



# Aberdeen Standard Capital Phoenix Fund

Interim Long Report (unaudited)  
For the six months ended 31 January 2021

# Contents

Fund Profile and Information*	01
Statement of Manager's Responsibilities	04
Manager's Statement*	04
Investment Report*	05
Comparative Tables	08
Portfolio Statement*	09
Financial Statements	17
Notes to the Financial Statements	19
Distribution Table	20

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

## Fund Profile and Information

### Manager

Ben Ward

### Launch date

10 April 1996

### FCA Product Reference Number

The fund's FCA Product Reference Number is 177993.

### Investment objective

**Performance Target:** To exceed the return of the 1 Month GBP LIBOR plus 2% per annum, evaluated over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The manager believes this is an appropriate target for the fund since it reflects the risk and return profile that private clients expect and aligns with the investment policy of the fund.

### Investment policy

#### Portfolio Securities

- The fund invests at least 70% in global equities (company shares and investment trusts), and bonds including government bonds (loans to a government) and investment grade corporate bonds (loans to a company) issued anywhere in the world.
- The fund's equity holdings may include for example investments in companies operating in infrastructure, energy, property and commodities.
- The fund's bond holdings may include for example investment in sub-sovereign debt, sub-investment grade and convertible issued anywhere in the world.
- The fund has flexibility to seek returns from currencies.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

#### Management Process

- The management team use their discretion (active management) to identify holdings and derivatives based on an analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- They focus on selecting company shares, bonds and derivatives, and ensuring that the allocation of assets meets the fund's objectives.
- The team also seek to reduce the risk of losses and the expected change (as measured by annual volatility) in the value of the fund, is not ordinarily expected to exceed 12%.

### Derivatives and Techniques

- The fund may routinely use derivatives to reduce risk, to reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "efficient portfolio management"), and for investment purposes.
- Derivatives include instruments used to manage expected changes in interest rates, companies share prices, currencies or creditworthiness of corporations or governments.
- The fund may also invest in other funds which may use derivatives extensively although these investments shall be in line with fund's overall risk profile.

#### Reporting dates

Interim	31 January
Annual	31 July

#### Distribution record dates

Interim	31 January
Annual	31 July

#### Payment dates

Two clear business days before	
Interim	24 March
Annual	23 September

## Fund Profile and Information

### Continued

Fund Information			
Manager	Registered Office	Correspondence Address	Directors of the Manager
Aberdeen Standard Fund Managers Limited	Bow Bells House 1 Bread Street London EC4M 9HH	PO Box 12233 Chelmsford Essex CM99 2EE	Mr Jamie Matheson Mr Gary Marshall Ms Allison Donaldson Mr Aron Mitchell Ms Carolan Dobson
Investment Adviser	Sub-Adviser	Registrar	Independent Auditor
Standard Life Investments Limited 1 George Street Edinburgh EH2 2LL	Aberdeen Standard Capital Limited 1 George Street Edinburgh EH2 2LL	SS&C Financial Services Europe Limited SS&C House St Nicholas Lane Basildon Essex SS15 5FS	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](http://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

Investors will be aware of the COVID-19 outbreak and that the outlook for many capital markets has been volatile since 31 January 2021, the interim of Aberdeen Standard Capital Phoenix Fund. Whilst the impact of COVID-19 was reflected in fund operations and global markets at the period end, the continued efforts to mitigate the pandemic through global lockdowns and government interventions have resulted in prolonged market uncertainty. As a result, the NAV of the fund has fluctuated since the interim. The COVID-19 update below the balance sheet provides a quantification of this fluctuation in NAV.

The Management Company has delegated various tasks to Aberdeen Standard Investments Investor Protection Committee (IPC). The IPC is responsible for ensuring the fair treatment of investors. The IPC undertakes daily reviews of the following:

- Market liquidity across each asset class and fund;
- Asset class bid-offer spread monitoring;
- Review of fund level dilution rate appropriateness;
- Review of daily subscriptions/redemptions to anticipate any potential concerns to meet redemption proceeds;
- Any requirement to gate or defer redemptions;
- Any requirement to suspend the/a fund(s);
- Any fair value price adjustments at a fund level.
- The Management Company has also evaluated, and will continue to evaluate, the operational resilience of all service providers.
- As at 29 March 2021, the fund has not been suspended and based on the Manager's assessment of the factors noted above, has adequate financial resources to continue in operation.

## Fund Profile and Information

### Continued

#### Developments and prospectus updates for the six months ended 31 January 2021

- On 3 February 2021 the prospectus was updated in relation to the wording and contact details of the complaints information, to recognise the UK leaving the European Union, additional wording within the Derivative Risks section to provide further clarity and a refresh of the taxation sections of the prospectus.
- The list of funds managed by the ACD was updated, where appropriate;
- Performance and dilution figures were refreshed, where appropriate;
- The list of sub-custodians was refreshed, where appropriate.
- The list of eligible markets was refreshed, where appropriate.

#### Assessment of value

In 2017 the Financial Conduct Authority (FCA) published the final Asset Management Market Study. This introduced (among other reforms) new governance rules with the aim of enhancing duty of care and ensuring the industry acts in investors' best interests. The rules were outlined in the FCA policy statement PS18/8 and came into effect from 30 September 2019. As a result, Aberdeen Standard Fund Managers Limited is required to perform a detailed assessment on whether our funds are "providing value to investors". The resulting findings will be published within 4 months of the fund year end date and can be found on the 'Fund Centre' pages of our website.

## 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 interim and annual accounting period which give a true and fair view of the financial position of the fund and of the net income and net gains or losses on the property of the fund 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 fund'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 fund 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 fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

## Manager's Statement

The Manager is Aberdeen Standard Fund Managers Limited which is the sole director, 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 fund is certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive allowing the Manager to market the fund 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 fund 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 Interim Long Report. The investment objective of the fund is disclosed within the Fund 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](http://aberdeenstandardcapital.com).

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



Director  
Aberdeen Standard Fund  
Managers Limited  
29 March 2021



Director  
Aberdeen Standard Fund  
Managers Limited  
29 March 2021

# Investment Report

Manager: Ben Ward

## Market commentary

The rebound in equity markets that started in late March 2020 continued for much of the summer, pausing only briefly in early Autumn. The pace was far more muted and realistic than it had been during the second quarter, punctuated by bursts of volatility. Markets fretted over second waves of the virus, an end to government and central-bank support and rising tensions between the US and China. On the flip side, equities gained after the US Federal Reserve announced a change to its methodology that removed the shackles from inflation. The prospect of rising inflation, however low, is kryptonite to government bonds as it threatens their fundamental value. This causes yields to rise and prices to fall. But the policy shift signalled that the era of rock-bottom interest rates is here to stay – a positive for risk assets. The news in November that three vaccines are effective in tackling Covid-19 signalled a path back to normality, which added momentum to the equity rally and pushed the US stock market to an all-time high by the year-end.

News on the ground, of course, was (and is) far more sobering, as we are all more than aware. The second wave of Covid-19 is straining the capacity of health services around the world and new variants have added further uncertainty. For the fortunate, life is once again defined by an indefinite hiatus in our freedom of movement and an abrupt halt to large segments of the economy. However, this time the burgeoning vaccination programme and established monetary and fiscal support provide a far more certain backdrop. In addition, many areas of the economy have adapted to this constrained environment. Globally, manufacturing continues to show more resilience than many parts of the services sector.

From a regional perspective, emerging markets and Asia led global equities during the period. They benefited from renewed hopes of a cyclical recovery, a falling dollar and increase in global trade activity. Strong demand for medical supplies and technology products lifted Chinese exports to the highest monthly nominal level on record in November. In the US, the prospect of a less confrontational presidency under Joe Biden, together with a divided Congress that reduces the risk of both tax hikes and a tightening of regulation for technology and healthcare companies, was taken positively by the markets. However, the tech-heavy US equity market, which has benefited most from the shift online during 2020, underperformed those markets more attuned to a cyclical recovery.

## Performance

The Fund ended the six month period 4.7% higher; this ahead of the performance target return of 1%.

In the varying market conditions of 2020 the fund and its diversified approach weathered the COVID storm fairly well at the start of the year whilst also participating in the market recovery which includes the period being reporting upon.

As you would expect with markets recovering during the period it was the funds risk assets which drove returns.

Technology was the leading contributor with other notable equity sectors including Industrials, financials and consumer goods. Within technology, it was demand for semiconductors that led the sector. The Taiwanese manufacturer TSMC was a top contributor followed closely by the Dutch lithography company ASML. As active managers, we took steps during the period to increase exposure to stocks that should benefit from the recovery but are also underpinned by structural growth, specifically within industrials, the train manufacturer Alstom and electrical component manufacturer Schneider, which performed strongly. In addition, the packaging company DS Smith benefitted from a recovery in industry and more stable pricing, and CRH rose on a recovery in building and construction as well as being a beneficiary of fiscal stimulus. Whilst in financials we benefited from the sharp recovery in the banking sector by holding First Republic Bank with both AIA Group and Ashmore Group both materially up as both benefited over optimism over emerging market exposure.

Alternatives also provided a good return for the fund with its higher risk exposure to Private Equity the top performer whilst the more economically exposed infrastructure companies such as John Laing Group, International Public Partnerships Ltd and HICL Infrastructure were also beneficiaries of the market optimism.

It was a similar trend within the bond holdings where strong returns from our higher risk allocations to sub investment grade corporate bonds had their good returns overcome by the defensive developed market government bonds whose suffered from rising yield curves.

## Activity

Wary of increasing valuations in technology and utility stocks, we continued to take profits in a number of these holdings, including Microsoft, TSMC, ASML and Orsted. Given the arrival of vaccines and a clearer path to economic recovery, we were keen to further increase exposure to economically sensitive companies that are also beneficiaries of structural growth. Therefore during the period we added Generac, a leading designer and manufacturer of power generation equipment and power products. The company is set to benefit from the rise in demand for back-up power solutions both in residential and commercial settings as we witness the impact of an increase in extreme weather events linked to climate



# Investment Report

## Continued

change. This is at a time when the requirement for secure power is moving beyond powering our homes, to powering our vehicles and looking further ahead, to powering the 5G networks that future technology will rely on. Power outage hours in the US have risen by 30% per year since 2014, with 70% now being caused by extreme weather events. Generac is a key beneficiary of these trends. The role of renewables in the energy mix is expanding rapidly and in 2019 Generac launched a clean energy battery storage solution. The company's solid execution in the residential generator market combined with its strong balance sheet, free cash flow generation and well-regarded management team should be key differentiators to replicate its success in the rapidly evolving solar storage market. We also bought Shimano, a high-quality bicycle parts manufacturer with a leading market position, cash-rich balance sheet and decent profitability record. Within technology we initiated a position in Chinese Tech giant, Tencent, diversifying risk away from the United States whilst increasing commodity exposure by buying a position in BHP.

We exited two holdings from within our alternatives portfolio for partially owing to concerns over to the governance of them. Brevan Howard Global macro had a stellar year in 2020 as the macro hedge fund was able to profit from the volatility in markets, disappointingly the manager chose to leverage this performance to seek to double its management fee with the threat of resigning as the fund's manager. KKV Secured Loan Fund (formerly SQN Asset finance) has been a very poor investment with the company failing to deliver what should have been a fairly straightforward asset backed income stream, the company changed its manager in 2020 and following a review suspended its accounts and dividend pending further analysis, this led the company to be suspended from trading at the beginning of 2021 and we took the opportunity to exit upon its reopening. On the positive side we initiated two new alternative investments via initial public offerings. Victory Hill Global Sustainable Opportunities seeks to invest in a diversified pool of renewable technology across the world. Once fully invested the fund expects to pay an attractive 5% yield with a total return expected to be 10%. We also added Round Hill Music Royalty Fund, like existing holding Hipgnosis, the fund invests in music royalty streams, this fund differentiates itself by the maturity of its portfolio and the strength of its operations platform.

Within bonds we sought to increase yield by adding to sub investment grade corporate bonds and emerging market debt.

### Outlook

The global economic outlook is dominated by two conflicting forces: an intense second wave of Covid-19 in Europe and North America that is already weighing on recoveries, and recent news of highly effective vaccines, which raises the likelihood of an eventual return to 'normal' life. The prospect of a number of vaccines being rolled out offers an eventual 'escape hatch' out of the pandemic and its economics effects. However, hurdles lie ahead. A multi-year, sustained effort will be required to achieve global inoculation, which will be subject to manufacturing, distribution and compliance challenges. We can't help but temper some of the recent vaccine optimism.

We believe the current retightening of restrictions in the UK, US and Europe has further to run, and meaningful loosening won't get underway until well into the first quarter of 2021. We, therefore, expect economic activity to flat-line through the winter. But from mid-2021 onwards, these economies should benefit strongly from vaccine rollout, given their large pre-orders and the size of the service sector in economic output.

Trade barriers between the US and China are unlikely to ratchet rapidly lower, but foreign policy will at least no longer be done 'via tweet', with a less volatile and more multilateral approach pursued instead. This should be positive for animal spirits across the broader emerging markets. We think China is the large economy emerging from the pandemic in the strongest shape. Successful containment of the virus and a stimulative policy stance mean its economy has already surpassed pre-pandemic levels. Domestic vaccine efforts are also bearing fruit. That said, the focus of policy in China will progressively move away from fighting Covid-19 towards managing financial risks, de-escalating tensions with the US and achieving its long-term growth and emissions targets.

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 in excess of 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.



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

The current rating is not guaranteed and may change if the volatility of the assets in which the fund invests changes.

The lowest rating does not mean risk free.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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.
- 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.
- 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.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- 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.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

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

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

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

## Comparative Tables

<b>B Accumulation Units</b>	<b>31 January 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	102	601	162	182
Closing number of units	41,925	258,974	72,001	86,581
Closing net asset value per unit (pence)	242.55	232.19	224.74	210.89
Change in net asset value per unit	4.46%	3.31%	6.57%	3.94%
Operating charges	1.06%	1.07%	1.08%	1.10%

<b>B Income Units</b>	<b>31 January 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	20	199	524	95
Closing number of units	12,141	123,239	328,835	61,887
Closing net asset value per unit (pence)	167.52	161.41	159.35	153.10
Change in net asset value per unit	3.79%	1.29%	4.08%	1.63%
Operating charges	1.06%	1.07%	1.08%	1.10%

<b>Z Units (Net Accumulation)</b>	<b>31 January 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	112,190	99,920	100,220	81,461
Closing number of units	144,524,774	135,010,137	140,997,090	123,116,312
Closing net asset value per unit (pence)	77.63	74.01	71.08	66.17
Change in net asset value per unit	4.89%	4.12%	7.42%	4.77%
Operating charges	0.06%	0.07%	0.08%	0.10%

<b>Z Units (Net Income)</b>	<b>31 January 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	58,257	55,932	53,500	42,295
Closing number of units	94,480,386	94,122,845	91,202,791	75,057,256
Closing net asset value per unit (pence)	61.66	59.42	58.66	56.35
Change in net asset value per unit	3.77%	1.30%	4.10%	1.64%
Operating charges	0.06%	0.07%	0.08%	0.10%

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

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

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

## Portfolio Statement

as at 31 January 2021

Holding Investment	Market value £'000	Percentage of total net assets
<b>Bonds (23.16%)</b>	<b>37,245</b>	<b>21.84</b>
<b>Australian Dollar Denominated Bonds (2.48%)</b>	<b>3,925</b>	<b>2.30</b>
<b>Government Bonds (2.48%)</b>	<b>3,925</b>	<b>2.30</b>
less than 5 years to maturity		
2,609,000 Australia (Commonwealth of) 2.25% 2022	1,514	0.89
between 5 and 10 years to maturity		
3,441,000 Australia (Commonwealth of) 4.75% 2027	2,411	1.41
<b>Canadian Dollar Denominated Bonds (0.95%)</b>	<b>2,581</b>	<b>1.51</b>
<b>Government Bonds (0.95%)</b>	<b>2,581</b>	<b>1.51</b>
between 5 and 10 years to maturity		
4,124,000 Canada (Govt of) 2% 2028	2,581	1.51
<b>Euro Denominated Bonds (2.85%)</b>	<b>4,175</b>	<b>2.45</b>
<b>Corporate Bonds (2.85%)</b>	<b>4,175</b>	<b>2.45</b>
less than 5 years to maturity		
338,000 Dufry One 2.5% 2024	281	0.17
425,000 Intertrust Group 3.375% 2025	383	0.23
424,000 Lincoln Financing 3.625% 2024	376	0.22
between 5 and 10 years to maturity		
375,000 Altice France 5.875% 2027	355	0.21
500,000 BBVA 3.5% 2027	514	0.30
400,000 CaixaBank 3.5% 2027	364	0.21
417,000 eircom 3.5% 2026	378	0.22
465,000 Intrum 3.5% 2026	408	0.24
415,000 Matterhorn Telecom 3.125% 2026	364	0.21
400,000 WMG Acquisition 3.625% 2026	365	0.21
Perpetual		
412,000 LeasePlan 7.375% fixed to floating Perpetual	387	0.23
<b>Sterling Denominated Bonds (10.59%)</b>	<b>18,065</b>	<b>10.59</b>
<b>Corporate Bonds (9.50%)</b>	<b>16,437</b>	<b>9.64</b>

## Portfolio Statement

as at 31 January 2021 continued

Holding Investment	Market value £'000	Percentage of total net assets
less than 5 years to maturity		
378,000 Arrow Global 5.125% 2024	377	0.22
607,000 Barclays 10% 2021	623	0.37
730,000 BMW 0.875% 2022	736	0.43
200,000 British American Tobacco 1.75% 2021	201	0.12
200,000 British American Tobacco 2.125% 2025	209	0.12
301,000 Close Brothers 2.75% 2023	312	0.18
200,000 CYBG 3.125% 2025	209	0.12
751,000 Fidelity National Information Services 2.602% 2025	813	0.48
425,000 Iceland Bondco 4.625% 2025	425	0.25
233,000 Lloyds Bank 7.625% 2025	294	0.17
200,000 Lloyds Banking Group 2.25% 2024	210	0.12
307,000 MetLife Global Funding I 1.125% 2021	309	0.18
78,000 National Grid Gas 4.1875% Index-Linked 2022	150	0.09
319,000 NatWest 5.125% 2024	365	0.21
140,000 Scottish Widows 5.5% 2023	154	0.09
300,000 Severn Trent 3.625% 2026	343	0.20
400,000 TalkTalk 3.875% 2025	388	0.23
382,000 Verizon Communications 4.073% 2024	428	0.25
between 5 and 10 years to maturity		
351,000 America Movil 5% 2026	429	0.25
149,000 Assura Financing 1.5% 2030	154	0.09
154,000 Assura Financing 3% 2028	176	0.10
226,000 AT&T 4.375% 2029	276	0.16
150,000 Bank of America 7% 2028	216	0.13
622,000 Digital Stout 3.75% 2030	745	0.44
200,000 HSBC 5.75% 2027	251	0.15
200,000 Shaftesbury Chinatown 2.348% 2027	201	0.12
750,000 Tesco 2.75% 2030	823	0.48
423,000 Thames Water Kemble Finance 4.625% 2026	428	0.25
425,000 Virgin Media 4.25% 2030	439	0.26
between 10 and 15 years to maturity		
450,000 Barclays 3.25% 2033	514	0.30
203,000 Experian 3.25% 2032	244	0.14
500,000 GlaxoSmithKline 5.25% 2033	740	0.43
295,000 Vodafone 5.9% 2032	436	0.26

## Portfolio Statement

as at 31 January 2021 continued

Holding Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity		
200,000 Aviva 6.125% 2036	245	0.14
200,000 Legal & General 5.375% 2045	232	0.14
170,000 Tesco 5.744% 2040	222	0.13
greater than 25 years to maturity		
253,000 Bromford Housing 3.125% 2048	327	0.19
385,000 NGG 5.625% fixed to floating 2073	438	0.26
138,000 Prudential 5% 2055	166	0.10
Perpetual		
800,000 BP Capital Markets 4.25% fixed to floating Perpetual	856	0.50
375,000 Credit Agricole 7.5% fixed to floating Perpetual	443	0.26
400,000 EDF 6% fixed to floating Perpetual	454	0.27
425,000 National Express 4.25% fixed to floating Perpetual	436	0.26
<b>Government Bonds (1.09%)</b>	<b>1,628</b>	<b>0.95</b>
between 15 and 25 years to maturity		
1,086,000 UK (Govt of) 3.25% 2044	1,628	0.95
<b>US Dollar Denominated Bonds (6.29%)</b>	<b>8,499</b>	<b>4.99</b>
<b>Corporate Bonds (3.22%)</b>	<b>4,579</b>	<b>2.69</b>
less than 5 years to maturity		
328,000 Charter Communications 4.464% 2022	251	0.15
805,000 Lockheed Martin 3.55% 2026	662	0.39
283,000 Symantec 5% 2025	209	0.12
between 5 and 10 years to maturity		
850,000 Activision Blizzard 3.4% 2026	698	0.41
330,000 BPCE 3.5% 2027	268	0.16
488,000 Broadcom 4.15% 2030	403	0.24
843,000 EOG Resources 4.375% 2030	731	0.43
800,000 Sprint Spectrum 5.152% 2028	678	0.40
between 10 and 15 years to maturity		
24,000 SABMiller 6.625% 2033	25	0.01

## Portfolio Statement

as at 31 January 2021 continued

Holding Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity		
365,000 JobsOhio Beverage System 2.833% 2038	289	0.17
greater than 25 years to maturity		
453,000 Vodafone 6.25% 2078	365	0.21
<b>Government Bonds (3.07%)</b>	<b>3,920</b>	<b>2.30</b>
less than 5 years to maturity		
1,737,100 US Treasury 2.75% 2021	1,283	0.75
between 15 and 25 years to maturity		
2,571,900 US Treasury 0.75% Index-Linked 2045	2,637	1.55
<b>Equities (62.32%)</b>	<b>109,293</b>	<b>64.07</b>
<b>European Equities (13.47%)</b>	<b>22,439</b>	<b>13.16</b>
<b>Denmark (0.89%)</b>	<b>1,292</b>	<b>0.76</b>
9,344 Ørsted	1,292	0.76
<b>France (2.37%)</b>	<b>4,434</b>	<b>2.60</b>
27,529 Alstom	1,092	0.64
1,423 Hermes	1,061	0.62
12,807 Schneider Electric	1,370	0.80
12,511 Ubisoft Entertainment	911	0.54
<b>Germany (0.74%)</b>	<b>1,287</b>	<b>0.75</b>
57,605 TAG Immobilien	1,287	0.75
<b>Ireland (4.26%)</b>	<b>6,660</b>	<b>3.91</b>
6,579 Accenture	1,159	0.68
10,683 Allegion	833	0.49
39,946 CRH	1,213	0.71
2,311,886 Greencoat Renewables**	2,454	1.44
12,349 Medtronic	1,001	0.59



## Portfolio Statement

as at 31 January 2021 continued

Holding Investment	Market value £'000	Percentage of total net assets
<b>Italy (0.86%)</b>	<b>1,271</b>	<b>0.75</b>
175,406 Enel	1,271	0.75
<b>Netherlands (1.23%)</b>	<b>2,135</b>	<b>1.25</b>
3,209 ASML	1,248	0.73
389,335 Koninklijke KPN	887	0.52
<b>Switzerland (3.12%)</b>	<b>5,360</b>	<b>3.14</b>
28,759 BB Biotech	1,901	1.12
15,680 Nestle	1,284	0.75
15,608 Novartis	1,029	0.60
4,557 Roche	1,146	0.67
<b>Japanese Equities (1.27%)</b>	<b>3,043</b>	<b>1.78</b>
2,437 Canadian Solar Infrastructure Fund	2,205	1.29
4,900 Shimano	838	0.49
<b>North American Equities (13.78%)</b>	<b>21,973</b>	<b>12.88</b>
<b>United States (13.78%)</b>	<b>21,973</b>	<b>12.88</b>
19,585 Activision Blizzard	1,298	0.76
965 Alphabet 'A'	1,282	0.75
467 Amazon.com	1,090	0.64
10,526 American Tower	1,743	1.02
32,837 Boston Scientific	847	0.50
29,707 Comcast	1,071	0.63
2,831 Equinix	1,523	0.89
6,461 Estee Lauder	1,113	0.65
11,863 First Republic Bank	1,252	0.73
4,887 Generac	877	0.51
3,112 Intuit	818	0.48
5,456 Mastercard	1,256	0.74
7,240 Microsoft	1,222	0.72
21,037 NextEra Energy	1,238	0.73

## Portfolio Statement

as at 31 January 2021 continued

Holding Investment	Market value £'000	Percentage of total net assets
13,583 Procter & Gamble	1,268	0.74
21,488 Prologis	1,614	0.95
8,937 Visa	1,258	0.74
5,514 West Pharmaceutical Services	1,203	0.70
<b>Pacific Basin Equities (2.85%)</b>	<b>6,638</b>	<b>3.89</b>
<b>Australia (0.00%)</b>	<b>970</b>	<b>0.57</b>
48,218 BHP	970	0.57
<b>China (1.51%)</b>	<b>3,207</b>	<b>1.88</b>
5,573 Alibaba ADR	1,031	0.60
150,785 Ping An Insurance 'H'	1,293	0.76
13,800 Tencent	883	0.52
<b>Hong Kong (0.62%)</b>	<b>1,244</b>	<b>0.73</b>
141,241 AIA	1,244	0.73
<b>Taiwan (0.72%)</b>	<b>1,217</b>	<b>0.71</b>
13,762 Taiwan Semiconductor Manufacturing ADR	1,217	0.71
<b>UK Equities (30.95%)</b>	<b>55,200</b>	<b>32.36</b>
<b>Basic Materials (1.21%)</b>	<b>2,015</b>	<b>1.18</b>
37,851 Johnson Matthey	1,117	0.65
14,586 Rio Tinto	898	0.53
<b>Consumer Goods (0.61%)</b>	<b>1,244</b>	<b>0.73</b>
288,530 Countryside Properties	1,244	0.73
<b>Consumer Services (0.59%)</b>	<b>1,045</b>	<b>0.61</b>
57,669 RELX	1,045	0.61

## Portfolio Statement

as at 31 January 2021 continued

Holding Investment	Market value £'000	Percentage of total net assets
<b>Financials (25.72%)</b>	<b>45,373</b>	<b>26.60</b>
799,094 3i Infrastructure	2,381	1.40
1,145,098 Apax Global Alpha	2,251	1.32
2,432,191 Aquila European Renewables Income Fund	2,281	1.34
196,354 Ashmore	885	0.52
1,954,234 Assura	1,415	0.83
1,800,944 Bluefield Solar Income Fund	2,422	1.42
152,612 Burford Capital**	945	0.55
2,413,574 CQS New City High Yield	1,226	0.72
1,769,954 Foresight Solar Fund	1,797	1.05
1,459,170 GCP Infrastructure	1,555	0.91
1,502,365 Greencoat UK Wind	2,052	1.20
2,221,450 Gresham House Energy Storage	2,466	1.45
1,303,473 HICL Infrastructure	2,276	1.33
1,812,200 Hipgnosis Songs	2,166	1.27
1,393,340 International Public Partnerships	2,388	1.40
396,016 John Laing	1,255	0.74
41,500 NB Distressed Debt Investment Fund	21	0.01
969,432 Primary Health Properties	1,406	0.82
76,803 Prudential	900	0.53
2,092,199 Renewables Infrastructure Group	2,653	1.56
2,600,000 Round Hill Music Royalty	1,969	1.15
167,364 Segro	1,597	0.94
2,101,057 Sequoia Economic Infrastructure Income	2,269	1.33
1,612,402 SQN Asset Finance Income Fund	266	0.16
1,017,764 Tritax Big Box REIT	1,876	1.10
1,918,751 Tufton Oceanic Assets	1,355	0.79
1,300,000 VH Global Sustainable Energy Opportunities	1,300	0.76
<b>Health Care (2.29%)</b>	<b>4,376</b>	<b>2.57</b>
77,004 Abcam**	1,276	0.75
16,637 AstraZeneca	1,246	0.73
27,867 Dechra Pharmaceuticals	1,004	0.59
62,682 GlaxoSmithKline	850	0.50

## Portfolio Statement

as at 31 January 2021 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Industrials (0.53%)</b>		<b>1,147</b>	<b>0.67</b>
315,321	Smith (DS)	1,147	0.67
<b>Exchange Traded Funds (0.70%)</b>		<b>998</b>	<b>0.59</b>
7,202	ETFS Physical Gold	922	0.54
1,027	ETFS Physical Platinum	76	0.05
<b>Collective Investment Schemes (7.19%)</b>		<b>15,167</b>	<b>8.89</b>
1,246,079	BBGI SICAV	2,153	1.26
823,047	Neuberger Berman Emerging Markets Debt Local Currency I4 Inc	6,971	4.09
5,182,508	SLI Active Overlay SICAV <sup>+</sup>	6,043	3.54
<b>Derivatives (0.58%)</b>		<b>734</b>	<b>0.43</b>
<b>Exchange Traded Options (0.34%)</b>		<b>376</b>	<b>0.22</b>
500	Buy PUT FTSE 100 Index 19/03/2021	530	0.31
(250)	Sell PUT FTSE 100 Index 19/03/2021	(154)	(0.09)
<b>Forward Currency Contracts (0.24%)</b>		<b>358</b>	<b>0.21</b>
	Buy GBP 3,800,255 Sell AUD 6,750,059 24/03/2021	29	0.02
	Buy GBP 1,563,309 Sell CAD 2,706,102 24/03/2021	21	0.01
	Buy GBP 4,950,775 Sell EUR 5,453,458 24/03/2021	122	0.07
	Buy GBP 11,064,824 Sell USD 14,942,764 24/03/2021	186	0.11
	Buy USD 892,362 Sell GBP 649,197 24/03/2021	-	-
Total investment assets and liabilities		163,437	95.82
Net other assets		7,132	4.18
<b>Total Net Assets</b>		<b>170,569</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>++</sup> AIM listed.

## Financial Statements

<b>Statement of Total Return</b>				
<b>for the six months ended 31 January 2021</b>				
	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Income:</b>				
Net capital gains/(losses)		5,778		(135)
Revenue	1,903		2,257	
Expenses	(21)		(24)	
Interest payable and similar charges	(2)		(1)	
Net revenue before taxation	1,880		2,232	
Taxation	(104)		(167)	
Net revenue after taxation		1,776		2,065
<b>Total return before distributions</b>		<b>7,554</b>		<b>1,930</b>
Distributions		(1,776)		(2,065)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>5,778</b>		<b>(135)</b>

<b>Statement of Change in Net Assets Attributable to Unitholders</b>				
<b>for the six months ended 31 January 2021</b>				
	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>156,652</b>		<b>154,406</b>
Amounts receivable on the issue of units	14,382		16,531	
Amounts payable on the cancellation of units	(7,472)		(20,007)	
		6,910		(3,476)
Dilution levy		20		35
Change in net assets attributable to unitholders from investment activities (see above)		5,778		(135)
Retained distribution on accumulation units		1,209		1,293
<b>Closing net assets attributable to unitholders</b>		<b>170,569</b>		<b>152,123</b>

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

## Financial Statements

### Continued

Balance Sheet as at 31 January 2021	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
Fixed assets:				
Investment assets		163,591		148,153
Current assets:				
Debtors	2,867		1,631	
Cash and bank balances	14,908		9,204	
		17,775		10,835
Total assets		181,366		158,988
<b>Liabilities:</b>				
Investment liabilities		(154)		(984)
Creditors	(10,009)		(563)	
Distribution payable	(634)		(789)	
		(10,643)		(1,352)
Total liabilities		(10,797)		(2,336)
<b>Net assets attributable to unitholders</b>		<b>170,569</b>		<b>156,652</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per unit has decreased by 1.38% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.



# Notes to the Financial Statements

## Accounting Policies

For the six months ended 31 January 2021.

### Basis of accounting

The financial statements for the fund have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014, Financial Reporting Standard (FRS) 102 and United Kingdom Generally Accepted Accounting Practice.

The Manager has considered the impact of the emergence and spread of COVID-19 and potential implications on future operations of the fund of reasonably plausible downside scenarios. The Manager has undertaken a detailed assessment, and continues to monitor, the fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the fund continues to be open for trading and the Manager is satisfied the fund has adequate financial resources to continue in operation and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

### Distribution policy

The revenue from the fund's investments accumulates during each accounting period. If revenue exceeds expenses during the period, the net revenue of the fund is available for distribution (or reinvestment) at unit class level to the unitholders in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook. If expenses exceed revenue during the period, the net revenue shortfall may be funded from capital.

The fund makes dividend distributions.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. For derivative investments, where positions are undertaken to enhance capital return, the gains and losses are taken to capital, otherwise where they generate revenue, the amounts are included as revenue or expense and affect distributions.

## Distribution Table

For the six months ended 31 January 2021 (in pence per unit)				
Interim dividend distribution				
Group 1 - units purchased prior to 1 August 2020				
Group 2 - units purchased between 1 August 2020 and 31 January 2021				
	Revenue	Equalisation	Distribution paid 24/03/21	Distribution paid 24/03/20
<b>B Accumulation Units</b>				
Group 1	1.6435	-	1.6435	2.1698
Group 2	0.1191	1.5244	1.6435	2.1698
<b>B Income Units</b>				
Group 1	1.1296	-	1.1296	1.5405
Group 2	0.7044	0.4252	1.1296	1.5405
<b>Z Units (Net Accumulation)</b>				
Group 1	0.8361	-	0.8361	0.9752
Group 2	0.2128	0.6233	0.8361	0.9752
<b>Z Units (Net Income)</b>				
Group 1	0.6713	-	0.6713	0.8049
Group 2	0.2786	0.3927	0.6713	0.8049

### 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.

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