

# ASI (SLI) Strategic Bond Fund

(Previously Standard Life Investments Strategic Bond Fund)

Interim Report & Financial Statements  
For the six months ended 31 July 2019 (unaudited)



# Contents

Trust Profile and Information*	3
Statement of the Manager's Responsibilities	5
Manager's Statement*	5
Investment Report*	6
Comparative Tables	8
Portfolio Statement*	10
Financial Statements	16
Distribution Tables	18

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

## Trust Profile and Information

### Launch Date

5 February 2009

### Investment objective

The investment objective of the ASI (SLI) Strategic Bond Fund ("the Trust") is to deliver a total return from income and capital appreciation.

### Investment policy

The investment policy of the Trust is to invest in an actively managed portfolio consisting mainly of fixed interest securities (including conventional government bonds, investment grade corporate entities, inflation linked bonds, subinvestment grade bonds) and other interest bearing securities issued anywhere in the world. The Trust may also invest, at the Investment Adviser's discretion, in derivative and forward contracts, other transferable securities, deposits, moneymarket instruments and collective investment schemes and use may also be made of borrowing, hedging and other techniques permitted by the FCA Rules.

### Risk

The price of stocks, shares and other securities on financial markets can move unpredictably. Many factors affect prices, including announcements by the issuer of a security, economic and political events and views of prospective events. Investment in the Trust should be regarded as medium to long-term. There is no guarantee that the objective of the Trust will be achieved.

### Benchmark

IA UK Sterling Strategic Bond Sector

### Reporting dates

<b>Interim</b>	31 July
<b>Annual</b>	31 January

### Distribution record dates

<b>Interim</b>	30 April, 31 July, 31 October
<b>Annual</b>	31 January

### Interim payment dates

<b>Accumulation</b>	30 April, 31 July, 31 October
<b>Income</b>	30 June, 30 September, 31 December

### Annual payment dates

<b>Accumulation</b>	31 January
<b>Income</b>	31 March

**Trust Profile and Information (continued)****Manager**

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

**Directors of the Manager**

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

**Trustee**

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

**Independent Auditor**

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

**Registrar**

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

**Investment Adviser**

Standard Life Investments Limited  
1 George Street  
Edinburgh  
EH2 2LL

**Significant Events**

On 7 August 2019 the fund changed its name from the Standard Life Investments Strategic Bond Fund to the ASI (SLI) Strategic Bond Fund. Additionally at this time the Investment Objective and Policy ("IOP") was updated to reflect regulatory changes and improve the clarity of the wording. Further details can be found at <https://www.aberdeenstandard.com/en/uk/investor/fund-centre/investor-communications>.

**Developments and prospectus Updates since 31 January 2019**

- On 7 August 2019, as part of the merger of Standard Life plc and Aberdeen Asset Management plc, we are harmonising our supplier relationships which has resulted in changes to the Depositary/Trustee's remuneration and expenses. The details for the new rates are included within the prospectus dated 7 August 2019. The changes do not result in a material impact to the Scheme;
- On 7 August 2019 the sub-custodians of the fund were updated;
- Performance figures have been refreshed to show additional calendar year performance for the past 5 years; and
- The list of funds managed by the ACD was updated, as appropriate.

## Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each interim accounting period which give a true and fair view of the financial position of the Trust's and of the net income and net capital gains/(losses) on the property of the Trust's for the period.

In preparing the financial statements the Manager 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 Trust's 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 Trust or its Trust's or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, the Prospectus and the COLL Rules.

\* The Investment Management Association changed its name to the Investment Association (IA) in January 2015.

## Manager's Statement

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

The ASI (SLI) Strategic Bond Fund is an Authorised Unit Trust Scheme under section 243 of the Financial Services and Markets Act 2000, and falls into the category of a non-UCITS retail scheme. The Trust is also an alternative investment fund "AIF" for the purposes of FUND.

Copies of the most recent Prospectus are available on request from the Manager.

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

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

**Gary Marshall**  
Director  
Edinburgh  
25 September 2019

**Aron Mitchell**  
Director  
Edinburgh  
25 September 2019

# Investment Report

## Investment background

After a challenging end to 2018, the six months to end-July 2019 have largely been a story of recovery in risk sentiment which has benefited all forms of credit, including Sterling Investment Grade (IG) credit. Amid continuing poor economic data, the key driver has been increasing expectations of Central Bank dovishness. Indeed, right at the end of the review period, on 31 July, the US Federal Reserve did cut interest rates for the first time in a decade. Likewise, expectations had steadily increased by the end of the period that the European Central Bank would soon cut interest rates and embark on a new round of asset purchases. In the UK, concern about a potential 'no-deal' Brexit scenario was magnified after the outcome of the Conservative Party leadership contest. As such, this also suggested a potential switch to a more dovish approach from the Bank of England.

## Performance

Over the period under review, the Trust returned 5.10%, compared with the IA £ Strategic Bond mean return of 5.39% (Source: Morningstar, price performance, net of fees).

In terms of individual credits, UK financial holdings performed well, with HSBC, Aviva, Barclays and CYBG all among the top return contributors over the six-month period. The single biggest contributor however was the Trust's exposure to US Treasuries. This was unsurprising given the collapse in yields, with the 10-year Treasury yield falling by over 60 basis points to 2.0% by the end of the period. Belgian brewer Anheuser-Busch InBev also performed well for the Trust, helped by stronger-than-expected second quarter results and news of its USD11billion Australian business sale to Japan's Asahi.

On the negative side, the biggest detractor for returns was the generic drugs-maker Teva Pharmaceutical, which underperformed owing to opioid litigation worries and allegations of industry price collusion. UK funeral services business Dignity was another detractor, with the industry in the spotlight due to rising competitive pressures and the attention of the Competition and Markets Authority. Like the wider UK retail property centre, Intu Metrocentre has been under significant pressures. While we continue to believe that Intu Metrocentre will survive the structural downturn in shopping centres/malls, we expect the bonds will remain volatile over the near term.

## Investment activity

In the new issues market, towards the end of the period, we took part in a new Additional Tier-1 sterling issue from Barclays. We also bought the 2024 bonds of Volkswagen and the 2025 and 2031 bonds of global payments provider Fiserv, the proceeds of which should help its USD22billion acquisition of competitor First Data. In addition, we added the senior bonds of CYBG and a new US dollar Additional Tier-1 deal from Commerzbank. Such was the strength of the latter's subsequent performance, that we were able to take profits on the position within a few weeks.

In the secondary market, towards the end of the period, we trimmed exposure to Tesco after its very strong rally, and we reduced exposure to the longer-dated bonds of EDF and Vodafone. In addition, apart from exiting Bayer, we sold out of UniCredit Tier-2 bonds on valuations grounds following their strong performance in the review period. We also trimmed exposure to both AT&T and Digital Realty on valuation grounds.

## Outlook and future strategy

We have started to take profits on a few credit positions and are becoming increasingly tactical around new issue purchases and subordinated trades. Our high yield exposure is fairly low given the historical range for the Trust and we have a tactical approach in deciding when and where to add duration exposure.

It remains a generally difficult environment for bond investors, with yields at extremely low levels but the very likely backstop of further Central Bank stimulus to come. We are aware that the cycle is looking increasingly mature and there are a number of warning signs that must be monitored carefully. As such, despite the Central Bank assistance (a great deal of which seems already priced in), we are generally not inclined to add to increase credit risk at the present time.

### Synthetic Risk & Reward Indicator

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

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

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

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

1. The Trust invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
2. 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.
3. The Trust invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
4. 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 Trust being leveraged (where market exposure and thus the potential for loss by the Trust exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
5. The Trust 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.
6. The Trust invests in high yielding bonds which carry a greater risk of default than those with lower yields.
7. The Trust 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 Trust offers no guarantee against loss or that the Trust'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 Trust may rise and fall as a result of exchange rate fluctuations.

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

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

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

### Cautionary note

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

## Comparative Tables

Retail accumulation	31 July 2019	31 January 2019	31 January 2018	31 January 2017
Closing net asset value (£'000)	2,324	2,639	3,157	3,626
Closing number of units	2,595,293	3,097,294	3,620,829	4,391,923
Closing net asset value per unit (pence)	89.54	85.21	87.20	82.55
Change in net asset value per unit	5.08%	(2.28%)	5.63%	6.20%
Operating charges	1.22%	1.19%	1.19%	1.27%

Institutional accumulation	31 July 2019	31 January 2019	31 January 2018	31 January 2017
Closing net asset value (£'000)	5,542	49,436	50,023	39,414
Closing number of units	5,892,653	55,344,779	54,969,324	45,958,692
Closing net asset value per unit (pence)	94.06	89.32	91.00	85.76
Change in net asset value per unit	5.31%	(1.85%)	6.11%	6.63%
Operating charges	0.78%	0.74%	0.74%	0.74%

Retail income	31 July 2019	31 January 2019	31 January 2018	31 January 2017
Closing net asset value (£'000)	736	765	978	1,095
Closing number of units	1,075,896	1,155,799	1,410,458	1,633,800
Closing net asset value per unit (pence)	68.42	66.15	69.35	67.03
Change in net asset value per unit	3.43%	(4.61%)	3.46%	3.57%
Operating charges	1.22%	1.18%	1.19%	1.27%

Institutional income	31 July 2019	31 January 2019	31 January 2018	31 January 2017
Closing net asset value (£'000)	1,654	1,718	2,140	2,272
Closing number of units	2,427,604	2,608,131	3,098,456	3,404,164
Closing net asset value per unit (pence)	68.13	65.87	69.06	66.74
Change in net asset value per unit	3.43%	(4.62%)	3.48%	3.63%
Operating charges	0.78%	0.74%	0.74%	0.74%

Standard Life income	31 July 2019	31 January 2019	31 January 2018	31 January 2017
Closing net asset value (£'000)	21,913	23,621	24,764	23,934
Closing number of units	32,070,298	35,757,521	35,759,521	35,759,521
Closing net asset value per unit (pence)	68.33	66.06	69.25	66.93
Change in net asset value per unit	3.44%	(4.61%)	3.47%	3.67%
Operating charges	0.07%	0.04%	0.04%	0.04%

Standard Life accumulation	31 July 2019	31 January 2019	31 January 2018	31 January 2017
Closing net asset value (£'000)	85,674	100,268	105,491	101,255
Closing number of units	86,163,682	106,522,305	110,695,345	113,438,267
Closing net asset value per unit (pence)	99.43	94.13	95.30	89.26
Change in net asset value per unit	5.63%	(1.23%)	6.77%	7.15%
Operating charges	0.15%	0.12%	0.12%	0.12%

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

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

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



Platform 1 accumulation	31 July 2019	31 January 2019	31 January 2018	31 January 2017
Closing net asset value (£'000)	5,674	5,752	8,663	10,991
Closing number of units	8,040,750	8,581,617	12,680,132	17,059,719
Closing net asset value per unit (pence)	70.57	67.03	68.32	64.43
Change in net asset value per unit	5.28%	(1.89%)	6.04%	6.57%
Operating charges	0.83%	0.79%	0.79%	0.79%

Platform 1 income	31 July 2019	31 January 2019	31 January 2018	31 January 2017
Closing net asset value (£'000)	718	804	944	1,147
Closing number of units	1,265,399	1,465,077	1,641,677	2,062,945
Closing net asset value per unit (pence)	56.73	54.85	57.50	55.57
Change in net asset value per unit	3.43%	(4.61%)	3.47%	3.66%
Operating charges	0.83%	0.79%	0.79%	0.79%

Institutional S accumulation	31 July 2019	31 January 2019	31 January 2018	31 January 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of units	200	200	2,200	2,200
Closing net asset value per unit (pence)	63.50	60.21	61.11	57.40
Change in net asset value per unit	5.46%	(1.47%)	6.46%	6.87%
Operating charges	0.50%	0.46%	0.50%	0.50%

Institutional S income	31 July 2019	31 January 2019	31 January 2018	31 January 2017
Closing net asset value (£'000)	–	–	1	1
Closing number of units	200	200	2,200	2,200
Closing net asset value per unit (pence)	51.92	50.23	52.56	50.79
Change in net asset value per unit	3.36%	(4.43%)	3.48%	3.65%
Operating charges	0.50%	0.44%	0.50%	0.50%

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

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

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

## Portfolio Statement

As at 31 July 2019

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (85.35%)</b>		<b>102,563</b>	<b>82.56</b>
<b>Australian Dollar Denominated Bonds (1.90%)</b>		-	-
<b>Government Bonds (1.90%)</b>		-	-
<b>Euro Denominated Bonds (13.44%)</b>		<b>13,250</b>	<b>10.67</b>
<b>Corporate Bonds (13.44%)</b>		<b>11,462</b>	<b>9.23</b>
less than 5 years to maturity			
800,000	Danske Bank 7.5% 2020	740	0.60
650,000	Matterhorn Telecom 3.875% 2022	597	0.48
850,000	Teva Pharmaceutical 0.375% 2020	760	0.61
between 5 and 10 years to maturity			
800,000	Avantor 4.75% 2024	778	0.63
300,000	CaixaBank 2.75% 2028	289	0.23
400,000	CaixaBank 3.5% 2027	387	0.31
270,000	MPT Operating Partnership 3.325% 2025	272	0.22
960,000	Teva Pharmaceutical 1.125% 2024	707	0.57
550,000	Unitymedia 3.75% 2027	532	0.43
800,000	Unitymedia 4% 2025	754	0.61
489,000	UPCB Finance VII 3.625% 2029	474	0.38
greater than 25 years to maturity			
350,000	AXA 3.25% 2049	359	0.29
650,000	Channel Link Enterprises Finance FRN 2050	598	0.48
Perpetual			
1,400,000	Aareal Bank 7.625% fixed to floating Perpetual	1,320	1.06
1,100,000	ABN Amro 5.75% Perpetual	1,044	0.84
800,000	BBVA 6.75% Perpetual	742	0.60
1,000,000	CaixaSabadell Preference FRN Perpetual	794	0.64
300,000	Telefonica 5.875% Perpetual	315	0.25
<b>Government Bonds (0.00%)</b>		<b>1,788</b>	<b>1.44</b>
greater than 25 years to maturity			
1,467,000	France (Govt of) 2% 2048	1,788	1.44
<b>Sterling Denominated Bonds (55.57%)</b>		<b>75,720</b>	<b>60.95</b>
<b>Corporate Bonds (53.10%)</b>		<b>75,369</b>	<b>60.67</b>
less than 5 years to maturity			
451,000	AA Bond 2.875% 2022	431	0.35
850,000	AIG 5% 2023	956	0.77
553,000	Arqiva 6.75% 2023	592	0.48
350,000	Barclays 10% 2021	401	0.32
500,000	Barclays 9.5% 2021	576	0.46
320,000	BUPA 5% 2023	353	0.28
1,800,000	Deutsche Bank 1.875% 2020	1,801	1.45

Holding	Investment	Market value £'000	Percentage of total net assets
690,000	Digital Stout 2.75% 2024	725	0.58
500,000	Digital Stout 4.75% 2023	563	0.45
1,000,000	First Hydro 9% 2021	1,145	0.92
500,000	Friends Life 8.25% 2022	590	0.48
1,260,000	Global Switch 4.375% 2022	1,377	1.11
900,000	Heathrow Funding 7.125% 2024	1,105	0.89
1,000,000	innogy Finance 5.625% 2023	1,187	0.96
600,000	Intesa Sanpaolo 5.25% 2022	647	0.52
850,000	Intu (SGS) Finance 4.125% 2023	809	0.65
600,000	Lend Lease Europe 6.125% 2021	653	0.53
350,000	MetLife Global Funding I 2.625% 2022	367	0.30
850,000	NatWest 6.5% 2021	936	0.75
285,000	Newday Funding 2018 FRN 2026	285	0.23
500,000	Newday Funding 2018-2 FRN 2026	498	0.40
860,000	Pacific National Finance 5% 2023	962	0.77
400,000	Petróleos Mexicanos 8.25% 2022	438	0.35
550,000	TalkTalk 5.375% 2022	562	0.45
960,000	Thames Water 2.375% 2023	968	0.78
900,000	Volkswagen Financial Services 1.75% 2022	910	0.73
300,000	Volkswagen Financial Services 2.125% 2024	305	0.25
740,000	Western Power 3.625% 2023	792	0.64
between 5 and 10 years to maturity			
700,000	Abertis Infraestructuras 3.375% 2026	740	0.60
1,000,000	Anheuser-Busch InBev 2.25% 2029	1,033	0.83
560,000	Annington Funding 2.646% 2025	581	0.47
750,000	APT Pipelines 4.25% 2024	850	0.68
300,000	Arrow Global 5.125% 2024	296	0.24
400,000	Banque Federative du Credit Mutuel 1.75% 2024	407	0.33
600,000	BPCE 5.25% 2029	733	0.59
480,000	British American Tobacco 2.125% 2025	483	0.39
700,000	Cadent Finance 2.125% 2028	715	0.58
300,000	CYBG 4% 2026	305	0.25
980,000	CYBG 5% 2026	984	0.79
500,000	Enel 5.625% 2024	597	0.48
387,000	Fidelity National Information Services 2.602% 2025	407	0.33
100,000	Fiserv 2.25% 2025	103	0.08
481,000	Hammerson 3.5% 2025	495	0.40
100,000	Hammerson 7.25% 2028	127	0.10
800,000	HSBC 2.256% 2026	814	0.66
800,000	HSBC 2.625% 2028	832	0.67
910,000	Intu Debenture 5.562% 2027	770	0.62

Holding	Investment	Market value £'000	Percentage of total net assets
500,000	John Lewis 6.125% 2025	570	0.46
700,000	Lloyds Banking Group 2.25% 2024	710	0.57
383,000	NewRiver REIT 3.5% 2028	388	0.31
560,000	Peel South East 10% 2026	782	0.63
699,000	Porterbrook Rail 4.625% 2029	818	0.66
430,000	Rabobank 4.625% 2029	508	0.41
500,000	RI Finance Bonds No 3 6.125% 2028	573	0.46
600,000	Royal Bank of Scotland 2.875% 2026	613	0.49
1,015,000	Santander UK Group 3.625% 2026	1,094	0.88
850,000	Trafford Centre 7.03% 2029	563	0.45
250,000	Virgin Media 5% 2027	259	0.21
270,000	Virgin Media 6% 2025	301	0.24
800,000	Volkswagen International Finance 3.375% 2026	855	0.69
450,000	Westfield America Management 2.125% 2025	460	0.37
300,000	Yorkshire Building Society 3.375% 2028	290	0.23
between 10 and 15 years to maturity			
434,000	APT Pipelines 3.125% 2031	469	0.38
510,000	AT&T 4.375% 2029	604	0.49
750,000	Barclays 3.25% 2033	736	0.59
550,000	Broadgate Financing 5.098% 2035	616	0.50
100,000	Fiserv 3% 2031	106	0.09
1,225,000	Greene King FRN 2033	894	0.72
491,000	HSBC 3% Fixed to Floating 2029	514	0.41
799,000	HSBC 5.375% 2033	1,009	0.81
500,000	HSBC Bank 5.375% 2030	586	0.47
829,000	Pension Insurance 5.625% 2030	852	0.69
651,000	Quadgas Finance 3.375% 2029	675	0.54
400,000	Telereal FRN 2033	386	0.31
1,150,000	Telereal Secured 4.01% 2033	950	0.77
430,000	Telereal Securitisation FRN 2031	397	0.32
between 15 and 25 years to maturity			
470,000	Aviva 6.125% 2036	550	0.44
700,000	Aviva 6.625% fixed to floating 2041	761	0.61
797,000	Direct Line 9.25% 2042	945	0.76
600,000	Eversholt 6.697% 2035	787	0.63
300,000	innogy Finance 6.125% 2039	462	0.37
1,000,000	Munich Re 6.625% fixed to floating 2042	1,137	0.92
856,000	QBE Insurance 6.115% 2042	937	0.75
330,000	RL Finance 6.125% fixed to floating 2043	373	0.30
600,000	RMPA Services 5.337% 2038	603	0.49
200,000	Tesco 5.744% 2040	253	0.20
500,000	Tesco 7.6227% 2039	641	0.52

Holding	Investment	Market value £'000	Percentage of total net assets
greater than 25 years to maturity			
311,000	America Movil 6.375% fixed to floating 2073	326	0.26
600,000	Aviva FRN 2049	637	0.51
1,000,000	Dignity 4.6956%	818	0.66
400,000	EDF 6% 2114	642	0.52
435,000	Finsbury Square 2018-2 FRN 2068	433	0.35
600,000	Koninklijke KPN 6.875% 2073	617	0.50
400,000	NGG 5.625% fixed to floating 2073	438	0.35
353,000	Paragon FRN 2050	342	0.28
1,186,000	RMAC FRN 2046	1,012	0.81
500,000	Vodafone 3% 2056	469	0.38
350,000	Vodafone 3.375% 2049	354	0.28
Perpetual			
700,000	Assicurazioni Generali 6.416% fixed to floating Perpetual	737	0.59
1,061,000	Aviva 5.9021% fixed to floating Perpetual	1,086	0.87
300,000	Aviva 6.125% fixed to floating Perpetual	324	0.26
1,150,000	AXA 6.772% fixed to floating Perpetual	1,158	0.93
826,000	Bank of Scotland 7.281% Perpetual	1,010	0.81
750,000	Barclays 7% Perpetual	751	0.60
589,000	Credit Agricole 7.5% Perpetual	672	0.54
900,000	CYBG 8% Perpetual	865	0.70
800,000	Direct Line 4.75% Perpetual	663	0.53
400,000	EDF 5.875% fixed to floating Perpetual	429	0.35
650,000	Lloyds Bank 13% fixed to floating Perpetual	1,122	0.90
700,000	Orange 5.75% fixed to floating Perpetual	778	0.63
1,990,000	Pennon 2.875% Perpetual	1,998	1.61
450,000	SSE 3.875% fixed to floating Perpetual	455	0.37
<b>Government Bonds (2.47%)</b>		<b>351</b>	<b>0.28</b>
between 5 and 10 years to maturity			
320,000	UK (Govt of) 2% 2025	351	0.28
<b>US Dollar Denominated Bonds (14.44%)</b>		<b>13,593</b>	<b>10.94</b>
<b>Corporate Bonds (9.67%)</b>		<b>9,364</b>	<b>7.54</b>
less than 5 years to maturity			
186,000	First Quantum Minerals 7% 2021	154	0.12
900,000	Liquid Telecommunications 8.5% 2022	743	0.60
550,000	Standard Chartered Fixed to Floating 2020	453	0.37
800,000	Vedanta Resources 6.375% 2022	653	0.53
between 5 and 10 years to maturity			
1,006,000	CCO 5.125% 2027	847	0.68
590,000	Cemex 7.75% 2026	522	0.42

Holding	Investment	Market value £'000	Percentage of total net assets
900,000	Deutsche Bank 4.875% Fixed to Floating 2027	659	0.53
1,133,000	First Quantum Minerals 6.875% 2026	871	0.70
800,000	Lennar 4.75% 2027	687	0.55
157,000	MPT Operating Partnership 5.25% 2026	133	0.11
600,000	Tullow Oil 7% 2025	495	0.40
greater than 25 years to maturity			
830,000	Energy Transfer Partners 6.125% 2045	779	0.63
745,000	RBS Capital Trust FRN 2049 Preference Share	787	0.63
Perpetual			
616,000	HBOS Capital Funding 6.85% Perpetual	514	0.41
500,000	Societe Generale 7.875% Perpetual	437	0.35
730,000	UBS Group Funding Switzerland FRN Perpetual	630	0.51
<b>Government Bonds (4.77%)</b>		<b>4,229</b>	<b>3.40</b>
between 15 and 25 years to maturity			
4,103,800	US Treasury 1.375% Index-Linked 2044	4,229	3.40
<b>Collective Investment Schemes (10.56%)</b>		<b>15,812</b>	<b>12.73</b>
549,953	SLI Emerging Market Debt SICAV+	6,776	5.46
440,364	SLI European High Yield Bond SICAV+	9,036	7.27
<b>Derivatives (-0.11%)</b>		<b>(1,625)</b>	<b>(1.31)</b>
<b>Credit Default Swaps (-0.12%)</b>		<b>(514)</b>	<b>(0.41)</b>
EUR 6,000,000	Buy iTraxx Europe Series 31 20/06/2024 0%	(643)	(0.52)
EUR 1,200,000	Sell iTraxx Europe Series 31 20/06/2024 5%	129	0.11
<b>Forward Currency Contracts (0.11%)</b>		<b>(2,019)</b>	<b>(1.63)</b>
	Buy AUD 331 Sell GBP 181 20/08/2019	-	-
	Buy EUR 116,827 Sell GBP 104,340 20/08/2019	2	-
	Buy EUR 326,614 Sell GBP 294,712 20/08/2019	2	-
	Buy EUR 365,341 Sell GBP 318,233 20/08/2019	14	0.01
	Buy EUR 410,164 Sell GBP 364,199 20/08/2019	9	0.01
	Buy EUR 457,666 Sell GBP 406,374 20/08/2019	10	0.01
	Buy EUR 524,359 Sell GBP 460,413 20/08/2019	17	0.01
	Buy EUR 539,558 Sell GBP 484,356 20/08/2019	7	0.01
	Buy EUR 541,818 Sell GBP 490,337 20/08/2019	3	-
	Buy EUR 664,894 Sell GBP 588,676 20/08/2019	16	0.01
	Buy EUR 684,886 Sell GBP 615,931 20/08/2019	7	-
	Buy EUR 700,000 Sell GBP 624,516 20/08/2019	12	0.01
	Buy EUR 717,359 Sell GBP 645,199 20/08/2019	8	0.01
	Buy GBP 177 Sell AUD 331 20/08/2019	-	-
	Buy GBP 181,536 Sell EUR 205,405 20/08/2019	(5)	-

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 504,717 Sell EUR 561,986 20/08/2019	(7)	(0.01)
	Buy GBP 1,681,618 Sell EUR 1,881,984 20/08/2019	(31)	(0.02)
	Buy GBP 24,363,311 Sell EUR 28,121,454 20/08/2019	(1,224)	(0.99)
	Buy GBP 158,689 Sell USD 200,000 20/08/2019	(5)	-
	Buy GBP 362,752 Sell USD 460,291 20/08/2019	(13)	(0.01)
	Buy GBP 445,090 Sell USD 565,590 20/08/2019	(16)	(0.01)
	Buy GBP 13,975,731 Sell USD 18,265,699 20/08/2019	(928)	(0.75)
	Buy USD 190,655 Sell GBP 151,032 20/08/2019	5	-
	Buy USD 207,300 Sell GBP 166,949 20/08/2019	2	-
	Buy USD 668,548 Sell GBP 521,877 20/08/2019	24	0.02
	Buy USD 809,861 Sell GBP 628,091 20/08/2019	33	0.03
	Buy USD 866,867 Sell GBP 667,905 20/08/2019	39	0.03
<b>Futures (-0.30%)</b>		<b>(448)</b>	<b>(0.36)</b>
155	Long Australian 10 Year Bond Future 16/09/2019	283	0.23
47	Long Canadian 10 Year Bond Future 19/09/2019	29	0.02
183	Long US 10 Year Note Future 19/09/2019	135	0.11
(28)	Short Euro Bond Future 06/09/2019	(102)	(0.08)
(53)	Short Euro Buxl 30 Year Future 06/09/2019	(493)	(0.40)
(112)	Short Long Gilt Future 26/09/2019	(300)	(0.24)
<b>Inflation Swaps (0.06%)</b>		<b>(95)</b>	<b>(0.08)</b>
GBP 3,090,000	Pay floating UKRPI receive fixed 3.35% 15/10/2027	(95)	(0.08)
<b>Interest Rate Swaps (0.14%)</b>		<b>1,451</b>	<b>1.17</b>
EUR 5,200,000	Pay fixed 0.864% receive floating EURIBOR 22/03/2027	(395)	(0.32)
EUR 13,500,000	Pay floating EURIBOR receive fixed 1.369% 23/06/2027	837	0.68
EUR 23,500,000	Pay floating EURIBOR receive fixed 1.8308% 06/02/2034	1,009	0.81
<b>Total investment assets and liabilities</b>		<b>116,750</b>	<b>93.98</b>
<b>Net other assets</b>		<b>7,485</b>	<b>6.02</b>
<b>Total Net Assets</b>		<b>124,235</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 unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 31 January 2019.

+ Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of Total Return**

For the six months ended 31 July 2019

	31 July 2019		31 July 2018	
	£'000	£'000	£'000	£'000
<b>Income:</b>				
Net capital gains/(losses)		5,264		(6,788)
Revenue	3,182		3,857	
Expenses	(202)		(316)	
Interest payable and similar charges	(31)		(41)	
Net revenue before taxation	2,949		3,500	
Taxation	-		(3)	
Net revenue after taxation		2,949		3,497
<b>Total return before distributions</b>		<b>8,213</b>		<b>(3,291)</b>
Distributions		(2,949)		(3,497)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>5,264</b>		<b>(6,788)</b>

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

For the six months ended 31 July 2019

	31 July 2019		31 July 2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>185,003</b>		<b>196,163</b>
Amounts receivable on the issue of units	1,436		7,142	
Amounts payable on the cancellation of units	(69,739)		(3,623)	
		(68,303)		3,519
Dilution levy		148		7
Change in net assets attributable to unitholders from investment activities (see above)		5,264		(6,788)
Retained distribution on accumulation units		2,123		2,978
<b>Closing net assets attributable to unitholders</b>		<b>124,235</b>		<b>195,879</b>

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



## Balance Sheet

As at 31 July 2019

	31 July 2019		31 January 2019	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		121,006		175,794
<b>Current assets:</b>				
Debtors	1,517		2,315	
Cash and bank balances	6,808		6,379	
<b>Cash equivalents</b>	-		3,386	
		8,325		12,080
<b>Total assets</b>		129,331		187,874
<b>Liabilities:</b>				
Investment liabilities		(4,256)		(1,940)
Creditors	(251)		(545)	
Bank overdrafts	(246)		(176)	
Distribution payable	(343)		(210)	
		(840)		(931)
<b>Total liabilities</b>		(5,096)		(2,871)
<b>Net assets attributable to unitholders</b>		124,235		185,003

### Distribution tables

For the three months ended 30 April 2019

Group 1 - units purchased prior to 1 February 2019

Group 2 - units purchased between 1 February 2019 and 30 April 2019

	Net Income 2019 pence per unit	Equalisation 2019 pence per unit	Distribution paid 2019 pence per unit	Distribution paid 2018 pence per unit
<b>Retail accumulation</b>				
Group 1	0.4219	-	0.4219*	0.4341
Group 2	0.2036	0.2183	0.4219*	0.4341
<b>Institutional accumulation</b>				
Group 1	0.5409	-	0.5409*	0.5512
Group 2	0.2959	0.2450	0.5409*	0.5512
<b>Retail income</b>				
Group 1	0.3275	-	0.3275**	0.3451
Group 2	0.1254	0.2021	0.3275**	0.3451
<b>Institutional income</b>				
Group 1	0.3988	-	0.3988**	0.4182
Group 2	0.2507	0.1481	0.3988**	0.4182
<b>Standard Life income</b>				
Group 1	0.5156	-	0.5156**	0.5380
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	0.7160	-	0.7160*	0.7218
Group 2	0.5040	0.2120	0.7160*	0.7218
<b>Platform 1 accumulation</b>				
Group 1	0.3975	-	0.3975*	0.4056
Group 2	0.1721	0.2254	0.3975*	0.4056
<b>Platform 1 income</b>				
Group 1	0.3253	-	0.3253**	0.3413
Group 2	0.0810	0.2443	0.3253**	0.3413
<b>Institutional S accumulation</b>				
Group 1	0.4750	-	0.4750*	0.4250
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.4200	-	0.4200**	0.3636
Group 2	-	-	-	-

\* Distribution accumulated on 30 April 2019

\*\* Distribution paid on 28 June 2019

For the three months ended 31 July 2019

Group 1 - units purchased prior to 1 May 2019

Group 2 - units purchased between 1 May 2019 and 31 July 2019

	Net Income 2019 pence per unit	Equalisation 2019 pence per unit	Distribution paid 2019 pence per unit	Distribution paid 2018 pence per unit
<b>Retail accumulation</b>				
Group 1	0.9774	-	0.9774*	0.7345
Group 2	0.6709	0.3065	0.9774*	0.7345
<b>Institutional accumulation</b>				
Group 1	1.1322	-	1.1322*	0.8685
Group 2	0.9009	0.2313	1.1322*	0.8685
<b>Retail income</b>				
Group 1	0.7552	-	0.7552**	0.5812
Group 2	0.5198	0.2354	0.7552**	0.5812
<b>Institutional income</b>				
Group 1	0.8291	-	0.8291**	0.6549
Group 2	0.7962	0.0329	0.8291**	0.6549
<b>Standard Life income</b>				
Group 1	0.9539	-	0.9539**	0.7778
Group 2	-	-	-	-
<b>Standard Life accumulation</b>				
Group 1	1.3494	-	1.3494*	1.0596
Group 2	0.5512	0.7982	1.3494*	1.0596
<b>Platform 1 accumulation</b>				
Group 1	0.8396	-	0.8396*	0.6433
Group 2	0.5614	0.2782	0.8396*	0.6433
<b>Platform 1 income</b>				
Group 1	0.6831	-	0.6831**	0.5382
Group 2	0.4793	0.2038	0.6831**	0.5382
<b>Institutional S accumulation</b>				
Group 1	0.8400	-	0.8400*	0.6100
Group 2	-	-	-	-
<b>Institutional S income</b>				
Group 1	0.7050	-	0.7050**	0.5377
Group 2	-	-	-	-

\* Distribution accumulated on 31 July 2019

\*\* Distribution paid on 30 September 2019

The above document is strictly for information purposes only and should not be considered as an offer, investment recommendation or solicitation, to deal in any of the investments or funds mentioned herein and does not constitute investment research. Aberdeen Standard Fund Managers Limited (Aberdeen) does not warrant the accuracy, adequacy or completeness of the information and materials. Any research or analysis used in the preparation of this document has been procured by Aberdeen for its own use and may have been acted on for its own purpose. The results thus obtained are made available only coincidentally and the information is not guaranteed as to its accuracy. Some of the information in this document may contain projections or other forward looking statements regarding future events or future financial performance of countries, markets or companies. These statements are only predictions and actual events or results may differ materially. The reader must make their own assessment of the relevance, accuracy and adequacy of the information contained in this document and make such independent investigations, as they may consider necessary or appropriate for the purpose of such assessment. Any opinion or estimate contained in this document is made on a general basis and is not to be relied on by the reader as advice. Neither Aberdeen nor any of its employees, associated group companies or agents have given any consideration to nor have they or any of them made any investigation of the investment objectives, financial situation or particular need of the reader, any specific person or group of persons. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the reader, any person or group of persons acting on any information, opinion or estimate contained in this document. Aberdeen reserves the right to make changes and corrections to any information in this document at any time, without notice.

Issued by Aberdeen Standard Fund Managers Limited. Authorised and regulated by the Financial Conduct Authority in the United Kingdom.

**Important Information**

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments. Unless otherwise indicated, this document refers only to the investment products, teams, processes and opinions of Aberdeen Asset Management/Standard Life Investments as at the date of publication.

