

# Changes to UK Investment Funds – from 7th August 2019



## Investment objective & policy changes – SLTM Limited Unit Trusts

Investment objective		Investment policy	
Existing	Proposed	Existing	Proposed
<b>Standard Life Active Plus Bond Trust (PRN 428900)</b>			
<p><b><u>Investment objective and policy</u></b></p> <p>The investment objective is to provide a total return from both capital appreciation and income.</p> <p>The current policy is to invest in a portfolio consisting of fixed interest and interest bearing securities from anywhere in the world. Investment may also be made in derivatives and forward transactions, other forms of transferable securities, deposits, money-market instruments and collective investment schemes.</p> <p>Other information regarding the Standard Life Active Plus Bond Trust</p> <p>Up to 100% of the property of this Trust may be invested in transferable securities which are warrants. If more than 5% of the property is invested in warrants the net asset value may at times be highly volatile. Call options are not</p>	<p>To generate income and some growth over the <i>long term</i> (5 years or more) by investing in UK Government <i>bonds</i>.</p> <p><i>Performance Target:</i> to achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks Index, plus 1% per annum (before charges). The <i>Performance Target</i> is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the <i>Performance Target</i>.</p> <p>The Manager believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.</p>	<p>See existing investment objective.</p>	<p><b>Portfolio Securities</b></p> <p>The fund will invest at least 50% in government <i>bonds</i> issued or guaranteed by the UK Government.</p> <p>The fund may also invest in <i>investment grade bonds</i> issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked <i>bonds</i>. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling <i>bonds</i>.</p> <p>The fund may also invest in other funds (including those managed by Aberdeen Standard Investments) ,<i>money-market instruments</i>, and <i>cash</i>.</p> <p><b>Management Process</b></p> <p>The management team use their discretion</p>

deemed to be warrants for the purposes of this 5% limit.

A substantial portion of the property of this Trust may, in exceptional circumstances, be invested in deposits or money-market instruments.

(*active management*) to identify the investments after analysing individual *bonds* and *derivatives* alongside global economic and market conditions.

In seeking to achieve the *Performance Target*, the FTSE Actuaries UK Conventional Gilts All Stocks Index is used as a reference point for portfolio construction and as a basis for setting risk *constraints*. The expected variation (“tracking error”) between the returns of the fund and the index is not ordinarily expected to exceed 3%. Due to the active nature of the management process, the fund’s performance profile may deviate significantly from that of the FTSE Actuaries UK Conventional Gilts All Stocks Index.

#### **Derivatives and Techniques**

The fund will make routine use of *derivatives* to reduce risk, to reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as “Efficient Portfolio Management”).

*Derivatives* can be used to generate growth, consistent with the fund’s risk profile, if market prices are expected to rise (“long positions”) or fall (“short positions”). These positions can be used in overseas markets. Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

**Investment objective and policy**

The investment objective is to provide capital growth through investment in Europe, mainly in equities.

The current policy is to actively manage a portfolio consisting wholly or mainly of securities in European companies.

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

*Performance Target:* To achieve the return of the FTSE World Europe ex UK Index, plus 2% per annum over rolling three year periods (before charges). The *Performance Target* is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the *Performance Target*.

*Performance Comparator:* The IA Europe ex UK Equity Sector Average.

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

See existing investment objective.

**Portfolio Securities**

The fund will invest at least 70% in equities and *equity related securities* of companies listed, incorporated or *domiciled* in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there. European countries can include the *emerging markets* of Europe, but excludes the UK.

The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), *money-market instruments*, and *cash*.

**Management Process**

The management team use their discretion (*active management*) to maintain a diverse asset mix at country, *sector* and stock level.

Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.

In seeking to achieve the *Performance Target*, the FTSE World Europe ex UK Index is used as a reference point for portfolio construction and as a basis for setting risk *constraints*. The expected variation ("tracking error") between the returns of the fund and the index, is not

ordinarily expected to exceed 6%. Due to the fund's risk *constraints*, the intention is that the fund's performance profile will not deviate significantly from that of the FTSE World Europe ex UK Index over the *longer* term.

**Derivatives and Techniques**

The fund may use *derivatives* to reduce risk, to reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

*Derivative* usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

**Standard Life Global Equity Trust II (PRN 544360)**

**Investment objective and policy**

The investment objective is to provide capital growth.

The current policy is to invest in a portfolio consisting directly or indirectly of equities and equity-type investments of companies listed on the main Global markets. This could result in the fund having a primary exposure to one specific region or market such as US equities. Indirect investment will be achieved through investment in derivatives and/or collective investment schemes (including those managed or operated by the Manager and its associates). The portfolio may, at the

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

*Performance Target:* To achieve the return of the MSCI World ex Europe including UK Index, plus 0.5% per annum (before charges). The *Performance Target* is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the *Performance Target*.

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

See existing investment objective.

**Portfolio Securities**

- The fund will invest directly or indirectly in *equities* and *equity* related securities listed on global stock exchanges.
- Indirect investment may be achieved via *derivatives* and/or collective investment schemes (including those managed by Aberdeen Standard Investments). The portfolio can hold up to 100% in indirect investments.
- The fund may also hold *money-*

<p>Investment Adviser’s discretion, be invested wholly or primarily (up to 100%) in such indirect investments. Otherwise, the portfolio will be invested directly in equities and equity-type investments, together with other forms of transferable securities and money-market instruments, including deposits.</p> <p>Other information regarding the Standard Life Global Equity Trust II</p> <p>The Trust may from time to time invest principally in derivatives and collective investment schemes. The maximum level of management fees that may be charged to the Trust for the schemes in which it invests is 1%.</p>	<p>index.</p>		<p><i>market instruments and cash.</i></p> <p><b>Management Process</b></p> <ul style="list-style-type: none"> <li>• The management team use their discretion (active management) to invest in certain geographical regions</li> <li>• Their primary focus is on asset allocation and stock selection around and within geographic regions included in the benchmark index. They may also use passive allocations for certain markets where this is appropriate to achieve the fund’s objective.</li> </ul> <p><b>Derivatives and Techniques</b></p> <ul style="list-style-type: none"> <li>• The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund ( “Efficient Portfolio Management”).</li> <li>• Derivative usage in the fund is expected to be limited. Where derivatives are used, this would mainly be to express short term views on geographical asset allocation.</li> <li>• The fund may also invest in other funds which may use derivatives extensively although these investments shall be in line with the fund’s overall risk profile.</li> </ul>
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**Investment objective and policy**

The investment objective of the Trust is to provide income and some capital appreciation over the medium term (3 – 5 years) by investing in a diversified portfolio of equities.

The investment policy of the Trust is to invest on an international basis in a portfolio consisting mainly of equities and equity-type investments. The Trust is managed by the investment team who will diversify holdings at regional, country, sector and stock levels. The Trust's holdings will typically consist of equity-related and equity securities whose share price performance is influenced significantly by the performance of company's shares. Equity-type investments include derivatives, forward transactions, convertible stocks, stock exchange listed warrants, Depositary Receipts and any other such instruments which give exposure to equity indices or the right to convert into the equity of the company concerned. Exposure to equity-related and equity securities may be achieved through investments in other funds, including those managed by the Investment Adviser and its affiliates. To the extent that the Trust is not fully invested in or exposed to equities as described above, the portfolio may also hold cash and near cash.

To provide growth and some income over the *medium term* (3 – 5 years) by investing in a diversified portfolio of *equities* (company shares).

*Performance Target:* To exceed the return of the MSCI World ex UK Index over rolling five year periods (before charges). The *Performance Target* is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the *Performance Target*.

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

See existing investment objective.

**Portfolio Securities**

The fund will invest directly or indirectly in equities and equity related securities listed on global stock exchanges.

Indirect investment may be achieved via derivatives and/or collective investment schemes (including those managed by Aberdeen Standard Investments). The portfolio can hold up to 100% in indirect investments.

The fund may also hold *money-market instruments* and *cash*.

**Management Process**

The management team use their discretion (active management) to invest in certain geographical regions.

Their primary focus is on asset allocation and stock selection around and within geographic regions included in the benchmark index. They may also use passive allocations for certain markets where this is appropriate to achieve the fund's objective.

**Derivatives and Techniques**

The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund ( "Efficient Portfolio Management").

Derivative usage in the fund is expected to be limited. Where derivatives are used, this would mainly be to express short term views on geographical asset allocation. The fund may also invest in other funds which may use derivatives extensively although these

investments shall be in line with fund's overall risk profile.

**Standard Life Japan Trust (PRN 173012)**

**Investment objective and policy**

The investment objective is to provide capital growth by investing in a portfolio consisting mainly of equities.

The current policy is to invest in a portfolio consisting wholly or mainly of securities in Japanese companies. The geographic areas likely to be preferred are Japan and the Far East.

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

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

*Performance Comparator:* The IA Japan Equity Sector Average.

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

See existing investment objective.

**Portfolio Securities**

The fund will invest at least 70% in *equities* and *equity related securities* of companies listed, incorporated or *domiciled* in Japan or companies that derive a significant proportion of their revenues or profits from Japanese operations or have a significant proportion of their assets there.

**Management Process**

The management team use their discretion (*active management*) to maintain a diverse asset mix at *sector* and stock level.

Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.

In seeking to achieve the *Performance Target*, the MSCI Japan Index is used as a reference point for portfolio construction and as a basis for setting risk *constraints*. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 8%. Due to the fund's risk *constraints*, the intention is that the fund's performance profile will not deviate significantly from that of the MSCI Japan Index

over the *longer term*.

**Derivatives and Techniques**

The fund may use *derivatives* to reduce risk, to reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as “Efficient Portfolio Management”).

*Derivative* usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund’s existing allocations to company shares.

**Standard Life North American Trust (PRN 109496)**

**Investment objective and policy**

The investment objective is to provide capital growth through investment in North America.

The current policy is to actively manage a portfolio consisting wholly or mainly of equity securities in North American companies.

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

*Performance Target:* To achieve the return of the S&P 500 Index, plus 2% per annum over rolling three year periods (before charges). The *Performance Target* is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the *Performance Target*.

*Performance Comparator:* The IA North America Equity Sector Average.

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

See existing investment objective.

**Portfolio Securities**

The fund will invest at least 70% in *equities* and *equity related securities* of companies listed, incorporated or *domiciled* in the US or companies that derive a significant proportion of their revenues or profits from US operations or have a significant proportion of their assets there.

The fund may also invest in companies listed, incorporated or *domiciled* in Canada or Latin America.

The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), *money-market instruments*, and *cash*.

**Management Process**

The management team use their discretion (*active management*) to maintain a diverse

asset mix at *sector* and stock level.

Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.

In seeking to achieve the *Performance Target*, the S&P 500 Index is used as a reference point for portfolio construction and as a basis for setting risk *constraints*. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 6%. Due to the fund's risk *constraints*, the intention is that the fund's performance profile will not deviate significantly from that of the S&P 500 Index over the *longer term*.

#### **Derivatives and Techniques**

The fund may use *derivatives* to reduce risk, to reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

*Derivative* usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

**Investment objective and policy**

The investment objective is to provide capital growth through investment in the Far East, mainly through equities.

The current policy is to actively manage a portfolio consisting wholly or mainly of securities in Far Eastern companies predominantly outwith Japan. The geographic areas likely to be preferred are Australasia, the Far East and Japan.

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

*Performance Target:* To achieve the return of the MSCI AC Asia Pacific ex Japan, plus 2% per annum over rolling three year periods (before charges). The *Performance Target* is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the *Performance Target*.

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

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

See existing investment objective.

**Portfolio Securities**

The fund will invest at least 70% in *equities* and *equity related securities* of companies listed, incorporated or *domiciled* in Asian countries, including Australasia, or companies that derive a significant proportion of their revenues or profits from Asian, including Australasia, operations or have a significant proportion of their assets there.

The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), *money-market instruments*, and *cash*.

**Management Process**

The management team use their discretion (*active management*) to maintain a diverse asset mix at country, *sector* and stock level.

Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.

In seeking to achieve the *Performance Target*, the MSCI AC Asia Pacific ex Japan is used as a reference point for portfolio construction and as a basis for setting risk *constraints*. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 6%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the MSCI AC Asia

Pacific ex Japan over the *longer term*.

**Derivatives and Techniques**

The fund may use *derivatives* to reduce risk, to reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as “Efficient Portfolio Management”).

*Derivative* usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund’s existing allocations to company shares.

**Standard Life Pan-European Trust (PRN 191616)**

**Investment objective and policy**

The investment objective is to provide capital growth by investing in a portfolio of Pan-European equities.

The current policy is to invest in a portfolio consisting of equities and equity-type investments of companies listed on the main European markets (including the UK).

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

*Performance Target:* To achieve the return of the MSCI Europe Index, plus 2% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

See existing investment objective.

**Portfolio Securities**

The fund will invest at least 70% in *equities* and *equity related securities* of companies listed, incorporated or *domiciled* in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there.

European countries can include the *emerging markets* of Europe and the UK.

The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), *money-market instruments*, and *cash*.

**Management Process**

The management team use their discretion (*active management*) to maintain a diverse

asset mix at country, *sector* and stock level.

Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.

In seeking to achieve the *Performance Target*, MSCI Europe Index is used as a reference point for portfolio construction and as a basis for setting risk *constraints*. The expected variation (“tracking error”) between the returns of the fund and the index is not ordinarily expected to exceed 6%. Due to the fund’s risk *constraints*, the intention is that the fund's performance profile will not deviate significantly from that of the MSCI Europe Index over the *longer term*.

#### **Derivatives and Techniques**

The fund may use *derivatives* to reduce risk, to reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as “Efficient Portfolio Management”).

*Derivative* usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund’s existing allocations to company shares.

**Investment objective and policy**

The investment objective is to provide a return from both capital appreciation and income.

The current policy is to invest in a portfolio consisting mainly of short dated bonds issued or guaranteed by the UK Government or agencies of the UK Government. Investment may also be made in derivatives and forward transactions, other forms of transferable securities, deposits, money-market instruments and collective investment schemes.

Other information regarding the Standard Life Short Dated UK Government Bond Trust

Up to 100% of the property of this Trust may be invested in transferable securities which are warrants. If more than 5% of the property is invested in warrants the net asset value may at times be highly volatile. Call options are not deemed to be warrants for the purposes of this 5% limit.

A substantial portion of the property of this Trust may, in exceptional circumstances, be invested in deposits or money market instruments.

To generate income and some growth over the medium to *long term* (3 to 5 years) by investing in UK Government *bonds* with a maturity of up to 5 years.

*Performance Target:* To achieve the return of the FTSE Actuaries UK Conventional Gilts Under 5 Years Index plus 0.5% per annum (before charges). The *Performance Target* is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the *Performance Target*.

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

See existing investment objective.

**Portfolio Securities**

The fund will invest at least 70% in government *bonds* issued or guaranteed by the UK Government with a maturity of up to 5 years.

The fund may also invest in *investment grade bonds* of any maturity, issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked *bonds*. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling *bonds*.

The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), *money-market instruments*, and *cash*.

**Management Process**

The management team use their discretion (*active management*) to identify investments after analysing individual *bonds* and *derivatives* alongside global economic and market conditions.

In seeking to achieve the *Performance Target*, the FTSE Actuaries UK Conventional Gilts Under 5 Years Index is used as a reference point for portfolio construction and as a basis for setting risk *constraints*. The expected variation (“tracking error”) between the returns of the fund and the index is not ordinarily expected to exceed 1.5%. Due to the fund's risk *constraints*, the intention is that the fund's performance profile will not deviate significantly from that of the FTSE Actuaries UK Conventional Gilts Under 5 Years Index over

the *long term*.

#### **Derivatives and Techniques**

The fund will routinely use *derivatives* to reduce risk, to reduce cost and/ or generate extra income or growth consistent with the risk profile of the fund (often referred to as “Efficient Portfolio Management”).

Derivatives can be used to generate growth, consistent with the fund’s risk profile, if market prices are expected to rise (“long positions”) or fall (“short positions”). These positions can be used in overseas markets. Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or credit worthiness of corporations or governments.

### **Standard Life UK Corporate Bond Trust (PRN 428899)**

#### **Investment objective and policy**

The investment objective is to provide a total return from both capital appreciation and income by investing in a portfolio consisting mainly of sterling-denominated fixed interest securities issued by corporate entities.

The current policy is to invest in a portfolio consisting mainly of sterling-denominated fixed interest securities issued by corporate entities. Investment may also be made in derivatives and forward transactions, other forms of transferable securities, deposits, money-market instruments and collective investment schemes.

Other information regarding the Standard Life

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

*Performance Target:* To achieve the return of the iBoxx Sterling Non-Gilts Index, plus 0.5% per annum (before charges). The *Performance Target* is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the *Performance Target*.

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

See existing investment objective.

#### **Portfolio Securities**

The fund will invest at least 60% in Sterling denominated *investment grade* corporate *bonds*.

The fund may also invest in *bonds* issued anywhere in the world by governments and corporations, such as sub-sovereigns: sub-*investment grade*, inflation-linked, convertible, *asset backed and mortgage backed bonds*. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling *bonds*.

The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), *money-market*

## UK Corporate Bond Trust

Up to 100% of the property of this Trust may be invested in transferable securities which are warrants. If more than 5% of the property is invested in warrants the net asset value may at times be highly volatile. Call options are not deemed to be warrants for the purposes of this 5% limit.

A substantial portion of the property of this Trust may, in exceptional circumstances, be invested in deposits or money market instruments.

*instruments, and cash.*

### **Management Process**

The management team use their discretion (*active management*) to identify bonds and derivatives after analysing the company's prospects and creditworthiness alongside global economic and market conditions.

In seeking to achieve the *Performance Target*, the iBoxx Sterling Non-Gilts Index is used as a reference point for portfolio construction and as a basis for setting risk *constraints*. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 1.5%. Due to the fund's risk *constraints*, the intention is that the fund's performance profile will not deviate significantly from that of the iBoxx Sterling Non-Gilts Index over the *long term*.

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

### **Derivatives and Techniques**

The fund will routinely use *derivatives* to reduce risk, to reduce cost and/ or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

Examples of *derivative* usage are to manage the risk of the portfolio related to changes in *interest rates* or the *creditworthiness* of corporations.

Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

**Standard Life UK Equity General Trust (PRN: 109502)**

**Investment objective and policy**

The investment objective is to maximise the total return from capital and net income combined, by investing in companies connected with the UK.

The current policy is to invest in and actively manage a portfolio consisting wholly or mainly of equity-type securities of companies connected with the UK.

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

*Performance Target:* To achieve the return of the FTSE All-Share Index, plus 2% per annum over rolling three year periods (before charges). The *Performance Target* is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the *Performance Target*.

*Performance Comparator:* The IA UK All Companies Equity Sector Average.

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

See existing investment objective.

**Portfolio Securities**

The fund will invest at least 70% in *equities* and *equity related securities* of companies listed, incorporated or *domiciled* in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.

The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), *money-market instruments*, and *cash*.

**Management Process**

The management team use their discretion (*active management*) to maintain a diverse asset mix at *sector* and stock level.

Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.

In seeking to achieve the *Performance Target*, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk *constraints*. The expected

variation (“tracking error”) between the returns of the fund and the index, is not ordinarily expected to exceed 6%. Due to the fund’s risk *constraints*, the intention is that the fund’s performance profile will not deviate significantly from that of the FTSE All-Share Index over the *longer term*.

**Derivatives and Techniques**

The fund may use *derivatives* to reduce risk, to reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as “Efficient Portfolio Management”).

*Derivative* usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund’s existing allocations to company shares.

**Standard Life UK Government Bond Trust (PRN: 428895)**

**Investment objective and policy**

The investment objective is to provide a total return from both capital appreciation and income by investing in a portfolio consisting mainly of bonds issued or guaranteed by the UK Government or agencies of the UK Government.

The current policy is to invest in a portfolio consisting mainly of bonds issued or guaranteed by the UK Government or agencies of the UK Government. Investment may also be made in derivatives and forward

To generate income and some growth over the *long term* (5 years or more) by investing in UK Government *bonds*.

*Performance Target:* To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks Index, plus 0.5% per annum (before charges). The *Performance Target* is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the *Performance Target*.

See existing investment objective.

**Portfolio Securities**

The fund will invest at least 70% in government *bonds* issued or guaranteed by the UK Government.

The fund may also invest in *investment grade bonds* issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked *bonds*. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling *bonds*.

transactions, other forms of transferable securities, deposits, money-market instruments and collective investment schemes.

Other information regarding the Standard Life UK Government Bond Trust

Up to 100% of the property of this Trust may be invested in transferable securities which are warrants. If more than 5% of the property is invested in warrants the net asset value may at times be highly volatile. Call options are not deemed to be warrants for the purposes of this 5% limit.

A substantial portion of the property of this Trust may, in exceptional circumstances, be invested in deposits or money market instruments.

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

The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), *money-market instruments*, and *cash*.

#### **Management Process**

The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.

In seeking to achieve the *Performance Target*, the FTSE Actuaries UK Conventional Gilts All Stocks Index is used as a reference point for portfolio construction and as a basis for setting risk *constraints*. The expected variation between the returns of the fund and the index is not ordinarily expected to exceed 1.5%. Due to the fund's risk *constraints*, the intention is that the fund's performance profile will not deviate significantly from that of the FTSE Actuaries UK Conventional Gilts All Stocks Index over the *long term*.

#### **Derivatives and Techniques**

The fund will routinely use *derivatives* to reduce risk, to reduce cost and/ or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets. Derivatives include instruments used to manage expected changes in interest rates,

			inflation, currencies or creditworthiness of corporations or governments.
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