



Annual Report

Standard Life Wealth Falcon
Fund Annual Report &
Financial Statements

For the year ended 28 February 2019

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¹ Collectively, 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

Trust Manager

John Ewen

Launch date

9 July 1998

Objective

The investment objective of the Standard Life Wealth Falcon Fund ("the Trust") is to provide long-term capital growth through investment principally in UK and international equities. The Trust may also invest in collective investment schemes, warrants, deposits, approved money market instruments, fixed interest securities, derivative instruments and forward transactions.

Policy

Whilst it is anticipated that over the long term the Trust will be predominantly invested in equities for a majority of the time, its composition may occasionally be altered substantially following changes in the Investment Adviser's investment views. The Trust will be able to take significant positions in individual stocks, sectors and geographic regions, and there will be no limits on the proportion of the Trust invested in bonds or equities or in any one geographic region. The Trust is designed for investors who are willing and able to accept a high degree of volatility.

Risk

The investments of the Trust are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in the Trust. There is no assurance that the investment objective of the Trust will actually be achieved and no warranty or representation is given to this effect.

Benchmark	
	70% FTSE World ex UK
	30% FTSE All-Share
Reporting dates	
Interim	31 August
Annual	28 February (29 February in a leap year)
Distribution record dates	
Interim	31 August
Interim	28 February (29 February in a leap year)
Payment dates	
	Two dealing days before
Interim	31 October
Interim	30 April

Trust Profile and Information

Continued

Trust Information				
Head office	Manager	Registered Office	Directors of the Manager	Trustee
Aberdeen Standard Fund Managers Limited Bow Bells House 1 Bread Street London EC4M 9HH	Aberdeen Standard Fund Managers Limited	Bow Bells House 1 Bread Street London EC4M 9HH	Mr Jamie Matheson Mr Gary Marshall Ms Allison Donaldson Mr Aron Mitchell Ms Carolan Dobson	Citibank Europe plc, UK Branch
Registered Office and Head Office	Auditor	Registrar	Investment Adviser	Sub-Adviser
Citigroup Centre Canada Square Canary Wharf London E14 5LB	KPMG LLP 15 Canada Square London E14 5GL	Aberdeen Standard Fund Managers Limited Bow Bells House 1 Bread Street London EC4M 9HH	Standard Life Investments Limited 1 George Street Edinburgh EH2 2LL The Investment Adviser is authorised and regulated by the Financial Conduct Authority	Aberdeen Standard Capital Limited 1 George Street Edinburgh EH2 2LL

Keeping you informed

You can keep up to date with the performance of your investments by visiting our website aberdeenstandardcapital.com. Alternatively, if you would rather speak to us, please call 0345 113 6966 (+44 (0) 1268 445 488 if outwith the UK) between 8:30am and 5:30pm Monday to Friday.

Significant Event

The Manager changed name to Aberdeen Standard Fund Managers Limited, formerly Standard Life Investments (Mutual Funds) Limited, with effect from 10 December 2018.

Standard Life Wealth Limited was renamed Aberdeen Standard Capital Limited on 18 January 2019.

Statement of Manager's Responsibilities

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

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Trust 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 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.

Manager's Statement

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

Standard Life Wealth Falcon Fund is an Authorised Unit Trust Scheme under section 243 of the Financial Services and Markets Act 2000.

The Trust is certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive allowing the Manager to market the Trust in member states of the European Union subject to relevant local laws.

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.

Names and addresses of the Manager, Trustee, Registrar, Investment Adviser and Auditor are contained on page 2 of the Annual Report and Financial Statements. The investment objective of the Trust is disclosed within the Trust Profile and Information, and the investment activities are disclosed within the Investment Report. Copies of the most recent Prospectus are available online at standardlifeinvestments.com.

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



Aron Mitchell
Director
24 May 2019



Gary Marshall
Director
24 May 2019

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of Standard Life Wealth Falcon Fund for the year ended 28 February 2019

The Trustee is responsible for the safekeeping of all property of the Trust 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 Trustee to take reasonable care to ensure that the Trust is managed and operated in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the Trust, concerning: the pricing of and dealing in Trust Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and
- (iii) has, otherwise, ensured the proper operation of the Trust.



Citibank Europe PLC, UK Branch
London
24 May 2019

Independent Auditor's Report to the Unitholders of Standard Life Wealth Falcon Fund ('the Trust')

Opinion

We have audited the financial statements of the Trust for the year ended 28 February 2019 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheet, the Related Notes and Distribution Tables of the Trust and the accounting policies set out on pages 21 and 23.

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 the Trust as at 28 February 2019 and of the net revenue and the net capital loss on the property of each of the Trust for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, 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 Trust in accordance with, UK ethical requirements including the FRC Ethical Standard.

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

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

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

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

all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust or to cease their operations, and as they have concluded that the Trust financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

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

Other information

The Manager 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 Manager's Report for the financial year is consistent with the financial statements.

Independent Auditor's Report to the Unitholders of Standard Life Wealth Falcon Fund ('the Trust') Continued

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

Manager's responsibilities

As explained more fully in their statement set out on page 3, the Manager 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 Trust's 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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

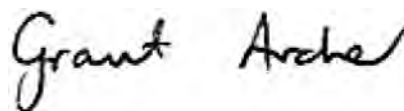
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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.

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

This report is made solely to the Trust's unitholders, 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 section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders 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 Trust and the Trust's

unitholders 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
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
24 May 2019

The Registrar of the Trust

The Manager is the Registrar of the Standard Life Wealth Falcon Fund. The Manager has delegated certain aspects of the registrar's operational duties to DST Financial Services Europe Limited ("DST Limited").

The Registrar is responsible to the Trustee for the maintenance of a register of unitholders in the Trust. This register can be inspected free of charge at the offices of DST Limited at DST House, St Nicholas Lane, Basildon, Essex, SS15 5FS.

Investment Report

Trust Manager: John Ewen

Global Overview

Global equity markets delivered negative returns to investors during 2018 as market weakness towards the end of the year erased the gains made during the first nine months. The initial bullish sentiment over a “synchronised global recovery” was replaced by concerns that strong growth could lead interest rates to rise faster than anticipated. Political concerns also came to the fore, particularly fears of a trade war between China and the US; unease over Brexit and Italy’s clash with the European Union over fiscal spending. The traditional Santa rally never materialised, instead investors suffered sharp falls in equity markets with the tech sector and crude oil price being notable casualties. However 2019 thus far has proved kinder to markets, lodging consecutive gains in both January and February as risk on sentiment returned, buoyed by a solid earnings season, a more dovish stance from the key central banks and more constructive US- China Trade talks.

Performance and Activity

Over the 12 month period to 28 February 2019, the fund’s return was -1.85%, net of the full 1.5% retail fee. This was behind the return of both the benchmark, which rose +3.1% and also the peer group return, as measured by the ARC Equity Risk Private Client Indicator, which gained +1.2%.

The fund’s holdings in the consumer goods sector were the biggest detractor to performance. This was largely attributable to weakness in the video game publishers Electronic Arts and Activision Blizzard as sentiment in the sector turned from highly bullish to cautious amidst concerns about competition from free to play games such as Fortnite and after a particularly brutal clash of AAA game releases in Q4. We remain very positive about the trends in the industry but opted to sell out of Electronic Arts towards the end of the reporting period after the shares recovered sharply on the back of strong player figures following the release of their latest Battle Royale game Apex Legends.

The tobacco sector was notably weak over the period. Last June we took the fund underweight tobacco through the sale of Philip Morris International on the basis that sector is not as defensive as it once was, with the key players vying for position in a future smokeless world through the development of their next generation products (NGPs). The regulatory threat hanging over both traditional combustible cigarettes and NGPs (where there are concerns these products are being marketed to minors) has not abated and shares in British American Tobacco were badly hit on the announcement of proposals to ban menthol cigarettes in the US. We believe the shares are oversold, given the lengthy process required to impose such a ban, hence we are holding on to them for the time being but we no longer consider ourselves long term holders of tobacco shares.

The travel and leisure sector witnessed disappointing returns from some of the names we held such as Resorttrust, Ryanair and Ctrip.com. Following in depth reviews, we have sold all of these holdings. The oil and gas sector is hostage to movements in the oil price and hence suffered when the latter fell sharply in the last quarter. Whilst the large integrated oil companies in the fund proved resilient, with BP rising +19% over the period, the oil service names Halliburton and Schlumberger were both weak. These stocks are considered “high beta” oil plays and tend to be highly correlated to the oil price. Both names have enjoyed solid recoveries in their share prices YTD. Also within the commodity space, the fund has enjoyed strong returns in the mining sector where we recently took profits in BHP Group after it gained 29% gain, helped by the rise in the price of iron ore.

Within financials, our bank holdings enjoyed mixed fortunes. Virgin Money Holdings jumped +26% on a bid approach and First Republic Bank gained +18%. However the Scandinavian banks were hit by a money laundering scandal in Estonia which led the share prices of Swedbank and Danske Bank to fall -21% and -33% respectively and prompted us to sell our shares in both banks.

The sale of Kraft Heinz last May at a loss felt painful at the time but the shares have since fallen a further 44%. Instead we have built up the position in our preferred staple name, Nestle, which rose +22% over the period. Within healthcare, Boston Scientific, one of the fund’s largest active positions, proved to be the fund’s strongest performer, rising +52%, leading us to prudently trim our position. A combination of sector rotation and strong company fundamentals saw strong returns from the Swiss pharmaceuticals we own, Novartis and Roche, which rose +17% and +29% respectively.

Within retailers, despite weakness in Q4, Amazon still rose +12% over the reporting period, although this was offset by the decline in JD.com, a Chinese internet company that has similar ambitions, which was impacted by weaker economic conditions in China, tougher competition, and allegations of misconduct by the company’s Chief Executive, which led us to sell our shares. Within the technology sector, Microsoft was the stand out performer rising +26%. American Tower Corporation, the owner and operator of wireless and broadcast communications infrastructure, which is benefitting from the growth in wireless data traffic, gained +34%.

A fall in its share price provided the opportunity to initiate a position in Kering, the owner of the luxury brand Gucci. Its shares had, in our opinion, overreacted to fears that sales in China would be impacted by the increased regulation of imports. Kering’s shares subsequently rallied despite the broader market fall and have gained +25% since purchase.

Investment Report Continued

We reduced the fund's exposure to the US housing cycle by selling Fortune Brands, while in financials, we sold Challenger, the Australian provider of annuities, and trimmed HSBC. We exited our position in global advertising firm WPP, prior to its profit warning, and sold our remaining position in pharmaceuticals company Shire, as the discount to Takeda's offer had narrowed. We consolidated our UK housebuilding exposure by selling out of Bellway and increasing Countryside Properties, which is differentiated by its attractive partnership model.

After witnessing a very strong run in the technology sector, in Autumn last year we opted to take profits in many of the technology related companies that had run the hardest such as Amazon (which had grown to be the fund's largest holding), Microsoft, Alphabet, Apple (which we took underweight) and Accenture. In mid-August we also initiated a position in Glaxosmithkline, impressed by the new impetus within the company in terms of managerial changes and R&D productivity, which helped to reduce the fund's underweight position in healthcare. These changes helped to mitigate to some extent the vicious sector rotation experienced in Q4.

Outlook

Positive corporate profits growth and improved valuations in many markets support a moderate risk-on portfolio. In terms of outlook, we expect weak economic growth into 2019, but not the start of a major recession, although evidence of some late-cycle behaviour in various markets warrants additional caution.

Rather than focus on short-term market noise, we concentrate on long-term structural growth; seeking to identify companies that will benefit from shifting trends, while avoiding those where change will be detrimental. Experience has taught us that companies that have strong balance sheets, generate cash flow in excess of their operational requirements, and invest in their business as well as distribute to shareholders, tend to generate stronger and more sustainable returns. As a result, they merit a long-term position in portfolios, regardless of shorter-term sentiment.

Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards				Higher risk Typically Higher rewards		
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 of the future. Where the unit class does not have a history of five years, an alternative unit class or a representative benchmark has been used to show how the Trust price may have behaved over the period.

The current rating (4), which is the same for all unit classes, 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. All investment involves risk. This Trust offers no guarantee against loss or that the Trust's objective will be attained.

For further information on the risks that may not be fully captured by the Risk & Reward Indicator, please refer to the current Key Investor Information Document (KIID).

Cautionary note

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

Comparative Table

	2019 pence per unit	2018 pence per unit	2017 pence per unit
Accumulation Units			
Change in net assets per unit			
Opening net asset value per unit	397.95	390.80	316.53
Return before operating charges*	0.35	13.36	79.67
Operating charges	(6.15)	(6.21)	(5.40)
Return after operating charges*	(5.80)	7.15	74.27
Distributions	(3.35)	(2.08)	(1.79)
Retained distributions on accumulation unit	3.35	2.08	1.79
Closing net asset value per unit	392.15	397.95	390.80
* after direct transaction costs of:	0.32	0.40	0.41
Performance			
Return after charges	(1.46)%	1.83%	23.46%
Other information			
Closing net asset value (£'000)	4,083	4,656	6,575
Closing number of units	1,041,231	1,169,901	1,682,549
Operating charges	1.54%	1.54%	1.53%
Direct transaction costs	0.08%	0.10%	0.12%
Prices			
Highest unit price	432.9	417.3	392.1
Lowest unit price	359.3	382.1	316.2
<p>The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.</p> <p>The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.</p> <p>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.</p> <p>Highest and Lowest prices are based on official published daily NAVs.</p>			

Comparative Table Continued

	2019 pence per unit	2018 pence per unit	2017 pence per unit
Income Units			
Change in net assets per unit			
Opening net asset value per unit	343.80	339.33	276.20
Return before operating charges*	0.48	11.65	69.39
Operating charges	(5.30)	(5.38)	(4.71)
Return after operating charges*	(4.82)	6.27	64.68
Distributions	(2.88)	(1.80)	(1.55)
Closing net asset value per unit	336.10	343.80	339.33
* after direct transaction costs of:	0.28	0.34	0.36
Performance			
Return after charges	(1.40)%	1.85%	23.42%
Other information			
Closing net asset value (£'000)	5,506	6,385	5,551
Closing number of units	1,638,197	1,857,160	1,635,928
Operating charges	1.54%	1.54%	1.53%
Direct transaction costs	0.08%	0.10%	0.12%
Prices			
Highest unit price	374.0	360.5	340.5
Lowest unit price	308.3	331.8	275.9

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

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

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

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

Comparative Table

Continued

	2019 pence per unit	2018 pence per unit	2017 pence per unit
Z Units (Net Income)			
Change in net assets per unit			
Opening net asset value per unit	63.75	62.88	51.13
Return before operating charges*	0.11	2.17	12.94
Operating charges	(0.02)	(0.03)	(0.04)
Return after operating charges*	0.09	2.14	12.90
Distributions	(1.50)	(1.27)	(1.15)
Closing net asset value per unit	62.34	63.75	62.88
* after direct transaction costs of:	0.05	0.06	0.07
Performance			
Return after charges	0.14%	3.40%	25.23%
Other information			
Closing net asset value (£'000)	31,498	39,528	42,658
Closing number of units	50,525,536	62,005,953	67,843,095
Operating charges	0.04%	0.04%	0.03%
Direct transaction costs	0.08%	0.10%	0.12%
Prices			
Highest unit price	69.80	67.18	63.53
Lowest unit price	57.46	61.61	51.09

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

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

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

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

Comparative Table Continued

	2019 pence per unit	2018 pence per unit	2017 pence per unit
Z Units (Accumulation)			
Change in net assets per unit			
Opening net asset value per unit	73.46	71.06	56.70
Return before operating charges*	0.05	2.43	14.40
Operating charges	(0.03)	(0.03)	(0.04)
Return after operating charges*	0.02	2.40	14.36
Distributions	(1.73)	(1.44)	(1.28)
Retained distributions on accumulation unit	1.73	1.44	1.28
Closing net asset value per unit	73.48	73.46	71.06
* after direct transaction costs of:	0.06	0.07	0.07
Performance			
Return after charges	0.03%	3.38%	25.33%
Other information			
Closing net asset value (£'000)	110,801	103,729	98,857
Closing number of units	150,792,089	141,211,189	139,107,374
Operating charges	0.04%	0.04%	0.03%
Direct transaction costs	0.08%	0.10%	0.12%
Prices			
Highest unit price	80.43	76.88	71.28
Lowest unit price	67.15	69.63	56.66

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

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

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

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

Comparative Table

Continued

	2019 pence per unit	2018 pence per unit	2017 pence per unit
M Units (Net Accumulation)			
Change in net assets per unit			
Opening net asset value per unit	69.77	67.94	54.56
Return before operating charges*	0.09	2.32	14.24
Operating charges	(0.48)	(0.49)	(0.86)
Return after operating charges*	(0.39)	1.83	13.38
Distributions	(1.27)	(0.91)	(0.83)
Retained distributions on accumulation unit	1.27	0.91	0.83
Closing net asset value per unit	69.38	69.77	67.94
* after direct transaction costs of:	0.06	0.07	0.07
Performance			
Return after charges	(0.56)%	2.69%	24.52%
Other information			
Closing net asset value (£'000)	– ^A	8,576	5,665
Closing number of units	200	12,290,938	8,337,796
Operating charges	0.69%	0.69%	0.68%
Direct transaction costs	0.08%	0.10%	0.12%
Prices			
Highest unit price	76.18	73.08	68.16
Lowest unit price	63.45	66.51	54.51
<p>The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.</p> <p>The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.</p> <p>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.</p> <p>Highest and Lowest prices are based on official published daily NAVs.</p> <p>^A The closing net asset value of the M Units (Net Accumulation) is £139.</p>			

Portfolio Statement

as at 28 February 2019

	Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.24%)			140,502	92.50
European Equities (20.89%)			34,121	22.46
Belgium (1.32%)			1,987	1.31
	33,860	Anheuser-Busch InBev	1,987	1.31
Denmark (1.59%)			-	-
France (1.38%)			4,778	3.14
	6,879	Kering	2,827	1.86
	45,597	TOTAL	1,951	1.28
Germany (2.98%)			3,350	2.20
	26,026	Bayer	1,567	1.03
	41,467	Covestro	1,783	1.17
Ireland (6.69%)			10,892	7.17
	30,549	Accenture	3,707	2.44
	32,202	Allegion	2,178	1.43
	107,848	CRH	2,568	1.69
	35,847	Medtronic	2,439	1.61
Italy (1.20%)			2,553	1.68
	561,647	Enel	2,553	1.68
Netherlands (0.00%)			2,788	1.84
	20,215	ASML	2,788	1.84
Sweden (1.90%)			-	-
Switzerland (3.83%)			7,773	5.12
	51,219	Nestle	3,493	2.30
	28,551	Novartis	1,962	1.29
	11,078	Roche	2,318	1.53
Japanese Equities (3.53%)			2,110	1.39
	18,054	Murata Manufacturing	2,110	1.39

Portfolio Statement

as at 28 February 2019

Continued

	Market value £'000	Percentage of total net assets
North American Equities (34.14%)	54,343	35.78
United States (34.14%)	54,343	35.78
51,833 Activision Blizzard	1,642	1.08
4,378 Alphabet 'A'	3,708	2.44
2,981 Amazon.com	3,675	2.42
32,378 American Tower	4,287	2.82
11,894 Apple	1,548	1.02
133,919 Boston Scientific	4,038	2.66
72,533 Citigroup	3,488	2.30
124,227 Comcast	3,613	2.38
24,654 Eli Lilly	2,341	1.54
20,573 EOG Resources	1,454	0.96
8,226 Equinix	2,617	1.72
33,176 Estee Lauder	3,915	2.58
17,299 Facebook	2,100	1.38
55,506 First Republic Bank	4,380	2.88
63,470 FLIR	2,456	1.62
64,674 Halliburton	1,492	0.98
12,768 Mastercard	2,157	1.42
45,977 Microsoft	3,873	2.55
47,062 Schlumberger	1,559	1.03
Pacific Basin Equities (11.42%)	11,065	7.29
Australia (3.08%)	2,425	1.60
303,443 Treasury Wine Estates	2,425	1.60
China (2.50%)	-	-
Hong Kong (1.34%)	2,548	1.68
339,064 AIA	2,548	1.68
South Korea (1.47%)	1,657	1.09
54,975 Samsung Electronics	1,657	1.09
Taiwan (3.03%)	4,435	2.92
88,107 Taiwan Semiconductor Manufacturing	2,586	1.70
133,240 Voltronic Power Technology	1,849	1.22

Portfolio Statement

as at 28 February 2019

Continued

	Investment	Market value £'000	Percentage of total net assets
UK Equities (27.26%)		38,863	25.58
Basic Materials (2.16%)		1,950	1.28
	44,979 Rio Tinto	1,950	1.28
Consumer Goods (4.27%)		6,205	4.09
	72,259 British American Tobacco	1,993	1.32
	648,527 Countryside Properties	2,113	1.39
	78,408 Fever Tree Drinks	2,099	1.38
Consumer Services (3.97%)		4,167	2.74
	241,064 RELX	4,167	2.74
Financials (8.99%)		11,742	7.73
	338,631 Aviva	1,433	0.94
	335,517 Beazley	1,835	1.21
	358,398 Biotech Growth Trust	2,588	1.71
	392,198 HSBC	2,403	1.58
	219,147 Prudential	3,483	2.29
Health Care (1.06%)		5,875	3.87
	108,476 Dechra Pharmaceuticals	2,679	1.76
	213,460 GlaxoSmithKline	3,196	2.11
Industrials (0.99%)		1,778	1.17
	530,000 Smith (DS)	1,778	1.17
Oil & Gas (3.64%)		5,822	3.83
	480,378 BP	2,567	1.69
	137,717 Royal Dutch Shell 'B'	3,255	2.14
Telecommunications (2.18%)		1,324	0.87
	985,878 Vodafone	1,324	0.87

Portfolio Statement

as at 28 February 2019

Continued

	Market value £'000	Percentage of total net assets
Collective Investment Schemes (2.65%)	-	-
Total investment assets	140,502	92.50
Net other assets	11,386	7.50
Total Net Assets	151,888	100.00

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

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

Financial Statements

Statement of Total Return for the year ended 28 February 2019						
		2019			2018	
	Notes	£'000	£'000	£'000	£'000	£'000
Income:						
Net capital (losses)/gains	2		(3,191)			2,158
Revenue	4	4,058		3,463		
Expenses	5	(225)		(280)		
Interest payable and similar charges	6	(6)		(4)		
Net revenue before taxation		3,827		3,179		
Taxation	7	(300)		(219)		
Net revenue after taxation			3,527			2,960
Total return before distributions			336			5,118
Distributions	8		(3,527)			(2,968)
Change in net assets attributable to unitholders from investment activities			(3,191)			2,150

Statement of Change in Net Assets Attributable to Unitholders for the year ended 28 February 2019						
		2019			2018	
		£'000	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders			162,874			159,306
Amounts receivable on the issue of units		34,003		22,935		
Amounts payable on the cancellation of units		(44,430)		(23,673)		
			(10,427)			(738)
Dilution levy			40			9
Change in net assets attributable to unitholders from investment activities (see above)			(3,191)			2,150
Retained distribution on accumulation units			2,592			2,147
Closing net assets attributable to unitholders			151,888			162,874

Financial Statements

Continued

Balance Sheet						
as at 28 February 2019						
		2019		2018		
	Notes	£'000	£'000	£'000	£'000	£'000
Assets:						
Fixed assets:						
Investment assets			140,502			162,682
Current assets:						
Debtors	9	429		542		
Cash and bank balances		11,519		357		
			11,948			899
Total assets			152,450			163,581
Liabilities:						
Creditors	10	(284)		(432)		
Distribution payable		(278)		(275)		
		(562)				(707)
Total liabilities			(562)			(707)
Net assets attributable to unitholders			151,888			162,874

Notes to the Financial Statements

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with FRS 102 and the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA)* in May 2014.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook.

(b) Valuation of investments

The listed investments of the Trust have been valued at bid price at the close of business on the reporting date. Collective Investment Schemes are valued at the close of business on the reporting date at either the most recent single price, or if separate buying and selling prices are quoted an average price net of any charges that are applicable. Unquoted investments are valued based on the Manager's opinion of fair value, the intention of which is to estimate market value.

(c) Foreign exchange

Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at the close of business on the reporting date. Transactions denominated in foreign currencies have been translated into sterling at the rates of exchange ruling at the time of the transaction.

(d) Revenue

- I. Dividend revenue is recognised when the securities are first quoted on an ex-dividend basis.
- II. Interest from fixed interest securities and short term deposits is recognised on a daily accruals basis.
- III. Where stocks are received in lieu of cash dividends the value of that dividend is recognised in the revenue of the Trust. Where enhanced scrip dividends are received the value of the enhancement is not recognised as revenue within the Trust but is recognised in capital. Any ordinary element of scrip dividends received is treated as revenue and will form part of the distribution.
- IV. Special dividends are treated as either revenue or capital depending on the nature of each individual case.
- V. Bank interest is recognised on an accruals basis.
- VI. Equalisation from Collective Investment Scheme distributions is treated as a return of capital, within the Trust.

(e) Expenses

All expenses are charged to the income property of the Trust, with the exception of the costs associated with the purchases and sales of investments, which have been charged to the capital property. All expenses are accounted for on an accruals basis.

(f) Taxation

- I. Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax is not recognised on permanent differences. Deferred tax assets are only recognised where it is more likely than not that there will be suitable taxable profits against which the future reversal of underlying timing differences can be deducted.
- II. Withholding tax on accrued overseas dividends is netted off against accrued revenue in the debtors note. The tax charge relating to the movement in withholding tax on accrued overseas dividends is disclosed as current tax.

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

Notes to the Financial Statements

Continued

1 Accounting Policies (continued)

(g) Derivatives

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

(h) Unit class allocation

Revenue and non unit class specific expenses are allocated daily, pro rata to the net asset value of assets attributable to each unit class. Unit class specific expenses are allocated based on the rates as stated in the Prospectus; the Operating Charges Figure disclosed within this annual report and financial statements shows the impact of the different rates of unit class specific expenses. Tax is calculated daily at a unit class level; where one unit class is in a tax paying position but the trust as a whole is not, a transfer is made to the other classes to compensate for this.

(i) Dilution

In certain circumstances the Manager may apply a dilution adjustment on subscriptions and redemptions of units. If applied, the dilution adjustment is paid to the Trust. See Prospectus for further details.

2 Net Capital (Losses)/Gains

	2019 £'000	2018 £'000
Non-derivative securities	(3,178)	2,187
Forward currency contracts	1	20
Other losses	(5)	(38)
Handling charges taken from the capital account	(9)	(11)
Net capital (losses)/gains	(3,191)	2,158

3 Equity Purchases, Sales and Transaction Costs

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

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

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

Notes to the Financial Statements

Continued

3 Equity Purchases, Sales and Transaction Costs (continued)		
	2019	2018
Equity Purchases, Sales and Transaction Costs	£'000	£'000
Purchases		
Equities	42,184	49,200
Commissions	22	43
Taxes & Other Fees	77	83
Total purchase transaction costs	99	126
Purchases including transaction costs	42,283	49,326
Sales		
Equities	57,023	49,313
Commissions	(25)	(33)
Taxes & Other Fees	(2)	(1)
Total sale transaction costs	(27)	(34)
Total sales net of transaction costs	56,996	49,279
Equity Transaction Cost as a % of total Purchases & Sales	2019	2018
	% Transaction	% Transaction
Purchases		
Commissions	0.04%	0.09%
Taxes & Other Fees	0.15%	0.17%
Sales		
Commissions	0.04%	0.07%
Equity Purchases, Sales Analysis to Average NAV	2019	2018
	% Average NAV	% Average NAV
Purchases		
Commissions	0.01%	0.03%
Taxes & Other Fees	0.05%	0.05%
Sales		
Commissions	0.02%	0.02%
During the year the total purchases and sales across different major asset classes are as per below table.		
	2019	2018
Purchase	£'000	£'000
Equities	42,283	49,326
Collective investment schemes	10,070	38,640
Sales		
Equities	56,996	49,279
Collective investment schemes	10,070	36,674

Notes to the Financial Statements

Continued

3 Equity Purchases, Sales and Transaction Costs (continued)

The Trust suffers a number of explicit costs as disclosed in the notes and Trust history. The Trust also suffers implicit costs an example is market spread, the spread represents the costs of providing liquidity in a market. It therefore is subject to change based on volume, active markets have a lower spread the difference between; bid the price you receive and offer the price you pay.

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.07% (2018: 0.65%), this is representative of the average spread on the assets held during the year.

4 Revenue

	2019 £'000	2018 £'000
UK dividends	1,895	1,482
Overseas dividends	2,134	1,947
Unfranked non-foreign component of dividend distributions	5	-
Interest on short term investments	24	34
Total revenue	<u>4,058</u>	<u>3,463</u>

5 Expenses

	2019 £'000	2018 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	176	227
Registration fees	1	1
	<u>177</u>	<u>228</u>
Payable to the Trustee or associates of the Trustee, and agents of either of them:		
Trustee fees	26	28
Safe custody fee	13	11
	<u>39</u>	<u>39</u>
Other:		
Professional fees	-	5
Audit fee	9	8
	<u>9</u>	<u>13</u>
Total expenses	<u>225</u>	<u>280</u>

6 Interest Payable and Similar Charges

	2019 £'000	2018 £'000
Interest payable	6	4
Total interest payable & similar charges	<u>6</u>	<u>4</u>

Notes to the Financial Statements

Continued

7 Taxation

	2019 £'000	2018 £'000
(a) Analysis of charge in year		
Overseas taxes	300	219
Total current tax	300	219
(b) Factors affecting current tax charge for the year		
Net revenue before taxation	3,827	3,179
Corporation tax at 20% (2018: 20%)	765	636
Effects of:		
Revenue not subject to taxation	(782)	(674)
Overseas taxes	300	218
Overseas tax expensed	(3)	(1)
Excess allowable expenses	20	40
Total tax charge for year (note 7a)	300	219

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

8 Distributions

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

	2019 £'000	2018 £'000
Interim distribution	2,198	1,942
Final distribution	1,231	1,022
	3,429	2,964
Add: Income deducted on cancellation of units	311	109
Deduct: Income received on issue of units	(213)	(105)
Net distribution for the year	3,527	2,968

Details of the distribution per unit are set out in this Trust's distribution tables.

Net revenue after taxation	3,527	2,960
Shortfall transfer from capital to revenue	-	8
Total distributions	3,527	2,968

Notes to the Financial Statements

Continued

9 Debtors

	2019 £'000	2018 £'000
Amounts receivable from the Manager for the issue of units	53	190
Accrued revenue	302	257
Foreign withholding tax recoverable	74	95
Total debtors	<u>429</u>	<u>542</u>

10 Creditors

	2019 £'000	2018 £'000
Amounts payable to the Manager for cancellation of units	254	400
Accrued expenses payable to the Manager	11	17
Accrued expenses payable to the Trustee or associates of the Trustee	1	–
Other accrued expenses	18	15
Total creditors	<u>284</u>	<u>432</u>

11 Related Party Transactions

Aberdeen Standard Fund Managers Limited, as Manager, is a related party and acts as principal in respect of all transactions of units in the Trust.

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

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

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

12 Units in issue reconciliation

	Opening units 2018	Creations during the year	Cancellations during the year	Conversions during the year	Closing units 2019
Accumulation Units	1,169,901	25,189	(184,919)	31,060	1,041,231
Income Units	1,857,160	1,386	(220,349)	–	1,638,197
Z Units (Net Income)	62,005,953	654,205	(14,596,055)	2,461,433	50,525,536
Z Units (Accumulation)	141,211,189	36,255,856	(24,389,674)	(2,285,282)	150,792,089
M Units (Net Accumulation)	12,290,938	6,868,033	(19,158,771)	–	200

Notes to the Financial Statements

Continued

13 Fair Value Hierarchy

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	140,502	-	-	158,360	-	-
Collective Investment Schemes	-	-	-	-	4,322	-
Total investment assets	140,502	-	-	158,360	4,322	-

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

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

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

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

14 Risk Management Policies & Numerical Disclosures

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

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

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

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

(a) Market price risk

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

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

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

A five per cent increase in the value of the Trust's portfolio would have the effect of increasing the return and net assets as at year end date by £7,025,000 (2018: £8,134,079). A five per cent decrease would have an equal and opposite effect.

(b) Foreign currency risk

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

Notes to the Financial Statements

Continued

14 Risk Management Policies & Numerical Disclosures (continued)

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

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

A five per cent increase in the value of the Trust's foreign currency exposure would have the effect of increasing the return and net assets as at year end date by £4,992,000 (2018: £5,587,818). A five per cent decrease would have an equal and opposite effect.

Currency exposure

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

The net foreign currency monetary exposure comprises:

	Net foreign currency monetary assets	
	2019 £'000	2018 £'000
Australian Dollar	2,425	5,036
Danish Krone	26	2,609
Euro	15,505	13,293
Hong Kong Dollar	2,548	2,184
Japanese Yen	2,110	5,767
South Korean Won	1,671	2,403
Swedish Krona	–	3,102
Swiss Franc	7,929	6,439
Taiwan Dollar	2,075	1,821
US Dollar	65,548	69,103

(c) Interest rate risk

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

At 28 February 2019, the Trust did not invest in either fixed or floating rate securities and interest rate exposure was restricted to interest receivable on bank deposits or on bank overdraft positions which will be affected by fluctuations in interest rates.

(d) Credit risk

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

(e) Liquidity risk

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

Distribution Table

for the six months ended 31 August 2018				
Group 1 – units purchased prior to 1 March 2018				
Group 2 – units purchased between 1 March 2018 and 31 August 2018				
	Net Income 2018 pence per unit	Equalisation 2018 pence per unit	Distribution paid 2018 pence per unit	Distribution paid 2017 pence per unit
Accumulation Units				
Group 1	3.1559	–	3.1559*	2.0756
Group 2	0.9629	2.1930	3.1559*	2.0756
Income Units				
Group 1	2.5782	–	2.5782**	1.8022
Group 2	0.6278	1.9504	2.5782**	1.8022
Z Units (Net Income)				
Group 1	0.9578	–	0.9578**	0.8252
Group 2	0.3847	0.5731	0.9578**	0.8252
Z Units (Accumulation)				
Group 1	1.1040	–	1.1040*	0.9327
Group 2	0.4078	0.6962	1.1040*	0.9327
M Units (Net Accumulation)				
Group 1	0.8131	–	0.8131*	0.6611
Group 2	0.4411	0.3720	0.8131*	0.6611

* Distribution accumulated on 31 August 2018

** Distribution paid on 31 October 2018

Distribution Table

Continued

for the six months ended 28 February 2019				
Group 1 – units purchased prior to 1 September 2018				
Group 2 – units purchased between 1 September 2018 and 28 February 2019				
	Net Income 2019 pence per unit	Equalisation 2019 pence per unit	Distribution paid 2019 pence per unit	Distribution paid 2018 pence per unit
Accumulation Units				
Group 1	0.1942	–	0.1942*	–
Group 2	0.1450	0.0492	0.1942*	–
Income Units				
Group 1	0.3060	–	0.3060**	–
Group 2	0.2745	0.0315	0.3060**	–
Z Units (Net Income)				
Group 1	0.5410	–	0.5410**	0.4430
Group 2	0.2753	0.2657	0.5410**	0.4430
Z Units (Accumulation)				
Group 1	0.6304	–	0.6304*	0.5069
Group 2	0.4261	0.2043	0.6304*	0.5069
M Units (Net Accumulation)				
Group 1	0.4599	–	0.4599*	0.2535
Group 2	0.3466	0.1133	0.4599*	0.2535
* Distribution accumulated on 28 February 2019				
** Distribution paid on 30 April 2019				
Treatment by Corporate Unitholders				
Corporate unitholders should account for the current year's dividends shown in the distribution table as follows:				
			Interim Dividend	Final Dividend
Treat as a UK corporate dividend			100.00%	100.00%
Treat as an annual payment net of Income tax at 20%			0.00%	0.00%

Remuneration Policy (unaudited)

The Standard Life Aberdeen plc Remuneration Policy applies with effect from 1 January 2018. The purpose of the Standard Life Aberdeen plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of Standard Life Aberdeen. It has been approved by the Standard Life Aberdeen plc Remuneration Committee and is subject to the Remuneration Committee's annual review. The Policy applies to employees of the Standard Life Aberdeen group of companies ("SLA").

The Management Company, Standard Life Investments Mutual Funds Limited is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") and is a wholly owned subsidiary of Standard Life Aberdeen plc.

The Remuneration Committee of Standard Life Aberdeen plc adopted a UCITS V Remuneration Policy to ensure that the requirements of the Undertakings for Collective Investment Transferrable Securities V Directive (UCITS V) are fully adhered to by the group. This policy applies to SLI Mutual Funds Limited and the UCITS Funds it manages. This policy is available on request.

Remuneration Principles

SLA applies Group wide principles for remuneration policies, procedures and practices ensuring that remuneration design and the basis for awards will be clear, transparent and fair, in line with business strategy, objectives, culture, values and long term interests of SLA. Remuneration policies, procedures and practices should be consistent with and promote good conduct which includes sound and effective risk management and not encourage risk taking that exceeds the level of tolerated risk of SLA. Total variable remuneration will be funded through pre-agreed distribution metrics. Where SLA's financial performance is subdued or negative, total variable remuneration should generally be contracted, taking into account both current remuneration and reductions in pay-outs of amounts previously granted and having regard for SLA's long term economic viability.

In addition to applying the SLA wide principles above, Aberdeen Standard Investments ("ASI") applies a number of additional principles including the following, when determining remuneration for employees:

- (a) Remuneration should be competitive and reflect both financial, non-financial and personal performance;
- (b) Our remuneration design will align the interests of employees, shareholders and importantly our clients/customers;
- (c) Our remuneration structure will reward delivery of results over appropriate time horizons and will include deferred variable compensation at an appropriate level for the employee's role;
- (d) We will provide an appropriate level of fixed remuneration to balance risk and reward.

Governance and Regulatory Compliance

The Remuneration Committee is made up of independent non-executive directors and makes recommendations to the Board of Standard Life Aberdeen plc (the "Board") to assist it with its remuneration related duties. The Chief People Officer of Standard Life Aberdeen is responsible for ensuring the implementation of the Policy in consultation with the Remuneration Committee as well as other members of the Executive Committee ("Executive Body") (as defined by the Board), if appropriate.

Financial and non-financial criteria

Variable remuneration is based on a rounded assessment of Group, Divisional and individual performance. When assessing individual performance, financial as well as non-financial criteria are taken into account. Individual performance is based on the individual's appraisal, which includes an employee's compliance with controls and applicable company standards including the Group's Code of Ethics, including Treating Customers Fairly and Conduct Risk.

Conflicts of interest

The Conflicts of Interest Policy is designed to avoid conflicts of interest between SLA and its clients. This Policy prohibits any employee from being involved in decisions on their own remuneration. Furthermore, all employees are required to adhere to SLA's Global Code of Conduct, which encompasses conflicts of interest.

The Policy should, at all times, adhere to local legislation, regulations or other provisions. In circumstances or in jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter will prevail.

Remuneration Policy (unaudited)

Continued

Remuneration Framework

Employee remuneration is composed principally of fixed and variable elements of reward as follows:

- (a) Fixed reward (fixed remuneration: salary (and cash allowances, if appropriate); and Benefits (including pension).
- (b) Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements) and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

- (a) Fixed and variable components of total remuneration are appropriately balanced; and
- (b) The fixed component is a sufficiently high proportion of total remuneration to allow Standard Life Aberdeen to operate a fully flexible policy on variable remuneration components, including paying no variable remuneration component.

Fixed Remuneration	Base salary provides a core reward for undertaking the role, where appropriate, and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration.
Benefits	Benefits are made up of: core benefits, which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees and which may require contribution through salary sacrifice or other arrangements. Extra voluntary benefits are designed to support the health and wellbeing of employees through enabling individual selection based on lifestyle choices. Standard Life Aberdeen will ensure that the core and voluntary employee benefits policies are in line with relevant market practice, its views on managing its business risk objectives, culture and values and long-term interests and local requirements.
Pension	Standard Life Aberdeen's pension policies (which consist of defined contribution plans and legacy defined benefit plans) are in line with legislative requirements, governance structures and market practice, and reflect Standard Life Aberdeen's long-term views on risk and financial volatility, its business objectives, culture and values and long-term interests and local requirements. In certain circumstances, SLA may offer a cash allowance in lieu of any pension arrangement.
Annual Performance Bonus Awards	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Eligibility criteria for an annual bonus are set out in the rules of the relevant bonus plan and/or contract of employment, as appropriate. The bonus plan in place is designed to reward performance in line with the business strategy, objectives, culture and values, long term interests and risk appetite of SLA. All Executive Directors are awarded bonuses under a SLA bonus plan as detailed in the Directors' Remuneration Report.
Other variable Pay Plans	Selected employees may participate in other variable pay plans, for example, performance fee share arrangements, where it is appropriate for their role or business unit. These plans operate under the overarching remuneration principles that apply across the group and, where appropriate, are also subject to specific principles governing incentives and are compliant with the requirements of any applicable regulatory standards.

Clawback/Malus

A clawback/malus principle applies to the variable pay plan. This enables the Remuneration Committee to seek to recoup the deferred amount of any unvested variable pay, in the exceptional event of misstatement or misleading representation of performance; a significant failure of risk management and control; or serious misconduct by an individual.

Remuneration Policy (unaudited)

Continued

Guaranteed Variable Remuneration

Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of service.

UCITS V Identified Staff

Staff considered UCITS V Identified Staff are those categories of staff whose professional activities have a material impact on the decision making profiles of the Management Company or the UCITS Funds that the Management Company manages.

UCITS V identified staff will include; Senior Management; Decision makers, Staff engaged in control functions; and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and decision makers, and whose professional activities have a material impact on the risk profiles of the Company or the Funds that the Company manages.

Control Functions

SLA adheres to the principles and guidelines of regulations that apply to SLA in defining control functions. control functions include, but are not necessarily limited to, Risk, Compliance, Internal Audit and Actuarial functions or roles.

SLA will ensure that, as appropriate, senior employees engaged in a control function:

- (a) Are independent from the Business Units they oversee;
- (b) Have appropriate authority; and
- (c) Their remuneration is directly overseen by the Remuneration Committee.

This is achieved by the main control functions being outside the business, and a material proportion of their annual incentives being subject to a scorecard based on the performance of the control function. Performance against the scorecard is reviewed by the relevant independent governing committee (either Risk & Capital Committee, or Audit Committee). SLA's People Function reviews the remuneration of employees in control functions and benchmarks with the external market to ensure that it is market competitive and adequately reflects employees' skills and experience.

Personal Hedging

UCITS V Identified Staff are not permitted to undermine the risk alignment effects of the UCITS V Remuneration Code. Personal hedging strategies; or remuneration-related insurance; or liability-related insurance is not permissible on remuneration.

Employee Remuneration Disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by SLI Mutual Funds Limited to its entire staff; and
- Aggregate total remuneration paid by SLI Mutual Funds Limited to its 'Identified Staff'.

The 'Identified Staff' of SLI Mutual Funds Limited are those employees who could have a material impact on the risk profile of SLI Mutual Funds Limited or the UCITS Funds it manages (including Standard Life Wealth Falcon 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.

Standard Life Wealth Falcon Fund moved management company from SLI Mutual Funds Limited to Aberdeen Standard Fund Managers Limited on 10 December 2018. It has been agreed that the disclosure for 2018 will remain allocated to SLI Mutual Funds Limited.

Remuneration Policy (unaudited)

Continued

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from **1 January 2018 to 31 December 2018** inclusive.

Standard Life Wealth Falcon Fund Reporting period: 01/01/18 – 31/12/18	Headcount	Total Remuneration £'000	AIF or UCITS proportion £'000 ⁴
SLI Mutual Funds Ltd staff ¹	320	42,109	172
of which			
Fixed remuneration		33,499	137
Variable remuneration		8,610	35
Carried Interest		NIL	
SLI Mutual Funds Ltd 'Identified Staff' ²	125	7,925	32
of which			
Senior Management ³	16	1,756	7
Other 'Identified Staff'	109	6,169	25

1 As there are a number of individuals indirectly and directly employed by SLI Mutual Funds Limited this figure represents an apportioned amount of SLA's total remuneration fixed and variable pay, apportioned to the relevant UCITS Fund on an 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.

2 The Identified Staff disclosure represents total compensation of those staff of the Management Company who are fully or partly involved in the activities of the Management Company, apportioned to the estimated time relevant to the Management Company, based on their time in role during the reporting period and the Management Company's proportion of SLA's total AUM. Across the 'Identified Staff', the average percentage of AUM allocation per individual based on work undertaken for SLI Mutual Funds Limited as a Management Company was 10.04%.

3 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.

4 This figure represents an apportioned amount of the total remuneration of the 'Identified staff' attributable to the UCITS Fund allocated on an AUM basis.

