5.58	0.88
Distributions	(3.45)	(2.59)	(2.39)
Retained distributions on accumulation shares	3.45	2.59	2.39
Closing net asset value per share	105.74	101.29	95.71
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.39%	5.83%	0.93%
<b>Other information</b>			
Closing net asset value (£'000)	77	63	55
Closing number of shares	72,381	62,330	57,957
Operating charges	0.15%	0.12%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	106.9	102.5	95.98
Lowest share price	92.12	96.07	93.82

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	67.77	64.39	64.14
Return before operating charges*	3.06	3.83	0.67
Operating charges	(0.47)	(0.45)	(0.42)
Return after operating charges*	2.59	3.38	0.25
Distributions	(1.93)	(1.37)	(1.26)
Retained distributions on accumulation shares	1.93	1.37	1.26
Closing net asset value per share	70.36	67.77	64.39
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.82%	5.25%	0.39%
<b>Other information</b>			
Closing net asset value (£'000)	10,208	21,351	31,856
Closing number of shares	14,507,064	31,503,882	49,474,476
Operating charges	0.70%	0.67%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	71.16	68.60	64.57
Lowest share price	61.62	64.63	63.18

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.61	54.90	55.78
Return before operating charges*	2.53	3.25	0.58
Operating charges	(0.39)	(0.38)	(0.37)
Return after operating charges*	2.14	2.87	0.21
Distributions	(1.60)	(1.16)	(1.09)
Closing net asset value per share	57.15	56.61	54.90
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.78%	5.23%	0.38%
<b>Other information</b>			
Closing net asset value (£'000)	7,672	12,039	10,657
Closing number of shares	13,425,221	21,266,423	19,410,528
Operating charges	0.70%	0.67%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	58.22	57.59	55.99
Lowest share price	51.48	55.11	54.14

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (90.17%)</b>		<b>34,776</b>	<b>89.00</b>
<b>Euro Denominated Bonds (3.23%)</b>		<b>974</b>	<b>2.49</b>
<b>Corporate Bonds (3.23%)</b>		<b>974</b>	<b>2.49</b>
greater than 25 years to maturity			
300,000	Channel Link Enterprises Finance 1.761% fixed to floating 2050	259	0.66
Perpetual			
400,000	Aareal Bank 7.625% fixed to floating Perpetual	346	0.89
400,000	Bankia 6.375% fixed to floating Perpetual	369	0.94
<b>Sterling Denominated Bonds (86.46%)</b>		<b>33,802</b>	<b>86.51</b>
<b>Corporate Bonds (86.46%)</b>		<b>33,802</b>	<b>86.51</b>
less than 5 years to maturity			
150,000	AA Bond 2.75% 2023	151	0.39
190,000	Arqiva 6.75% 2023	196	0.50
300,000	Banco Santander 2.75% 2023	313	0.80
270,000	Barclays 2.375% 2023	277	0.71
330,000	Barclays 3.125% 2024	348	0.89
170,000	Barclays 9.5% 2021	176	0.45
190,000	Citigroup 5.875% 2024	219	0.56
239,000	CPUK 3.588% 2025	254	0.65
250,000	Credit Agricole 7.375% 2023	294	0.75
400,000	Deutsche Bank 2.625% 2024	417	1.07
400,000	Deutsche Pfandbriefbank 1.75% 2022	405	1.04
257,000	First Abu Dhabi Bank 1.375% 2023	260	0.66
280,000	FirstGroup 6.875% 2024	322	0.82
131,000	Hammerson 3.5% 2025	133	0.34
60,000	Hammerson 6% fixed to floating 2026	66	0.17
190,000	Heathrow Funding 7.125% 2024	215	0.55
480,000	Intu (SGS) Finance 4.125% 2023	216	0.55
190,000	Lend Lease Europe 6.125% 2021	195	0.50
130,000	Lloyds Bank 7.625% 2025	162	0.41
274,000	Lloyds Bank Corporate Markets 1.75% 2024	280	0.72
720,000	Mitchells & Butlers 5.965% 2025	130	0.33
209,000	MPT Operating Partnership 2.55% 2023	212	0.54
150,000	Petroleos Mexicanos 3.75% 2025	147	0.38
270,000	Santander UK 3.625% 2026	297	0.76
260,000	Scania 1.875% 2022	264	0.68

		Market Value £'000	Percentage of total net assets
Holding	Investment		
270,000	Stagecoach Group 4% 2025	286	0.73
250,000	Thames Water 2.375% 2023	253	0.65
300,000	Volkswagen Financial Services 1.875% 2024	307	0.79
between 5 and 10 years to maturity			
210,000	ABP 6.25% 2026	253	0.65
240,000	Anglian Water 2.625% 2027	250	0.64
260,000	Anheuser-Busch InBev 2.25% 2029	273	0.70
170,000	Annington Funding 3.184% 2029	184	0.47
200,000	Aroundtown 3.25% 2027	216	0.55
160,000	Assura Financing REIT 3% 2028	177	0.45
350,000	AT&T 5.5% 2027	428	1.09
299,000	Athene Global Funding 1.75% 2027	299	0.77
200,000	Bank of America 7% 2028	279	0.71
190,000	Barclays 3.25% 2027	206	0.53
190,000	BAT International Finance 2.25% 2028	192	0.49
190,000	Citigroup 5.15% 2026	227	0.58
200,000	CK Hutchison 2% 2027	203	0.52
190,000	CRH 4.125% 2029	227	0.58
200,000	Deutsche Bank 1.875% fixed to floating 2028	196	0.50
210,000	Digital Stout 3.3% 2029	231	0.59
110,000	Hammerson 7.25% 2028	129	0.33
357,000	Heathrow Funding 6.75% 2026	448	1.15
183,000	HSBC 2.256% 2026	190	0.49
150,000	HSBC 2.625% 2028	159	0.41
280,000	HSBC 3% fixed to floating 2029	301	0.77
100,000	HSBC 6.75% 2028	130	0.33
182,000	HSBC Bank 5.375% 2030	215	0.55
270,000	Imperial Brands 5.5% 2026	324	0.83
200,000	ING 1.125% fixed to floating 2028	194	0.50
110,000	Integrated Accommodation Services 6.48% 2029	68	0.17
330,000	London & Quadrant Housing Trust 2.25% 2029	345	0.88
190,000	MPT Operating Partnership 3.692% 2028	201	0.51
392,000	NatWest 2.875% 2026	416	1.06
118,000	NatWest 3.622% fixed to floating 2030	126	0.32
123,000	Newday Funding 2018 FRN 2026	123	0.31
168,000	NewRiver REIT 3.5% 2028	154	0.39
189,000	Pension Insurance 5.625% 2030	225	0.58
100,000	Quadgas Finance 3.375% 2029	106	0.27
290,000	Rabobank 4.625% 2029	344	0.88
463,000	Thames Water 3.5% 2028	516	1.32

		Market Value £'000	Percentage of total net assets
Holding	Investment		
137,000	Thames Water 5.75% 2030	145	0.37
275,000	Unite Group 3.5% 2028	299	0.77
337,000	Verizon Communications 1.875% 2030	338	0.86
484,000	Virgin Money UK 7.875% fixed to floating 2028	552	1.41
400,000	Volkswagen International Finance 3.375% 2026	438	1.12
320,000	Welltower 4.8% 2028	377	0.96
290,000	Westfield Stratford City Finance 1.642% 2026	286	0.73
between 10 and 15 years to maturity			
180,000	Annington Funding 3.685% 2034	206	0.53
200,000	Barclays 3.25% 2033	220	0.56
63,000	British American Tobacco 6% 2034	83	0.21
460,000	Broadgate Financing 5.098% 2035	474	1.21
150,000	Centrica 7% 2033	230	0.59
420,000	E.ON Finance 6.375% 2032	599	1.53
230,000	Eversholt 6.697% 2035	297	0.76
152,000	Gatwick 4.625% 2034	178	0.46
150,000	Great Rolling Stock 6.5% 2031	155	0.40
150,000	Great Rolling Stock 6.875% 2035	128	0.33
200,000	Greene King FRN 2033	135	0.35
230,000	HSBC 5.375% 2033	304	0.78
105,000	Lloyds Banking Group 2.707% 2035	105	0.27
190,000	London & Quadrant Housing Trust 4.625% 2033	248	0.63
100,000	Meadowhall Finance 4.986% 2032	75	0.19
104,000	Pension Insurance 3.625% 2032	106	0.27
382,000	Scottish Hydro 2.25% 2035	397	1.02
240,000	Telereal Secured 4.01% 2033	180	0.46
333,000	Western Power 1.75% 2031	332	0.85
195,000	Western Power 5.75% 2032	269	0.69
between 15 and 25 years to maturity			
100,000	America Movil 4.375% 2041	127	0.33
100,000	Aspire Defence 4.674% 2040 'B'	112	0.29
420,000	AT&T 4.875% 2044	537	1.37
200,000	Aviva 6.625% fixed to floating 2041	203	0.52
240,000	British American Tobacco 5.75% 2040	318	0.81
140,000	British Telecom 6.375% 2037	206	0.53
190,000	Cadent Finance 2.625% 2038	195	0.50
184,000	Citigroup 7.375% 2039	333	0.85
275,000	Direct Line 9.25% 2042	301	0.77
100,000	EDF 5.5% 2041	143	0.37

			Market Value £'000	Percentage of total net assets
Holding	Investment			
90,000	Enel 5.75% 2037		129	0.33
230,000	Enel 5.75% 2040		343	0.88
230,000	Eversholt 3.529% 2042		251	0.64
197,000	Gatwick 6.5% 2041		285	0.73
46,000	GE Capital 6.25% 2038		66	0.17
100,000	General Electric 5.375% 2040		132	0.34
250,000	Heathrow Funding 5.875% 2041		347	0.89
240,000	HSBC 6% 2040		331	0.85
200,000	innogy Finance 6.125% 2039		307	0.79
380,000	QBE Insurance 6.115% 2042		401	1.03
190,000	RL Finance 6.125% fixed to floating 2043		212	0.54
246,000	RMPA Services 5.337% 2038		235	0.60
284,000	Southern Water Services Finance 3% 2037		300	0.77
200,000	Tesco 5.744% 2040		251	0.64
370,000	Tesco 5.8006% 2040		472	1.21
210,000	Wheatley 4.375% 2044		276	0.71
greater than 25 years to maturity				
121,000	AA Bond 5.5% 2050		134	0.34
100,000	Aviva 4% fixed to floating 2055		108	0.28
250,000	Aviva 5.125% 2050		291	0.74
100,000	AXA 5.625% 2054		125	0.32
270,000	Blend Funding 3.459% 2047		322	0.82
200,000	Dignity 4.6956% Perpetual		155	0.40
247,000	Legal & General 3.75% fixed to floating 2049		259	0.66
150,000	NGG 5.625% fixed to floating 2073		171	0.44
125,000	Ørsted 2.5% fixed to floating 3021		124	0.32
368,000	Paragon FRN 2050		292	0.75
220,000	Penarian Housing Finance 3.212% 2052		241	0.62
250,000	Prudential 5% 2055		284	0.73
164,000	Prudential 5.625% fixed to floating 2051		189	0.48
196,000	RL Finance 4.875% fixed to floating 2039		211	0.54
400,000	RMAC FRN 2046		288	0.74
140,000	SSE 3.625% 2077		144	0.37
327,000	Vodafone 3.375% 2049		354	0.91
Perpetual				
190,000	Aviva 6.125% fixed to floating Perpetual		202	0.52
221,000	AXA 6.6862% fixed to floating Perpetual		270	0.69
200,000	Lloyds Banking Group 7.625% fixed to floating Perpetual		216	0.55
100,000	National Express 4.25% fixed to floating Perpetual		103	0.26

Holding	Investment	Market Value £'000	Percentage of total net assets
US Dollar Denominated Bonds (0.48%)		-	-
Corporate Bonds (0.48%)		-	-
Collective Investment Schemes (6.36%)		2,146	5.49
152,104	SLI Total Return Credit SICAV Z Acc*	2,146	5.49
Derivatives (-5.67%)		664	1.70
Credit Default Swaps (-0.26%)		-	-
Forward Currency Contracts (-0.11%)		4	0.01
	Buy GBP 12,962 Sell EUR 14,821 24/05/2021	-	-
	Buy GBP 1,003,330 Sell EUR 1,149,416 24/05/2021	4	0.01
Interest Rate Swaps (-5.30%)		660	1.69
GBP 10500000	Pay fixed 0.5250% receive floating GBP-LIBOR 06/04/2025	126	0.32
GBP 2500000	Pay fixed 0.1150% receive floating GBP-LIBOR 06/09/2025	23	0.06
GBP 3100000	Pay fixed 0.2260% receive floating GBP-LIBOR 12/03/2029	110	0.28
GBP 2500000	Pay fixed 0.32600% receive floating GBP-LIBOR 11/26/2034	164	0.42
GBP 1900000	Pay fixed 0.43600% receive floating GBP-LIBOR 11/24/2042	170	0.43
GBP 1500000	Pay fixed 0.45200% receive floating GBP-LIBOR 11/23/2044	139	0.36
GBP 1000000	Pay fixed 0.549% receive floating GBP-LIBOR 01/24/2030	8	0.02
GBP 2500000	Pay floating GBP-LIBOR receive fixed 0.0525% 06/04/2025	(30)	(0.08)
GBP 500000	Pay floating GBP-LIBOR receive fixed 0.326% 12/03/2029	(33)	(0.08)
GBP 2000000	Pay floating GBP-LIBOR receive fixed 0.549% 24/01/2030	(17)	(0.04)
Total investment assets		37,586	96.19
Net other assets		1,487	3.81
Total Net Assets		39,073	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.



**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital (losses)/gains	1	(491)	7,809
Revenue	2	1,953	6,200
Expenses	3	(370)	(1,270)
Interest payable and similar charges	4	(245)	(900)
Net revenue before taxation		1,338	4,030
Taxation	5	-	-
Net revenue after taxation		1,338	4,030
<b>Total return before distributions</b>		<b>847</b>	<b>11,839</b>
Distributions	6	(1,338)	(4,030)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(491)</b>	<b>7,809</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>71,421</b>	<b>219,378</b>
Amounts receivable on the issue of shares	2,922	16,587
Amounts payable on the cancellation of shares	(35,671)	(175,464)
	(32,749)	(158,877)
Dilution adjustment	72	57
Change in net assets attributable to shareholders from investment activities (see above)	(491)	7,809
Retained distribution on accumulation shares	819	3,053
Unclaimed distributions	1	1
<b>Closing net assets attributable to shareholders</b>	<b>39,073</b>	<b>71,421</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		37,666	69,833
<b>Current assets:</b>			
Debtors	7	593	1,161
Cash and bank balances	8	1,321	5,970
		1,914	7,131
<b>Total assets</b>		<b>39,580</b>	<b>76,964</b>
<b>Liabilities:</b>			
Investment liabilities		(80)	(4,939)
Creditors	9	(326)	(375)
Bank overdrafts	8	-	(109)
Distribution payable		(101)	(120)
		(427)	(604)
<b>Total liabilities</b>		<b>(507)</b>	<b>(5,543)</b>
<b>Net assets attributable to shareholders</b>		<b>39,073</b>	<b>71,421</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital (Losses)/Gains

	2021 £'000	2020 £'000
Non-derivative securities	(1,107)	12,349
Derivative contracts	650	(4,497)
Forward currency contracts	(40)	(56)
Other gains	13	27
Transaction charges	(7)	(14)
<b>Net capital (losses)/gains</b>	<b>(491)</b>	<b>7,809</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	4	66
<b>Income from Overseas Collective Investment Schemes</b>		
Unfranked income	520	498
Interest on debt securities	1,429	5,636
<b>Total revenue</b>	<b>1,953</b>	<b>6,200</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	307	1,055
Dealing charge	12	18
Registration fees	30	144
	349	1,217
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	3	11
Depositary's fees	6	28
	9	39
<b>Other:</b>		
Audit fee	12	13
Professional fees	-	1
	12	14
<b>Total expenses</b>	<b>370</b>	<b>1,270</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Interest Payable and Similar Charges

	2021 £'000	2020 £'000
Derivative expense	244	898
Interest payable	1	2
<b>Total interest payable &amp; similar charges</b>	<b>245</b>	<b>900</b>

## 5. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
<b>Total taxation</b>	-	-
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	1,338	4,030
Corporation tax at 20% (2020: 20%)	268	806
Effects of:		
Distributions treated as tax deductible	(268)	(806)
<b>Total tax charge for year (note 5a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) **Factors that may affect future tax charge**

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

## 6. Distributions

	2021 £'000	2020 £'000
First interim distribution	168	953
Second interim distribution	610	1,407
Third interim distribution	166	846
Final distribution	286	346
	1,230	3,552
Add: Income deducted on cancellation of shares	118	513
Deduct: Income received on issue of shares	(10)	(35)
<b>Total distributions for the year</b>	<b>1,338</b>	<b>4,030</b>

Details of the distribution per share are set out in this fund's distribution tables.

## 7. Debtors

	2021 £'000	2020 £'000
Accrued revenue	559	1,000
Amounts receivable from the ACD for the issue of shares	34	161
<b>Total debtors</b>	<b>593</b>	<b>1,161</b>

## 8. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	10	1,232
Cash at broker	536	4,738
Collateral cash pledged to counterparties <sup>-</sup>	775	-
	<b>1,321</b>	<b>5,970</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	-	(109)
	<b>-</b>	<b>(109)</b>
<b>Net liquidity</b>	<b>1,321</b>	<b>5,861</b>

<sup>-</sup> This reflects cash the fund retains beneficial ownership of however which is currently being used to manage bilateral counterparty exposure on out of the money derivative positions.

<sup>^</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

## 9. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	27	39
Accrued expenses payable to the Depositary or associates of the Depositary	2	7
Amounts payable to the ACD for cancellation of shares	285	312
Other accrued expenses	12	17
<b>Total creditors</b>	<b>326</b>	<b>375</b>

## 10. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 9.

## 11. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bonds	4,611	38,619	33,230	56,608
Collective investment schemes	-	-	2,485	7,838
In specie transactions	-	-	-	125,276
<b>Trades in the year before transaction costs</b>	<b>4,611</b>	<b>38,619</b>	<b>35,715</b>	<b>189,722</b>
<b>Total net trades in the year after transaction costs</b>	<b>4,611</b>	<b>38,619</b>	<b>35,715</b>	<b>189,722</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.79% (2020: 0.61%), this is representative of the average spread on the assets held during the year.

## 12. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	11,625,001	1,484,256	(2,852,685)	(7,157)	10,249,415
Institutional accumulation	15,362,975	66,380	(10,275,499)	137,530	5,291,386
Retail income	5,721,585	45,140	(1,292,024)	-	4,474,701
Institutional income	16,254,024	221,145	(10,271,816)	(64,562)	6,138,791
Standard Life income	3,149	-	-	-	3,149
Standard Life accumulation	62,330	12,206	(2,155)	-	72,381
Platform 1 accumulation	31,503,882	1,092,526	(17,898,945)	(190,399)	14,507,064
Platform 1 income	21,266,423	1,023,517	(8,927,210)	62,491	13,425,221

## 13. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	-	34,776	-	-	64,402	-
Collective Investment Schemes	-	2,146	-	-	4,542	-
Derivatives	-	744	-	-	889	-
<b>Total investment assets</b>	<b>-</b>	<b>37,666</b>	<b>-</b>	<b>-</b>	<b>69,833</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	-	(80)	-	-	(4,939)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>(80)</b>	<b>-</b>	<b>-</b>	<b>(4,939)</b>	<b>-</b>

#### 14. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

##### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

##### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2021</b>				
<b>Currency</b>				
UK Sterling	2,802	35,110	1,157	39,069
Euro	10	974	(987)	(3)
US Dollar	7	-	-	7
<b>Total</b>	<b>2,819</b>	<b>36,084</b>	<b>170</b>	<b>39,073</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2020</b>				
<b>Currency</b>				
UK Sterling	12,165	51,378	7,867	71,410
Euro	1,633	738	(2,358)	13
US Dollar	-	342	(344)	(2)
<b>Total</b>	<b>13,798</b>	<b>52,458</b>	<b>5,165</b>	<b>71,421</b>

##### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the Fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

<b>2021</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>
VaR 99% 1 Month	1.05%	3.58%	3.01%

<b>2020</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>
VaR 99% 1 Month	0.99%	1.04%	1.01%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 2.74%, £1,071,000 (2020: 1.02%, £662,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	32,132	82.24
Below investment grade securities	2,644	6.77
Unrated securities	-	-
<b>Total value of securities</b>	<b>34,776</b>	<b>89.00</b>

2020	Market value £'000	Percentage of total net assets %
Investment grade securities	60,051	84.08
Below investment grade securities	3,554	4.98
Unrated securities	797	1.12
<b>Total value of securities</b>	<b>64,402</b>	<b>90.17</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

#### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2021		2020	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	1,012	4	4,158	(82)
Credit Default Swaps	-	-	8,428	(183)
Interest Rate Swaps	28,000	660	69,850	(3,785)
<b>Total market exposure</b>	<b>29,012</b>	<b>664</b>	<b>82,436</b>	<b>(4,050)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

#### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange.

Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

2021	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>Broker concentrations</b>			
Goldman Sachs	536	-	660
	<b>536</b>	<b>-</b>	<b>660</b>



2020	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>Broker concentrations</b>			
Goldman Sachs	1,600	-	(448)
	<b>1,600</b>	<b>-</b>	<b>(448)</b>

**Counterparty Table**

At the balance sheet date the fund had the following exposures:

	Bi-lateral swaps £'000	Bi-lateral forwards £'000	Collateral (held)/pledged		Net exposure £'000
2021			Cash £'000	Stock £'000	
<b>Counterparties</b>					
UBS	-	4	-	-	4
<b>Total</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>

	Bi-lateral swaps £'000	Bi-lateral forwards £'000	Collateral (held)/pledged		Net exposure £'000
2020			Cash £'000	Stock £'000	
<b>Counterparties</b>					
Bank of America					
Merill Lynch	-	14	-	-	14
Citigroup	297	-	80	-	377
Deutsche Bank	(207)	-	-	-	(207)
HSBC	(299)	-	-	-	(299)
Lloyds	-	-	(114)	-	(114)
Morgan Stanley	(330)	-	330	-	-
Natwest Markets	-	(5)	-	-	(5)
Standard Chartered	-	(96)	-	-	(96)
State Street	-	4	-	-	4
UBS	(2,980)	-	2,690	-	(290)
<b>Total</b>	<b>(3,519)</b>	<b>(83)</b>	<b>2,986</b>	<b>-</b>	<b>(616)</b>

**Liquidity risk**

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2021</b>					
<b>Derivatives</b>					
Investment liabilities	-	-	(30)	(50)	(80)
<b>Non-derivatives</b>					
Other creditors	-	(326)	-	-	(326)
Distribution payable	-	(101)	-	-	(101)
<b>Total financial liabilities</b>	<b>-</b>	<b>(427)</b>	<b>(30)</b>	<b>(50)</b>	<b>(507)</b>

2020	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(659)	(1,202)	(3,078)	(4,939)
<b>Non-derivatives</b>					
Bank overdrafts	(114)	-	-	-	(114)
Other creditors	-	(375)	-	-	(375)
Distribution payable	-	(120)	-	-	(120)
<b>Total financial liabilities</b>	<b>(114)</b>	<b>(1,154)</b>	<b>(1,202)</b>	<b>(3,078)</b>	<b>(5,548)</b>

#### 15. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Accumulation class has increased by 2.26% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 May 2020

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Retail accumulation</b>				
Group 1	0.2187	-	0.2187	0.3317
Group 2	0.1089	0.1098	0.2187	0.3317
<b>Institutional accumulation</b>				
Group 1	0.3282	-	0.3282	0.4519
Group 2	0.1637	0.1645	0.3282	0.4519
<b>Retail income</b>				
Group 1	0.1264	-	0.1264	0.1997
Group 2	0.0731	0.0533	0.1264	0.1997
<b>Institutional income</b>				
Group 1	0.1827	-	0.1827	0.2564
Group 2	0.0592	0.1235	0.1827	0.2564
<b>Standard Life income</b>				
Group 1	0.1492	-	0.1492	0.2165
Group 2	0.1492	-	0.1492	0.2165
<b>Standard Life accumulation</b>				
Group 1	0.4591	-	0.4591	0.5842
Group 2	0.1662	0.2929	0.4591	0.5842
<b>Platform 1 accumulation</b>				
Group 1	0.2170	-	0.2170	0.3025
Group 2	0.1449	0.0721	0.2170	0.3025
<b>Platform 1 income</b>				
Group 1	0.1814	-	0.1814	0.2579
Group 2	0.1151	0.0663	0.1814	0.2579

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 June 2020

Group 2 - shares purchased between 1 June 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	1.1389	-	1.1389	0.5345
Group 2	0.0404	1.0985	1.1389	0.5345
<b>Institutional accumulation</b>				
Group 1	1.3185	-	1.3185	0.6694
Group 2	0.2642	1.0543	1.3185	0.6694
<b>Retail income</b>				
Group 1	0.6729	-	0.6729	0.3208
Group 2	0.3370	0.3359	0.6729	0.3208
<b>Institutional income</b>				
Group 1	0.7299	-	0.7299	0.3779
Group 2	0.0968	0.6331	0.7299	0.3779
<b>Standard Life income</b>				
Group 1	0.4814	-	0.4814	0.2919
Group 2	0.4814	-	0.4814	0.2919
<b>Standard Life accumulation</b>				
Group 1	1.4840	-	1.4840	0.8092
Group 2	1.4840	-	1.4840	0.8092
<b>Platform 1 accumulation</b>				
Group 1	0.8973	-	0.8973	0.4518
Group 2	0.1471	0.7502	0.8973	0.4518
<b>Platform 1 income</b>				
Group 1	0.7470	-	0.7470	0.3834
Group 2	0.3249	0.4221	0.7470	0.3834

**Third interim interest distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 30 November 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Retail accumulation</b>				
Group 1	0.3037	-	0.3037	0.2951
Group 2	0.2612	0.0425	0.3037	0.2951
<b>Institutional accumulation</b>				
Group 1	0.4316	-	0.4316	0.4153
Group 2	0.2733	0.1583	0.4316	0.4153
<b>Retail income</b>				
Group 1	0.1779	-	0.1779	0.1759
Group 2	0.1078	0.0701	0.1779	0.1759
<b>Institutional income</b>				
Group 1	0.2356	-	0.2356	0.2328
Group 2	0.0683	0.1673	0.2356	0.2328
<b>Standard Life income</b>				
Group 1	0.1857	-	0.1857	0.1915
Group 2	0.1857	-	0.1857	0.1915
<b>Standard Life accumulation</b>				
Group 1	0.5716	-	0.5716	0.5487
Group 2	0.5716	-	0.5716	0.5487
<b>Platform 1 accumulation</b>				
Group 1	0.2883	-	0.2883	0.2771
Group 2	0.0472	0.2411	0.2883	0.2771
<b>Platform 1 income</b>				
Group 1	0.2359	-	0.2359	0.2337
Group 2	0.1246	0.1113	0.2359	0.2337

**Final interest distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	0.6338	-	0.6338	0.3822
Group 2	0.3529	0.2809	0.6338	0.3822
<b>Institutional accumulation</b>				
Group 1	0.7865	-	0.7865	0.4775
Group 2	0.1939	0.5926	0.7865	0.4775
<b>Retail income</b>				
Group 1	0.3694	-	0.3694	0.2273
Group 2	0.0930	0.2764	0.3694	0.2273
<b>Institutional income</b>				
Group 1	0.4276	-	0.4276	0.2848
Group 2	0.2205	0.2071	0.4276	0.2848
<b>Standard Life income</b>				
Group 1	0.3020	-	0.3020	0.2083
Group 2	0.3020	-	0.3020	0.2083
<b>Standard Life accumulation</b>				
Group 1	0.9400	-	0.9400	0.6499
Group 2	0.9400	-	0.9400	0.6499
<b>Platform 1 accumulation</b>				
Group 1	0.5323	-	0.5323	0.3421
Group 2	0.2130	0.3193	0.5323	0.3421
<b>Platform 1 income</b>				
Group 1	0.4342	-	0.4342	0.2870
Group 2	0.1025	0.3317	0.4342	0.2870

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI UK Ethical Equity Fund

For the year ended 28 February 2021

## 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 Review

Over the period under review, the fund returned 3.9% (source: Factset, Platform 1 accumulation shares). This compared to a return of 5.7% for our performance target (the FTSE All-Share Index +2%).

Stock selection decisions in the consumer services sector had the biggest negative effect on returns. Most notably, international exhibition and conference organiser Hyve Group, pub operator Mitchells & Butlers and travel agency TUI weighed on returns. These companies bore the brunt of the impact of the coronavirus-induced lockdowns and restrictions on movement that were imposed throughout much of the review period. Not holding Rio Tinto, BHP Billiton or Anglo-American, due to our ethical screening process, detracted from performance, as the market saw solid returns in the mining sector. Broadly speaking, optimism over growth in Chinese demand has fed into commodity markets. Bellway and Redrow also detracted, as the housebuilders were affected by the national lockdown and their ability to operate in such a constrained environment. However, the housebuilders have been able to get back up to speed, as construction restarted in May and customer demand for new-build housing has been very strong. Similarly, the facilities management and professional services company Mitie did not fully recover from its sharp fall in March 2020 and detracted from returns. This was despite the company's share price rebounding somewhat in the last four months of the review period, as lockdown restrictions were eased. Additionally, Mitie's 'Getting back to business' initiative was well-received by customers and the company managed to increase revenue from providing coronavirus-related critical services.

On the positive side, the software company Kainos contributed to performance. Kainos benefited from the marked acceleration in digital technology usage resulting from the pandemic's onset. Not holding HSBC also contributed to performance.

The investment bank's dividend cut weighed on its share price, while global interest rates edged lower at a time of growing political uncertainty in Hong Kong. Fever-Tree, the premium mixer drinks business, was another contributor, as a rise in home drinking offset the sharp fall in sales in the hospitality industry. The company also benefited from its expansion into the US market. Not owning Royal Dutch Shell or BP, because of our ethical screening process, contributed to performance, as the companies saw their shares marked down, in response to the oil-price collapse. Similarly, not owning Unilever or pharmaceutical giant GlaxoSmithKline, due to the animal testing screen, had a positive impact on performance. The latter lagged the market as it fell further behind schedule in developing a vaccine.

#### Portfolio Activity

During the first six months of the review period, we started a new position in Euromoney, the global business-to-business provider. The long-term investment case is based upon the strength of its operational model and balance sheet. We also started a position in the bottler Coca-Cola Hellenic. This was based on our belief that its geographic exposure and strong innovative pipeline present compelling earnings growth at a reasonable valuation within the consumer staples space. The company's robust balance sheet also offers further optionality both in terms of potential mergers & acquisitions or enhanced shareholder returns. The fund started a position in the UK high street and travel retailer WH Smith. The shares had been understandably weak on the slowing prospects for travel and general footfall. However, we believe the internalisation of their travel business is a long-term opportunity that is not being recognised in the current valuation. We also started a new position in Coats, which manufactures threads for the apparel and footwear industries, and is developing new performance materials for a range of sectors. Coats has strong position in a market niche that is increasingly important to global brands. Given its sustainability credentials, we believe Coats is well placed to benefit from growing customer demand for greater supply chain transparency. Another purchase was Auto Trader.

The pandemic has arguably strengthened the online retail platform's competitive position, with its free listing offer, which has set it apart from its competitors. During lockdown, when car dealerships have been closed, Auto Trader has maintained traffic volumes. It has also accelerated the shift to processing more of the value chain online, such as part-exchange. On valuation against other platform digital operators, Auto Trader is trading at a discount, in our view. Finally, we initiated a new position in UK bus operator Go-Ahead, believing the shares were significantly undervalued. Even if social distancing is protracted and bus demand is lower, Go-Ahead has the balance sheet to sustain the business and the current valuation was not factoring this in.

Conversely, we exited our position in Boohoo Group, the online fast fashion retailer, after an undercover investigation revealed exploitative conditions at one of its factories. Its share price tumbled, following the release of the report, and major online retailers have dropped its brand from their websites. We also exited our position in holiday operator TUI. The level of debt being created in the business during the lockdown period makes the risks of a slow recovery to consumer sentiment a genuine threat to the survival of this business.

#### Portfolio Outlook and Strategy

Looking out to the end of the next review period, we are optimistic that global growth can recover in the first half of 2021 and beyond. While we remain mindful of the macroeconomic backdrop and risks present in the fund, we will continue to focus on bottom-up stock picking. Meanwhile, we will continue to apply our experience to examine prospects on a company-by-company basis over the fund's three- to five-year time horizon. So, we look for companies that are in a good position to grow, with resilient earnings streams and underappreciated business models, within the acceptable universe as defined by the fund's ethical policy.

March 2021



### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator. The risk and reward indicator changed from 5 to 6 on 31 July 2020.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	182.33	167.61	175.81
Return before operating charges*	6.35	17.15	(5.89)
Operating charges	(2.15)	(2.43)	(2.31)
Return after operating charges*	4.20	14.72	(8.20)
Distributions	(0.20)	(2.52)	(2.39)
Retained distributions on accumulation shares	0.20	2.52	2.39
Closing net asset value per share	186.53	182.33	167.61
* after direct transaction costs of:	0.18	0.20	0.17
<b>Performance</b>			
Return after charges	2.30%	8.78%	(4.66%)
<b>Other information</b>			
Closing net asset value (£'000)	61,560	62,052	59,488
Closing number of shares	33,002,021	34,032,028	35,490,673
Operating charges	1.32%	1.32%	1.32%
Direct transaction costs	0.11%	0.11%	0.10%
<b>Prices</b>			
Highest share price	193.5	208.3	190.3
Lowest share price	113.2	167.6	150.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	206.87	189.30	197.62
Return before operating charges*	7.31	19.34	(6.65)
Operating charges	(1.56)	(1.77)	(1.67)
Return after operating charges*	5.75	17.57	(8.32)
Distributions	(1.09)	(3.83)	(3.62)
Retained distributions on accumulation shares	1.09	3.83	3.62
Closing net asset value per share	212.62	206.87	189.30
* after direct transaction costs of:	0.21	0.23	0.19
<b>Performance</b>			
Return after charges	2.78%	9.28%	(4.21%)
<b>Other information</b>			
Closing net asset value (£'000)	68,088	83,358	77,851
Closing number of shares	32,022,521	40,294,906	41,125,771
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.11%	0.11%	0.10%
<b>Prices</b>			
Highest share price	220.5	236.4	214.2
Lowest share price	128.5	189.3	169.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.00	60.62	64.53
Return before operating charges*	2.31	6.18	(2.18)
Operating charges	(0.49)	(0.57)	(0.55)
Return after operating charges*	1.82	5.61	(2.73)
Distributions	(0.34)	(1.23)	(1.18)
Closing net asset value per share	66.48	65.00	60.62
* after direct transaction costs of:	0.06	0.07	0.06
<b>Performance</b>			
Return after charges	2.80%	9.25%	(4.23%)
<b>Other information</b>			
Closing net asset value (£'000)	14,400	14,295	8,952
Closing number of shares	21,661,886	21,991,384	14,766,945
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.11%	0.11%	0.10%
<b>Prices</b>			
Highest share price	69.29	75.69	69.93
Lowest share price	40.37	60.63	55.31

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	234.55	213.03	220.75
Return before operating charges*	8.56	21.75	(7.50)
Operating charges	(0.21)	(0.23)	(0.22)
Return after operating charges*	8.35	21.52	(7.72)
Distributions	(2.83)	(6.09)	(5.71)
Retained distributions on accumulation shares	2.83	6.09	5.71
Closing net asset value per share	242.90	234.55	213.03
* after direct transaction costs of:	0.23	0.26	0.22
<b>Performance</b>			
Return after charges	3.56%	10.10%	(3.50%)
<b>Other information</b>			
Closing net asset value (£'000)	416	463	543
Closing number of shares	171,091	197,532	255,080
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.11%	0.11%	0.10%
<b>Prices</b>			
Highest share price	251.8	268.0	239.7
Lowest share price	145.8	213.1	190.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	139.40	126.98	131.97
Return before operating charges*	5.03	12.98	(4.46)
Operating charges	(0.50)	(0.56)	(0.53)
Return after operating charges*	4.53	12.42	(4.99)
Distributions	(1.30)	(3.20)	(3.01)
Retained distributions on accumulation shares	1.30	3.20	3.01
Closing net asset value per share	143.93	139.40	126.98
* after direct transaction costs of:	0.14	0.15	0.13
<b>Performance</b>			
Return after charges	3.25%	9.78%	(3.78%)
<b>Other information</b>			
Closing net asset value (£'000)	31,068	30,513	28,821
Closing number of shares	21,584,989	21,888,956	22,697,632
Operating charges	0.40%	0.40%	0.40%
Direct transaction costs	0.11%	0.11%	0.10%
<b>Prices</b>			
Highest share price	149.2	159.2	143.2
Lowest share price	86.63	127.0	113.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	114.00	104.38	109.02
Return before operating charges*	4.04	10.65	(3.66)
Operating charges	(0.92)	(1.03)	(0.98)
Return after operating charges*	3.12	9.62	(4.64)
Distributions	(0.55)	(2.05)	(1.94)
Retained distributions on accumulation shares	0.55	2.05	1.94
Closing net asset value per share	117.12	114.00	104.38
* after direct transaction costs of:	0.11	0.13	0.11
<b>Performance</b>			
Return after charges	2.74%	9.22%	(4.26%)
<b>Other information</b>			
Closing net asset value (£'000)	127,606	131,284	121,565
Closing number of shares	108,952,164	115,159,888	116,463,693
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.11%	0.11%	0.10%
<b>Prices</b>			
Highest share price	121.5	130.3	118.1
Lowest share price	70.82	104.4	93.41

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.00	60.61	64.51
Return before operating charges*	2.29	6.18	(2.17)
Operating charges	(0.52)	(0.60)	(0.58)
Return after operating charges*	1.77	5.58	(2.75)
Distributions	(0.31)	(1.19)	(1.15)
Closing net asset value per share	66.46	65.00	60.61
* after direct transaction costs of:	0.06	0.07	0.06
<b>Performance</b>			
Return after charges	2.72%	9.21%	(4.26%)
<b>Other information</b>			
Closing net asset value (£'000)	9,726	9,415	6,883
Closing number of shares	14,634,140	14,485,612	11,355,840
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.11%	0.11%	0.10%
<b>Prices</b>			
Highest share price	69.25	75.64	69.90
Lowest share price	40.36	60.62	55.27

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.



Institutional A accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	67.23	61.99	65.20
Return before operating charges*	2.24	6.32	(2.17)
Operating charges	(0.90)	(1.08)	(1.04)
Return after operating charges*	1.34	5.24	(3.21)
Distributions	-	(0.74)	(0.70)
Retained distributions on accumulation shares	-	0.74	0.70
Closing net asset value per share	68.57	67.23	61.99
* after direct transaction costs of:	0.06	0.07	0.06
<b>Performance</b>			
Return after charges	1.99%	8.45%	(4.92%)
<b>Other information</b>			
Closing net asset value (£'000)	16	110	129
Closing number of shares	23,500	163,747	208,712
Operating charges	1.60%	1.60%	1.60%
Direct transaction costs	0.11%	0.11%	0.10%
<b>Prices</b>			
Highest share price	71.13	76.84	70.50
Lowest share price	41.75	61.96	55.54

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>UK Equities (98.29%)</b>		<b>312,019</b>	<b>99.72</b>
<b>Basic Materials (1.57%)</b>		<b>6,159</b>	<b>1.97</b>
357,266	Mondi	6,159	1.97
<b>Consumer Goods (19.96%)</b>		<b>47,363</b>	<b>15.14</b>
380,125	Barratt Developments	2,525	0.81
311,734	Bellway	8,750	2.80
109,859	Coca-Cola HBC	2,458	0.79
1,547,535	Countryside Properties	7,202	2.30
1,101,915	Crest Nicholson	3,537	1.13
330,046	Fever Tree Drinks <sup>++</sup>	7,518	2.40
252,173	Greggs	5,255	1.68
489,628	Inchcape	3,469	1.11
2,409,886	Joules <sup>++</sup>	4,507	1.44
85,277	Keywords Studios <sup>++</sup>	2,142	0.68
<b>Consumer Services (13.78%)</b>		<b>48,257</b>	<b>15.42</b>
61,614	ASOS <sup>++</sup>	3,449	1.10
346,747	Auto Trader	1,907	0.61
2,604,668	Cineworld	2,556	0.82
304,792	CVS <sup>++</sup>	5,175	1.64
341,410	Euromoney Institutional Investor	3,315	1.06
236,462	Go-Ahead	2,774	0.89
1,348,485	Hollywood Bowl	3,088	0.99
152,386	HomeServe	1,585	0.51
1,930,524	Hyve	2,720	0.87
47,057	Just Eat Takeaway.Com	3,253	1.04
958,975	Moonpig	4,313	1.38
285,972	RELX	4,839	1.55
496,595	Rightmove	2,805	0.89
944,473	Trainline	4,883	1.56
46,984	Whitbread	1,595	0.51
<b>Financials (18.49%)</b>		<b>59,130</b>	<b>18.89</b>
827,153	Ashmore	3,410	1.09
928,584	Chesnara	2,503	0.80
392,268	Close Brothers	6,096	1.95

			Market Value £'000	Percentage of total net assets
	<b>Holding</b>	<b>Investment</b>		
	136,166	Draper Esprit <sup>++</sup>	1,152	0.37
	1,824,073	Grainger	4,899	1.57
	396,586	Intermediate Capital	6,861	2.19
	966,362	John Laing	2,913	0.93
	280,756	JTC	1,847	0.59
	1,509,134	OSB Group	6,692	2.14
	384,639	Phoenix	2,730	0.87
	522,684	Prudential	7,359	2.35
	3,560,437	Sirius Real Estate	3,290	1.05
	1,255,282	Standard Chartered	5,799	1.85
	368,807	Unite REIT	3,579	1.14
<b>Health Care (1.55%)</b>			-	-
<b>Industrials (26.16%)</b>			<b>88,201</b>	<b>28.19</b>
	74,329	Ashtead	2,883	0.92
	806,851	Bodycote	5,830	1.86
	2,617,633	Coats Group	1,626	0.52
	231,697	Diploma	5,366	1.72
	459,290	Electrocomponents	4,453	1.42
	638,121	Grafton	6,311	2.02
	1,581,191	Howdens Joinery	11,005	3.52
	294,759	IMI	3,855	1.23
	930,905	IWG	3,349	1.07
	445,114	Marshalls	3,033	0.97
	768,527	Midwich <sup>++</sup>	3,451	1.10
	1,794,383	Polypipe	9,869	3.15
	721,812	Porvair	3,898	1.25
	419,095	Ricardo	1,886	0.60
	668,734	Robert Walters	3,551	1.14
	962,512	Sanne	5,650	1.81
	1,987,639	Smith (DS)	7,897	2.52
	823,801	Vesuvius	4,288	1.37
<b>Oil &amp; Gas (1.29%)</b>			-	-
<b>Technology (11.33%)</b>			<b>42,682</b>	<b>13.64</b>
	238,291	Aptitude Software	1,496	0.48
	1,062,088	Avast	4,905	1.57
	302,715	AVEVA	10,274	3.28

			Market Value £'000	Percentage of total net assets
Holding	Investment			
513,139	Blanco Technology <sup>++</sup>		1,427	0.46
201,106	Blue Prism <sup>++</sup>		3,077	0.98
307,993	EMIS <sup>++</sup>		3,265	1.04
316,751	FDM		3,174	1.01
252,685	Instem <sup>++</sup>		1,282	0.41
735,856	Kainos		9,669	3.09
281,157	Softcat		4,113	1.32
<b>Telecommunications (2.66%)</b>			<b>10,726</b>	<b>3.43</b>
394,273	Gamma Communication <sup>++</sup>		5,934	1.90
3,928,235	Vodafone		4,792	1.53
<b>Utilities (1.50%)</b>			<b>9,501</b>	<b>3.04</b>
692,985	National Grid		5,587	1.79
295,605	SSE		3,914	1.25
Total investment assets			312,019	99.72
Net other assets			861	0.28
<b>Total Net Assets</b>			<b>312,880</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 29 February 2020.

<sup>++</sup> AIM listed.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	6,673	22,185
Revenue	2	4,223	9,066
Expenses	3	(2,669)	(3,078)
Interest payable and similar charges		(1)	-
Net revenue before taxation		1,553	5,988
Taxation	4	(9)	(53)
Net revenue after taxation		1,544	5,935
<b>Total return before distributions</b>		<b>8,217</b>	<b>28,120</b>
Distributions	5	(1,544)	(5,935)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>6,673</b>	<b>22,185</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>331,490</b>	<b>304,232</b>
Amounts receivable on the issue of shares	39,807	37,925
Amounts payable on the cancellation of shares	(66,431)	(38,345)
	(26,624)	(420)
Dilution adjustment	39	10
Change in net assets attributable to shareholders from investment activities (see above)	6,673	22,185
Retained distribution on accumulation shares	1,302	5,483
<b>Closing net assets attributable to shareholders</b>	<b>312,880</b>	<b>331,490</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		312,019	325,836
<b>Current assets:</b>			
Debtors	6	1,552	385
Cash and bank balances		3,818	8,400
		5,370	8,785
<b>Total assets</b>		<b>317,389</b>	<b>334,621</b>
<b>Liabilities:</b>			
Creditors	7	(4,388)	(2,688)
Distribution payable		(121)	(443)
		(4,509)	(3,131)
<b>Total liabilities</b>		<b>(4,509)</b>	<b>(3,131)</b>
<b>Net assets attributable to shareholders</b>		<b>312,880</b>	<b>331,490</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	6,678	22,191
Other losses	-	(1)
Transaction charges	(5)	(5)
<b>Net capital gains</b>	<b>6,673</b>	<b>22,185</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	4	99
Overseas dividends	-	312
UK dividends	4,219	8,557
UK REIT	-	98
<b>Total revenue</b>	<b>4,223</b>	<b>9,066</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,367	2,728
Dealing charge	64	72
Registration fees	189	218
	2,620	3,018
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	7	8
Depositary's fees	33	41
	40	49
<b>Other:</b>		
Audit fee	9	9
Professional fees	-	2
	9	11
<b>Total expenses</b>	<b>2,669</b>	<b>3,078</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	9	53
<b>Total taxation</b>	<b>9</b>	<b>53</b>
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	1,553	5,988
Corporation tax at 20% (2020: 20%)	311	1,198
Effects of:		
Revenue not subject to taxation	(844)	(1,774)
Overseas taxes	9	53
Excess allowable expenses	533	576
<b>Total tax charge for year (note 4a)</b>	<b>9</b>	<b>53</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

**(c) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,597,000 (2020: £6,063,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5. Distributions

	2021 £'000	2020 £'000
Distribution	1,423	5,926
Add: Income deducted on cancellation of shares	239	506
Deduct: Income received on issue of shares	(118)	(497)
<b>Total distributions for the year</b>	<b>1,544</b>	<b>5,935</b>

Details of the distribution per share are set out in this fund's distribution table.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	48	29
Amounts receivable from the ACD for the issue of shares	431	273
Overseas withholding tax recoverable	70	83
Sales awaiting settlement	1,003	-
<b>Total debtors</b>	<b>1,552</b>	<b>385</b>



## 7. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	220	266
Accrued expenses payable to the Depositary or associates of the Depositary	4	5
Amounts payable to the ACD for cancellation of shares	2,522	869
Other accrued expenses	9	11
Purchases awaiting settlement	1,633	1,537
<b>Total creditors</b>	<b>4,388</b>	<b>2,688</b>

## 8. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 7.

## 9. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Equities	65,206	71,141	91,526	52,520
Corporate actions	5,499	-	-	9,235
<b>Trades in the year before transaction costs</b>	<b>70,705</b>	<b>71,141</b>	<b>91,526</b>	<b>61,755</b>
<b>Commissions</b>				
Equities	38	41	(56)	(32)
<b>Total commissions</b>	<b>38</b>	<b>41</b>	<b>(56)</b>	<b>(32)</b>
<b>Taxes</b>				
Equities	231	297	-	-
<b>Total taxes</b>	<b>231</b>	<b>297</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>269</b>	<b>338</b>	<b>(56)</b>	<b>(32)</b>
<b>Total net trades in the year after transaction costs</b>	<b>70,974</b>	<b>71,479</b>	<b>91,470</b>	<b>61,723</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.06	0.06	0.06	0.06
<b>Taxes</b>				
Equities	0.35	0.42	-	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.03	0.02
Taxes	0.08	0.09

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.37% (2020: 0.40%), this is representative of the average spread on the assets held during the year.

#### 10. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	34,032,028	1,766,726	(2,584,121)	(212,612)	33,002,021
Institutional accumulation	40,294,906	6,450,605	(14,853,324)	130,334	32,022,521
Institutional income	21,991,384	12,391,621	(12,721,119)	-	21,661,886
Standard Life accumulation	197,532	16,975	(43,416)	-	171,091
Institutional regulated accumulation	21,888,956	1,667,537	(1,971,504)	-	21,584,989
Platform 1 accumulation	115,159,888	13,688,320	(19,998,822)	102,778	108,952,164
Platform 1 income	14,485,612	6,833,588	(6,685,060)	-	14,634,140
Institutional A accumulation	163,747	23,300	(163,547)	-	23,500

#### 11. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	312,019	-	-	325,836	-	-
<b>Total investment assets</b>	<b>312,019</b>	<b>-</b>	<b>-</b>	<b>325,836</b>	<b>-</b>	<b>-</b>

## 12. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £15,601,000 (2020: £16,292,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £4,509,000 (2020: £3,131,000).

## 13. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic.

Since the year end the NAV per share of Institutional Regulated Accumulation class has increased by 10.64% (to 21 June 2021).

Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	0.1967	-	0.1967	2.5220
Group 2	0.0040	0.1927	0.1967	2.5220
<b>Institutional accumulation</b>				
Group 1	1.0937	-	1.0937	3.8311
Group 2	0.5216	0.5721	1.0937	3.8311
<b>Institutional income</b>				
Group 1	0.3440	-	0.3440	1.2274
Group 2	0.1627	0.1813	0.3440	1.2274
<b>Standard Life accumulation</b>				
Group 1	2.8253	-	2.8253	6.0877
Group 2	1.5131	1.3122	2.8253	6.0877
<b>Institutional regulated accumulation</b>				
Group 1	1.3014	-	1.3014	3.2041
Group 2	0.6803	0.6211	1.3014	3.2041
<b>Platform 1 accumulation</b>				
Group 1	0.5518	-	0.5518	2.0546
Group 2	0.2505	0.3013	0.5518	2.0546
<b>Platform 1 income</b>				
Group 1	0.3145	-	0.3145	1.1936
Group 2	0.1702	0.1443	0.3145	1.1936
<b>Institutional A accumulation</b>				
Group 1	-	-	-	0.7408
Group 2	-	-	-	0.7408

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI UK Government Bond Fund

For the year ended 28 February 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK Government bonds.

**Performance Target:** To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks Index plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

Performance Comparator: IA UK Gilt Sector Average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 80% in government bonds issued or guaranteed by the UK Government.
- The fund may also invest in investment grade bonds issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by 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 Review

The Aberdeen Standard Investments UK Government Bond Fund delivered a gross total return of -4.0% over the review period. This compares to a gross benchmark FTSE Actuaries UK Conventional Gilts All Stocks Index total return of -4.2%. While the fund, therefore, outperformed the index over the period, it did not achieve the performance target of +0.5% above benchmark before fees. The total return of the fund, net of fees, over the review period was -4.7% (source: Factset, Platform 1 accumulation shares).

## Portfolio Activity

The fund opened the period with a constructive view on government bonds and, therefore, was positioned long duration. This was based on our view that financial markets were persistently underestimating the economic damage from the COVID-19 pandemic, as well as the scale of the monetary policy response required from global central banks. As the year progressed into the summer months, government bond markets settled into a low volatility environment, with yields remaining in a well-defined range. Meanwhile, the fund profited from yield-curve strategies adopted around the Bank of England (BoE) meetings, as the market wrestled with the BoE's decisions on whether to extend quantitative easing purchases or not.

As we moved into the final quarter of 2020, we assessed that a series of major risk events on the horizon had the potential to radically tilt the economic outlook in a more positive direction. With the US elections, COVID-19 vaccine efficacy data and Brexit negotiations at the forefront of our minds, we decided to gradually scale back some of our long duration, more defensive positioning. This protected the fund, somewhat, from the recent sharp rise in government bond yields, which began in the latter stages of 2020 and has continued into 2021. This reflation theme has ripped across financial markets, leading to heightened volatility. It has also caused a breakdown in many of the established relationships and correlations across asset classes, global government bond markets and yield curves. Despite this difficult environment, the fund managed to sustain gross performance ahead of the FTSE Actuaries UK Conventional Gilts All Stocks Index for the 12-month period in question.

## Portfolio Outlook and Strategy

Renewed optimism for a sharp economic recovery in 2021, as a result of successful vaccine rollouts, has sent shockwaves through government bond markets. The combination of a better post-lockdown growth outlook, loose fiscal policy, fewer central-bank asset purchases and fears of inflationary pressures drove the sudden rise in nominal bond yields. This 'reflation' theme has been given license to develop by central banks, which have declined opportunities to express any concern on the level or shape of nominal yield curves.

For the time being, it feels dangerous to challenge this powerful 'reflation' theme but, as the year progresses, we see challenges emerging that should temper the precipitous rise in bond yields. Although we do expect an impressive rebound in economic growth as economies reopen, some form of restrictions on our daily lives will likely remain in place for several months, if not years, to come. Furthermore, with such huge declines in GDP in 2020, most major economies should have sufficiently large output gaps to allow the economy to grow rapidly without generating sustained inflation. Accordingly, we believe this means a ceiling exists for nominal yields, whereby they begin to exert pressure on elevated corporate and household debt (assuming we do not see a sustained increase in inflation). This should generate a feedback loop into renewed demand for risk-free government bond assets.

Therefore, despite believing we will ultimately remain in a 'low-yield' environment over the medium term and that we will soon reach a point where government bonds, once again, offer good value, we will be patient. The euphoria of a vaccine-inspired reopening of the economy, loose fiscal policy, strong growth and a seasonal-temporary pick-up in inflation means government bond weakness will probably extend into the early summer months. For the gilt market, this probably means yields will continue moving higher in the short term, with the curve steepening as the BoE gradually tapers asset purchases, policy rate remains firmly on hold and the Debt Management Office skews issuance toward longer-dated maturities. But as we move into the latter half of the year, we expect major economic challenges to emerge as a result of post-coronavirus structural adjustments. This means long-dated gilts should offer good value.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.78	76.20	75.20
Return before operating charges*	(3.39)	9.32	1.82
Operating charges	(0.80)	(0.74)	(0.82)
Return after operating charges*	(4.19)	8.58	1.00
Distributions	-	(0.26)	(0.10)
Retained distributions on accumulation shares	-	0.26	0.10
Closing net asset value per share	80.59	84.78	76.20
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.94%)	11.26%	1.32%
<b>Other information</b>			
Closing net asset value (£'000)	4,317	4,738	4,941
Closing number of shares	5,357,064	5,588,325	6,484,404
Operating charges	0.92%	0.92%	1.08%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	90.53	85.13	77.36
Lowest share price	80.37	76.30	73.64

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.



Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	90.15	80.30	78.91
Return before operating charges*	(3.63)	10.27	1.92
Operating charges	(0.46)	(0.42)	(0.53)
Return after operating charges*	(4.09)	9.85	1.39
Distributions	(0.23)	(0.64)	(0.45)
Retained distributions on accumulation shares	0.23	0.64	0.45
Closing net asset value per share	86.06	90.15	80.30
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.54%)	12.27%	1.76%
<b>Other information</b>			
Closing net asset value (£'000)	10,261	6,192	6,311
Closing number of shares	11,923,647	6,869,080	7,859,018
Operating charges	0.50%	0.50%	0.67%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	96.28	90.31	81.49
Lowest share price	85.76	80.40	77.47

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.54	48.25	47.68
Return before operating charges*	(2.15)	5.92	1.16
Operating charges	(0.50)	(0.47)	(0.52)
Return after operating charges*	(2.65)	5.45	0.64
Distributions	-	(0.16)	(0.07)
Closing net asset value per share	50.89	53.54	48.25
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.95%)	11.30%	1.34%
<b>Other information</b>			
Closing net asset value (£'000)	1,084	1,171	1,303
Closing number of shares	2,129,270	2,186,212	2,700,187
Operating charges	0.92%	0.92%	1.08%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	57.17	53.82	49.04
Lowest share price	50.75	48.31	46.68

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.63	48.26	47.69
Return before operating charges*	(2.16)	5.99	1.17
Operating charges	(0.27)	(0.26)	(0.33)
Return after operating charges*	(2.43)	5.73	0.84
Distributions	(0.13)	(0.36)	(0.27)
Closing net asset value per share	51.07	53.63	48.26
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.53%)	11.87%	1.76%
<b>Other information</b>			
Closing net asset value (£'000)	12,976	14,363	14,772
Closing number of shares	25,409,824	26,782,044	30,607,423
Operating charges	0.50%	0.50%	0.67%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	57.28	53.91	49.14
Lowest share price	50.96	48.32	46.71

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	98.69	88.10	86.14
Return before operating charges*	(4.00)	10.75	2.10
Operating charges	(0.15)	(0.16)	(0.14)
Return after operating charges*	(4.15)	10.59	1.96
Distributions	(0.61)	(1.00)	(0.92)
Retained distributions on accumulation shares	0.61	1.00	0.92
Closing net asset value per share	94.54	98.69	88.10
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.21%)	12.02%	2.28%
<b>Other information</b>			
Closing net asset value (£'000)	1,764	1,823	1,800
Closing number of shares	1,866,009	1,847,546	2,042,880
Operating charges	0.15%	0.18%	0.16%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	105.4	98.84	89.39
Lowest share price	93.89	88.21	84.83

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	66.49	59.29	58.29
Return before operating charges*	(2.67)	7.55	1.42
Operating charges	(0.38)	(0.35)	(0.42)
Return after operating charges*	(3.05)	7.20	1.00
Distributions	(0.13)	(0.43)	(0.30)
Retained distributions on accumulation shares	0.13	0.43	0.30
Closing net asset value per share	63.44	66.49	59.29
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.59%)	12.14%	1.72%
<b>Other information</b>			
Closing net asset value (£'000)	5,268	5,364	5,892
Closing number of shares	8,303,948	8,067,530	9,938,878
Operating charges	0.55%	0.55%	0.71%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	71.00	66.63	60.17
Lowest share price	63.24	59.36	57.21

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	62.05	55.63	54.97
Return before operating charges*	(2.48)	7.15	1.34
Operating charges	(0.35)	(0.33)	(0.40)
Return after operating charges*	(2.83)	6.82	0.94
Distributions	(0.13)	(0.40)	(0.28)
Closing net asset value per share	59.09	62.05	55.63
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.56%)	12.26%	1.71%
<b>Other information</b>			
Closing net asset value (£'000)	1,130	1,207	1,323
Closing number of shares	1,911,619	1,944,573	2,378,079
Operating charges	0.55%	0.55%	0.71%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	66.27	62.38	56.63
Lowest share price	58.95	55.70	53.84

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (99.25%)</b>		<b>36,389</b>	<b>98.88</b>
<b>Australian Dollar Denominated Bonds (0.00%)</b>		<b>161</b>	<b>0.43</b>
<b>Government Bonds (0.00%)</b>		<b>161</b>	<b>0.43</b>
greater than 25 years to maturity			
169,000	Australia (Commonwealth of) 1.75% 2051	72	0.19
156,000	Australia (Commonwealth of) 3% 2047	89	0.24
<b>Sterling Denominated Bonds (99.25%)</b>		<b>36,228</b>	<b>98.45</b>
<b>Corporate Bonds (1.46%)</b>		<b>837</b>	<b>2.28</b>
less than 5 years to maturity			
389,000	BNG Bank 1.625% 2025	409	1.11
380,000	Network Rail 4.75% 2024	428	1.17
<b>Government Bonds (97.79%)</b>		<b>35,391</b>	<b>96.17</b>
less than 5 years to maturity			
138,000	European Bank for Reconstruction & Development 1.25% 2022	141	0.38
300,000	FMS Wertmanagement 1.125% 2021	302	0.82
200,000	FMS Wertmanagement 1.125% 2023	204	0.55
85,000	Landwirtschaftliche Rentenbank 1.125% 2023	87	0.24
51,000	Nordic Investment Bank 1.125% 2022	52	0.14
903,000	UK (Govt of) 0.125% 2023	903	2.45
227,000	UK (Govt of) 0.125% 2024	226	0.62
631,000	UK (Govt of) 0.125% 2026	623	1.69
589,000	UK (Govt of) 0.5% 2022	593	1.61
134,000	UK (Govt of) 0.625% 2025	136	0.37
13,916	UK (Govt of) 0.75% 2023	14	0.04
316,000	UK (Govt of) 1% 2024	324	0.88
583,000	UK (Govt of) 1.75% 2022	598	1.63
559,237	UK (Govt of) 2% 2025	602	1.64
574,000	UK (Govt of) 2.25% 2023	604	1.64
644,000	UK (Govt of) 2.75% 2024	701	1.92
331,000	UK (Govt of) 4% 2022	344	0.94

			Market Value £'000	Percentage of total net assets
	<b>Holding</b>	<b>Investment</b>		
between 5 and 10 years to maturity				
	498,000	UK (Govt of) 0.125% 2028	482	1.31
	2,543,000	UK (Govt of) 0.375% 2030	2,433	6.61
	1,922,026	UK (Govt of) 1.25% 2027	2,009	5.46
	919,428	UK (Govt of) 1.5% 2026	972	2.64
	742,000	UK (Govt of) 1.625% 2028	797	2.16
	898,000	UK (Govt of) 4.25% 2027	1,119	3.04
	2,435,148	UK (Govt of) 4.75% 2030	3,333	9.06
	408,083	UK (Govt of) 6% 2028	572	1.56
	854,000	UK (Govt of) 0.875% 2029	863	2.34
between 10 and 15 years to maturity				
	276,000	UK (Govt of) 0.25% 2031	258	0.70
	395,000	UK (Govt of) 0.625% 2035	366	1.00
	798,554	UK (Govt of) 4.25% 2032	1,080	2.94
between 15 and 25 years to maturity				
	1,318,000	UK (Govt of) 0.875% 2046	1,178	3.20
	2,062,000	UK (Govt of) 1.25% 2041	2,029	5.51
	541,000	UK (Govt of) 1.75% 2037	583	1.58
	172,000	UK (Govt of) 3.25% 2044	237	0.64
	244,000	UK (Govt of) 3.5% 2045	351	0.95
	617,096	UK (Govt of) 4.25% 2036	881	2.40
	450,000	UK (Govt of) 4.25% 2039	674	1.83
	317,314	UK (Govt of) 4.25% 2040	482	1.31
	552,702	UK (Govt of) 4.5% 2042	885	2.40
	301,000	UK (Govt of) 4.75% 2038	471	1.28
greater than 25 years to maturity				
	233,000	UK (Govt of) 0.5% 2061	174	0.47
	1,395,000	UK (Govt of) 0.625% 2050	1,140	3.10
	900,428	UK (Govt of) 1.5% 2047	927	2.52
	574,000	UK (Govt of) 1.625% 2054	614	1.67
	76,000	UK (Govt of) 1.625% 2071	88	0.24
	1,449,000	UK (Govt of) 1.75% 2057	1,623	4.41
	401,278	UK (Govt of) 2.5% 2065	564	1.53
	463,841	UK (Govt of) 3.5% 2068	830	2.25
	53,087	UK (Govt of) 3.75% 2052	86	0.23
	174,983	UK (Govt of) 4% 2060	318	0.86
	114,000	UK (Govt of) 4.25% 2046	185	0.50
	184,403	UK (Govt of) 4.25% 2055	333	0.91



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (0.87%)</b>		<b>31</b>	<b>0.08</b>
31	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	31	0.08
<b>Derivatives (0.36%)</b>		<b>(152)</b>	<b>(0.41)</b>
<b>Forward Currency Contracts (0.00%)</b>		<b>3</b>	<b>0.01</b>
	Buy AUD 9,625 Sell GBP 5,361 16/04/2021	-	-
	Buy AUD 11,051 Sell GBP 6,244 16/04/2021	-	-
	Buy GBP 181,632 Sell AUD 323,136 16/04/2021	3	0.01
	Buy GBP 4,115 Sell USD 5,632 16/04/2021	-	-
	Buy USD 5,639 Sell GBP 4,120 16/04/2021	-	-
<b>Futures (0.03%)</b>		<b>84</b>	<b>0.23</b>
6	Long Long Gilt Future 28/06/2021	(2)	-
3	Long US Ultra Bond (CBT) Future 21/06/2021	(3)	(0.01)
(6)	Short Australia 10 Year Bond Future 15/03/2021	16	0.04
(26)	Short Canadian 10 Year Bond Future 21/06/2021	25	0.07
(30)	Short US 10 Year Ultra Future 21/06/2021	33	0.09
(24)	Short US 5 Year Note (CBT) Future 30/06/2021	15	0.04
<b>Inflation Swaps (0.09%)</b>		<b>8</b>	<b>0.02</b>
GBP 1,230,000	Pay floating UKRPI receive fixed 3.305% 15/02/2025	16	0.04
GBP 670,000	Pay floating UKRPI receive fixed 3.3437% 15/01/2026	(9)	(0.02)
GBP 152,000	Pay floating UKRPI receive fixed 3.433% 15/02/2030	-	-
GBP 320,000	Pay floating UKRPI receive fixed 3.53% 15/12/2025	1	-
<b>Interest Rate Swaps (0.24%)</b>		<b>(247)</b>	<b>(0.67)</b>
EUR 739,000	Pay fixed 0.0483% receive floating EURIBOR 18/09/2055	71	0.19
SEK 3,863,000	Pay fixed 0.55% receive floating SEK-STIBOR 30/09/2030	11	0.03
GBP 206,000	Pay fixed 0.625% receive floating GBP-SONIA 06/02/2053	15	0.04
SEK 4,352,000	Pay fixed 0.6325% receive floating SEK-STIBOR 03/12/2030	11	0.03
SEK 7,182,000	Pay fixed 0.6392% receive floating SEK-STIBOR 20/11/2030	18	0.05
SEK 4,518,000	Pay fixed 0.6552% receive floating SEK-STIBOR 04/12/2030	11	0.03
SEK 4,350,000	Pay fixed 0.6597% receive floating SEK-STIBOR 08/12/2030	10	0.03
GBP 206,000	Pay fixed 0.664% receive floating GBP-SONIA 06/02/2053	13	0.04
SEK 5,517,000	Pay fixed 0.7092% receive floating SEK-STIBOR 13/01/2031	12	0.03
SEK 3,834,000	Pay fixed 0.754% receive floating SEK-STIBOR 14/01/2031	8	0.02
AUD 1,735,249	Pay floating AUD-BBSW receive fixed 0.804% 08/01/2027	(28)	(0.08)

Holding	Investment	Market Value £'000	Percentage of total net assets
AUD 1,812,500	Pay floating AUD-BBSW receive fixed 0.812% 08/01/2027	(29)	(0.08)
AUD 1,735,249	Pay floating AUD-BBSW receive fixed 0.826% 15/01/2027	(27)	(0.07)
AUD 1,565,000	Pay floating AUD-BBSW receive fixed 0.88% 08/01/2027	(23)	(0.06)
USD 3,300,000	Pay floating USD-LIBOR receive fixed 1.8195% 05/02/2031	(50)	(0.13)
GBP 2,860,000	Pay floating GBP-SONIA receive fixed 0.166% 06/02/2025	(19)	(0.05)
GBP 2,860,000	Pay floating GBP-SONIA receive fixed 0.191% 06/02/2025	(18)	(0.05)
SEK 4,703,000	Pay floating SEK-STIBOR receive fixed 0.6975% 12/02/2030	(9)	(0.02)
CAD 6,825,000	Pay floating CAD-BA-CDOR receive fixed 0.7983% 25/07/2024	(50)	(0.13)
CAD 2,275,000	Pay floating CAD-BA-CDOR receive fixed 0.8% 25/07/2024	(17)	(0.05)
SEK 8,036,000	Pay floating SEK-STIBOR receive fixed 0.685% 03/09/2030	(17)	(0.05)
EUR 2,215,000	Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(69)	(0.19)
SEK 7,132,000	Pay floating SEK-STIBOR receive fixed 0.55% 30/09/2030	(20)	(0.05)
SEK 4,503,000	Pay floating SEK-STIBOR receive fixed 0.75% 25/10/2029	(6)	(0.02)
SEK 4,503,000	Pay floating SEK-STIBOR receive fixed 0.766% 24/10/2029	(6)	(0.02)
SEK 4,503,000	Pay floating SEK-STIBOR receive fixed 0.772% 24/10/2029	(6)	(0.02)
CAD 4,608,000	Pay floating CAD-BA-CDOR receive fixed 0.975% 24/10/2011	(33)	(0.09)
Total investment assets and liabilities		36,268	98.55
Net other assets		532	1.45
<b>Total Net Assets</b>		<b>36,800</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital (losses)/gains	1	(1,799)	3,814
Revenue	2	299	427
Expenses	3	(220)	(188)
Net revenue before taxation		79	239
Taxation	4	-	-
Net revenue after taxation		79	239
<b>Total return before distributions</b>		<b>(1,720)</b>	<b>4,053</b>
Distributions	5	(90)	(239)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,810)</b>	<b>3,814</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>34,858</b>	<b>36,342</b>
Amounts receivable on the issue of shares	12,843	2,917
Amounts payable on the cancellation of shares	(9,146)	(8,331)
	3,697	(5,414)
Dilution adjustment	4	-
Change in net assets attributable to shareholders from investment activities (see above)	(1,810)	3,814
Retained distribution on accumulation shares	51	116
<b>Closing net assets attributable to shareholders</b>	<b>36,800</b>	<b>34,858</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		36,709	35,155
<b>Current assets:</b>			
Debtors	6	982	286
Cash and bank balances	7	321	2
		1,303	288
<b>Total assets</b>		<b>38,012</b>	<b>35,443</b>
<b>Liabilities:</b>			
Investment liabilities		(441)	(130)
Creditors	8	(760)	(348)
Bank overdrafts	7	-	(58)
Distribution payable		(11)	(49)
		(771)	(455)
<b>Total liabilities</b>		<b>(1,212)</b>	<b>(585)</b>
<b>Net assets attributable to shareholders</b>		<b>36,800</b>	<b>34,858</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital (Losses)/Gains

	2021 £'000	2020 £'000
Non-derivative securities	(1,887)	3,901
Derivative contracts	62	(20)
Forward currency contracts	30	(53)
Other gains	2	-
Transaction charges	(6)	(14)
<b>Net capital (losses)/gains</b>	<b>(1,799)</b>	<b>3,814</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	2	4
Derivative revenue	-	3
Interest on debt securities	297	420
<b>Total revenue</b>	<b>299</b>	<b>427</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	186	165
Dealing charge	3	4
Registration fees	28	24
	217	193
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	1	1
Depositary's fees	5	6
	6	7
<b>Other:</b>		
Audit fee	12	13
Professional fees	-	1
Subsidised Fees	(15)	(26)
<b>Total expenses</b>	<b>220</b>	<b>188</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) Analysis of charge in year		
Total taxation	-	-
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	79	239
Corporation tax at 20% (2020: 20%)	16	48
Effects of:		
Distributions treated as tax deductible	(16)	(48)
Total tax charge for year (note 4a)	-	-

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

## (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

## 5. Distributions (including the movement between net income and distributions)

	2021 £'000	2020 £'000
First interim distribution	60	129
Final distribution	27	100
	87	229
Add: Income deducted on cancellation of shares	7	14
Deduct: Income received on issue of shares	(4)	(4)
Total distributions for the year	90	239
Movement between net revenue and distributions		
Net revenue after taxation	79	239
Shortfall transfer from capital to revenue	11	-
Total distributions	90	239

Details of the distribution per share are set out in this fund's distribution tables.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	175	233
Amounts receivable from the ACD for the issue of shares	540	34
Expenses reimbursement receivable from the ACD	14	19
Sales awaiting settlement	253	-
Total debtors	982	286

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	76	2
Cash at broker	245	-
	<b>321</b>	<b>2</b>
<b>Bank overdrafts</b>		
Overdraft at broker	-	(58)
	<b>-</b>	<b>(58)</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	31	303
<b>Net liquidity</b>	<b>352</b>	<b>247</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	16	15
Accrued expenses payable to the Depositary or associates of the Depositary	2	1
Amounts payable to the ACD for cancellation of shares	125	98
Other accrued expenses	19	14
Purchases awaiting settlement	598	220
<b>Total creditors</b>	<b>760</b>	<b>348</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bonds	55,936	68,737	51,744	73,564
Collective investment schemes	16,434	18,257	16,705	18,562
<b>Trades in the year before transaction costs</b>	<b>72,370</b>	<b>86,994</b>	<b>68,449</b>	<b>92,126</b>
<b>Total net trades in the year after transaction costs</b>	<b>72,370</b>	<b>86,994</b>	<b>68,449</b>	<b>92,126</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.13% (2020: 0.09%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	5,588,325	296,981	(510,939)	(17,303)	5,357,064
Institutional accumulation	6,869,080	6,722,973	(1,668,406)	-	11,923,647
Retail income	2,186,212	67,342	(124,284)	-	2,129,270
Institutional income	26,782,044	3,261,567	(4,633,787)	-	25,409,824
Standard Life accumulation	1,847,546	199,618	(181,155)	-	1,866,009
Platform 1 accumulation	8,067,530	6,145,202	(5,930,828)	22,044	8,303,948
Platform 1 income	1,944,573	423,608	(456,562)	-	1,911,619

#### 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	35,198	1,191	-	33,424	1,173	-
Collective Investment Schemes	-	31	-	-	303	-
Derivatives	89	200	-	18	237	-
<b>Total investment assets</b>	<b>35,287</b>	<b>1,422</b>	<b>-</b>	<b>33,442</b>	<b>1,713</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(5)	(436)	-	(9)	(121)	-
<b>Total investment liabilities</b>	<b>(5)</b>	<b>(436)</b>	<b>-</b>	<b>(9)</b>	<b>(121)</b>	<b>-</b>



### 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2021</b>				
<b>Currency</b>				
UK Sterling	97	36,229	377	36,703
Australian Dollar	-	161	(150)	11
Canadian Dollar	4	-	25	29
Swedish Krona	4	-	-	4
US Dollar	8	-	45	53
<b>Total</b>	<b>113</b>	<b>36,390</b>	<b>297</b>	<b>36,800</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2020</b>				
<b>Currency</b>				
UK Sterling	345	34,596	(111)	34,830
Australian Dollar	-	-	17	17
Canadian Dollar	47	-	(9)	38
Euro	(68)	-	1	(67)
Swedish Krona	49	-	-	49
US Dollar	(9)	-	-	(9)
<b>Total</b>	<b>364</b>	<b>34,596</b>	<b>(102)</b>	<b>34,858</b>

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the Fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2021	Minimum	Maximum	Average
VaR 99% 1 Month	5.06%	6.74%	6.01%

2020	Minimum	Maximum	Average
VaR 99% 1 Month	4.19%	4.91%	4.57%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 5.34%, £1,965,000 (2020: 4.87%, £1,706,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	36,389	98.89
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>36,389</b>	<b>98.89</b>

2020	Market value £'000	Percentage of total net assets %
Investment grade securities	34,597	99.25
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>34,597</b>	<b>99.25</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

#### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2021		2020	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	343	3	-	-
Futures	(6,626)	84	6,980	9
Inflation Swap	2,372	8	3,717	30
Interest Rate Swap	99,938	(247)	40,351	86
<b>Total market exposure</b>	<b>96,027</b>	<b>(152)</b>	<b>51,048</b>	<b>125</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty Exposure

Derivative instruments involve an agreement to exchange a benefit at a future date. This introduces counterparty risk where an agreement is bilateral (between two parties) and concentration risk where a clearing broker operates on an exchange. Where the counterparty or clearing broker is not solvent the market exposure obtained would be lost.

2021	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>Broker concentrations</b>			
Goldman Sachs	245	469	(147)
	<b>245</b>	<b>469</b>	<b>(147)</b>

2020	Cash (held)/pledged £'000	Stock (held)/pledged £'000	Market value of derivatives £'000
<b>Broker concentrations</b>			
Goldman Sachs	(58)	240	126
	<b>(58)</b>	<b>240</b>	<b>126</b>

### Counterparty Table

At the balance sheet date the fund had the following exposures:

2021	Bi-lateral swaps £'000	Bi-lateral forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
<b>Counterparties</b>					
Barclays	(8)	-	-	-	(8)
Goldman Sachs	-	3	-	-	3
<b>Total</b>	<b>(8)</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>(5)</b>

Stock collateral is of an appropriate quality and date for the fund.

	2021 £'000	2020 £'000
<b>Collateral stock issuer concentration</b>		
United Kingdom (Government of)	469	240
	<b>469</b>	<b>240</b>

The total mark to market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting. Margin exchanged and collateral held or pledged is in the form of high quality assets e.g. cash/gilts. Positions are fully collateralised at all times. Restrictions are placed on the right of either party to reuse collateral assets.

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(5)	(104)	(332)	(441)
<b>Non-derivatives</b>					
Bank overdrafts	(764)	-	-	-	(764)
Distribution payable	-	(11)	-	-	(11)
<b>Total financial liabilities</b>	<b>(764)</b>	<b>(16)</b>	<b>(104)</b>	<b>(332)</b>	<b>(1,216)</b>

2020	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(9)	(24)	(97)	(130)
<b>Non-derivatives</b>					
Bank overdrafts	(58)	-	-	-	(58)
Other creditors	-	(348)	-	-	(348)
Distribution payable	-	(49)	-	-	(49)
<b>Total financial liabilities</b>	<b>(58)</b>	<b>(406)</b>	<b>(24)</b>	<b>(97)</b>	<b>(585)</b>

#### 14. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Accumulation class has increased by 1.79% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	-	-	0.0000	0.1656
Group 2	-	-	0.0000	0.1656
<b>Institutional accumulation</b>				
Group 1	0.1565	-	0.1565	0.3332
Group 2	0.1516	0.0049	0.1565	0.3332
<b>Retail income</b>				
Group 1	-	-	0.0000	0.1047
Group 2	-	-	0.0000	0.1047
<b>Institutional income</b>				
Group 1	0.0930	-	0.0930	0.2000
Group 2	0.0221	0.0709	0.0930	0.2000
<b>Standard Life accumulation</b>				
Group 1	0.3469	-	0.3469	0.5395
Group 2	0.2635	0.0834	0.3469	0.5395
<b>Platform 1 accumulation</b>				
Group 1	0.0980	-	0.0980	0.2292
Group 2	0.0593	0.0387	0.0980	0.2292
<b>Platform 1 income</b>				
Group 1	0.0914	-	0.0914	0.2153
Group 2	0.0411	0.0503	0.0914	0.2153

**Final interest distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	-	-	0.0000	0.0971
Group 2	-	-	0.0000	0.0971
<b>Institutional accumulation</b>				
Group 1	0.0700	-	0.0700	0.3078
Group 2	0.0333	0.0367	0.0700	0.3078
<b>Retail income</b>				
Group 1	-	-	0.0000	0.0602
Group 2	-	-	0.0000	0.0602
<b>Institutional income</b>				
Group 1	0.0415	-	0.0415	0.1630
Group 2	0.0073	0.0342	0.0415	0.1630
<b>Standard Life accumulation</b>				
Group 1	0.2660	-	0.2660	0.4598
Group 2	0.0482	0.2178	0.2660	0.4598
<b>Platform 1 accumulation</b>				
Group 1	0.0351	-	0.0351	0.2016
Group 2	0.0090	0.0261	0.0351	0.2016
<b>Platform 1 income</b>				
Group 1	0.0339	-	0.0339	0.1884
Group 2	0.0123	0.0216	0.0339	0.1884

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI UK Growth Equity Fund

For the year ended 28 February 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares).

**Performance Target:** To achieve the return of the FTSE All-Share Index, plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

**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

Over the 12-month period to the end of February 2021, the fund returned 5.3% (source: Factset, Platform 1 accumulation shares). This compared to a return of 6.9% for our performance target (the FTSE All-Share Index +3%).

Bellway was the largest detractor from performance. The COVID-19 pandemic and subsequent lockdown measures negatively affected the housebuilder, which is yet to fully recover from its sharp fall in March 2020. Despite the reopening of its sites, management said it did not expect a recovery in sales until restrictions were eased further. Not holding Scottish Mortgage Investment Trust also weighed on returns. Tesla was a notable contributor to the investment trust's performance, as the electric vehicle company saw a massive jump in its share price over the review period. Our overweight position in GlaxoSmithKline detracted from performance. The pharmaceutical giant lagged the market as it fell further behind schedule in developing a COVID-19 vaccine. Retirement-related financial services group Just Group was another detractor, as was aerospace company BAE Systems.

On the upside, online-gaming business Entain (formerly GVC) was the largest contributor to performance over the period. The market has turned more positive on the company's US growth opportunity, given the relative valuation of US peers and the strong market position that Entain has in that market. Our underweight position in HSBC also contributed to performance. The investment bank's dividend cut weighed on its share price, while global interest rates edged lower at a time of growing political uncertainty in Hong Kong. Another positive contributor was animal genetics company Genus. Specialty pharmaceuticals company Indivior was also helped the fund's performance. In July, the company's former CEO pled guilty to false information when promoting Suboxone Film in the US. The company has also agreed to pay US\$600 million in fines. However, the market viewed the removal of this lingering uncertainty positively, and its share prices rose substantially after the settlement was announced.

## Portfolio Activity

Purchases during the period included WH Smith, which operates retail outlets in a number of airports. It has understandably seen a collapse in trading given the restriction in airport activity. However, we believe that WH Smith's recapitalised balance sheet will buy the company time and market share, ensuring it is in a strong position when passenger numbers recover. We also took part in JD Wetherspoon's equity placing. It operates large pubs that are better suited to social distancing. Its low-cost proposition also allows it to flex pricing more than competitors, ensuring a more stable margin outlook. We bought Auto Trader Group as it was quick to raise money from investors, ensuring it had the financial strength to waive fees from customers during lockdown. Elsewhere, we added student accommodation developer Unite Group. Unite offers an undervalued unique asset. The business is also in a position to deploy its recently strengthened balance sheet for growth. We also took advantage of a discounted secondary equity placing in Helios Towers, the owner and operator of

telecommunication towers in emerging markets. Helios enjoys strong growth opportunities, reflecting the underlying demographic drivers of its end markets.

The fund participated in the Greencore equity placing. Greencore dominates the UK food to go market, and has been severely affected by mobility restrictions in the UK. We believe that Greencore will emerge stronger from this crisis as weaker competition either collapses or is consolidated by Greencore.

The fund also participated in the Rank Group equity placing. Rank has a solid market position in cash-generative bingo clubs and casinos in the UK. A compelling, management-driven margin growth strategy was showing signs of success when the pandemic hit. We believe that once mobility restrictions are further lifted, this business will surprise the market with improved operating performance.

In other activity, we exited insurance firm Hastings, as the company received a bid from an international consortium. We sold out of Associated British Foods, owner of Primark and various grocery brands. Primark requires high footfall to drive its value proposition and we were unsure about how policies regarding social distancing would unfold. We also decided to exit travel operator TUI. The debt created during lockdown makes the risk of a slow recovery in consumer sentiment a genuine threat to the company's survival. The oil-price collapse practically destroyed profitability in the US shale industry, and led us to selling oil services business Hunting. Even high-quality service providers like Hunting will struggle in a low oil price environment. We exited Boohoo as significant environmental, social and corporate-governance concerns came to the forefront of our thinking. In addition, we were unsure what implications this would have for sales and profit margins, and with a valuation already high, there was little room built in for potential reputational and operating risks. Lastly, we reduced our holding in HSBC and Royal Dutch Shell. Both companies cut their dividends and each face a challenging trading environment.

The fund had a large weighting in the pharmaceutical sector, which performed well during 2020, given the stability and defensive earning of the stocks. We decided to trim this exposure by selling out of Dechra Pharmaceuticals, which performed exceptionally well and is approaching fair value. We trimmed the AstraZeneca weighting, which remains a high-conviction bet, given the potential of its research & development pipeline.

We sold out of Rentokil, the pest control business. Rentokil has performed extremely well and we now view the valuation as broadly fair for such a high-quality company. The Fund sold out Inchcape, the automotive distributor. The very strong management team has a convincing plan to grow profitability. However, we felt that we had more compelling ideas elsewhere.

#### Portfolio Outlook and strategy

Mankind could breathe a sigh of relief towards the end of 2020, with the announcement of successful COVID-19 vaccines bringing hopes of an end to the pandemic. The impact on the market was immediate. The vaccine allows investors to have some confidence that restrictions will come to an end within an investment time horizon. This allows us to look past the current situation and consider equity valuations based on earnings and cash-flow projections in a more normal environment. Despite the

unexpected severity of the 'third wave' of infections, caused by a more contagious form of the virus, a general rotation out of defensive and into value stocks has persisted.

Although we were not specifically betting on the timing of a vaccine, the news has proved helpful for a number of our positions. We are monitoring this exposure carefully as we do not want the fund to drift into a position whereby performance is solely driven by the pace of the vaccine rollout or speed at which economies begin to reopen. We expect that trading will reflect this theme.

In an attempt to mitigate the full effects of the crisis, central-bank activity is creating movements and correlations many thought impossible given the fundamentals of the current situation. Increased expectations for inflation and rising real yields are a reversal of a common theme over the last cycle. Therefore, we are conscious of the extreme valuations we see in certain asset classes. This is not to say that we would outright bet against expensive valuations, rather that we acknowledge the drivers of this phenomenon have seemingly turned. So, any incremental upside may be harder to find. With this in mind, we endeavour to find the most interesting ideas across the market. We strongly believe that certain companies will emerge stronger through this period, while others have had their business models shaken beyond repair. What is important is that we stay true to our process of taking stock-specific risk, lowering factor risk and maintaining regular contact with the management teams.

March 2021



### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator. The risk and reward indicator changed from 5 to 6 on 31 July 2020.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	318.17	334.26	336.66
Return before operating charges*	16.95	(11.50)	2.17
Operating charges	(4.01)	(4.59)	(4.57)
Return after operating charges*	12.94	(16.09)	(2.40)
Distributions	(5.04)	(9.19)	(8.99)
Retained distributions on accumulation shares	5.04	9.19	8.99
Closing net asset value per share	331.11	318.17	334.26
* after direct transaction costs of:	0.31	0.16	0.48
<b>Performance</b>			
Return after charges	4.07%	(4.81%)	(0.71%)
<b>Other information</b>			
Closing net asset value (£'000)	77,899	79,274	89,945
Closing number of shares	23,526,842	24,915,909	26,908,178
Operating charges	1.33%	1.32%	1.32%
Direct transaction costs	0.10%	0.05%	0.14%
<b>Prices</b>			
Highest share price	343.3	367.1	375.9
Lowest share price	234.8	318.4	305.0

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	375.84	393.04	394.00
Return before operating charges*	20.10	(13.72)	2.50
Operating charges	(2.97)	(3.48)	(3.46)
Return after operating charges*	17.13	(17.20)	(0.96)
Distributions	(7.64)	(12.75)	(12.45)
Retained distributions on accumulation shares	7.64	12.75	12.45
Closing net asset value per share	392.97	375.84	393.04
* after direct transaction costs of:	0.36	0.19	0.57
<b>Performance</b>			
Return after charges	4.56%	(4.38%)	(0.24%)
<b>Other information</b>			
Closing net asset value (£'000)	10,093	77,629	112,341
Closing number of shares	2,568,320	20,655,021	28,582,390
Operating charges	0.86%	0.85%	0.86%
Direct transaction costs	0.10%	0.05%	0.14%
<b>Prices</b>			
Highest share price	407.1	433.4	440.3
Lowest share price	277.4	376.1	358.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life income <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	60.71	65.84	68.26
Return before operating charges*	(10.41)	(2.39)	0.35
Operating charges	(0.00)	(0.02)	(0.02)
Return after operating charges*	(10.41)	(2.41)	0.33
Redemption value as at 27 March 2020	(50.30)	(2.72)	(2.75)
Closing net asset value per share	-	60.71	65.84
* after direct transaction costs of:	0.00	0.03	0.10
<b>Performance</b>			
Return after charges	(17.15%)	(3.66%)	0.48%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	- <sup>^</sup>
Closing number of shares	-	1,485	137
Operating charges	0.02%	0.02%	0.03%
Direct transaction costs	0.10%	0.05%	0.14%
<b>Prices</b>			
Highest share price	62.85	73.08	76.44
Lowest share price	44.74	60.63	62.42

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> The closing net asset value of Institutional regulated accumulation is £90.

<sup>A</sup> The Standard Life income share class closed on 27 March 2020.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	124.27	128.99	128.34
Return before operating charges*	6.78	(4.58)	0.79
Operating charges	(0.13)	(0.14)	(0.14)
Return after operating charges*	6.65	(4.72)	0.65
Distributions	(3.42)	(5.21)	(5.06)
Retained distributions on accumulation shares	3.42	5.21	5.06
Closing net asset value per share	130.92	124.27	128.99
* after direct transaction costs of:	0.12	0.06	0.18
<b>Performance</b>			
Return after charges	5.35%	(3.66%)	0.51%
<b>Other information</b>			
Closing net asset value (£'000)	1,582	1,513	1,751
Closing number of shares	1,208,395	1,217,187	1,357,364
Operating charges	0.11%	0.10%	0.11%
Direct transaction costs	0.10%	0.05%	0.14%
<b>Prices</b>			
Highest share price	135.5	143.2	143.7
Lowest share price	91.75	124.4	117.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	119.67	126.13	122.32
Return before operating charges*	(20.33)	(5.93)	4.33
Operating charges	(0.03)	(0.53)	(0.52)
Return after operating charges*	(20.36)	(6.46)	3.81
Distributions	-	(4.88)	-
Retained distributions on accumulation shares	-	4.88	-
Redemption value as at 27 March 2020	(99.31)	-	-
Closing net asset value per share	-	119.67	126.13
* after direct transaction costs of:	0.01	0.06	0.18
<b>Performance</b>			
Return after charges	(17.01%)	(5.12%)	3.11%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	- <sup>^</sup>
Closing number of shares	-	790	76
Operating charges	0.40%	0.40%	0.40%
Direct transaction costs	0.10%	0.05%	0.14%
<b>Prices</b>			
Highest share price	124.1	137.9	136.8
Lowest share price	88.34	119.8	111.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> Institutional regulated accumulation share class closed on 27 March 2020.

<sup>A</sup> The closing net asset value of Institutional regulated accumulation is £97.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	76.18	79.70	79.94
Return before operating charges*	4.09	(2.77)	0.50
Operating charges	(0.66)	(0.75)	(0.74)
Return after operating charges*	3.43	(3.52)	(0.24)
Distributions	(1.51)	(2.54)	(2.48)
Retained distributions on accumulation shares	1.51	2.54	2.48
Closing net asset value per share	79.61	76.18	79.70
* after direct transaction costs of:	0.08	0.04	0.11
<b>Performance</b>			
Return after charges	4.50%	(4.42%)	(0.30%)
<b>Other information</b>			
Closing net asset value (£'000)	8,349	8,489	9,928
Closing number of shares	10,488,269	11,143,484	12,455,683
Operating charges	0.91%	0.90%	0.91%
Direct transaction costs	0.10%	0.05%	0.14%
<b>Prices</b>			
Highest share price	82.48	87.86	89.33
Lowest share price	56.22	76.23	72.68

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>UK Equities (99.45%)</b>		<b>96,667</b>	<b>98.71</b>
<b>Basic Materials (8.21%)</b>		<b>10,913</b>	<b>11.14</b>
73,165	Anglo American	2,028	2.07
138,488	BHP	3,142	3.21
878,605	Centamin	887	0.91
473,528	Glencore	1,376	1.40
56,259	Rio Tinto	3,480	3.55
<b>Consumer Goods (17.66%)</b>		<b>14,093</b>	<b>14.39</b>
39,181	Bellway	1,100	1.12
177,169	British American Tobacco	4,403	4.49
75,146	Coca-Cola HBC	1,681	1.72
420,072	Countryside Properties	1,955	2.00
446,515	Greencore	678	0.69
43,888	Reckitt Benckiser	2,632	2.69
44,054	Unilever	1,644	1.68
<b>Consumer Services (7.78%)</b>		<b>10,423</b>	<b>10.64</b>
4,087	ASOS <sup>++</sup>	229	0.23
181,820	Auto Trader	1,000	1.02
341,932	Cineworld	336	0.34
175,596	GVC	2,480	2.53
81,190	Jet2 <sup>++</sup>	1,180	1.21
739,801	Rank	1,310	1.34
186,577	RELX	3,157	3.22
59,192	Wetherspoon (J.D.)	731	0.75
<b>Financials (21.32%)</b>		<b>21,425</b>	<b>21.88</b>
226,675	Ashmore	934	0.95
1,340,120	Barclays	2,139	2.18
112,059	Close Brothers	1,741	1.78
408,914	HSBC	1,743	1.78
54,958	Intermediate Capital	951	0.97
513,345	John Laing	1,547	1.58
22,862	London Stock Exchange	2,198	2.25
317,737	OSB Group	1,409	1.44



	Holding	Investment	Market Value £'000	Percentage of total net assets
	248,194	Phoenix	1,762	1.80
	276,421	Prudential	3,892	3.98
	475,143	Standard Chartered	2,195	2.24
	94,179	Unite REIT	914	0.93
<b>Health Care (15.16%)</b>			<b>13,136</b>	<b>13.42</b>
	72,198	AstraZeneca	5,013	5.12
	815,391	ConvaTec	1,535	1.57
	27,850	Genus	1,401	1.43
	345,786	GlaxoSmithKline	4,117	4.21
	833,354	Indivior	1,070	1.09
<b>Industrials (9.17%)</b>			<b>7,502</b>	<b>7.66</b>
	317,766	Babcock International	825	0.84
	304,261	BAE Systems	1,472	1.50
	98,127	Bodycote	709	0.72
	325,447	IWG	1,171	1.20
	235,628	Polypipe	1,296	1.32
	334,143	Smith (DS)	1,328	1.36
	134,685	Vesuvius	701	0.72
<b>Oil &amp; Gas (13.49%)</b>			<b>10,402</b>	<b>10.62</b>
	1,365,242	BP	3,982	4.07
	353,632	Cairn Energy	675	0.69
	112,953	Energear Oil & Gas	1,021	1.04
	209,912	Kosmos Energy	467	0.48
	112,057	Royal Dutch Shell 'A'	1,619	1.65
	114,677	Royal Dutch Shell 'B'	1,591	1.62
	350,081	Wood Group	1,047	1.07
<b>Technology (0.00%)</b>			<b>2,596</b>	<b>2.65</b>
	62,500	AVEVA	2,121	2.17
	32,493	Softcat	475	0.48
<b>Telecommunications (3.63%)</b>			<b>2,891</b>	<b>2.95</b>
	2,369,482	Vodafone	2,891	2.95

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Utilities (3.03%)</b>		<b>3,286</b>	<b>3.36</b>
258,972	National Grid	2,088	2.13
139,410	United Utilities	1,198	1.23
<b>Collective Investment Schemes (0.42%)</b>		<b>1,153</b>	<b>1.18</b>
1,153	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	1,153	1.18
Total investment assets		97,820	99.89
Net other liabilities		103	0.11
<b>Total Net Assets</b>		<b>97,923</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>++</sup> AIM listed.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital losses	1	(3,357)	(11,625)
Revenue	2	3,814	8,549
Expenses	3	(1,373)	(2,215)
Interest payable and similar charges		(1)	(1)
Net revenue before taxation		2,440	6,333
Taxation	4	(9)	(71)
Net revenue after taxation		2,431	6,262
<b>Total return before distributions</b>		<b>(926)</b>	<b>(5,363)</b>
Distributions	5	(2,431)	(6,262)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(3,357)</b>	<b>(11,625)</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>166,907</b>	<b>213,965</b>
Amounts receivable on the issue of shares	2,376	1,461
Amounts payable on the cancellation of shares	(69,587)	(42,163)
	(67,211)	(40,702)
Dilution adjustment	3	-
Change in net assets attributable to shareholders from investment activities (see above)	(3,357)	(11,625)
Retained distribution on accumulation shares	1,581	5,269
<b>Closing net assets attributable to shareholders</b>	<b>97,923</b>	<b>166,907</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		97,820	166,692
<b>Current assets:</b>			
Debtors	6	310	750
Cash and bank balances	7	1	5
		311	755
Total assets		98,131	167,447
<b>Liabilities:</b>			
Creditors	8	(208)	(540)
		(208)	(540)
Total liabilities		(208)	(540)
Net assets attributable to shareholders		97,923	166,907

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Losses

	2021 £'000	2020 £'000
Non-derivative securities	(3,348)	(11,619)
Other losses	(1)	-
Transaction charges	(8)	(6)
<b>Net capital losses</b>	<b>(3,357)</b>	<b>(11,625)</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	3	26
Overseas dividends	134	689
UK dividends	3,677	7,808
UK REIT	-	26
<b>Total revenue</b>	<b>3,814</b>	<b>8,549</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,304	2,068
Dealing charge	4	5
Registration fees	39	97
	1,347	2,170
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	3	5
Depositary's fees	14	30
	17	35
<b>Other:</b>		
Audit fee	9	9
Professional fees	-	1
	9	10
<b>Total expenses</b>	<b>1,373</b>	<b>2,215</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	9	71
<b>Total taxation</b>	<b>9</b>	<b>71</b>

	2021 £'000	2020 £'000
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	2,440	6,333
Corporation tax at 20% (2020: 20%)	488	1,267
Effects of:		
Revenue not subject to taxation	(762)	(1,700)
Overseas taxes	9	71
Excess allowable expenses	274	433
<b>Total tax charge for year (note 4a)</b>	<b>9</b>	<b>71</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

**(c) Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £12,622,000 (2020: £12,348,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

**5. Distributions**

	2021 £'000	2020 £'000
Distribution	1,581	5,269
Add: Income deducted on cancellation of shares	879	1,028
Deduct: Income received on issue of shares	(29)	(35)
<b>Total distributions for the year</b>	<b>2,431</b>	<b>6,262</b>

Details of the distribution per share are set out in this fund's distribution table.

**6. Debtors**

	2021 £'000	2020 £'000
Accrued revenue	285	706
Amounts receivable from the ACD for the issue of shares	10	3
Overseas withholding tax recoverable	15	41
<b>Total debtors</b>	<b>310</b>	<b>750</b>

**7. Liquidity**

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	1	5
	<b>1</b>	<b>5</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	1,153	700
<b>Net liquidity</b>	<b>1,154</b>	<b>705</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	90	154
Accrued expenses payable to the Depositary or associates of the Depositary	2	3
Amounts payable to the ACD for cancellation of shares	58	288
Other accrued expenses	9	11
Purchases awaiting settlement	49	84
<b>Total creditors</b>	<b>208</b>	<b>540</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Equities	19,532	20,734	86,410	48,589
Collective investment schemes	48,980	37,447	48,527	42,282
Corporate actions	906	-	134	2,237
<b>Trades in the year before transaction costs</b>	<b>69,418</b>	<b>58,181</b>	<b>135,071</b>	<b>93,108</b>
<b>Commissions</b>				
Equities	11	11	(36)	(17)
<b>Total commissions</b>	<b>11</b>	<b>11</b>	<b>(36)</b>	<b>(17)</b>
<b>Taxes</b>				
Equities	78	71	(1)	-
<b>Total taxes</b>	<b>78</b>	<b>71</b>	<b>(1)</b>	<b>-</b>
<b>Total transaction costs</b>	<b>89</b>	<b>82</b>	<b>(37)</b>	<b>(17)</b>
<b>Total net trades in the year after transaction costs</b>	<b>69,507</b>	<b>58,263</b>	<b>135,034</b>	<b>93,091</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.06	0.05	0.04	0.03
<b>Taxes</b>				
Equities	0.40	0.34	-	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.04	0.01
Taxes	0.06	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.08% (2020: 0.10%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	24,915,909	559,291	(1,781,755)	(166,603)	23,526,842
Institutional accumulation	20,655,021	55,261	(18,142,214)	252	2,568,320
Standard Life income	1,485	-	(1,485)	-	-
Standard Life accumulation	1,217,187	105,151	(114,955)	1,012	1,208,395
Institutional regulated accumulation	790	-	(790)	-	-
Platform 1 accumulation	11,143,484	580,586	(1,928,179)	692,378	10,488,269

#### 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	96,667	-	-	165,992	-	-
Collective Investment Schemes	-	1,153	-	-	700	-
<b>Total investment assets</b>	<b>96,667</b>	<b>1,153</b>	<b>-</b>	<b>165,992</b>	<b>700</b>	<b>-</b>

#### 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

##### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.



**Interest rate risk**

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

**Other price risk**

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £4,891,000 (2020: £8,335,000).

**Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

**Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £208,000 (2020: £540,000).

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Accumulation class has increased by 7.35% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	5.0366	-	5.0366	9.1885
Group 2	2.2664	2.7702	5.0366	9.1885
<b>Institutional accumulation</b>				
Group 1	7.6403	-	7.6403	12.7456
Group 2	3.3018	4.3385	7.6403	12.7456
<b>Standard Life income</b>				
Group 1	-	-	-	2.7236
Group 2	-	-	-	2.7236
<b>Standard Life accumulation</b>				
Group 1	3.4241	-	3.4241	5.2055
Group 2	1.4301	1.9940	3.4241	5.2055
<b>Institutional regulated accumulation</b>				
Group 1	-	-	-	4.8828
Group 2	-	-	-	4.8828
<b>Platform 1 accumulation</b>				
Group 1	1.5122	-	1.5122	2.5426
Group 2	0.7618	0.7504	1.5122	2.5426

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI UK High Alpha Equity Fund

For the year ended 28 February 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares).

**Performance Target:** To achieve the return of the FTSE 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 Review

Over the period under review, the fund returned 9.2% (source: Factset, Platform 1 accumulation shares). This compared to a return of 7.4% for our performance target (the FTSE 350 Index +4%).

Online-gaming business Entain (formerly GVC) contributed to performance over the period. The market has turned more positive on the company's US growth opportunity, given the relative valuation of US peers and the strong market position that Entain has in that market. Specialty pharmaceuticals company Indivior was a top contributor to performance. In July 2020, the company's former CEO pled guilty to false information when promoting Suboxone Film in the US. The company has also agreed to pay US\$600 million in fines. However, the market viewed the removal of this lingering uncertainty positively, and its share prices rose substantially after the settlement was announced. The fund benefited from our position in 888, the Israel-based online gaming business, which performed well during lockdown. We closed our position after the stock's strong performance. The fund's decision to sell HSBC was positive for relative returns over the review period. HSBC's dividend cut weighed on its share price, while global interest rates edged lower at a time of growing political uncertainty in Hong Kong.

Superdry, a position we have since exited, detracted significantly from performance. Its share price barely recovered from March lows and has been trading sideways ever since. The fashion retailer had announced it was withdrawing its full-year dividend as pandemic-related lockdowns forcibly shuttered its stores worldwide. Network International also weighed on returns. A large placing in the stock from existing holders meant incremental demand was weak at a time when the market became more concerned about trading. We subsequently closed the position. Moreover, holiday and tour operator TUI proved disappointing. We had been confident that TUI was set for a strong year in 2020, benefiting from the demise of Thomas Cook in 2019. However, the pandemic overtook events and TUI is left in a cash-burn position until further easing of lockdown and travel restrictions.

### Portfolio Activity

We invested in Signature Aviation, a dominant fixed-base operator for the private and business jet market. Signature is primarily exposed to the US, where activity was understandably sluggish during the lockdown period. Our conviction view that Signature Aviation would be acquired by either private equity or an infrastructure fund came to pass. We have since sold the position. Elsewhere, we participated in the Hiscox equity placing. This is a high-quality insurance business but there are concerns that its business interruption policies will lead to unexpected claims during the lockdown period. We sold our position after strong performance. In other moves, we switched from Rio Tinto into BHP. The valuation gap between Rio Tinto and BHP has widened substantially, despite the underlying quality of BHP's portfolio. Both firms will respond in similar ways to the macro environment. We also participated in the Rank Group equity placing. Rank has a

solid market position in cash-generative bingo clubs and casinos in the UK. A compelling management-driven margin growth strategy was showing signs of success when the pandemic hit. We believe that once the government lifts mobility restrictions, this business will surprise the market with improved operating performance.

We exited our position in Boohoo Group, the online fast-fashion retailer, after an undercover investigation accused Boohoo of exploitative conditions at one of its factories. Though the outcome of the investigation is yet to be determined, we felt the progress Boohoo was making on ESG factors was not happening fast enough despite our proactive engagement with the business. We also sold our position in holiday operator TUI. The level of debt being created in the business during the lockdown period makes the risks of a slow recovery to consumer sentiment a genuine threat to the survival of this business. Lastly, we sold out of financial services business Just Group and Royal Bank of Scotland. Both are sensitive to the UK macroeconomic outlook and we wanted to minimise our exposure to factor risk. Elsewhere, we removed our position in Capital & Counties, as its shares remain sensitive to a recovery in London activity. We feel the potential upside does not warrant the balance-sheet risk.

#### Portfolio Outlook and Strategy

Mankind could breathe a sigh of relief towards the end of 2020, with the announcement of successful COVID-19 vaccines bringing hopes of an end to the pandemic. The impact on the market was immediate. The vaccine allows investors to have some confidence that restrictions will come to an end within an investment time horizon. This allows us to look past the current situation and consider equity valuations based on earnings and cash-flow projections in a more normal environment. Despite the unexpected severity of the 'third wave' of infections, caused by a more contagious form of the virus, a general rotation out of defensive and into value stocks has persisted.

Although we were not specifically betting on the timing of a vaccine, the news has proved helpful for a number of our positions. We are monitoring this exposure carefully as we do not want the Fund to drift into a position whereby performance is solely driven by the pace of the vaccine rollout or speed at which economies begin to reopen. We expect that trading will reflect this theme.

In an attempt to mitigate the full effects of the crisis, central-bank activity is creating movements and correlations many thought impossible given the fundamentals of the current situation. Increased expectations for inflation and rising real yields are a reversal of a common theme over the last cycle. Therefore, we are conscious of the extreme valuations we see in certain asset classes. This is not to say that we would outright bet against expensive valuations, rather that we acknowledge the drivers of this phenomenon have seemingly turned. So, any incremental upside may be harder to find. With this in mind, we endeavour to find the most interesting ideas across the market. We strongly believe that certain companies will emerge stronger through this period, while others have had their business models shaken beyond repair. What is important is that we stay true to our process of taking stock-specific risk, lowering factor risk and maintaining regular contact with the management teams.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator. The risk and reward indicator changed from 5 to 6 on 31 July 2020.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	191.73	210.53	221.35
Return before operating charges*	17.41	(15.95)	(7.89)
Operating charges	(2.40)	(2.85)	(2.93)
Return after operating charges*	15.01	(18.80)	(10.82)
Distributions	(4.40)	(7.37)	(9.31)
Retained distributions on accumulation shares	4.40	7.37	9.31
Closing net asset value per share	206.74	191.73	210.53
* after direct transaction costs of:	0.39	0.65	0.74
<b>Performance</b>			
Return after charges	7.83%	(8.93%)	(4.89%)
<b>Other information</b>			
Closing net asset value (£'000)	65,957	64,672	81,896
Closing number of shares	31,903,636	33,730,227	38,900,539
Operating charges	1.33%	1.33%	1.32%
Direct transaction costs	0.22%	0.31%	0.34%
<b>Prices</b>			
Highest share price	213.3	226.2	247.4
Lowest share price	132.4	191.4	190.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	196.77	215.02	225.02
Return before operating charges*	18.03	(16.38)	(8.07)
Operating charges	(1.60)	(1.87)	(1.93)
Return after operating charges*	16.43	(18.25)	(10.00)
Distributions	(4.53)	(7.54)	(9.41)
Retained distributions on accumulation shares	4.53	7.54	9.41
Closing net asset value per share	213.20	196.77	215.02
* after direct transaction costs of:	0.40	0.67	0.76
<b>Performance</b>			
Return after charges	8.35%	(8.49%)	(4.44%)
<b>Other information</b>			
Closing net asset value (£'000)	3,264	3,485	100,290
Closing number of shares	1,530,873	1,771,084	46,642,694
Operating charges	0.86%	0.86%	0.85%
Direct transaction costs	0.22%	0.31%	0.34%
<b>Prices</b>			
Highest share price	219.8	231.9	251.8
Lowest share price	135.9	196.4	194.7

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Highest and Lowest prices are based on official published daily NAVs.

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	82.24	93.60	101.87
Return before operating charges*	7.24	(6.88)	(3.33)
Operating charges	(1.02)	(1.24)	(1.37)
Return after operating charges*	6.22	(8.12)	(4.70)
Distributions	(1.87)	(3.24)	(3.57)
Closing net asset value per share	86.59	82.24	93.60
* after direct transaction costs of:	0.17	0.28	0.35
<b>Performance</b>			
Return after charges	7.56%	(8.68%)	(4.61%)
<b>Other information</b>			
Closing net asset value (£'000)	7,854	7,888	9,863
Closing number of shares	9,069,973	9,591,179	10,537,298
Operating charges	1.33%	1.33%	1.32%
Direct transaction costs	0.22%	0.31%	0.34%
<b>Prices</b>			
Highest share price	89.79	98.05	113.9
Lowest share price	56.75	82.07	85.26

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Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	60.23	68.23	74.42
Return before operating charges*	5.34	(5.06)	(2.49)
Operating charges	(0.48)	(0.58)	(0.63)
Return after operating charges*	4.86	(5.64)	(3.12)
Distributions	(1.37)	(2.36)	(3.07)
Closing net asset value per share	63.72	60.23	68.23
* after direct transaction costs of:	0.12	0.21	0.25
<b>Performance</b>			
Return after charges	8.07%	(8.27%)	(4.19%)
<b>Other information</b>			
Closing net asset value (£'000)	371	372	517
Closing number of shares	582,208	618,174	758,971
Operating charges	0.86%	0.86%	0.85%
Direct transaction costs	0.22%	0.31%	0.34%
<b>Prices</b>			
Highest share price	66.03	71.52	83.26
Lowest share price	41.58	60.10	62.10

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Standard Life income <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	98.11	110.14	118.86
Return before operating charges*	(20.89)	(8.20)	(3.93)
Operating charges	(0.00)	(0.03)	(0.03)
Return after operating charges*	(20.89)	(8.23)	(3.96)
Distributions	-	(3.80)	(4.76)
Redemption value as at 27 March 2020	(77.22)	-	-
Closing net asset value per share	-	98.11	110.14
* after direct transaction costs of:	0.01	0.34	0.41
<b>Performance</b>			
Return after charges	(21.29%)	(7.47%)	(3.33%)
<b>Other information</b>			
Closing net asset value (£'000)	-	1	- <sup>^</sup>
Closing number of shares	-	949	99
Operating charges	0.03%	0.03%	0.02%
Direct transaction costs	0.22%	0.31%	0.34%
<b>Prices</b>			
Highest share price	101.2	116.1	133.2
Lowest share price	67.76	97.90	101.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

<sup>^</sup> The closing net asset value of Standard Life income is £109.

<sup>A</sup> Standard Life income closed on 27 March 2020.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	235.50	255.43	265.31
Return before operating charges*	21.77	(19.65)	(9.60)
Operating charges	(0.24)	(0.28)	(0.28)
Return after operating charges*	21.53	(19.93)	(9.88)
Distributions	(5.44)	(8.98)	(11.13)
Retained distributions on accumulation shares	5.44	8.98	11.13
Closing net asset value per share	257.03	235.50	255.43
* after direct transaction costs of:	0.46	0.80	0.90
<b>Performance</b>			
Return after charges	9.14%	(7.80%)	(3.72%)
<b>Other information</b>			
Closing net asset value (£'000)	93	403	438
Closing number of shares	36,122	171,291	171,474
Operating charges	0.11%	0.11%	0.10%
Direct transaction costs	0.22%	0.31%	0.34%
<b>Prices</b>			
Highest share price	264.8	277.3	297.3
Lowest share price	162.7	235.1	231.0

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Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	88.99	97.31	101.89
Return before operating charges*	8.12	(7.43)	(3.65)
Operating charges	(0.76)	(0.89)	(0.93)
Return after operating charges*	7.36	(8.32)	(4.58)
Distributions	(2.05)	(3.41)	(4.26)
Retained distributions on accumulation shares	2.05	3.41	4.26
Closing net asset value per share	96.35	88.99	97.31
* after direct transaction costs of:	0.18	0.30	0.34
<b>Performance</b>			
Return after charges	8.27%	(8.55%)	(4.50%)
<b>Other information</b>			
Closing net asset value (£'000)	5,970	6,563	9,188
Closing number of shares	6,196,941	7,375,136	9,441,567
Operating charges	0.91%	0.91%	0.90%
Direct transaction costs	0.22%	0.31%	0.34%
<b>Prices</b>			
Highest share price	99.37	104.9	114.0
Lowest share price	61.45	88.83	88.12

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Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	69.55	78.83	86.02
Return before operating charges*	6.17	(5.84)	(2.88)
Operating charges	(0.59)	(0.71)	(0.77)
Return after operating charges*	5.58	(6.55)	(3.65)
Distributions	(1.59)	(2.73)	(3.54)
Closing net asset value per share	73.54	69.55	78.83
* after direct transaction costs of:	0.14	0.24	0.29
<b>Performance</b>			
Return after charges	8.02%	(8.31%)	(4.24%)
<b>Other information</b>			
Closing net asset value (£'000)	1,167	1,428	1,799
Closing number of shares	1,586,393	2,052,670	2,282,148
Operating charges	0.91%	0.91%	0.90%
Direct transaction costs	0.22%	0.31%	0.34%
<b>Prices</b>			
Highest share price	76.21	82.62	96.23
Lowest share price	48.01	69.40	71.75

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## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>UK Equities (98.05%)</b>		<b>83,736</b>	<b>98.89</b>
<b>Basic Materials (7.35%)</b>		<b>8,816</b>	<b>10.41</b>
173,999	BHP	3,948	4.66
785,570	Centamin	793	0.94
1,107,750	Glencore	3,220	3.80
49,598	Mondi	855	1.01
<b>Consumer Goods (21.91%)</b>		<b>15,753</b>	<b>18.60</b>
37,196	Bellway	1,044	1.23
131,124	British American Tobacco	3,258	3.85
75,330	Coca-Cola HBC	1,685	1.99
133,814	Countryside Properties	623	0.74
110,471	Diageo	3,106	3.67
370,546	Greencore	562	0.66
71,724	Persimmon	1,857	2.19
36,703	Reckitt Benckiser	2,201	2.60
37,964	Unilever	1,417	1.67
<b>Consumer Services (12.98%)</b>		<b>9,276</b>	<b>10.96</b>
3,594	ASOS <sup>++</sup>	201	0.24
756,243	Cineworld	742	0.88
112,204	Euromoney Institutional Investor	1,090	1.29
67,895	Go-Ahead	796	0.94
172,682	GVC	2,439	2.88
70,213	Jet2 <sup>++</sup>	1,020	1.20
625,780	Marston's	598	0.71
848,891	Rank	1,503	1.77
52,395	RELX	887	1.05
<b>Financials (16.82%)</b>		<b>15,758</b>	<b>18.61</b>
201,480	Ashmore	831	0.98
962,359	Barclays	1,536	1.81
72,936	Close Brothers	1,133	1.34
47,736	Intermediate Capital	826	0.98
264,614	John Laing	798	0.94
29,178	London Stock Exchange	2,806	3.31

	Holding	Investment	Market Value £'000	Percentage of total net assets
	245,770	OSB Group	1,090	1.29
	241,473	Prudential	3,400	4.02
	339,258	Standard Chartered	1,567	1.85
	182,500	Unite REIT	1,771	2.09
<b>Health Care (11.62%)</b>			<b>10,733</b>	<b>12.68</b>
	113,957	Abcam <sup>++</sup>	1,932	2.28
	57,776	AstraZeneca	4,012	4.74
	545,705	ConvaTec	1,028	1.21
	184,854	GlaxoSmithKline	2,201	2.60
	1,214,587	Indivior	1,560	1.85
	46,936	NMC Healthcare*	-	-
<b>Industrials (10.31%)</b>			<b>8,781</b>	<b>10.37</b>
	273,978	Babcock International	711	0.84
	125,084	Bodycote	904	1.07
	2,684,801	Coats Group	1,667	1.97
	296,871	IWG	1,068	1.26
	194,400	Melrose Industries	322	0.38
	74,234	Polypipe	408	0.48
	502,017	Smith (DS)	1,995	2.36
	327,791	Vesuvius	1,706	2.01
<b>Oil &amp; Gas (12.85%)</b>			<b>9,663</b>	<b>11.41</b>
	858,015	BP	2,503	2.95
	229,624	Energean Oil & Gas	2,076	2.45
	326,407	Kosmos Energy	702	0.83
	269,662	Royal Dutch Shell 'B'	3,741	4.42
	214,225	Wood Group	641	0.76
<b>Technology (0.00%)</b>			<b>2,195</b>	<b>2.59</b>
	52,669	AVEVA	1,788	2.11
	27,835	Softcat	407	0.48
<b>Telecommunications (0.00%)</b>			<b>1,717</b>	<b>2.03</b>
	1,407,612	Vodafone	1,717	2.03

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Utilities (4.21%)</b>		<b>1,044</b>	<b>1.23</b>
121,553	United Utilities	1,044	1.23
<b>Collective Investment Schemes (1.88%)</b>		<b>999</b>	<b>1.18</b>
999	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	999	1.18
Total investment assets		84,735	100.07
Net other liabilities		(59)	(0.07)
<b>Total Net Assets</b>		<b>84,676</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>\*\*</sup> AIM listed.

<sup>\*</sup> Suspended.



**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains/(losses)	1	4,952	(8,363)
Revenue	2	1,911	6,170
Expenses	3	(973)	(1,848)
Interest payable and similar charges		(1)	(1)
Net revenue before taxation		937	4,321
Taxation	4	(3)	(42)
Net revenue after taxation		934	4,279
<b>Total return before distributions</b>		<b>5,886</b>	<b>(4,084)</b>
Distributions	5	(1,887)	(6,088)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>3,999</b>	<b>(10,172)</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>84,812</b>	<b>203,991</b>
Amounts receivable on the issue of shares	806	1,282
Amounts payable on the cancellation of shares	(6,603)	(115,690)
	(5,797)	(114,408)
Dilution adjustment	-	179
Change in net assets attributable to shareholders from investment activities (see above)	3,999	(10,172)
Retained distribution on accumulation shares	1,661	5,221
Unclaimed distributions	1	1
<b>Closing net assets attributable to shareholders</b>	<b>84,676</b>	<b>84,812</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		84,735	84,753
<b>Current assets:</b>			
Debtors	6	298	335
Cash and bank balances	7	1	1
		299	336
Total assets		85,034	85,089
<b>Liabilities:</b>			
Creditors	8	(312)	(223)
Distribution payable		(46)	(54)
		(358)	(277)
Total liabilities		(358)	(277)
<b>Net assets attributable to shareholders</b>		<b>84,676</b>	<b>84,812</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains/(Losses)

	2021 £'000	2020 £'000
Non-derivative securities	4,957	(8,367)
Forward currency contracts	-	5
Other (losses)/gains	(1)	5
Transaction charges	(4)	(6)
<b>Net capital gains/(losses)</b>	<b>4,952</b>	<b>(8,363)</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	3	42
Overseas dividends	9	237
UK dividends	1,899	5,891
<b>Total revenue</b>	<b>1,911</b>	<b>6,170</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	942	1,737
Dealing charge	3	5
Registration fees	8	67
	953	1,809
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	2	4
Depositary's fees	9	25
	11	29
<b>Other:</b>		
Audit fee	9	9
Professional fees	-	1
	9	10
<b>Total expenses</b>	<b>973</b>	<b>1,848</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	3	42
<b>Total taxation</b>	<b>3</b>	<b>42</b>

	2021 £'000	2020 £'000
<b>(b) Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	937	4,321
Corporation tax at 20% (2020: 20%)	187	864
Effects of:		
Revenue not subject to taxation	(382)	(1,226)
Overseas taxes	4	42
Excess allowable expenses	194	362
<b>Total tax charge for year (note 4a)</b>	<b>3</b>	<b>42</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

- (c) Factors that may affect future tax charge**  
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £3,821,000 (2020: £3,627,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

**5. Distributions (including the movement between net income and distributions)**

	2021 £'000	2020 £'000
First interim distribution	569	2,631
Second interim distribution	513	1,294
Third interim distribution	373	1,226
Final distribution	416	472
	1,871	5,623
Add: Income deducted on cancellation of shares	19	474
Deduct: Income received on issue of shares	(3)	(9)
<b>Total distributions for the year</b>	<b>1,887</b>	<b>6,088</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	934	4,279
Expenses charged to capital	953	1,809
<b>Total distributions</b>	<b>1,887</b>	<b>6,088</b>

Expenses taken to capital include the ACD, Registration and Dealing expenses.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

**6. Debtors**

	2021 £'000	2020 £'000
Accrued revenue	278	314
Amounts receivable from the ACD for the issue of shares	-	1
Overseas withholding tax recoverable	20	20
<b>Total debtors</b>	<b>298</b>	<b>335</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	1	1
	<b>1</b>	<b>1</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	999	1,595
<b>Net liquidity</b>	<b>1,000</b>	<b>1,596</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	85	93
Accrued expenses payable to the Depositary or associates of the Depositary	1	7
Amounts payable to the ACD for cancellation of shares	174	112
Other accrued expenses	9	11
Purchases awaiting settlement	43	-
<b>Total creditors</b>	<b>312</b>	<b>223</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	30,437	92,640	35,269	200,034
Collective investment schemes	15,603	59,566	16,198	60,576
Corporate actions	283	-	-	406
<b>Trades in the year before transaction costs</b>	<b>46,323</b>	<b>152,206</b>	<b>51,467</b>	<b>261,016</b>
<b>Commissions</b>				
Equities	17	54	(22)	(95)
<b>Total commissions</b>	<b>17</b>	<b>54</b>	<b>(22)</b>	<b>(95)</b>

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Taxes</b>				
Equities	127	365	-	-
<b>Total taxes</b>	<b>127</b>	<b>365</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>144</b>	<b>419</b>	<b>(22)</b>	<b>(95)</b>
<b>Total net trades in the year after transaction costs</b>	<b>46,467</b>	<b>152,625</b>	<b>51,445</b>	<b>260,921</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.06	0.06	0.06	0.05
<b>Taxes</b>				
Equities	0.42	0.39	-	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.05	0.09
Taxes	0.17	0.22

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.15% (2020: 0.16%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	33,730,227	148,329	(1,953,476)	(21,444)	31,903,636
Institutional accumulation	1,771,084	10,109	(250,320)	-	1,530,873
Retail income	9,591,179	147,346	(639,084)	(29,468)	9,069,973
Institutional income	618,174	101,138	(137,104)	-	582,208
Standard Life income	949	-	(949)	-	-
Standard Life accumulation	171,291	960	(136,129)	-	36,122
Platform 1 accumulation	7,375,136	376,246	(1,600,646)	46,205	6,196,941
Platform 1 income	2,052,670	90,761	(591,877)	34,839	1,586,393

## 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	83,736	-	-	83,158	-	-
Collective Investment Schemes	-	999	-	-	1,595	-
<b>Total investment liabilities</b>	<b>83,736</b>	<b>999</b>	<b>-</b>	<b>83,158</b>	<b>1,595</b>	<b>-</b>

## 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £4,237,000 (2020: £4,238,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £358,000 (2020: £277,000).

## 14. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of Institutional Accumulation class has increased by 6.29% (to 21 June 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**First interim dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 May 2020

	Revenue	Equalisation	Distribution paid 31/07/20	Distribution paid 31/07/19
<b>Retail accumulation</b>				
Group 1	1.3038	-	1.3038	3.1433
Group 2	0.4377	0.8661	1.3038	3.1433
<b>Institutional accumulation</b>				
Group 1	1.3386	-	1.3386	3.2120
Group 2	0.4976	0.8410	1.3386	3.2120
<b>Retail income</b>				
Group 1	0.5591	-	0.5591	1.3976
Group 2	0.0888	0.4703	0.5591	1.3976
<b>Institutional income</b>				
Group 1	0.4096	-	0.4096	1.0193
Group 2	-	0.4096	0.4096	1.0193
<b>Standard Life income</b>				
Group 1	-	-	-	1.6114
Group 2	-	-	-	1.6114
<b>Standard Life accumulation</b>				
Group 1	1.6027	-	1.6027	3.8187
Group 2	0.8573	0.7454	1.6027	3.8187
<b>Platform 1 accumulation</b>				
Group 1	0.6054	-	0.6054	1.4536
Group 2	0.1257	0.4797	0.6054	1.4536
<b>Platform 1 income</b>				
Group 1	0.4730	-	0.4730	1.1775
Group 2	0.1273	0.3457	0.4730	1.1775



**Second interim dividend distribution**

Group 1 - shares purchased prior to 1 June 2020

Group 2 - shares purchased between 1 June 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	1.1967	-	1.1967	1.5708
Group 2	0.9884	0.2083	1.1967	1.5708
<b>Institutional accumulation</b>				
Group 1	1.2305	-	1.2305	1.6074
Group 2	1.0309	0.1996	1.2305	1.6074
<b>Retail income</b>				
Group 1	0.5096	-	0.5096	0.6877
Group 2	0.2867	0.2229	0.5096	0.6877
<b>Institutional income</b>				
Group 1	0.3740	-	0.3740	0.5023
Group 2	0.2071	0.1669	0.3740	0.5023
<b>Standard Life income</b>				
Group 1	-	-	-	0.8006
Group 2	-	-	-	0.8006
<b>Standard Life accumulation</b>				
Group 1	1.4744	-	1.4744	1.9157
Group 2	1.2412	0.2332	1.4744	1.9157
<b>Platform 1 accumulation</b>				
Group 1	0.5563	-	0.5563	0.7274
Group 2	0.4824	0.0739	0.5563	0.7274
<b>Platform 1 income</b>				
Group 1	0.4317	-	0.4317	0.5801
Group 2	0.3744	0.0573	0.4317	0.5801

**Third interim dividend distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 30 November 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Retail accumulation</b>				
Group 1	0.8899	-	0.8899	1.5883
Group 2	0.5179	0.3720	0.8899	1.5883
<b>Institutional accumulation</b>				
Group 1	0.9162	-	0.9162	1.6269
Group 2	0.5351	0.3811	0.9162	1.6269
<b>Retail income</b>				
Group 1	0.3763	-	0.3763	0.6900
Group 2	0.1388	0.2375	0.3763	0.6900
<b>Institutional income</b>				
Group 1	0.2764	-	0.2764	0.5045
Group 2	0.2085	0.0679	0.2764	0.5045
<b>Standard Life income</b>				
Group 1	-	-	-	0.8391
Group 2	-	-	-	0.8391
<b>Standard Life accumulation</b>				
Group 1	1.1017	-	1.1017	1.9418
Group 2	0.7493	0.3524	1.1017	1.9418
<b>Platform 1 accumulation</b>				
Group 1	0.4141	-	0.4141	0.7361
Group 2	0.2197	0.1944	0.4141	0.7361
<b>Platform 1 income</b>				
Group 1	0.3191	-	0.3191	0.5827
Group 2	0.0977	0.2214	0.3191	0.5827

**Final dividend distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	1.0143	-	1.0143	1.0657
Group 2	0.7644	0.2499	1.0143	1.0657
<b>Institutional accumulation</b>				
Group 1	1.0454	-	1.0454	1.0953
Group 2	0.7149	0.3305	1.0454	1.0953
<b>Retail income</b>				
Group 1	0.4269	-	0.4269	0.4598
Group 2	0.2180	0.2089	0.4269	0.4598
<b>Institutional income</b>				
Group 1	0.3141	-	0.3141	0.3366
Group 2	0.1794	0.1347	0.3141	0.3366
<b>Standard Life income</b>				
Group 1	-	-	-	0.5492
Group 2	-	-	-	0.5492
<b>Standard Life accumulation</b>				
Group 1	1.2584	-	1.2584	1.3076
Group 2	0.9543	0.3041	1.2584	1.3076
<b>Platform 1 accumulation</b>				
Group 1	0.4726	-	0.4726	0.4942
Group 2	0.3153	0.1573	0.4726	0.4942
<b>Platform 1 income</b>				
Group 1	0.3626	-	0.3626	0.3887
Group 2	0.2186	0.1440	0.3626	0.3887

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI UK High Income Equity Fund

For the year ended 28 February 2021

## 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 Review

Over the 12-month period to the end of February 2021, the fund returned 5.0% (source: Factset, Platform 1 accumulation shares). This compared to a return of 3.2% for our comparator benchmark (IA UK Equity Income Sector Average). Meanwhile, the fund's yield was 3.2% over the 12 months, versus a yield target of 4.3% (the FTSE 350 Index).

Online-gaming business Entain (formerly GVC) contributed to performance over the period. The market has turned more positive on the company's US growth opportunity, given the relative valuation of US peers and the strong market position that Entain has in that market. The Fund's underweight exposure to HSBC was positive for relative returns over the review period. HSBC's dividend cut weighed on its share price, while global interest rates edged lower at a time of growing political uncertainty in Hong Kong. Diversified Gas & Oil added value after investors reacted positively to its results. These demonstrated strong cash generation, vindicating its business model – acquiring the unwanted oil wells of larger energy producers and growing its cashflow and dividend. Hastings also performed well over the period. The motor insurance business was the target of a bid from an international consortium looking to gain exposure to the UK market and to buy its technology platform.

Conversely, BP weighed heavily on the fund's relative performance as it addressed challenges to its cash flow. The company cut its dividend by half and revised down its assumed oil price. Cineworld suffered when the COVID-19 restrictions forced the closure of its cinemas. The business is grappling with high debt at a time when it is not generating any revenue. Cineworld is working with its lenders to help it navigate these cashflow pressures. Lastly, our position in NMC Health, a healthcare business located in the United Arab Emirates, also weighed on returns. The company was embroiled in a scandal in early 2020 involving the incorrect reporting of shareholders' interests and debt positions went into administration in April.

## Portfolio Activity

We added student accommodation developer Unite Group, which is undervalued and a unique asset. The business is also in a position to deploy its strengthened balance sheet for growth. WH Smith was another addition. The company operates retail outlets in a number of airports. It has understandably seen a collapse in trading given the restriction in airport activity. However, we believe that WH Smith's recapitalised balance sheet will buy the company time and market share. Office rental business IWG was another new purchase, as its franchise model should drive a re-rating over time. It may also have an opportunity to pick up assets from distressed sellers through the downturn, and is well positioned given its offering of small, flexible workspaces. A new position in Intermediate Capital Group was established in this non-bank financing specialist. Its unique capital structure creates high returns, with likely increased demand in the current environment. We opened a new position in bingo and casino operator Rank. The company has a strong balance sheet that is undervalued. We believe the business will recover its profitability once the trading backdrop normalises.

We started a position in Softcat following its move on to the UK equities conviction list. Softcat's culture, customer relationships and broad offering should allow it to outperform a fragmented market. Forecasts assume a material deceleration in growth – from over 20% profit growth over the last four years to mid-single digit from 2020 to 2023. The company estimates it has 3% market share by value and average 15% wallet share with existing customers. Softcat can expand its market share materially on a multi-year view, through growing customer wallet share and gaining new customers. The company's shares have lagged its peers, but the recent trading statement suggested that market weakness has been short lived and points to momentum coming back into the business.

We also started a position in Network International in early November. The stock has been under pressure due to governance concerns. After a number of meetings with management, we are reassured on these issues and see the potential for the stock to re-rate given its strategic value as the leading payments processor in the Middle East region.

We added to Vivo Energy in October. The trading update showed continued recovery in volumes and margin improvement, yet the stock value remained near lows for the year, creating a valuation opportunity. We feel the company should deliver resilient mid-single digit growth over time, due to increased penetration of auto ownership and take up of convenience offering. Brand strength means it is expected to outperform market growth. Valuation is at less than 2x expected value (EV)/earnings before interest, taxes, depreciation and amortisation (EBITDA) and less than 5x 2021 price-to-earnings for mid-single digit earnings growth. The balance sheet is also healthy at 0.5x net debt/EBITDA. With double-digit free cash flow yield and the resumption of the dividend ahead of expectations, the stock is attractive from an income perspective.

Finally we bought a position in Conduit, a newly listed reinsurance business. The company comes to market with a strong, experienced management team and at a positive point in the reinsurance cycle. With the ability to write business at attractive terms and without legacy risk, the company is well placed to deliver a meaningful yield early in its life cycle. Therefore, it is attractive from an income perspective.

On sales, we exited insurance firm Hastings as we are not expecting a counter-bid. We reduced oil major Royal Dutch Shell because of increased risk to earnings and dividends from a lower oil price. A prolonged synchronised downturn across all of its end markets would make it more challenging to maintain the dividend. Similarly, HSBC was reduced. This was not only because of its dividend cut, important though this was, but also because it faces a challenging trading environment. In particular, continuing US-China tensions, pressures in Hong Kong, low interest rates and increased risk of asset impairment may all affect the company. We sold out of International Airlines Group. The position is sub-scale and the sale helps control risk metrics. We feel the company is unlikely to be a dividend payer in the near future, due to the high level of government support. Lastly, the oil price collapse practically destroyed profitability in the US shale industry and led us to selling oil services business Hunting. We also reduced our position in GlaxoSmithKline. The imminent spin of the consumer business is likely to require a cut to the dividend and the

company is not yet seeing the results of its increased investment in research & development, so we prefer other names in the sector, most notably AstraZeneca. Finally, we sold our position in St James's Place. We see increased risk from increased competition and have some concerns about the company's standards of governance, so chose to move on.

### Portfolio Outlook and Strategy

Since the announcement of successful trials for COVID-19 vaccines in the fourth quarter of 2020, there has been a marked change in market direction. The ability for investors to have some measure of confidence that economic restrictions can come to an end within an investment time-horizon allows us to look past the current situation and consider equity valuations based on earnings and cash flow projections in a more normalised environment. This means areas of the stock market that have been out of favour have rallied. In particular, value outperforming growth, meaning there was a slight reversal in a trend that we have seen for much of the last 10 years.

There is a reasonable chance that this dominant trend reverses further in 2021. Provided economies can reopen, we are likely to see strong economic growth and higher activity as consumer demand returns and companies restock after a depressed period. This scenario benefits more cyclical stocks, such as industrials, mining and energy.

We have benefited from this factor shift, and the fund continues to be slightly overweight value and market sensitivity as factors. We are not positioned to take large style bets. However, we have kept a meaningful exposure to these areas (value and market sensitivity), as well as to UK domestically focused companies as a result of the Brexit trade deal. While this has been helpful, we will continue to aim for a balanced portfolio.

There are also still remaining reasons to be careful. While vaccines should give some confidence that the current pandemic will become manageable, the timing is not yet clear and the final outcome for the economy and corporates remains unclear. Companies and the economy are likely to face testing times in the meantime.

Our positioning is driven by individual stocks. We will continue to analyse companies carefully and pay attention to balance sheet health to ensure our holdings can survive any bumps in the road. The removal of a number of key (macro) risks for UK equities (COVID-19 and a hard Brexit) is a big positive. Their removal should allow a refocusing on company fundamentals, something we believe will benefit performance over time.

The fund will focus on bottom-up analysis and hold the highest-conviction ideas from the analyst in each sector where there is an income angle. Given the high-yield requirement, there will be a degree of factor risk, but the resumption of dividends for many companies in the UK market should allow us to find new opportunities and diversify risk over time.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator. The risk and reward indicator changed from 5 to 6 on 31 July 2020.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	217.14	240.77	251.52
Return before operating charges*	10.90	(20.43)	(7.45)
Operating charges	(2.62)	(3.20)	(3.30)
Return after operating charges*	8.28	(23.63)	(10.75)
Distributions	(7.26)	(11.47)	(12.35)
Retained distributions on accumulation shares	7.26	11.47	12.35
Closing net asset value per share	225.42	217.14	240.77
* after direct transaction costs of:	0.18	0.29	0.54
<b>Performance</b>			
Return after charges	3.81%	(9.81%)	(4.27%)
<b>Other information</b>			
Closing net asset value (£'000)	72,288	76,370	96,548
Closing number of shares	32,068,080	35,171,435	40,099,571
Operating charges	1.32%	1.32%	1.32%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	232.4	257.4	276.6
Lowest share price	152.3	213.9	218.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	245.43	270.94	281.70
Return before operating charges*	12.51	(23.18)	(8.37)
Operating charges	(1.90)	(2.33)	(2.39)
Return after operating charges*	10.61	(25.51)	(10.76)
Distributions	(8.22)	(12.93)	(13.87)
Retained distributions on accumulation shares	8.22	12.93	13.87
Closing net asset value per share	256.04	245.43	270.94
* after direct transaction costs of:	0.20	0.33	0.60
<b>Performance</b>			
Return after charges	4.32%	(9.42%)	(3.82%)
<b>Other information</b>			
Closing net asset value (£'000)	185,507	200,020	231,571
Closing number of shares	72,453,189	81,498,648	85,468,987
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	263.7	290.9	310.1
Lowest share price	172.2	241.8	245.9

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Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	66.39	77.48	85.09
Return before operating charges*	3.12	(6.43)	(2.33)
Operating charges	(0.79)	(1.01)	(1.12)
Return after operating charges*	2.33	(7.44)	(3.45)
Distributions	(2.20)	(3.65)	(4.14)
Closing net asset value per share	66.52	66.39	77.48
* after direct transaction costs of:	0.05	0.09	0.18
<b>Performance</b>			
Return after charges	3.51%	(9.60%)	(4.06%)
<b>Other information</b>			
Closing net asset value (£'000)	16,395	17,585	24,146
Closing number of shares	24,648,172	26,487,631	31,162,076
Operating charges	1.32%	1.32%	1.32%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	69.42	80.26	93.54
Lowest share price	46.49	65.30	71.83

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Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	75.07	87.20	95.27
Return before operating charges*	3.58	(7.27)	(2.63)
Operating charges	(0.57)	(0.74)	(0.80)
Return after operating charges*	3.01	(8.01)	(3.43)
Distributions	(2.49)	(4.12)	(4.64)
Closing net asset value per share	75.59	75.07	87.20
* after direct transaction costs of:	0.06	0.10	0.20
<b>Performance</b>			
Return after charges	4.01%	(9.19%)	(3.60%)
<b>Other information</b>			
Closing net asset value (£'000)	8,801	14,199	32,231
Closing number of shares	11,643,206	18,914,828	36,960,876
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	78.83	90.70	104.9
Lowest share price	52.58	73.84	80.77

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Standard Life income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	55.25	63.64	68.95
Return before operating charges*	2.69	(5.37)	(1.93)
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	2.68	(5.38)	(1.94)
Distributions	(1.84)	(3.01)	(3.37)
Closing net asset value per share	56.09	55.25	63.64
* after direct transaction costs of:	0.04	0.08	0.15
<b>Performance</b>			
Return after charges	4.85%	(8.45%)	(2.81%)
<b>Other information</b>			
Closing net asset value (£'000)	8,444	22,607	33,640
Closing number of shares	15,053,727	40,917,269	52,856,582
Operating charges	0.02%	0.02%	0.02%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	58.42	66.69	76.04
Lowest share price	38.72	54.35	58.86

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	146.62	160.62	165.76
Return before operating charges*	7.59	(13.84)	(4.97)
Operating charges	(0.13)	(0.16)	(0.17)
Return after operating charges*	7.46	(14.00)	(5.14)
Distributions	(4.93)	(7.96)	(8.19)
Retained distributions on accumulation shares	4.93	7.96	8.19
Closing net asset value per share	154.08	146.62	160.62
* after direct transaction costs of:	0.12	0.20	0.36
<b>Performance</b>			
Return after charges	5.09%	(8.72%)	(3.10%)
<b>Other information</b>			
Closing net asset value (£'000)	405	382	469
Closing number of shares	262,623	260,801	291,774
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	158.6	173.6	182.8
Lowest share price	102.9	144.4	145.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	273.16	300.14	310.66
Return before operating charges*	14.06	(25.77)	(9.27)
Operating charges	(1.00)	(1.21)	(1.25)
Return after operating charges*	13.06	(26.98)	(10.52)
Distributions	(9.17)	(14.35)	(15.33)
Retained distributions on accumulation shares	9.17	14.35	15.33
Closing net asset value per share	286.22	273.16	300.14
* after direct transaction costs of:	0.22	0.37	0.67
<b>Performance</b>			
Return after charges	4.78%	(8.99%)	(3.39%)
<b>Other information</b>			
Closing net asset value (£'000)	24,642	26,699	42,922
Closing number of shares	8,609,648	9,774,080	14,300,401
Operating charges	0.40%	0.40%	0.40%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	294.6	323.5	342.3
Lowest share price	191.7	269.1	272.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.29	86.47	89.95
Return before operating charges*	3.97	(7.40)	(2.67)
Operating charges	(0.64)	(0.78)	(0.81)
Return after operating charges*	3.33	(8.18)	(3.48)
Distributions	(2.62)	(4.13)	(4.43)
Retained distributions on accumulation shares	2.62	4.13	4.43
Closing net asset value per share	81.62	78.29	86.47
* after direct transaction costs of:	0.06	0.11	0.19
<b>Performance</b>			
Return after charges	4.25%	(9.46%)	(3.87%)
<b>Other information</b>			
Closing net asset value (£'000)	19,173	21,961	30,320
Closing number of shares	23,490,451	28,050,994	35,064,338
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	84.08	92.80	99.00
Lowest share price	54.92	77.12	78.49

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.16	65.27	71.34
Return before operating charges*	2.66	(5.45)	(1.97)
Operating charges	(0.46)	(0.58)	(0.63)
Return after operating charges*	2.20	(6.03)	(2.60)
Distributions	(1.86)	(3.08)	(3.47)
Closing net asset value per share	56.50	56.16	65.27
* after direct transaction costs of:	0.04	0.08	0.15
<b>Performance</b>			
Return after charges	3.92%	(9.24%)	(3.64%)
<b>Other information</b>			
Closing net asset value (£'000)	16,377	19,542	28,147
Closing number of shares	28,984,599	34,798,700	43,126,088
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	58.93	67.86	78.52
Lowest share price	39.34	55.24	60.46

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Institutional S accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	59.48	65.48	67.87
Return before operating charges*	3.07	(5.47)	(1.84)
Operating charges	(0.43)	(0.53)	(0.55)
Return after operating charges*	2.64	(6.00)	(2.39)
Distributions	(2.00)	(3.14)	(3.74)
Retained distributions on accumulation shares	2.00	3.14	3.74
Closing net asset value per share	62.12	59.48	65.48
* after direct transaction costs of:	0.05	0.08	0.15
<b>Performance</b>			
Return after charges	4.44%	(9.16%)	(3.52%)
<b>Other information</b>			
Closing net asset value (£'000)	1	1	-^
Closing number of shares	1,602	1,602	200
Operating charges	0.78%	0.78%	0.78%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	63.98	70.48	74.74
Lowest share price	41.73	58.60	59.37

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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^ The closing net asset value of Institutional S accumulation was £131.



Institutional S income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.36	51.57	56.12
Return before operating charges*	2.21	(3.31)	(1.51)
Operating charges	(0.32)	(0.41)	(0.44)
Return after operating charges*	1.89	(3.72)	(1.95)
Distributions	(1.51)	(2.49)	(2.60)
Closing net asset value per share	45.74	45.36	51.57
* after direct transaction costs of:	0.04	0.06	0.12
<b>Performance</b>			
Return after charges	4.17%	(7.21%)	(3.47%)
<b>Other information</b>			
Closing net asset value (£'000)	1	1	-^
Closing number of shares	2,004	2,004	200
Operating charges	0.78%	0.78%	0.78%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	47.70	54.80	61.79
Lowest share price	31.78	44.62	47.72

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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^ The closing net asset value of Institutional S income was £103.

Institutional A accumulation <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share			59.34
Return before operating charges*			4.97
Operating charges			(0.49)
Return after operating charges*			4.48
Distributions			-
Retained distributions on accumulation shares			-
Redemption value as at 7 June 2018			(63.82)
Closing net asset value per share			-
* after direct transaction costs of:			0.07
<b>Performance</b>			
Return after charges			7.55%
<b>Other information</b>			
Closing net asset value (£'000)			-
Closing number of shares			-
Operating charges			1.60%
Direct transaction costs			0.22%
<b>Prices</b>			
Highest share price			65.22
Lowest share price			57.26

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional A accumulation share class closed on 7 June 2018.

Institutional A income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	42.11	49.29	54.26
Return before operating charges*	1.96	(4.08)	(1.49)
Operating charges	(0.61)	(0.78)	(0.85)
Return after operating charges*	1.35	(4.86)	(2.34)
Distributions	(1.39)	(2.32)	(2.63)
Closing net asset value per share	42.07	42.11	49.29
* after direct transaction costs of:	0.03	0.06	0.11
<b>Performance</b>			
Return after charges	3.21%	(9.86%)	(4.31%)
<b>Other information</b>			
Closing net asset value (£'000)	62	62	75
Closing number of shares	148,037	148,037	152,848
Operating charges	1.60%	1.60%	1.60%
Direct transaction costs	0.09%	0.12%	0.21%
<b>Prices</b>			
Highest share price	43.92	50.93	59.63
Lowest share price	29.49	41.42	45.72

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>UK Equities (99.63%)</b>		<b>350,254</b>	<b>99.47</b>
<b>Basic Materials (8.51%)</b>		<b>40,400</b>	<b>11.47</b>
533,626	BHP	12,108	3.44
1,628,250	Centamin	1,645	0.47
2,666,172	Glencore	7,749	2.20
213,018	Mondi	3,672	1.04
246,141	Rio Tinto	15,226	4.32
<b>Consumer Goods (14.99%)</b>		<b>43,012</b>	<b>12.21</b>
96,429	Bellway	2,707	0.77
639,197	British American Tobacco	15,884	4.51
186,142	Coca-Cola HBC	4,164	1.18
1,272,488	Countryside Properties	5,922	1.68
177,054	Diageo	4,979	1.41
470,325	Imperial Brands	6,267	1.78
119,296	Persimmon	3,089	0.88
<b>Consumer Services (8.34%)</b>		<b>30,092</b>	<b>8.55</b>
2,446,576	Cineworld	2,401	0.68
281,117	Go-Ahead	3,297	0.94
983,804	GVC	13,896	3.95
2,047,600	Rank	3,624	1.03
4,494,407	Vivo Energy	3,924	1.11
154,528	WH Smith	2,950	0.84
<b>Financials (22.10%)</b>		<b>83,581</b>	<b>23.74</b>
775,531	Ashmore	3,197	0.91
6,010,579	Barclays	9,592	2.72
241,179	Close Brothers	3,748	1.06
560,000	Conduit	2,974	0.85
926,146	Direct Line	2,968	0.84
648,438	HSBC	2,763	0.79
314,614	Intermediate Capital	5,443	1.55
1,238,369	John Laing	3,732	1.06
1,397,527	Legal & General	3,622	1.03
1,130,890	LondonMetric Property REIT	2,472	0.70

Holding	Investment	Market Value £'000	Percentage of total net assets
2,830,721	M&G	5,204	1.48
2,538,664	Man Strategic	3,804	1.08
2,408,422	NatWest	4,435	1.26
574,645	OSB Group	2,548	0.72
1,245,851	Phoenix	8,843	2.51
708,645	Prudential	9,978	2.83
1,277,940	Standard Chartered	5,904	1.68
242,536	Unite REIT	2,354	0.67
<b>Health Care (13.34%)</b>		<b>40,393</b>	<b>11.47</b>
273,424	AstraZeneca	18,987	5.39
774,643	Clinigen <sup>++</sup>	5,523	1.57
1,520,510	ConvaTec	2,863	0.81
945,756	GlaxoSmithKline	11,260	3.20
415,097	Hutchison China MediTech <sup>++</sup>	1,760	0.50
163,962	NMC Healthcare <sup>*</sup>	-	-
<b>Industrials (5.47%)</b>		<b>27,440</b>	<b>7.79</b>
1,036,568	BAE Systems	5,015	1.42
413,558	Bodycote	2,988	0.85
1,819,970	Equiniti	2,581	0.73
415,084	Inchcape	2,941	0.84
786,186	IWG	2,829	0.80
722,193	Polypipe	3,972	1.13
1,116,270	Smith (DS)	4,435	1.26
514,739	Vesuvius	2,679	0.76
<b>Oil &amp; Gas (17.72%)</b>		<b>57,135</b>	<b>16.23</b>
5,516,336	BP	16,091	4.57
7,232,892	Diversified Gas & Oil	9,027	2.56
1,091,581	Energean Oil & Gas	9,870	2.80
998,173	Kosmos Energy	2,146	0.61
510,357	Royal Dutch Shell 'A'	7,373	2.10
395,857	Royal Dutch Shell 'B'	5,492	1.56
22,830,242	Savannah Petroleum <sup>++</sup>	4,418	1.26
909,075	Wood Group	2,718	0.77

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Technology (0.00%)</b>		<b>2,280</b>	<b>0.65</b>
155,823	Softcat	2,280	0.65
<b>Telecommunications (2.19%)</b>		<b>9,742</b>	<b>2.77</b>
7,985,296	Vodafone	9,742	2.77
<b>Utilities (6.97%)</b>		<b>16,179</b>	<b>4.59</b>
1,306,186	National Grid	10,530	2.99
426,691	SSE	5,649	1.60
<b>Collective Investment Schemes (0.84%)</b>		<b>2,595</b>	<b>0.74</b>
2,595	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	2,595	0.74
Total investment assets		352,849	100.21
Net other liabilities		(753)	(0.21)
<b>Total Net Assets</b>		<b>352,096</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 29 February 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>\*\*</sup> AIM listed.

<sup>\*</sup> Suspended.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains/(losses)	1	4,299	(59,979)
Revenue	2	12,986	23,675
Expenses	3	(3,097)	(4,298)
Interest payable and similar charges		(1)	(1)
Net revenue before taxation		9,888	19,376
Taxation	4	(261)	(364)
Net revenue after taxation		9,627	19,012
<b>Total return before distributions</b>		<b>13,926</b>	<b>(40,967)</b>
Distributions	5	(12,669)	(23,233)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,257</b>	<b>(64,200)</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>399,429</b>	<b>520,069</b>
Amounts receivable on the issue of shares	17,005	12,020
Amounts payable on the cancellation of shares	(75,940)	(86,524)
	(58,935)	(74,504)
Dilution adjustment	49	-
Change in net assets attributable to shareholders from investment activities (see above)	1,257	(64,200)
Retained distribution on accumulation shares	10,290	18,059
Unclaimed distributions	6	5
<b>Closing net assets attributable to shareholders</b>	<b>352,096</b>	<b>399,429</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		352,849	401,302
<b>Current assets:</b>			
Debtors	6	1,557	3,868
Cash and bank balances	7	4	4
		1,561	3,872
<b>Total assets</b>		<b>354,410</b>	<b>405,174</b>
<b>Liabilities:</b>			
Creditors	8	(1,688)	(4,297)
Distribution payable		(626)	(1,448)
		(2,314)	(5,745)
<b>Total liabilities</b>		<b>(2,314)</b>	<b>(5,745)</b>
<b>Net assets attributable to shareholders</b>		<b>352,096</b>	<b>399,429</b>



## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains/(Losses)

	2021 £'000	2020 £'000
Non-derivative securities	4,306	(59,969)
Other losses	(2)	(5)
Transaction charges	(5)	(5)
<b>Net capital gains/(losses)</b>	<b>4,299</b>	<b>(59,979)</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	13	42
Overseas dividends	1,022	2,369
UK dividends	11,895	21,264
UK REIT	56	-
<b>Total revenue</b>	<b>12,986</b>	<b>23,675</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,825	3,920
Dealing charge	17	26
Registration fees	200	275
	3,042	4,221
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	8	12
Depositary's fees	37	54
	45	66
<b>Other:</b>		
Audit fee	10	9
Professional fees	-	2
	10	11
<b>Total expenses</b>	<b>3,097</b>	<b>4,298</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	261	364
<b>Total taxation</b>	<b>261</b>	<b>364</b>
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	9,888	19,376
Corporation tax at 20% (2020: 20%)	1,978	3,875
Effects of:		
Revenue not subject to taxation	(2,584)	(4,726)
Overseas taxes	261	364
Excess allowable expenses	606	851
<b>Total tax charge for year (note 4a)</b>	<b>261</b>	<b>364</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) **Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £18,145,000 (2020: £17,539,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5. Distributions (including the movement between net income and distributions)

	2021 £'000	2020 £'000
Interim distribution	7,670	14,756
Final distribution	4,354	7,688
	12,024	22,444
Add: Income deducted on cancellation of shares	780	933
Deduct: Income received on issue of shares	(135)	(144)
<b>Total distributions for the year</b>	<b>12,669</b>	<b>23,233</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	9,627	19,012
Expenses charged to capital	3,042	4,221
<b>Total distributions</b>	<b>12,669</b>	<b>23,233</b>

Expenses taken to capital include the ACD, Registration and Dealing expenses.

Where deductions are made from capital these may limit the growth in value of the relevant Fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	1,339	2,236
Amounts receivable from the ACD for the issue of shares	40	132
Overseas withholding tax recoverable	91	150
Sales awaiting settlement	87	1,350
<b>Total debtors</b>	<b>1,557</b>	<b>3,868</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	4	4
	<b>4</b>	<b>4</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	2,595	3,363
<b>Net liquidity</b>	<b>2,599</b>	<b>3,367</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	266	343
Accrued expenses payable to the Depositary or associates of the Depositary	5	6
Amounts payable to the ACD for cancellation of shares	1,398	509
Other accrued expenses	9	10
Purchases awaiting settlement	10	3,429
<b>Total creditors</b>	<b>1,688</b>	<b>4,297</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Equities	51,687	120,977	103,981	174,954
Collective investment schemes	79,332	110,318	80,100	112,610
Corporate actions	-	-	-	1,005
<b>Trades in the year before transaction costs</b>	<b>131,019</b>	<b>231,295</b>	<b>184,081</b>	<b>288,569</b>
<b>Commissions</b>				
Equities	28	70	(72)	(98)
<b>Total commissions</b>	<b>28</b>	<b>70</b>	<b>(72)</b>	<b>(98)</b>
<b>Taxes</b>				
Equities	204	418	-	-
<b>Total taxes</b>	<b>204</b>	<b>418</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>232</b>	<b>488</b>	<b>(72)</b>	<b>(98)</b>
<b>Total net trades in the year after transaction costs</b>	<b>131,251</b>	<b>231,783</b>	<b>184,009</b>	<b>288,471</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.05	0.06	0.07	0.06
<b>Taxes</b>				
Equities	0.39	0.35	-	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.03	0.03
Taxes	0.06	0.09

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.14% (2020: 0.17%), this is representative of the average spread on the assets held during the year.

## 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	35,171,435	120,736	(3,076,007)	(148,084)	32,068,080
Institutional accumulation	81,498,648	7,858,088	(16,952,163)	48,616	72,453,189
Retail income	26,487,631	336,394	(1,977,535)	(198,318)	24,648,172
Institutional income	18,914,828	355,127	(7,659,626)	32,877	11,643,206
Standard Life income	40,917,269	-	(25,863,542)	-	15,053,727
Standard Life accumulation	260,801	5,671	(3,849)	-	262,623
Institutional regulated accumulation	9,774,080	326,417	(1,490,849)	-	8,609,648
Platform 1 accumulation	28,050,994	356,766	(5,192,955)	275,646	23,490,451
Platform 1 income	34,798,700	1,135,055	(7,114,186)	165,030	28,984,599
Institutional S accumulation	1,602	-	-	-	1,602
Institutional S income	2,004	-	-	-	2,004
Institutional A income	148,037	-	-	-	148,037

## 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	350,254	-	-	397,939	-	-
Collective Investment Schemes	-	2,595	-	-	3,363	-
<b>Total investment assets</b>	<b>350,254</b>	<b>2,595</b>	<b>-</b>	<b>397,939</b>	<b>3,363</b>	<b>-</b>

## 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £17,642,000 (2020: £20,065,000).

**Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

**Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £2,314,000 (2020: £5,745,000).

**14. Subsequent Events**

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic.

Since the year end the NAV per share of Institutional Regulated Accumulation class has increased by 8.39% (to 21 June 2021).

Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	4.4695	-	4.4695	7.2993
Group 2	2.9392	1.5303	4.4695	7.2993
<b>Institutional accumulation</b>				
Group 1	5.0583	-	5.0583	8.2230
Group 2	3.4369	1.6214	5.0583	8.2230
<b>Retail income</b>				
Group 1	1.3660	-	1.3660	2.3490
Group 2	0.9289	0.4371	1.3660	2.3490
<b>Institutional income</b>				
Group 1	1.5469	-	1.5469	2.6466
Group 2	0.9126	0.6343	1.5469	2.6466
<b>Standard Life income</b>				
Group 1	1.1407	-	1.1407	1.9353
Group 2	1.1407	-	1.1407	1.9353
<b>Standard Life accumulation</b>				
Group 1	3.0278	-	3.0278	4.8835
Group 2	1.8916	1.1362	3.0278	4.8835
<b>Institutional regulated accumulation</b>				
Group 1	5.6362	-	5.6362	9.1186
Group 2	4.1322	1.5040	5.6362	9.1186
<b>Platform 1 accumulation</b>				
Group 1	1.6133	-	1.6133	2.6241
Group 2	1.0074	0.6059	1.6133	2.6241
<b>Platform 1 income</b>				
Group 1	1.1568	-	1.1568	1.9807
Group 2	0.6036	0.5532	1.1568	1.9807

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Institutional S accumulation</b>				
Group 1	1.2307	-	1.2307	1.9900
Group 2	1.2307	-	1.2307	1.9900
<b>Institutional S income</b>				
Group 1	0.9328	-	0.9328	1.6000
Group 2	0.9328	-	0.9328	1.6000
<b>Institutional A income</b>				
Group 1	0.8662	-	0.8662	1.4937
Group 2	0.8662	-	0.8662	1.4937

**Final dividend distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	2.7857	-	2.7857	4.1668
Group 2	1.3764	1.4093	2.7857	4.1668
<b>Institutional accumulation</b>				
Group 1	3.1601	-	3.1601	4.7056
Group 2	2.6228	0.5373	3.1601	4.7056
<b>Retail income</b>				
Group 1	0.8322	-	0.8322	1.3010
Group 2	0.6680	0.1642	0.8322	1.3010
<b>Institutional income</b>				
Group 1	0.9447	-	0.9447	1.4694
Group 2	0.3342	0.6105	0.9447	1.4694
<b>Standard Life income</b>				
Group 1	0.6996	-	0.6996	1.0793
Group 2	0.6996	-	0.6996	1.0793
<b>Standard Life accumulation</b>				
Group 1	1.8987	-	1.8987	2.8054
Group 2	1.5584	0.3403	1.8987	2.8054



	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Institutional regulated accumulation</b>				
Group 1	3.5292	-	3.5292	5.2304
Group 2	1.4098	2.1194	3.5292	5.2304
<b>Platform 1 accumulation</b>				
Group 1	1.0076	-	1.0076	1.5012
Group 2	0.4229	0.5847	1.0076	1.5012
<b>Platform 1 income</b>				
Group 1	0.7062	-	0.7062	1.0994
Group 2	0.3456	0.3606	0.7062	1.0994
<b>Institutional S accumulation</b>				
Group 1	0.7726	-	0.7726	1.1483
Group 2	0.7726	-	0.7726	1.1483
<b>Institutional S income</b>				
Group 1	0.5769	-	0.5769	0.8923
Group 2	0.5769	-	0.5769	0.8923
<b>Institutional A income</b>				
Group 1	0.5270	-	0.5270	0.8259
Group 2	0.5270	-	0.5270	0.8259

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI UK Opportunities Equity Fund

For the year ended 28 February 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK small and mid-capitalisation equities (company shares).

**Performance Target:** To achieve the return of the FTSE All-Share ex FTSE 100 ex Investment Trusts Index, plus 3% per annum (before charges).

The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 70% in smaller and mid-capitalisation equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Smaller and mid-capitalisation companies are defined as any stock not included in the FTSE 100 Index.
- The fund may invest up to 30% in larger capitalisation companies listed, incorporated or domiciled in the UK.
- The fund may also invest in other funds (including those managed by 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 Review

Over the 12-month period to the end of February, the fund returned 13.3% (source: Factset, Platform 1 accumulation shares). This compared to a return of 12.7% for our performance target (the FTSE All-Share Index ex FTSE 100 ex Investment Trusts Index +3%).

Over the period, video games developer Team17 Group performed well. The company launched a series of new computer games and saw strong demand, as lockdown restrictions were in place for most of the 12-month period. Other consumer goods companies saw standout performance, including Games Workshop Group, which posted better-than-expected results, and Keywords Studios. The latter is a provider of technical services to games developers and, like Team17, benefited from the demand for home entertainment. Software developer Kainos Group also did well over the 12 months. The company has provided services to the government and released an upbeat trading statement in the first half of the period. Elsewhere, cloud communication provider Gamma and media company Future also saw solid performance.

On the downside, not holding some stocks weighed on performance. Retailer B&M and Royal Mail both saw strong returns over the 12 months. As an essential retailer, B&M was able to stay open throughout the lockdown restrictions, unlike other high street shops. We removed our exposure to Cineworld over the period, but our initial overweight position detracted from returns. The cinema chain has had a turbulent year, as lockdown measures and the closure of cinemas weighed heavily on the company's share price. With no revenue, its debt-heavy balance came under more pressure. Our new holding in manufacturing company Avon Rubber was the biggest detractor. Despite a dividend hike, a share-price rally and, generally, a good year of business, with the company involved in three major transactions, the FTSE 250 stock fell significantly in early December. Lastly, our off-benchmark position in NMC Health, a healthcare business located in the United Arab Emirates, also weighed on returns. The company was embroiled in a scandal in May and has struggled to recover since.

## Portfolio Activity

In the first half of the period, we bought Genus, a biotechnology company, started a new holding in Sanne and took part in Hotel Chocolat's capital raising, which was done to protect its balance sheet and maintain its growth plans. We also participated in a stock placing by Jet2 (formerly Dart Group). The balance sheet is

now in great shape, even if flights are delayed until summer 2021. In the second half of the period, we continued adding to our position in Dunelm. It has a strong balance sheet, despite the hit to retail this year. We also added to our holding in Draper Esprit, the venture-capital firm focused on investing in growth technology companies. In September, we purchased AO World and Avon Rubber, and we see opportunities in both businesses. Lastly, we added a new holding in GB Group. The acceleration of digitalisation and e-commerce adoption during the pandemic has fuelled the need for companies like GB Group, which provide fraud prevention and identity management services.

The Fund's sales included exiting US-orientated sales promotional-materials maker 4Imprint. This is a cyclical business and will face challenges in the current environment. We reduced online booking firm Trainline. This is still an excellent long-term business, but we think the pathway to recovery for the industry looks uncertain. We also sold our remaining shares in Cineworld. Potential closures look increasingly likely, limiting capacity and weighing on cash generation. Lastly, we exited our holding in On the Beach, which faces challenging market headwinds, given the coronavirus impact on travel and the uncertainty this brings to the sector.

#### Portfolio Outlook and Strategy

We are still cautious about the level of volatility and uncertainty in the market. Despite this, we are confident that small and mid-cap companies typically lead a market recovery, which is an encouraging outlook for our asset class, although with the caveat that the value-driven style in recent months has led our investment style to lag that recovery. Our focus on quality businesses that are resilient, have strong balance sheets and good leadership should help us steer through this period of uncertainty. It is likely the recovery rally seen since November last year will have further episodes, led by vaccine and/or the end-of-lockdown news. The Fund should benefit once investors refocus on company fundamentals.

Typically, these value rotations last no longer than six months and we are now four months into what we believe is an aggressive move away from growth companies. Nevertheless, we are optimistic that coming out of this market phase, investors will again look to businesses that can deliver on growth and quality. For now, top-down considerations, such as cyclical recovery and inflation, dominate investor thinking.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	254.37	226.57	255.75
Return before operating charges*	33.59	31.21	(25.88)
Operating charges	(3.41)	(3.41)	(3.30)
Return after operating charges*	30.18	27.80	(29.18)
Distributions	-	(1.32)	(0.79)
Retained distributions on accumulation shares	-	1.32	0.79
Closing net asset value per share	284.55	254.37	226.57
* after direct transaction costs of:	0.37	0.33	0.29
<b>Performance</b>			
Return after charges	11.86%	12.27%	(11.41%)
<b>Other information</b>			
Closing net asset value (£'000)	24,424	22,801	23,007
Closing number of shares	8,582,980	8,963,652	10,154,393
Operating charges	1.33%	1.33%	1.33%
Direct transaction costs	0.14%	0.13%	0.12%
<b>Prices</b>			
Highest share price	296.5	287.3	273.1
Lowest share price	167.1	228.0	206.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	289.00	256.25	287.88
Return before operating charges*	38.32	35.26	(29.25)
Operating charges	(2.51)	(2.51)	(2.38)
Return after operating charges*	35.81	32.75	(31.63)
Distributions	(0.44)	(2.87)	(2.16)
Retained distributions on accumulation shares	0.44	2.87	2.16
Closing net asset value per share	324.81	289.00	256.25
* after direct transaction costs of:	0.42	0.38	0.32
<b>Performance</b>			
Return after charges	12.39%	12.78%	(10.99%)
<b>Other information</b>			
Closing net asset value (£'000)	28,418	23,755	11,341
Closing number of shares	8,749,147	8,219,447	4,425,713
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	0.14%	0.13%	0.12%
<b>Prices</b>			
Highest share price	338.4	326.4	308.2
Lowest share price	189.9	257.9	233.1

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Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	231.25	207.12	234.47
Return before operating charges*	30.54	27.27	(23.61)
Operating charges	(3.10)	(3.09)	(3.02)
Return after operating charges*	27.44	24.18	(26.63)
Distributions	-	(0.05)	(0.72)
Closing net asset value per share	258.69	231.25	207.12
* after direct transaction costs of:	0.33	0.30	0.26
<b>Performance</b>			
Return after charges	11.87%	11.67%	(11.36%)
<b>Other information</b>			
Closing net asset value (£'000)	503	525	642
Closing number of shares	194,508	227,095	309,843
Operating charges	1.33%	1.33%	1.33%
Direct transaction costs	0.14%	0.13%	0.12%
<b>Prices</b>			
Highest share price	269.6	261.3	250.2
Lowest share price	151.9	208.4	188.6

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Highest and Lowest prices are based on official published daily NAVs.

Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	236.52	211.88	239.81
Return before operating charges*	31.35	29.06	(24.18)
Operating charges	(2.04)	(2.05)	(1.95)
Return after operating charges*	29.31	27.01	(26.13)
Distributions	(0.34)	(2.37)	(1.80)
Closing net asset value per share	265.49	236.52	211.88
* after direct transaction costs of:	0.34	0.31	0.26
<b>Performance</b>			
Return after charges	12.39%	12.75%	(10.90%)
<b>Other information</b>			
Closing net asset value (£'000)	965	1,623	1,492
Closing number of shares	363,605	686,291	703,874
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	0.14%	0.13%	0.12%
<b>Prices</b>			
Highest share price	276.7	267.8	256.5
Lowest share price	155.4	213.2	193.2

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Standard Life income <sup>^^</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	103.89	93.10	105.37
Return before operating charges*	(22.82)	12.74	(10.61)
Operating charges	(0.00)	(0.03)	(0.03)
Return after operating charges*	(22.82)	12.71	(10.64)
Distributions	-	(1.92)	(1.63)
Redemption value as at 27 March 2020	(81.07)	-	-
Closing net asset value per share	-	103.89	93.10
* after direct transaction costs of:	0.01	0.14	0.13
<b>Performance</b>			
Return after charges	(21.97%)	13.65%	(10.10%)
<b>Other information</b>			
Closing net asset value (£'000)	-	1	- <sup>^</sup>
Closing number of shares	-	1,004	92
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs	0.14%	0.13%	0.12%
<b>Prices</b>			
Highest share price	107.2	118.1	113.2
Lowest share price	68.30	93.71	85.10

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<sup>^</sup> The closing net asset value of standard life income is £85.

<sup>^^</sup> Standard Life income share class closed on 27 March 2020.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	319.08	280.79	313.10
Return before operating charges*	42.58	38.64	(31.98)
Operating charges	(0.34)	(0.35)	(0.33)
Return after operating charges*	42.24	38.29	(32.31)
Distributions	(2.90)	(5.55)	(4.64)
Retained distributions on accumulation shares	2.90	5.55	4.64
Closing net asset value per share	361.32	319.08	280.79
* after direct transaction costs of:	0.46	0.41	0.35
<b>Performance</b>			
Return after charges	13.24%	13.64%	(10.32%)
<b>Other information</b>			
Closing net asset value (£'000)	613	591	525
Closing number of shares	169,677	185,252	187,026
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	0.14%	0.13%	0.12%
<b>Prices</b>			
Highest share price	376.4	360.3	336.4
Lowest share price	209.8	282.6	255.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	206.34	182.11	203.68
Return before operating charges*	27.46	25.07	(20.76)
Operating charges	(0.85)	(0.84)	(0.81)
Return after operating charges*	26.61	24.23	(21.57)
Distributions	(1.24)	(2.97)	(2.42)
Retained distributions on accumulation shares	1.24	2.97	2.42
Closing net asset value per share	232.95	206.34	182.11
* after direct transaction costs of:	0.30	0.27	0.23
<b>Performance</b>			
Return after charges	12.90%	13.31%	(10.59%)
<b>Other information</b>			
Closing net asset value (£'000)	72,947	70,123	67,968
Closing number of shares	31,314,321	33,984,158	37,322,180
Operating charges	0.41%	0.41%	0.41%
Direct transaction costs	0.14%	0.13%	0.12%
<b>Prices</b>			
Highest share price	242.7	233.0	218.5
Lowest share price	135.6	183.3	165.6

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	116.66	103.49	116.32
Return before operating charges*	15.46	14.24	(11.80)
Operating charges	(1.07)	(1.07)	(1.03)
Return after operating charges*	14.39	13.17	(12.83)
Distributions	(0.11)	(1.10)	(0.81)
Retained distributions on accumulation shares	0.11	1.10	0.81
Closing net asset value per share	131.05	116.66	103.49
* after direct transaction costs of:	0.17	0.15	0.13
<b>Performance</b>			
Return after charges	12.33%	12.73%	(11.03%)
<b>Other information</b>			
Closing net asset value (£'000)	25,323	25,136	15,847
Closing number of shares	19,322,973	21,546,558	15,312,738
Operating charges	0.91%	0.91%	0.91%
Direct transaction costs	0.14%	0.13%	0.12%
<b>Prices</b>			
Highest share price	136.5	131.8	124.5
Lowest share price	76.65	104.1	94.17

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Highest and Lowest prices are based on official published daily NAVs.

Platform 1 income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	110.01	98.56	111.54
Return before operating charges*	14.56	13.51	(11.21)
Operating charges	(1.00)	(1.01)	(0.99)
Return after operating charges*	13.56	12.50	(12.20)
Distributions	(0.10)	(1.05)	(0.78)
Closing net asset value per share	123.47	110.01	98.56
* after direct transaction costs of:	0.16	0.14	0.13
<b>Performance</b>			
Return after charges	12.33%	12.68%	(10.94%)
<b>Other information</b>			
Closing net asset value (£'000)	1,076	1,086	1,266
Closing number of shares	871,488	986,959	1,284,048
Operating charges	0.91%	0.91%	0.91%
Direct transaction costs	0.14%	0.13%	0.12%
<b>Prices</b>			
Highest share price	128.6	124.5	119.3
Lowest share price	72.28	99.19	89.86

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Highest and Lowest prices are based on official published daily NAVs.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>UK Equities (96.91%)</b>		<b>150,612</b>	<b>97.63</b>
<b>Consumer Goods (19.11%)</b>		<b>27,843</b>	<b>18.05</b>
119,139	Cranswick	4,051	2.63
379,158	Dr. Martens	1,870	1.21
49,850	Games Workshop	4,761	3.09
86,167	Greggs	1,796	1.16
377,183	Hilton Food	4,149	2.69
831,660	Hotel Chocolat <sup>++</sup>	3,027	1.96
446,262	JD Sports	3,705	2.40
615,978	Team17 <sup>++</sup>	4,484	2.91
<b>Consumer Services (25.53%)</b>		<b>25,713</b>	<b>16.67</b>
44,825	4Imprint	1,091	0.71
570,334	AO	1,617	1.05
99,352	Auction Technology	775	0.50
415,805	Auto Trader	2,287	1.48
200,820	Dunelm	2,522	1.64
216,592	Future	4,219	2.74
310,326	GlobalData <sup>++</sup>	3,631	2.35
1,056,440	Hollywood Bowl	2,419	1.57
159,139	Jet2 <sup>++</sup>	2,312	1.50
9,870,319	Phorm <sup>*</sup>	-	-
552,756	Trainline	2,858	1.85
206,861	YouGov <sup>++</sup>	1,982	1.28
<b>Financials (9.44%)</b>		<b>26,109</b>	<b>16.92</b>
889,791	AJ Bell	3,755	2.43
2,446,239	Assura REIT	1,820	1.18
401,197	Draper Esprit <sup>++</sup>	3,394	2.20
708,449	Impax Asset Management <sup>++</sup>	5,143	3.33
198,817	Intermediate Capital	3,440	2.23
295,008	Liontrust Asset Management	3,702	2.40
243,229	Safestore REIT	1,942	1.26
3,152,900	Sirius Real Estate	2,913	1.89

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Health Care (2.89%)</b>		<b>7,075</b>	<b>4.59</b>
108,330	Dechra Pharmaceuticals	3,714	2.41
66,821	Genus	3,361	2.18
83,710	NMC Healthcare*	-	-
<b>Industrials (21.18%)</b>		<b>34,596</b>	<b>22.43</b>
671,898	Alpha Financial Markets**	1,579	1.02
51,839	Avon Rubber	1,452	0.94
677,768	Chemring	1,874	1.21
77,089	Diploma	1,785	1.16
149,980	Hill & Smith	1,905	1.24
199,251	Keywords Studios**	5,005	3.24
525,433	Marshalls	3,581	2.32
381,010	Midwich**	1,711	1.11
439,707	Polypipe	2,418	1.57
282,326	Porvair	1,525	0.99
915,762	Rotork	3,266	2.12
795,911	RWS**	4,807	3.12
347,144	Sanne	2,038	1.32
86,321	Ultra Electronics	1,650	1.07
<b>Technology (15.52%)</b>		<b>24,579</b>	<b>15.93</b>
240,070	Avast	1,109	0.72
84,704	AVEVA	2,875	1.86
1,013,216	Bytes Technology	4,239	2.75
182,506	Computacenter	3,803	2.47
92,176	Craneware**	1,917	1.24
153,059	FDM	1,534	0.99
34,750	First Derivatives**	1,008	0.65
190,495	GB**	1,572	1.02
384,054	Kainos	5,046	3.27
628,185	Spirent Communications	1,476	0.96
<b>Telecommunications (3.24%)</b>		<b>4,697</b>	<b>3.04</b>
312,084	Gamma Communication**	4,697	3.04

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (3.25%)</b>		<b>3,385</b>	<b>2.19</b>
3,385	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	3,385	2.19
<b>Total investment assets</b>		<b>153,997</b>	<b>99.82</b>
Net other assets		272	0.18
<b>Total Net Assets</b>		<b>154,269</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\*\* AIM listed.

\* Suspended.



**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	15,898	14,081
Revenue	2	1,404	2,633
Expenses	3	(1,006)	(1,018)
Net revenue before taxation		398	1,615
Taxation	4	-	(2)
Net revenue after taxation		398	1,613
<b>Total return before distributions</b>		<b>16,296</b>	<b>15,694</b>
Distributions	5	(472)	(1,613)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>15,824</b>	<b>14,081</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>145,641</b>	<b>122,088</b>
Amounts receivable on the issue of shares	15,267	34,049
Amounts payable on the cancellation of shares	(22,926)	(26,260)
	(7,659)	7,789
Dilution adjustment	-	84
Change in net assets attributable to shareholders from investment activities (see above)	15,824	14,081
Retained distribution on accumulation shares	463	1,599
<b>Closing net assets attributable to shareholders</b>	<b>154,269</b>	<b>145,641</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		153,997	145,869
<b>Current assets:</b>			
Debtors	6	478	299
Cash and bank balances	7	31	37
		509	336
Total assets		154,506	146,205
<b>Liabilities:</b>			
Creditors	8	(237)	(557)
Distribution payable		-	(7)
		(237)	(564)
Total liabilities		(237)	(564)
<b>Net assets attributable to shareholders</b>		<b>154,269</b>	<b>145,641</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	15,902	14,086
Transaction charges	(4)	(5)
<b>Net capital gains</b>	<b>15,898</b>	<b>14,081</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	12	26
UK dividends	1,347	2,553
UK REIT	45	54
<b>Total revenue</b>	<b>1,404</b>	<b>2,633</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	869	875
Dealing charge	12	12
Registration fees	95	95
	976	982
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	4	3
Depositary's fees	17	22
	21	25
<b>Other:</b>		
Audit fee	9	9
Professional fees	-	2
	9	11
<b>Total expenses</b>	<b>1,006</b>	<b>1,018</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	-	2
<b>Total taxation</b>	-	2
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	398	1,615
Corporation tax at 20% (2020: 20%)	80	323
Effects of:		
Revenue not subject to taxation	(269)	(511)
Overseas taxes	-	2
Excess allowable expenses	189	188
<b>Total tax charge for year (note 4a)</b>	-	2

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) **Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,936,000 (2020: £4,747,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5. Distributions (including the movement between net income and distributions)

	2021 £'000	2020 £'000
Interim distribution	279	1,155
Final distribution	186	478
	465	1,633
Add: Income deducted on cancellation of shares	11	74
Deduct: Income received on issue of shares	(4)	(94)
<b>Total distributions for the year</b>	<b>472</b>	<b>1,613</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	398	1,613
Shortfall transfer from capital to revenue	74	-
<b>Total distributions</b>	<b>472</b>	<b>1,613</b>

Details of the distribution per share are set out in this fund's distribution tables.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	58	29
Amounts receivable from the ACD for the issue of shares	187	270
Sales awaiting settlement	233	-
<b>Total debtors</b>	<b>478</b>	<b>299</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	31	37
	<b>31</b>	<b>37</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	3,385	4,730
<b>Net liquidity</b>	<b>3,416</b>	<b>4,767</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	85	89
Accrued expenses payable to the Depositary or associates of the Depositary	3	3
Amounts payable to the ACD for cancellation of shares	140	455
Other accrued expenses	9	10
<b>Total creditors</b>	<b>237</b>	<b>557</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	41,422	40,976	48,053	34,510
Collective investment schemes	33,750	39,765	35,094	36,329
Corporate actions	-	-	-	473
<b>Trades in the year before transaction costs</b>	<b>75,172</b>	<b>80,741</b>	<b>83,147</b>	<b>71,312</b>
<b>Commissions</b>				
Equities	23	31	(37)	(24)
<b>Total commissions</b>	<b>23</b>	<b>31</b>	<b>(37)</b>	<b>(24)</b>

	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Taxes</b>				
Equities	141	130	-	-
<b>Total taxes</b>	<b>141</b>	<b>130</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>164</b>	<b>161</b>	<b>(37)</b>	<b>(24)</b>
<b>Total net trades in the year after transaction costs</b>	<b>75,336</b>	<b>80,902</b>	<b>83,110</b>	<b>71,288</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.05	0.08	0.08	0.07
<b>Taxes</b>				
Equities	0.34	0.32	-	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.04	0.04
Taxes	0.10	0.09

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.66% (2020: 1.01%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	8,963,652	1,087,468	(1,436,658)	(31,482)	8,582,980
Institutional accumulation	8,219,447	2,220,750	(1,726,431)	35,381	8,749,147
Retail income	227,095	2,411	(31,289)	(3,709)	194,508
Institutional income	686,291	8,478	(331,164)	-	363,605
Standard Life income	1,004	-	(1,004)	-	-
Standard Life accumulation	185,252	5,062	(20,637)	-	169,677
Institutional regulated accumulation	33,984,158	1,346,965	(4,016,802)	-	31,314,321
Platform 1 accumulation	21,546,558	2,764,496	(4,976,234)	(11,847)	19,322,973
Platform 1 income	986,959	147,508	(262,979)	-	871,488

## 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	150,612	-	-	141,139	-	-
Collective Investment Schemes	-	3,385	-	-	4,730	-
<b>Total investment assets</b>	<b>150,612</b>	<b>3,385</b>	<b>-</b>	<b>141,139</b>	<b>4,730</b>	<b>-</b>

## 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £7,700,000 (2020: £7,293,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £237,000 (2020: £564,000).

## 14. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic.

Since the year end the NAV per share of Institutional Regulated Accumulation class has increased by 11.8% (to 21 June 2021).

Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the year ended 28 February 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>Retail accumulation</b>				
Group 1	-	-	-	1.2803
Group 2	-	-	-	1.2803
<b>Institutional accumulation</b>				
Group 1	0.3625	-	0.3625	2.1174
Group 2	0.3232	0.0393	0.3625	2.1174
<b>Retail income</b>				
Group 1	-	-	-	1.1700
Group 2	-	-	-	1.1700
<b>Institutional income</b>				
Group 1	0.2821	-	0.2821	1.7508
Group 2	0.2788	0.0033	0.2821	1.7508
<b>Standard Life income</b>				
Group 1	-	-	-	1.1989
Group 2	-	-	-	1.1989
<b>Standard Life accumulation</b>				
Group 1	1.5016	-	1.5016	3.4920
Group 2	0.8026	0.6990	1.5016	3.4920
<b>Institutional regulated accumulation</b>				
Group 1	0.6810	-	0.6810	1.9605
Group 2	0.5209	0.1601	0.6810	1.9605
<b>Platform 1 accumulation</b>				
Group 1	0.1135	-	0.1135	0.8267
Group 2	0.0993	0.0142	0.1135	0.8267
<b>Platform 1 income</b>				
Group 1	0.1043	-	0.1043	0.7870
Group 2	0.1024	0.0019	0.1043	0.7870



**Final dividend distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	-	-	-	0.0349
Group 2	-	-	-	0.0349
<b>Institutional accumulation</b>				
Group 1	0.0812	-	0.0812	0.7498
Group 2	0.0299	0.0513	0.0812	0.7498
<b>Retail income</b>				
Group 1	-	-	-	0.0403
Group 2	-	-	-	0.0403
<b>Institutional income</b>				
Group 1	0.0620	-	0.0620	0.6155
Group 2	0.0470	0.0150	0.0620	0.6155
<b>Standard Life income</b>				
Group 1	-	-	-	0.7213
Group 2	-	-	-	0.7213
<b>Standard Life accumulation</b>				
Group 1	1.3994	-	1.3994	2.0564
Group 2	0.5400	0.8594	1.3994	2.0564
<b>Institutional regulated accumulation</b>				
Group 1	0.5636	-	0.5636	1.0124
Group 2	0.2969	0.2667	0.5636	1.0124
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	0.2727
Group 2	-	-	-	0.2727
<b>Platform 1 income</b>				
Group 1	-	-	-	0.2580
Group 2	-	-	-	0.2580

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# ASI UK Recovery Equity Fund (closed)

For the year ended 28 February 2021

## 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

Over the period, the fund returned -27.03% (source: Factset, Platform 1 accumulation shares). This compared to a return of -6.5% for our performance target (the FTSE All-Share Index +4%). (Please note, the fund closed on 22 October 2020, so performance figures are to the closest month-end.)

The coronavirus and the subsequent lockdown measures, including a plunge in the oil price, had a material impact on performance. Notable poor performers included consumer-related firms such as Provident Financial (consumer finance), Saga (insurance and travel), International Personal Finance (consumer finance), Virgin Money (banking) and Hammerson (retail property development and ownership). Oil-price-sensitive businesses suffered as economic growth slumped and hit our holdings in Petrofac and Lamprell. While we started to build a holding in AstraZeneca, it also weighed on returns as pharmaceutical companies generated positive performance over the period.

Although the fund's return was disappointing, some holdings outperformed. The developer of treatment for opioid addiction Indivior posted strong performance, following the settlement of legal proceedings in the US. Industrial metals were another industry to produce positive returns, including our holding in iron ore business Ferrexpo. Entain (formerly GVC) added value after delivering good results. The betting and gaming company announced extraordinary growth in its online division, compensating for the shutdown of its shops. All the major online jurisdictions reported robust growth, with the retail division close to its pre-coronavirus levels of activity. Similarly, William Hill outperformed, helped by the return of sports fixtures and its diversification out of the UK. The fund also benefited from not holding HSBC, Lloyds Banking, Royal Dutch Shell and BP.

### Portfolio Activity

We took part in several equity placings. These included new positions in serviced-office provider IWG, transport group National Express and insurance business Hiscox. Such placings allowed us to invest in businesses that we expect to be beneficiaries of the current crisis. What is more, the additional liquidity will enable these firms to adapt and become more flexible. Other companies that we purchased that we believe will recover and adapt to a new environment after the pandemic include GVC, William Hill, Rank Group and Crest Nicholson. Other additions included pharmaceutical companies AstraZeneca and GlaxoSmithKline.

On sales, we exited insurance firm Hastings. The company received a bid from an international consortium, and we are not expecting a counter-bid. We reduced Indivior's position size as it doubled.

Oil companies Kosmos Energy, Seplat Petroleum Development, Lamprell and Petrofac were sold, given the challenging outlook for economic growth and their operational dependence on the level of the oil price. Consumer and physical-retail businesses that we sold included Virgin Money, Halfords and Hammerson.

### Outlook and Strategy

The fund closed on 22 October 2020.

March 2021

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund’s ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 22 October 2020.

The fund is rated as 7 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.

## Comparative tables

Retail accumulation <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	147.12	222.63	234.93
Return before operating charges*	(39.79)	(72.94)	(9.01)
Operating charges	(0.96)	(2.57)	(3.29)
Return after operating charges*	(40.75)	(75.51)	(12.30)
Distributions	-	(3.63)	(2.59)
Retained distributions on accumulation shares	-	3.63	2.59
Redemption value as at 22 October 2020	(106.37)	-	-
Closing net asset value per share	-	147.12	222.63
* after direct transaction costs of:	0.36	0.28	2.50
<b>Performance</b>			
Return after charges	(27.70%)	(33.92%)	(5.24%)
<b>Other information</b>			
Closing net asset value (£'000)	-	4,024	7,411
Closing number of shares	-	2,734,853	3,328,941
Operating charges	1.40%	1.38%	1.38%
Direct transaction costs	0.53%	0.15%	1.05%
<b>Prices</b>			
Highest share price	148.9	227.3	272.3
Lowest share price	84.83	147.2	202.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail accumulation share class closed on 22 October 2020.

Institutional accumulation <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	158.28	238.51	250.49
Return before operating charges*	(42.67)	(78.41)	(9.79)
Operating charges	(0.69)	(1.82)	(2.19)
Return after operating charges*	(43.36)	(80.23)	(11.98)
Distributions	-	(4.82)	(3.94)
Retained distributions on accumulation shares	-	4.82	3.94
Redemption value as at 22 October 2020	(114.92)	-	-
Closing net asset value per share	-	158.28	238.51
* after direct transaction costs of:	0.39	0.30	2.51
<b>Performance</b>			
Return after charges	(27.39%)	(33.64%)	(4.78%)
<b>Other information</b>			
Closing net asset value (£'000)	-	70,930	154,990
Closing number of shares	-	44,811,501	64,982,269
Operating charges	0.93%	0.91%	0.92%
Direct transaction costs	0.53%	0.15%	1.05%
<b>Prices</b>			
Highest share price	160.2	243.6	290.6
Lowest share price	91.27	158.4	217.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional accumulation share class closed on 22 October 2020.

Standard Life income <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	133.22	207.42	221.67
Return before operating charges*	(37.03)	(68.45)	(8.81)
Operating charges	(0.03)	(0.06)	(0.07)
Return after operating charges*	(37.06)	(68.51)	(8.88)
Distributions	-	(5.69)	(5.37)
Redemption value as at 30 September 2020	(96.16)	-	-
Closing net asset value per share	-	133.22	207.42
* after direct transaction costs of:	0.30	0.26	2.37
<b>Performance</b>			
Return after charges	(27.82%)	(33.03%)	(4.01%)
<b>Other information</b>			
Closing net asset value (£'000)	-	5,075	7,902
Closing number of shares	-	3,809,752	3,809,752
Operating charges	0.05%	0.03%	0.03%
Direct transaction costs	0.53%	0.15%	1.05%
<b>Prices</b>			
Highest share price	134.7	211.1	257.70
Lowest share price	76.74	133.2	193.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Standard Life income share class closed on 30 September 2020.

Standard Life accumulation <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	172.93	258.43	269.29
Return before operating charges*	(48.24)	(85.26)	(10.55)
Operating charges	(0.10)	(0.24)	(0.31)
Return after operating charges*	(48.34)	(85.50)	(10.86)
Distributions	-	(6.97)	(6.43)
Retained distributions on accumulation shares	-	6.97	6.43
Redemption value as at 22 October 2020	(124.59)	-	-
Closing net asset value per share	-	172.93	258.43
* after direct transaction costs of:	0.42	0.32	2.88
<b>Performance</b>			
Return after charges	(27.95%)	(33.08%)	(4.03%)
<b>Other information</b>			
Closing net asset value (£'000)	-	1,225	1,324
Closing number of shares	-	708,452	512,233
Operating charges	0.13%	0.11%	0.11%
Direct transaction costs	0.53%	0.15%	1.05%
<b>Prices</b>			
Highest share price	175.0	263.9	313.0
Lowest share price	99.76	173.1	234.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional accumulation share class closed on 22 October 2020.



Platform 1 accumulation <sup>A</sup>	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.87	118.95	125.08
Return before operating charges*	(21.49)	(39.07)	(4.84)
Operating charges	(0.38)	(1.01)	(1.29)
Return after operating charges*	(21.87)	(40.08)	(6.13)
Distributions	-	(2.31)	(1.83)
Retained distributions on accumulation shares	-	2.31	1.83
Redemption value as at 22 October 2020	(57.00)	-	-
Closing net asset value per share	-	78.87	118.95
* after direct transaction costs of:	0.19	0.15	1.34
<b>Performance</b>			
Return after charges	(27.73%)	(33.69%)	(4.90%)
<b>Other information</b>			
Closing net asset value (£'000)	-	2,829	6,839
Closing number of shares	-	3,587,531	5,749,251
Operating charges	1.03%	1.01%	1.01%
Direct transaction costs	0.53%	0.15%	1.05%
<b>Prices</b>			
Highest share price	79.81	121.5	145.1
Lowest share price	45.48	78.92	108.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Platform 1 accumulation share class closed on 22 October 2020.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
UK Equities (99.83%)		-	-
Basic Materials (7.13%)		-	-
Consumer Goods (10.19%)		-	-
Consumer Services (13.42%)		-	-
Financials (34.05%)		-	-
Health Care (4.13%)		-	-
Industrials (7.05%)		-	-
6,984,204	Interserve*	-	-
7,840,618	Utilitywise*	-	-
Oil & Gas (23.86%)		-	-
Collective Investment Schemes (0.59%)		-	-
Total investment assets		-	-
Net other liabilities		-	-
Total Net Assets		-	-

The percentage figures in brackets show the comparative holding as at 29 February 2020.

\* Delisted.

**Statement of total return**

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital losses	1	(21,574)	(57,137)
Revenue	2	735	4,894
Expenses	3	(292)	(1,252)
Interest payable and similar charges		-	(1)
Net revenue before taxation		443	3,641
Taxation	4	(127)	(36)
Net revenue after taxation		316	3,605
<b>Total return before equalisation</b>		<b>(21,258)</b>	<b>(53,532)</b>
Equalisation on shares	5	(316)	(3,605)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(21,574)</b>	<b>(57,137)</b>

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>84,083</b>	<b>178,466</b>
Amounts receivable on the issue of shares	1,957	7,534
Amounts payable on the cancellation of shares	(64,536)	(47,296)
	(62,579)	(39,762)
Dilution adjustment	70	125
Change in net assets attributable to shareholders from investment activities (see above)	(21,574)	(57,137)
Retained distribution on accumulation shares	-	2,391
<b>Closing net assets attributable to shareholders</b>	<b>-</b>	<b>84,083</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		-	84,439
<b>Current assets:</b>			
Debtors	6	-	2,274
Cash and bank balances	7	7	21
		7	2,295
<b>Total assets</b>		<b>7</b>	<b>86,734</b>
<b>Liabilities:</b>			
Creditors	8	(7)	(2,434)
Distribution payable		-	(217)
		(7)	(2,651)
<b>Total liabilities</b>		<b>(7)</b>	<b>(2,651)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>	<b>84,083</b>

## Notes to the financial statements

For the year ended 28 February 2021

## 1. Net Capital Losses

	2021 £'000	2020 £'000
Non-derivative securities	(21,568)	(57,130)
Other losses	-	(2)
Transaction charges	(6)	(5)
<b>Net capital losses</b>	<b>(21,574)</b>	<b>(57,137)</b>

## 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	8	14
Overseas dividends	329	143
UK dividends	398	4,534
UK REIT	-	203
<b>Total revenue</b>	<b>735</b>	<b>4,894</b>

## 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	257	1,107
Dealing charge	1	2
Registration fees	23	104
	281	1,213
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	1	4
Depositary's fees	4	25
	5	29
<b>Other:</b>		
Audit fee	6	9
Professional fees	-	1
	6	10
<b>Total expenses</b>	<b>292</b>	<b>1,252</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
Overseas taxes	127	36
<b>Total taxation</b>	<b>127</b>	<b>36</b>
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is greater than (2020: lower than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	443	3,641
Corporation tax at 20% (2020: 20%)	89	728
Effects of:		
Revenue not subject to taxation	(146)	(936)
Overseas taxes	127	36
Excess allowable expenses	57	208
<b>Total tax charge for year (note 4a)</b>	<b>127</b>	<b>36</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) **Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £906,000 (2020: £849,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5. Distributions

	2021 £'000	2020 £'000
Distribution	-	2,608
Add: Income deducted on cancellation of shares	318	1,090
Deduct: Income received on issue of shares	(2)	(93)
<b>Total distributions for the year</b>	<b>316</b>	<b>3,605</b>

Details of the distribution per share are set out in this fund's distribution table.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	-	8
Amounts receivable from the ACD for the issue of shares	-	369
Overseas withholding tax recoverable	-	16
Sales awaiting settlement	-	1,881
<b>Total debtors</b>	<b>-</b>	<b>2,274</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	7	21
	<b>7</b>	<b>21</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	-	497
<b>Net liquidity</b>	<b>7</b>	<b>518</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	-	71
Accrued expenses payable to the Depository	-	2
Amounts payable to the ACD for cancellation of shares	-	2,060
Amounts payable on termination	1	-
Other accrued expenses	6	10
Purchases awaiting settlement	-	291
<b>Total creditors</b>	<b>7</b>	<b>2,434</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	29,491	33,814	92,742	70,146
Collective investment schemes	9,627	39,971	10,124	41,757
Corporate actions	705	-	-	-
<b>Trades in the year before transaction costs</b>	<b>39,823</b>	<b>73,785</b>	<b>102,866</b>	<b>111,903</b>

Trades in the year	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Commissions</b>				
Equities	15	27	(62)	(57)
<b>Total commissions</b>	<b>15</b>	<b>27</b>	<b>(62)</b>	<b>(57)</b>
<b>Taxes</b>				
Equities	95	128	-	-
<b>Total taxes</b>	<b>95</b>	<b>128</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>110</b>	<b>155</b>	<b>(62)</b>	<b>(57)</b>
<b>Total net trades in the year after transaction costs</b>	<b>39,933</b>	<b>73,940</b>	<b>102,804</b>	<b>111,846</b>

Total transaction costs expressed as a percentage of asset type cost	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.05	0.08	0.07	0.08
<b>Taxes</b>				
Equities	0.32	0.38	-	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.15	0.06
Taxes	0.19	0.09

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.00% (2020: 0.19%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	2,734,853	920,643	(3,649,361)	(6,135)	-
Institutional accumulation	44,811,501	512,745	(45,324,246)	-	-
Standard Life income	3,809,752	995	(3,810,747)	-	-
Standard Life accumulation	708,452	14,021	(722,473)	-	-
Platform 1 accumulation	3,587,531	548,362	(4,147,322)	11,429	-



## 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	-	-	-	83,942	-	-
Collective Investment Schemes	-	-	-	-	497	-
<b>Total investment assets</b>	-	-	-	<b>83,942</b>	<b>497</b>	-

## 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £7,000 (2020: £2,651,000).

**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	-	-	-	3.6324
Group 2	-	-	-	3.6324
<b>Institutional accumulation</b>				
Group 1	-	-	-	4.8185
Group 2	-	-	-	4.8185
<b>Standard Life income</b>				
Group 1	-	-	-	5.6948
Group 2	-	-	-	5.6948
<b>Standard Life accumulation</b>				
Group 1	-	-	-	6.9740
Group 2	-	-	-	6.9740
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	2.3055
Group 2	-	-	-	2.3055

**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 Smaller Companies Fund

For the year ended 28 February 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK small-capitalisation equities (company shares).

**Performance Target:** To achieve the return of the Numis Smaller Companies Plus AIM ex Investment Companies Index plus 3% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

**Performance Comparator:** IA UK Smaller Companies Sector Average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 60% in small-capitalisation equities and equity related securities of companies listed, incorporated, or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Small capitalisation companies are defined as any stock having a market cap less than the 10th percentile stock of the overall UK equity market.
- The fund may also invest up to 40% in mid and larger capitalisation companies listed, incorporated or domiciled in the UK.
- The fund may also invest in other funds (including those managed by 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.

Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

## Derivatives and Techniques:

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

Over the period under review, the fund returned 13.4% (source: Factset, Platform 1 accumulation shares). This compared to a return of 28.3% for our performance target (the Numis Smaller Companies Plus AIM ex Investment Companies Index +3%).

On the downside, our worst performer was Workspace Group. The real estate company saw its flexible offices closed over the first COVID-19 lockdown and, as restrictions were in place for most of the period, struggled to improve. Not-holding chemical manufacturer ITM Power weighed on returns, as it saw strong share-price gains over the 12-month period. An off-benchmark position in Marshalls also detracted, as did our holding in manufacturer Avon Rubber.

Our off-benchmark position in gaming company Games Workshop was the best-performing holding in the fund. With increased demand for home entertainment, due to the current environment, the company's strategy of focusing on online sales and marketing has been beneficial. Alongside this, Games Workshop is growing internationally, and its products, including the well-known Warhammer game, have proved popular with new audiences. We also benefited from some of our overweight positions: firstly, our holding in Future, a FTSE 250 multi-platform media company did well. Secondly, XP Power also performed well after showing share-price resilience. Given the critical nature of some of its products – the company makes electrical equipment – it was able to continue manufacturing throughout the lockdowns. Thirdly, Kainos Group was also a strong contributor, after positive trading statements were released during the period. Another top performer was Bytes Technology Group, a supplier of IT hardware and software to business and public sector users, after we purchased its shares towards the end of the period.

## Portfolio Activity

In the first half of the period, we bought Avon Rubber, a leading manufacturer of respiratory and protective equipment, used by military and health professionals. We also bought Ergomed, the drug development and outsourced drug trials company, which fits well with our investment ethos. We made several purchases in the financial sector: we bought IntegraFin Holdings – holding company of investment platform Transact – as well as online investment platform and stockbroker service company AJ Bell. In June, we bought shares in Liontrust Asset Management, which has shown resilience with modest outflows during the

pandemic and then strong monthly flows thereafter. We made limited purchases for most of the second half of the period, although, in January, we made several sales and recycled into new holdings. We bought shares in Bytes Technology Group and Impax Asset Management, a specialist fund manager in the ESG and sustainability space, and Hilton Food Group, which presented a good opportunity after a share-price fall.

In the first six months, we sold our holding in retailer Boohoo, the online fashion retailer. The company underperformed as evidence emerged of poor working practices at its Leicester suppliers during the COVID-19 outbreak. This raised serious concerns about its supply-chain oversight and ability to maintain its existing operating model as the business adapts to higher operating standards. We also trimmed JD Sports, which has grown to become a FTSE 100 company, and so too large for this mandate. Elsewhere, we sold our holding in payment services company PayPoint, as it no longer fits with our investment criteria. Over the latter half of the period, trading activity was limited. However, in January, we reduced several of our best-performing holdings that have moved out of the smaller companies' universe. We took profits on GB Group, Kainos Group, Diploma, Future and Games Workshop.

#### Portfolio Outlook and Strategy

We are still cautious about the level of volatility and uncertainty in the market. Despite this, we are confident that small companies typically lead a market recovery, which is an encouraging outlook for our asset class, although with the caveat that the value-driven style in recent months has led our investment style to lag that recovery. Our focus on quality businesses that are resilient, have strong balance sheets and good leadership should help us steer through this period of uncertainty. It is likely the recovery rally seen since November last year will have further episodes, led by vaccine and/or the end-of-lockdown news. The Fund should benefit once investors refocus on company fundamentals.

Typically, these value rotations last no longer than six months and we are now four months into what we believe is an aggressive move away from growth companies. Nevertheless, we are optimistic that coming out of this market phase, investors will again look to businesses that can deliver on growth and quality. For now, top-down considerations, such as cyclical recovery and inflation, dominate investor thinking.

March 2021

### Risk and reward profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator. The risk and reward indicator changed from 5 to 6 on 31 July 2020.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

Retail accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	834.27	691.47	721.57
Return before operating charges*	119.66	153.73	(20.17)
Operating charges	(11.59)	(10.93)	(9.93)
Return after operating charges*	108.07	142.80	(30.10)
Distributions	-	(4.33)	(3.91)
Retained distributions on accumulation shares	-	4.33	3.91
Closing net asset value per share	942.34	834.27	691.47
* after direct transaction costs of:	1.01	0.57	0.39
<b>Performance</b>			
Return after charges	12.95%	20.65%	(4.17%)
<b>Other information</b>			
Closing net asset value (£'000)	205,710	203,105	189,961
Closing number of shares	21,829,704	24,345,386	27,472,182
Operating charges	1.36%	1.36%	1.36%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	975.9	939.8	797.3
Lowest share price	578.3	696.9	634.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	991.96	818.38	850.02
Return before operating charges*	142.84	182.10	(23.98)
Operating charges	(9.00)	(8.52)	(7.66)
Return after operating charges*	133.84	173.58	(31.64)
Distributions	(2.33)	(9.61)	(8.66)
Retained distributions on accumulation shares	2.33	9.61	8.66
Closing net asset value per share	1,125.80	991.96	818.38
* after direct transaction costs of:	1.20	0.68	0.45
<b>Performance</b>			
Return after charges	13.49%	21.21%	(3.72%)
<b>Other information</b>			
Closing net asset value (£'000)	450,520	462,710	341,314
Closing number of shares	40,017,854	46,646,052	41,705,804
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	1,165.1	1,117.0	940.9
Lowest share price	687.8	825.0	750.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Retail income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	77.88	65.76	70.03
Return before operating charges*	11.17	14.61	(1.96)
Operating charges	(1.08)	(1.05)	(0.97)
Return after operating charges*	10.09	13.56	(2.93)
Distributions	(0.89)	(1.44)	(1.34)
Closing net asset value per share	87.08	77.88	65.76
* after direct transaction costs of:	0.09	0.05	0.04
<b>Performance</b>			
Return after charges	12.96%	20.62%	(4.18%)
<b>Other information</b>			
Closing net asset value (£'000)	8,834	7,632	4,744
Closing number of shares	10,144,661	9,799,345	7,214,003
Operating charges	1.36%	1.36%	1.36%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	91.11	89.38	77.40
Lowest share price	53.99	66.28	61.60

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.



Institutional income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	104.01	87.41	92.65
Return before operating charges*	14.98	19.43	(2.63)
Operating charges	(0.95)	(0.91)	(0.84)
Return after operating charges*	14.03	18.52	(3.47)
Distributions	(1.18)	(1.92)	(1.77)
Closing net asset value per share	116.86	104.01	87.41
* after direct transaction costs of:	0.13	0.07	0.05
<b>Performance</b>			
Return after charges	13.49%	21.19%	(3.75%)
<b>Other information</b>			
Closing net asset value (£'000)	34,052	28,035	15,888
Closing number of shares	29,140,230	26,953,580	18,175,500
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	122.2	119.3	102.6
Lowest share price	72.12	88.12	81.80

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	240.21	200.09	210.17
Return before operating charges*	34.70	44.44	(6.12)
Operating charges	(0.02)	(0.02)	(0.02)
Return after operating charges*	34.68	44.42	(6.14)
Distributions	(2.66)	(4.30)	(3.94)
Closing net asset value per share	272.23	240.21	200.09
* after direct transaction costs of:	0.29	0.17	0.11
<b>Performance</b>			
Return after charges	14.44%	22.20%	(2.92%)
<b>Other information</b>			
Closing net asset value (£'000)	4,797	7,960	7,490
Closing number of shares	1,761,982	3,313,918	3,743,287
Operating charges	0.01%	0.01%	0.01%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	284.2	275.4	233.4
Lowest share price	166.6	201.7	186.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Standard Life accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	354.88	290.54	299.44
Return before operating charges*	51.35	64.64	(8.63)
Operating charges	(0.33)	(0.30)	(0.27)
Return after operating charges*	51.02	64.34	(8.90)
Distributions	(3.70)	(6.03)	(5.42)
Retained distributions on accumulation shares	3.70	6.03	5.42
Closing net asset value per share	405.90	354.88	290.54
* after direct transaction costs of:	0.43	0.24	0.16
<b>Performance</b>			
Return after charges	14.38%	22.14%	(2.97%)
<b>Other information</b>			
Closing net asset value (£'000)	9,193	7,562	6,057
Closing number of shares	2,264,767	2,130,880	2,084,918
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	419.6	399.6	332.4
Lowest share price	246.2	292.9	266.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Institutional regulated accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	504.01	414.14	428.43
Return before operating charges*	72.78	92.24	(12.16)
Operating charges	(2.53)	(2.37)	(2.13)
Return after operating charges*	70.25	89.87	(14.29)
Distributions	(3.27)	(6.81)	(6.11)
Retained distributions on accumulation shares	3.27	6.81	6.11
Closing net asset value per share	574.26	504.01	414.14
* after direct transaction costs of:	0.61	0.34	0.23
<b>Performance</b>			
Return after charges	13.94%	21.70%	(3.34%)
<b>Other information</b>			
Closing net asset value (£'000)	405,199	391,204	329,698
Closing number of shares	70,559,683	77,618,554	79,609,699
Operating charges	0.49%	0.49%	0.49%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	594.0	567.6	475.0
Lowest share price	349.6	417.5	379.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Platform 1 accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	146.72	121.17	125.98
Return before operating charges*	21.12	26.95	(3.55)
Operating charges	(1.50)	(1.40)	(1.26)
Return after operating charges*	19.62	25.55	(4.81)
Distributions	(0.20)	(1.28)	(1.15)
Retained distributions on accumulation shares	0.20	1.28	1.15
Closing net asset value per share	166.34	146.72	121.17
* after direct transaction costs of:	0.18	0.10	0.07
<b>Performance</b>			
Return after charges	13.37%	21.09%	(3.82%)
<b>Other information</b>			
Closing net asset value (£'000)	349,254	259,463	194,238
Closing number of shares	209,965,532	176,840,627	160,304,880
Operating charges	0.99%	0.99%	0.99%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	172.2	165.3	139.4
Lowest share price	101.7	122.1	111.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Institutional S accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	107.85	88.86	92.18
Return before operating charges*	15.54	19.79	(2.60)
Operating charges	(0.85)	(0.80)	(0.72)
Return after operating charges*	14.69	18.99	(3.32)
Distributions	(0.39)	(1.17)	(1.05)
Retained distributions on accumulation shares	0.39	1.17	1.05
Closing net asset value per share	122.54	107.85	88.86
* after direct transaction costs of:	0.13	0.07	0.05
<b>Performance</b>			
Return after charges	13.62%	21.37%	(3.60%)
<b>Other information</b>			
Closing net asset value (£'000)	351,526	334,764	268,177
Closing number of shares	286,862,653	310,394,422	301,805,474
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	126.8	121.5	102.1
Lowest share price	74.79	89.57	81.50

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Institutional S income	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	95.34	80.00	84.69
Return before operating charges*	13.74	17.82	(2.41)
Operating charges	(0.75)	(0.72)	(0.66)
Return after operating charges*	12.99	17.10	(3.07)
Distributions	(1.09)	(1.76)	(1.62)
Closing net asset value per share	107.24	95.34	80.00
* after direct transaction costs of:	0.12	0.07	0.05
<b>Performance</b>			
Return after charges	13.62%	21.38%	(3.62%)
<b>Other information</b>			
Closing net asset value (£'000)	40,251	40,854	33,778
Closing number of shares	37,535,312	42,851,892	42,219,582
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	112.1	109.4	93.80
Lowest share price	66.11	80.65	74.90

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Institutional A accumulation	2021 pence per share	2020 pence per share	2019 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.29	70.10	73.40
Return before operating charges*	12.04	15.58	(2.05)
Operating charges	(1.44)	(1.39)	(1.25)
Return after operating charges*	10.60	14.19	(3.30)
Distributions	-	(0.17)	(0.15)
Retained distributions on accumulation shares	-	0.17	0.15
Closing net asset value per share	94.89	84.29	70.10
* after direct transaction costs of:	0.10	0.06	0.04
<b>Performance</b>			
Return after charges	12.58%	20.24%	(4.50%)
<b>Other information</b>			
Closing net asset value (£'000)	387	441	274
Closing number of shares	407,510	523,704	390,874
Operating charges	1.69%	1.69%	1.69%
Direct transaction costs	0.12%	0.07%	0.05%
<b>Prices</b>			
Highest share price	98.32	94.97	81.00
Lowest share price	58.42	70.65	64.40

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.



## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>UK Equities (91.28%)</b>		<b>1,780,317</b>	<b>95.73</b>
<b>Basic Materials (0.00%)</b>		<b>9,251</b>	<b>0.50</b>
1,053,603	Treant	9,251	0.50
<b>Consumer Goods (19.35%)</b>		<b>331,619</b>	<b>17.83</b>
1,100,289	Cranswick	37,410	2.01
3,651,859	Focusrite <sup>++</sup>	38,345	2.06
466,482	Frontier Developments <sup>++</sup>	11,499	0.62
506,694	Games Workshop	48,389	2.60
810,000	Gear4Music <sup>++</sup>	6,261	0.33
4,998,145	Hilton Food	54,980	2.96
4,386,638	Hotel Chocolat <sup>++</sup>	15,967	0.86
3,513,897	Inspecc <sup>++</sup>	11,350	0.61
3,731,030	Stock Spirits	9,831	0.53
2,299,959	Sumo Group <sup>++</sup>	6,923	0.37
7,528,544	Team17 <sup>++</sup>	54,808	2.95
5,628,964	Watches of Switzerland	35,856	1.93
<b>Consumer Services (17.06%)</b>		<b>350,668</b>	<b>18.86</b>
1,323,582	4Imprint	32,229	1.73
11,195,211	AO	31,738	1.71
1,996,990	Auction Technology	15,575	0.84
244,889	CVS <sup>++</sup>	4,158	0.22
3,455,601	Future	67,315	3.62
3,357,722	GlobalData <sup>++</sup>	39,285	2.11
6,836,293	Hollywood Bowl	15,655	0.84
2,722,659	Jet2 <sup>++</sup>	39,560	2.13
4,285,715	Moonpig	19,277	1.04
6,185,666	Motorpoint	17,629	0.95
2,736,223	Next Fifteen Communications <sup>++</sup>	16,965	0.91
3,669,403	Trainline	18,971	1.02
3,372,712	YouGov <sup>++</sup>	32,311	1.74
<b>Financials (15.25%)</b>		<b>295,919</b>	<b>15.91</b>
9,976,940	AJ Bell	42,103	2.26
879,569	Brooks Macdonald <sup>++</sup>	16,404	0.88
5,334,153	Impax Asset Management <sup>++</sup>	38,726	2.08

			Market Value £'000	Percentage of total net assets
Holding	Investment			
3,691,804	IntegraFin		18,404	0.99
5,475,788	JTC		36,031	1.94
2,755,374	Liontrust Asset Management		34,580	1.86
1,509,750	Mattioli Woods**		10,493	0.56
644,534	Mortgage Advice Bureau**		5,917	0.32
4,189,329	Safestore REIT		33,452	1.80
37,653,028	Sirius Real Estate		34,791	1.87
3,272,464	Workspace REIT		25,018	1.35
<b>Health Care (2.09%)</b>			<b>37,328</b>	<b>2.01</b>
2,998,266	Ergomed**		37,328	2.01
<b>Industrials (21.24%)</b>			<b>368,136</b>	<b>19.79</b>
1,059,515	Avon Rubber		29,666	1.60
7,017,069	Boku**		10,947	0.59
3,268,031	Clipper Logistics		19,314	1.04
1,052,431	Diploma		24,374	1.31
1,940,419	Fisher (J) & Sons		22,897	1.23
1,272,970	Gooch & Housego**		16,326	0.88
3,487,119	Hill & Smith		44,286	2.38
4,568,054	Marshalls		31,131	1.67
4,547,916	Midwich**		20,420	1.10
3,195,774	Ricardo		14,381	0.77
2,666,889	RWS**		16,108	0.87
4,949,018	Sanne		29,051	1.56
3,258,367	Strix**		8,260	0.44
1,499,998	Volution		4,680	0.25
1,397,345	XP Power		76,295	4.10
<b>Technology (10.73%)</b>			<b>292,654</b>	<b>15.74</b>
67,465	Aptitude Software		424	0.02
13,128,284	Bytes Technology		54,929	2.96
716,658	Computacenter		14,935	0.80
804,672	Craneware**		16,737	0.90
5,379,241	DiscoverIE		35,933	1.93
1,891,842	FDM		18,956	1.03
1,529,328	First Derivatives**		44,351	2.38
4,714,746	GB**		38,897	2.09
5,136,373	Kainos		67,492	3.63

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Telecommunications (5.56%)</b>		<b>94,742</b>	<b>5.09</b>
4,101,192	Gamma Communication <sup>++</sup>	61,723	3.32
2,807,753	Telecom Plus	33,019	1.77
<b>Collective Investment Schemes (5.11%)</b>		<b>59,968</b>	<b>3.22</b>
59,968	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	59,968	3.22
Total investment assets		1,840,285	98.95
Net other assets		19,438	1.05
<b>Total Net Assets</b>		<b>1,859,723</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 29 February 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>++</sup> AIM listed.

### Statement of total return

For the year ended 28 February 2021

	Notes	2021 £'000	2020 £'000
Income:			
Net capital gains	1	227,133	264,015
Revenue	2	19,698	30,301
Expenses	3	(14,819)	(13,423)
Net revenue before taxation		4,879	16,878
Taxation	4	-	-
Net revenue after taxation		4,879	16,878
<b>Total return before distributions</b>		<b>232,012</b>	<b>280,893</b>
Distributions	5	(6,020)	(17,430)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>225,992</b>	<b>263,463</b>

### Statement of change in net assets attributable to shareholders

For the year ended 28 February 2021

	2021 £'000	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>1,743,730</b>	<b>1,391,619</b>
Amounts receivable on the issue of shares	210,540	211,193
Amounts payable on the cancellation of shares	(325,650)	(139,707)
	(115,110)	71,486
Dilution adjustment	255	326
Change in net assets attributable to shareholders from investment activities (see above)	225,992	263,463
Retained distribution on accumulation shares	4,856	16,836
<b>Closing net assets attributable to shareholders</b>	<b>1,859,723</b>	<b>1,743,730</b>

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		1,840,285	1,680,750
<b>Current assets:</b>			
Debtors	6	26,355	10,988
Cash and bank balances	7	11	65,333
		26,366	76,321
<b>Total assets</b>		<b>1,866,651</b>	<b>1,757,071</b>
<b>Liabilities:</b>			
Creditors	8	(6,038)	(11,784)
Distribution payable		(890)	(1,557)
		(6,928)	(13,341)
<b>Total liabilities</b>		<b>(6,928)</b>	<b>(13,341)</b>
<b>Net assets attributable to shareholders</b>		<b>1,859,723</b>	<b>1,743,730</b>

## Notes to the financial statements

For the year ended 28 February 2021

### 1. Net Capital Gains

	2021 £'000	2020 £'000
Non-derivative securities	227,137	264,022
Other gains	7	-
Transaction charges	(11)	(7)
<b>Net capital gains</b>	<b>227,133</b>	<b>264,015</b>

### 2. Revenue

	2021 £'000	2020 £'000
Bank and margin interest	247	791
UK dividends	16,512	26,155
UK REIT	2,939	3,355
<b>Total revenue</b>	<b>19,698</b>	<b>30,301</b>

### 3. Expenses

	2021 £'000	2020 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	13,154	11,948
Dealing charge	261	220
Registration fees	1,239	1,108
	14,654	13,276
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	42	38
Depositary's fees	114	98
	156	136
<b>Other:</b>		
Audit fee	9	9
Professional fees	-	2
	9	11
<b>Total expenses</b>	<b>14,819</b>	<b>13,423</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 4. Taxation

	2021 £'000	2020 £'000
(a) <b>Analysis of charge in year</b>		
<b>Total taxation</b>	-	-
(b) <b>Factors affecting current tax charge for the year</b>		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	4,879	16,878
Corporation tax at 20% (2020: 20%)	976	3,376
Effects of:		
Revenue not subject to taxation	(3,303)	(5,230)
Excess allowable expenses	2,327	1,854
<b>Total tax charge for year (note 4a)</b>	-	-

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) **Factors that may affect future tax charge**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £25,657,000 (2020: £23,330,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

## 5. Distributions (including the movement between net income and distributions)

	2021 £'000	2020 £'000
Distribution	5,746	18,393
Add: Income deducted on cancellation of shares	506	903
Deduct: Income received on issue of shares	(232)	(1,866)
<b>Total distributions for the year</b>	<b>6,020</b>	<b>17,430</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	4,879	16,878
Expenses charged to capital	670	552
Shortfall transfer from capital to revenue	471	-
<b>Total distributions</b>	<b>6,020</b>	<b>17,430</b>

Expenses taken to capital include the ACD, Registration and Dealing expenses. This policy only applies to the Income classes.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

## 6. Debtors

	2021 £'000	2020 £'000
Accrued revenue	672	1,353
Amounts receivable from the ACD for the issue of shares	963	9,635
Sales awaiting settlement	24,720	-
<b>Total debtors</b>	<b>26,355</b>	<b>10,988</b>

## 7. Liquidity

	2021 £'000	2020 £'000
<b>Cash and bank balances</b>		
Cash at bank	11	23
Deposits with original maturity of less than 3 months	-	65,310
	<b>11</b>	<b>65,333</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	59,968	89,022
<b>Net liquidity</b>	<b>59,979</b>	<b>154,355</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8. Creditors

	2021 £'000	2020 £'000
Accrued expenses payable to ACD	1,211	1,242
Accrued expenses payable to the Depositary or associates of the Depositary	28	18
Amounts payable to the ACD for cancellation of shares	4,790	10,504
Other accrued expenses	9	20
<b>Total creditors</b>	<b>6,038</b>	<b>11,784</b>

## 9. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to Aberdeen Standard Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to Aberdeen Standard Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 3 and any amounts due at the year end in note 8.

## 10. Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Trades in the year</b>				
Equities	522,947	259,147	563,574	218,561
Collective investment schemes	186,457	103,776	215,510	83,839
<b>Trades in the year before transaction costs</b>	<b>709,404</b>	<b>362,923</b>	<b>779,084</b>	<b>302,400</b>
<b>Commissions</b>				
Equities	418	201	(326)	(135)
<b>Total commissions</b>	<b>418</b>	<b>201</b>	<b>(326)</b>	<b>(135)</b>



	Purchases		Sales	
Trades in the year	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Taxes</b>				
Equities	1,333	799	-	-
<b>Total taxes</b>	<b>1,333</b>	<b>799</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>1,751</b>	<b>1,000</b>	<b>(326)</b>	<b>(135)</b>
<b>Total net trades in the year after transaction costs</b>	<b>711,155</b>	<b>363,923</b>	<b>778,758</b>	<b>302,265</b>

	Purchases		Sales	
Total transaction costs expressed as a percentage of asset type cost	2021 %	2020 %	2021 %	2020 %
<b>Commissions</b>				
Equities	0.08	0.08	0.06	0.06
<b>Taxes</b>				
Equities	0.25	0.31	-	-

Total transaction costs expressed as a percentage of net asset value	2021 %	2020 %
Commissions	0.04	0.02
Taxes	0.08	0.05

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 1.00% (2020: 0.81%), this is representative of the average spread on the assets held during the year.

#### 11. Shares in issue reconciliation

	Opening shares 2020	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2021
Retail accumulation	24,345,386	265,698	(2,594,134)	(187,246)	21,829,704
Institutional accumulation	46,646,052	4,439,883	(11,105,619)	37,538	40,017,854
Retail income	9,799,345	3,071,071	(2,707,471)	(18,284)	10,144,661
Institutional income	26,953,580	5,024,788	(5,382,243)	2,544,105	29,140,230
Standard Life income	3,313,918	-	(1,551,936)	-	1,761,982
Standard Life accumulation	2,130,880	375,041	(241,154)	-	2,264,767
Institutional regulated accumulation	77,618,554	3,822,426	(10,881,297)	-	70,559,683
Platform 1 accumulation	176,840,627	70,051,243	(37,239,895)	313,557	209,965,532
Institutional S accumulation	310,394,422	29,725,443	(53,931,749)	674,537	286,862,653
Institutional S income	42,851,892	5,787,209	(8,343,198)	(2,760,591)	37,535,312
Institutional A accumulation	523,704	-	(116,194)	-	407,510

## 12. Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	1,780,317	-	-	1,591,728	-	-
Collective Investment Schemes	-	59,968	-	-	89,022	-
<b>Total investment assets</b>	<b>1,780,317</b>	<b>59,968</b>	<b>-</b>	<b>1,591,728</b>	<b>89,022</b>	<b>-</b>

## 13. Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The majority of the Fund's financial assets are in non-interest bearing assets. Therefore, the Fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Advisor in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2021, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £92,014,000 (2020: £84,037,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2021 (2020: Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2021 £6,928,000 (2020: £13,341,000).

## 14. Subsequent Events

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic.

Since the year end the NAV per share of Institutional Regulated Accumulation class has increased by 12.2% (to 21 June 2021).

Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the year ended 28 February 2021 (in pence per share)

**Final dividend distribution**

Group 1 - shares purchased prior to 1 March 2020

Group 2 - shares purchased between 1 March 2020 and 28 February 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Retail accumulation</b>				
Group 1	-	-	-	4.3266
Group 2	-	-	-	4.3266
<b>Institutional accumulation</b>				
Group 1	2.3345	-	2.3345	9.6063
Group 2	1.8034	0.5311	2.3345	9.6063
<b>Retail income</b>				
Group 1	0.8850	-	0.8850	1.4441
Group 2	0.5403	0.3447	0.8850	1.4441
<b>Institutional income</b>				
Group 1	1.1847	-	1.1847	1.9232
Group 2	0.7232	0.4615	1.1847	1.9232
<b>Standard Life income</b>				
Group 1	2.6641	-	2.6641	4.3041
Group 2	2.6641	-	2.6641	4.3041
<b>Standard Life accumulation</b>				
Group 1	3.7008	-	3.7008	6.0296
Group 2	2.8452	0.8556	3.7008	6.0296
<b>Institutional regulated accumulation</b>				
Group 1	3.2659	-	3.2659	6.8068
Group 2	2.2036	1.0623	3.2659	6.8068
<b>Platform 1 accumulation</b>				
Group 1	0.2009	-	0.2009	1.2802
Group 2	0.1077	0.0932	0.2009	1.2802
<b>Institutional S accumulation</b>				
Group 1	0.3875	-	0.3875	1.1679
Group 2	0.2216	0.1659	0.3875	1.1679

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>Institutional S income</b>				
Group 1	1.0867	-	1.0867	1.7617
Group 2	0.5818	0.5049	1.0867	1.7617
<b>Institutional A accumulation</b>				
Group 1	-	-	-	0.1684
Group 2	-	-	-	0.1684

### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

## Global Emerging Markets Equity Unconstrained Fund (closed)

### Investment Report

All shares in the fund were redeemed and cancelled on 14 January 2016. The fund will formally terminate at a later date after all residual assets and liabilities are settled. The Fund is not open to new investors.

## Portfolio statement

As at 28 February 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
China (0.00%)		-	-
5,196,000	Tianhe Chemicals**	-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

\*\* Delisted.

**Statement of total return**

For the year ended 28 February 2021

	2021		2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		-		-
Revenue	-		-	
Expenses	-		-	
Net revenue before taxation	-		-	
Taxation	-		-	
Net revenue after taxation		-		-
<b>Total return before distributions</b>		-		-
Distributions		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>		-		-

**Statement of change in net assets attributable to shareholders**

For the year ended 28 February 2021

	2021		2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		-
Amounts receivable on the issue of shares	-		-	
Amounts payable on the cancellation of shares	-		-	
		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
<b>Closing net assets attributable to shareholders</b>		-		-

## Balance sheet

As at 28 February 2021

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Fixed assets:</b>			
Investment assets		-	-
<b>Current assets:</b>			
Cash and bank balances		1	1
		1	1
<b>Total assets</b>		1	1
<b>Liabilities:</b>			
Creditors	1	(1)	(1)
		(1)	(1)
<b>Total liabilities</b>		(1)	(1)
<b>Net assets attributable to shareholders</b>		-	-



## Notes to the Financial Statements

For the year ended 28 February 2021

### 1. Creditors

	2021 £'000	2020 £'000
Other accrued expenses	-	-
Residual payment due in respect of ongoing fund closure	1	1
<b>Total creditors</b>	<b>1</b>	<b>1</b>

### 2. Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

There were no transactions with Aberdeen Standard Fund Managers Limited in the current or prior year.

Any amounts due to Aberdeen Standard Fund Managers Limited at the end of the accounting year in respect of the termination of the fund are disclosed in note 1.

# Remuneration

## Remuneration Policy

The Standard Life Aberdeen plc Remuneration Policy applies with effect from 1 January 2018. The purpose of the Standard Life Aberdeen plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of Standard Life Aberdeen. It has been approved by the Standard Life Aberdeen plc Remuneration Committee and is subject to the Remuneration Committee's annual review. The Policy applies to employees of the Standard Life Aberdeen group of companies ("SLA").

The Management Company, Aberdeen Standard Fund Managers Limited is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") and is a wholly owned subsidiary of Standard Life Aberdeen plc.

The Remuneration Committee of Standard Life Aberdeen plc adopted a UCITS V Remuneration Policy to ensure that the requirements of the Undertakings for Collective Investment Transferrable Securities V Directive (UCITS V) are fully adhered to by the group. This policy applies to Aberdeen Standard Fund Managers Limited and the UCITS Funds it manages. This policy is available on request.

## Remuneration Principles

SLA applies Group wide principles for remuneration policies, procedures and practices ensuring that remuneration design and the basis for awards will be clear, transparent and fair, in line with business strategy, objectives, culture, values and long term interests of SLA. Remuneration policies, procedures and practices should be consistent with and promote good conduct which includes sound and effective risk management and not encourage risk taking that exceeds the level of tolerated risk of SLA. Total variable remuneration will be funded through pre-agreed distribution metrics. Where SLA's financial performance is subdued or negative, total variable remuneration should generally be contracted, taking into account both current remuneration and reductions in pay-outs of amounts previously granted and having regard for SLA's long term economic viability.

In addition to applying the SLA wide principles above, Aberdeen Standard Investments ("ASI") applies a number of additional principles including the following, when determining remuneration for employees:

- a) Remuneration should be competitive and reflect both financial, non-financial and personal performance;
- b) Our remuneration design will align the interests of employees, shareholders and importantly our clients/customers;
- c) Our remuneration structure will reward delivery of results over appropriate time horizons and will include deferred variable compensation at an appropriate level for the employee's role;
- d) We will provide an appropriate level of fixed remuneration to balance risk and reward.

## Governance and Regulatory Compliance

The Remuneration Committee is made up of independent non-executive directors and makes recommendations to the Board of Standard Life Aberdeen plc (the "Board") to assist it with its remuneration related duties. The Chief People Officer of Standard Life Aberdeen is responsible for ensuring the implementation of the Policy in consultation with the Remuneration Committee as well as other members of the Executive Committee ("Executive Body") (as defined by the Board), if appropriate.

## Financial and non-financial criteria

Variable remuneration is based on a rounded assessment of Group, Divisional and individual performance. When assessing individual performance, financial as well as non-financial criteria are taken into account. Individual performance is based on the individual's appraisal, which includes an employee's compliance with controls and applicable company standards including the Group's Code of Ethics, including Treating Customers Fairly and Conduct Risk.

## Conflicts of interest

The Conflicts of Interest Policy is designed to avoid conflicts of interest between SLA and its clients. This Policy prohibits any employee from being involved in decisions on their own remuneration. Furthermore, all employees are required to adhere to SLA's Global Code of Conduct, which encompasses conflicts of interest.

The Policy should, at all times, adhere to local legislation, regulations or other provisions. In circumstances or in jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter will prevail.

## Remuneration Framework

Employee remuneration is composed principally of fixed and variable elements of reward as follows:

- a) Fixed reward (fixed remuneration: salary (and cash allowances, if appropriate); and Benefits (including pension).
- b) Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements) and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

- a) Fixed and variable components of total remuneration are appropriately balanced and
- b) The fixed component is a sufficiently high proportion of total remuneration to allow Standard Life Aberdeen to operate a fully flexible policy on variable remuneration components, including paying no variable remuneration component.

<b>Fixed Remuneration</b>	Base salary provides a core reward for undertaking the role, where appropriate, and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration.
<b>Benefits</b>	Benefits are made up of: core benefits, which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees and which may require contribution through salary sacrifice or other arrangements. Extra voluntary benefits are designed to support the health and wellbeing of employees through enabling individual selection based on lifestyle choices. Standard Life Aberdeen will ensure that the core and voluntary employee benefits policies are in line with relevant market practice, its views on managing its business risk objectives, culture and values and long-term interests and local requirements.
<b>Pension</b>	Standard Life Aberdeen's pension policies (which consist of defined contribution plans and legacy defined benefit plans) are in line with legislative requirements, governance structures and market practice, and reflect Standard Life Aberdeen's long-term views on risk and financial volatility, its business objectives, culture and values and long-term interests and local requirements. In certain circumstances, SLA may offer a cash allowance in lieu of any pension arrangement.
<b>Annual Performance Bonus Awards</b>	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Eligibility criteria for an annual bonus are set out in the rules of the relevant bonus plan and/or contract of employment, as appropriate. The bonus plan in place is designed to reward performance in line with the business strategy, objectives, culture and values, long term interests and risk appetite of SLA. All Executive Directors are awarded bonuses under a SLA bonus plan as detailed in the Directors' Remuneration Report.
<b>Other variable Pay Plans</b>	Selected employees may participate in other variable pay plans, for example, performance fee share arrangements, where it is appropriate for their role or business unit. These plans operate under the overarching remuneration principles that apply across the group and, where appropriate, are also subject to specific principles governing incentives and are compliant with the requirements of any applicable regulatory standards.

#### Clawback/Malus

A clawback/malus principle applies to the variable pay plan. This enables the Remuneration Committee to seek to recoup the deferred amount of any unvested variable pay, in the exceptional event of misstatement or misleading representation of performance; a significant failure of risk management and control; or serious misconduct by an individual.

#### Guaranteed Variable Remuneration

Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of service.

#### UCITS V Identified Staff

Staff considered UCITS V Identified Staff are those categories of staff whose professional activities have a material impact on the decision making profiles of the Management Company or the UCITS Funds that the Management Company manages.

UCITS V identified staff will include; Senior Management; Decision makers, Staff engaged in control functions; and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and decision makers, and whose professional activities have a material impact on the risk profiles of the Company or the Funds that the Company manages.

#### Control Functions

SLA adheres to the principles and guidelines of regulations that apply to SLA in defining control functions. control functions include, but are not necessarily limited to, Risk, Compliance, Internal Audit and Actuarial functions or roles.

SLA will ensure that, as appropriate, senior employees engaged in a control function:

- a) Are independent from the Business Units they oversee;
- b) Have appropriate authority, and
- c) Their remuneration is directly overseen by the Remuneration Committee.

This is achieved by the main control functions being outside the business, and a material proportion of their annual incentives being subject to a scorecard based on the performance of the control function. Performance against the scorecard is reviewed by the relevant independent governing committee (either Risk & Capital Committee, or Audit Committee). SLA's People Function reviews the remuneration of employees in control functions and benchmarks with the external market to ensure that it is market competitive and adequately reflects employees' skills and experience.

#### Personal Hedging

UCITS V Identified Staff are not permitted to undermine the risk alignment effects of the UCITS V Remuneration Code. Personal hedging strategies; or remuneration-related insurance; or liability-related insurance is not permissible on remuneration.

#### Employee Remuneration Disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by Aberdeen Standard Fund Managers Limited to its entire staff; and
- Aggregate total remuneration paid by Aberdeen Standard Fund Managers Limited to its 'Identified Staff'.

The 'Identified Staff' of Aberdeen Standard Fund Managers Limited are those employees who could have a material impact on the risk profile of Aberdeen Standard Fund Managers Limited or the UCITS Funds it manages, including the following UCITS funds:

ASI (SLI) Asian Pacific Growth Equity Fund  
 ASI (SLI) Corporate Bond Fund  
 ASI (SLI) Emerging Markets Equity Fund  
 ASI AAA Bond Fund  
 ASI American Income Equity Fund  
 ASI American Unconstrained Equity Fund  
 ASI Emerging Markets Income Equity Fund  
 ASI Europe ex UK Growth Equity Fund  
 ASI Europe ex UK Income Equity Fund  
 ASI Europe ex UK Smaller Companies Fund  
 ASI Global Balanced Growth Fund  
 ASI Global Focused Equity Fund  
 ASI Global Income Equity Fund  
 ASI Global Smaller Companies Fund  
 ASI High Yield Bond Fund  
 ASI Investment Grade Corporate Bond Fund  
 ASI Japanese Growth Equity Fund  
 ASI Short Duration Credit Fund  
 ASI UK Ethical Equity Fund  
 ASI UK Government Bond Fund  
 ASI UK Growth Equity Fund  
 ASI UK High Alpha Equity Fund  
 ASI UK High Income Equity Fund  
 ASI UK Opportunities Equity Fund  
 ASI UK Recovery Equity Fund  
 ASI UK Smaller Companies Fund

This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from 1 January 2020 to 31 December 2020 inclusive.

ASI (SLI) Asian Pacific Growth Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>40</b>
of which			
Fixed remuneration		18,209	30
Variable remuneration		6,444	10
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>22</b>
of which			
Senior Management <sup>3</sup>	9	723	2
Other 'Identified Staff'	190	6,733	20

ASI (SLI) Corporate Bond Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>291</b>
of which			
Fixed remuneration		18,209	215
Variable remuneration		6,444	76
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>163</b>
of which			
Senior Management <sup>3</sup>	9	723	16
Other 'Identified Staff'	190	6,733	147

ASI (SLI) Emerging Markets Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>223</b>
of which			
Fixed remuneration		18,209	165
Variable remuneration		6,444	58
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>125</b>
of which			
Senior Management <sup>3</sup>	9	723	12
Other 'Identified Staff'	190	6,733	113

ASI AAA Bond Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>298</b>
of which			
Fixed remuneration		18,209	220
Variable remuneration		6,444	78
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>167</b>
of which			
Senior Management <sup>3</sup>	9	723	16
Other 'Identified Staff'	190	6,733	151

ASI American Income Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>177</b>
of which			
Fixed remuneration		18,209	131
Variable remuneration		6,444	46
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>100</b>
of which			
Senior Management <sup>3</sup>	9	723	10
Other 'Identified Staff'	190	6,733	90

ASI American Unconstrained Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>88</b>
of which			
Fixed remuneration		18,209	65
Variable remuneration		6,444	23
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>49</b>
of which			
Senior Management <sup>3</sup>	9	723	5
Other 'Identified Staff'	190	6,733	44

ASI Emerging Markets Income Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>1,050</b>
of which			
Fixed remuneration		18,209	775
Variable remuneration		6,444	275
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>589</b>
of which			
Senior Management <sup>3</sup>	9	723	57
Other 'Identified Staff'	190	6,733	532

ASI Europe ex UK Growth Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>98</b>
of which			
Fixed remuneration		18,209	72
Variable remuneration		6,444	26
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>55</b>
of which			
Senior Management <sup>3</sup>	9	723	5
Other 'Identified Staff'	190	6,733	50

ASI Europe ex UK Income Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>833</b>
of which			
Fixed remuneration		18,209	615
Variable remuneration		6,444	218
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>467</b>
of which			
Senior Management <sup>3</sup>	9	723	45
Other 'Identified Staff'	190	6,733	422

ASI Europe ex UK Smaller Companies Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>48</b>
of which			
Fixed remuneration		18,209	35
Variable remuneration		6,444	13
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>27</b>
of which			
Senior Management <sup>3</sup>	9	723	3
Other 'Identified Staff'	190	6,733	24

ASI Global Balanced Growth Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>726</b>
of which			
Fixed remuneration		18,209	536
Variable remuneration		6,444	190
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>407</b>
of which			
Senior Management <sup>3</sup>	9	723	39
Other 'Identified Staff'	190	6,733	368

ASI Global Focused Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>162</b>
of which			
Fixed remuneration		18,209	120
Variable remuneration		6,444	42
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>91</b>
of which			
Senior Management <sup>3</sup>	9	723	9
Other 'Identified Staff'	190	6,733	82



ASI Global Income Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>153</b>
of which			
Fixed remuneration		18,209	113
Variable remuneration		6,444	40
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>86</b>
of which			
Senior Management <sup>3</sup>	9	723	8
Other 'Identified Staff'	190	6,733	78

ASI Global Smaller Companies Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>1,632</b>
of which			
Fixed remuneration		18,209	1,206
Variable remuneration		6,444	426
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>915</b>
of which			
Senior Management <sup>3</sup>	9	723	89
Other 'Identified Staff'	190	6,733	826

ASI High Yield Bond Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>452</b>
of which			
Fixed remuneration		18,209	334
Variable remuneration		6,444	118
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>254</b>
of which			
Senior Management <sup>3</sup>	9	723	25
Other 'Identified Staff'	190	6,733	229

ASI Investment Grade Corporate Bond Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>527</b>
of which			
Fixed remuneration		18,209	389
Variable remuneration		6,444	138
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>296</b>
of which			
Senior Management <sup>3</sup>	9	723	29
Other 'Identified Staff'	190	6,733	267

ASI Japanese Growth Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>324</b>
of which			
Fixed remuneration		18,209	239
Variable remuneration		6,444	85
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>181</b>
of which			
Senior Management <sup>3</sup>	9	723	18
Other 'Identified Staff'	190	6,733	163

ASI Short Duration Credit Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>67</b>
of which			
Fixed remuneration		18,209	49
Variable remuneration		6,444	18
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>38</b>
of which			
Senior Management <sup>3</sup>	9	723	4
Other 'Identified Staff'	190	6,733	34

ASI UK Ethical Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>380</b>
of which			
Fixed remuneration		18,209	281
Variable remuneration		6,444	99
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>213</b>
of which			
Senior Management <sup>3</sup>	9	723	21
Other 'Identified Staff'	190	6,733	192

ASI UK Government Bond Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>55</b>
of which			
Fixed remuneration		18,209	41
Variable remuneration		6,444	14
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>31</b>
of which			
Senior Management <sup>3</sup>	9	723	3
Other 'Identified Staff'	190	6,733	28

ASI UK Growth Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>164</b>
of which			
Fixed remuneration		18,209	121
Variable remuneration		6,444	43
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>92</b>
of which			
Senior Management <sup>3</sup>	9	723	9
Other 'Identified Staff'	190	6,733	83

ASI UK High Alpha Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>100</b>
of which			
Fixed remuneration		18,209	74
Variable remuneration		6,444	26
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>56</b>
of which			
Senior Management <sup>3</sup>	9	723	5
Other 'Identified Staff'	190	6,733	51

ASI UK High Income Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>457</b>
of which			
Fixed remuneration		18,209	338
Variable remuneration		6,444	119
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>256</b>
of which			
Senior Management <sup>3</sup>	9	723	25
Other 'Identified Staff'	190	6,733	231

ASI UK Opportunities Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>183</b>
of which			
Fixed remuneration		18,209	135
Variable remuneration		6,444	48
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>102</b>
of which			
Senior Management <sup>3</sup>	9	723	10
Other 'Identified Staff'	190	6,733	92

ASI UK Recovery Equity Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>65</b>
of which			
Fixed remuneration		18,209	48
Variable remuneration		6,444	17
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>36</b>
of which			
Senior Management <sup>3</sup>	9	723	4
Other 'Identified Staff'	190	6,733	32

ASI UK Smaller Companies Fund	Headcount	Total Remuneration £'000	UCITS proportion £'000 <sup>4</sup>
<b>Aberdeen Standard Fund Managers Limited staff<sup>1</sup></b>	<b>137</b>	<b>24,653</b>	<b>2,298</b>
of which			
Fixed remuneration		18,209	1,697
Variable remuneration		6,444	601
Carried Interest		NIL	
<b>Aberdeen Standard Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>199</b>	<b>7,456</b>	<b>1,288</b>
of which			
Senior Management <sup>3</sup>	9	723	125
Other 'Identified Staff'	190	6,733	1,163

<sup>1</sup> As there are a number of individuals indirectly and directly employed by Aberdeen Standard Fund Managers Limited this figure represents an apportioned amount of SLA's total remuneration fixed and variable pay, apportioned to the relevant UCITS Fund on an AUM basis, plus any carried interest paid by the UCITS Fund. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.

<sup>2</sup> The Identified Staff disclosure represents total compensation of those staff of the Management Company who are fully or partly involved in the activities of the Management Company, apportioned to the estimated time relevant to the Management Company, based on their time in role during the reporting period and the Management Company's proportion of SLA's total AUM. Across the 'Identified Staff', the average percentage of AUM allocation per individual based on work undertaken for Aberdeen Standard Fund Managers Limited as a Management Company was 10.99%.

<sup>3</sup> Senior management are defined in this table as Management Company Directors and members of the Standard Life Aberdeen plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

<sup>4</sup> This figure represents an apportioned amount of the total remuneration of the 'Identified staff' attributable to the UCITS Fund allocated on an AUM basis.

## Further Information

### Constitution

Aberdeen Standard OEIC II (the “Company”), was incorporated under the FCA regulations. The Company is an open-ended investment company (OEIC) with variable capital under Regulation 14 of the Open-Ended Investment Companies Regulations 2001 (the “OEIC Regulations”). Consumers’ rights and protections, including any derived from EU legislation, are currently unaffected by the result of the UK referendum to leave the European Union and will remain unchanged unless and until the UK Government changes the applicable legislation.

### Documentation and Prices

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the Company, daily prices, together with the latest Annual (and if issued later the interim) Report and Accounts for any funds, are available to download at [aberdeenstandard.com](http://aberdeenstandard.com).

A paper copy of the Report and Accounts is available on request from the ACD.

### Notices/Correspondence

Please send any notices to Aberdeen Standard Fund Managers Limited, PO Box 12233, Chelmsford, Essex CM99 2EE. Any notice to the ACD will only be effective when actually received by the ACD. All notices will be sent to the investor at the address set out in the Application form or the latest address which the investor has notified to the ACD, and will be deemed to have been received three days after posting. Events detailed in these terms and conditions will be carried out on the dates specified, unless the dates are a non-business day, when they will be carried out on the next business day.

### Complaints and Compensation

If you need to complain about any aspect of our service, you should write to the Complaints Team, Aberdeen Standard Investments, 10 Queen’s Terrace, Aberdeen, AB10 1XL, who will initiate our formal complaints procedure. If you prefer, you may call the Complaints Team on 01224 404490 or email [complaints@aberdeenstandard.com](mailto:complaints@aberdeenstandard.com) in the first instance.

Alternatively if you have a complaint about the Company or Funds you can contact the Depository directly. A leaflet detailing our complaints procedure is available on request. We will endeavour to respond to your complaint as soon as possible and will notify you of our outcome within 8 weeks. If the complaint is not resolved by us to your satisfaction then you may have the right to take your complaint to the Financial Ombudsman Service (FOS). To contact the FOS Service you should write to The Financial Ombudsman Service, Exchange Tower, London, E14 9SR, email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk) or telephone 0800 023 4567 (free for landlines and mobiles) or 0300 123 9123 (calls cost no more than calls to 01 and 02 numbers) or +44 20 7964 0500 (available from outside the UK – calls will be charged).

We are covered by the Financial Services Compensation Scheme, which means if we become insolvent, you may be entitled to compensation. The level of compensation will depend on the type of business and the circumstances of your claim. Investments are covered up to £85,000 for claims against firms that fail on or after 1 April 2019. Details are available from the FSCS Helpline on 0800 678 1100 or 020 7741 4100 and on the FSCS website: [www.fscs.org.uk](http://www.fscs.org.uk).

### UCITS

The Funds were certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the ACD to market the Funds in member States of the European Union subject to relevant local laws, specifically marketing laws.

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