



Aberdeen Standard Capital Phoenix Fund

(Formerly Standard Life Wealth
Phoenix Fund)

Annual Report & Financial Statements
For the year ended 31 July 2019

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* 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

Manager

Ben Ward

Launch date

10 April 1996

Objective

The investment objective of Aberdeen Standard Capital Phoenix Fund ('the Trust') is to achieve long-term capital growth in excess of cash* returns from a balanced portfolio diversified across a range of assets.

*Cash being the London Inter Bank Offered Rate (LIBOR).

Policy

The Trust may invest in equities, fixed interest securities, collective investment schemes, warrants, derivative instruments, deposits and approved money market instruments.

Risk

The investments of the Trust are subject to normal market fluctuations and other risks inherent in investing in securities. 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. The investor must be able to accept significant losses, thus the Trust is suitable for investors who can afford to set aside the capital for at least 5 years.

Benchmark	
1 Month £ LIBOR + 2% p.a	
Reporting dates	
Interim	31 January
Annual	31 July
Distribution record dates	
Interim	31 January
Annual	31 July
Payment dates	
Interim	24 March
Annual	23 September

Trust Profile and Information

Continued

Trust Information			
Manager	Head Office and Registered Office	Registrar	Directors of the Manager
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
Investment Adviser	Sub-Adviser	Independent Auditor	
Standard Life Investments Limited 1 George Street Edinburgh EH2 2LL	Aberdeen Standard Capital Limited 1 George Street Edinburgh EH2 2LL	KPMG LLP St Vincent Plaza 319 St Vincent Street Glasgow G2 5AS	
Trustee	Registered Office	Address for Correspondence	
Citibank Europe plc UK Branch	1 North Wall Quay Dublin Ireland	UK Branch Office Citigroup Centre Canada Square Canary Wharf London E14 5LB	

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 Events

- On 10 December 2018 the Manager of the Trust changed from Standard Life Investments (Mutual Funds) Limited to Aberdeen Standard Fund Managers Limited;
- Standard Life Wealth Limited was renamed Aberdeen Standard Capital Limited on 18 January 2019;
- On 7 August 2019 the Trust changed its name from the Standard Life Wealth Phoenix Fund to the Aberdeen Standard Capital Phoenix Fund. Additionally at this time the Investment Objective and Policy ('IOP') was updated to reflect regulatory changes and improve the clarity of the wording. Further details can be found at <https://www.aberdeenstandard.com/en/uk/investor/fund-centre/investor-communications>.

Developments and prospectus updates since 31 July 2018

- Performance and dilution figures were refreshed, as appropriate;
- The list of directors for Aberdeen Standard Fund Managers Limited (ASFML) was updated;
- The list of Funds/Trusts managed by the Manager was updated;
- The Dealing Day definition was updated to recognise non-dealing days where a substantial portion of the Trust's assets are invested in exchange or market is closed.

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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

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

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

Manager's Statement

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

Aberdeen Standard Capital Phoenix 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 Independent 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 aberdeenstandardcapital.com.

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



Aron Mitchell
Director
Aberdeen Standard Fund
Mangers Limited
25 October 2019



Gary Marshall
Director
Aberdeen Standard Fund
Managers Limited
25 October 2019

Report of the Trustee

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of the Aberdeen Standard Capital Phoenix Fund for the Year ended 31 July 2019

The Trustee is responsible for the safekeeping of all the property of the Trust which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income that arises from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed and operates 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
25 October 2019

Independent Auditor's Report to the Unitholders of Aberdeen Standard Capital Phoenix Fund ('the Trust')

Opinion

We have audited the financial statements of the Trust for the year ended 31 July 2019 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables of the Trust and the accounting policies set out on pages 25 and 26.

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 31 July 2019 and of the net revenue and the net capital gains on the property 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's 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 Aberdeen Standard Capital Phoenix 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.

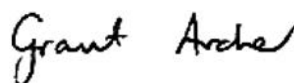
Auditor's responsibilities

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
319 St Vincent Plaza
Glasgow
G2 5AS
25 October 2019

The Registrar of the Trust

The Manager is the Registrar of the Aberdeen Standard Capital Phoenix Fund. The Manager has delegated certain aspects of the registrar's operational duties to DST Financial Services International Limited ('DST Systems').

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 Systems at DST House, St Nicholas Lane, Basildon, Essex, SS15 5FS.

The Registrar is also responsible for the distribution of tax vouchers to unitholders at the addresses recorded on the register.

Investment Report

Manager: Ben Ward

Environment

A strong corporate reporting season in the US carried positive investor sentiment during the few months of the period. Soothing words from the Federal Reserve regarding interest rates also pushed markets higher. However, volatility once again beset equity markets in the Autumn of 2018. Worries about rising interest rates, slowing global growth and escalating political risks combined to unnerve investors. In particular, many questioned the US Federal Reserve's December rate hike, given that global growth showed signs of faltering. UK and European markets were also weak because of Brexit uncertainty.

Global stock markets moved higher throughout the second half of the period. This was despite a pullback in May, when the US-China trade dispute escalated. Fears about global growth consequently resurfaced, prompting a sharp sell-off in global equities. However, central banks responded with supportive rhetoric and pledges of fresh stimulus to revive economic growth. In Europe, there was a growing expectation not only of an imminent interest rate cut but also the initiation of a new bond-buying programme by the European Central Bank. In the case of the US Federal Reserve, the market-implied probability of an interest rate cut at its end-July meeting moved to 100%. This created a more positive mood in the markets. Investor confidence received a further boost at the end of June when presidents Trump and Xi agreed a truce in their trade war at the G20 summit in Japan.

Central bank actions and rhetoric dominated bond markets over the year. Throughout much of the period, the same underlying themes continued to trouble the market. These included the US-China trade war, unease over Brexit, and a relatively volatile oil price compared to recent history. The main factors influencing global government bond markets were the economic growth outlook and uncertainty over US monetary policy.

Global government bond yields fell sharply (prices rose) towards the end of the review period. Concerns about global economic growth and trade saw central banks pivot towards a more 'dovish' stance, which means they are likely to cut interest rates and/or buy government bonds. Indeed, many government bond yields turned negative, including across parts of Europe. Corporate bond markets also rallied during the period, driven by the same expectations of increasing monetary support from leading global central banks.

Markets

Against this backdrop, over the twelve month period to 31 July 2019, UK equities were the weakest asset class in our investment universe, rising just +1.2% (FTSE All Share), arguably reflecting the continued economic uncertainty posed by Brexit. In contrast, global equities generated the strongest return in our universe,

rising +11.5% (FTSE World ex UK) for the sterling investor. This last point is critical as sterling depreciated against most major currencies over the period as the prospect of a no-deal Brexit increasingly became a central scenario. Therefore, much of the return of global equities was derived from translating assets held in overseas currencies back into a weaker sterling.

As mentioned above, central bank rhetoric dominated bond markets and the UK was no exception. Following a period of monetary tightening the Bank of England took an increasingly dovish stance as political uncertainty dominated sentiment. This caused yields to fall again and therefore a bond prices (and returns) increased. The overall return from gilts over period was +7.4% (FTA Government All Stocks), and Investment-grade credit returned +8% (ICE BoAML £ Non Gilts).

Performance

The Aberdeen Standard Capital Phoenix Fund ended the period +6.7%, which was 4% ahead of its performance objective.

Returns were driven across different asset classes, however, it was alternatives that led the way supported by strong returns from both equity and bond holdings.

Within alternatives we had noteworthy returns from infrastructure, where a bid for John Laing Infrastructure Fund from a private fund validated the valuations of the sector after a period of uncertainty. Renewables also generated returns beyond our expectations as several of the companies extended the expected asset lives of their holdings which increased their Net Asset Values, we believe this brings forward some of our expected returns but makes the asset valuations more in line with market values. Infrastructure was also a strong theme in our property holdings mobile phone tower company, American Tower, was very strong as it continued to demonstrate strong execution and encouraging growth while, UK Primary care landlord, MedicX was acquired by rival PHP. Alternatives were however not without catastrophe as Catco, the reinsurance fund, lost much of its value after a flurry of wind events and the Californian wild fires resulted in large claims.

Within equities the main driver of relative performance was the positive stock selection of healthcare, utilities and industrials whilst we had mixed returns in the consumer sectors.

Unloved for much of the previous 2-3 years, the healthcare sector has faced major headwinds in the form of US pricing pressure, a fairly hefty patent cliff (Novartis, Roche, GSK) and a shift in how diseases are being treated that reduces the potential of big blockbuster drugs to offset those that are currently losing exclusivity. The second and third quarter 2018 earnings seasons

Investment Report Continued

heralded a broad inflection point in acknowledging new drug revenue growth, pipeline potential and attractive valuations relative to consumer defensives for what averages out as broadly mid-single digit top line growth. As new drug revenues are starting to come through, guidance was revised up for a number of large pharma. Higher growth, small/mid cap companies (Abcam) and Medtech (Medtronic and Boston Scientific) continued to execute well, adding to the active return.

We increased exposure to renewable generation during the period with the addition of Orsted. In addition, it was positive to see Enel remain relatively strong through market volatility in December 2018 and May 2019.

Weakness in consumer goods was driven by some stocks which had been very strong previously. FeverTree cited poor weather and a lack of a royal wedding when explaining why its UK sales had slowed. However, our investment case for holding Fever-Tree is not based on its UK growth. Rather, we own it because of the global shift to premium mixers drunk with premium spirits. We also saw weakness from our video games companies, Electronic Arts and Activision, after a few strong years of returns. However, Estee Lauder was the Trusts top contributor as its prestige brands continued to grow particularly in Asia.

Fixed income positions also diversified returns too. Our developed market government bonds issued by the UK, US, Canada and Australia have all been particularly strong as faltering global growth has led policy makers to move to loosening monetary policy whilst sat the start of the period tightening was expected. Corporate bonds whilst positive returners underperformed government bonds as slowing growth has led to spreads to widen. The addition of emerging market debt in the second half of 2018 added materially to performance as they rose with other government bonds whilst some of the more esoteric issues were resolved.

Activity

We have reduced our equity allocation over the period whilst also increasing the defensive nature of the equities owned. We took advantage of the strong rally in global equities during the first quarter of 2019 to sell lower-conviction holdings. These included Facebook, Ryanair and Electronic Arts. We also sold Swedbank, which was drawn into the anti-money laundering scandals that beset Danske Bank and prompted our sale in 2018.

New additions to the Trust included packaging firm Abcam in the healthcare sector. Abcam's protein research tools and biotechnological products are market leading because of the quality of the accompanying efficacy data. Its revenue growth is twice the market rate and it is supported over the next five years by the significant opportunity in higher-value antibodies, immuno

assays and growth in China. We also added Mastercard and Visa to the Trust, as they are well positioned to profit from increased payment volumes, as transactions become increasingly electronic – another beneficiary of changing consumer habits.

We mentioned above that we increased our exposure to emerging market debt during the period. We did this by acquiring the Neuberger Berman Local Currency EMD Fund. We believe that EMD is priced attractively and diversifies the overall risk being taken within the Trust. We also added to high yield debt by buying a number of names including a bond issued by Warner Music, the company has a large library of musical content whose value has grown since the explosion in streaming services led by the likes of Spotify and Apple Music.

With alternatives we added to renewables by acquiring Aquila European Renewables Income Fund. The Fund brings European exposure to wind and solar to add to our existing UK holdings. We sold our holding in HICL infrastructure after the company rallied, we favour infrastructure companies with more geographically diversified exposure (HICL is largely UK assets).

Outlook

We have downgraded our global growth forecasts amid subdued activity data and rising political and policy uncertainty. As a result, our projections no longer incorporate a re-acceleration in global growth. Instead, we expect global GDP growth to be flat, and below the post-financial crisis average, out to 2021. Moreover, even that outlook is dependent on several major central banks easing monetary policy this year and the US-China trade war not escalating further.

On the positive side, global financial conditions have remained relatively loose. The European industrial cycle appears to be bottoming. Meanwhile, advanced economy labour markets have remained resilient, supporting solid consumer demand. On the negative side, trade tensions have re-escalated. Political developments in the UK, Italy, Argentina, Turkey and Iran have also taken a less positive direction. There has been little evidence of spill-over from Chinese stimulus to the rest of the world so far. The fluid trade-policy environment is a particularly important – and difficult to forecast – driver of the outlook.

Rather than focus on short-term market noise, we continue to concentrate on long-term structural growth. Specific areas of focus are the beneficiaries of 5G roll-out, digitalisation of payments, decarbonisation of energy, electrification of transport and healthcare applications that are driving longevity. We seek to identify companies that will benefit from shifting trends, while avoiding those where change will be detrimental.

Risk and reward profile

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.

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 Tables

	2019 pence per unit	2018 pence per unit	2017 pence per unit
B Accumulation Units			
Change in net assets per unit			
Opening net asset value per unit	210.89	202.90	190.71
Return before operating charges*	16.13	10.24	14.44
Operating charges	(2.28)	(2.25)	(2.25)
Return after operating charges*	13.85	7.99	12.19
Distributions	(5.08)	(4.62)	(4.16)
Retained distributions on accumulation unit	5.08	4.62	4.16
Closing net asset value per unit	224.74	210.89	202.90
* after direct transaction costs of:	0.13	0.34	0.13
Performance +			
Return after charges	6.57%	3.94%	6.39%
Other information			
Closing net asset value (£'000)	162	182	176
Closing number of units	72,001	86,581	86,581
Operating charges	1.08%	1.10%	1.15%
Direct transaction costs	0.06%	0.16%	0.07%
Prices			
Highest unit price	226.7	211.5	204.4
Lowest unit price	199.6	197.7	187.4
<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 Tables

Continued

	2019 pence per unit	2018 pence per unit	2017 pence per unit
B Income Units			
Change in net assets per unit			
Opening net asset value per unit	153.10	150.64	144.57
Return before operating charges*	11.57	7.53	10.91
Operating charges	(1.66)	(1.66)	(1.70)
Return after operating charges*	9.91	5.87	9.21
Distributions	(3.66)	(3.41)	(3.14)
Closing net asset value per unit	159.35	153.10	150.64
* after direct transaction costs of:	0.10	0.25	0.10
Performance +			
Return after charges	6.47%	3.90%	6.37%
Other information			
Closing net asset value (£'000)	524	95	93
Closing number of units	328,835	61,887	61,540
Operating charges	1.08%	1.10%	1.15%
Direct transaction costs	0.06%	0.16%	0.07%
Prices			
Highest unit price	162.7	155.5	153.3
Lowest unit price	144.9	145.4	142.1
<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 Tables

Continued

	2019 pence per unit	2018 pence per unit	2017 pence per unit
Z Units (Net Accumulation)			
Change in net assets per unit			
Opening net asset value per unit	66.17	63.16	58.88
Return before operating charges*	4.96	3.07	4.37
Operating charges	(0.05)	(0.06)	(0.09)
Return after operating charges*	4.91	3.01	4.28
Distributions	(2.13)	(1.95)	(1.79)
Retained distributions on accumulation unit	2.13	1.95	1.79
Closing net asset value per unit	71.08	66.17	63.16
* after direct transaction costs of:	0.04	0.11	0.04
Performance +			
Return after charges	7.42%	4.77%	7.27%
Other information			
Closing net asset value (£'000)	100,220	81,461	14,831
Closing number of units	140,997,090	123,116,312	23,483,827
Operating charges	0.08%	0.10%	0.15%
Direct transaction costs	0.06%	0.16%	0.07%
Prices			
Highest unit price	71.69	66.35	63.57
Lowest unit price	62.81	61.87	58.02
<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 Tables

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	56.35	55.44	53.21
Return before operating charges*	4.15	2.67	3.90
Operating charges	(0.04)	(0.06)	(0.08)
Return after operating charges*	4.11	2.61	3.82
Distributions	(1.80)	(1.70)	(1.59)
Closing net asset value per unit	58.66	56.35	55.44
* after direct transaction costs of:	0.04	0.09	0.04
Performance +			
Return after charges	7.29%	4.71%	7.18%
Other information			
Closing net asset value (£'000)	53,500	42,295	17,478
Closing number of units	91,202,791	75,057,256	31,528,416
Operating charges	0.08%	0.10%	0.15%
Direct transaction costs	0.06%	0.16%	0.07%
Prices			
Highest unit price	60.10	57.44	56.60
Lowest unit price	53.49	53.56	52.43

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.

Portfolio Statement

as at 31 July 2019

	Investment	Market value £'000	Percentage of total net assets
Bonds (23.26%)		33,320	21.58
Australian Dollar Denominated Bonds (2.10%)		2,795	1.81
Government Bonds (2.10%)		2,795	1.81
between 5 and 10 years to maturity			
	2,810,000 Australia (Commonwealth of) 4.75% 2027	2,009	1.30
	911,000 New South Wales Treasury 2.75% Index-Linked 2025	786	0.51
Canadian Dollar Denominated Bonds (2.00%)		2,636	1.71
Government Bonds (2.00%)		2,636	1.71
less than 5 years to maturity			
	4,115,000 Canadian (Govt of) 3.25% 2021	2,636	1.71
Euro Denominated Bonds (0.73%)		2,957	1.91
Corporate Bonds (0.73%)		2,957	1.91
less than 5 years to maturity			
	424,000 Lincoln Financing 3.625% 2024	397	0.26
between 5 and 10 years to maturity			
	500,000 BBVA 3.5% 2027	536	0.35
	200,000 CaixaBank 3.5% 2027	194	0.13
	338,000 Dufry One 2.5% 2024	317	0.20
	417,000 eircom 3.5% 2026	394	0.25
	412,000 LeasePlan 7.375% Fixed to Floating 2024	400	0.26
	350,000 Unitymedia 4% 2025	330	0.21
	400,000 WMG Acquisition 3.625% 2026	389	0.25
Indonesian Rupiah Denominated Bonds (0.43%)		-	-
Government Bonds (0.43%)		-	-
New Zealand Dollar Denominated Bonds (0.95%)		-	-
Government Bonds (0.95%)		-	-

Portfolio Statement

as at 31 July 2019

Continued

	Holding Investment	Market value £'000	Percentage of total net assets
Sterling Denominated Bonds (11.82%)		15,273	9.89
Corporate Bonds (10.31%)		13,746	8.90
less than 5 years to maturity			
	113,000 Anglian Water 4.125% Index-Linked 2020	205	0.13
	200,000 British American Tobacco 1.75% 2021	202	0.13
	100,000 Chorus 6.75% 2020	104	0.07
	301,000 Close Brothers 2.75% 2023	314	0.20
	450,000 GKN 6.75% 2019	455	0.30
	173,000 Marks & Spencer 6.125% 2019	176	0.11
	307,000 MetLife Global Funding I 1.125% 2021	307	0.20
	78,000 National Grid Gas 4.1875% Index-Linked 2022	159	0.10
	319,000 Royal Bank of Scotland 5.125% 2024	377	0.24
	140,000 Scottish Widows 5.5% 2023	156	0.10
	200,000 TalkTalk 5.375% 2022	205	0.13
	200,000 UBS 1.25% 2020	201	0.13
	382,000 Verizon Communications 4.073% 2024	437	0.28
	70,000 Yorkshire Water 6% 2019	70	0.05
between 5 and 10 years to maturity			
	351,000 America Movil 5% 2026	431	0.28
	378,000 Arrow Global 5.125% 2024	373	0.24
	154,000 Assura Financing 3% 2028	168	0.11
	150,000 Bank of America 7% 2028	214	0.14
	200,000 British American Tobacco 2.125% 2025	201	0.13
	200,000 CYBG 3.125% 2025	197	0.13
	751,000 Fidelity National Information Services 2.602% 2025	790	0.51
	85,000 FirstGroup 6.875% 2024	101	0.07
	200,000 HSBC 5.75% 2027	245	0.16
	206,000 John Lewis 6.125% 2025	235	0.15
	233,000 Lloyds Bank 7.625% 2025	300	0.19
	200,000 Lloyds Banking Group 2.25% 2024	203	0.13
	354,000 Pinnacle Bidco 6.375% 2025	373	0.24
	100,000 RI Finance Bonds No 3 6.125% 2028	115	0.08
	300,000 Severn Trent 3.625% 2026	337	0.22
	200,000 Shaftesbury Chinatown 2.348% 2027	202	0.13
	130,000 Unique Pub Finance 5.659% 2027	95	0.06
	300,000 Virgin Media 6% 2025	334	0.22
between 10 and 15 years to maturity			
	226,000 AT&T 4.375% 2029	268	0.17
	450,000 Barclays 3.25% 2033	441	0.29
	722,000 Digital Stout 3.75% 2030	805	0.52
	555,000 GlaxoSmithKline 5.25% 2033	788	0.51
	295,000 Vodafone 5.9% 2032	418	0.27

Portfolio Statement

as at 31 July 2019

Continued

	Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity				
	200,000	Aviva 6.125% 2036	234	0.15
	170,000	Tesco 5.744% 2040	215	0.14
greater than 25 years to maturity				
	253,000	Bromford Housing 3.125% 2048	286	0.18
	200,000	Legal & General 5.375% 2045	223	0.15
	385,000	NGG 5.625% fixed to floating 2073	421	0.27
	138,000	Prudential 5% 2055	149	0.10
Perpetual				
	375,000	Credit Agricole 7.5% Perpetual	428	0.28
	400,000	EDF 6% Perpetual	436	0.28
	250,000	Pennon 2.875% Perpetual	251	0.16
	100,000	SSE 3.875% fixed to floating Perpetual	101	0.07
Government Bonds (1.51%)			1,527	0.99
between 15 and 25 years to maturity				
	1,086,000	UK (Govt of) 3.25% 2044	1,527	0.99
US Dollar Denominated Bonds (5.23%)			9,659	6.26
Corporate Bonds (2.59%)			3,319	2.15
less than 5 years to maturity				
	328,000	Charter Communications 4.464% 2022	280	0.18
	300,000	Equinix 5.375% 2023	250	0.16
	258,000	Reynolds American 4% 2022	218	0.14
between 5 and 10 years to maturity				
	967,000	Activision Blizzard 3.4% 2026	813	0.53
	330,000	BPCE 3.5% 2027	275	0.18
	805,000	Lockheed Martin 3.55% 2026	698	0.45
	283,000	Symantec 5% 2025	236	0.15
between 10 and 15 years to maturity				
	24,000	SABMillar 6.625% 2033	26	0.02
greater than 25 years to maturity				
	453,000	Vodafone 6.25% 2078	386	0.25
Perpetual				
	200,000	Standard Chartered FRN Perpetual	137	0.09

Portfolio Statement

as at 31 July 2019

Continued

	Holding	Investment	Market value £'000	Percentage of total net assets
Government Bonds (2.64%)			6,340	4.11
less than 5 years to maturity	3,796,700	US Treasury 2.75% 2021	3,154	2.04
between 5 and 10 years to maturity	790,000	Saudi Arabia (Kingdom of) 4% 2025	691	0.45
greater than 25 years to maturity	2,804,300	US Treasury 0.75% Index-Linked 2045	2,495	1.62
Equities (68.75%)			101,954	66.03
European Equities (10.89%)			21,422	13.87
Denmark (0.75%)			962	0.62
	12,788	Orsted	962	0.62
France (0.51%)			3,873	2.51
	13,003	Gecina	1,639	1.06
	2,741	Kering	1,170	0.76
	15,657	Ubisoft Entertainment	1,064	0.69
Germany (0.80%)			722	0.47
	19,326	Covestro	722	0.47
Ireland (4.26%)			6,812	4.41
	8,457	Accenture	1,330	0.86
	10,661	Allegion	901	0.58
	35,506	CRH	969	0.63
	2,314,319	Greencoat Renewables	2,294	1.49
	15,841	Medtronic	1,318	0.85
Italy (0.77%)			1,321	0.86
	234,656	Enel	1,321	0.86
Netherlands (1.50%)			2,445	1.58
	7,894	ASML	1,456	0.94
	421,469	Koninklijke KPN	989	0.64

Portfolio Statement

as at 31 July 2019

Continued

	Holding	Investment	Market value £'000	Percentage of total net assets
Sweden (0.78%)			-	-
Switzerland (1.52%)			5,287	3.42
	28,759	BB Biotech	1,548	1.00
	15,215	Nestle	1,326	0.86
	15,608	Novartis	1,177	0.76
	5,619	Roche	1,236	0.80
Japanese Equities (1.22%)			2,565	1.66
	3,292	Canadian Solar Infrastructure Fund	2,565	1.66
North American Equities (11.45%)			18,548	12.01
Bermuda (0.99%)			264	0.17
	1,617,358	CATCo Reinsurance Opportunities	264	0.17
United States (10.46%)			18,284	11.84
	20,855	Activision Blizzard	830	0.54
	984	Alphabet 'A'	979	0.63
	9,038	American Tower	1,562	1.01
	38,460	Boston Scientific	1,333	0.86
	96,634	Burford Capital	1,453	0.94
	34,083	Comcast	1,201	0.78
	16,329	EOG Resources	1,145	0.74
	2,831	Equinix	1,160	0.75
	8,337	Estee Lauder	1,254	0.81
	14,341	First Republic Bank	1,163	0.75
	4,347	Intuit	984	0.64
	6,609	Mastercard	1,468	0.95
	11,454	Microsoft	1,274	0.83
	11,688	Philip Morris	798	0.52
	24,343	Schlumberger	794	0.52
	6,096	Visa	886	0.57
Pacific Basin Equities (4.95%)			3,434	2.23
Australia (1.46%)			910	0.59
	92,313	Treasury Wine Estates	910	0.59

Portfolio Statement

as at 31 July 2019

Continued

	Market value £'000	Percentage of total net assets
China (1.01%)	-	-
Hong Kong (0.73%)	1,245	0.81
147,674 AIA	1,245	0.81
Singapore (0.49%)	-	-
South Korea (0.49%)	-	-
Taiwan (0.77%)	1,279	0.83
36,759 Taiwan Semiconductor Manufacturing	1,279	0.83
UK Equities (40.24%)	55,985	36.26
Basic Materials (1.03%)	2,042	1.32
36,024 Johnson Matthey	1,158	0.75
15,885 Rio Tinto	884	0.57
Consumer Goods (2.30%)	3,261	2.11
26,506 British American Tobacco	783	0.51
350,200 Countryside Properties	1,029	0.66
28,399 Fever Tree Drinks	663	0.43
12,340 Reckitt Benckiser	786	0.51
Consumer Services (1.25%)	1,267	0.82
64,878 RELX	1,267	0.82
Financials (31.36%)	42,395	27.46
636,820 3i Infrastructure	1,812	1.17
1,248,438 Apax Global Alpha	1,948	1.26
2,250,000 Aquila European Renewables Income Fund	2,138	1.38
188,361 Aviva	765	0.50
200,732 Beazley	1,156	0.75
156,290 BH Global	2,465	1.60
1,740,229 Bluefield Solar Income Fund	2,293	1.49
2,486,868 CQS New City High Yield	1,457	0.94
3,542,813 Fair Oaks Income	2,315	1.50
1,920,983 Foresight Solar Fund	2,228	1.44
1,459,170 GCP Infrastructure	1,833	1.19
1,708,434 Greencoat UK Wind	2,368	1.53
2,221,450 Gresham House Energy Storage	2,321	1.50
1,307,006 ICG-Longbow Senior Secured UK Property Debt	1,281	0.83

Portfolio Statement

as at 31 July 2019

Continued

			Market value £'000	Percentage of total net assets
	Holding	Investment		
	1,381,319	International Public Partnerships	2,213	1.43
	41,500	NB Distressed Debt Investment Fund	30	0.02
	1,194,788	Primary Health Properties	1,570	1.02
	70,642	Prudential	1,199	0.78
	1,784,020	Renewables Infrastructure Group	2,262	1.47
	216,775	Segro	1,656	1.07
	2,276,462	Sequoia Economic Infrastructure Income	2,577	1.67
	1,712,402	SQN Asset Finance Income Fund	1,466	0.95
	1,368,662	Starwood European	1,423	0.92
	157,033	Unite	1,619	1.05
Health Care (0.76%)			3,476	2.25
	65,041	Abcam	850	0.55
	46,295	Dechra Pharmaceuticals	1,363	0.88
	74,202	GlaxoSmithKline	1,263	0.82
Industrials (1.00%)			2,345	1.52
	632,611	Amedeo Air Four Plus	560	0.36
	657,299	Doric Nimrod Air Three	551	0.36
	346,142	Smith (DS)	1,234	0.80
Oil & Gas (0.76%)			1,199	0.78
	46,297	Royal Dutch Shell 'A'	1,199	0.78
Telecommunications (0.77%)			-	-
Utilities (1.01%)			-	-
Exchange Traded Funds (0.57%)			870	0.56
	7,202	ETFs Physical Gold	801	0.52
	1,027	ETFs Physical Platinum	69	0.04
Collective Investment Schemes (9.72%)			12,221	7.91
	1,528,369	BBGI SICAV	2,377	1.54
	522,393	Neuberger Berman Emerging Markets Debt Local Currency	5,166	3.34
	4,380,051	SLI Active Overlay SICAV+	4,678	3.03

Portfolio Statement

as at 31 July 2019

Continued

	Holding	Investment	Market value £'000	Percentage of total net assets
Derivatives (-0.10%)			(594)	(0.38)
Exchange Traded Options (0.05%)			31	0.02
	450	Buy Put FTSE 100 Index 20/09/2019	74	0.05
	(450)	Sell Put FTSE 100 Index 20/09/2019	(43)	(0.03)
Forward Currency Contracts (-0.15%)			(625)	(0.40)
		Buy GBP 2,539,049 Sell AUD 4,655,319 13/09/2019	(80)	(0.05)
		Buy GBP 2,546,423 Sell CAD 4,307,132 13/09/2019	(129)	(0.08)
		Buy GBP 2,791,617 Sell EUR 3,123,219 13/09/2019	(52)	(0.03)
		Buy GBP 12,329,178 Sell USD 15,574,908 13/09/2019	(364)	(0.24)
Total investment assets and liabilities			147,771	95.70
Net other assets			6,635	4.30
Total Net Assets			154,406	100.00

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

The percentage figures in brackets show the comparative holding as at 31 July 2018.

+Managed by subsidiaries of Standard Life Aberdeen plc.

Financial Statements

Statement of Total Return for the year ended 31 July 2019						
		2019			2018	
	Notes	£'000	£'000	£'000	£'000	£'000
Income:						
Net capital gains	3		6,482			1,910
Revenue	5	4,958		2,415		
Expenses	6	(48)		(37)		
Net revenue before taxation		4,910		2,378		
Taxation	7	(423)		(208)		
Net revenue after taxation			4,487			2,170
Total return before distributions			10,969			4,080
Distributions	8		(4,487)			(2,169)
Change in net assets attributable to unitholders from investment activities			6,482			1,911

Statement of Change in Net Assets Attributable to Unitholders for the year ended 31 July 2019						
		2019			2018	
		£'000	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders			124,033			32,578
Amounts receivable on the issue of units		43,027		91,743		
Amounts payable on the cancellation of units		(22,253)		(4,492)		
			20,774			87,251
Dilution levy			105			502
Change in net assets attributable to unitholders from investment activities (see above)			6,482			1,911
Retained distribution on accumulation units			3,012			1,791
Closing net assets attributable to unitholders			154,406			124,033

Financial Statements

Continued

Balance Sheet						
as at 31 July 2019						
		2019		2018		
	Notes	£'000	£'000	£'000	£'000	£'000
Assets:						
Fixed assets:						
Investment assets			148,439			127,004
Current assets:						
Debtors	9	933		3,754		
Cash and bank balances	10	7,303		319		
			8,236			4,073
Total assets			156,675			131,077
Liabilities:						
Investment liabilities						
Creditors	11	(737)	(668)	(6,111)		(238)
Distribution payable		(864)		(695)		
			(1,601)			(6,806)
Total liabilities			(2,269)			(7,044)
Net assets attributable to unitholders			154,406			124,033

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 the Financial Reporting Standard 102 (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 bid/cancellation 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. Revenue from debt securities is accounted for on an effective yield basis in accordance with policy 2(c).
- V. Special dividends are treated as either revenue or capital depending on the nature of each individual case.
- VI. Bank interest is recognised on an accruals basis.
- VII. Equalisation from Collective Investments 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. Tax is calculated using the marginal basis i.e. the tax effect of income and expenditure is allocated between capital and revenue on the same basis as the particular item to which it relates. The charge for taxation is based on taxable income less expenses multiplied by 20%.
- II. 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.
- III. 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)

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) 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 Distribution Policies

(a) Basis of distribution

- I. All of the net revenue available for distribution at the end of the year will be distributed to unitholders.
- II. Where the Manager has discretion about the extent to which revenue and expenses are recognised within the distributable income property of the Trust, the approach adopted, at all times, will be governed by the aim of maximising the total return to unitholders through limiting avoidable taxation costs.

(b) Equalisation

In order that each unitholder in the same unit class shall receive the same rate of distribution per unit the buying price of each unit contains an amount called equalisation. This is equivalent to the net of distributable income less expenses accrued in the Trust at the time of purchase. As part of the distribution payment the average amount of this equalisation is returned to Group 2 unitholders. The equalisation element of the distribution to Group 2 unitholders is treated as a repayment of capital and is therefore not liable to income tax. This amount should, however, be deducted from the cost of the units for capital gains tax purposes.

(c) Effective yield

- I. The Trust applies the concept of effective yield in daily pricing and for the periodic distribution of revenue, in accordance with the SORP.
- II. Effective yield is an income calculation that takes into account amortisation of any discount or premium on the purchase price over the remaining life of the security.
- III. Applying effective yield to the income calculation may result in either higher or lower revenue that would be recognised on a coupon basis. Where the Trust holds more bonds purchased at a discount to their par value, revenue is likely to be higher. Where the Trust holds more bonds purchased at a premium, revenue is likely to be lower. This will affect the distribution of the Trust.

3 Net Capital Gains

	2019 £'000	2018 £'000
Non-derivative securities	7,993	2,395
Derivative contracts	(261)	(209)
Forward currency contracts	(1,272)	(206)
Other gains/(losses)	33	(40)
Handling charges taken from the capital account	(11)	(30)
Net capital gains	<u>6,482</u>	<u>1,910</u>

Notes to the Financial Statements

Continued

4 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.

	Purchases		Sales	
	2019	2018	2019	2018
Trades in the year	£'000	£'000	£'000	£'000
Bonds	9,010	25,338	6,599	3,126
Equities	43,652	65,751	33,301	5,133
Collective investment schemes*	23,493	36,047	23,343	26,002
Corporate actions	771	-	93	-
Trades in the year before transaction costs	62,180	97,080	42,562	8,259
Commissions				
Equities	17	30	(21)	(2)
Collective investment schemes	2	-	(1)	-
Total commissions	19	30	(22)	(2)
Taxes				
Equities	44	80	(2)	-
Total taxes	44	80	(2)	-
Total transaction costs	63	110	(24)	(2)
Total net trades in the year after transaction costs	76,989	127,246	63,228	34,259

	Purchases		Sales	
	2019	2018	2019	2018
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.05	0.06	0.04
Collective investment schemes	-	-	-	-
Taxes				
Equities	0.10	0.12	0.01	-
Collective investment schemes	-	-	-	-

* Prior year comparatives include amounts that were presented in Note 13 Related Party Transactions in the prior year accounts.

Notes to the Financial Statements

Continued

4 Equity Purchases, Sales and Transaction Costs (continued)

	2019	2018
	%	%
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.03	0.04
Taxes	0.03	0.11

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 0.44% (2018: 1.00%), this is representative of the average spread on the assets held during the year.

5 Revenue

	2019	2018
	£'000	£'000
UK dividends	2,173	520
Overseas dividends	1,332	1,166
Taxable distributions on offshore funds	6	205
Interest distributions	453	1
Interest on debt securities	945	499
Bank interest	49	24
Total revenue	4,958	2,415

6 Expenses

	2019	2018
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	3	3
Registration fees	1	1
	4	4
Payable to the Trustee or associates of the Trustee, and agents of either of them:		
Trustee fees	26	17
Safe custody fee	8	4
	34	21
Other:		
Audit fee	10	12
	10	12
Total expenses	48	37

Notes to the Financial Statements

Continued

7 Taxation

	2019 £'000	2018 £'000
(a) Analysis of charge in year		
Corporation tax	321	159
Double taxation relief	(14)	(5)
Overseas taxes	117	54
Total current tax	424	208
Deferred tax (note 7c)	(1)	-
Total taxation (note 7b)	423	208
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is less than the standard rate of corporation tax in the UK for authorised Unit Trusts (20%). The differences are explained below:		
Net revenue before taxation	4,910	2,378
Corporation tax at 20% (2018: 20%)	982	476
Effects of:		
Revenue not subject to taxation	(662)	(317)
Overseas taxes	117	54
Double taxation relief	(14)	(5)
Total tax charge for year (note 7a)	423	208
(c) Deferred tax		
Deferred tax charge at the start of the year	1	1
Deferred tax charge in statement of total return for year (note 7a)	(1)	-
Provision at the end of the year	-	1

8 Distributions

The distributions take 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	2,152	909
Final distribution	2,448	2,016
	4,600	2,925
Add: Income deducted on cancellation of units	216	34
Deduct: Income received on issue of units	(329)	(790)
Net distribution for the year	4,487	2,169

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

Notes to the Financial Statements

Continued

9 Debtors

	2019 £'000	2018 £'000
Amounts receivable from the Manager for the issue of units	264	3,221
Accrued revenue	658	524
Foreign withholding tax recoverable	11	9
Total debtors	<u>933</u>	<u>3,754</u>

10 Cash and Bank Balances

	2019 £'000	2018 £'000
Amounts held at futures clearing houses and brokers	134	2
Cash and bank balances	7,169	317
Total cash and bank balances	<u>7,303</u>	<u>319</u>

11 Creditors

	2019 £'000	2018 £'000
Amounts payable to the Manager for cancellation of units	593	12
Purchases awaiting settlement	–	5,928
Accrued expenses payable to the Manager	1	–
Accrued expenses payable to the Trustee or associates of the Trustee	2	7
Other accrued expenses	12	9
Corporation tax payable	129	154
Deferred tax payable	–	1
Total creditors	<u>737</u>	<u>6,111</u>

12 Related Party Transactions

Aberdeen Standard Fund Manager 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 Manager Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to Aberdeen Standard Fund Manager Limited, in respect of the Manager's periodic charge and registration services, are disclosed in note 6 and any amounts due at the year end in note 11.

Notes to the Financial Statements

Continued

13 Units in issue reconciliation

	Opening units 2018	Creations during the year	Cancellations during the year	Closing units 2019
B Accumulation Units	86,581	–	(14,580)	72,001
B Income Units	61,887	297,826	(30,878)	328,835
Z Units (Net Accumulation)	123,116,312	40,489,741	(22,608,963)	140,997,090
Z Units (Net Income)	75,057,256	28,812,245	(12,666,710)	91,202,791

14 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
Bonds	9,812	23,508	–	6,536	22,335	–
Equities	101,954	870	–	85,271	704	–
Collective Investment Schemes	–	12,221	–	–	12,055	–
Derivatives	74	–	–	92	11	–
Total investment assets	111,840	36,599	–	91,899	35,105	–
Derivatives	(43)	(625)	–	(36)	(202)	–
Total investment liabilities	(43)	(625)	–	(36)	(202)	–

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).

15 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.

Notes to the Financial Statements

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15 Risk Management Policies & Numerical Disclosures (continued)

(a) Market price risk

Each Trust's investment portfolio is exposed to market price fluctuation which are monitored by the 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.

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.

Value at Risk (VaR) is a measure of the maximum potential loss to the Trust due to market risk. More particularly, VaR measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

2019	Minimum	Maximum	Average
VaR 99% 1 Month	3.23%	3.98%	3.62%
2018	Minimum	Maximum	Average
VaR 99% 1 Month	3.23%	3.98%	3.57%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 3.86%, £5,954,000 (2018: 3.90%, £4,944,000) in one month period.

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

(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 Manager may seek to manage exposure to currency movements by using forward currency contracts.

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.

Currency exposure

The net foreign currency exposure comprises:

	Net foreign currency assets/(liabilities)	
	2019 £'000	2018 £'000
Australian Dollar	2,004	2,446
Canadian Dollar	(25)	(24)
Danish Krone	965	918
Euro	13,924	8,932
Hong Kong Dollar	1,245	911
Indonesian Rupiah	-	550
Japanese Yen	2,645	1,531
New Zealand Dollar	-	40
Singapore Dollar	-	610
South Korean Won	-	613
Swedish Krona	-	967
Swiss Franc	5,288	1,877
US Dollar	22,469	16,682

Notes to the Financial Statements

Continued

15 Risk Management Policies & Numerical Disclosures (continued)

(c) Interest rate risk

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

In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the income potential of the Trust also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Trust). A decline in interest rates will, in general, have the opposite effect.

The interest rate risk profile of the Trust's financial assets and liabilities is:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2019				
Currency				
UK Sterling	10,167	12,135	83,589	105,891
Australian Dollar	796	2,009	(801)	2,004
Canadian Dollar	-	2,636	(2,661)	(25)
Danish Krone	-	-	965	965
Euro	400	2,557	10,967	13,924
Hong Kong Dollar	-	-	1,245	1,245
Japanese Yen	-	-	2,645	2,645
Swiss Franc	-	-	5,288	5,288
US Dollar	3,282	6,641	12,546	22,469
2018				
Currency				
UK Sterling	8,792	11,953	67,235	87,980
Australian Dollar	11	2,608	(173)	2,446
Canadian Dollar	-	2,483	(2,507)	(24)
Danish Krone	-	-	918	918
Euro	-	905	8,027	8,932
Hong Kong Dollar	-	-	911	911
Indonesian Rupiah	-	539	11	550
Japanese Yen	-	-	1,531	1,531
New Zealand Dollar	-	1,176	(1,136)	40
Singapore Dollar	-	-	610	610
South Korean Won	-	-	613	613
Swedish Krona	-	-	967	967
Swiss Franc	-	-	1,877	1,877
US Dollar	381	6,368	9,933	16,682

(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 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.

Notes to the Financial Statements

Continued

15 Risk Management Policies & Numerical Disclosures (continued)

(e) Financial Derivatives Instrument Risk

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

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

	2019 £'000	2018 £'000
Market Exposure		
Forward Currency Contracts	20,831	16,779
Exchange Traded Options	62,100	68,400
Total Market Exposure	<u>82,931</u>	<u>85,179</u>

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

Counterparty Exposure

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

At 31 July 2019 the underlying exposure for each category of derivatives was as follow:

	Exchange traded options £'000	Forward currency exchange contracts £'000	Total by counterparty £'000
Counterparty or clearer			
BNP Paribas	-	(129)	(129)
Goldman Sachs	31	-	31
UBS	-	(496)	(496)
Total	<u>31</u>	<u>(625)</u>	<u>(594)</u>

At 31 July 2018 the underlying exposure for each category of derivatives was as follow:

	Exchange traded options £'000	Forward currency exchange contracts £'000	Total by counterparty £'000
Counterparty or clearer			
Goldman Sachs	56	(158)	(102)
Royal Bank of Canada	-	(23)	(23)
Societe Generale	-	4	4
UBS	-	(14)	(14)
Total	<u>56</u>	<u>(191)</u>	<u>(135)</u>

(f) 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 Manager reviews the cash and liability position continuously, and should an increase in liquidity be required, the Manager will sell securities.

Distribution Tables

for the six months ended 31 January 2019				
Group 1 – units purchased prior to 1 August 2018				
Group 2 – units purchased between 1 August 2018 and 31 January 2019				
	Net Income 2019 pence per unit	Equalisation 2019 pence per unit	Distribution paid 2019 pence per unit	Distribution paid 2018 pence per unit
B Accumulation Units				
Group 1	2.3710	–	2.3710*	2.0155
Group 2	–	–	0.0000*	
B Income Units				
Group 1	1.7209	–	1.7209**	1.4970
Group 2	1.1421	0.5788	1.7209**	1.4970
Z Units (Net Accumulation)				
Group 1	0.8576	–	0.8576*	0.8816
Group 2	0.4720	0.3856	0.8576*	0.8816
Z Units (Net Income)				
Group 1	1.0081	–	1.0081**	0.7749
Group 2	0.4862	0.5219	1.0081**	0.7749

* Distribution accumulated on 31 January 2019

** Distribution paid on 31 March 2019

Distribution Tables

Continued

for the six months ended 31 July 2019				
Group 1 – units purchased prior to 1 February 2019				
Group 2 – units purchased between 1 February 2019 and 31 July 2019				
	Net Income 2019 pence per unit	Equalisation 2019 pence per unit	Distribution paid 2019 pence per unit	Distribution paid 2018 pence per unit
B Accumulation Units				
Group 1	2.7059	–	2.7059*	2.6045
Group 2	2.7059	–	2.7059*	
B Income Units				
Group 1	1.9422	–	1.9422**	1.9146
Group 2	1.3252	0.6170	1.9422**	1.9146
Z Units (Net Accumulation)				
Group 1	1.1220	–	1.1220*	1.0704
Group 2	0.5990	0.5230	1.1220*	1.0704
Z Units (Net Income)				
Group 1	0.9408	–	0.9408**	0.9248
Group 2	0.6144	0.3264	0.9408**	0.9248
* Distribution accumulated on 31 July 2019				
** Distribution paid on 30 September 2019				
Equalisation				
This applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.				
Treatment by Corporate Unitholders (unaudited)				
Corporate unitholders should account for the current year's dividends shown in the distribution tables as follows:				
			Interim Dividend	Final Dividend
Treat as a UK corporate dividend			65.11%	77.40%
Treat as an annual payment net of Income tax at 20%			34.89%	22.60%

Remuneration (unaudited)

Remuneration Policy

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

The Management Company, 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, unitholders and importantly our clients/customers;
- (c) Our remuneration structure will reward delivery of results over appropriate time horizons and will include deferred variable compensation at an appropriate level for the employee's role;
- (d) We will provide an appropriate level of fixed remuneration to balance risk and reward.

Governance and Regulatory Compliance

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

Financial and non-financial criteria

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

Conflicts of interest

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

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

Remuneration Framework

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

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

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

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

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.

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 Phoenix Fund).

This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

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

Aberdeen Standard Capital Phoenix Fund Reporting period: 01/01/18 to 31/12/18	Headcount	Total Remuneration £'000	UCITS proportion £'000 ⁴
SLI Mutual Funds Ltd staff ¹	320	42,109	123
of which			
Fixed remuneration		33,499	98
Variable remuneration		8,610	25
Carried Interest		NIL	
SLI Mutual Funds Ltd 'Identified Staff' ²	125	7,925	23
of which			
Senior Management ³	16	1,756	5
Other 'Identified Staff'	109	6,169	18

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.

Aberdeen Standard Capital Phoenix Fund moved management company from Standard Life Investments 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.

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Important Information

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

