

Investment Report Aberdeen Standard Capital Falcon Fund

Quarter 2 2021



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Fund information



All information is correct as at 30 June 2021 unless otherwise stated.
Past performance is not a reliable guide to future performance.

Investment objective

To generate growth over the long term (5 years or more) by investing in global equities (company shares). Performance target: To exceed the ARC Private Client Indices (PCI) Equity Risk Net Return Index per annum after charges over rolling 3 year periods. The performance target is the level of performance 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 since it reflects the risk and return profile that private clients expect and aligns with the investment policy of the fund.

Comparative indices

The Portfolio Constraining Benchmark consists of 30% FTSE All-Share (£) and 70% FTSE World ex UK.

Expected Characteristics

Return: Significantly above cash over the long term; variable in the short term.

Volatility: High. Investors can expect to experience significant fluctuations in the value of their holding, driven by rises and falls in equity markets.

Income: Low, but the dividend is likely to grow over the long term.

Risk band

Suitable for investors with a high risk profile.

Performance track record

| | Retail (Acc) | Institutional (Acc)* |
|--|--------------|----------------------|
| Retail launch date | 13 Nov 1998 | 28 Apr 2014 |
| Return since launch | 495.60% | 116.84% |
| Equivalent per annum | 8.17% | 11.40% |
| Relative to Portfolio Constraining Benchmark** | 0.70% | -0.35% |

* Institutional refers to Z shareclass.

**based on outperformance or underperformance relative to the comparative index

Fund facts

| | Retail (Acc) | Institutional (Acc)* |
|--------------------------|--------------|---------------------------------------|
| Fund size (millions) | GBP 223.5m | GBP 223.5m |
| Annual management charge | 1.50% | 0.00% |
| Ongoing charge | 1.53% | 0.03% |
| Base currency | GBP | GBP |
| Distribution yield | 0.28% | 1.23% |
| Ex distribution dates | 31 Aug | 28 Feb, 31 Aug |
| Distribution pay dates | 29 Oct | 2 business days before 30 Apr, 31 Oct |
| Last distribution paid | 0p per unit | 0.53030p per unit |
| ISIN | GB0002904703 | GB00BLBND495 |
| Sedol | 290470 | BLBND49 |

* Institutional refers to Z shareclass.

Focus on the latest quarter



Portfolio holdings can change at any time and without notice. Therefore, you should not take any of the information in this document as a recommendation to invest. Notable transactions are selected at the discretion of the fund manager and may not feature the largest transactions by value.

Performance over the 3 months for fund, performance constraining benchmark and other comparators

%

| | |
|--|------|
| Aberdeen Standard Capital Falcon Fund (Retail Acc) | 6.41 |
| Aberdeen Standard Capital Falcon Fund (Institutional Acc)* | 6.67 |
| ARC £ Equity Risk est. | 5.36 |
| Portfolio Constraining Benchmark | 7.04 |
| Other comparators | |
| IA OE Global | 6.89 |
| FTSE All Share | 5.60 |
| FTSE World (ex UK) | 7.62 |

Source: Morningstar (Fund) and Asset Risk Consultant "ARC" as at 30 June/March 2021. Calculation basis: Sterling, total return bid-to-bid, without initial charges, net income reinvested. Thomson Reuters Datastream (Comparative Index) as at 30 September 2019. Calculation basis: Sterling, total return without initial charges, gross income reinvested.

* Institutional refers to Z shareclass.

Largest contributors to relative performance

| Positive | v index | Negative | v index |
|------------------------------------|---------|--|---------|
| Generac Holdings Inc. | 0.40 | Prudential plc | -0.23 |
| West Pharmaceutical Services, Inc. | 0.27 | Enel SpA | -0.27 |
| Voltronic Power Technology Corp. | 0.24 | Countryside Properties Plc | -0.27 |
| Hermes International SCA | 0.24 | Ping An Insurance (Group) Company of China, Ltd. Class H | -0.37 |
| Watches of Switzerland Group PLC | 0.23 | Orsted | -0.48 |

Largest contributors to relative performance looks at the effect of the investment choices made by the fund manager. It highlights which investment choices have added or detracted value from the portfolio, relative to the investments in the benchmark.

Notable transactions

| Acquisitions | Disposals |
|------------------------|------------------------------|
| Daimler | Novartis |
| Amundi | GlaxoSmithkline |
| Keywords Studios | Allegion |
| Schiehallion Fund | First Republic Bank (reduce) |
| AstraZeneca (Increase) | Activision Blizzard (reduce) |

Focus on the latest quarter (cont.)



This commentary represents the views of the fund manager and should not be taken as advice.

“Inflation is taxation without legislation”

Milton Friedman

Markets

Based on Peter Benchley's 1974 novel of the same name, it seems there may be more that a man-eating shark can teach us about stock markets than some might think. Speaking in 2007, Boris Johnson made it clear what his thoughts were towards the subsequent Spielberg blockbuster. In his view, the true hero of *Jaws* was the 'laudable' mayor, who kept the beaches open for business, despite the hysteria surrounding a series of shark attacks.

Although an opinion given over a decade ago, it provides some insight into the mind of the current prime minister and his potential attitude towards prolonging Covid-19 restrictions. This is especially in the face of, what must be said, a very efficient vaccine rollout. Indeed, easing lockdown restrictions during April was only too fitting. The prime minister, a keen Latin scholar himself, surely knows the month is named after the Latin word *Aprilis* from the verb *aperire*, 'to open'. After what seemed like an eternity of closure, by 12 April, non-essential shops, gyms, hairdressers, as well as pubs and restaurants were back in business.

With one of the most efficient and successful vaccine rollouts in the world, Johnson finally started to see himself as that aforementioned mayor. And much like the sea on the fictional setting of *Amity Island*, the tide was beginning to turn for a beleaguered UK economy.

Global equities outperformed during the period, once again led by the technology-driven Nasdaq. But it was those sectors that had endured a torrid 2020 that helped push the domestically focused UK FTSE 250 Index to all-time highs. These sectors – spurred on by the euphoria of a rapidly improved consumer outlook – included retail, leisure and hospitality. Even before lockdown had eased, the Office for National Statistics confirmed that UK retail sales had surged in March. They were up 5.4% month-on-month and 7.2% year-on-year, well above expectations for 1.5% and 3.5%, respectively. The numbers indicated that the domestic consumer was in a remarkably robust state and primed to spend, releasing the pent-up demand that had amassed during lockdown.

It was not just the domestic benchmark that performed well during the period. The more internationally focused FTSE 100 Index was also able to take a bite out of the returns experienced by the previous year's runaway US market. A general characteristic of the period was the gradual rise in commodity prices, buoyed by the increasingly insatiable demand for raw materials caused by the reopening of the global economy. With copper prices hitting decade-long highs and oil passing US\$75 per barrel for the first

time since October 2018, the commodity-heavy blue-chip index reaped the rewards. Improving economic conditions also drove the financial sector, led by banks, to make a splash of its own during the spring.

The successful domestic vaccine rollout may have convinced some that the rest of the second quarter would be plain sailing. However, other variants of the virus kept a lid on further stock market gains. It is interesting to note that the Dutch, who first colonised India, referred to the larger, more predatory fish they found inhabiting the Ganges as *schurk*. This means 'villain' or 'scoundrel'. With the word having been anglicised over the centuries, it is somewhat poignant that these villainous creatures would live in one of the world's largest deltas. This term would dominate the coming months.

The delta variant, as it had been christened by the spring, was becoming increasingly influential towards the Government's plans to lift lockdown by 21 June. Indeed, the growth rate of the variant was projected to lead to 15,000 daily cases by the big day, and levels not seen since January by late July. This forced the Government's hand into extending its lockdown precautions by a further four weeks.

The delay in opening up the UK economy and continued worries over the spread of the delta variant resulted in the more domestically focused sectors giving back some of their recent strong gains. But unlike the weather, the overall mood of UK companies remained predominantly sunny. Continually strong domestic consumer spending and confidence were spurred on by nearly half the country being fully vaccinated by the end of June. Consequently, the Bank of England (BoE) upgraded its forecast for UK GDP growth to 7.25%, its fastest in 70 years and up from the 5% predicted in February.

The tone for an improving global outlook had been effectively set with the ushering in of 2021. The early months of the year were characterised by a heavy sell-off in government debt, and the US consumer price index rose throughout April, hitting 5% during May. With this, it looked like the route lower for fixed income markets may continue for a prolonged period of time as the loan sharks moved in. However, markets were helped by consistent 'lower for longer' messaging (referring to interest rates) from the US Federal Reserve (Fed) and various other central banks. This allowed yields to regain some poise over the period as investors started seeing the spike in inflation as more transitory than a lasting trend.

Focus on the latest quarter (cont.)



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The Fed forecast an earlier and faster adjustment to interest rates over the coming years than many commentators had expected. The Fed's 'dot plots' showed that many at the central bank now saw at least two rate rises by the end of 2022. This led to fears that central banks could act too hastily in raising rates, should the recent spike in inflation prove to be transitory. Therefore, markets saw continued rotation between sectors, with mining and financial stocks giving up some of their gains. The technology sector, potentially an underperformer if rates rise too quickly, confounded many, setting sail for a rally that lasted until the end of June.

In its final meeting of the quarter, the BoE voted 8-1 to maintain rates at historic lows. It seems that the bank is also erring on the side of caution, perhaps rational, given the imminent end of the Government's furlough scheme.

Performance

The Fund ended the second quarter 6.4% higher (net of the full retail fee). This was behind the benchmark return of 7.0% but ahead of the peer group, as measured by the ARC Equity Risk estimate of +5.4%.

We remain true to our 'quality, sustainable growth' approach. Our portfolios are focused on investments that are underpinned by structural growth trends, high-quality balance sheets and management, and good visibility of how they will achieve growth.

During the previous two quarters, since Covid-19 vaccines became a welcome reality, equity markets have been led by sectors most sensitive to short-term economic recovery. The Fund participated in this market rally; it rose in value but to a slightly lesser degree than the broader market. Our approach is designed to lock in growth that is less dependent on the economic cycle and more sustainable over the long term. This quarter, we saw a balance return to equity markets, with a mixture of growth and cyclical sectors performing well. However, traditionally defensive sectors such as utilities, telecommunications and consumer staples continued to lag, reflecting the strong economic outlook.

Against this backdrop, positive stock selection of holdings in the healthcare, consumer discretionary, industrials and energy sectors drove the active return. Many of these holdings are beneficiaries of growth trends that have accelerated in the last year, such as e-commerce, digitalisation and connectedness, automation and health and wellness.

Our industrial holdings were led by Generac Holdings. The US manufacturer of portable power supply and energy storage was the top-performing stock, adding to its strong performance year to date. It has seen a sustained acceleration in demand following an increasing number of power outages. These include the Texas winter storm in February and subsequent heat wave in June.

On clean energy, shipments of its PWRCell solar storage systems grew at a significant rate. Generac is now estimated to have more than a 15% share of the US solar storage market due to the strength in its product and ability to supply customers while competitors such as Tesla face shortages. We expect to hear more detail on new clean energy products at its investor day in September.

From the healthcare sector, the animal health pharmaceutical company Dechra and West Pharmaceutical Services, the provider of drug delivery systems and packaging, were both top performers. Dechra continues to benefit from the increase in companion animals, a turnaround in its US business as well as incorporating a number of bolt-on acquisitions. West Pharmaceutical Services continues to execute well on technical innovation and long-term contracts with a growing number of pharmaceutical companies, and offers an extraordinarily high level of visibility to its earnings. Eli Lilly has a broad pipeline, with therapies to treat cancer, diabetes, psoriasis and arthritis, among others. In June, the US regulator, the US Food and Drug Administration (FDA), surprised the market by granting rival Biogen approval for its Alzheimer's drug. This decision added credibility to the opportunity ahead of Eli Lilly's drug, due to be submitted for approval later this year, prompting further gains in the shares.

Within consumer discretionary, luxury goods recorded very strong performance in the quarter. As we have seen economies reopen, we have also seen a sharp pick-up in demand in North America and Europe, while demand has remained buoyant in Asia. The resilience across the cycle of this area is a factor that has driven us to add companies in this area during the past year or so. Newer holdings Hermès and Watches of Switzerland both benefited materially from this trend. In beauty and cosmetics, the trends were broadly similar, but the level of growth was more modest, given that make-up as a category remains weak. This was reflected through Estée Lauder's latest set of results.

The main detractors from performance were the traditionally defensive stocks such as utilities. These pulled back as investors calibrated high valuations against an increasingly competitive landscape. In addition, poor performance of our Asian insurance companies also detracted.

Activity

The most significant changes to the portfolio are driven by thematic research. We identify growth trends that are underpinned by structural trends. Our research on the transition to electric vehicles identified a number of beneficiaries along the supply chain. Surprisingly, it was a car manufacturer, Daimler, that offered an investment case that met our criteria and was added to the Fund. The company is currently made up of three businesses, including

Focus on the latest quarter (cont.)



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Mercedes-Benz, a leading manufacturer of luxury passenger cars and vans. Of the other two businesses, Daimler Trucks and Buses is one of the world's largest commercial vehicle manufacturers, while Daimler Mobility provides financing, leasing and rental services. The company has transitioned to a strategy that is wholly based on electrification and digitalisation. Following the pending spin-off of Daimler Trucks & Buses later this year, Mercedes-Benz will be a luxury car pure-play on electric vehicle growth. This should mean improving profitability, more focused management, and the potential to re-rate to a multiple more akin to that enjoyed by a premium car original equipment manufacturer, before emissions became a widespread concern. Furthermore, as free cash flow recovers, we expect the dividend to return to a high level over the next few years.

Mindful of the Fund's significant underweight position in banks, a review of the financial sector led us to buy, not a bank, but a European fund manager, Amundi. Europe's largest fund manager was, for technical reasons, trading at a historically large discount to its peers. This was despite having a best-in-class cost to income ratio and a diversified product portfolio. The portfolio comprises leading market positions in passive funds and ESG (environmental, social and governance)-based products in Europe, with a focus on the higher-margin retail market. Following our purchase, Amundi announced its intention (as suspected) to purchase Lyxor, cementing its position as one of Europe's key players in the exchange-traded fund market. This news, combined with positive net fund flows, has helped drive the shares higher.

Within the pharmaceutical sector, we sold both GlaxoSmithKline (GSK) and Novartis, where we had lower conviction, and topped up our holding in AstraZeneca. In the case of GSK, activist investor interest in the stock has helped it to rally and presented us with an opportunity to exit. Investment in private markets offers attractive diversification, but it is not easy to access such investments, let alone any that are aligned to our quality, sustainable growth approach. Therefore, when the Schiehallion Fund issued shares, we initiated a position in the Fund. This investment trust provides access to established late-stage venture capital through direct investments in companies that have the potential to grow revenue and earnings multiple times over the long term. Holdings have scalable business models, robust competitive advantages, strong leadership, and the ambition and ability to become standalone public companies. Another new purchase was Keywords Studios, a leading international technical services provider to the global video games industry. It provides services such as localisation, player support, engineering and art services. This purchase was partly funded by reducing the size of our holdings in the video games companies Activision Blizzard and Ubisoft.

Outlook

We believe that the global economy will experience several years of above-trend growth as it rebounds out of the Covid-19 crisis. Vaccine rollouts, accommodative fiscal and monetary settings, and the better adaptation of firms and households to restrictions – where they remain in place – should help.

The coming weeks and months should give economists plenty to sink their teeth into, as the true mettle of 2021's recovery from the previous year's pandemic-induced slump should come into sharper focus. Within developed nations, the UK and US have handled the vaccine rollout most competently and efficiently, with Europe's programme gaining momentum by the end of the quarter. The main challenges to this essential step have been the different variants manifesting in Brazil and India. However, the immunity given by all the major vaccines should allow developing markets to start flourishing again later in the year as their respective rollouts continue.

While the world must be cautious against rising infection rates, it will be investors that will have to be mindful of another kind of rising rate. Our base case is for upward central bank moves by 2022 at the earliest. But the coming months could be characterised by the debate on whether inflation is here to stay or whether the pent-up demand we are seeing play out is merely transitory. We maintain that large amounts of spare capacity within the economy, coupled with a flattening yield curve, make it unlikely that inflation will spiral out of control. This provides little ammunition for rates to rise faster than required. On a corporate level, we see the earnings momentum evidenced by recent investor updates, especially in developed markets, continuing at pace. However, the threat of further waves of Covid-19 infections and subsequent restrictions remains, along with the spectre of increased corporate taxation. These may cause headwinds as we move through the second half of the year. A potentially pivotal period for markets is surfacing as we navigate 2021's waters, so a well-diversified, flexible portfolio, leveraging on a wealth of international investment expertise, is crucial. This should prevent investors from swimming too close to any sharks, no matter what guise they come in. We continue to concentrate on companies underpinned by long-term structural growth. We seek to identify businesses that will benefit from shifting trends, while avoiding those where change will be detrimental. Experience has taught us that companies that have strong balance sheets and can create value by generating cash flow exceeding their operational requirements tend to generate stronger, more sustainable returns. They are usually better positioned to reinvest in their businesses and distribute earnings to shareholders. These types of companies merit long-term positions in portfolios, regardless of shorter-term sentiment.

Performance

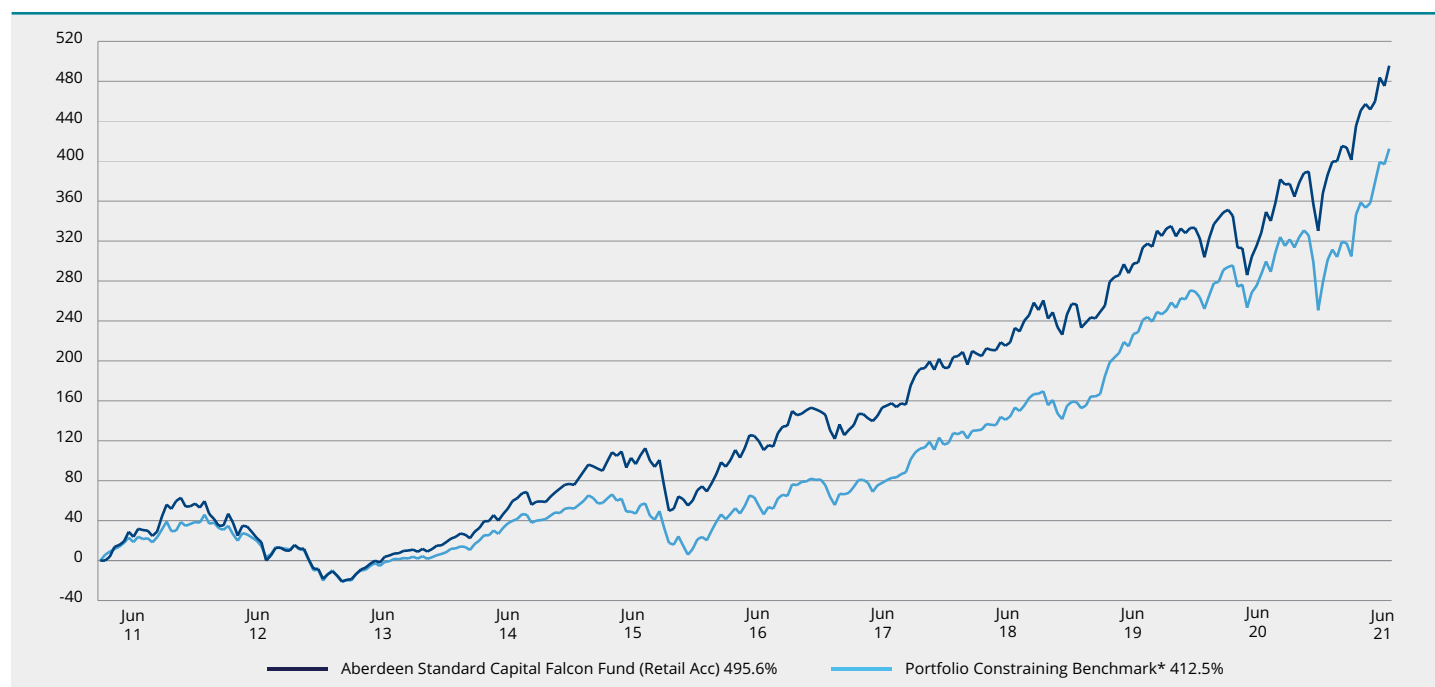


Risk warning

Past performance is not a reliable guide to future performance.

The value of investments within the fund can fall as well as rise and is not guaranteed - you may get back less than you pay in.

Performance since launch (%) 13 November 1998



Cumulative performance (%) to last quarter end

| | 1 year | 3 years | 5 years | 10 years | YTD |
|---|--------|---------|---------|----------|------|
| Aberdeen Standard Capital Falcon Fund (Retail Acc) | 19.2 | 34.5 | 67.6 | 138.9 | 8.1 |
| Aberdeen Standard Capital Falcon Fund (Institutional Acc)** | 20.7 | 40.2 | N/A | N/A | 8.8 |
| ARC Equity Risk | 20.0 | 23.5 | 53.7 | 100.1 | 7.3 |
| Portfolio Constraining Benchmark* | 24.6 | 35.2 | 80.0 | 182.7 | 11.7 |

Discrete past performance (%) to last quarter end

| From | 30/06/2016 | 30/06/2017 | 30/06/2018 | 30/06/2019 | 30/06/2020 |
|---|------------|------------|------------|------------|------------|
| To | 30/06/2017 | 30/06/2018 | 30/06/2019 | 30/06/2020 | 30/06/2021 |
| Aberdeen Standard Capital Falcon Fund (Retail Acc) | 19.6 | 4.2 | 3.6 | 8.9 | 19.2 |
| Aberdeen Standard Capital Falcon Fund (Institutional Acc)** | 21.4 | 5.8 | 5.1 | 10.5 | 20.7 |
| ARC Equity Risk | 17.1 | 6.4 | 4.0 | -1.1 | 20.0 |
| Portfolio Constraining Benchmark* | 21.8 | 9.3 | 7.9 | 0.6 | 24.6 |

Source: Morningstar (Fund) and Asset Risk Consultants "ARC" as at 30 June 2021. Calculation basis: Sterling, total return bid-to-bid, without initial charges, net income reinvested. Thomson Reuters Datastream (Comparative Index) as at 30 September 2020. Calculation basis: Sterling, total return without initial charges, gross income reinvested.

* The Portfolio Constraining Benchmark for the Aberdeen Standard Capital Falcon Fund is 30% FTSE All-Share, 70% FTSE World ex UK. The portfolio constraining benchmark for the fund from inception until 31 December 2009 was 50% FTSE All-Share, 50% MSCI World ex UK then 50% FTSE All-Share, 50% FTSE World ex UK until 31 December 2013.

** Institutional refers to Z shareclass.

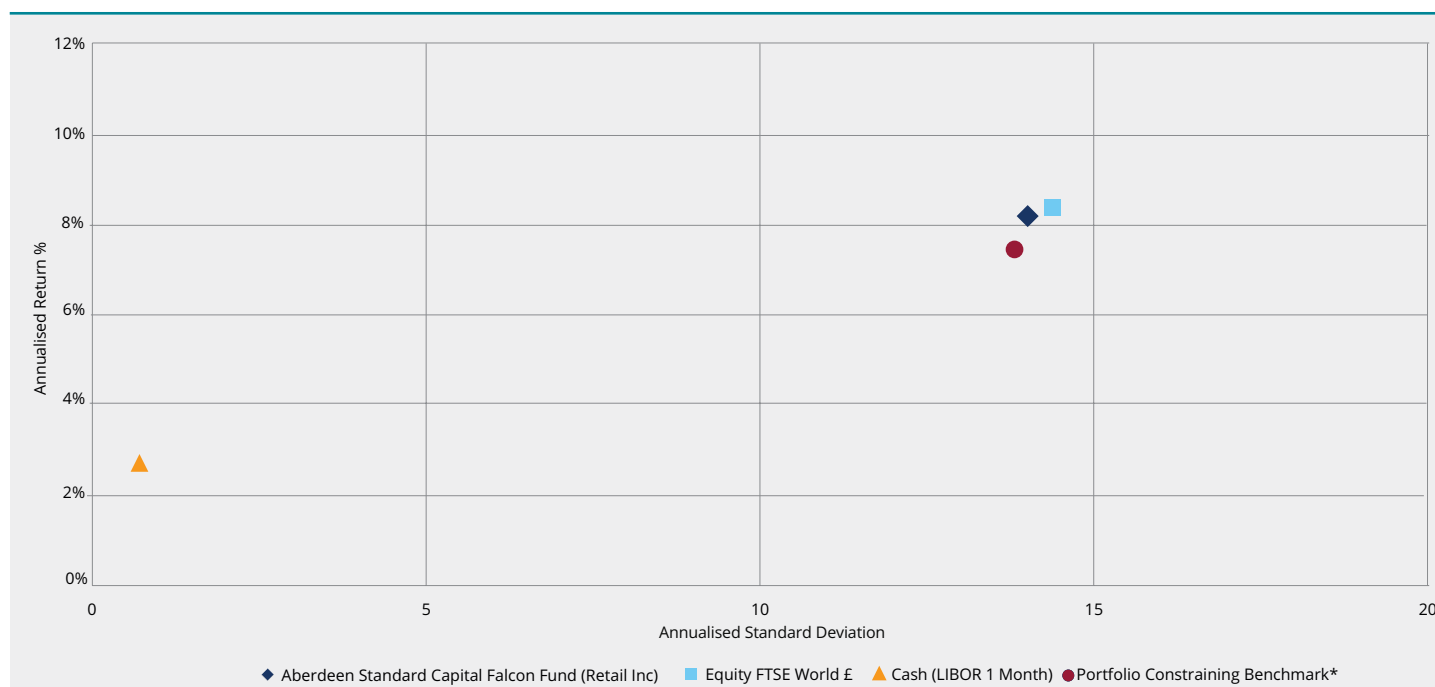
Performance - risk and reward



For explanations of any of the investment terms used in this report, please see glossary.

The value of investments within the fund can fall as well as rise and is not guaranteed - you may get back less than you pay in.

Return and risk since launch



Annualisation is calculated on a monthly basis from the fund launch date, 13 November 1998.

The value of investments within the fund can fall as well as rise and is not guaranteed - you may get back less than you paid in.

Risk and return since launch

| | Annualised return (%) | Volatility (%) | Sharpe ratio |
|--|-----------------------|----------------|--------------|
| Aberdeen Standard Capital Falcon Fund (Retail Acc) | 8.2 | 14.1 | 0.4 |
| Portfolio Constraining Benchmark* | 7.5 | 13.9 | 0.4 |

Source: Morningstar (Fund) as at 30 June 2021. Calculation basis: Sterling, total return bid-to-bid, without initial charges, net income reinvested. Thomson Reuters Datastream (Comparative Index) as at 30 June 2019. Calculation basis: Sterling, total return without initial charges, gross income reinvested.

Money market instruments (LIBID) is the London Interbank Bid Rate and represents the rate at which a bank is willing to borrow from other banks.

* The Portfolio Constraining Benchmark for the Aberdeen Standard Capital Falcon Fund is 30% FTSE All-Share, 70% FTSE World ex UK.

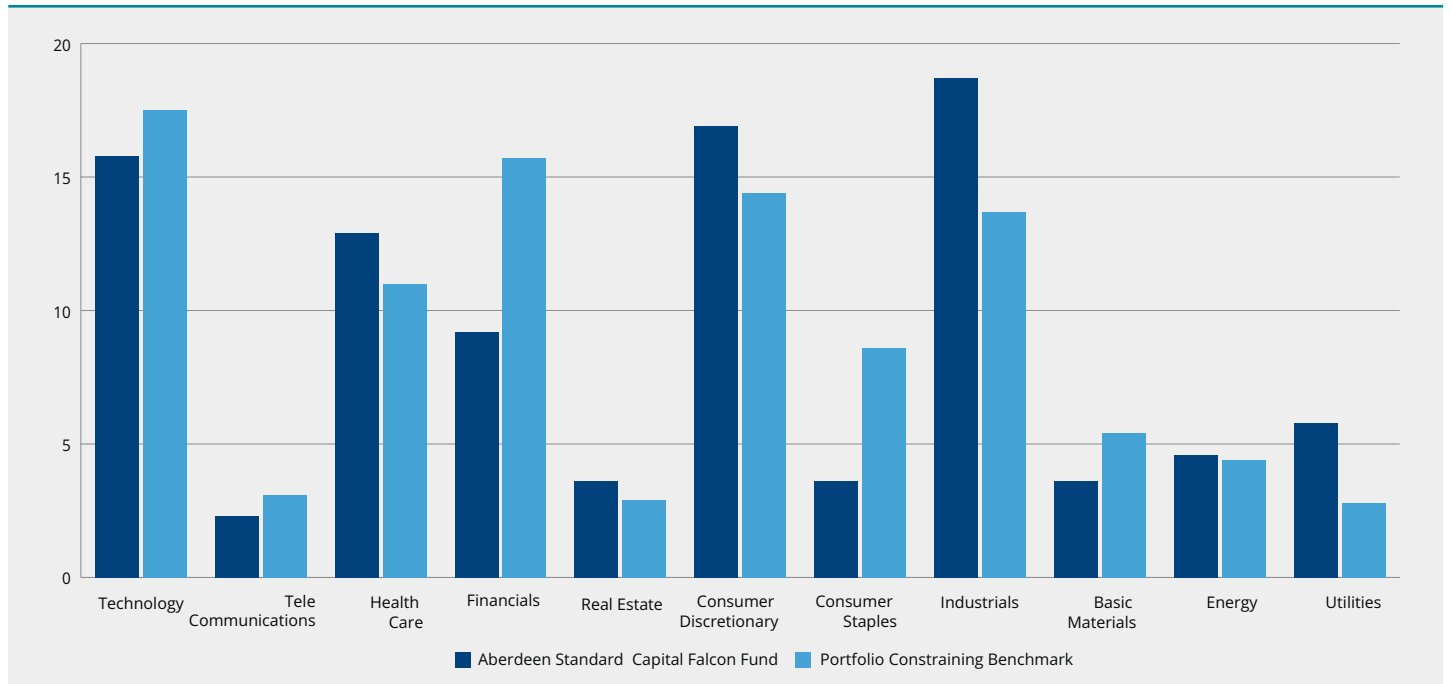
The Portfolio Constraining Benchmark for the fund from inception until 31 December 2009 was 50% FTSE All-Share, 50% MSCI World ex UK then 50% FTSE All-Share, 50% FTSE World ex UK until 31 December 2013.

Fund breakdown

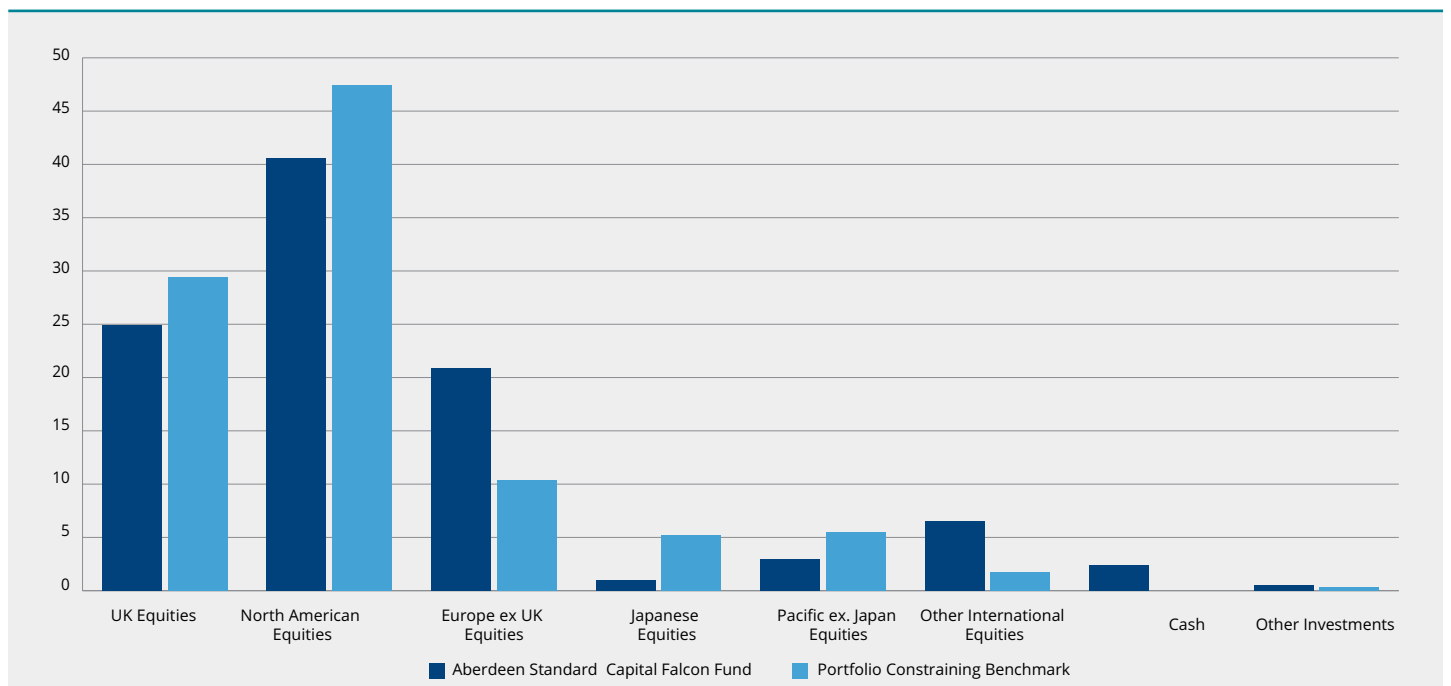


The information below is subject to change and should not be construed as a recommendation to invest in a specific industry or region. The value of investments within the fund can fall as well as rise and is not guaranteed - you may get back less than you pay in.

Equity split by industry



Regional and asset class weighting



Factset as at 30 June 2021

Our investment process

We manage portfolios on an active basis, taking a global investment approach. We aim to identify long-term drivers of change. These long-term trends are the key forces of change, which we believe drive economies and markets.

Research

Our team of analysts conduct fundamental research across markets for each of the world's major economies, industries and sectors. We look beyond the traditional boundaries established by simply considering asset allocation, assessing important characteristics such as capital protection, cash flow and long-term growth. We use the full resources of Aberdeen Standard Investments to generate research that's solely used for the benefit of our clients.

Fund management/portfolio construction

Our investment managers interpret the output of all strategic and analytical work, identifying and assessing those stocks that may be appropriate for our client portfolios. We aim to invest in an appropriate combination of long-term, return-seeking assets and tactical, risk-offsetting positions. The structure of every portfolio depends on each client's goals, attitude to risk and time horizon, in the context of our investment outlook.

| Long-term trend | Drivers of change | Investments |
|----------------------|--|---|
| Shifting consumption | Shifting consumption patterns will continue to be a major influence on global growth. It is estimated that over the next 15 years, another 1.8 billion people will enter the global consuming class and that worldwide consumption will nearly double to \$64 trillion (McKinsey Global Institute. Manufacturing the future: The next era of global growth and innovation. November 2012). | Amazon Alibaba Group Dechra Pharmaceuticals Estee Lauder DS Smith |
| Population dynamics | Advances in medical science and changes in diet and in our environment are transforming the dynamics of the global population. People are living for longer, more than half the world's population already lives in urban areas with this number predicted to rise to 75% by 2050 (UN December 2013), and a falling work force is placing strains on the provision of public services. | AIA Group Prudential Boston Scientific Medtronic Ping An Insurance Group AstraZeneca West Pharmaceutical Services |
| Debt effects | Since the onset of the credit crisis, governments, corporations and individuals have been taking measures to reduce their levels of debt. The efficiency and effectiveness of this reduction in debt is not yet completely known. | First Republic Bank |
| Policy influence | National and regional policies have always played a role in global economics as policymakers seek to achieve a number of political, economic and social objectives. These include promoting growth, increasing employment, controlling inflation, managing the money supply and interest rates, increasing profits and addressing perceived market failures. Intervention brings about change, and therefore can act as the catalyst for investment opportunities. | NextEra Energy CRH Alstom |
| Smart generation | Remember life without the internet and digital technology? There will soon be a generation of adults who don't. Indeed the single biggest source of digital disruption over the past decade has been the users of technology themselves - reshaping the way we live, work and do business. Networks, systems, processes are now more sophisticated than ever before. This is giving organisations opportunities to become more efficient and focused - to create entirely new operating models. | Alphabet Activision Blizzard Visa ASML Holding Mastercard Ubisoft Entertainment Tencent Holdings |
| Resource efficiency | By 2030, energy demand is projected to increase by 40% and water demand is expected to outstrip supply by 40%. A mere 5% of the world's population uses 23% of the entire energy supply, while 40% of the world's population lack access to adequate sanitation services. Another 1.2 billion having no facilities at all (UN System Task Team on the Post-2015 UN Development Agenda). Ageing populations in the West (as elaborated upon in our Populations dynamics theme) and continuing economic advancement in the developing world will result in a shortage of human capital globally. Businesses will be vying for talent against the entrepreneurial opportunities that will be available to a cohort of young, well-educated workers. | Accenture Enel Orsted Generac Holdings |

Fund holdings

| Aberdeen Standard Capital Falcon Fund | Holdings (%)* |
|--|------------------|
| Equities | 97.0 |
| Technology | 15.8 |
| Alibaba Group Holding Ltd. Sponsored ADR | 1.0 |
| Alphabet Inc. Class A | 2.3 |
| Microsoft Corporation | 3.6 |
| Tencent Holdings Ltd. | 1.1 |
| Apple Inc. | 1.6 |
| ASML Holding NV | 3.1 |
| Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR | 3.2 |
| Telecommunications | 2.3 |
| Comcast Corporation Class A | 2.3 |
| Health Care | 12.9 |
| Boston Scientific Corporation | 1.7 |
| Medtronic Plc | 2.0 |
| West Pharmaceutical Services, Inc. | 1.7 |
| ABCAM PLC | 1.1 |
| AstraZeneca PLC | 2.3 |
| Dechra Pharmaceuticals PLC | 1.3 |
| Eli Lilly and Company | 1.4 |
| Roche Holding Ltd | 1.5 |
| Financials | 9.2 |
| First Republic Bank | 2.3 |
| Amundi SA | 1.5 |
| Ashmore Group plc | 1.4 |
| AIA Group Limited | 1.2 |
| Ping An Insurance (Group) Company of China, Ltd. Class H | 1.3 |
| Prudential plc | 1.6 |
| Real Estate | 3.6 |
| American Tower Corporation | 2.0 |
| Equinix, Inc. | 1.6 |
| Consumer Discretionary | 16.9 |
| Daimler AG | 1.5 |
| Countryside Properties Plc | 1.8 |
| Activision Blizzard, Inc. | 1.4 |
| Keywords Studios plc | 1.2 |
| Shimano Inc. | 1.0 |
| Ubisoft Entertainment SA | 1.1 |
| Estee Lauder Companies Inc. Class A | 1.8 |
| Hermes International SCA | 1.3 |
| Watches of Switzerland Group PLC | 1.5 |
| RELX PLC | 1.9 |
| Amazon.com, Inc. | 2.5 |

| Aberdeen Standard Capital Falcon Fund | Holdings (%)* |
|--|------------------|
| Consumer Staples | 3.6 |
| Nestle S.A. | 2.2 |
| Procter & Gamble Company | 1.4 |
| Industrials | 18.7 |
| CRH Plc | 1.9 |
| Alstom SA | 1.9 |
| Generac Holdings Inc. | 2.6 |
| Schneider Electric SE | 1.8 |
| Voltronic Power Technology Corp. | 1.8 |
| DS Smith Plc | 2.0 |
| Accenture Plc Class A | 2.7 |
| Mastercard Incorporated Class A | 2.1 |
| Visa Inc. Class A | 2.0 |
| Basic Materials | 3.6 |
| BHP Group Plc | 2.1 |
| Rio Tinto plc | 1.5 |
| Energy | 4.6 |
| BP p.l.c. | 1.9 |
| Royal Dutch Shell Plc Class B | 2.8 |
| Utilities | 5.8 |
| Enel SpA | 1.8 |
| NextEra Energy, Inc. | 1.8 |
| Orsted | 2.1 |
| Alternatives | 0.5 |
| Schiehallion Fund Limited Accum C USD | 0.5 |
| Cash | 2.4 |

*The data is rounded to 2 dp and small variances to totals may occur

Important Information

Short Description - Long Description

Derivatives risk - The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

Emerging Markets risk - The fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

Equity risk - The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time

Key Risk

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The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

Glossary

ARC Private client indices ARC private client indices are based on actual client portfolio returns provided by various investment management companies. These portfolio returns are allocated to one of four categories based on the volatility of their returns relative to world equities, and an average return is calculated for each category. Grouping portfolios by their volatility differs from the traditional approach, which compares portfolios which have similar asset allocations. Instead, investment managers may use whatever asset allocation they consider appropriate to achieve the desired levels of return and volatility.

Bonds These are essentially loans to a government or company. These loans are often for a set period and the bond owner usually receives regular interest payments. Bonds issued by the UK government are called gilts and those issued by a company are corporate bonds. Some bonds are riskier than others, for example bonds issued for a longer time period or by companies which are viewed as risky.

Derivatives Funds can sometimes use derivatives to improve portfolio management and to help meet investment objectives. A derivative is a financial instrument – its value is derived from the underlying value or movement in other assets, financial commodities or instruments like equities, bonds, interest rates, etc. Depending on how it is used, a derivative can involve little financial outlay but result in large gains or losses.

Equities These are part ownership in a company, and are also referred to as stocks and shares. The return on equities comes from growth in the value of the shares in a company, plus any income from dividends. Equities are one of the more volatile asset classes – although they can offer good growth potential.

IA sector averages The Investment Management Association (IMA) classifies funds with similar objectives into broad groups, or sectors, which have some similar characteristics. The average performance of all the funds in a sector is calculated over various time periods for investors to use as a performance comparator.

LIBOR/LIBID LIBOR is the London Interbank Offered Rate and is the rate at which banks lend to each other. LIBID is the London Interbank Bid Rate and is the rate at which banks borrow from one another. Generally, LIBOR is a little above the Bank of England base rate, and will also be higher than LIBID. Both can be used as a benchmark for money market instruments, which include cash.

Money market instruments (including cash) These include deposits with banks and building societies, as well as governments and large corporations. They also include other investments that can have more risk and return than standard bank deposits. Investments in money market instruments are riskier than standard cash deposit accounts – in some circumstances their values will fall. The returns may also be lower than inflation.

Ongoing charge This is a measure of the total cost for investing in a fund. It's made up of the Annual Management Charge (AMC) and other additional costs. The AMC is levied by the Manager and is used to pay the investment manager, financial advisor, fund accountant, fund administrator and distributor. Additional costs include the costs for other services paid for by the fund, such as the fees paid to the trustee (or depository), custodian, auditor and regulator.

Property Property investing includes direct investment in buildings and land, as well as indirect investments such as shares in property companies. The value of direct property is generally based on a valuer's opinion as is not fact. Like equities, property securities can have sharp changes in value at any time. The values of different types of property do not necessarily move in line with each other. For example commercial property could be losing value even if house prices are going up.

Risk All investments carry risk. Some are riskier than others. Higher-risk investments offer the potential for higher returns. There is no guarantee that you will get back all the money you initially invested. Money market instruments (including cash) are generally considered to be the least risky investments.

Risk band The risk band given on this document is an internal rating used by Aberdeen Standard Capital to categorise the relative position of funds and portfolios within their overall investment offering. There are six ratings: very low, low, medium low, medium, medium high and high. The Aberdeen Standard Capital risk band differs from the SRRRI risk rating that you might see on a Key Investor Information Document, which uses a standardised industry wide process to rate funds from 1-7.

Sharpe ratio The Sharpe ratio gives an idea of how well a fund has performed relative to the amount of risk it has taken. It's calculated by dividing the excess return (in this case, the return above cash) by the standard deviation of the return. A higher sharpe ratio suggests that a fund is taking on less risk to achieve its return.

Standard deviation A statistical measure of how much the return for an investment is likely to vary. The higher the number, the more variable the return. Given two investments with the same average return, but different standard deviations, we would expect the fund with the larger standard deviation to have a wider range of likely returns.

Volatility Volatility measures the risk of loss. It shows how widely the range of returns in a portfolio might deviate from the average return over a particular period.

Yield The interest or dividend (income) received from an investment.

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If you would like more information on Aberdeen Standard Capital you can:

Call us on

0345 279 8880

Email us at

asc@aberdeenstandard.com

Visit our website

aberdeenstandardcapital.com

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