



# Aberdeen Investment Funds UK ICVC II

**Annual Long Report**

For the year ended 31 December 2015

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<sup>A</sup> Collectively these comprise the report of the Authorised Fund Manager

# About the Company

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Welcome to the Annual Long Report for Aberdeen Investment Funds UK ICVC II (the "Company") covering the year ended 31 December 2015 (the "report"). The Authorised Corporate Director (the "ACD") and Authorised Fund Manager of the Company is Aberdeen Fund Managers Limited, a private company limited by shares which was incorporated in England and Wales on 7 November 1962. The ACD's ultimate holding company is Aberdeen Asset Management PLC, which is incorporated in Scotland.

The Company is an Open-Ended Investment Company ("OEIC") with variable capital, incorporated in Great Britain under registration number IC000238 and is authorised and regulated by the Financial Conduct Authority (the "FCA") under regulation 12 of the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) ("the OEIC Regulations"), with effect from 6 June 2003.

The date of incorporation was 6 June 2003 but investment activity started on 25 September 2003.

The Company is a UCITS scheme which complies with Chapter 5 of the Financial Conduct Authority Collective Investment Schemes sourcebook (the "COLL sourcebook").

The Company is structured as an umbrella scheme for the purposes of the COLL sourcebook and consists of a number of separate sub-funds that are managed with the long-term aim of providing a total return. The term 'total return' means a combination of income and capital growth and no positive return is implied. The investment objective and policies and a review of the investment activities during the year are disclosed in the financial statements of the individual sub-funds. New sub-funds may be established from time to time by the ACD with the approval of the FCA and Depositary.

Each sub-fund would, if it were a separate investment company with variable capital, also be a UCITS scheme which complies with Chapter 5 of the COLL sourcebook.

The sub-funds are segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other sub-fund, and shall not be available for any such purpose.

The report of the ACD is defined as those items highlighted in the contents page in accordance with paragraph 4.5.9 of the COLL sourcebook.

Shareholders are not liable for the debts of the Company.

The ACD has elected to issue a short report for the sub-funds.

## Significant events

During the year to 31 December 2015 the following changes were made to the Company and therefore the following changes we reflected in the Prospectus of Aberdeen Investment Funds UK ICVC II:

- On 15 January 2015 Aberdeen Absolute Return Macro Fund was formally terminated.
- With effect from 19 January 2015 all preliminary charges on the purchase of shares were removed.
- On 6 March 2015 the following four funds with a quantitative strategy were launched:
  - Aberdeen Northern American Equity Enhanced Index Fund
  - Aberdeen European Equity Enhanced Index Fund
  - Aberdeen Japan Equity Enhanced Index Fund
  - Aberdeen World Equity Enhanced Index Fund
- On 4 May 2015 a number of administrative changes took effect:
  - Aberdeen Fund Managers Limited ('AFML') became the Authorised Corporate Director
  - International Financial Data Services (UK) Limited ('IFDS') became the registrar
  - Aberdeen Asset Managers Limited ('AAML') became the investment adviser
  - The Valuation Point ('VP') and the daily dealing cut-off for all sub-funds became 12 noon
  - A deferred redemption policy of 10% was introduced, whereby on any dealing day AFML may limit the total number of shares sold in any sub-fund to 10% of the sub-fund's net assets
  - Investor statement reporting dates became 5 April and 5 October
  - **The AFML contact details changed to:**  
Telephone: 0345 300 2890  
Fax: 0870 888 3037  
Email: [customer.services@aberdeen-asset.com](mailto:customer.services@aberdeen-asset.com)  
Website: [aberdeen-asset.co.uk](http://aberdeen-asset.co.uk)

## About the company (continued)

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- On 19 June 2015 the following funds were no longer available for investment as they are in the process of being terminated:
  - Aberdeen Defensive Gilt Fund
  - Aberdeen World Government Bond Fund
  - Aberdeen UK Equity Dividend Fund
- On 19 June 2015 the following funds were no longer available for investment, due to local Custody arrangements certain stocks have not been transferred, once the stocks have been transferred termination will begin.
  - Aberdeen Financial Equity Fund
  - Aberdeen Global High Yield Bond Fund
- On 10 July 2015 the following fund was no longer available for investment as it is in the process of being terminated:
  - Aberdeen Sterling Credit Advantage Fund
- On 17 July 2015 the following funds were no longer available for investment as they are in the process of being terminated:
  - Aberdeen Corporate Bond Fund
  - Aberdeen Sterling Government Bond Fund
  - Aberdeen Sterling Bond Fund
  - Aberdeen Sterling Index-Linked Bond Fund
- On 28 August 2015 the following funds were no longer available for investment as they are in the process of being terminated:
  - Aberdeen Absolute Return Bond Fund

### **Post balance sheet event**

On 22 February 2016 Aberdeen UK Flexible Strategy Fund was no longer available for investment and is in the process of being terminated.

Further information about the above changes can be found in the Prospectus, which is available on our website or by contacting Customer Services.

### **Crossholding information**

There were no cross holdings between sub-funds in Aberdeen Investment Funds UK ICVC II as at 31 December 2015.

# Statement of the Authorised Corporate Director's responsibilities

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The Financial Conduct Authority Collective Investment Schemes sourcebook (the "COLL sourcebook") requires the Authorised Corporate Director ("ACD") to prepare financial statements for each accounting period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial affairs of the Company and of its net revenue and the net capital gains/losses for the year.

In preparing the financial statements the ACD is required to:

- comply with the Prospectus, the Statement of Recommended Practice (IMA SORP) for Financial Statements of Authorised Funds issued in May 2014, the Instrument of Incorporation, United Kingdom Generally Accepted Accounting Practice and applicable accounting standards;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the COLL sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The ACD is responsible for ensuring that, to the best of their knowledge and belief, there is no relevant audit information of which the auditors are unaware. It is the responsibility of the ACD to take all necessary steps as a director to familiarise themselves with any relevant audit information and to establish that the auditors are aware of that information.

The ACD is also responsible for the maintenance and integrity of the website on which the financial statements and auditors' report are published and distributed electronically. Please note that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Report of the Authorised Corporate Director

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In accordance with the requirements of the COLL sourcebook as issued and amended by the Financial Conduct Authority, we hereby certify the report on behalf of Aberdeen Fund Managers Limited, the Authorised Corporate Director.



Alan Hawthorn  
Director  
Aberdeen Fund Managers Limited  
31 March 2016

# Statement of Depositary's responsibilities in respect of the scheme and report of the Depositary to the shareholders of the Aberdeen Investment Funds UK ICVC II

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The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Scheme Sourcebook ("the COLL sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers of the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- has carried out the creation, cancellation and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the Financial Conduct Authority COLL sourcebook and, where applicable, the OEIC Regulations and the Instrument of Incorporation of the Company; and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

**State Street Trustees Limited**  
31 March 2016

# Independent Auditor's report to the shareholders of Aberdeen Investment Funds UK ICVC II ("the Company")

For the year ended 31 December 2015

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We have audited the financial statements of the Company for the year ended 31 December 2015 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on the contents page and the accounting policies set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Company's shareholders, 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 the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders 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 Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of the Authorised Corporate Director ('the ACD') Aberdeen Fund Managers Limited and auditor**

As explained more fully in the Statement of ACD's Responsibilities set out on page 3 the ACD is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial position of each of the sub-funds as at 31 December 2015 and of the net revenue/deficit of revenue and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

## **Emphasis of Matter - non-going concern basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have been prepared on the going concern basis, with the exception of the Aberdeen Financial Equity Fund and Aberdeen Global High Yield Bond Fund which have been prepared on a break up basis.

## **Opinion on other matters prescribed by the COLL Rules**

In our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

We have received all the information and explanations which we consider necessary for the purposes of our audit.

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

**Jatin Patel**

for and on behalf of KPMG Audit LLP, Statutory Auditor

## **Chartered Accountants**

15 Canada Square

Canary Wharf

London

E14 5GL

31 March 2016

# Notes to the financial statements of the Company

For the year ended 31 December 2015

## 1 Accounting policies

### a Basis of accounting

The financial statements for each of the sub-funds 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 Management Association in May 2014 (IMA SORP 2014), Financial Reporting Standard (FRS) 102 and United Kingdom Generally Accepted Accounting Practice.

The Investment Management Association has been renamed the Investment Association.

The financial statements have been prepared on the going concern basis, with the exception of the Aberdeen Financial Equity Fund and Aberdeen Global High Yield Bond Fund which have been prepared on a break up basis. There is no difference between a break up basis and a going concern basis for these sub-funds.

Adoption of IMA SORP 2014

Changes in accounting policies

The following changes have been made to the accounting policies as detailed in the audited financial statements for the year ended 31 December 2015.

- In accordance with the IMA SORP 2014, the listed investments of the Company have been valued at close of business on the last day of the period, previously valued at 12 noon.

Changes in presentation

The presentation of these financial statements has been changed from the previous period to comply with the requirements of IMA SORP 2014.

These changes include:

- The removal of the aggregated financial statements;
- The inclusion of details on any cross holdings within the ICVC;
- Amendments to labelling of line items within the Financial Statements.
- Amendments to the content and format of the Comparative Table;
- Amendments to the content and format of the portfolio transaction costs disclosures;
- The inclusion of the shareholders' funds reconciliation;
- The inclusion of the fair value hierarchy of the portfolio.

The ACD has elected to early adopt the amendments to FRS 102 in respect of the fair value hierarchy disclosure requirements for financial instruments held at fair value as permitted for authorised funds.

### b Revenue

Dividends on equities and preference stocks are recognised when the securities are quoted ex-dividend, or in the case of unquoted securities when the dividend is declared.

Dividends from overseas securities are grossed up at the appropriate rate of withholding tax and the tax consequences are shown within the tax charge. Any pre-emptive associated with dividends from French companies is treated as a tax credit rather than a repayment of withholding tax.

Dividends from Real Estate Investment Trusts ("REITs") are recognised as distributable revenue when the securities are quoted ex-dividend.

Dividends received from UK REITs are split into PID (Property Income Distributions) and Non-PID components for tax purposes. Revenue arising from UK REITs tax-exempt rental business is colloquially known as PID revenue and is taxable in the hands of the Trust. A UK REIT may also carry out activities that give rise to taxable profits and gains. It is from these that the REIT will make a Non-PID distribution. These are treated for tax purposes in the same way as dividends from normal UK companies.

Dividends from Australian, French, Hong Kong, Japanese, Singapore and US Real Estate Investment Trusts ("REITs") are recognised as distributable revenue when the securities are quoted ex-dividend and reflected within the financial statements as property revenue from overseas REIT's.

For dividends received from US Real Estate Investment Trusts ("REITs"), on receipt of the capital/revenue split in the following calendar year, the allocation of the dividend is adjusted within the financial statements.

Interest on deposits and fixed interest securities are recognised as earned. Revenue from debt securities is accounted for on an effective yield basis.

Revenue from other authorised collective investment schemes is recognised when the investments are quoted ex-dividend.

Where accumulation units or shares are held in another authorised collective investment scheme, the accumulation of revenue relating to the holding is recognised in the revenue account including any withholding taxes but excluding tax credits.

Equalisation on distributions received is deducted from the cost of the investment.



### b Revenue (continued)

Underwriting commission is recognised when the issue takes place. Where the Fund/Trust is required to take up some or all of the shares underwritten, an appropriate proportion of the commission earned is deducted from the cost of those shares.

Special dividends may be treated as repayments of capital or as revenue dependent on the facts of the particular case.

Revenue from trail commission is recognised on a receipts basis.

Scrip dividends which have been released to the market as a normal dividend at XD point will be treated as such until further detail has been provided. If receipt of the scrip option uptake is in the subsequent accounting period, the dividend will be reclassified in the following period within the financial statements.

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue and where applicable, is included in the distribution. In the case of enhanced scrip dividends, the value of the enhancement is treated as capital.

Distributions from Brazilian corporations may take the form of interest on capital as an alternative to making dividend distributions. Interest on capital distributions are recognised on an accruals basis.

Currency gains or losses arising from the repatriation of foreign dividends are still treated as taxable and therefore the overseas taxable revenue amount may be negative.

Currency gains or losses arising from the repatriation of tax reclaims are still treated as overseas non-taxable revenue and therefore the overseas non-taxable revenue amount may be negative.

Interest Rate Swaps' cash flows are recognised as revenue and where applicable, are included in the distributable income. Credit Default Swaps' premiums are recognised as revenue except where the fund's objective is to provide a positive capital return, over the long term, regardless of market conditions. The exposure to the open position on these contracts is shown in the balance sheet as open derivatives commitments and the resulting profit or loss is reflected in the net capital gains/(losses).

Revenue is allocated when earned in the proportion of the Net Asset Value of each share class to the total Net Asset Value of the sub-fund.

### c Expenses

The underlying sub-funds may have a number of different share classes. Each share class may suffer a different Authorised Corporate Director ("ACD") fee. Consequently the level of expenses attributable to each share class will differ.

All expenses other than those relating to the purchase and sale of investments are included in expenses in the statement of total return.

The ACD's annual fee is charged to the revenue property of the respective sub-funds, with the exception of:

Aberdeen UK Enhanced Equity Fund can charge up to half of its ACD fee (1%) to capital. However in this period none have been charged to capital.

Where fees are payable from capital, these will not form part of the distribution, described in note (d).

Expenses incurred in respect of, or attributable to, the sub-funds as a whole are allocated when incurred in the proportion of the net asset value of each share class to the total net asset value of the sub-fund.

Expenses are charged to the revenue property of the respective sub-funds. Rebates are applied where ACD fees are incurred by the underlying investments. Internal management fee rebates are offset against the ACD periodic charge (rebates from Lloyds Banking Group related investments prior to the change of control and Aberdeen Asset Management PLC companies post change of control), meaning in some circumstances the ACD fee will be negative due to rebates received.

Where it is the policy of the underlying investment to charge its management fees to capital in determining its distribution, the Fund recognises such management rebates as capital within note 1 on an accruals basis. Otherwise the rebate is recognised as revenue on an accruals basis within note 2, or 3 if internal, and forms part of the distribution.

In the Aberdeen Foundation Growth Fund the ACD reimburses the Fund in respect of expenses incurred by the K share class so as to cap the expenses of the share class at 1.50%.

No Registrar's fee is currently deducted but is borne by the ACD for the following Sub-funds:

Aberdeen Foundation Growth Fund Class B, Class K and Class L share classes,  
Aberdeen European Equity Enhanced Index Fund Class B share class,  
Aberdeen Japan Equity Enhanced Index Fund Class B share class,  
Aberdeen Northern American Equity Enhanced Index Fund Class B share class,  
Aberdeen UK Enhanced Equity Fund Class Q share class and  
Aberdeen World Equity Enhanced Index Fund Class B share class.

### d Distribution policy

The revenue from the sub-fund's investments accumulates during each accounting period. If revenue exceeds expenses during the period, the net revenue of the sub-funds is available for distribution (or re-investment) at share class level to the shareholders in accordance with the OEIC Regulations. If expenses exceed revenue during the period, the net revenue shortfall may be funded from capital.

It is the policy of the Aberdeen Global High Yield Bond Fund to make interest distributions.

All other sub-funds make 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.

### e Taxation

Provision is made for corporation tax at the current rate on the excess of taxable income over allowable expenses. UK dividend revenue is disclosed net of any related tax credit. Overseas dividends continue to be disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the taxation note.

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent that it is regarded more likely than not that there will be taxable profits against which the reversal of underlying timing differences can be offset.

Brazilian IOF tax, a 2% Brazilian government financial operations tax on foreign capital inflows into the Brazilian financial and capital markets, is recognised in the taxation note.

Any windfall tax reclaims received are netted off against irrecoverable overseas tax and therefore the irrecoverable overseas tax line in the taxation note may be negative. Any windfall tax reclaims recognised but not yet received are treated as capital items along with the associated expenses incurred to make the reclaim. On receipt of the cash, amounts received will be treated as distributable and a transfer of the relevant amounts of income and expense will be transferred from capital to revenue. During the year, the ACD considered reclaims relating to French withholding tax suffered in previous periods as 'virtually certain' in terms of eventual receipt and therefore sub-funds with reclaims in this jurisdiction have recognised the reclaimed amount in the current period.

### f Valuation of investments

The listed investments of the Company have been valued at market value on 31 December 2015 at close of business, excluding any accrued interest in the case of fixed interest securities. Market value is defined by the SORP as fair value, which is generally the bid value of each security. Where applicable, illiquid, unlisted, delisted, unapproved or suspended securities are based on the ACD's assessment of their net realisable value.

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-funds disclosed in the balance sheet and portfolio statement of the individual sub-funds.

OTC derivatives (Interest Rate Swaps and Credit Default Swaps) are held at fair value. Data from a primary source will initially be used in valuing derivatives, usually the counterparty valuation. However tolerance checks are also performed between valuations derived from different sources in order to validate the calculated valuations, detect any potential discrepancies and, if appropriate, select a secondary or tertiary price for use in the valuation instead.

Open forward currency contracts are shown in the portfolio statement and are valued using contracted forward rates. The net gains/(losses) are reflected in "Forward foreign exchange currency contracts" in Net capital gains/(losses).

Open futures contracts are shown in the portfolio statement and are valued at the market value at close of business on 31 December 2015. The net gains/(losses) are reflected in "Future, option and swap contracts" in Net capital gains/(losses).

Open options contracts are shown in the portfolio statement and are valued using either the market value or broker prices. The net gains/(losses) are reflected in "Future, option and swap contracts" in Net capital gains/(losses). Written option premiums have been reflected as capital.

Open swap contracts are shown in the portfolio statement and are valued using the Aberdeen Price Source Authorisation ("PSA"). Primary, secondary and tertiary price sources are identified, validated and compared, and applied by following a defined process. The net gains/(losses) are reflected in "Future, option and swap contracts" in Net capital gains/(losses).

Investment asset prices are reviewed regularly by the ACD to identify those assets where the price has not moved since the previous review period. This review provides an initial indication that the market for each identified asset may be inactive. These assets are then reviewed by an internal committee who may identify an alternative price source for them. On conclusion that a particular asset is illiquid, the ACD will identify an alternative pricing method. The ACD will first identify if an appropriate price can be obtained from a recognised independent broker. Where this is the case, the broker will be approved as a price source for the asset.

### f Valuation of investments (continued)

For debt security investments where no independent price is readily available, an internal model price methodology is used. Credit spreads are often used as inputs into fair value modelling.

A review of all illiquid assets and prices obtained or calculated is conducted by the Investment Adviser on a monthly basis.

#### Unquoted debt securities

In order to ensure that a fair value is recognised for unquoted or illiquid debt securities, there are primary, secondary and tertiary price sources in the first instance and an independent broker will be used if necessary. The primary, secondary and tertiary price sources are regularly compared with one another to ensure accuracy. A formal review is then carried out by the ACD which challenges the external valuation and includes consideration of the impact of any relevant movements in underlying variables such as:

- underlying movements in the relevant markets, for example credit spreads;
- how current transactions are being priced in the market;
- how the security is structured; and
- any supporting quantitative analysis as appropriate, for example with reference to Bloomberg or internal models.

A review of all illiquid assets and prices obtained or calculated is conducted by the Investment Adviser on a monthly basis.

### g Exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at close of business on 31 December 2015.

Foreign currency transactions are translated at the rates of exchange ruling on the date of such transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

### h Dilution adjustment

In certain circumstances (as detailed in the Prospectus) the ACD may apply a dilution adjustment on the creation or cancellation of shares, which is applied to the capital of the relevant sub-fund on an accruals basis. The adjustment is intended to protect existing investors from the costs of buying or selling underlying investments as a result of large inflows or outflows from the Fund.

### i Derivatives

Some of the sub-funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these 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 used 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. Any open positions in these types of transactions at the year end are included in the balance sheet at their mark to market value and shown in the portfolio statement.

### j Stocklending

Any income arising from stocklending is treated as revenue on an accruals basis and is disclosed in the notes to the Financial Statements net of directly attributable fees. The value of the collateral must always exceed the value of the stock on loan. The accepted collateral include cash, equities, certain types of bonds and money market instruments as agreed with the Depository.

## 2 Risk exposures and risk management policies

Generic risks that the Aberdeen range of funds are exposed to and the risk management techniques employed are disclosed below.

Numerical disclosures and specific risks related to individual sub-funds, where relevant, are disclosed within the relevant sub-fund financial statements.

### Risk Management Process (RMP)

Regulated funds must establish, implement and maintain an adequate and documented Risk Management Process ("RMP") for identifying the risks to which a fund is, or might be, exposed. The RMP must comprise of such procedures as are necessary to enable a management company to assess the exposure of each fund it manages to market risk, liquidity risk, counterparty risk, operational risk and all other risks that might be material for that fund.

The risk management policy must address at least the following elements:

1. the techniques, tools and arrangements that enable compliance with the applicable COLL and FUND rules;
2. the allocation of responsibilities pertaining to risk management; and
3. the terms, contents and frequency of reporting of the risk management function.

This RMP provides explanations, descriptions and demonstrations of the control environment for the funds. It also provides an overview of the governance arrangements set by Aberdeen Fund Managers Limited (AFML), as the Management Company (either the Authorised Corporate Director (ACD) or Alternative Investment Fund Manager (AIFM)); a subsidiary of Aberdeen Asset Management PLC; as well as explaining the processes and allocation of responsibilities relating to risk management including the form, content and frequency of reporting. It also provides details of the policies, arrangements, processes and techniques used in the identification, monitoring and measurement of the material risks for the funds to ensure compliance with regulatory and internal limits.

### 2. Risk exposures and risk management policies (continued)

#### Risk Management Process (RMP) (continued)

There is also a requirement in the FCA COLL and FUND rules (the "Rules") that a manager uses a risk management process to enable it to monitor and measure at any time the risk of its funds' positions and their contribution to the overall risk profile of those funds.

A copy of the RMP is available upon request.

#### Types of risks

Funds are broadly exposed to many types of risk, all of which can have an impact on the return from an investment. These can be categorised into:

1. Market Risk
2. Counterparty Risk
3. Liquidity Risk
4. Operational Risk

The first three are primarily focussed on the investment itself and the financial losses associated with it. Within the Group these risks are monitored independently by the Market Risk Department. Operational risk is defined as the risk of loss that can arise from inadequate or failed internal processes, people and systems, or from external events such as fraud. Within the Group these risks are monitored by the Business Risk Department.

#### General Market Risks Affecting All Asset Types

Below is a non-exhaustive list:

*Country risk* - an adverse change in the outlook (or, the perceived outlook) for a country, can result in the price of the assets in that country fluctuating and the portfolio experiencing a loss. Emerging market and frontier countries tend to fluctuate more (i.e. be more volatile) than developed countries and as a result are perceived to be more risky.

*Sector risk* - when the outlook (or, the perceived outlook) for a sector changes, the price of the securities in that sector adjust and the portfolio can experience a loss.

*Asset-class risk* - changes in the outlook (or, the perceived outlook) for a specific asset-class, can result in the price of the underlying securities within that asset-class to shift, thus the portfolio can experience a loss.

*Inflation/deflation risk* - the risk that the value of assets or income from investments will be worth less in the future as inflation erodes the value of money.

*Interest rate risk* - an unfavourable change in interest rates can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

*Currency risk* - fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

*Derivatives risk* - utilising derivatives can increase leverage and risk. This can result in the portfolio having higher volatility, where small market moves can lead to a more than proportionate increase in profits or losses. Additionally where derivatives are used for hedging purposes, there may be situations where hedge positions are not perfectly correlated with the underlying asset, which may lead to losses arising from market movements.

*Concentration risk* - the risk associated with any single exposure or group of exposures with the potential to produce large enough losses to materially threaten the portfolio's value. This may be from concentration in a single name or an industry.

*Default risk* - the risk of a loss arising from an issuer that is unlikely to pay its loan obligations in full. Default risk will impact all credit-sensitive transactions, including loans, securities and derivatives.

#### Equity Risk

*Equity risk* - an adverse change in the price of a stock, sector or index (e.g. Vodafone, Utilities, FTSE 100, etc.).

*Market capitalisation* - smaller companies, due to their size can be more sensitive to both market and stock specific information. As a result smaller companies tend to be more volatile and less liquid than larger companies.

#### Fixed Income Risk

*Sovereign risk* - the risk of a portfolio loss arising from a sovereign state freezing foreign currency payments or when it defaults on its obligations. The probability of these events occurring tends to be linked with the country's economic performance and its political stability.

*Ratings risk* - an unfavourable change in the credit ratings (e.g. general downgrades from S&P, Moody's, or Fitch) can result in a loss in value for the portfolio.

*Issuer risk* - changes in the creditworthiness of an issuer, or group of issuers can affect the price of a security resulting in a loss in the value for the portfolio.

#### Direct Property Risks

*Refinancing risk* - the risk that upon a specific refinancing date an asset's valuation has fallen below the value of the financing.

*Covenant risk* - the risk that a property or portfolio of properties fail(s) a covenant due to falling valuation or a fall in interest coverage ratios.

### 2 Risk exposures and risk management policies (continued)

#### Direct Property Risks (continued)

*Re-letting risk* – the risk that a property no longer meets the requirements of prospective tenants and ceases to be an attractive rental opportunity, and the subsequent impact on resale value.

*Development risk* – the risk that a development or a redevelopment of a property fails to deliver the expected uplift in income or valuation, or that the costs of development are materially higher than budgeted.

#### Property Multi-Manager Risks

*Direct property risk* – the risks that all direct property investments are exposed to as detailed above.

*Manager risk* – the risk that the underlying manager of an investment fails to carry out its duties as set out in the constitutional documents or its legal obligations to the fund and its investors.

#### Multi-Asset Funds, Fund of Long-Only Funds and Fund of Hedge Funds Risks

These types of funds have the ability to invest in all the other assets classes, and therefore will be subject to the relevant market risks. Additionally the funds can invest into other asset classes where risks may be relevant, such as:

*Commodity risk* - an adverse change in commodity prices (e.g. cotton, gold, natural gas, crude oil, etc.).

*Funding/Liquidity risk* - the risk that an underlying fund is unable to meet margin calls to fund its open positions (particularly relevant in the Fund of Hedge Funds business where underlying managers may use significant levels of leverage).

*Manager risk* – the risk that the underlying manager of an investment fund fails to carry out its duties as set out in the constitutional documents or its legal obligations to the fund and its investors.

#### Private Equity Risks

*Funding/Liquidity risk* – risk that debt facility or unfunded commitments cannot be funded when they fall due.

*Returns risk* – the possibility that targeted returns are not achieved.

*Manager risk* – the risk that the underlying manager of an investment Fund fails to carry out its duties as set out in the constitutional documents or its legal obligations to the fund and its investors.

#### Infrastructure Risks

*Portfolio risk* – risk that deals/transactions do not close; targeted returns are not achieved; market conditions are not optimal for asset disposals.

*Project risk* – risk that the fund incurs a loss of equity; a lack of alignment of interest arising between sponsor and other shareholders; a deviation from the business plan; a lack of diversification in terms of contractors used on projects; and Counterparty risk pertaining to external counsels with respect to local knowledge.

*Construction risk* – The risk of partial or full loss during a project's construction period.

*Funding/Liquidity risk* – risk that unfunded commitments cannot be funded when they fall due.

*Refinancing Risk* - The risk of adverse market conditions changing terms and conditions of refinancing.

Factors that cause changes in market risks include, but are not limited to: future perceived prospects (i.e. changes in perception regarding the future economic position of countries, companies, sectors, etc.); shifts in demand and supply of products and services; political turmoil, changes in interest rate/inflation/taxation policies; major natural disasters; recessions; and terrorist attacks.

#### How Market Risk is measured

The RMP uses several ways to review and measure Market Risk:

*Leverage*: has the effect of gearing a fund's expected performance by allowing it to gain greater exposure to underlying investment opportunities (gains and losses). The higher the leverage the greater the risk (potential loss).

*Volatility, Value-at-Risk (VaR) and Conditional VaR (CVaR)*: Volatility indicates how a fund is expected to perform. The higher the volatility the higher the risk. VaR measures with a degree of probability the minimum the fund could expect to lose in any given time frame. Assuming a normal (Gaussian) distribution, this is a function of the volatility. The higher the volatility, the higher the VaR, the greater the risk. CVaR determines the expected loss, given that the VaR has been reached.

*Tracking Error (TE)*: Measures the expected magnitude of divergence of returns between the fund and benchmark over a given time.

*"Systematic" and "Stock Specific" Risk*: systematic risk represents the proportion of a fund's risk that is attributable to market exposure; and specific risk represents the risk that is intrinsic to individual stocks (i.e. particular to a given stock's attributes).

*Sensitivity Analysis*: Effective duration and dollar value per basis point (DV01) measures allow the quantification of the interest rate risk across portfolios.

*Stress Tests and Scenario Analysis*: This captures how much the current portfolio will make or lose if certain conditions occur.

*Concentration Risk*: By grouping the portfolio into various different exposures (e.g. country, sector, issuer, asset, etc.), we are able to see where, if any, concentration risk exists.

### 2 Risk exposures and risk management policies (continued)

#### How Market Risk is measured (continued)

*Tenant and Rent Roll Risk:* This measure considers property vacancies, lease rolls, tenant quality and tenant concentration at an asset level (being direct funds at a property level, Property Multi-Manager at a target fund level) to provide an indication of the stability of income.

*Debt Risk:* After a certain level, debt can significantly increase the volatility of return and limit the capacity of managing the asset appropriately. This measure considers and weights the loan to gross asset value, debt expiry, current and potential covenant breach and cost of debt at asset level to provide an indication of whether debt is endangering the stability of income and the capacity of the fund management team to follow the fund's strategy.

*Loan-To-Value (LTV):* similar to leverage, but is debt facility specific, giving a portfolio increased exposure to a particular asset through the use of a secured bank loan. Unequal application of LTV within a portfolio can lead to outsized exposure to investment risk, particularly if gearing is at high levels.

*Refinancing Risk:* This measure considers the risks inherent in refinancing any debt held within a portfolio.

*Returns Risk:* Within Private Equity the market uses Total Value to Paid-In (TVPI) and Distributions to Paid-In (DPI) ratio's, to help monitor the fund's performance.

#### Managing Risk

For some of the risk measurements above, specific risk limits appropriate for each fund will be set. The limits will generally be either hard limits or soft limits.

Hard limits are strictly enforced to ensure the Management Company does not inadvertently (or deliberately) breach them and add additional risk exposure to the fund. Where possible, this is hard coded into the front office dealing system, Charles River (used for equities, fixed income, multi-asset and the fund of long-only funds businesses). This is done in a pre-trade capacity, preventing the fund manager adding to these exposures and breaching the set limits before the trade is actually executed. Front Office Compliance monitor this activity, escalating any breaches immediately. The majority of hard limits set, will aim to help prevent the occurrence of concentration risk.

Soft limits, are generally internal limits or guidelines, and are designed to highlight any potential issues. These soft limits will be measured on individual basis and any exceptions from the limits will be discussed with the Management Company and where necessary rectified within a reasonable timeframe.

Additionally, the Market Risk Department reviews all positions on each fund on an appropriate basis, generally monthly, to ensure that the Fund is not overly concentrated in any one specific area or issuer. Where the mandate is expressly focused in one particular country, region or asset class, the Market Risk Department will take this into account. Any issues or concerns arising from these concentrations are immediately investigated and discussed with the fund manager, and any remedial action is taken and the implementation monitored.

Various risk management reports are produced regularly and circulated to various business areas including the relevant Board meetings.

As stated above, Risk can be separated into market risk, counterparty risk and liquidity risk. Each type of risk is discussed in turn below.

#### 1) Market Risk

Market Risk is a type of Investment Risk and measures the exposures to underlying market factors. It is the risk of loss resulting from fluctuations in the market value of a Fund's portfolio attributable to changes in market variables.

Specific Risk (sometimes called Idiosyncratic Risk) is the part of risk directly associated with a particular asset, outside the realms of and not captured by Systematic Risk. In other words, it is the component of risk that is peculiar to a specific asset, and may manifest itself in various guises, for example: corporate actions, fraud or bankruptcy.

Market risk is monitored through factor modelling and discounted cash flow techniques used to calculate both absolute and relative ex ante quantities such as tracking error ("TE") and Value at Risk ("VaR"). The market risk is further monitored through the computation of the level of leverage by both the gross and net approach. The leverage is calculated by converting each financial derivative instrument into the equivalent position in the underlying assets of those derivatives, on a net asset value basis. The market risk linked to the concentration risk is mitigated through investment restrictions set according to the basic principle of diversification.

Types of Market Risk include foreign currency risk and interest rate risk. Exposure to each is disclosed within the individual sub-funds' financial statements.

##### a) Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

### 2 Risk exposures and risk management policies (continued)

#### 1) Market Risk (continued)

##### b) Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

##### c) Global Exposure

The funds must ensure that global exposure relating to derivatives and forward transactions held does not exceed the net value of the scheme property. Global exposure can be calculated as either as: (1) the incremental exposure and leverage generated through the use of derivatives and forward transactions, which may not exceed 100% of the net value of the scheme property (the commitment approach, refer to Leverage); or (2) the market risk of the scheme property (the VaR approach). The method suitable is determined by the investment strategy; types and complexities of the derivatives; and the proportion of the sub-fund comprising derivatives.

Currently VaR is only applicable to Aberdeen UK Flexible Strategy Fund.

#### Objectives and limitations of the VaR Methodology

The Advanced Portfolio Technologies (APT) model uses statistical factor techniques to capture a maximal spanning set under its component model. Risk is subsequently decomposed according to explanatory variable regression techniques. The APT bond model provides an integrated framework to measure and decompose the risk of portfolios of all fixed income securities. These can include government and corporate bonds, convertibles, and various categorisations of swaps, futures and option contracts. Portfolios are modelled at the asset level to ensure every position is represented within the component approach. The VaR model is designed to measure market risk in a normal market environment.

The use of VaR has limitations because it is based on historical correlations and volatilities in market price returns and assumes that future price movements will follow a statistical distribution. Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the given distribution assumption. VaR may also be under- or over-estimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments.

Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day. In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation, i.e. the model is back tested. Market risk positions are also subject to regular stress tests to measure the response of the fund to an extreme market event.

#### Leverage

Funds may achieve some leverage through the use of derivatives and other efficient portfolio management techniques. The use of leverage allows the manager to commit a relatively small amount of cash (generally known as premium or margin) to obtain exposure to the full returns of the associated underlying asset.

Funds which use derivatives for investment purposes rather than for hedging or efficient portfolio management only may be more highly leveraged than funds which use derivatives solely for efficient portfolio management.

Leverage can be calculated in two ways. The Commitment Approach converts the derivative into the market value of the equivalent position in the underlying asset, adds leverage from reinvestment of collateral in non risk-free assets to the net asset value (NAV) of the fund and then divides this amount by the NAV. A figure greater than 100% is considered to be a leveraged fund. A fund with a figure over 300% is considered to employ significant leverage.

The derivative calculation and leverage ratio can be reduced for any netting and/or hedging arrangement. However, the manager does not generally apply hedging or netting to the calculations with the exception of forward FX transactions used for hedging currency and exchange rate risks.

The Risk Management Process (RMP) provides further details on the calculation methodologies and any netting arrangements and is available on request.

The second method is called the gross method and takes the notional derivative positions (long and short) and provides an overall total of the absolute values with no netting arrangements. The figures may therefore appear elevated especially when short term interest rate products are used (which require significantly larger notionals to achieve a similar degree of sensitivity/exposure to short term key rates of an interest rate curve compared to longer term rates).

The fund is required to hold scheme property sufficient in value or amount to match the exposure arising from a derivative obligation to which the fund is committed, i.e. any derivative holdings must be individually covered.

### 2 Risk exposures and risk management policies (continued)

#### 1) Market Risk (continued)

The cover calculation differs to the leverage calculation described above and ensures that the Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Fund.

The Prospectus may provide for maximum level of leverages under both the Commitment and Gross Method described above. For funds which are significantly leveraged, as described above, the average level of leverage employed for funds during the accounting period is detailed in the individual sub-fund's accounts.

#### 2) Counterparty Risk

Credit Risk is the risk that an underlying issuer may be unable (or unwilling) to make a payment or to fulfil their contractual obligations. This may materialise as an actual default or, to a lesser extent, by a weakening in a counterparty's credit quality. The actual default will result in an immediate loss were as, the lower credit quality will more likely lead to mark-to-market adjustment.

Counterparty Credit Risk is managed through processes outlined in the Credit Risk Management Policy ("CRMP") detailing the creation and maintenance of credit opinions on Legal Entities and related consolidated banking Groups to client OTC derivatives transactions, cash security transactions and cash deposits.

##### Derivatives and Credit Oversight Committee ("DCOC")

The DCOC is a regular forum consisting of representatives from Risk, Legal and Front Office teams from the Group.

The responsibility of the DCOC is to ensure that the use of derivatives and other investment instruments is adequately controlled from a regulatory and operational perspective and within the context of the investment strategies for clients. It is also to ensure that the multiple facets of counterparty credit risk are discussed, monitored and where possible, managed within acceptable boundaries.

For derivatives and other strategies, the Derivatives and Credit Oversight Committee is required to consider the credit risk of the counterparties which Aberdeen selects and trades with on behalf of its clients. These counterparties include:

- financial institutions used to transact OTC, FX, Repo, Reverse Repo and Securities Lending;
- brokers used for cash (delivery versus payment - DVP) transactions; and
- banks and money market funds used for liquidity and cash management purposes.

In addition to the above and where appropriate, the collateral received in relation to the above transactions must be assessed to ensure it meets approved guidelines and is of suitable quality.

Transactions involving OTC derivatives are entered into with counterparties that are approved by the Counterparty Credit Risk Department.

OTC derivatives are traded under the terms of an ISDA Master agreement which defines the rights and obligations of parties engaging in derivatives trading. The Credit Support Annex (CSA) to the ISDA Master agreement contains the collateral terms applicable to the OTC derivatives contracts (with the exception of FX). The CSA highlights credit and operational thresholds (known as the Call Threshold and Minimum Transfer Amounts) the collateral movements are subject to.

The counterparty exposures linked to OTC derivatives are calculated by the Group operations team on a daily basis. The counterparty exposure calculation is done without applying any netting between funds to one counterparty.

#### 3) Liquidity risk

Liquidity Risk is the probability of an adverse change in capital markets affecting the availability of debt and equity financing (liability side) and the lack of ability to dispose of investments to redeem equity and/or debt without incurring losses (asset side).

The Management Company has a Liquidity Risk Policy in place applicable to the funds and set out in accordance with its overall Risk Management Process, relative to the size, scope and complexity of the funds. Liquidity Risk is monitored on both the asset and liability sides. To measure and monitor asset liquidity risk the management company employs a number of methods specific to the underlying assets. In all cases, the approach is to reference the actual holdings of the sub-fund against a true measure of the market at both an aggregate and a position level. A Group Pricing Committee is responsible for the review and monitoring of asset pricing, in addition to the approval of pricing methodologies and asset-level fair value price adjustments and the Group Investor Protection Committee which looks at fund-level fair value approaches. The Management Company has implemented a Group Pricing Policy which details the operational responsibilities for pricing assets. On the liability side, investor transactions and, beyond this, investor behaviour are the main driver of liquidity within each sub-fund. In this context, the articles and prospectuses contain certain key provisions or limits which provide protection to the Funds and ultimately investors, in situations where liquidity might become a concern. In addition, the Fund receives and analyses periodic reports in respect of the shareholder concentration within each sub-fund. Any shareholder concentrations and transactional behaviour are identified at sub-fund level and any particular concerns noted are escalated to the relevant Group Committee and respective Boards, if material.

##### Risk Limits

During the reporting period, none of the Funds breached any of the risk limits under which they operate.



# Aberdeen European Equity Enhanced Index Fund

For the period 6 March 2015 to 31 December 2015

## Report of the Authorised Fund Manager

### Investment objective and policy

The Fund aims to achieve long-term capital growth by investing in equity and equity-related securities of companies in Europe.

The investment policy of the Fund is to invest primarily in equities and equity-related securities of companies that are constituents of the MSCI Europe ex UK Index. The Fund will use a variety of quantitative techniques and adopt a disciplined approach to stock selection whilst seeking to maintain a level of risk similar to that of the MSCI Europe ex UK Index.

Equity-related securities include but are not limited to depository receipts, convertible securities, equity-linked notes (debt securities linked to the performance of an equity security) warrants, and bonds convertible into common or preferred shares. The Fund may also invest in other transferable securities, money market instruments, cash, near cash, deposits, shares in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates) and derivatives.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

### Synthetic risk and reward indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The highlighted area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk				
←							→
1	2	3	4	5	6	7	

The Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. The synthetic risk and reward indicator shown here is accurate as at 31 December 2015 and there has been no change to this ranking during the year. The lowest category 1 does not mean a risk-free investment.

Further details of the risk profile can be found in the latest KIID, which is available on our website.

### Market review

Following an eventful start to 2015 and the recent volatility witnessed in global equity markets, European equities were down over the period from the Fund's inception to end-December 2015. At the sector level, basic materials and telecoms were among the worst performers. In contrast, healthcare and technology did well. In the second half of the reporting period, the European Central Bank (ECB) offered reassurance that it stands ready to provide more monetary stimulus, should slower global growth and the issues in China affect the Eurozone economy.

Mario Draghi, the head of the European Central Bank (ECB), was also heard to make promises in November, stating that the monetary authority's decision makers would "do what they must to raise inflation as quickly as possible". December's rhetoric was disappointing, however. The ECB announced plans to raise the amount it is currently charging banks to look after their cash deposits in an effort to encourage them to lend more money. Unfortunately, investors were left unimpressed by the increase of just 0.1%. The decision to extend the length of the monetary authority's bond purchase scheme, but without increasing the value of the monthly transactions, was also met with indifference.

### Portfolio review

At asset level, the Fund benefited from its overweight position in Securitas, the Swedish security services company. An increase in demand for traditional guard services helped to push the share price higher over the reporting period. Securitas registered a positive score according to our measures of trend and momentum.

The overweight position in Renault also had a positive influence on returns. Upbeat commentary from management about regaining market share in Europe and resolving supply chain issues boosted the share price over the period. Renault scored highly on our measure of analyst sentiment.

On the downside, an overweight position in Aryzta, the Swiss bakery chain, acted as a detractor to performance. Aryzta's share price fell on investor scepticism about the company's intention to buy a stake in Picard, the French retailer. Aryzta had a positive score on our prudent management metrics.

### **Outlook**

Surveys of Eurozone economic activity rose to multi-year highs in the fourth quarter, boding well for gross domestic product growth. Strong business sentiment, rising profits and increased capacity utilisation are all positives for the investment outlook. Meanwhile, with firms' hiring intentions rising and inflation remaining low, household disposable income growth should remain strong, supporting consumer spending. Worryingly for the European Central Bank (ECB), however, market-derived inflation expectations are close to the lows from 2015. This has increased the chances of further monetary stimulus – with ECB President Draghi recently dropping a strong hint that more stimulus could soon be added.

### **Aberdeen Asset Managers Limited**

January 2016

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# Comparative table

As at 31 December 2015

## Net asset value and ongoing charges figure

### Share Class B - Accumulation

	Final 31/12/15 (p)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(1.37)
Operating charges	(0.32)
Return after operating charges*	(1.69)
Closing net asset value per share	98.31
Retained distributions on accumulation shares*	1.95
* After direct transaction costs of: <sup>A</sup>	0.05

### Performance

Return after charges	(1.69%)
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### Other information

Closing net asset value (£'000)	40,772
Closing number of shares	41,473,867
Operating charges <sup>B</sup>	0.30%
Direct transaction costs	0.05%

### Prices

Highest share price	106.20
Lowest share price	90.52

<sup>A</sup> Please refer to Note 13 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share class B Accumulation was launched 6 March 2015.

# Portfolio statement

As at 31 December 2015

	Holdings	Market value £'000	Total net assets %
<b>AUSTRIA</b>		<b>249</b>	<b>0.61</b>
ANDRITZ	2,337	78	0.19
OMV	8,912	171	0.42
<b>BELGIUM</b>		<b>701</b>	<b>1.72</b>
Anheuser-Busch InBev	3,436	290	0.71
Delhaize	3,885	257	0.63
KBC	2,670	114	0.28
Solvay	545	40	0.10
<b>DENMARK</b>		<b>1,709</b>	<b>4.19</b>
AP Moeller - Maersk 'A' Shares	42	37	0.09
AP Moeller - Maersk 'B' Shares	158	140	0.34
Carlsberg	1,328	80	0.20
Danske Bank	7,675	140	0.34
ISS	11,188	275	0.67
Novo Nordisk	17,285	683	1.68
TDC	32,744	111	0.27
Vestas Wind Systems	3,322	159	0.39
William Demant	1,301	84	0.21
<b>FINLAND</b>		<b>980</b>	<b>2.41</b>
Fortum	654	7	0.02
Metso	9,687	148	0.36
Nokia	43,341	211	0.52
Nokian Renkaat	1,771	43	0.11
Orion	3,023	71	0.17
UPM-Kymmene	35,796	456	1.12
Wartsila	1,403	44	0.11
<b>FRANCE</b>		<b>8,589</b>	<b>21.07</b>
Aeroports de Paris	1,546	122	0.30
Alcatel-Lucent	362	1	-
Atos	4,997	285	0.70
AXA	19,276	358	0.88
BNP Paribas	10,472	403	0.99
Bollore	18	-	-
Cap Gemini	7,189	453	1.11
Carrefour	1,672	33	0.08
Casino Guichard Perrachon	4,847	151	0.37
Christian Dior	2,631	304	0.75
Cie Generale des Etablissements Michelin	2,603	169	0.41
CNP Assurances	2,056	19	0.05
Credit Agricole	13,698	110	0.27
Danone	4,465	205	0.50
Dassault Systemes	1,442	78	0.19
Essilor International	2,681	227	0.56
Fonciere Des Regions <sup>A</sup>	364	22	0.05

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>FRANCE (continued)</b>			
GDF Suez	14,432	174	0.43
Klepierre <sup>A</sup>	271	8	0.02
L'Oreal	2,517	288	0.71
LVMH Moet Hennessy Louis Vuitton	3,515	375	0.92
Natixis	19,346	74	0.18
Orange	52,900	603	1.48
Peugeot	11,430	137	0.34
Renault	5,702	389	0.95
Safran	6,324	295	0.72
Sanofi	16,313	945	2.32
Schneider Electric	7,554	294	0.72
SCOR	10,070	256	0.63
Societe BIC	670	75	0.18
Societe Generale	6,508	204	0.50
Sodexo	4,248	282	0.69
Thales	994	51	0.13
TOTAL	9,181	279	0.68
Valeo	1,944	204	0.50
Vinci	4,762	208	0.51
Vivendi	34,733	508	1.25
<b>GERMANY</b>		<b>7,670</b>	<b>18.81</b>
adidas	919	61	0.15
Allianz	4,557	551	1.35
BASF	1,675	87	0.21
Bayer	6,471	554	1.36
Bayerische Motoren Werke	425	31	0.08
Bayerische Motoren Werke Preference Shares	694	40	0.10
Commerzbank	11,807	83	0.20
Continental	1,750	290	0.71
Daimler	6,813	391	0.96
Deutsche Annington Immobilien	5,053	107	0.26
Deutsche Bank	11,655	194	0.48
Deutsche Lufthansa	15,888	171	0.42
Deutsche Telekom	32,263	397	0.97
E.ON	30,872	204	0.50
Evonik Industries	9,455	213	0.52
Fraport AG Frankfurt Airport Services Worldwide	3,562	154	0.38
Fresenius	6,153	300	0.74
Fresenius Medical Care	2,369	136	0.33
GEA	2,207	61	0.15
Hannover Rueck	2,666	208	0.51
HeidelbergCement	750	42	0.10
Henkel	1,111	72	0.18
Henkel Preference Shares	2,022	154	0.38
HUGO BOSS	256	14	0.03
Infineon Technologies	3,794	38	0.09

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>GERMANY (continued)</b>			
K+S	1,643	29	0.07
LANXESS	3,491	110	0.27
Linde	2,960	293	0.72
Merck	5,187	343	0.84
METRO	4,176	91	0.22
Muenchener Rueckversicherungs-Gesellschaft	3,545	484	1.19
OSRAM	4,289	123	0.30
Porsche Automobil Preference Shares	699	26	0.06
ProSiebenSat.1 Media	8,479	292	0.72
RWE	37,093	319	0.78
SAP	5,687	308	0.76
Siemens	7,252	480	1.18
Volkswagen Preference Shares	1,958	194	0.48
Zalando	916	25	0.06
<b>IRELAND</b>		<b>1,020</b>	<b>2.50</b>
Aberdeen Sterling Liquidity Fund Advisory <sup>†</sup>	844,861	845	2.07
CRH	8,916	175	0.43
<b>ITALY</b>		<b>1,527</b>	<b>3.76</b>
Atlantia	12,639	228	0.56
Banca Monte dei Paschi di Siena	14,622	13	0.03
Banco Popolare	8,910	84	0.21
Enel	3,994	11	0.03
Eni	39,951	406	1.00
Finmeccanica	2,922	28	0.07
Intesa Sanpaolo	106,127	242	0.59
Intesa Sanpaolo Preferred Stock	11,028	23	0.06
Mediobanca	6,708	44	0.11
Telecom Italia Preferred Stock	277,412	194	0.48
UBI BANCA Rights 12/02/16	10,317	-	-
UniCredit	47,915	181	0.44
Unione di Banche Italiane	10,317	47	0.12
UnipolSai	14,717	26	0.06
<b>LUXEMBOURG</b>		<b>67</b>	<b>0.16</b>
RTL	653	37	0.09
SES	1,599	30	0.07
<b>NETHERLANDS</b>		<b>3,952</b>	<b>9.70</b>
Aegon	11,169	43	0.11
AerCap	1,101	32	0.08
Airbus	2,337	107	0.26
Akzo Nobel	2,538	115	0.28
Boskalis Westminster	7,394	205	0.50
Fiat Chrysler Automobiles	20,889	199	0.49
Gemalto	123	5	0.01

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>NETHERLANDS (continued)</b>			
Heineken (BATS European Listing)	8,598	450	1.10
Heineken (TOM MTF Listing)	2,582	150	0.37
ING	22,871	210	0.52
Koninklijke Ahold	36,794	528	1.30
Koninklijke KPN	39,793	102	0.25
NN	14,422	346	0.85
NXP Semiconductors	1,437	82	0.20
QIAGEN	6,340	118	0.29
Randstad	6,884	292	0.72
RELX	12,238	140	0.34
Unilever	12,985	384	0.94
Wolters Kluwer	19,449	444	1.09
<b>NORWAY</b>		<b>745</b>	<b>1.82</b>
DNB	16,419	138	0.34
Gjensidige Forsikring	3,141	34	0.08
Norsk Hydro	29,588	75	0.18
Orkla	24,039	129	0.32
Telenor	19,915	226	0.55
Yara International	4,871	143	0.35
<b>PORTUGAL</b>		<b>95</b>	<b>0.23</b>
Banco Comercial Portugues	901,559	32	0.08
EDP - Energias de Portugal	25,837	63	0.15
<b>SPAIN</b>		<b>2,075</b>	<b>5.09</b>
ACS Actividades de Construccion y Servicios	14,508	285	0.70
Aena	2,050	159	0.39
Amadeus IT	5,510	164	0.40
Banco Bilbao Vizcaya Argentaria	62,833	312	0.77
Banco de Sabadell	53,953	65	0.16
Banco Popular Espanol	19,104	43	0.11
Banco Santander	137,744	462	1.13
Bankia	35,281	28	0.07
Bankinter	3,835	18	0.04
CaixaBank	24,144	57	0.14
Gas Natural SDG	8,685	120	0.29
Grifols	1,517	48	0.12
Iberdrola	25,358	121	0.30
International Consolidated Airlines	15,098	91	0.22
Mapfre	15,816	27	0.07
Repsol	5,139	38	0.09
Repsol Rights 25/02/16	5,139	2	-
Telefonica	4,650	35	0.09

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>SWEDEN</b>		<b>2,968</b>	<b>7.26</b>
Alfa Laval	18,986	238	0.58
Atlas Copco 'B' Shares	6,669	105	0.26
Boliden	23,520	271	0.66
Electrolux	10,095	167	0.41
Getinge	5,866	105	0.26
Industrivarden	4,038	47	0.11
Nordea Bank	32,897	248	0.61
Securitas	16,604	175	0.43
Skandinaviska Enskilda Banken	1,068	8	0.02
Skanska	28,249	376	0.92
Svenska Cellulosa	25,008	495	1.21
Svenska Handelsbanken	11,637	106	0.26
Swedbank	628	9	0.02
Swedish Match	16,921	409	1.00
Telefonaktiebolaget LM Ericsson	1,552	10	0.02
TeliaSonera	52,999	180	0.44
Volvo	2,945	19	0.05
<b>SWITZERLAND</b>		<b>8,171</b>	<b>20.05</b>
Actelion	801	76	0.19
Adecco	8,483	396	0.97
Aryzta	1,649	57	0.14
Baloise	1,745	151	0.37
Chocoladefabriken Lindt & Sprungli	11	46	0.11
Cie Financiere Richemont	386	19	0.05
Credit Suisse	19,233	283	0.69
Galenica	44	47	0.12
Givaudan	283	349	0.86
LafargeHolcim	1,412	48	0.12
Lonza	3,909	432	1.06
Nestle	33,487	1,692	4.15
Novartis	17,961	1,057	2.59
Pargesa	1,786	77	0.19
Roche	5,329	998	2.45
Schindler	1,782	204	0.50
Schindler Participation Certificate	555	63	0.15
Sika	79	194	0.48
Sonova	1,515	131	0.32
Swatch	4,328	199	0.49
Swiss Prime Site	1,520	81	0.20
Swiss Re	5,154	343	0.84
Swisscom	33	11	0.03
Syngenta	923	245	0.60
Transocean	24,697	209	0.51
UBS	39,086	517	1.27
Zurich Insurance	1,404	246	0.60



## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>DERIVATIVES</b>		14	0.03
<b>Forwards Currency Contracts</b>			
<b>Euro</b>			
Bought EUR1,135,630 for GBP824,547 Settlement 24/03/2016		14	0.03
Bought EUR52,500 for GBP38,386 Settlement 24/03/2016		-	-
<b>Swiss Franc</b>			
Bought CHF174,580 for GBP117,644 Settlement 24/03/2016		1	-
Sold CHF5,000 for GBP3,414 Settlement 24/03/2016		-	-
<b>Futures Contracts</b>			
EURO STOXX 50 Index Futures March 2016	2	(5)	(0.01)
Swiss Market Index Futures March 2016	36	4	0.01
<b>Options</b>			
Euro Stoxx 50 Index 3525 Call Option January 2016	10	-	-
<b>Portfolio of investments<sup>^</sup></b>		40,532	99.41
<b>Net other assets</b>		240	0.59
<b>Total net assets</b>		40,772	100.00

<sup>^</sup> Real Estate Investment Trust (REIT).

<sup>^</sup>Including derivative liabilities.

<sup>^</sup>This investment is a related party (see note 9).

Collective investment schemes are regulated within the meaning of the FCA rules, equity investment instruments are quoted on a listed securities market, unless otherwise stated. Derivative contracts can be exchange traded on a regulated market or over the counter (OTC).

## Statement of total return

For the period 6 March 2015 to 31 December 2015

	Notes	31/12/15	
		£'000	£'000
Income			
Net capital losses	1		(2,213)
Revenue	2	1,027	
Expenses	3	(87)	
Interest payable and similar charges		(2)	
Net revenue before taxation		938	
Taxation	4	(101)	
Net revenue after taxation			837
<b>Total return before distributions</b>			<b>(1,376)</b>
Distributions	5		(837)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(2,213)</b>

## Statement of change in net assets attributable to shareholders

For the period 6 March 2015 to 31 December 2015

	31/12/15	
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-
Assets transferred from other funds <sup>A</sup>		37,091
Amounts receivable on creation of shares	13,533	
Less: Amounts payable on cancellation of shares	(8,596)	
		4,937
Dilution adjustment		15
Change in net assets attributable to shareholders from investment activities		(2,213)
Retained distribution on accumulation shares		942
<b>Closing net assets attributable to shareholders</b>		<b>40,772</b>

<sup>A</sup> Relating to the transfer of assets from the Scottish Widows European (Ex UK) Equity Fund.

Notes to the financial statements are on pages 26 to 33.

# Balance sheet

As at 31 December 2015

	Notes	31/12/15 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments		40,537
<b>Current assets</b>		
Debtors	6	140
Cash and bank balances	7	177
<b>Total assets</b>		<b>40,854</b>
<b>Liabilities</b>		
Investment liabilities		(5)
<b>Creditors</b>		
Bank overdrafts		(5)
Other creditors	8	(72)
<b>Total liabilities</b>		<b>(82)</b>
<b>Net assets attributable to shareholders</b>		<b>40,772</b>

Notes to the financial statements are on pages 26 to 33.

# Notes to the financial statements

For the year ended 31 December 2015

## 1. Net capital losses

The net capital losses during the period comprise:

	31/12/15
	£'000
Non-derivative securities	(2,025)
Future and option contracts	(159)
Forward foreign exchange currency contracts	(10)
Currency gains	6
Handling charges	(25)
<b>Net capital losses</b>	<b>(2,213)</b>

## 2. Revenue

	31/12/15
	£'000
Overseas taxable revenue	(1)
Overseas non-taxable revenue	1,004
Distributions from Regulated Collective Investment Schemes:	
Offshore distribution taxable	5
UK scrip dividends	18
Property revenue from overseas REITs - non-taxable	1
<b>Total revenue</b>	<b>1,027</b>

## 3. Expenses

	31/12/15
	£'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>	
ACD's periodic charge	71
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>	
Depositary's fees	3
Safe custody fees	5
	8
<b>Other expenses</b>	
Audit fee	7
Printing and publishing fees	1
Registration fees	35
Expense capping adjustment <sup>^</sup>	(35)
	8
<b>Total expenses</b>	<b>87</b>

<sup>^</sup> No Registration fee is currently deducted but is borne by the ACD.

Expenses include irrecoverable VAT where applicable.

## Notes to the financial statements (continued)

### 4. Taxation

	31/12/15 £'000
(a) <b>Analysis of charge in year:</b>	
Irrecoverable overseas tax	101
(b) <b>Factors affecting the total tax charge for the year:</b>	
The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20%. The differences are explained below:	
Net revenue before taxation	938
Corporation tax of 20%	188
<b>Effects of:</b>	
Non-taxable scrip dividends	(4)
Overseas non-taxable revenue	(201)
Movement in excess management expenses	17
Irrecoverable overseas tax	101
<b>Current tax charge for period (note 5a)</b>	<b>101</b>

*OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.*

### (c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current year.

### (d) Factors that may affect future tax charges:

At the period end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £16,862 relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

### 5. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	31/12/15 £'000
Interim	885
Final	57
	942
Add: Revenue deducted on cancellation of shares	7
Deduct: Revenue received on creation of shares	(112)
<b>Net distributions for the period</b>	<b>837</b>

Details of the distribution per share is set out in the distribution tables on page 34.

## Notes to the financial statements (continued)

### 6. Debtors

	31/12/15
	£'000
Accrued revenue	4
Expense capping adjustment recoverable	35
Overseas tax recoverable	101
<b>Total debtors</b>	<b>140</b>

### 7. Cash and bank balances

	31/12/15
	£'000
Cash and bank balances	89
Amounts held at futures clearing houses and brokers	88
<b>Total cash and bank balances</b>	<b>177</b>

### 8. Other creditors

	31/12/15
	£'000
Accrued expenses	72

### 9. Related party transactions

Aberdeen Fund Managers Limited, ("the ACD") is a related party.

Aberdeen Fund Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of change in net assets attributable to shareholders. Amounts due to/from Aberdeen Fund Managers Limited in respect of share transactions at the period end are included in the Balance Sheet.

Amounts paid to Aberdeen Fund Managers Limited in respect of ACD fees are disclosed in note 3, with £6,822 due at the period end.

Holdings of Aberdeen Asset Fund Management Limited Collective Investment Schemes are disclosed in the portfolio statement and transactions in these are shown in the summary of material portfolio changes.

#### *Shares held by associates of the ACD*

On 31 December 2015, shares held as a percentage of the Fund's value were:

	31/12/15
	%
ACD and associates of the ACD	4.27
Material shareholders:	
State Street Nominees Ltd held 82.21% of the Fund at 31 December 2015.	

## Notes to the financial statements (continued)

### 10. Share classes

The Fund has one share class in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class B - Accumulation:	0.20

The net asset value of this share class, the net asset value per share and the number of shares in this class is given in the Comparative Table on page 17. The distributions per share class are given in the Distribution tables on page 34.

Reconciliation of the shares movement in the period.

	Opening shares in issue	Creations	Cancellations	Shares converted	31/12/15 Closing shares in issue
Share Class B - Accumulation	-	50,444,572	(8,970,705)	-	41,473,867

### 11. Capital commitments and contingent liabilities

As at 31 December 2015, the Fund had no capital commitments and no contingent liabilities.

### 12. Risk management policies and disclosures

A statement of the Fund's objective and the policy for achieving it has been included on page 15. The risks inherent in the Fund's investment portfolio are as follows:

#### (1) Market price risk

##### (a) Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

The following tables detail the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

The Fund had the following net currency exposure:

	Currency exposure 31/12/15 £'000
<b>Currency</b>	
Danish krone	1,711
Euro	26,962
Norwegian krone	747
Swedish krona	2,969
Swiss franc	8,307
US dollar	113
<b>Total</b>	<b>40,809</b>

The Fund manages the currency risk on the initial purchase of investments denominated in foreign currencies. The Fund does not hedge or otherwise seek to avoid movement risk on the subsequent gains/losses on the settling value.

## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures (continued)

#### (b) Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing including instruments used to hedge against changes in interest rates.

The interest rate risk profile of the Fund's investments at the year end consists of:

	Floating rate investment £'000	Fixed rate investment £'000	Non-interest bearing investment £'000	Total £'000
<b>31/12/15</b>				
<b>Currency</b>				
Sterling	133	-	(170)	(37)
Danish krone	-	-	1,711	1,711
Euro	41	-	26,921	26,962
Norwegian krone	-	-	747	747
Swedish krona	-	-	2,969	2,969
Swiss franc	-	-	8,307	8,307
US dollar	(2)	-	115	113
<b>Total</b>	<b>172</b>	<b>-</b>	<b>40,600</b>	<b>40,772</b>

#### (c) Other price risk

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

#### (2) Counterparty risk

As at 31 December 2015 the Fund has no exposure to debt securities.



## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures (continued)

#### Financial derivatives

The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements.

Financial derivative instrument (FDI) exposure <sup>A</sup>	31/12/15
Exchange traded derivatives (ETDs)	989,482
Over the counter derivatives (OTCs)	-
Forward foreign exchange (FFX)	999,602
<b>Total FDI exposure</b>	<b>1,989,084</b>
Total FDI exposure as a percentage of the Fund's value	5%

<sup>A</sup> FDI exposure is calculated using the sum of the notionals on each derivative position

Efficient portfolio management (EPM) techniques	31/12/15
Gross revenues arising from repurchase orders (repos)	-
Gross revenues arising from stocklending	-
Direct operational costs and fees incurred for stocklending (stocklending agent costs)	-
Indirect operational costs and fees incurred for stocklending (Investment Adviser operational costs)	-
<b>Net revenue generated for the Fund during the annual accounting period</b>	<b>-</b>
Underlying exposure obtained through EPM techniques <sup>†</sup>	1,989,084
<b>Uncollateralised counterparty exposure</b>	
No uncollateralised counterparty exposure	-
<b>Collateral</b>	
The type and amount of collateral received to reduce counterparty exposure:	
No collateral received	-

#### Notes:

Receipt of collateral reduced counterparty exposure in relation to OTC positions and stocklending.

<sup>†</sup> The Investment Adviser has entered into an indemnified stocklending programme with State Street Bank and Trust Company (SSBTC), who is a related party to the Depositary. The counterparty exposure for stocklending activities is therefore to SSBTC. Any collateral received in relation to these activities is not invested in asset types that are required to be included in the global exposure calculations in accordance with the commitment approach.

The counterparty exposure and therefore the amount of collateral received is, however, calculated in a different way to the FDI exposure above. For example, one S&P 500 index futures contract obligates the buyer to 250 units of the S&P 500 index. If the index is trading at \$1,000, then the single futures contract is similar to investing \$250,000 (250 x \$1,000). Therefore, \$250,000 is the notional value of the contract and is the basis on which the FDI exposure figures above are shown.

The counterparty exposure, however, would be the amount that the Fund would lose if the counterparty defaulted, i.e. the unrealised profit of the trade. It is therefore a different amount to the sum of the notionals.

#### Leverage

No leverage has been employed during the year.

### (3) Liquidity risk

All of the Fund's financial liabilities are payable on demand or in less than one year.

## Notes to the financial statements (continued)

### 13. Portfolio transaction costs

Analysis of total trade costs

	Purchases 31/12/15 £'000	Sales 31/12/15 £'000
Equities	79,034	36,519
Futures <sup>A</sup>	-	-
Trades in the year before transaction costs	79,034	36,519
<b>Commissions</b>		
Equities	2	(1)
Futures <sup>A</sup>	-	-
Total commissions	2	(1)
<b>Taxes</b>		
Equities	17	-
Futures <sup>A</sup>	-	-
Total taxes	17	-
Total costs	19	(1)
<b>Total net trades in the year after transaction costs</b>	<b>79,053</b>	<b>36,518</b>

<sup>A</sup> Purchases and/or sales of future contracts do not incur transaction costs and have been included at the value of their exposure.

Total transaction cost expressed as a percentage of asset type cost

	Purchases 31/12/15 %	Sales 31/12/15 %
<b>Commissions</b>		
Equities	-	-
Futures	-	-
<b>Taxes</b>		
Equities	0.02	-
Futures	-	-

Total transaction cost expressed as a percentage of net asset value

	31/12/15 %
Commissions	-
Taxes	0.04
Total costs	0.04

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

The average portfolio dealing spread at the balance sheet date was 0.07%.

## Notes to the financial statements (continued)

### 14. Fair value

Valuation technique	31/12/15	
	Assets £'000	Liabilities £'000
Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	39,677	5
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	860	-
<b>Total fair value</b>	<b>40,537</b>	<b>5</b>

# Distribution table

For the year ended 31 December 2015

## Interim dividend distribution

Group 1: Shares created for initial seeding of Fund prior to 6 March 2015

Group 2: Shares purchased 6 March 2015 to 30 June 2015

	Net revenue (p)	Equalisation (p)	Distribution paid 31/08/15 (p)
<b>Share Class B - Accumulation</b>			
Group 1	1.8097	-	1.8097
Group 2	1.4666	0.3431	1.8097

## Final dividend distribution

Group 1: Shares purchased prior to 1 July 2015

Group 2: Shares purchased 1 July 2015 to 31 December 2015

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/16 (p)
<b>Share Class B - Accumulation</b>			
Group 1	0.1393	-	0.1393
Group 2	0.1292	0.0101	0.1393

## Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Aberdeen Financial Equity Fund

For the year ended 31 December 2015

## Report of the Authorised Fund Manager

The Fund suspended dealings at 12.00pm on 18 June 2015, the Fund closed on 19 June 2015. As such there is no performance data or ongoing charge figure as at 31 December 2015.

### Investment objective and policy

The aim of this Fund is to provide competitive long-term growth through direct and indirect investment principally in securities issued by UK and overseas financial institutions such as banking, insurance, financial services and property companies, and investment trusts.

The Fund may also invest in other transferable securities, money market instruments, deposits, cash and near cash, derivatives and collective investment schemes, and may hold securities of any duration.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

### Investment review

Please note, as this Fund closed on 19 June 2015, the below information will cover information up to this date only.

### Cumulative performance (%)

	Period of report 31/12/14 to 18/06/15 <sup>D</sup>	5 years 31/12/10 to 18/06/15 <sup>D</sup>	Since launch 24/09/03 to 18/06/15 <sup>D</sup>
Fund - A Income <sup>A</sup>	0.08	12.91	86.79
Benchmark <sup>B</sup>	0.83	7.90	85.86

### Discrete performance (%)

	31/12/14 to 18/06/15	31/12/13 to 31/12/14	31/12/12 to 31/12/13	31/12/11 to 31/12/12	31/12/10 to 31/12/11
% Change <sup>A</sup>	0.08	3.39	23.33	13.88	(22.30)
Gross Return <sup>C</sup>	3.11	4.62	25.35	16.26	(20.13)

<sup>A</sup> Aberdeen Financial Equity Fund A Income share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

<sup>B</sup> FTSE World Financials index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.

<sup>C</sup> Aberdeen Financial Equity Fund in GBP at close of business; Revenue (net of tax) reinvested and gross of expenses; Source: Aberdeen.

<sup>D</sup> The Fund's net return reflects closure activity prior to the closure date.

Past performance is not a guide to future results. The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.

### Market review

During the six months under review, asset prices continued to be buoyed by accommodative monetary policy from major central banks. As the European Central Bank launched its quantitative easing programme, disappointing economic data in China and Japan fuelled hopes of further stimulus. Beijing continued to lower benchmark rates and lenders' reserve ratios, after 2014 GDP missed official targets for the first time in 17 years. At the same time, weaker-than-expected economic growth in the US pushed back expectations of a Fed interest rate hike. The US economy contracted by 0.2% in the first quarter of 2015, as the strong dollar weighed on exporters.

However, gains were pared towards the end of the period by escalating instability in the Middle East. Jitters also intensified over the Greek debt talks. The nation closed its banks and imposed capital controls after negotiations with its creditors collapsed. In China, still-underwhelming economic data, along with a sharp fall in its equity markets, led the central bank to cut rates by another 25 basis points in late June.

### Portfolio review

The Aberdeen Financial Equity Fund rose by 2.61% over the period, outperforming the benchmark's gain of 1.67%.

At the stock level, AIA and Aeon Financial Service were among the key contributors to relative return. Hong-Kong based insurance company AIA delivered excellent full-year results on the back of resilient volumes and widening margins, while Japan's Aeon Financial Service was buoyed by the better-than-expected results reported by its Asian subsidiaries. US-listed property management firm Jones Lang Lasalle also contributed positively, making strong gains on the back of robust earnings growth.

### **Portfolio review (continued)**

Conversely, Brazilian holdings Banco Bradesco and Iguatemi detracted from performance. Sentiment in Brazil was dampened by the weakening economic outlook, the Petrobras corruption scandal, and the government's decision to raise taxes on financial institutions, in an attempt to boost revenues and reverse the fiscal deficit. Despite posting solid first-quarter results, with net earnings lifted by higher interest income, Bradesco's shares dipped amid concerns that the tax hikes aimed at financial institutions will erode profitability across the sector. Mall operator Iguatemi was weighed down by the muted consumer environment. However, it posted decent results, with solid growth in rental income reflecting its high-quality malls.

### **Aberdeen Asset Managers Limited**

January 2016

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# Comparative table

As at 31 December 2015

## Net asset value and ongoing charges figure

### Share Class A - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	2,508.69	2,438.92	1,990.67
Return before operating charges*	78.08	121.27	504.00
Operating charges	(37.54)	(39.42)	(40.09)
Return after operating charges*	40.54	81.85	463.91
Distributions on income shares	(22.66)	(12.08)	(15.66)
Return to shareholder as a result of class closure	(2,526.57)	-	-
Closing net asset value per share	-	2,508.69	2,438.92
* After direct transaction costs of: <sup>A</sup>	-	3.34	3.92

### Performance

Return after charges		3.36%	23.30%
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### Other information

Closing net asset value (£'000)	-	60,384	63,031
Closing number of shares	-	2,406,981	2,584,375
Operating charges <sup>B</sup>	-	1.65%	1.64%
Direct transaction costs	-	0.14%	0.16%

### Prices

Highest share price	2,766.00	2,540.00	2,451.00
Lowest share price	2,479.00	2,266.00	2,012.00

<sup>A</sup> Please refer to Note 13 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class A Income closed on 19 June 2015.

## Comparative table (continued)

### Share Class B - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	105.26	102.35	100.00
Return before operating charges*	2.11	4.21	2.40
Operating charges	(0.05)	(0.01)	(0.05)
Return after operating charges*	2.06	4.20	2.35
Distributions on income shares	(1.34)	(1.29)	-
Return to shareholder as a result of class closure	(105.98)	-	-
Closing net asset value per share	-	105.26	102.35
* After direct transaction costs of: <sup>A</sup>	-	-	0.16

### Performance

Return after charges		4.10%	2.35%
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### Other information

Closing net asset value (£'000)	-	64	2
Closing number of shares	-	60,693	2,000
Operating charges <sup>B</sup>	-	0.90%	0.89%
Direct transaction costs	-	0.14%	0.16%

### Prices

Highest share price	116.30	106.90	102.60
Lowest share price	104.10	95.31	98.70

<sup>A</sup> Please refer to Note 13 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class B Income closed on 19 June 2015.



# Portfolio statement

As at 31 December 2015

	Holdings	Market value £'000	Total net assets %
AUSTRALIA (2.85% <sup>A</sup> )		-	-
AUSTRIA (1.85% <sup>A</sup> )		-	-
BRAZIL (7.18% <sup>A</sup> )		-	-
CANADA (4.92% <sup>A</sup> )		-	-
FRANCE (3.22% <sup>A</sup> )		-	-
HONG KONG (5.74% <sup>A</sup> )		-	-
INDIA (1.02% <sup>A</sup> )		1,251	-
Housing Development Finance	97,100	1,251	-
JAPAN (7.86% <sup>A</sup> )		-	-
JERSEY, C.I (2.65% <sup>A</sup> )		-	-
PHILIPPINES (1.52% <sup>A</sup> )		-	-
SINGAPORE (4.04% <sup>A</sup> )		-	-
SOUTH AFRICA (1.87% <sup>A</sup> )		-	-
SWEDEN (4.96% <sup>A</sup> )		-	-
SWITZERLAND (3.37% <sup>A</sup> )		-	-
THAILAND (3.18% <sup>A</sup> )		-	-
UNITED KINGDOM (14.09% <sup>A</sup> )		-	-
UNITED STATES OF AMERICA (29.53% <sup>A</sup> )		-	-
Portfolio of investments		1,251	-
Net other liabilities		(1,251)	-
<b>Total net assets</b>		-	-

<sup>A</sup> Comparative figures shown in brackets relate to 31 December 2014.

Equity investment instruments are quoted on a listed securities market, unless otherwise stated.

## Statement of total return

For the year ended 31 December 2015

	Notes	31/12/15		31/12/14	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	1		(354)		1,630
Revenue	2	1,089		1,395	
Expenses	3	(471)		(984)	
Interest payable and similar charges		-		-	
Net revenue before taxation		618		411	
Taxation	4	(63)		(105)	
Net revenue after taxation			555		306
<b>Total return before distributions</b>			<b>201</b>		<b>1,936</b>
Distributions	5		(537)		(306)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(336)</b>		<b>1,630</b>

## Statement of change in net assets attributable to shareholders

For the year ended 31 December 2015

	31/12/15		31/12/14	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>60,448</b>		<b>63,033</b>
Assets transferred to other funds <sup>A</sup>		(57,777)		-
Amounts receivable on creation of shares	61		110	
Less: Amounts payable on cancellation of shares	(2,401)		(4,326)	
		(2,340)		(4,216)
Dilution adjustment		4		-
Change in net assets attributable to shareholders from investment activities		(336)		1,630
Unclaimed distributions		1		1
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>60,448</b>

<sup>A</sup> Relating to the transfer of assets to the Aberdeen ICVC Aberdeen Financial Equity Fund.

Notes to the financial statements are on pages 42 to 49.

# Balance sheet

As at 31 December 2015

	Notes	31/12/15 £'000	31/12/14 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		1,251	60,355
<b>Current assets</b>			
Debtors	6	-	92
Cash and bank balances		26	208
<b>Total assets</b>		<b>1,277</b>	<b>60,655</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		-	(69)
Other creditors	7	(1,277)	(138)
<b>Total liabilities</b>		<b>(1,277)</b>	<b>(207)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>	<b>60,448</b>

Notes to the financial statements are on pages 42 to 49.

# Notes to the financial statements

For the year ended 31 December 2015

## 1. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	31/12/15	31/12/14
	£'000	£'000
Non-derivative securities	(308)	1,665
Currency losses	(46)	(32)
Handling charges	-	(3)
<b>Net capital (losses)/gains</b>	<b>(354)</b>	<b>1,630</b>

## 2. Revenue

	31/12/15	31/12/14
	£'000	£'000
UK dividends	118	245
Overseas taxable revenue	20	9
Overseas non-taxable revenue	670	1,034
Property revenue from UK REITs - PID	-	9
Property revenue from UK REITs - Non PID	-	17
Property revenue from UK REITs - PID Scrip	-	57
Bank interest	1	4
Interest on capital	36	4
Overseas scrip dividends non-taxable	26	-
Stocklending revenue	7	16
UK scrip dividends	94	-
Property revenue from overseas REITs - taxable	23	-
Property revenue from overseas REITs - non-taxable	94	-
<b>Total revenue</b>	<b>1,089</b>	<b>1,395</b>

## 3. Expenses

	31/12/15	31/12/14
	£'000	£'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	429	901
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	2	5
Safe custody fees	6	9
	8	14
<b>Other expenses:</b>		
Audit fee	-	7
Registration fees	29	62
Professional fees	2	-
ADR	3	-
	34	69
<b>Total expenses</b>	<b>471</b>	<b>984</b>

Expenses include irrecoverable VAT where applicable.

## Notes to the financial statements (continued)

### 4. Taxation

	31/12/15	31/12/14
	£'000	£'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	63	105
<b>(b) Factors affecting the total tax charge for the year:</b>		
The tax assessed for the year is lower than (2014: higher than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2014: 20%). The differences are explained below:		
Net revenue before taxation	618	411
Corporation tax of 20% (2014: 20%)	124	82
<b>Effects of:</b>		
UK dividends <sup>A</sup>	(24)	(49)
Non-taxable scrip dividends	(24)	-
Overseas non-taxable revenue	(153)	(212)
Revenue taxable in different periods	2	(2)
Movement in excess management expenses	77	186
Irrecoverable overseas tax	63	105
Property revenue from UK REITs - Non PID <sup>A</sup>	-	(3)
Overseas tax expensed	(2)	(2)
<b>Current tax charge for year (note 5a)</b>	<b>63</b>	<b>105</b>

<sup>A</sup> As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

### (c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

### (d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £828,408 (31/12/14: £749,463) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

### 5. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	31/12/15	31/12/14
	£'000	£'000
Interim	526	231
Final	-	69
	526	300
Add: Revenue deducted on cancellation of shares	11	6
Deduct: Revenue received on creation of shares	-	-
<b>Net distributions for the year</b>	<b>537</b>	<b>306</b>

Details of the distribution per share is set out in the distribution table on page 50.

## Notes to the financial statements (continued)

### 6. Debtors

	31/12/15	31/12/14
	£'000	£'000
Accrued revenue	-	92

### 7. Other creditors

	31/12/15	31/12/14
	£'000	£'000
Purchases awaiting settlement	-	23
Amounts payable for cancellation of shares	-	11
Accrued expenses	1,277	104
<b>Total other creditors</b>	<b>1,277</b>	<b>138</b>

### 8. Related party transactions

Aberdeen Fund Managers Limited, ("the ACD") is a related party.

Aberdeen Fund Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of change in net assets attributable to shareholders. Amounts due to/from Aberdeen Fund Managers Limited in respect of share transactions at the year end are included in the Balance Sheet.

Amounts paid to Aberdeen Fund Managers Limited in respect of ACD fees are disclosed in note 3, with £nil (31/12/14: £76,815) due at the year end.

### 9. Share classes

The Fund had two share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Income	1.50
Share Class B - Income	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 37 to 38. The distributions per share class are given in the Distribution tables on pages table on page 50. All share classes have the same rights on winding up.

#### Reconciliation of the shares movement in the year

	31/12/14				31/12/15
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class A - Income	2,406,982	1,276	(2,404,875)	(3,383)	-
Share Class B - Income	60,693	26,111	(167,384)	80,580	-

## Notes to the financial statements (continued)

### 10. Capital commitments and contingent liabilities

As at 31 December 2015, the Fund had no capital commitments (31/12/14: £nil) and no contingent liabilities (31/12/14: £nil).

### 11. Securities on loan

The aggregate value of securities on loan at 31 December 2015 is £nil (31/12/14: £2,051,117). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 December 2015 is £nil (31/12/14: £2,209,415). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £8,787 (31/12/14: £20,167) and £1,757 (31/12/14: £4,100).

	31/12/15	31/12/14
Counterparties	£'000	£'000
Credit Suisse Securities	-	118
Deutsche Bank	-	296
Societe Generale	-	624
UBS	-	1,013
<b>Total securities on loan</b>	<b>-</b>	<b>2,051</b>

	31/12/15	31/12/14
Collateral held	£'000	£'000
Equities	-	1,779
Cash	-	430
<b>Total collateral held</b>	<b>-</b>	<b>2,209</b>

## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures

A statement of the Fund's objective and the policy for achieving it has been included on page 35. The risks inherent in the Fund's investment portfolio are as follows:

#### (1) Market price risk

##### (a) Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

The following tables detail the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

	Currency exposure 31/12/15 £'000	Currency exposure 31/12/14 £'000
<b>Currency</b>		
Australian dollar	-	1,721
Brazilian real	-	2,592
Canadian dollar	-	2,985
Euro	-	3,060
Hong Kong dollar	-	3,470
Indian rupee	1,251	618
Japanese yen	-	4,754
Philippine peso	-	918
Singapore dollar	-	2,441
South African rand	-	1,131
Swedish krona	-	2,996
Swiss franc	-	2,039
Thailand baht	-	1,920
US dollar	-	19,646
<b>Total</b>	<b>1,251</b>	<b>50,291</b>

The Fund manages the currency risk on the initial purchase of investments denominated in foreign currencies. The Fund does not hedge or otherwise seek to avoid movement risk on the subsequent gains/losses on the settling value.



## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures (continued)

#### (b) Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing including instruments used to hedge against changes in interest rates.

The interest rate risk profile of the Fund's investments at the year end consists of:

	Floating rate investment £'000	Fixed rate investment £'000	Non-interest bearing investment £'000	Total £'000
<b>31/12/15</b>				
<b>Currency</b>				
Sterling	26	-	(1,277)	(1,251)
Indian rupee	-	-	1,251	1,251
<b>Total</b>	<b>26</b>	<b>-</b>	<b>(26)</b>	<b>-</b>
<b>31/12/14</b>				
<b>Currency</b>				
Sterling	207	-	9,949	10,156
Australian dollar	-	-	1,721	1,721
Brazilian real	-	-	2,592	2,592
Canadian dollar	-	-	2,985	2,985
Euro	-	-	3,060	3,060
Hong Kong dollar	-	-	3,470	3,470
Indian rupee	-	-	618	618
Japanese yen	-	-	4,754	4,754
Philippine peso	-	-	918	918
Singapore dollar	-	-	2,441	2,441
South African rand	-	-	1,131	1,131
Swedish krona	-	-	2,996	2,996
Swiss franc	-	-	2,039	2,039
Thailand baht	-	-	1,920	1,920
US dollar	1	-	19,646	19,647
<b>Total</b>	<b>208</b>	<b>-</b>	<b>60,240</b>	<b>60,448</b>

#### (c) Other price risk

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures (continued)

#### (2) Counterparty risk

As at 31 December 2015 the Fund has no exposure to debt securities.

#### (3) Liquidity risk

All of the Fund's financial liabilities are payable on demand or in less than one year.

### 13. Portfolio transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31/12/15	31/12/14	31/12/15	31/12/14
	£'000	£'000	£'000	£'000
Equities	1,992	56,015	4,268	59,372
Trades in the year before transaction costs	1,992	56,015	4,268	59,372
<b>Commissions</b>				
Equities	2	19	(3)	(15)
Total commissions	2	19	(3)	(15)
<b>Taxes</b>				
Equities	1	48	-	(1)
Total taxes	1	48	-	(1)
Total costs	3	67	(3)	(16)
<b>Total net trades in the year after transaction costs</b>	<b>1,995</b>	<b>56,082</b>	<b>4,265</b>	<b>59,356</b>

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31/12/15	31/12/14	31/12/15	31/12/14
	%	%	%	%
<b>Commissions</b>				
Equities	0.10	0.03	0.07	0.03
<b>Taxes</b>				
Equities	0.05	0.09	-	-

Total transaction cost expressed as a percentage of net asset value

	31/12/15	31/12/14
	%	%
<b>Commissions</b>	<b>0.01</b>	<b>0.06</b>
Taxes	-	-
Total costs	0.01	0.06

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

The average portfolio dealing spread at the balance sheet date was nil (31/12/14: 0.17%).

## Notes to the financial statements (continued)

### 14. Fair value disclosure

Valuation technique	31/12/15		31/12/14	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	1,251	-	60,355	-
<b>Total fair value</b>	<b>1,251</b>	<b>-</b>	<b>60,355</b>	<b>-</b>

# Distribution table

For the year ended 31 December 2015

## Interim dividend distribution

Group 1: Shares purchased prior to 1 January 2015

Group 2: Shares purchased 1 January 2015 to 18 June 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 18/08/15 (p)	Distribution paid 31/08/14 (p)
<b>Share Class A - Income</b>				
Group 1	22.6620	-	22.6620	9.2335
Group 2	20.4233	2.2387	22.6620	9.2335
<b>Share Class B - Income</b>				
Group 1	1.3771	-	1.3771	-
Group 2	0.7641	0.6130	1.3771	-

## Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 0.00% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 100.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Aberdeen Foundation Growth Fund

For the year ended 31 December 2015

## Report of the Authorised Fund Manager

### Investment objective and policy

The Fund aims to achieve long term capital growth and to produce a return that, before charges and expenses, matches the total return of the FTSE All Share Index.

The Fund will invest predominantly in equities. The Fund may also invest in cash, near cash, deposits, other collective investment schemes and other transferable securities.

### Synthetic risk and reward indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The highlighted area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

The Fund is ranked at 5 because the value of the underlying investments are subject to price fluctuations. The synthetic risk and reward indicator shown here is accurate as at 31 December 2015, the ranking changed from 6 to 5 with effect from 9 September 2015 and there has been no further change to this ranking to date. The lowest category 1 does not mean a risk-free investment.

Further details of the risk profile can be found in the latest KIID, which is available on our website.

### Investment review

#### Cumulative performance (%)

	Period of report 31/12/14 to 31/12/15	5 years 31/12/10 to 31/12/15	Since launch 29/03/10 to 31/12/15
Fund - A Accumulation <sup>A</sup>	0.05	4.58	3.22
Benchmark <sup>B</sup>	0.98	6.00	6.54

#### Discrete performance (%)

	31/12/14 to 31/12/15	31/12/13 to 31/12/14	31/12/12 to 31/12/13	31/12/11 to 31/12/12	31/12/10 to 31/12/11
% Change <sup>A</sup>	0.05	(0.86)	19.36	11.61	(5.29)
Gross Return <sup>C</sup>	0.98	1.11	20.65	12.22	(3.44)
Realised Tracking Error <sup>D</sup>	0.06	0.08	0.11	n/a	n/a
Anticipated Tracking Error <sup>E</sup>	0-0.5%	0-0.5%	0-0.5%	n/a	n/a

<sup>A</sup> Aberdeen Foundation Growth Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

<sup>B</sup> FTSE All-Share index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.

<sup>C</sup> Aberdeen Foundation Growth Fund in GBP at close of business; Revenue (net of tax) reinvested and gross of expenses; Source: Aberdeen.

<sup>D</sup> The Realised Tracking Error measures how consistently the Fund follows its benchmark and is defined as being the volatility of differences in returns between the Fund and its benchmark over a 3 year period to 31 December 2015.

<sup>E</sup> The Anticipated Tracking Error calculated using the performance of the Fund against the closing position of the Benchmark Index will be in the region of 0.0 -0.5%. Factors likely to affect the ability of the Fund in meeting this objective are transaction costs, small illiquid components, dividend reinvestment, rebalancing, Fund expenses, significant inflows/outflows and the cash management thereof.

Past performance is not a guide to future results. The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.

### Market review

Following some spells of volatility, wider UK equity markets managed only a small gain over the 12 months, while large cap stocks were slightly down. In part, this was due to weakness in energy and commodity prices. This has had a negative influence throughout 2015 because of the large number of global oil and mining companies that are listed in the UK. At the sector level, the strongest performers were consumer goods and technology, while oil & gas and basic materials suffered the biggest losses.

Recently, concerns about the health of the Chinese economy have also had a negative influence on performance, although October brought something of a rebound. In November, the Bank of England highlighted that the prospect of sustained inflation is remote and that the problems being faced by China and other developing economies could lead to the UK's recovery fizzling out. Accordingly, interest rates were once more held at 0.5%.

But in the US, the Federal Reserve has started the process of raising interest rates for the first time since the onset of the financial crisis. Investors had also been nervous ahead of the Federal Reserve's December rate-setting meeting. When rates were eventually raised, the move was taken as an expression of confidence in the strength of the US economy. While stock markets across the world recovered some of their previous losses, the UK market nevertheless finished slightly lower over the month.

### Portfolio review

In terms of activity, the Fund continued to track the FTSE All-Share index. We therefore periodically rebalanced its holdings in accordance with the changes made by index provider FTSE at its quarterly reviews. Among the top performers in the index over the period were Betfair, McBride, JD Sports Fashion, SuperGroup, Rightmove, NMC Health, Greggs, Rank, Hogg Robinson and RPC. In contrast, Tullow Oil, KAZ Minerals, Nanoco, Game Digital, Glencore, Johnston Press, Premier Oil, Anglo American, Tribal and Lonmin lagged behind.

### Outlook

The UK's expansion is set to continue its pattern of domestic strength largely offsetting external weakness. Improving household spending power should support consumer spending growth, while large cash holdings and easing credit conditions mean that the outlook for business investment growth is encouraging. By contrast, sterling's recent appreciation means that net trade may be a drag on growth this year.

### Aberdeen Asset Managers Limited

January 2016

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# Comparative table

As at 31 December 2015

## Net asset value and ongoing charges figure

### Share Class A - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	40.37	40.48	33.92
Return before operating charges*	0.47	0.34	7.00
Operating charges	(0.47)	(0.45)	(0.44)
Return after operating charges*	-	(0.11)	6.56
Closing net asset value per share	40.37	40.37	40.48
Retained distributions on accumulation shares*	1.03	0.91	0.88
* After direct transaction costs of: <sup>A</sup>	0.02	0.04	0.05

### Performance

Return after charges	-	(0.27%)	19.34%
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### Other information

Closing net asset value (£'000)	2,875	6,275	6,125
Closing number of shares	7,121,892	15,542,541	15,132,412
Operating charges <sup>B</sup>	1.12%	1.12%	1.12%
Direct transaction costs	0.06%	0.10%	0.12%

### Prices

Highest share price	44.70	41.98	40.75
Lowest share price	38.26	37.26	34.81

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class B - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	138.01	136.96	113.60
Return before operating charges*	1.58	1.17	23.48
Operating charges	(0.14)	(0.12)	(0.12)
Return after operating charges*	1.44	1.05	23.36
Closing net asset value per share	139.45	138.01	136.96
Retained distributions on accumulation shares*	5.02	4.51	4.26
* After direct transaction costs of: <sup>A</sup>	0.08	0.13	0.16

#### Performance

Return after charges	1.04%	0.77%	20.56%
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#### Other information

Closing net asset value (£'000)	155,081	85,760	92,507
Closing number of shares	111,205,713	62,138,181	67,545,265
Operating charges <sup>B</sup>	0.10%	0.09%	0.09%
Direct transaction costs	0.06%	0.10%	0.12%

#### Prices

Highest share price	153.41	143.10	137.90
Lowest share price	131.81	127.10	116.60

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.



## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class B - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	124.68	127.84	109.68
Return before operating charges*	1.51	1.13	22.35
Operating charges	(0.13)	(0.11)	(0.11)
Return after operating charges*	1.38	1.02	22.24
Distributions on income shares	(4.50)	(4.18)	(4.08)
Closing net asset value per share	121.56	124.68	127.84
* After direct transaction costs of: <sup>A</sup>	0.07	0.12	0.15

#### Performance

Return after charges	1.11%	0.80%	20.28%
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#### Other information

Closing net asset value (£'000)	144,661	160,023	89,515
Closing number of shares	119,000,079	128,344,371	70,018,329
Operating charges <sup>B</sup>	0.10%	0.09%	0.09%
Direct transaction costs	0.06%	0.10%	0.12%

#### Prices

Highest share price	138.60	132.30	130.50
Lowest share price	116.76	116.50	112.60

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class C - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	136.45	135.66	113.12
Return before operating charges*	1.61	1.15	22.88
Operating charges	(0.40)	(0.36)	(0.34)
Return after operating charges*	1.21	0.79	22.54
Closing net asset value per share	137.66	136.45	135.66
Retained distributions on accumulation shares*	4.71	4.22	3.57
* After direct transaction costs of: <sup>A</sup>	0.08	0.13	0.16

#### Performance

Return after charges	0.89%	0.58%	19.93%
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#### Other information

Closing net asset value (£'000)	32,540	51	3
Closing number of shares	23,638,980	37,578	1,986
Operating charges <sup>B</sup>	0.28%	0.27%	0.27%
Direct transaction costs	0.06%	0.10%	0.12%

#### Prices

Highest share price	151.60	141.50	136.60
Lowest share price	130.17	125.70	116.10

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class C - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	126.80	130.04	111.53
Return before operating charges*	5.38	1.11	22.34
Operating charges	(0.07)	(0.35)	(0.34)
Return after operating charges*	5.31	0.76	22.00
Distributions on income shares	-	(4.00)	(3.49)
Return to shareholder as a result of class closure	(132.11)	-	-
Closing net asset value per share	-	126.80	130.04
* After direct transaction costs of: <sup>A</sup>	0.01	0.12	0.16

#### Performance

Return after charges	-	0.58%	19.73%
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#### Other information

Closing net asset value (£'000)	-	3	3
Closing number of shares	-	1,986	1,986
Operating charges <sup>B</sup>	-	0.27%	0.27%
Direct transaction costs	-	0.10	0.12

#### Prices

Highest share price	135.20	134.50	132.40
Lowest share price	123.60	118.40	114.50

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class C Income closed on 13 March 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class D - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	136.88	136.23	113.28
Return before operating charges*	5.81	1.16	23.43
Operating charges	(0.11)	(0.51)	(0.48)
Return after operating charges*	142.58	0.65	22.95
Return to shareholder as a result of class closure	(142.58)	-	-
Closing net asset value per share	-	136.88	136.23
Retained distributions on accumulation shares*	-	4.08	3.88
* After direct transaction costs of: <sup>A</sup>	0.02	0.13	0.16

#### Performance

Return after charges	-	0.48%	20.26%
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#### Other information

Closing net asset value (£'000)	-	2	22
Closing number of shares	-	1,423	15,861
Operating charges <sup>B</sup>	-	0.37%	0.37%
Direct transaction costs	-	0.10%	0.12%

#### Prices

Highest share price	145.90	142.00	137.10
Lowest share price	133.50	126.20	116.30

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class D Accumulation closed on 13 March 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class K - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	172.94	174.04	146.41
Return before operating charges*	2.04	1.51	30.09
Operating charges	(2.67)	(2.61)	(2.46)
Return after operating charges*	(0.63)	(1.10)	27.63
Closing net asset value per share	172.31	172.94	174.04
Retained distributions on accumulation shares*	3.74	3.25	3.16
* After direct transaction costs of: <sup>A</sup>	0.10	0.17	0.20

#### Performance

Return after charges	(0.36%)	(0.63%)	18.87%
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#### Other information

Closing net asset value (£'000)	936,065	894,588	821,825
Closing number of shares	543,234,950	517,278,300	472,192,190
Operating charges <sup>B</sup>	1.50%	1.50%	1.50%
Direct transaction costs	0.06%	0.10%	0.12%

#### Prices

Highest share price	191.19	180.10	175.20
Lowest share price	163.46	159.80	150.30

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class L - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	124.04	123.19	102.32
Return before operating charges*	1.42	1.12	21.12
Operating charges	(0.28)	(0.27)	(0.25)
Return after operating charges*	1.14	0.85	20.87
Closing net asset value per share	125.18	124.04	123.19
Retained distributions on accumulation shares*	4.34	3.91	3.69
* After direct transaction costs of: <sup>A</sup>	0.07	0.12	0.14

#### Performance

Return after charges	0.92%	0.69%	20.40%
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#### Other information

Closing net asset value (£'000)	99	65	2
Closing number of shares	79,417	52,520	1,988
Operating charges <sup>B</sup>	0.22%	0.22%	0.22%
Direct transaction costs	0.06%	0.10%	0.12%

#### Prices

Highest share price	137.81	128.60	124.00
Lowest share price	118.36	114.30	105.00

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

# Portfolio statement

As at 31 December 2015

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>BERMUDA (0.35%<sup>A</sup>)</b>		<b>3,190</b>	<b>0.26</b>
Aquarius Platinum	813,548	89	0.01
Hiscox	176,261	1,858	0.15
Lancashire	121,926	764	0.06
Petra Diamonds	294,915	258	0.02
Utilico Emerging Markets	131,880	219	0.02
Utilico Emerging Markets (Subscription Shares)	26,376	2	-
<b>CANADA (0.03%<sup>A</sup>)</b>		<b>344</b>	<b>0.03</b>
Entertainment One	205,896	344	0.03
<b>CAYMAN ISLANDS (0.08%<sup>A</sup>)</b>		<b>1,268</b>	<b>0.10</b>
Phoenix	138,227	1,268	0.10
<b>GERMANY (0.20%<sup>A</sup>)</b>		<b>3,498</b>	<b>0.27</b>
TUI	290,054	3,498	0.27
<b>GIBRALTAR (0.05%<sup>A</sup>)</b>		<b>700</b>	<b>0.05</b>
888	77,196	140	0.01
Bwin.Party Digital Entertainment	432,815	560	0.04
<b>GUERNSEY, C.I. (0.89%<sup>A</sup>)</b>		<b>10,439</b>	<b>0.83</b>
Advance Developing Markets Fund	35,290	140	0.01
Alcentra European Floating Rate Income Fund	88,478	91	0.01
BACIT	212,781	271	0.02
BH Global Sterling Fund	17,404	221	0.02
BH Macro Sterling Fund	22,789	460	0.04
Bluecrest Allblue Fund	244,554	472	0.04
Bluefield Solar Income Fund	167,151	169	0.01
Dexion Absolute Fund	41,381	74	0.01
Dexion Equity Alternative Fund <sup>B</sup>	18,202	-	-
DW Catalyst Fund	4,570	50	-
F&C Commercial Property Trust	324,704	434	0.03
F&C UK Real Estate Investment Trust	134,055	135	0.01
Genesis Emerging Markets Fund	83,065	376	0.03
HarbourVest Global Private Equity	50,753	461	0.04
HICL Infrastructure Fund	779,574	1,175	0.09
ICG-Longbow Senior Secured UK Property Debt Investments	61,367	63	-
International Public Partnership	591,685	824	0.06
John Laing Environmental Assets	100,569	103	0.01
John Laing Infrastructure Fund	429,577	501	0.04
JPMorgan Global Convertibles Income Fund	131,604	119	0.01
Macau Property Opportunities Fund	50,915	80	0.01
MedicX Fund	217,887	184	0.01
NB Global Floating Rate Income Fund	753,498	691	0.05
NextEnergy Solar Fund	144,374	151	0.01
Picton Property Income	325,928	229	0.02
Raven Russia	322,694	130	0.01

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>GUERNSEY, C.I. (0.89%<sup>A</sup>) (continued)</b>			
Real Estate Credit Investments	41,706	70	0.01
Renewables Infrastructure	405,155	414	0.03
Riverstone Energy	30,884	244	0.02
Ruffer Investment	95,913	202	0.02
Schroder Oriental Income Fund	136,518	242	0.02
Schroder Real Estate Investment Trust <sup>C</sup>	289,587	172	0.01
Sequoia Economic Infrastructure Income Fund	93,346	96	0.01
Sequoia Economic Infrastructure Income Fund 'C' Shares	77,786	78	0.01
SQN Asset Finance Income Fund	111,460	120	0.01
SQN Asset Finance Income Fund 'C' Shares	55,730	57	-
Standard Life Investment Property Income Trust <sup>C</sup>	183,740	154	0.01
Starwood European Real Estate Finance	148,249	159	0.01
Stobart	208,225	217	0.02
Tapestry Multi-Strategy Investment Fund <sup>B</sup>	19	-	-
TwentyFour Income Fund	171,123	194	0.02
TwentyFour Select Monthly Income Fund	105,420	98	0.01
UK Commercial Property Trust	375,957	318	0.03
<b>IRELAND (1.88%<sup>A</sup>)</b>		<b>32,242</b>	<b>2.54</b>
Aberdeen Sterling Liquidity Fund Advisory <sup>†</sup>	16,544,303	16,544	1.30
CRH	501,499	9,870	0.78
DCC	54,296	3,073	0.24
Grafton	131,691	971	0.08
Greencore	250,061	886	0.07
UDG Healthcare	150,742	898	0.07
<b>ISLE OF MAN (0.10%<sup>A</sup>)</b>		<b>1,599</b>	<b>0.11</b>
Exillon Energy	56,586	59	-
Hansard Global	20,396	22	-
Lamprell	152,580	146	0.01
Playtech	129,058	1,073	0.08
Redefine International <sup>C</sup>	598,534	299	0.02
<b>ISRAEL (0.00%)</b>		<b>-</b>	<b>-</b>
<b>JERSEY, C.I. (5.58%<sup>A</sup>)</b>		<b>63,894</b>	<b>5.02</b>
3i Infrastructure	329,025	565	0.04
Aberdeen Asian Income Fund <sup>†</sup>	119,421	190	0.01
Beazley	319,693	1,243	0.10
Cape	69,246	163	0.01
Centamin	664,735	428	0.03
City Merchants High Yield Trust	45,010	81	0.01
CQS New City High Yield Fund	217,263	122	0.01
CVC Credit Partners European Opportunities	168,152	170	0.01
Experian	610,795	7,317	0.58
Foresight Solar Fund	175,462	175	0.01
GCP Infrastructure Investments	354,373	426	0.03



## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>JERSEY, C.I. (5.58%<sup>A</sup>) (continued)</b>			
Glencore	7,229,133	6,533	0.51
Henderson	649,332	2,010	0.16
Henderson Diversified Income	99,683	89	0.01
Henderson Far East Income Fund	68,751	197	0.02
Kennedy Wilson Europe Real Estate	72,443	871	0.07
Middlefield Canadian Income	67,468	51	-
Petrofac	159,335	1,268	0.10
Polymetal International	132,083	772	0.06
Randgold Resources	57,144	2,367	0.19
Regus	388,451	1,292	0.10
Sanne	40,595	146	0.01
Shire	361,800	16,997	1.34
UBM	270,085	1,422	0.11
Wizz Air	24,913	452	0.04
Wolseley	160,204	5,913	0.47
WPP	808,311	12,634	0.99
<b>LUXEMBOURG (0.04%<sup>A</sup>)</b>		<b>1,534</b>	<b>0.12</b>
B&M European Value Retail	418,524	1,192	0.09
BBGI Fund	264,932	342	0.03
<b>SINGAPORE (0.01%<sup>A</sup>)</b>		<b>127</b>	<b>0.01</b>
XP Power	8,944	127	0.01
<b>SPAIN (0.47%<sup>A</sup>)</b>		<b>6,880</b>	<b>0.54</b>
International Consolidated Airlines	1,127,804	6,880	0.54
<b>SWITZERLAND (0.12%<sup>A</sup>)</b>		<b>1,759</b>	<b>0.14</b>
Coca-Cola HBC	121,490	1,759	0.14
<b>UNITED KINGDOM (89.67%<sup>A</sup>)</b>		<b>1,138,828</b>	<b>89.59</b>
<b>BASIC MATERIALS</b>		<b>41,140</b>	<b>3.23</b>
<b>Chemicals</b>			
Carclo	41,704	53	-
Croda International	82,969	2,520	0.20
Elementis	282,077	646	0.05
Johnson Matthey	126,125	3,351	0.26
Synthomer	165,755	527	0.04
Victrex	49,486	893	0.07
Zotefoams	7,000	23	-
<b>Forestry &amp; Paper</b>			
Mondi	226,027	3,013	0.24
<b>Industrial Metals &amp; Mining</b>			
Evraz	294,667	215	0.02
Ferrexpo	77,803	17	-

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Mining</b>			
Acacia Mining	91,335	163	0.01
Anglo American	804,230	2,407	0.19
Antofagasta	218,438	1,025	0.08
BHP Billiton	1,299,943	9,868	0.78
Fresnillo	104,313	737	0.06
Hochschild Mining	115,641	56	-
KAZ Minerals	159,438	162	0.01
Lonmin	168,952	135	0.01
Petropavlovsk	1,744,813	114	0.01
Rio Tinto	755,395	14,949	1.18
Vedanta Resources	64,873	178	0.01
<b>CONSUMER GOODS</b>		<b>203,924</b>	<b>16.06</b>
<b>Automobiles &amp; Parts</b>			
GKN	1,014,331	3,126	0.25
<b>Beverages</b>			
A.G.Barr	52,308	277	0.02
Britvic	146,456	1,065	0.08
Diageo	1,550,224	28,780	2.26
SABMiller	581,851	23,652	1.86
Stock Spirits	118,301	165	0.01
<b>Food Producers</b>			
Anglo-Eastern Plantations	10,363	55	-
Associated British Foods	214,484	7,168	0.56
Carr's	46,410	70	0.01
Cranswick	30,138	577	0.05
Dairy Crest	84,791	577	0.05
Devro	111,194	322	0.03
Hilton Food	26,850	141	0.01
Premier Foods	568,801	223	0.02
Tate & Lyle	286,809	1,717	0.14
<b>Household Goods &amp; Home Construction</b>			
Barratt Developments	606,289	3,795	0.30
Bellway	75,198	2,133	0.17
Berkeley	77,477	2,857	0.22
Bovis Homes	82,846	838	0.07
Crest Nicholson	150,104	834	0.07
Galliford Try	50,178	765	0.06
Headlam	47,862	238	0.02
McBride	112,974	187	0.01
MJ Gleeson	23,051	123	0.01
Persimmon	188,251	3,816	0.30
Reckitt Benckiser	391,278	24,545	1.93
Redrow	134,297	631	0.05
Taylor Wimpey	1,988,341	4,038	0.32

Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Leisure Goods</b>			
Games Workshop	19,631	115	0.01
Photo-Me International	117,566	178	0.01
<b>Personal Goods</b>			
Burberry	272,678	3,259	0.26
Jimmy Choo	67,172	94	0.01
PZ Cussons	184,710	526	0.04
SuperGroup	19,754	325	0.03
Ted Baker	16,113	478	0.04
Unilever	742,551	21,731	1.71
<b>Tobacco</b>			
British American Tobacco	1,147,264	43,263	3.40
Imperial Tobacco	592,969	21,240	1.67
<b>CONSUMER SERVICES</b>		<b>129,471</b>	<b>10.15</b>
<b>Food &amp; Drug Retailers</b>			
Booker	997,741	1,811	0.14
Greggs	62,440	820	0.06
J Sainsbury	869,197	2,248	0.18
McColl's Retail	43,656	57	-
Ocado	248,511	756	0.06
Tesco	4,999,538	7,474	0.59
WM Morrison Supermarkets	1,332,147	1,974	0.16
<b>General Retailers</b>			
AO World	108,880	170	0.01
Card Factory	132,093	482	0.04
Carpetright	28,161	134	0.01
Darty	247,295	254	0.02
Debenhams	752,069	549	0.04
DFS Furniture	46,485	155	0.01
Dignity	30,260	773	0.06
Dixons Carphone	612,349	3,060	0.24
Dunelm	55,998	525	0.04
Findel	53,027	106	0.01
GAME Digital	50,041	61	-
Halfords	122,714	412	0.03
Home Retail	505,282	503	0.04
Inchcape	274,743	2,150	0.17
JD Sports Fashion	35,934	373	0.03
Just Eat	263,123	1,299	0.10
Kingfisher	1,435,482	4,730	0.37
Laura Ashley	120,924	33	-
Lookers	195,621	362	0.03
Marks & Spencer	1,012,724	4,582	0.36
Moss Bros	58,571	59	-

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>General Retailers (continued)</b>			
Mothercare	106,077	233	0.02
N Brown	94,215	291	0.02
Next	90,624	6,597	0.52
Pendragon	910,283	423	0.03
Pets at Home	224,665	615	0.05
Poundland	110,784	228	0.02
Saga	375,996	755	0.06
Sports Direct International	154,747	891	0.07
Topps Tiles	75,207	119	0.01
WH Smith	69,803	1,235	0.10
<b>Media</b>			
4imprint	17,411	219	0.02
Auto Trader	436,993	1,936	0.15
Bloomsbury Publishing	37,050	56	-
Centaur Media	96,075	67	0.01
Euromoney Institutional Investor	23,655	235	0.02
Huntsworth	127,490	50	-
Informa	399,419	2,448	0.19
ITE	160,144	252	0.02
ITV	2,304,133	6,373	0.50
Johnston Press	56,056	28	-
Moneysupermarket.com	271,663	995	0.08
Pearson	500,453	3,681	0.29
Perform	57,236	140	0.01
Reed Elsevier	696,679	8,339	0.66
Rightmove	56,487	2,330	0.18
Sky	645,397	7,177	0.56
STV	18,815	97	0.01
Trinity Mirror	163,394	271	0.02
UTV Media	48,347	85	0.01
Zoopla Property	144,113	345	0.03
<b>Travel &amp; Leisure</b>			
Betfair	50,479	1,968	0.15
Carnival	112,314	4,342	0.34
Cineworld	120,000	675	0.05
Compass	1,026,856	12,066	0.95
Domino's Pizza	83,768	881	0.07
easyJet	152,910	2,661	0.21
Enterprise Inns	312,632	348	0.03
FirstGroup	741,107	795	0.06
Flybe	120,438	108	0.01
Fuller Smith & Turner	19,457	233	0.02
Go-Ahead	26,238	698	0.05
Greene King	188,305	1,751	0.14
InterContinental Hotels	145,495	3,856	0.30

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Travel &amp; Leisure (continued)</b>			
JD Wetherspoon	53,030	397	0.03
Ladbrokes	625,473	748	0.06
Marston's	353,841	589	0.05
Merlin Entertainments	436,754	1,989	0.16
Millennium & Copthorne Hotels	73,858	340	0.03
Mitchells & Butlers	144,242	498	0.04
National Express	259,524	864	0.07
Punch Taverns	133,183	165	0.01
Rank	105,344	300	0.02
Restaurant	122,707	841	0.07
Sportech	70,857	41	-
SSP	289,432	940	0.07
Stagecoach	262,247	777	0.06
Thomas Cook	945,278	1,145	0.09
Whitbread	110,979	4,884	0.38
William Hill	542,911	2,148	0.17
<b>FINANCIALS</b>		<b>310,410</b>	<b>24.43</b>
<b>Banks</b>			
Aldermore	85,563	197	0.02
Bank of Georgia	20,906	398	0.03
Barclays	10,307,398	22,563	1.77
HSBC	12,011,690	64,395	5.07
Lloyds Banking	39,282,677	28,704	2.26
Royal Bank of Scotland	1,940,888	5,861	0.46
Shawbrook	56,140	197	0.02
Standard Chartered	1,652,055	9,313	0.73
Virgin Money	108,722	414	0.03
<b>Equity Investment Instruments</b>			
Aberdeen Asian Smaller Companies Investment Trust‡	19,962	146	0.01
Aberdeen New Dawn Investment Trust‡	81,987	124	0.01
Aberdeen New Thai Investment Trust‡	12,706	45	-
Aberdeen UK Tracker Trust‡	69,262	209	0.02
Aberforth Geared Income Trust	68,169	140	0.01
Aberforth Smaller Companies Trust	58,703	700	0.06
Alliance Trust	341,496	1,764	0.14
Allianz Technology Trust	16,043	103	0.01
Artemis Alpha Trust	21,026	51	-
Asian Total Return Investment	54,988	104	0.01
Baillie Gifford Japan Trust	40,832	193	0.02
Baillie Gifford Shin Nippon	23,139	106	0.01
Bankers Investment Trust	68,702	433	0.03
Baring Emerging Europe	17,145	78	0.01
Biotech Growth Trust	43,187	316	0.02
BlackRock Commodities Income Investment Trust	54,447	29	-
BlackRock Frontiers Investment Trust	93,831	95	0.01

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Equity Investment Instruments (continued)</b>			
BlackRock Greater Europe Investment Trust	63,446	163	0.01
BlackRock Greater Europe Investment Trust (Subscription Shares)	13,110	1	-
BlackRock Income Strategies Trust	195,237	263	0.02
BlackRock Latin American Investment Trust	24,425	66	0.01
Blackrock North American Income Trust	49,949	57	-
BlackRock Smaller Companies Trust	32,496	323	0.03
BlackRock Throgmorton Trust	58,449	213	0.02
BlackRock World Mining Trust	100,221	180	0.01
British Empire Securities and General Trust	85,348	392	0.03
Brunner Investment Trust	19,046	101	0.01
Caledonia Investments	20,313	482	0.04
Capital Gearing Trust	1,616	53	-
City of London Investment Trust	186,194	718	0.06
Diverse Income Trust	250,005	236	0.02
Dunedin Income Growth Investment Trust	101,234	230	0.02
Dunedin Smaller Companies Investment Trust	33,386	68	0.01
Ecofin Water & Power Opportunities	144,295	166	0.01
Edinburgh Dragon Trust	116,608	282	0.02
Edinburgh Investment Trust	120,761	869	0.07
Edinburgh Worldwide Investment Trust	30,604	140	0.01
Electra Private Equity	21,907	805	0.06
Electric and General Investment <sup>B</sup>	64,244	-	-
EP Global Opportunities Trust	27,624	65	0.01
European Investment Trust	24,106	174	0.01
F&C Capital & Income Investment Trust	58,320	153	0.01
F&C Global Smaller Companies	33,147	328	0.03
F&C Private Equity Trust	41,793	101	0.01
Fidelity Asian Values	42,360	103	0.01
Fidelity China Special Situations	351,690	505	0.04
Fidelity European Values	257,202	448	0.04
Fidelity Japanese Values	70,919	60	-
Fidelity Special Values	136,160	272	0.02
Finsbury Growth & Income Trust	68,974	407	0.03
Foreign & Colonial Investment Trust	347,765	1,558	0.12
Fundsmith Emerging Equities Trust	11,637	110	0.01
Gartmore Irish Growth Fund	1,368	-	-
Gartmore Irish Growth Fund <sup>B</sup>	30,080	66	0.01
Graphite Enterprise Trust	50,127	287	0.02
Greencoat UK Wind	286,912	308	0.02
Hansa Trust	2,536	20	-
Henderson European Focus Trust	14,484	154	0.01
Henderson EuroTrust	10,578	96	0.01
Henderson Global Trust	26,718	101	0.01
Henderson High Income Trust	62,104	111	0.01
Henderson Smaller Companies Investment Trust	46,856	325	0.03
Herald Investment Trust	48,448	359	0.03
HgCapital Trust	19,290	214	0.02

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Equity Investment Instruments (continued)</b>			
Impax Environmental Markets	164,226	260	0.02
International Biotechnology Trust	25,367	136	0.01
INVESCO Asia Trust	63,737	114	0.01
Invesco Income Growth Trust	36,094	100	0.01
Invesco Perpetual UK Smaller Companies Investment Trust	27,758	108	0.01
JPMorgan American Investment Trust	171,796	474	0.04
JPMorgan Asian Investment Trust	79,338	171	0.01
JPMorgan Chinese Investment Trust	47,508	80	0.01
JPMorgan Claverhouse Investment Trust	37,267	224	0.02
JPMorgan Emerging Markets Investment Trust	79,470	429	0.03
JPMorgan European Investment Trust - Growth	63,713	161	0.01
JPMorgan European Investment Trust - Income	49,693	67	0.01
JPMorgan European Smaller Companies Trust	115,016	335	0.03
JPMorgan Global Emerging Markets Income Trust	175,244	150	0.01
JPMorgan Indian Investment Trust	63,200	319	0.03
JPMorgan Japan Smaller Companies Trust	24,289	67	0.01
JPMorgan Japanese Investment Trust	107,418	321	0.03
JPMorgan Mid Cap Investment Trust	18,476	202	0.02
JPMorgan Overseas Investment Trust	16,286	172	0.01
JPMorgan Russian Securities	33,116	99	0.01
JPMorgan Smaller Companies Investment Trust	13,383	121	0.01
Jupiter European Opportunities Trust	60,461	359	0.03
Jupiter US Smaller Companies	15,097	91	0.01
Keystone Investment Trust	8,425	151	0.01
Law Debenture Fund	73,303	364	0.03
LMS Capital Fund	69,523	49	-
London & St Lawrence Investment Company	12,700	44	-
Lowland Investment	17,189	235	0.02
Majedie Investments	7,411	20	-
Martin Currie Pacific Trust	21,962	56	-
Martin Currie Portfolio Investment Trust	68,706	123	0.01
Mercantile Investment Trust	59,240	1,082	0.09
Merchants Trust	66,931	287	0.02
Monks Investment Trust	131,699	560	0.04
Montanaro European Smaller Companies Trust	10,365	60	-
Montanaro UK Smaller Companies Investment Trust	17,519	92	0.01
Murray Income Trust	42,045	281	0.02
Murray International Trust	78,381	647	0.05
New India Investment Trust	27,118	87	0.01
North American Income Trust	22,192	182	0.01
North Atlantic Smaller Companies Investment Trust	7,019	158	0.01
P2P Global Investments	29,108	293	0.02
P2P Global Investments 'C' Shares	24,341	238	0.02
Pacific Assets Trust	74,503	141	0.01
Pacific Horizon Investment Trust	39,185	68	0.01
Pantheon International Participations	23,632	311	0.02
Perpetual Income and Growth Investment Trust	145,788	606	0.05

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Equity Investment Instruments (continued)</b>			
Personal Assets Trust	1,011	351	0.03
Polar Capital Global Financials Trust	104,439	108	0.01
Polar Capital Global Healthcare Growth & Income	73,279	125	0.01
Polar Capital Technology Trust	81,294	510	0.04
Ranger Direct Lending Fund	8,409	85	0.01
RIT Capital Partners Fund	78,204	1,315	0.10
Schroder Asia Pacific Fund	104,186	277	0.02
Schroder Income Growth Fund	42,677	110	0.01
Schroder Japan Growth Fund	78,024	120	0.01
Schroder UK Growth Fund	100,747	156	0.01
Schroder UK Mid Cap Fund	22,467	109	0.01
Scottish American Investment Fund	90,376	236	0.02
Scottish Investment Trust	66,774	397	0.03
Scottish Mortgage Investment Trust	782,161	2,168	0.17
Scottish Oriental Smaller Companies Trust	20,942	155	0.01
Securities Trust of Scotland	91,702	117	0.01
Standard Life Equity Income Trust	23,617	109	0.01
Standard Life European Private Equity Trust	66,360	138	0.01
Standard Life UK Smaller Companies Trust	41,689	160	0.01
Strategic Equity Capital	37,101	81	0.01
Temple Bar Investment Trust	41,033	432	0.03
Templeton Emerging Markets Investment Trust	194,593	796	0.06
TR European Growth Trust	27,875	182	0.01
TR Property Investment Trust	196,709	593	0.05
Troy Income & Growth Trust	151,159	109	0.01
Value and Income Trust	24,408	59	-
Witan Investment Trust	119,105	929	0.07
Witan Pacific Investment Trust	41,460	94	0.01
Woodford Patient Capital Trust	492,375	497	0.04
Worldwide Healthcare Trust	29,576	573	0.05
<b>Financial Services</b>			
3i	593,070	2,856	0.22
Aberdeen Asset Management‡	614,676	1,779	0.14
Allied Minds	69,574	278	0.02
Arrow Global	91,026	236	0.02
Ashmore	239,976	615	0.05
Brewin Dolphin	164,864	511	0.04
City of London Investment	9,767	32	-
Close Brothers	91,734	1,226	0.10
Hargreaves Lansdown	134,293	2,018	0.16
ICAP	330,036	1,682	0.13
IG	223,580	1,793	0.14
Intermediate Capital	200,506	1,255	0.10
International Personal Finance	143,252	414	0.03
Investec	313,153	1,501	0.12
IP	330,117	676	0.05



## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Financial Services (continued)</b>			
John Laing	229,197	481	0.04
Jupiter Fund Management	256,354	1,158	0.09
Liontrust Asset Management	27,493	77	0.01
London Stock Exchange	192,048	5,266	0.41
Man	942,908	1,651	0.13
OneSavings Bank	58,334	206	0.02
Paragon	186,121	658	0.05
Provident Financial	89,967	3,028	0.24
Rathbone Brothers	29,305	639	0.05
S&U	984	24	-
Schroders	69,556	2,070	0.16
SVG Capital	104,679	514	0.04
Tullett Prebon	143,892	535	0.04
VPC Specialty Lending Investments	111,832	106	0.01
<b>Life Insurance</b>			
Aviva	2,489,913	12,848	1.01
Chesnara	81,475	273	0.02
Just Retirement	163,222	271	0.02
Legal & General	3,654,625	9,787	0.77
Old Mutual	3,007,965	5,378	0.42
Partnership Assurance	89,291	122	0.01
Prudential	1,570,509	24,044	1.89
St James's Place	315,689	3,179	0.25
Standard Life	1,203,860	4,691	0.37
<b>Nonequity Investment Instrument</b>			
Barclays Bank 0% 31/01/2019	GBP816	-	-
JPMorgan Japan Smaller Companies Trust (Subscription Shares)	3,849	2	-
JPMorgan Smaller Companies Investment Trust (Subscription Shares)	2,285	2	-
<b>Nonlife Insurance</b>			
Admiral	121,972	2,024	0.16
Amlin	307,833	2,042	0.16
Direct Line Insurance	846,290	3,444	0.27
esure	148,780	377	0.03
Hastings	82,666	138	0.01
Jardine Lloyd Thompson	75,018	694	0.05
Novae	37,705	336	0.03
RSA Insurance	625,077	2,665	0.21
<b>Real Estate Investment &amp; Services</b>			
Capital & Counties Properties	447,203	1,970	0.15
CLS	10,180	185	0.01
Countrywide	94,621	378	0.03
Daejan	3,010	191	0.02
Foxtons	159,774	300	0.02

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Real Estate Investment &amp; Services (continued)</b>			
Grainger	252,848	589	0.05
Helical Bar	66,326	312	0.02
LSL Property Services	53,620	153	0.01
Mountview Estates	972	114	0.01
Savills	78,912	699	0.05
ST Modwen Properties	108,518	450	0.04
U & I	69,216	156	0.01
UNITE	136,545	896	0.07
<b>Real Estate Investment Trusts</b>			
Assura	725,504	400	0.03
Big Yellow	87,638	706	0.06
British Land	627,871	4,935	0.39
Capital & Regional	305,489	199	0.02
Custodian REIT	110,559	117	0.01
Derwent London	61,514	2,259	0.18
Empiric Student Property	189,206	214	0.02
Great Portland Estates	211,674	1,753	0.14
Hammerson	482,709	2,896	0.23
Hansteen	422,040	486	0.04
Intu Properties	572,848	1,818	0.14
Land Securities	484,195	5,699	0.45
LondonMetric Property	359,516	589	0.05
McKay Securities	52,466	136	0.01
Mucklow A & J	24,652	122	0.01
Primary Health Properties	269,112	293	0.02
Safestore	128,856	460	0.04
Segro	456,486	1,956	0.15
Shaftesbury	171,013	1,564	0.12
Town Centre Securities	9,892	32	-
Tritax Big Box REIT	387,567	500	0.04
Workspace	71,367	684	0.05
<b>HEALTH CARE</b>		<b>92,004</b>	<b>7.25</b>
<b>Health Care Equipment &amp; Services</b>			
Al Noor Hospitals	47,470	522	0.04
Cambian	52,789	73	0.01
Consort Medical	30,561	349	0.03
NMC Health	38,859	327	0.03
Smith & Nephew	551,883	6,661	0.52
Spire Healthcare	172,789	541	0.04
<b>Pharmaceuticals &amp; Biotechnology</b>			
AstraZeneca	776,707	35,853	2.82
BTG	234,941	1,618	0.13
Circassia Pharmaceuticals	113,513	358	0.03
Dechra Pharmaceuticals	53,982	587	0.05

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Pharmaceuticals &amp; Biotechnology (continued)</b>			
Genus	37,271	579	0.05
GlaxoSmithKline	2,992,314	41,084	3.23
Hikma Pharmaceuticals	82,857	1,903	0.15
Indivior	397,042	742	0.06
Oxford Biomedica	1,540,720	100	0.01
Skyepharma	68,048	269	0.02
Vectura	248,994	438	0.03
<b>INDUSTRIALS</b>		<b>101,396</b>	<b>7.98</b>
<b>Aerospace &amp; Defense</b>			
Avon Rubber	16,351	162	0.01
BAE Systems	1,946,678	9,726	0.77
Chemring	115,223	210	0.02
Cobham	700,767	1,978	0.16
Meggitt	484,765	1,809	0.14
QinetiQ	367,700	996	0.08
Rolls-Royce	1,131,616	6,507	0.51
Rolls-Royce Preference shares	104,900,803	105	0.01
Senior	256,836	589	0.05
Ultra Electronics	42,789	846	0.07
<b>Construction &amp; Materials</b>			
Balfour Beatty	423,581	1,145	0.09
Costain	52,808	197	0.02
Henry Boot	61,294	137	0.01
Ibstock	118,707	264	0.02
Keller	43,734	362	0.03
Kier	56,139	780	0.06
Low & Bonar	204,775	133	0.01
Marshalls	122,727	396	0.03
Morgan Sindall	25,787	191	0.02
Norcros	26,386	53	-
Polypipe	91,263	313	0.02
Tyman	97,337	286	0.02
Volution	42,320	79	0.01
<b>Electronic &amp; Electrical Equipment</b>			
Dialight	16,475	74	0.01
e2v technologies	139,489	312	0.02
Halma	231,691	2,004	0.16
Morgan Crucible	175,343	434	0.03
Oxford Instruments	30,457	233	0.02
Renishaw	22,402	420	0.03
Spectris	72,948	1,316	0.10
TT Electronics	98,319	154	0.01
Xaar	48,267	203	0.02

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>General Industrials</b>			
British Polythene Industries	15,629	107	0.01
DS Smith	578,117	2,285	0.18
Rexam	430,999	2,605	0.20
RPC	154,029	1,283	0.10
Smiths	241,294	2,267	0.18
Vesuvius	167,518	558	0.04
<b>Industrial Engineering</b>			
Bodycote	117,662	669	0.05
Fenner	110,239	158	0.01
Goodwin	1,284	23	-
Hill & Smith	50,545	380	0.03
IMI	167,989	1,447	0.11
Melrose Industries	612,528	1,782	0.14
Porvair	15,479	44	-
Renold	123,695	68	0.01
Rotork	531,183	970	0.08
Severfield	183,647	119	0.01
Spirax-Sarco Engineering	44,888	1,474	0.12
Trifast	53,564	67	0.01
Vitec	23,863	142	0.01
Weir	130,793	1,308	0.10
<b>Industrial Transportation</b>			
BBA Aviation	638,805	1,207	0.09
Braemar Shipping Services	15,730	68	0.01
Clarkson	15,200	342	0.03
James Fisher & Sons	25,175	294	0.02
Royal Mail	560,544	2,489	0.20
UK Mail	13,733	34	-
Wincanton	75,350	145	0.01
<b>Support Services</b>			
AA	372,957	1,171	0.09
Acal	33,135	92	0.01
Aggreko	147,682	1,348	0.11
Ashthead	309,786	3,457	0.27
Babcock International	309,087	3,140	0.25
Berendsen	105,745	1,141	0.09
Brammer	86,521	158	0.01
Bunzl	204,343	3,850	0.30
Capita	407,374	4,921	0.39
Carillion	264,814	801	0.06
Charles Taylor	21,278	54	-
Communisys	102,132	41	-
De La Rue	58,174	256	0.02
Diploma	69,699	528	0.04

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Support Services (continued)</b>			
Electrocomponents	269,997	643	0.05
Energy Assets	2,717	13	-
Exova	66,904	92	0.01
Filtrona	160,325	1,327	0.10
G4S	955,001	2,153	0.17
Hays	866,654	1,264	0.10
Hogg Robinson	153,709	108	0.01
HomeServe	156,481	647	0.05
Howden Joinery	381,957	2,001	0.16
Interserve	88,572	461	0.04
Intertek	98,935	2,742	0.22
John Menzies	28,631	119	0.01
Lakehouse	42,184	37	-
Lavendon	104,957	152	0.01
Mears	63,988	299	0.02
Michael Page International	188,299	911	0.07
Mitie	222,782	693	0.05
Northgate	81,608	321	0.03
PayPoint	39,865	367	0.03
Premier Farnell	226,473	220	0.02
Rentokil Initial	1,114,120	1,775	0.14
Ricardo	31,901	287	0.02
Robert Walters	41,035	146	0.01
RPS	152,249	358	0.03
Serco	676,124	639	0.05
Shanks	244,603	236	0.02
SIG	345,461	496	0.04
Smiths News	169,773	286	0.02
Speedy Hire	319,872	131	0.01
St Ives	76,772	172	0.01
SThree	73,305	239	0.02
Travis Perkins	151,939	2,998	0.24
Vp	9,002	67	0.01
Worldpay	649,087	1,993	0.16
WS Atkins	61,864	1,006	0.08
Xchanging	150,984	290	0.02
<b>OIL &amp; GAS</b>		<b>125,492</b>	<b>9.86</b>
<b>Oil &amp; Gas Producers</b>			
BG	2,094,694	20,626	1.62
BP	11,224,773	39,736	3.13
Cairn Energy	354,689	559	0.04
EnQuest	425,241	81	0.01
Nostrum Oil & Gas	36,404	147	0.01
Ophir Energy	421,048	411	0.03
Premier Oil	315,166	153	0.01
Royal Dutch Shell 'A' Shares	2,418,738	36,910	2.90

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Oil &amp; Gas Producers</b>			
Royal Dutch Shell 'B' Shares	1,492,005	23,022	1.81
Soco International	123,194	180	0.01
Tullow Oil	556,322	921	0.07
<b>Oil Equipment, Services &amp; Distribution</b>			
AMEC	240,500	1,032	0.08
Gulf Marine Services	80,496	80	0.01
Hunting	85,066	255	0.02
John Wood	225,068	1,379	0.11
<b>TECHNOLOGY</b>		<b>21,189</b>	<b>1.68</b>
<b>Software &amp; Computer Services</b>			
AVEVA	39,359	634	0.05
Computacenter	41,884	357	0.03
FDM	51,009	263	0.02
Fidessa	23,470	470	0.04
Micro Focus International	101,264	1,615	0.13
NCC	149,058	447	0.04
RM	53,049	85	0.01
Sage	662,895	4,001	0.31
SDL	51,721	214	0.02
Servelec	42,357	141	0.01
Sophos	115,821	302	0.02
Telety	124,823	1,562	0.12
Tribal	49,325	12	-
<b>Technology Hardware &amp; Equipment</b>			
ARM	868,741	9,026	0.71
Imagination Technologies	151,123	199	0.02
Laird	164,065	582	0.05
Nanoco	120,212	69	0.01
Pace	195,687	812	0.06
Sapura	66,731	122	0.01
Spirent Communications	385,979	276	0.02
<b>TELECOMMUNICATIONS</b>		<b>66,336</b>	<b>5.22</b>
<b>Fixed Line Telecommunications</b>			
BT	5,151,114	24,298	1.91
Cable & Wireless Communications	1,708,908	1,268	0.10
Kcom	349,840	402	0.03
TalkTalk Telecom	323,268	703	0.06
Telecom Plus	36,821	394	0.03

## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>Mobile Telecommunications</b>			
Inmarsat	275,692	3,135	0.25
Vodafone	16,351,122	36,136	2.84
<b>UTILITIES</b>		<b>47,554</b>	<b>3.74</b>
<b>Electricity</b>			
Drax	249,784	610	0.05
SSE	605,936	9,247	0.73
<b>Gas, Water &amp; Multiutilities</b>			
Centrica	3,059,081	6,663	0.52
National Grid	2,321,620	21,754	1.71
Pennon	252,994	2,169	0.17
Severn Trent	146,532	3,187	0.25
United Utilities	419,638	3,924	0.31
<b>VIRGIN ISLANDS, BRITISH (0.01%<sup>^</sup>)</b>			
Gem Diamonds	68,927	88	0.01
<b>DERIVATIVES (0.08%<sup>^</sup>)</b>			
<b>Futures</b>			
FTSE 100 Index Futures March 2016	253	670	0.05
FTSE 250 Index Futures March 2016	173	140	0.01
<b>Portfolio of investments</b>		<b>1,267,200</b>	<b>99.68</b>
<b>Net other assets</b>		<b>4,122</b>	<b>0.32</b>
<b>Total net assets</b>		<b>1,271,322</b>	<b>100.00</b>

<sup>^</sup> Comparative figures shown in brackets relate to 31 December 2014.

<sup>^</sup> Delisted securities.

<sup>^</sup> Real Estate Investment Trust (REIT).

<sup>^</sup> This investment is a related party (see note 10).

Collective investment schemes are regulated within the meaning of the FCA rules, equity investment securities, exchange traded commodities and exchange traded funds are quoted on a listed securities market, unless otherwise stated. Derivative contracts can be exchange traded on a regulated market.

## Statement of total return

For the year ended 31 December 2015

	Notes	31/12/15		31/12/14	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	1		(36,634)		(28,503)
Revenue	2	45,367		36,179	
Expenses	3	(14,634)		(13,225)	
Interest payable and similar charges		-		-	
Net revenue before taxation		30,733		22,954	
Taxation	4	(290)		113	
Net revenue after taxation			30,443		23,067
<b>Total return before distributions</b>			<b>(6,191)</b>		<b>(5,436)</b>
Distributions	5		(30,446)		(23,069)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(36,637)</b>		<b>(28,505)</b>

## Statement of change in net assets attributable to shareholders

For the year ended 31 December 2015

	31/12/15		31/12/14	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,146,766</b>		<b>1,010,001</b>
Assets transferred from other funds <sup>A</sup>		34,048		-
Amounts receivable on creation of shares	170,963		201,038	
Less: Amounts payable on cancellation of shares	(70,243)		(55,418)	
		100,720		145,620
Dilution adjustment		319		405
Stamp duty reserve tax		-		(118)
Change in net assets attributable to shareholders from investment activities		(36,637)		(28,505)
Retained distribution on accumulation shares		26,106		19,363
<b>Closing net assets attributable to shareholders</b>		<b>1,271,322</b>		<b>1,146,766</b>

<sup>A</sup> Relating to the transfer of assets from the Scottish Widows Fundamental Index UK Equity Fund.

Notes to the financial statements are on pages 80 to 88.



# Balance sheet

As at 31 December 2015

	Notes	31/12/15 £'000	31/12/14 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		1,267,200	1,141,757
<b>Current assets</b>			
Debtors	7	3,404	3,312
Cash and bank balances	8	4,666	6,186
<b>Total assets</b>		<b>1,275,270</b>	<b>1,151,255</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Bank overdrafts		(26)	(295)
Distribution payable		(2,332)	(2,331)
Other creditors	9	(1,590)	(1,863)
<b>Total liabilities</b>		<b>(3,948)</b>	<b>(4,489)</b>
<b>Net assets attributable to shareholders</b>		<b>1,271,322</b>	<b>1,146,766</b>

Notes to the financial statements are on pages 80 to 88.

# Notes to the financial statements

For the year ended 31 December 2015

## 1. Net capital losses

The net capital losses during the year comprise:

	31/12/15	31/12/14
	£'000	£'000
Non-derivative securities	(36,364)	(28,387)
Future contracts	(509)	(65)
Currency gains/(losses)	68	(49)
Handling charges	(14)	(10)
Expense capping rebate taken to capital	14	8
Compensation received	171	-
<b>Net capital losses</b>	<b>(36,634)</b>	<b>(28,503)</b>

## 2. Revenue

	31/12/15	31/12/14
	£'000	£'000
UK dividends	37,202	29,090
Overseas taxable revenue	(41)	(14)
Overseas non-taxable revenue	5,238	2,435
Property revenue from UK REITs - PID	457	384
Property revenue from UK REITs - Non PID	201	117
Property revenue from UK REITs - PID Scrip	122	-
Property revenue from UK REITs - Non PID Scrip	5	93
Distributions from Regulated Collective Investment Schemes:		
Interest distributions	16	5
Offshore distribution taxable	140	133
Bank interest	8	16
Overseas scrip dividends non-taxable	32	1,319
UK scrip dividends	1,985	2,601
Property revenue from overseas REITs - non-taxable	2	-
<b>Total revenue</b>	<b>45,367</b>	<b>36,179</b>

## Notes to the financial statements (continued)

### 3. Expenses

	31/12/15	31/12/14
	£'000	£'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	14,527	13,166
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	109	94
Safe custody fees	11	10
Marketing fees	173	142
	293	246
<b>Other expenses:</b>		
Audit fee	7	7
Printing and publishing fees	1	-
Registration fees	1,258	1,086
Expense capping adjustment <sup>†</sup>	(1,452)	(1,280)
	(186)	(187)
<b>Total expenses</b>	<b>14,634</b>	<b>13,225</b>

<sup>†</sup> The ACD reimburses the Foundation Growth Fund in respect of expenses incurred by the K share class so as to cap the OCF of the share class at 1.50%. Within the B share class, K share class and L share class no registration fee will be deducted and this will be borne by the ACD.

Expenses include irrecoverable VAT where applicable.

### 4. Taxation

	31/12/15	31/12/14
	£'000	£'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	290	(113)
<b>(b) Factors affecting the total tax charge for the year:</b>		
The tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2014: 20%). The differences are explained below:		
Net revenue before taxation	30,733	22,954
Corporation tax of 20% (2014: 20%)	6,147	4,591
<b>Effects of:</b>		
UK dividends <sup>A</sup>	(7,440)	(5,818)
Non-taxable scrip dividends	(404)	(803)
Overseas non-taxable revenue	(1,048)	(487)
Movement in excess management expenses	2,782	2,538
Irrecoverable overseas tax	290	(113)
Property revenue from UK REITs - Non PID <sup>A</sup>	(40)	(23)
Expense capping rebate taken from capital	3	2
<b>Current tax charge for year (note 5a)</b>	<b>290</b>	<b>(113)</b>

<sup>A</sup> As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

## Notes to the financial statements (continued)

### 4. Taxation (continued)

#### (c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

#### (d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £11,265,453 (31/12/14: £8,483,173) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

### 5. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	31/12/15	31/12/14
	£'000	£'000
Interim	17,881	14,327
Final	13,602	10,150
	31,483	24,477
Add: Revenue deducted on cancellation of shares	597	417
Deduct: Revenue received on creation of shares	(1,634)	(1,825)
<b>Net distributions for the year</b>	<b>30,446</b>	<b>23,069</b>

Details of the distribution per share is set out in the distribution tables on pages 89 to 90.

### 6. Movement between net revenue and net distributions

	31/12/15	31/12/14
	£'000	£'000
Net revenue after taxation	30,443	23,067
Tax relief on ACD's periodic charge	3	2
<b>Net distributions for the year</b>	<b>30,446</b>	<b>23,069</b>

### 7. Debtors

	31/12/15	31/12/14
	£'000	£'000
Sales awaiting settlement	19	-
Amounts receivable for issue of shares	138	379
Accrued revenue	2,896	2,534
Expense capping adjustment recoverable	130	332
Income tax recoverable	-	4
Overseas tax recoverable	221	63
<b>Total debtors</b>	<b>3,404</b>	<b>3,312</b>

### 8. Cash and bank balances

	31/12/15	31/12/14
	£'000	£'000
Cash and bank balances	4,466	6,186
Amounts held at futures clearing houses and brokers	200	-
<b>Total cash and bank balances</b>	<b>4,666</b>	<b>6,186</b>

## Notes to the financial statements (continued)

### 9. Other creditors

	31/12/15	31/12/14
	£'000	£'000
Amounts payable for cancellation of shares	290	440
Accrued expenses	1,300	1,423
<b>Total other creditors</b>	<b>1,590</b>	<b>1,863</b>

### 10. Related party transactions

Aberdeen Fund Managers Limited, ("the ACD") is a related party.

Aberdeen Fund Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of change in net assets attributable to shareholders. Amounts due to/from Aberdeen Fund Managers Limited in respect of share transactions at the year end are included in the balance sheet.

Amounts paid to Aberdeen Fund Managers Limited in respect of ACD fees are disclosed in note 3, with £1,206,521 (31/12/14: £1,156,297) due at the year end.

Holdings of Aberdeen Fund Management Limited Collective Investment Schemes are disclosed in the portfolio statement and transactions in these are shown in the summary of material portfolio changes.

Distributions from Regulated Collective Investment Schemes disclosed in note 2 includes amounts earned from funds where Aberdeen Fund Management Limited act as Authorised Corporate Director. Aberdeen Asset Investments Limited act as Investment Manager of Aberdeen Global Liquidity Sterling Fund. The total revenue earned amounts to £139,667 (31/12/14: £133,544).

#### *Shares held by associates of the ACD*

On 31 December 2015, shares held as a percentage of the Fund's value were:

	31/12/15	31/12/14
	%	%
ACD and associates of the ACD	1.97	0.30
Material shareholders:		
Forster Nominees Limited held 71.93% of the Fund at 31 December 2015.		

### 11. Share classes

The Fund has six share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.00
Share Class B - Accumulation	0.07
Share Class B - Income	0.07
Share Class C - Accumulation	0.15
Share Class C - Income	0.15
Share Class D - Accumulation	0.25
Share Class K - Accumulation	1.50
Share Class L - Accumulation	0.20

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 53 to 60. The distributions per share class are given in the Distribution tables on pages 89 to 90. All share classes have the same rights on winding up.

## Notes to the financial statements (continued)

### 11. Share classes (continued)

Reconciliation of the shares movement in the year

	31/12/14				31/12/15
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class A - Accumulation	15,542,541	74,041	(8,494,690)	-	7,121,892
Share Class B - Accumulation	62,138,181	62,707,143	(13,639,611)	-	111,205,713
Share Class B - Income	128,344,371	10,350,585	(19,694,877)	-	119,000,079
Share Class C - Accumulation	37,578	23,624,561	(23,159)	-	23,638,980
Share Class C - Income	1,986	-	(1,986)	-	-
Share Class D - Accumulation	1,423	-	(1,423)	-	-
Share Class K - Accumulation	517,278,300	38,328,689	(12,372,039)	-	543,234,950
Share Class L - Accumulation	52,520	33,526	(6,629)	-	79,417

### 12. Capital commitments and contingent liabilities

As at 31 December 2015, the Fund had no capital commitments (31/12/14: £nil) and no contingent liabilities (31/12/14: £nil).

### 13. Risk management policies and disclosures

A statement of the Fund's objective and the policy for achieving it has been included on page 51. The risks inherent in the Fund's investment portfolio are as follows:

#### (1) Market price risk

##### (a) Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio.

The following tables detail the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

	Currency exposure 31/12/15	Currency exposure 31/12/14
	£'000	£'000
<b>Currency</b>		
Euro	57	39
US dollar	53	14
<b>Total</b>	<b>110</b>	<b>53</b>

The Fund manages the currency risk on the initial purchase of investments denominated in foreign currencies. The Fund does not hedge or otherwise seek to avoid movement risk on the subsequent gains/losses on the settling value.

## Notes to the financial statements (continued)

### (b) Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing including instruments used to hedge against changes in interest rates.

The interest rate risk profile of the Fund's investments at the year end consists of:

	Floating rate investment £'000	Fixed rate investment £'000	Non-interest bearing investment £'000	Total £'000
<b>31/12/15</b>				
<b>Currency</b>				
Sterling	4,666	-	1,266,547	1,271,213
Euro	-	-	57	57
US dollar	(26)	-	79	53
<b>Total</b>	<b>4,640</b>	<b>-</b>	<b>1,266,683</b>	<b>1,271,323</b>
<b>31/12/14</b>				
<b>Currency</b>				
Sterling	5,891	-	1,140,822	1,146,713
Euro	-	-	39	39
US dollar	-	-	14	14
<b>Total</b>	<b>5,891</b>	<b>-</b>	<b>1,140,875</b>	<b>1,146,766</b>

### (c) Other price risk

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

### (2) Counterparty risk

As at 31 December 2015 the Fund has no exposure to debt securities.

## Notes to the financial statements (continued)

### 13. Risk management policies and disclosures (continued)

#### Financial derivatives

The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements.

Financial derivative instrument (FDI) exposure <sup>^</sup>	31/12/15	31/12/14
Exchange traded derivatives (ETDs)	21,702,378	17,848,387
Over the counter derivatives (OTCs)	-	-
Forward foreign exchange (FFX)	-	-
<b>Total FDI exposure</b>	<b>21,702,378</b>	<b>17,848,387</b>
Total FDI exposure as a percentage of the Fund's value	2%	2%

<sup>^</sup> FDI exposure is calculated using the sum of the notionals on each derivative position

Efficient portfolio management (EPM) techniques	31/12/15	31/12/14
Gross revenues arising from repurchase orders (repos)	-	-
Gross revenues arising from stocklending	-	-
Direct operational costs and fees incurred for stocklending (stocklending agent costs)	-	-
Indirect operational costs and fees incurred for stocklending (Investment Adviser operational costs)	-	-
<b>Net revenue generated for the Fund during the annual accounting period</b>	<b>-</b>	<b>-</b>
Underlying exposure obtained through EPM techniques <sup>†</sup>	21,702,378	17,848,387
<b>Uncollateralised counterparty exposure</b>		
No uncollateralised counterparty exposure (2014: £nil)	-	-
<b>Collateral</b>		
The type and amount of collateral received to reduce counterparty exposure:		
No collateral received (2014: £nil)	-	-

#### Notes:

Receipt of collateral reduced counterparty exposure in relation to OTC positions and stocklending.

<sup>†</sup> The Investment Adviser has entered into an indemnified stocklending programme with State Street Bank and Trust Company (SSBTC), who is a related party to the Depository. The counterparty exposure for stocklending activities is therefore to SSBTC. Any collateral received in relation to these activities is not invested in asset types that are required to be included in the global exposure calculations in accordance with the commitment approach.

The counterparty exposure and therefore the amount of collateral received is, however, calculated in a different way to the FDI exposure above. For example, one S&P 500 index futures contract obligates the buyer to 250 units of the S&P 500 index. If the index is trading at \$1,000, then the single futures contract is similar to investing \$250,000 (250 x \$1,000). Therefore, \$250,000 is the notional value of the contract and is the basis on which the FDI exposure figures above are shown.

The counterparty exposure, however, would be the amount that the Fund would lose if the counterparty defaulted, i.e. the unrealised profit of the trade. It is therefore a different amount to the sum of the notionals.

#### Leverage

No leverage has been employed during the year.

### (3) Liquidity risk

All of the Fund's financial liabilities are payable on demand or in less than one year.



## Notes to the financial statements (continued)

### 14. Portfolio transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31/12/15	31/12/14	31/12/15	31/12/14
	£'000	£'000	£'000	£'000
Equities	311,418	308,585	147,975	134,059
Futures <sup>^</sup>	-	-	-	-
Trades in the year before transaction costs	311,418	308,585	147,975	134,059
<b>Commissions</b>				
Equities	11	45	(5)	(3)
Futures <sup>^</sup>	-	-	-	-
Total commissions	11	45	(5)	(3)
<b>Taxes</b>				
Equities	667	989	-	-
Futures <sup>^</sup>	-	-	-	-
Total taxes	667	989	-	-
Total costs	678	1,034	(5)	(3)
<b>Total net trades in the year after transaction costs</b>	<b>312,096</b>	<b>655,651</b>	<b>147,970</b>	<b>495,192</b>

<sup>^</sup> Purchases and/or sales of future contracts do not incur transaction costs and have been included at the value of their exposure.

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31/12/15	31/12/14	31/12/15	31/12/14
	%	%	%	%
<b>Commissions</b>				
Equities	-	0.01	-	-
Futures	-	-	-	-
<b>Taxes</b>				
Equities	0.21	0.32	-	-
Futures	-	-	-	-

Total transaction cost expressed as a percentage of net asset value

	31/12/15	31/12/14
	%	%
Commissions	-	-
Taxes	-	-
<b>Total costs</b>	<b>-</b>	<b>-</b>

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

The average portfolio dealing spread at the balance sheet date was nil (31/12/14: 0.14%).

## Notes to the financial statements (continued)

### 15. Fair value disclosure

Valuation technique	31/12/15		31/12/14	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	1,250,656	-	1,130,148	-
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	16,544	-	11,609	-
<b>Total fair value</b>	<b>1,267,200</b>	<b>-</b>	<b>1,141,757</b>	<b>-</b>

# Distribution table

For the year ended 31 December 2015

## Interim dividend distribution

Group 1: Shares purchased prior to 1 January 2015

Group 2: Shares purchased 1 January 2015 to 30 June 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 31/08/15 (p)	Distribution paid 31/08/14 (p)
<b>Share Class A - Accumulation</b>				
Group 1	0.5984	-	0.5984	0.5389
Group 2	0.3056	0.2928	0.5984	0.5389
<b>Share Class B - Accumulation</b>				
Group 1	2.8002	-	2.8002	2.5316
Group 2	0.5498	2.2504	2.8002	2.5316
<b>Share Class B - Income</b>				
Group 1	2.5293	-	2.5293	2.3634
Group 2	0.5402	1.9891	2.5293	2.3634
<b>Share Class C - Accumulation</b>				
Group 1	2.6423	-	2.6423	2.3850
Group 2	1.8347	0.8076	2.6423	2.3850
<b>Share Class K - Accumulation</b>				
Group 1	2.2204	-	2.2204	1.9901
Group 2	1.3837	0.8367	2.2204	1.9901
<b>Share Class L - Accumulation</b>				
Group 1	2.4317	-	2.4317	2.2059
Group 2	1.1478	1.2839	2.4317	2.2059

## Distribution table (continued)

### Final dividend distribution

Group 1: Shares purchased prior to 1 July 2015

Group 2: Shares purchased 1 July 2015 to 31 December 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 28/02/16 (p)	Distribution paid 28/02/15 (p)
<b>Share Class A - Accumulation</b>				
Group 1	0.4322	-	0.4322	0.3709
Group 2	0.4322	0.0000	0.4322	0.3709
<b>Share Class B - Accumulation</b>				
Group 1	2.2193	-	2.2193	1.9813
Group 2	1.3398	0.8795	2.2193	1.9813
<b>Share Class B - Income</b>				
Group 1	1.9659	-	1.9659	1.8161
Group 2	1.1847	0.7812	1.9659	1.8161
<b>Share Class C - Accumulation</b>				
Group 1	2.0662	-	2.0662	1.8355
Group 2	1.9400	0.1262	2.0662	1.8355
<b>Share Class K - Accumulation</b>				
Group 1	1.5231	-	1.5231	1.2621
Group 2	0.7018	0.8213	1.5231	1.2621
<b>Share Class L - Accumulation</b>				
Group 1	1.9112	-	1.9112	1.7035
Group 2	0.8460	1.0652	1.9112	1.7035

### Corporate shareholder information (unaudited) for all share classes.

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Aberdeen Global High Yield Bond Fund

For the year ended 31 December 2015

## Report of the Authorised Fund Manager

The Fund suspended dealings at 12.00pm on 18 June 2015, the Fund closed on 19 June 2015. As such there is no performance data or ongoing charge figure as at 31 December 2015.

### Investment objective and policy

The aim of this Fund is to provide a combination of income and growth of capital by investing in a portfolio of predominantly sub-investment grade bonds.

The Fund will predominantly invest in sub-investment-grade bonds. These bonds will typically be issued by companies based in Europe and America but may also be issued by companies and governments based elsewhere (including in developing countries). The Fund may also invest in investment grade corporate bonds, government bonds, equities, other transferable securities, money market instruments, deposits, cash and near cash, warrants, convertibles and units in collective investment schemes and derivatives (for efficient portfolio management).

The relative proportions of the Fund which, at any time, are invested in bonds issued by (a) companies based in Europe and (b) companies based in America may vary significantly throughout the life of the Fund, at the discretion of the ACD and/or the investment adviser. Those proportions may range from 0% to 100% at any time for either of those categories. Any investment in companies and governments based in developing countries will represent a minority proportion of the Fund.

Non-sterling currency exposure will be hedged into sterling insofar as is reasonably practicable.

### Investment review

Please note, as this Fund closed on 19 June 2015, the below information will cover information up to this date only.

### Cumulative performance (%)

	Period of report 31/12/14 to 18/06/15 <sup>D</sup>	5 years 31/12/10 to 18/06/15 <sup>D</sup>	Since launch 29/03/10 to 18/06/15 <sup>D</sup>
Fund - A Income <sup>A</sup>	1.75	1.44	23.85
Benchmark <sup>B</sup>	3.14	2.14	28.14

### Discrete performance (%)

	31/12/14 to 18/06/15	31/12/13 to 31/12/14	31/12/12 to 31/12/13	31/12/11 to 31/12/12	31/12/10 to 31/12/11
% Change <sup>A</sup>	1.75	(0.53)	7.55	16.14	(1.52)
Gross Return <sup>D</sup>	3.02	2.11	9.94	19.37	2.96

<sup>A</sup> Aberdeen Global High Yield Bond Fund A Income share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

<sup>B</sup> Barclays Global High Yield Corporate index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Barclays.

<sup>C</sup> Aberdeen Global High Yield Bond Fund in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Aberdeen.

<sup>D</sup> The Fund's net return reflects closure activity prior to the closure date.

Past performance is not a guide to future results. The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.

### Market review

The high yield market started the year on a cautious note, with most buying limited to areas perceived as "safe spots" such as higher-rated high yield and non-energy-related stocks. Strong performance returned to the market in February, only to reverse once more in March, when CCC and lower-rated corporate bonds underperformed significantly.

Returns from US high yield were broadly negative in March. CCC and lower-rated corporate bonds underperformed significantly. Coal was very weak, while metals and mining and – to a lesser extent – energy underperformed. In contrast, the food and beverage sector outperformed, boosted by a large rally in Heinz bonds following the company's proposed mega-merger with Kraft Foods.

Global high yield delivered positive returns in April and May. This was driven by a recovery in the energy sector, particularly the rise in benchmark oil prices. The asset class was also boosted by a series of weaker-than-expected macroeconomic reports which cemented the prevailing "low for longer" interest rate environment. May was the first monthly period in 2015 where returns were not dominated by swinging oil prices, and the asset class was less volatile than others in the fixed income universe. From a credit quality perspective, higher quality B and BB rated bonds performed better.

In the US, improving economic conditions raised expectations of a Federal Reserve rate hike driving yields higher throughout the second three months of 2015, adversely affecting high yield returns. In contrast, in spite of the publicity regarding the Greek debt crisis, the European high yield market slightly outperformed its US counterpart.

### Portfolio review

A significant proportion of high yield issuance in recent years has been in US energy exploration and production companies, many of whom had been hit hard by the collapse in the benchmark crude oil price. This exposed a number of weaker energy sector credits. When stress-testing such companies, we found that below \$60 per barrel, many were unable to generate free cash flow while maintaining reserve levels. Accordingly, we pruned our exposure to the sector early in 2015, selling Kosmos Energy, Hercules Offshore and Chaparall Energy. Purchases included new issues from chemical concern Tronox (to finance its purchase of FMC's alkali chemicals business) and Valeant Pharmaceuticals (to support its purchase of Salix).

We continued to deploy a conservative position across energy through to the end of the review period. While the oil price was more than 20% higher in April, we remained concerned that global supply would sustainably overwhelm demand. We either trimmed or sold certain credits where the underlying price had risen towards target levels. Notable examples included CBC Ammo, Ashtead, Carrizo Oil & Gas and Tronox. In May, we took advantage of a high number of new issues to buy or add bonds that were attractively priced. Notable examples included JBS, Horizon Pharma, Cenveo and Constellius. This resulted in the Fund reducing its cash position from 4.4% to 4.2%.

Performance has been hindered by stock selection within the US holdings. Notable underperformers included Comstock Resources, Cobre Del Mayo and Intelsat. However, the European portfolio included a number of notable outperformers including Halifax, Bank of New York Mellon and Magnolia.

### Aberdeen Asset Managers Limited

January 2016

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# Comparative table

As at 31 December 2015

## Net asset value and ongoing charges figure

### Share Class A - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	144.95	145.86	136.31
Return before operating charges*	4.94	1.51	11.82
Operating charges	(2.39)	(2.42)	(2.27)
Return after operating charges*	2.55	(0.91)	9.55
Return to shareholder as a result of class closure	(147.50)	-	-
Closing net asset value per share	-	144.95	145.86

### Retained distributions on accumulation shares\*

* After direct transaction costs of: <sup>A</sup>	-	-	-
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### Performance

Return after charges	-	(0.62%)	7.01%
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### Other information

Closing net asset value (£'000)	-	643	910
Closing number of shares	-	443,467	623,767
Operating charges <sup>B</sup>	-	1.61%	1.61%
Direct transaction costs	-	0.00%	0.00%

### Prices

Highest share price	150.20	153.50	146.60
Lowest share price	144.30	141.80	136.10

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class A Accumulation closed on 19 June 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class A - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	97.47	101.80	99.25
Return before operating charges*	4.08	1.41	8.45
Operating charges	(1.60)	(1.67)	(1.63)
Return after operating charges*	2.48	(0.26)	6.82
Distributions on income shares	(1.75)	(4.07)	(4.27)
Return to shareholder as a result of class closure	(98.20)	-	-
Closing net asset value per share	-	97.47	101.80

#### Retained distributions on accumulation shares\*

* After direct transaction costs of: <sup>A</sup>	-	-	-
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#### Performance

Return after charges	-	(0.26%)	6.88%
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#### Other information

Closing net asset value (£'000)	-	260,167	419,249
Closing number of shares	-	266,915,263	411,843,833
Operating charges <sup>B</sup>	-	1.61%	1.61%
Direct transaction costs	-	0.00%	0.00%

#### Prices

Highest share price	100.20	106.40	103.70
Lowest share price	97.05	96.37	97.77

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class A Income closed on 19 June 2015.



## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class B - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	150.62	150.41	139.98
Return before operating charges*	4.30	1.39	11.55
Operating charges	(1.18)	(1.18)	(1.12)
Return after operating charges*	3.12	0.21	10.43
Return to shareholder as a result of class closure	(153.74)	-	-
Closing net asset value per share	-	150.62	150.41

#### Retained distributions on accumulation shares\*

* After direct transaction costs of: <sup>A</sup>	-	-	-
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#### Performance

Return after charges	-	0.14%	7.45%
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#### Other information

Closing net asset value (£'000)	-	491	871
Closing number of shares	-	326,000	579,159
Operating charges <sup>B</sup>	-	0.76%	0.76%
Direct transaction costs	-	0.00%	0.00%

#### Prices

Highest share price	156.40	158.90	151.10
Lowest share price	150.00	147.30	137.30

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class B Accumulation Class closed on 19 June 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class B - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	92.89	97.01	94.60
Return before operating charges*	3.52	1.18	7.80
Operating charges	(0.72)	(0.74)	(0.73)
Return after operating charges*	2.80	0.44	7.07
Distributions on income shares	(1.98)	(4.56)	(4.66)
Return to shareholder as a result of class closure	(93.71)	-	-
Closing net asset value per share	-	92.89	97.01

#### Retained distributions on accumulation shares\*

* After direct transaction costs of: <sup>A</sup>	-	-	-
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#### Performance

Return after charges	-	0.45%	7.47%
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#### Other information

Closing net asset value (£'000)	-	2,424	45
Closing number of shares	-	2,609,880	46,323
Operating charges <sup>B</sup>	-	0.76%	0.76%
Direct transaction costs	-	0.00%	0.00%

#### Prices

Highest share price	95.58	101.50	98.94
Lowest share price	92.50	91.98	93.20

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class B Income closed on 19 June 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class P - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	93.56	97.71	95.27
Return before operating charges*	3.47	1.26	7.96
Operating charges	(0.55)	(0.81)	(0.79)
Return after operating charges*	2.92	0.45	7.17
Distributions on income shares	(2.05)	(4.60)	(4.73)
Return to shareholder as a result of class closure	(94.43)	-	-
Closing net asset value per share	-	93.56	97.71

#### Retained distributions on accumulation shares\*

* After direct transaction costs of: <sup>A</sup>	-	-	-
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#### Performance

Return after charges	-	0.46%	7.52%
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#### Other information

Closing net asset value (£'000)	-	22,655	539,852
Closing number of shares	-	24,214,840	552,527,995
Operating charges <sup>B</sup>	-	0.80%	0.81%
Direct transaction costs	-	0.00%	0.00%

#### Prices

Highest share price	96.30	102.30	99.65
Lowest share price	93.17	92.67	93.86

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class P Income closed on 19 June 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class P - Gross Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	90.01	94.01	91.67
Return before operating charges*	12.09	2.32	8.78
Operating charges	(0.52)	(0.78)	(0.76)
Return after operating charges*	11.57	1.54	8.02
Distributions on income shares	(2.47)	(5.54)	(5.68)
Return to shareholder as a result of class closure	(99.11)	-	-
Closing net asset value per share	-	90.01	94.01

#### Retained distributions on accumulation shares\*

* After direct transaction costs of: <sup>A</sup>	-	-	-
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#### Performance

Return after charges	-	1.64%	8.75%
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#### Other information

Closing net asset value (£'000)	-	1,033	26,842
Closing number of shares	-	1,147,330	28,551,821
Operating charges <sup>B</sup>	-	0.80%	0.81%
Direct transaction costs	-	0.00%	0.00%

#### Prices

Highest share price	92.83	98.63	96.00
Lowest share price	89.67	89.41	90.38

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

<sup>C</sup> Share Class P Gross Income closed on 19 June 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class Q - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	93.55	97.71	95.27
Return before operating charges*	3.53	1.05	7.95
Operating charges	(0.55)	(0.49)	(0.78)
Return after operating charges*	2.98	0.56	7.17
Distributions on income shares	(2.09)	(4.72)	(4.73)
Return to shareholder as a result of class closure	(94.44)	-	-
Closing net asset value per share	-	93.55	97.71

#### Retained distributions on accumulation shares\*

* After direct transaction costs of: <sup>A</sup>	-	-	-
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#### Performance

Return after charges	-	0.57%	7.52%
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#### Other information

Closing net asset value (£'000)	-	579,202	89,553
Closing number of shares	-	619,137,852	91,655,896
Operating charges <sup>B</sup>	-	0.50%	0.81%
Direct transaction costs	-	0.00%	0.00%

#### Prices

Highest share price	96.30	102.30	99.65
Lowest share price	93.16	92.68	93.86

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class Q Income closed on 19 June 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class Q - Gross Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	90.02	94.01	91.67
Return before operating charges*	4.12	2.18	8.77
Operating charges	(0.53)	(0.48)	(0.75)
Return after operating charges*	3.59	1.70	8.02
Distributions on income shares	(2.51)	(5.69)	(5.68)
Return to shareholder as a result of class closure	(91.10)	-	-
Closing net asset value per share	-	90.02	94.01

#### Retained distributions on accumulation shares\*

* After direct transaction costs of: <sup>A</sup>	-	-	-
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#### Performance

Return after charges	-	1.81%	8.75%
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#### Other information

Closing net asset value (£'000)	-	35,932	9,011
Closing number of shares	-	39,915,653	9,585,281
Operating charges <sup>B</sup>	-	0.50%	0.81%
Direct transaction costs	-	0.00%	0.00%

#### Prices

Highest share price	92.86	98.67	96.00
Lowest share price	89.68	89.44	90.38

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class Q Gross Income closed on 19 June 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class X - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	144.52	143.68	132.68
Return before operating charges*	3.53	1.00	11.15
Operating charges	(0.17)	(0.16)	(0.15)
Return after operating charges*	3.36	0.84	11.00
Return to shareholder as a result of class closure	(147.88)	-	-
Closing net asset value per share	-	144.52	143.68

#### Retained distributions on accumulation shares\*

* After direct transaction costs of: <sup>A</sup>	-	-	-
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#### Performance

Return after charges	-	0.58%	8.29%
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#### Other information

Closing net asset value (£'000)	-	472,335	583,708
Closing number of shares	-	326,837,919	406,253,374
Operating charges <sup>B</sup>	-	0.11%	0.11%
Direct transaction costs	-	0.00%	0.00%

#### Prices

Highest share price	150.30	152.00	144.40
Lowest share price	143.90	141.30	132.70

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share Class X Accumulation closed on 19 June 2015.

# Portfolio statement

As at 31 December 2015

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>COLLECTIVE INVESTMENT SCHEMES (2.02%<sup>A</sup>)</b>		-	-
<b>EURO DENOMINATED BONDS (5.98%<sup>A</sup>)</b>		-	-
Corporate Bonds		-	-
<b>STERLING DENOMINATED BONDS (8.92%<sup>A</sup>)</b>		-	-
<b>SWISS FRANC DENOMINATED BONDS (0.28%<sup>A</sup>)</b>		-	-
<b>US DOLLAR DENOMINATED BONDS (76.85%<sup>A</sup>)</b>		-	-
Corporate Bond			
Quebecor Media 6.5% 01/08/2049 <sup>B</sup>	USD 20,000	-	-
WP Rocket Merger 0.01% 19/07/2015 <sup>B</sup>	USD 2,728,000	-	-
WP Rocket Merger 10.125% 19/07/2015 <sup>B</sup>	USD 4,913,000	-	-
Ziff Davis Media (FRN) 0% 15/07/2011 <sup>B</sup>	USD 22,548	-	-
<b>EQUITIES (0.00%<sup>A</sup>)</b>		-	-
Ziff Davis <sup>B</sup>	178	-	-
<b>DERIVATIVES (-0.52%<sup>A</sup>)</b>		-	-
Portfolio of investments		-	-
<b>Net other assets</b>		-	-
<b>Total net assets</b>		-	-

<sup>A</sup> Comparative figures shown in brackets relate to 31 December 2014.

<sup>B</sup> Unlisted and suspended securities.



## Statement of total return

For the year ended 31 December 2015

	Notes	31/12/15		31/12/14	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	1		3,176		(63,429)
Revenue	2	40,256		107,698	
Expenses	3	(3,627)		(11,384)	
Interest payable and similar charges		(9)		(9)	
Net revenue before taxation		36,620		96,305	
Taxation	4	-		-	
Net revenue after taxation			36,620		96,305
<b>Total return before distributions</b>			39,796		32,876
Distributions	5		(37,137)		(96,350)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,659</b>		<b>(63,474)</b>

## Statement of change in net assets attributable to shareholders

For the year ended 31 December 2015

	31/12/15		31/12/14	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		1,374,882		1,670,040
Assets transferred to other funds <sup>A</sup>		(1,257,774)		-
Amounts receivable on creation of shares	114,955		106,781	
Less: Amounts payable on cancellation of shares	(246,940)		(367,219)	
		(131,985)		(260,438)
Dilution adjustment		-		804
Stamp duty reserve tax		-		5
Change in net assets attributable to shareholders from investment activities		2,659		(63,474)
Retained distribution on accumulation shares		12,218		27,945
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>1,374,882</b>

<sup>A</sup> Relating to the transfer of assets to the Aberdeen ICVC Aberdeen Global High Yield Bond Fund.

Notes to the financial statements are on pages 105 to 112.

# Balance sheet

As at 31 December 2015

	Notes	31/12/15 £'000	31/12/14 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		-	1,295,624
<b>Current assets</b>			
Debtors	7	-	28,486
Cash and bank balances		463	81,935
<b>Total assets</b>		<b>463</b>	<b>1,406,045</b>
<b>Liabilities</b>			
<b>Investment liabilities</b>			
		-	(9,727)
<b>Creditors</b>			
Distribution payable		-	(19,658)
Other creditors	8	(463)	(1,778)
<b>Total liabilities</b>		<b>(463)</b>	<b>(31,163)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>	<b>1,374,882</b>

Notes to the financial statements are on pages 105 to 112.

# Notes to the financial statements

For the year ended 31 December 2015

## 1. Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	31/12/15	31/12/14
	£'000	£'000
Non-derivative securities	37,368	(3,640)
Swap contracts	(959)	(204)
Forward foreign exchange currency contracts	(35,981)	(63,680)
Currency gains	2,753	4,103
Handling charges	(5)	(8)
<b>Net capital gains/(losses)</b>	<b>3,176</b>	<b>(63,429)</b>

## 2. Revenue

	31/12/15	31/12/14
	£'000	£'000
UK dividends	-	72
Distributions from Regulated Collective Investment Schemes:		
Interest distributions	926	1,792
Offshore distribution taxable	-	1
Bank interest	56	156
Interest on debt securities	38,429	105,357
Stocklending revenue	86	447
Swap interest	759	(127)
<b>Total revenue</b>	<b>40,256</b>	<b>107,698</b>

## 3. Expenses

	31/12/15	31/12/14
	£'000	£'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	3,164	9,939
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	55	143
Safe custody fees	16	55
	71	198
<b>Other expenses:</b>		
Audit fee	9	9
Printing and publishing fees	1	-
Registration fees	639	1,650
Expense capping adjustment	(257)	(412)
	392	1,247
<b>Total expenses</b>	<b>3,627</b>	<b>11,384</b>

Expenses include irrecoverable VAT where applicable.

## Notes to the financial statements (continued)

### 4. Taxation

	31/12/15	31/12/14
	£'000	£'000
<b>(a) Analysis of charge in year:</b>		
There is no corporation tax charge in the current year or prior year.		
<b>(b) Factors affecting the total tax charge for the year:</b>		
The tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2014: 20%). The differences are explained below:		
Net revenue before taxation	36,620	96,305
Corporation tax of 20% (2014: 20%)	7,324	19,261
<b>Effects of:</b>		
UK dividends <sup>A</sup>	-	(14)
Tax deductible interest distributions	(7,324)	(17,006)
Gross distribution not subject to tax	-	(2,250)
Additional created income generated from conversion	-	9
<b>Current tax charge for year (note 5a)</b>	<b>-</b>	<b>-</b>

<sup>A</sup> As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

### (c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

### 5. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	31/12/15	31/12/14
	£'000	£'000
First interim	16,294	19,485
Second interim	13,221	18,971
Third interim	-	20,042
Final	-	17,995
Income tax withheld	7,238	18,820
	36,753	95,313
Add: Revenue deducted on cancellation of shares	776	1,720
Deduct: Revenue received on creation of shares	(392)	(683)
<b>Net for the year</b>	<b>37,137</b>	<b>96,350</b>

Details of the distribution per share is set out in the distribution tables on pages 113 to 114.

## Notes to the financial statements (continued)

### 6. Movement between net revenue and net distributions

	31/12/15	31/12/14
	£'000	£'000
Net revenue after taxation	36,620	96,305
Share class shortfall funded from capital	517	-
Movement in net income as a result of conversions	-	45
<b>Net distributions for the year</b>	<b>37,137</b>	<b>96,350</b>

### 7. Debtors

	31/12/15	31/12/14
	£'000	£'000
Sales awaiting settlement	-	2,105
Amounts receivable for issue of shares	-	3,570
Accrued revenue	-	22,650
Expense capping adjustment recoverable	-	161
<b>Total debtors</b>	<b>-</b>	<b>28,486</b>

### 8. Other creditors

	31/12/15	31/12/14
	£'000	£'000
Amounts payable for cancellation of shares	-	777
Accrued expenses	463	1,001
<b>Total other creditors</b>	<b>463</b>	<b>1,778</b>

### 9. Related party transactions

Aberdeen Fund Managers Limited, ("the ACD") is a related party.

Aberdeen Fund Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of change in net assets attributable to shareholders. Amounts due to/from Aberdeen Fund Managers Limited in respect of share transactions at the year end are included in the Balance Sheet.

Amounts paid to Aberdeen Fund Managers Limited in respect of ACD fees are disclosed in note 3, with £nil (31/12/14: £591,576) due at the year end.

#### *Shares held by associates of the ACD*

On 31 December 2015, shares held as a percentage of the Fund's value were:

	31/12/15	31/12/14
	%	%
ACD and associates of the ACD	-	0.09

## Notes to the financial statements (continued)

### 10. Share classes

The Fund had nine share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class A - Income	1.50
Share Class B - Accumulation	0.65
Share Class B - Income	0.65
Share Class P - Income	0.46
Share Class P - Gross Income	0.46
Share Class Q - Income	0.46
Share Class X - Accumulation	-
Share Class Q - Gross Income	0.46

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 93 to 101. The distributions per share class are given in the Distribution tables on pages 113 to 114. All share classes have the same rights on winding up.

Reconciliation of the shares movement in the year

	31/12/14			31/12/15	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class A - Accumulation	443,467	2,094	(445,561)	-	-
Share Class A - Income	266,915,263	24,302,112	(291,217,375)	-	-
Share Class B - Accumulation	326,000	451,686	(777,686)	-	-
Share Class B - Income	2,609,880	3,151,681	(5,761,561)	-	-
Share Class P - Income	24,214,840	6,886,594	(31,101,435)	-	-
Share Class P - Gross Income	1,147,330	488,228	(1,635,558)	-	-
Share Class Q - Income	619,137,852	7,411,742	(626,549,594)	-	-
Share Class X - Accumulation	326,837,919	50,480,585	(377,318,504)	-	-
Share Class Q - Gross Income	39,915,653	362,681	(40,278,334)	-	-

### 11. Capital commitments and contingent liabilities

As at 31 December 2015, the Fund had no capital commitments (31/12/14: £nil) and no contingent liabilities (31/12/14: £nil).

## Notes to the financial statements (continued)

### 12. Securities on loan

The aggregate value of securities on loan at 31 December 2015 is £nil (31/12/14: £39,613,891). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 December 2015 is £nil (31/12/14: £40,383,274). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £86 (31/12/14: £573,635) and £nil (31/12/14: £126,630).

Counterparties	31/12/15 £'000	31/12/14 £'000
Barclays Capital	-	3,971
BNP Paribas	-	1,149
Citigroup Global	-	2,308
Credit Suisse Securities	-	3,183
Deutsche Bank	-	545
Goldman Sachs	-	1,924
HSBC Bank	-	2,409
Jefferies	-	2,069
JP Morgan	-	10,378
Merrill Lynch	-	2,646
Newedge USA	-	4,229
Nomura	-	1,761
RBC	-	97
SG Americas Securities	-	223
Societe Generale	-	2,553
UBS	-	169
<b>Total securities on loan</b>	<b>-</b>	<b>39,614</b>
	31/12/15 £'000	31/12/14 £'000
<b>Collateral held</b>		
Cash	-	40,383

## Notes to the financial statements (continued)

### 13. Risk management policies and disclosures

A statement of the Fund's objective and the policy for achieving it has been included on page 91. The risks inherent in the Fund's investment portfolio are as follows:

#### (1) Market price risk

##### (a) Foreign currency risk

A significant proportion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the sterling value of the portfolio, cash and investment purchases and sales.

As at 31 December the Fund had the following net currency exposure (excluding sterling):

	Currency exposure 31/12/15 £'000	Currency exposure 31/12/14 £'000
<b>Currency</b>		
Euro	-	(696)
Swiss franc	-	63
US dollar	-	3,019
<b>Total</b>	-	<b>2,386</b>

##### (b) Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing including instruments used to hedge against changes in interest rates.

The interest rate risk profile of the Fund's investments at the year end consists of:

	Floating rate investment £'000	Fixed rate investment £'000	Non-interest bearing investment £'000	Total £'000
<b>31/12/15</b>				
<b>Currency</b>				
Sterling	463	-	(463)	-
<b>Total</b>	<b>463</b>	-	<b>(463)</b>	-
<b>31/12/14</b>				
<b>Currency</b>				
Sterling	30,624	122,645	1,219,227	1,372,496
Euro	8,300	81,423	(90,419)	(696)
Swiss franc	-	3,782	(3,719)	63
US dollar	47,116	1,053,315	(1,097,412)	3,019
<b>Total</b>	<b>86,040</b>	<b>1,261,165</b>	<b>27,677</b>	<b>1,374,882</b>



## Notes to the financial statements (continued)

### 13. Risk management policies and disclosures (continued)

#### (c) Other price risk

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

#### (2) Counterparty risk

As at 31 December 2015 the Fund has no exposure to debt securities.

#### (3) Liquidity risk

All of the Fund's financial liabilities are payable on demand or in less than one year.

### 14. Portfolio transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31/12/15	31/12/14	31/12/15	31/12/14
	£'000	£'000	£'000	£'000
Bonds	489,436	1,044,082	568,019	1,319,442
Trades in the year before transaction costs	489,436	1,044,082	568,019	1,319,442
<b>Commissions</b>				
Bonds	-	4	-	(5)
Total commissions	-	4	-	(5)
<b>Taxes</b>				
Bonds	-	-	-	-
Total taxes	-	-	-	-
Total costs	-	4	-	(5)
<b>Total net trades in the year after transaction costs</b>	<b>489,436</b>	<b>1,044,086</b>	<b>568,019</b>	<b>1,319,437</b>

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31/12/15	31/12/14	31/12/15	31/12/14
	%	%	%	%
<b>Commissions</b>				
Bonds	-	-	-	-
<b>Taxes</b>				
Bonds	-	-	-	-

## Notes to the financial statements (continued)

Total transaction cost expressed as a percentage of net asset value

	31/12/15	31/12/14
	%	%
Commissions	-	-
Taxes	-	-
<b>Total costs</b>	-	-

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

The average portfolio dealing spread at the balance sheet date was nil (31/12/14: 0.71%).

### 15. Fair value disclosure

Valuation technique	31/12/15		31/12/14	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	-	-	29,507	-
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	-	-	1,256,390	-
<b>Total fair value</b>	-	-	<b>1,285,897</b>	-

# Distribution table

For the year ended 31 December 2015

## First interim interest distribution

Group 1: Shares purchased prior to 1 January 2015

Group 2: Shares purchased 1 January 2015 to 31 March 2015

	Gross Revenue (p)	Income Tax (p)	Net Revenue (p)	Equalisation (p)	Distribution paid 31/05/15 (p)	Distribution paid 31/05/14 (p)
<b>Share Class A - Accumulation</b>						
Group 1	1.8464	0.3693	1.4771	-	1.4771	1.4285
Group 2	1.1844	0.2369	0.9475	0.5296	1.4771	1.4285
<b>Share Class A - Income</b>						
Group 1	1.2428	0.2486	0.9942	-	0.9942	1.0003
Group 2	0.3485	0.0697	0.2788	0.7154	0.9942	1.0003
<b>Share Class B - Accumulation</b>						
Group 1	2.2444	0.4489	1.7955	-	1.7955	1.7265
Group 2	0.5085	0.1017	0.4068	1.3887	1.7955	1.7265
<b>Share Class B - Income</b>						
Group 1	1.3894	0.2779	1.1115	-	1.1115	1.1183
Group 2	1.0569	0.2114	0.8455	0.2660	1.1115	1.1183
<b>Share Class P - Income</b>						
Group 1	1.4386	0.2877	1.1509	-	1.1509	1.1184
Group 2	0.8293	0.1659	0.6634	0.4875	1.1509	1.1184
<b>Share Class P - Gross Income</b>						
Group 1	1.3845	-	1.3845	-	1.3845	1.3448
Group 2	0.8833	-	0.8833	0.5012	1.3845	1.3448
<b>Share Class Q - Income</b>						
Group 1	1.4609	0.2922	1.1687	-	1.1687	1.1184
Group 2	1.1461	0.2292	0.9169	0.2518	1.1687	1.1184
<b>Share Class Q -Gross Income</b>						
Group 1	1.4061	-	1.4061	-	1.4061	1.3448
Group 2	0.9255	-	0.9255	0.4806	1.4061	1.3448
<b>Share Class X - Accumulation</b>						
Group 1	2.3890	0.4778	1.9112	-	1.9112	1.8440
Group 2	1.1740	0.2348	0.9392	0.9720	1.9112	1.8440

## Distribution table (continued)

### Second interim interest distribution

Group 1: Shares purchased prior to 1 April 2015

Group 2: Shares purchased 1 April 2015 to 18 June 2015

	Gross Revenue (p)	Income Tax (p)	Net Revenue (p)	Equalisation (p)	Distribution paid 18/08/15 (p)	Distribution paid 31/08/14 (p)
<b>Share Class A - Accumulation</b>						
Group 1	1.4229	0.2846	1.1383	-	1.1383	1.3946
Group 2	0.6915	0.1383	0.5532	0.5851	1.1383	1.3946
<b>Share Class A - Income</b>						
Group 1	0.9478	0.1896	0.7582	-	0.7582	0.9675
Group 2	0.8294	0.1659	0.6635	0.0947	0.7582	0.9675
<b>Share Class B - Accumulation</b>						
Group 1	1.7686	0.3537	1.4149	-	1.4149	1.7031
Group 2	1.3859	0.2772	1.1087	0.3062	1.4149	1.7031
<b>Share Class B - Income</b>						
Group 1	1.0848	0.2170	0.8678	-	0.8678	1.0939
Group 2	0.5989	0.1198	0.4791	0.3887	0.8678	1.0939
<b>Share Class P - Income</b>						
Group 1	1.1260	0.2252	0.9008	-	0.9008	1.0893
Group 2	0.5206	0.1041	0.4165	0.4843	0.9008	1.0893
<b>Share Class P - Gross Income</b>						
Group 1	1.0832	-	1.0832	-	1.0832	1.3161
Group 2	0.2754	-	0.2754	0.8078	1.0832	1.3161
<b>Share Class Q - Income</b>						
Group 1	1.1460	0.2292	0.9168	-	0.9168	1.1279
Group 2	0.5181	0.1036	0.4145	0.5023	0.9168	1.1279
<b>Share Class Q -Gross Income</b>						
Group 1	1.1032	-	1.1032	-	1.1032	1.3634
Group 2	0.3228	-	0.3228	0.7804	1.1032	1.3634
<b>Share Class X - Accumulation</b>						
Group 1	1.9114	0.3823	1.5291	-	1.5291	-
Group 2	1.5170	0.3034	1.2136	0.3155	1.5291	-

### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Aberdeen Japan Equity Enhanced Index Fund

For the period 6 March 2015 to 31 December 2015

## Report of the Authorised Fund Manager

### Investment objective and policy

The Fund aims to achieve long-term capital growth by investing in equity and equity-related securities of companies in Japan.

The investment policy of the Fund is to invest primarily in equities and equity-related securities of companies that are constituents of the MSCI Japan Index. The Fund will use a variety of quantitative techniques and adopt a disciplined approach to stock selection whilst seeking to maintain a level of risk similar to that of the MSCI Japan Index.

Equity-related securities include but are not limited to depository receipts, convertible securities, equity-linked notes (debt securities linked to the performance of an equity security) warrants, and bonds convertible into common or preferred shares. The Fund may also invest in other transferable securities, money market instruments, cash, near cash, deposits, shares in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates) and derivatives.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

### Synthetic risk and reward indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The highlighted area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk				
←							→
1	2	3	4	5	6	7	

The Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. The synthetic risk and reward indicator shown here is accurate as at 31 December 2015 and there has been no change to this ranking during the year. The lowest category 1 does not mean a risk-free investment.

Further details of the risk profile can be found in the latest KIID, which is available on our website.

### Market review

Japanese equities outperformed their developed market peers over the reporting period. At the sector level, there were strong performances from retail trade and construction & materials. Conversely, steel & non-ferrous metals and machinery underperformed.

In his third reshuffle of the current parliament, Japan's prime minister, Shinzo Abe, retained close allies in key posts including finance, defence and foreign affairs. He appears to have opted for stability as he refocuses on the economy and tries to regain public support he lost after enacting controversial security legislation. The key appointments were in-line with the recently announced three "new" arrows of Abenomics, which included a bold target of expanding Japan's gross domestic product by 22% to ¥600 trillion by 2020.

In recent economic news, revised data for the third quarter showed that rather than shrinking by an annualised rate of 0.8%, the economy had in fact grown by an annualised 1%. Japan thus avoided the ignominy of entering a recession once again.

The Bank of Japan's rhetoric was largely unchanged during the final months of 2015, as it reiterated readiness to act if required. The central bank's lack of action was in spite of a statement that said it expects a six-month delay in reaching the inflation target.

### Portfolio review

At asset level, the Fund benefited from its active holding in Otsuka, the pharmaceutical manufacturer. The company's decision to raise its target for the first six months of fiscal year 2015 helped to boost the share price. The move came on the back of brisk pharmaceutical sales in the US and under-budget research & development spending. The company had a positive score on our proprietary measure of value.

In addition, the underweight position in telecoms services company SoftBank had a positive influence on performance. SoftBank's share price fell after the market value of one of its biggest holdings, Sprint, plunged. SoftBank registered a low score on our prudent management metrics.

Conversely, an underweight position in Nintendo was detrimental to returns. Investor speculation that the new CEO would increase the company's share of the smartphone market pushed the share price higher over the reporting period. Nintendo had registered a poor score on our measures of trend and sentiment.

## Report of the Authorised Fund Manager (continued)

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### **Outlook**

Growth in business investment has been disappointing given the high level of corporate profits. Investment may have been reined in by global growth worries. Nonetheless, with machinery orders very strong, business investment should continue contributing to gross domestic product growth.

Target inflation moved above zero for the first time in four months in November. However, we expect inflation to remain well-below 2% for the foreseeable future. Consequently, a further expansion of quantitative easing could come back onto the agenda later in 2016.

### **Aberdeen Asset Managers Limited**

January 2016

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# Comparative table

As at 31 December 2015

## Net asset value and ongoing charges figure

### Share Class B - Accumulation

	Final 31/12/15 (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	3.94
Operating charges*	(0.32)
Return after operating charges*	3.62
Closing net asset value per share	103.62
Retained distributions on accumulation shares*	1.48
* After direct transaction costs of: <sup>A</sup>	0.01

### Performance

Return after charges	3.62%
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### Other information

Closing net asset value (£'000)	20,814
Closing number of shares	20,086,466
Operating charges <sup>B</sup>	0.30%
Direct transaction costs	0.01

### Prices

Highest share price	108.50
Lowest share price	89.23

<sup>A</sup> Please refer to Note 13 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share class B Accumulation was launched 6 March 2015.

# Portfolio statement

As at 31 December 2015

	Holdings	Market value £'000	Total net assets %
<b>BASIC MATERIALS</b>		<b>1,180</b>	<b>5.66</b>
<b>Chemicals</b>			
Air Water	1,000	11	0.05
Asahi Kasei	63,000	292	1.40
Hitachi Chemical	100	1	-
Kansai Paint	3,000	31	0.15
Kuraray	5,200	43	0.21
Mitsubishi Chemical	15,500	68	0.33
Mitsubishi Gas Chemical	24,000	84	0.40
Mitsui Chemicals	30,000	92	0.44
Nitto Denko	1,800	90	0.43
Shin-Etsu Chemical	6,800	253	1.22
Sumitomo Chemical	17,000	67	0.32
Teijin	27,000	63	0.30
<b>Industrial Metals &amp; Mining</b>			
JFE	3,600	39	0.19
Kobe Steel	6,000	5	0.02
Maruichi Steel Tube	400	8	0.04
Nippon Steel & Sumitomo Metal	2,400	33	0.16
<b>CONSUMER GOODS</b>		<b>5,155</b>	<b>24.78</b>
<b>Automobiles &amp; Parts</b>			
Bridgestone	6,800	160	0.77
Daihatsu Motor	2,600	24	0.12
Denso	1,900	62	0.30
Fuji Heavy Industries	6,200	176	0.85
Honda Motor	20,400	450	2.16
Mazda Motor	12,600	179	0.86
Mitsubishi Motors	21,400	124	0.60
NHK Spring	9,700	67	0.32
NOK	6,600	106	0.51
Sumitomo Electric Industries	5,400	52	0.25
Sumitomo Rubber Industries	10,200	91	0.44
Suzuki Motor	4,000	84	0.40
Toyoda Gosei	100	2	0.01
Toyota Motor	23,400	988	4.75
Yokohama Rubber	1,000	11	0.05
<b>Beverages</b>			
Asahi	800	17	0.08
Suntory Beverage & Food	900	27	0.13
<b>Food Producers</b>			
Ajinomoto	15,000	244	1.17
MEIJI	200	11	0.05
NH Foods	4,000	54	0.26
Nisshin Seifun	6,300	71	0.34



## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Food Producers (continued)</b>			
Nissin Foods	1,800	65	0.31
Toyo Suisan Kaisha	5,900	141	0.68
Yamazaki Baking	9,000	139	0.67
<b>Household Goods &amp; Home Construction</b>			
Daiwa House Industry	6,400	126	0.61
Makita	1,800	71	0.34
Rinnai	400	24	0.12
Sekisui Chemical	19,000	170	0.82
<b>Leisure Goods</b>			
Bandai Namco	6,100	88	0.42
Casio Computer	1,500	24	0.12
GungHo Online Entertainment	4,400	8	0.04
Nexon	2,800	31	0.15
Nikon	9,600	88	0.42
Nintendo	500	47	0.23
Panasonic	25,900	181	0.87
Sega Sammy	5,200	33	0.16
Shimano	100	11	0.05
Sony	12,400	210	1.01
<b>Personal Goods</b>			
Citizen	14,500	71	0.34
Kao	4,400	155	0.74
Kose	400	25	0.12
Shiseido	1,200	17	0.08
Unicharm	4,200	59	0.28
<b>Tobacco</b>			
Japan Tobacco	14,700	371	1.78
<b>CONSUMER SERVICES</b>		<b>1,702</b>	<b>8.19</b>
<b>Food &amp; Drug Retailers</b>			
FamilyMart	1,800	57	0.27
<b>General Retailers</b>			
Benesse	2,100	41	0.20
Don Quijote	200	5	0.02
Fast Retailing	300	72	0.35
Isetan Mitsukoshi	4,400	39	0.19
Ryohin Keikaku	100	14	0.07
Seven & i	11,200	351	1.69
Shimamura	100	8	0.04
Takashimaya	13,000	80	0.38
Yamada Denki	9,800	29	0.14

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Media</b>			
Dai Nippon Printing	23,000	156	0.75
Dentsu	1,600	60	0.29
Hakuhodo	14,400	107	0.51
Toho	1,100	21	0.10
<b>Travel &amp; Leisure</b>			
Central Japan Railway	1,600	195	0.94
East Japan Railway	3,500	226	1.09
Japan Airlines	4,000	98	0.47
Oriental Land	2,300	95	0.46
Sankyo	1,900	48	0.23
<b>FINANCIALS</b>		<b>4,136</b>	<b>19.85</b>
<b>Banks</b>			
Aozora Bank	13,000	31	0.15
Bank of Yokohama	40,000	168	0.81
Chugoku Bank	2,600	24	0.12
Fukuoka Financial	12,000	41	0.20
Hokuhoku Financial	38,000	53	0.25
Japan Post Bank	4,100	40	0.19
Joyo Bank	8,000	26	0.12
Kyushu Financial	3,500	17	0.08
Mitsubishi UFJ Financial	124,700	532	2.56
Mizuho	241,200	331	1.59
Resona	34,000	113	0.54
Shinsei Bank	24,000	30	0.14
Sumitomo Mitsui Financial	13,500	351	1.69
Sumitomo Mitsui Trust	36,000	94	0.45
Yamaguchi Financial	5,000	41	0.20
<b>Financial Services</b>			
AEON Financial Service	2,800	43	0.21
Credit Saison	1,900	26	0.12
Daiwa Securities	18,000	76	0.37
Japan Exchange	6,000	65	0.31
Nomura	38,500	147	0.71
ORIX	13,900	134	0.64
SBI	3,000	22	0.11
<b>Life Insurance</b>			
Dai-ichi Life Insurance	11,400	131	0.63
Japan Post	4,400	46	0.22
Sony Financial	2,100	26	0.12
T&D	5,800	53	0.25

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Nonequity Investment Instruments</b>			
Aberdeen Sterling Liquidity Fund Advisory <sup>†</sup>	392,627	393	1.89
<b>Nonlife Insurance</b>			
MS&AD Insurance	5,400	109	0.52
Sompo Japan Nipponkoa	3,500	79	0.38
Tokio Marine	6,600	175	0.84
<b>Real Estate Investment &amp; Services</b>			
Daito Trust Construction	1,100	87	0.42
Iida	8,100	103	0.49
Mitsubishi Estate	13,000	185	0.89
Mitsui Fudosan	9,000	155	0.74
Nomura Real Estate	2,600	33	0.16
NTT Urban Development	1,100	7	0.03
Sumitomo Realty & Development	4,000	78	0.37
Tokyo Tatemono	4,400	33	0.16
<b>Real Estate Investment Trusts</b>			
Japan Real Estate Investment	2	7	0.03
Nomura Real Estate Master Fund	37	31	0.15
<b>HEALTH CARE</b>		<b>1,825</b>	<b>8.78</b>
<b>Health Care Equipment &amp; Services</b>			
Olympus	2,700	73	0.35
Symex	1,600	71	0.34
Terumo	700	15	0.07
<b>Pharmaceuticals &amp; Biotechnology</b>			
Alfresa	9,600	130	0.62
Astellas Pharma	39,800	389	1.87
Daiichi Sankyo	13,800	195	0.94
Hisamitsu Pharmaceutical	3,300	95	0.46
Medipal	12,600	147	0.71
Miraca	600	18	0.09
Mitsubishi Tanabe Pharma	2,500	30	0.14
Otsuka	9,700	236	1.13
Shionogi	2,200	68	0.33
Sumitomo Dainippon Pharma	8,700	70	0.34
Suzuken	3,100	81	0.39
Taisho Pharmaceutical	3,000	145	0.70
Takeda Pharmaceutical	1,800	62	0.30

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>INDUSTRIALS</b>		<b>3,701</b>	<b>17.81</b>
<b>Construction &amp; Materials</b>			
Asahi Glass	12,000	47	0.23
Obayashi	5,000	32	0.15
Shimizu	12,000	67	0.32
Taiheiyo Cement	13,000	26	0.12
Taisei	22,000	99	0.48
<b>Electronic &amp; Electrical Equipment</b>			
Alps Electric	2,500	47	0.23
Fuji Electric	12,000	35	0.17
Hirose Electric	300	25	0.12
Hoya	4,400	124	0.60
Keyence	400	151	0.73
Kyocera	2,900	92	0.45
Mabuchi Motor	100	4	0.02
Minebea	1,000	6	0.03
Murata Manufacturing	1,000	99	0.48
NGK Insulators	3,000	47	0.23
Omron	2,300	53	0.25
TDK	800	35	0.17
Yokogawa Electric	3,300	27	0.13
<b>General Industrials</b>			
Mitsubishi Materials	12,000	26	0.12
Toshiba	40,000	56	0.27
Toyota Tsusho	2,300	37	0.18
<b>Industrial Engineering</b>			
Amada	21,800	143	0.69
Daikin Industries	2,500	126	0.61
FANUC	2,700	321	1.54
Hitachi Construction Machinery	10,100	108	0.52
Isuzu Motors	10,700	79	0.38
JGC	9,000	95	0.46
Komatsu	7,300	82	0.39
Kubota	1,000	11	0.05
Mitsubishi Electric	20,000	144	0.69
Mitsubishi Heavy Industries	23,000	69	0.33
Nabtesco	1,900	27	0.13
Sumitomo Heavy Industries	49,000	151	0.73
THK	9,400	120	0.58
<b>Industrial Transportation</b>			
Kamigumi	22,000	130	0.62
Nippon Express	33,000	106	0.51
Nippon Yusen	37,000	62	0.30
Yamato	1,800	26	0.12

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Support Services</b>			
ITOCHU	29,300	238	1.14
Mitsubishi	8,500	97	0.47
Mitsui	21,300	174	0.84
Recruit	1,700	34	0.16
Secom	2,200	102	0.49
Sohgo Security Services	700	23	0.11
Sumitomo	4,000	28	0.13
Toppan Printing	11,000	70	0.34
<b>TECHNOLOGY</b>		<b>1,036</b>	<b>4.97</b>
<b>Software &amp; Computer Services</b>			
Itochu Techno-Solutions	400	5	0.02
Mixi	700	18	0.09
Obic	700	25	0.12
Otsuka	100	3	0.01
Yahoo Japan	6,900	19	0.09
<b>Technology Hardware &amp; Equipment</b>			
Brother Industries	6,500	51	0.25
Canon	18,900	392	1.88
FUJIFILM	5,900	169	0.81
Fujitsu	18,000	62	0.30
Hitachi High-Technologies	2,500	46	0.22
Konica Minolta	7,900	55	0.26
NEC	28,000	61	0.29
Ricoh	5,400	38	0.18
Rohm	700	24	0.12
Seiko Epson	5,300	56	0.27
Tokyo Electron	300	12	0.06
<b>TELECOMMUNICATIONS</b>		<b>1,300</b>	<b>6.23</b>
<b>Fixed Line Telecommunications</b>			
Nippon Telegraph & Telephone	15,300	417	2.00
<b>Mobile Telecommunications</b>			
Hikari Tsushin	100	5	0.02
KDDI	25,300	450	2.16
NTT DOCOMO	15,500	217	1.04
SoftBank	6,100	211	1.01
<b>UTILITIES</b>		<b>660</b>	<b>3.17</b>
<b>Electricity</b>			
Chubu Electric Power	13,300	125	0.60
Kansai Electric Power	3,800	31	0.15
Shikoku Electric Power	2,000	21	0.10
Tohoku Electric Power	6,400	55	0.26
Tokyo Electric Power	17,800	70	0.34

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Gas, Water &amp; Multiutilities</b>			
Osaka Gas	26,000	64	0.31
Toho Gas	30,000	133	0.64
Tokyo Gas	50,000	161	0.77
<b>DERIVATIVES</b>		<b>8</b>	<b>0.03</b>
<b>Futures</b>			
TOPIX Index Futures March 2016	6	(12)	(0.06)
<b>Forwards Currency Contracts</b>			
<b>Japanes Yen</b>			
Bought JPY73,005,000 for GBP393,611 Settlement 16/03/2016		19	0.09
Bought JPY10,499,000 for GBP56,663 Settlement 16/03/2016		3	0.01
Bought JPY10,840,000 for GBP58,941 Settlement 16/03/2016		2	0.01
Bought JPY1,109,000 for GBP6,179 Settlement 16/03/2016		-	-
Bought JPY4,697,000 for GBP26,377 Settlement 16/03/2016		-	-
Bought JPY10,828,476 for GBP60,809 Settlement 16/03/2016		-	-
Sold JPY4,373,000 for GBP24,525 Settlement 16/03/2016		-	-
Sold JPY16,010,000 for GBP86,630 Settlement 16/03/2016		(4)	(0.02)
<b>Portfolio of investments<sup>^</sup></b>		<b>20,703</b>	<b>99.47</b>
<b>Net other assets</b>		<b>111</b>	<b>0.53</b>
<b>Total net assets</b>		<b>20,814</b>	<b>100.00</b>

<sup>^</sup>Including derivative liabilities.

<sup>^</sup>This investment is a related party(see note 9).

Collective investment schemes are regulated within the meaning of the FCA rules, equity investment instruments are quoted on a listed securities market, unless otherwise stated. Derivative contracts can be exchange traded on a regulated market or over the counter (OTC).

## Statement of total return

For the period 6 March 2015 to 31 December 2015

	Notes	31/12/15	
		£'000	£'000
Income			
Net capital gains	1		444
Revenue	2	400	
Expenses	3	(49)	
Interest payable and similar charges		-	
Net revenue before taxation		351	
Taxation	4	(41)	
Net revenue after taxation			310
<b>Total return before distributions</b>			<b>754</b>
Distributions	5		(310)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>444</b>

## Statement of change in net assets attributable to shareholders

For the period 6 March 2015 to 31 December 2015

	31/12/15	
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		
Assets transferred from other funds <sup>A</sup>		20,991
Amounts receivable on creation of shares	1,701	
Less: Amounts payable on cancellation of shares	(2,640)	
		(939)
Dilution adjustment		4
Change in net assets attributable to shareholders from investment activities		444
Retained distribution on accumulation shares		314
<b>Closing net assets attributable to shareholders</b>		<b>20,814</b>

<sup>A</sup> Relating to the transfer of assets from the Scottish Widows Japan Equity Fund.

Notes to the financial statements are on pages 127 to 133.

# Balance sheet

As at 31 December 2015

	Notes	31/12/15 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments		20,719
<b>Current assets</b>		
Debtors	6	42
Cash and bank balances	7	114
<b>Total assets</b>		<b>20,875</b>
<b>Liabilities</b>		
<b>Investment liabilities</b>		(16)
<b>Creditors</b>		
Bank overdrafts		(17)
Other creditors	8	(28)
<b>Total liabilities</b>		<b>(61)</b>
<b>Net assets attributable to shareholders</b>		<b>20,814</b>

Notes to the financial statements are on pages 127 to 133.



# Notes to the financial statements

For the period 6 March 2015 to 31 December 2015

## 1. Net capital gains

The net capital gains during the period comprise:

	31/12/15
	£'000
Non-derivative securities	389
Future contracts	64
Forward foreign exchange currency contracts	(9)
Currency gains	8
Handling charges	(8)
<b>Net capital gains</b>	<b>444</b>

## 2. Revenue

	31/12/15
	£'000
Overseas taxable revenue	1
Overseas non-taxable revenue	394
Distributions from Regulated Collective Investment Schemes:	
Offshore distribution taxable	3
Property revenue from overseas REITs - taxable	2
<b>Total revenue</b>	<b>400</b>

## 3. Expenses

	31/12/15
	£'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>	
ACD's periodic charge	35
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>	
Depositary's fees	2
Safe custody fees	3
	5
<b>Other expenses:</b>	
Audit fee	7
Printing and publishing fees	1
Registration fees	18
Expense capping adjustment <sup>^</sup>	(17)
	9
<b>Total expenses</b>	<b>49</b>

<sup>^</sup> No Registration fee is currently deducted but is borne by the ACD.

Expenses include irrecoverable VAT where applicable.

## Notes to the financial statements (continued)

### 4. Taxation

	31/12/15 £'000
(a) <b>Analysis of charge in year:</b>	
Irrecoverable overseas tax	41
(b) <b>Factors affecting the total tax charge for the year:</b>	
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20%. The differences are explained below:	
Net revenue before taxation	351
Corporation tax of 20%	70
<b>Effects of:</b>	
Overseas non-taxable revenue	(79)
Movement in excess management expenses	9
Irrecoverable overseas tax	41
<b>Current tax charge for year (note 5a)</b>	<b>41</b>

*OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.*

### (c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current year.

### (d) Factors that may affect future tax charges:

At the period end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £8,629 relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

### 5. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	31/12/15 £'000
Interim	169
Final	145
	314
Add: Revenue deducted on cancellation of shares	2
Deduct: Revenue received on creation of shares	(6)
<b>Net distributions for the period</b>	<b>310</b>

Details of the distribution per share is set out in the distribution tables on page 134.

### 6. Debtors

	31/12/15 £'000
Accrued revenue	25
Expense capping adjustment recoverable	17
<b>Total debtors</b>	<b>42</b>

## Notes to the financial statements (continued)

### 7. Cash and bank balances

	31/12/15
	£'000
Cash and bank balances	68
Amounts held at futures clearing houses and brokers	46
<b>Total cash and bank balances</b>	<b>114</b>

### 8. Other creditors

	31/12/15
	£'000
Accrued expenses	28

### 9. Related party transactions

Aberdeen Fund Managers Limited, ("the ACD") is a related party.

Aberdeen Fund Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of change in net assets attributable to shareholders. Amounts due to/from Aberdeen Fund Managers Limited in respect of share transactions at the period end are included in the Balance Sheet.

Amounts paid to Aberdeen Fund Managers Limited in respect of ACD fees are disclosed in note 3, with £3,436 due at the period end.

*Shares held by associates of the ACD*

On 31 December 2015, shares held as a percentage of the Fund's value were:

	31/12/15
	%
ACD and associates of the ACD	3.37
Material shareholders	
State Street Nominees Ltd held 93.93% of the Fund at 31 December 2015.	

### 10. Share classes

The Fund has one share class in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class B - Accumulation:	0.20

The net asset value of this share class, the net asset value per share and the number of shares in this class is given in the Comparative Table on page 117. The distributions per share class are given in the Distribution tables on page 134.

Reconciliation of the shares movement in the year

	Opening shares in issue	Creations	Cancellations	Shares converted	31/12/15 Closing shares in issue
Share Class B - Accumulation	-	22,676,746	(2,590,280)	-	20,086,466

## Notes to the financial statements (continued)

### 11. Capital commitments and contingent liabilities

As at 31 December 2015, the Fund had no capital commitments and no contingent liabilities.

### 12. Risk management policies and disclosures

A statement of the Fund's objective and the policy for achieving it has been included on page 115. The risks inherent in the Fund's investment portfolio are as follows:

#### (1) Market price risk

##### (a) Foreign currency risk

A significant proportion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the sterling value of the portfolio, cash and investment purchases and sales.

As at 31 December the Fund had the following net currency exposure (excluding sterling):

	Currency exposure 31/12/15 £'000
<b>Currency</b>	
Japanese yen	20,872
<b>Total</b>	<b>20,872</b>

##### (b) Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing including instruments used to hedge against changes in interest rates.

The interest rate risk profile of the Fund's investments at the year end consists of:

	Floating rate investment £'000	Fixed rate investment £'000	Non-interest bearing investment £'000	Total £'000
<b>31/12/15</b>				
<b>Currency</b>				
Sterling	51	-	(109)	(58)
Japanese yen	46	-	20,826	20,872
<b>Total</b>	<b>97</b>	<b>-</b>	<b>20,717</b>	<b>20,814</b>

##### (c) Other price risk

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures (continued)

#### (2) Counterparty risk

As at 31 December 2015 the Fund has no exposure to debt securities.

#### Financial derivatives

The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements.

Financial derivative instrument (FDI) exposure <sup>^</sup>	31/12/15
Exchange traded derivatives (ETDs)	523,674
Over the counter derivatives (OTCs)	-
Forward foreign exchange (FFX)	511,873
<b>Total FDI exposure</b>	<b>1,035,547</b>
Total FDI exposure as a percentage of the Fund's value	5%

<sup>^</sup> FDI exposure is calculated using the sum of the notionals on each derivative position

Efficient portfolio management (EPM) techniques	31/12/15
Gross revenues arising from repurchase orders (repos)	-
Gross revenues arising from stocklending	-
Direct operational costs and fees incurred for stocklending (stocklending agent costs)	-
Indirect operational costs and fees incurred for stocklending (Investment Adviser operational costs)	-
<b>Net revenue generated for the Fund during the annual accounting period</b>	<b>-</b>
Underlying exposure obtained through EPM techniques <sup>†</sup>	1,035,547
<b>Uncollateralised counterparty exposure</b>	
No uncollateralised counterparty exposure.	-
<b>Collateral</b>	
The type and amount of collateral received to reduce counterparty exposure:	
No collateral received.	-

#### Notes:

Receipt of collateral reduced counterparty exposure in relation to OTC positions and stocklending.

<sup>†</sup> The Investment Adviser has entered into an indemnified stocklending programme with State Street Bank and Trust Company (SSBTC), who is a related party to the Depository. The counterparty exposure for stocklending activities is therefore to SSBTC. Any collateral received in relation to these activities is not invested in asset types that are required to be included in the global exposure calculations in accordance with the commitment approach.

The counterparty exposure and therefore the amount of collateral received is, however, calculated in a different way to the FDI exposure above. For example, one S&P 500 index futures contract obligates the buyer to 250 units of the S&P 500 index. If the index is trading at \$1,000, then the single futures contract is similar to investing \$250,000 (250 x \$1,000). Therefore, \$250,000 is the notional value of the contract and is the basis on which the FDI exposure figures above are shown.

## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures (continued)

The counterparty exposure, however, would be the amount that the Fund would lose if the counterparty defaulted, i.e. the unrealised profit of the trade. It is therefore a different amount to the sum of the notionals.

#### Leverage

No leverage has been employed during the year.

### (3) Liquidity risk

All of the Fund's financial liabilities are payable on demand or in less than one year.

### 13. Portfolio transaction costs

Analysis of total trade costs

	Purchases 31/12/15 £'000	Sales 31/12/15 £'000
Equities	33,769	13,462
Futures <sup>^</sup>	-	-
Trades in the period before transaction costs	33,769	13,462
<b>Commissions</b>		
Equities	1	(1)
Futures <sup>^</sup>	-	-
Total commissions	1	(1)
<b>Taxes</b>		
Equities	-	-
Futures <sup>^</sup>	-	-
Total taxes	-	-
Total costs	1	(1)
<b>Total net trades in the period after transaction costs</b>	<b>33,770</b>	<b>13,461</b>

<sup>^</sup> Purchases and/or sales of future contracts do not incur transaction costs and have been included at the value of their exposure.

Total transaction cost expressed as a percentage of asset type cost

	Purchases 31/12/15 %	Sales 31/12/15 %
<b>Commissions</b>		
Equities	-	-
Futures	-	-
<b>Taxes</b>		
Equities	-	-
Futures	-	-

## Notes to the financial statements (continued)

### 13. Portfolio transaction costs (continued)

Total transaction cost expressed as a percentage of average net asset value

	31/12/15 %
Commissions	0.01
Taxes	-
<b>Total costs</b>	<b>0.01</b>

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

The average portfolio dealing spread at the balance sheet date was 0.17%.

### 14. Fair value disclosure

Valuation technique	31/12/15	
	Assets £'000	Liabilities £'000
Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	20,290	12
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	413	4
<b>Total fair value</b>	<b>20,703</b>	<b>16</b>

# Distribution table

For the year ended 31 December 2015

## Interim dividend distribution

Group 1: Shares created for initial seeding of Fund prior to 6 March 2015

Group 2: Shares purchased 6 March 2015 to 30 June 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 31/08/15 (p)
<b>Share Class B - Accumulation</b>			
Group 1	0.7582	-	0.7582
Group 2	0.5861	0.1721	0.7582

## Final dividend distribution

Group 1: Shares purchased prior to 1 July 2015

Group 2: Shares purchased 1 July 2015 to 31 December 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 28/02/16 (p)
<b>Share Class B - Accumulation</b>			
Group 1	0.7227	-	0.7227
Group 2	0.0932	0.6295	0.7227

## Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.



# Aberdeen Northern American Equity Enhanced Index Fund

For the period 6 March 2015 to 31 December 2015

## Report of the Authorised Fund Manager

### Investment objective and policy

The Fund aims to achieve long-term capital growth by investing in equity and equity-related securities of companies in North America.

The investment policy of the Fund is to invest primarily in equities and equity-related securities of companies that are constituents of the S&P 500 Index. The Fund will use a variety of quantitative techniques and adopt a disciplined approach to stock selection whilst seeking to maintain a level of risk similar to that of the S&P 500 Index.

Equity-related securities include but are not limited to depository receipts, convertible securities, equity-linked notes (debt securities linked to the performance of an equity security) warrants, and bonds convertible into common or preferred shares. The Fund may also invest in other transferable securities, money market instruments, cash, near cash, deposits, shares in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates) and derivatives.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

### Synthetic risk and reward indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The highlighted area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk				
←							→
1	2	3	4	5	6	7	

The Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. The synthetic risk and reward indicator shown here is accurate as at 31 December 2015 and there has been no change to this ranking during the year. The lowest category 1 does not mean a risk-free investment.

Further details of the risk profile can be found in the latest KIID, which is available on our website.

### Market review

US equity markets lost a small amount of ground over the reporting period, having experienced some sharp drops in line with other global equity markets. At the sector level, there were strong performances from consumer staples and consumer discretionary. In contrast, energy and materials were among the worst performers.

For most of 2015, investors in US equities focused their attention on whether the Federal Reserve (the Fed) would indeed move to increase US interest rates. When it came, the Fed's move to raise interest rates (the first since 2006) was modest and in line with expectations. Market commentators' reaction to the increase, which takes the official overnight lending rate for banks to a range between 0.25% and 0.5%, was relatively muted. Instead, they turned their attention to the timing and size of the next hike.

In economic news, third-quarter US economic growth was revised downwards. According to the Commerce Department, gross domestic product (GDP) increased at an annual rate of 2% over the July to September period, a slightly slower pace than the 2.1% suggested by the previous report.

The technology sector ended the year on a low, with the share price of Apple experiencing its worst annual fall since 2006. Over 2015 as a whole, however, tech-sector peers Amazon.com and Netflix were among the best performers on Wall Street. Conversely, eight of the biggest energy producers in the US suffered share price declines of more than 50% over the year.

### Portfolio review

Over the period, the Fund benefited from its comparative lack of exposure to Kinder Morgan, the largest pipeline operator in North America. Kinder Morgan's share price slumped during the reporting period, driven by the collapse in the oil price and bearish reports from the Energy Information Administration on crude oil supplies. The company registered a negative score according to our measures of analyst sentiment.

Conversely, an overweight position in discount retailer Wal-Mart Stores acted as a detractor to performance over the reporting period. An announcement that higher wages would lead to a sharp drop in earnings per share caused the share price to fall. Wal-Mart had a positive score according to our measures of prudent management.

## Report of the Authorised Fund Manager (continued)

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### **Outlook**

The underlying US picture remains one of solid domestic fundamentals constrained by global headwinds. The strong dollar, sluggish global growth and reduced oil and gas investment severely constrained economic activity in 2015, and look set to do so again this year. Domestically, however, strong income growth should support spending and housing activity.

### **Aberdeen Asset Managers Limited**

January 2016

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# Comparative table

As at 31 December 2015

## Net asset value and ongoing charges figure

### Share Class B - Accumulation

	Final 31/12/15 (p)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(0.23)
Operating charges	(0.23)
Return after operating charges*	(0.46)
Closing net asset value per share	99.54
Retained distributions on accumulation shares*	1.26
* After direct transaction costs of: <sup>A</sup>	0.01

### Performance

Return after charges	(0.46%)
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### Other information

Closing net asset value (£'000)	81,642
Closing number of shares	82,021,439
Operating charges	0.24%
Direct transaction costs	0.01%

### Prices

Highest share price	104.70
Lowest share price	86.85

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share class B Accumulation was launched 6 March 2015.

# Portfolio statement

As at 31 December 2015

	Holdings	Market value £'000	Total net assets %
<b>BASIC MATERIALS</b>		<b>2,810</b>	<b>3.43</b>
<b>Chemicals</b>			
Avery Dennison	4,285	182	0.22
Dow Chemical	3,483	121	0.15
Eastman Chemical	2,893	132	0.16
International Flavors & Fragrances	3,761	305	0.37
LyondellBasell Industries	13,982	824	1.01
Mosaic	15,802	296	0.36
<b>Forestry &amp; Paper</b>			
International Paper	12,701	325	0.40
<b>Industrial Metals &amp; Mining</b>			
Alcoa	10,157	68	0.08
Nucor	14,979	409	0.50
<b>Mining</b>			
Newmont Mining	12,118	148	0.18
<b>CONSUMER GOODS</b>		<b>6,876</b>	<b>8.42</b>
<b>Automobiles &amp; Parts</b>			
Delphi Automotive	5,021	292	0.36
Ford Motor	61,008	583	0.71
Goodyear Tire & Rubber	12,626	280	0.34
<b>Beverages</b>			
Coca-Cola Enterprises	9,591	320	0.39
Dr Pepper Snapple	8,945	566	0.69
Molson Coors Brewing	3,057	195	0.24
Monster Beverage	1,220	123	0.15
PepsiCo	21,479	1,456	1.78
<b>Food Producers</b>			
Archer-Daniels-Midland	12,454	310	0.38
ConAgra Foods	767	22	0.03
Hormel Foods	6,316	339	0.42
Mead Johnson Nutrition	297	16	0.02
Monsanto	768	51	0.06
Tyson Foods	14,145	512	0.63
<b>Household Goods &amp; Home Construction</b>			
Clorox	1,659	143	0.18
DR Horton	8,462	184	0.23
Procter & Gamble	2,653	143	0.18
Stanley Black & Decker	6,346	459	0.56
<b>Leisure Goods</b>			
Activision Blizzard	3,188	84	0.10
Electronic Arts	4,390	205	0.25

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Personal Goods</b>			
Estee Lauder	3,876	231	0.28
Fossil	1,895	47	0.06
Michael Kors	710	19	0.02
PVH	2,028	101	0.12
<b>Tobacco</b>			
Philip Morris International	185	11	0.01
Reynolds American	5,871	184	0.23
<b>CONSUMER SERVICES</b>		<b>15,413</b>	<b>18.89</b>
<b>Food &amp; Drug Retailers</b>			
AmerisourceBergen	9,334	657	0.80
Cardinal Health	9,267	561	0.69
CVS Health	19,682	1,305	1.60
Kroger	10,675	303	0.37
Walgreens Boots Alliance	7,610	440	0.54
<b>General Retailers</b>			
Advance Auto Parts	463	47	0.06
Amazon.com	1,404	644	0.79
Bed Bath & Beyond	7,920	259	0.32
Best Buy	7,736	160	0.20
Dollar General	4,543	221	0.27
eBay	37,676	702	0.86
GameStop	5,102	97	0.12
Gap	4,755	80	0.10
H&R Block	5,627	127	0.16
Home Depot	5,773	518	0.63
Kohl's	5,611	181	0.22
Lowe's Cos	11,948	616	0.75
Netflix	2,654	206	0.25
O'Reilly Automotive	74	13	0.02
Ross Stores	3,077	112	0.14
Staples	17,565	113	0.14
Target	20,695	1,019	1.25
TJX	17,816	857	1.05
Urban Outfitters	1,991	31	0.04
Wal-Mart Stores	22,019	916	1.12
<b>Media</b>			
Cablevision Systems	660	14	0.02
Comcast	32,565	1,247	1.53
Discovery Communications 'A' Shares	6,211	112	0.14
Discovery Communications 'C' Shares	12,085	207	0.25
Dun & Bradstreet	1,773	125	0.15
Interpublic	18,715	296	0.36
News Corp 'A' Shares	5,317	48	0.06
News Corp 'B' Shares	4,448	42	0.05

Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Media (continued)</b>			
Omnicom	2,748	141	0.17
Scripps Networks Interactive	4,369	164	0.20
Time Warner	3,910	172	0.21
Twenty-First Century Fox 'A' Shares	23,761	438	0.54
Twenty-First Century Fox 'B' Shares	20,040	370	0.45
Viacom	5,066	141	0.17
<b>Travel &amp; Leisure</b>			
American Airlines	1,484	43	0.05
Darden Restaurants	5,343	231	0.28
Delta Air Lines	16,786	577	0.71
Priceline	24	21	0.03
Southwest Airlines	15,329	448	0.55
Starbucks	1,410	57	0.07
United Continental	8,597	334	0.41
<b>FINANCIALS</b>		<b>14,132</b>	<b>17.35</b>
<b>Banks</b>			
Bank of America	45,221	516	0.63
BB&T	9,755	250	0.31
Citigroup	9,918	348	0.43
Huntington Bancshares	23,507	176	0.22
JPMorgan Chase	19,222	861	1.05
KeyCorp	2,735	24	0.03
M&T Bank	3,965	326	0.40
People's United Financial	7,311	80	0.10
PNC Financial Services	1,713	111	0.14
Regions Financial	16,863	110	0.13
SunTrust Banks	6,401	186	0.23
US Bancorp	9,928	287	0.35
Wells Fargo	50,426	1,859	2.28
<b>Financial Services</b>			
American Express	1,115	53	0.06
Bank of New York Mellon	423	12	0.01
BlackRock	199	46	0.06
Capital One Financial	4,844	237	0.29
Charles Schwab	3,942	88	0.11
CME	4,631	285	0.35
Discover Financial Services	322	12	0.01
Equifax	2,076	157	0.19
Goldman Sachs	2,249	275	0.34
Intercontinental Exchange	2,567	446	0.55
McGraw Hill Financial	1,148	77	0.09
Moody's	89	6	0.01
Morgan Stanley	6,303	136	0.17
Nasdaq	1,168	46	0.06

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Financial Services (continued)</b>			
Navient	15,842	123	0.15
Northern Trust	1,342	66	0.08
Synchrony Financial	5,471	113	0.14
Visa	10,036	528	0.65
Western Union	23,961	291	0.36
<b>Life Insurance</b>			
MetLife	6,045	198	0.24
Prudential Financial	888	49	0.06
<b>Nonequity Investment Instruments</b>			
Aberdeen Sterling Liquidity Fund Advisory <sup>†</sup>	1,237,565	1,238	1.52
<b>Nonlife Insurance</b>			
ACE	7,667	608	0.74
Allstate	4,308	181	0.22
American International	9,395	395	0.48
Berkshire Hathaway	6,269	561	0.69
Chubb	1,377	124	0.15
Cincinnati Financial	778	31	0.04
Hartford Financial Services	3,576	105	0.13
Progressive	1,840	40	0.05
Travelers	12,570	962	1.18
<b>Real Estate Investment Trusts</b>			
Crown Castle International	2,313	136	0.17
HCP	16,249	422	0.52
Public Storage	1,793	301	0.37
Realty Income	1,278	45	0.06
Ventas	4,184	160	0.20
Welltower Inc	9,634	445	0.55
<b>HEALTH CARE</b>		<b>11,140</b>	<b>13.64</b>
<b>Health Care Equipment &amp; Services</b>			
Aetna	11,822	867	1.06
Anthem	5,428	513	0.63
Baxalta	576	15	0.02
Becton Dickinson	47	5	0.01
Boston Scientific	1,277	16	0.02
Edwards Lifesciences	4,370	234	0.29
Express Scripts	6,348	376	0.46
HCA	4,374	201	0.25
Stryker	742	47	0.06
UnitedHealth	2,872	229	0.28
Varian Medical Systems	1,358	74	0.09

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Pharmaceuticals &amp; Biotechnology</b>			
Abbott Laboratories	4,776	145	0.18
Allergan	1,283	272	0.32
Amgen	10,223	1,126	1.38
Biogen	3,280	682	0.84
Celgene	1,729	140	0.16
Endo International	2,375	99	0.12
Gilead Sciences	21,165	1,453	1.78
Johnson & Johnson	28,639	1,995	2.44
Mallinkckrodt	1,016	51	0.06
Merck	17,952	643	0.79
Mylan	4,610	169	0.21
Perrigo	1,924	189	0.23
Pfizer	73,031	1,599	1.96
<b>INDUSTRIALS</b>		<b>6,866</b>	<b>8.40</b>
<b>Aerospace &amp; Defence</b>			
Boeing	10,204	1,001	1.23
General Dynamics	10,270	957	1.17
L-3 Communications	105	9	0.01
Northrop Grumman	3,663	469	0.57
Raytheon	1,676	142	0.17
United Technologies	25	2	-
<b>Construction &amp; Materials</b>			
Fluor	1,944	62	0.08
Jacobs Engineering	5,753	164	0.20
Masco	3,739	72	0.09
Quanta Services	7,570	104	0.13
<b>Electronic &amp; Electrical Equipment</b>			
Roper Technologies	4,717	607	0.74
<b>General Industrials</b>			
General Electric	22,689	479	0.59
Owens-Illinois	7,378	87	0.11
Parker-Hannifin	5,955	392	0.48
Sealed Air	3,840	116	0.14
WestRock	8,616	267	0.33
<b>Industrial Engineering</b>			
Caterpillar	4,136	191	0.23
<b>Industrial Transportation</b>			
CH Robinson Worldwide	3,461	146	0.18
Expeditors International of Washington	8,865	271	0.33



## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Support Services</b>			
Accenture	7,754	550	0.67
ADT	7,964	178	0.22
PayPal	1,305	32	0.04
Total System Services	7,371	249	0.30
Xerox	44,229	319	0.39
		<b>5,220</b>	<b>6.38</b>
<b>OIL &amp; GAS</b>			
<b>Alternative Energy</b>			
First Solar	601	27	0.03
<b>Oil &amp; Gas Producers</b>			
Chevron	12,463	760	0.93
EOG Resources	8,273	397	0.49
Exxon Mobil	14,138	747	0.91
Marathon Petroleum	11,581	407	0.50
Murphy Oil	755	11	0.01
Newfield Exploration	103	2	-
Occidental Petroleum	3,147	144	0.18
Phillips 66	1,522	84	0.10
Tesoro	471	34	0.04
Valero Energy	18,243	875	1.07
<b>Oil Equipment, Services &amp; Distribution</b>			
Baker Hughes	5,892	184	0.23
Cameron International	8,820	378	0.46
Diamond Offshore Drilling	422	6	0.01
National Oilwell Varco	17,867	406	0.50
Schlumberger	13,025	616	0.75
Transocean	16,900	142	0.17
		<b>14,121</b>	<b>17.27</b>
<b>TECHNOLOGY</b>			
<b>Software &amp; Computer Services</b>			
Alphabet 'A' Shares	1,673	883	1.08
Alphabet 'C' Shares	1,931	994	1.22
CA	14,683	285	0.35
Citrix Systems	3,982	204	0.25
Cognizant Technology Solutions	493	20	0.02
CSRA	924	19	0.02
Facebook	12,704	902	1.10
Hewlett Packard Enterprise	17,457	180	0.22
International Business Machines	3,296	308	0.38
Microsoft	31,527	1,186	1.45
Oracle	30,749	762	0.93
Teradata	6,183	111	0.14
VeriSign	2,099	124	0.15

Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Technology Hardware &amp; Equipment</b>			
Apple	34,904	2,492	3.05
Avago Technologies	515	51	0.06
Broadcom	1,880	74	0.09
Cisco Systems	35,866	661	0.81
Corning	33,025	409	0.50
EMC	41,706	726	0.89
F5 Networks	913	60	0.07
HP	27,471	220	0.27
Intel	34,948	817	1.00
Juniper Networks	4,003	75	0.09
Lam Research	3,698	199	0.24
Micron Technology	9,962	96	0.12
NetApp	14,063	253	0.31
NVIDIA	22,688	507	0.62
Qorvo	116	4	-
QUALCOMM	9,332	317	0.39
Seagate Technology	8,109	202	0.25
Texas Instruments	16,217	603	0.74
Western Digital	5,956	243	0.30
Xilinx	4,190	134	0.16
<b>TELECOMMUNICATIONS</b>		<b>1,261</b>	<b>1.54</b>
<b>Fixed Line Telecommunications</b>			
AT&T	31,210	728	0.89
CenturyLink	26,386	450	0.55
Verizon Communications	2,647	83	0.10
<b>UTILITIES</b>		<b>3,458</b>	<b>4.25</b>
<b>Electricity</b>			
AES	3,555	23	0.03
Consolidated Edison	12,658	552	0.68
DTE Energy	723	39	0.05
Entergy	8,414	390	0.48
NextEra Energy	13,275	935	1.15
NRG Energy	16,351	130	0.16
Pinnacle West Capital	4,119	180	0.22
Public Service Enterprise	23,707	622	0.76
<b>Gas, Water &amp; Multiutilities</b>			
AGL Resources	2,819	122	0.15
CenterPoint Energy	11,948	149	0.18
WEC Energy	9,087	316	0.39

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>DERIVATIVES</b>		<b>94</b>	<b>0.12</b>
<b>Futures</b>			
S&P 500 E Mini Index Futures March 2016	22	26	0.03
<b>Options</b>			
S&P 500 Index Written Call Option February 2016 (strike price GBP 2160)	(400)	(1)	-
<b>Forward Currency Contracts</b>			
<b>US Dollar</b>			
Bought USD2,928,105 for GBP1,924,612 Settlement 23/03/2016		62	0.08
Bought USD1,104,125 for GBP729,877 Settlement 23/03/2016		19	0.02
Bought USD205,000 for GBP135,696 Settlement 23/03/2016		3	-
Bought USD101,000 for GBP67,796 Settlement 23/03/2016		1	-
Sold USD85,000 for GBP57,158 Settlement 23/03/2016		(1)	-
Sold USD205,000 for GBP135,303 Settlement 23/03/2016		(4)	-
Sold USD1,815,000 for GBP1,220,119 Settlement 23/03/2016		(11)	(0.01)
<b>Portfolio of investments<sup>^</sup></b>		<b>81,391</b>	<b>99.69</b>
<b>Net other assets</b>		<b>251</b>	<b>0.31</b>
<b>Total net assets</b>		<b>81,642</b>	<b>100.00</b>

<sup>^</sup>Including derivative liabilities.

<sup>‡</sup>This investment is a related party (see note 9).

Collective investment schemes are regulated within the meaning of the FCA rules, equity investment instruments are quoted on a listed securities market, unless otherwise stated. Derivative contracts can be exchange traded on a regulated market or over the counter (OTC).

## Statement of total return

For the period 6 March 2015 to 31 December 2015

	Notes	31/12/15	
		£'000	£'000
Income			
Net capital (losses)	1		(1,269)
Revenue	2	1,295	
Expenses	3	(136)	
Interest payable and similar charges		(3)	
Net revenue before taxation		1,156	
Taxation	4	(182)	
Net revenue after taxation			974
<b>Total return before distributions</b>			<b>(295)</b>
Distributions	5		(974)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(1,269)</b>

## Statement of change in net assets attributable to shareholders

For the period 6 March 2015 to 31 December 2015

	31/12/15	
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-
Assets transferred from other funds <sup>A</sup>		67,051
Amounts receivable on creation of shares	25,212	
Less: Amounts payable on cancellation of shares	(10,370)	
		14,842
Dilution adjustment		8
Change in net assets attributable to shareholders from investment activities		(1,269)
Retained distribution on accumulation shares		1,010
<b>Closing net assets attributable to shareholders</b>		<b>81,642</b>

<sup>A</sup> Relating to the transfer of assets from the Scottish Widows US Equity Fund.

Notes to the financial statements are on pages 148 to 154.

# Balance sheet

As at 31 December 2015

	Notes	31/12/15 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments		81,408
<b>Current assets</b>		
Debtors	6	161
Cash and bank balances	7	226
<b>Total assets</b>		<b>81,795</b>
<b>Liabilities</b>		
<b>Investment liabilities</b>		(17)
<b>Creditors</b>		
Bank overdrafts		(52)
Other creditors	8	(84)
<b>Total liabilities</b>		<b>(153)</b>
<b>Net assets attributable to shareholders</b>		<b>81,642</b>

Notes to the financial statements are on pages 148 to 154.

# Notes to the financial statements

For the period 6 March 2015 to 31 December 2015

## 1. Net capital (losses)

The net capital (losses) during the period comprise:

	31/12/15
	£'000
Non-derivative securities	(1,389)
Future and option contracts	62
Currency gains	65
Handling charges	(7)
<b>Net capital (losses)</b>	<b>(1,269)</b>

## 2. Revenue

	31/12/15
	£'000
Overseas non-taxable revenue	1,233
Distributions from Regulated Collective Investment Schemes:	
Offshore distribution taxable	8
Property revenue from overseas REITs - taxable	54
<b>Total revenue</b>	<b>1,295</b>

## 3. Expenses

	31/12/15
	£'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>	
ACD's periodic charge	121
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>	
Depositary's fees	5
Safe custody fees	2
	7
<b>Other expenses:</b>	
Audit fee	7
Printing and publishing fees	1
Registration fees	60
Expense capping adjustment <sup>A</sup>	(60)
	8
<b>Total expenses</b>	<b>136</b>

<sup>A</sup> No Registration fee is currently deducted but is borne by the ACD.

Expenses include irrecoverable VAT where applicable.

## Notes to the financial statements (continued)

### 4. Taxation

	31/12/15 £'000
(a) <b>Analysis of charge in year:</b>	
Irrecoverable overseas tax	182
(b) <b>Factors affecting the total tax charge for the year:</b>	
The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20%. The differences are explained below:	
Net revenue before taxation	1,156
Corporation tax of 20%	231
<b>Effects of:</b>	
Overseas non-taxable revenue	(247)
Movement in excess management expenses	18
Irrecoverable overseas tax	182
Overseas tax expensed	(2)
<b>Current tax charge for year (note 5a)</b>	<b>182</b>

*OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.*

### (c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current year.

### (d) Factors that may affect future tax charges:

At the period end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £16,998 relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

### 5. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	31/12/15 £'000
Interim	358
Final	652
	1,010
Add: Revenue deducted on cancellation of shares	57
Deduct: Revenue received on creation of shares	(93)
<b>Net distributions for the period</b>	<b>974</b>

Details of the distribution per share is set out in the distribution tables on page 155.

## Notes to the financial statements (continued)

### 6. Debtors

	31/12/15
	£'000
Sales awaiting settlement	9
Accrued revenue	88
Expense capping adjustment recoverable	60
Overseas tax recoverable	4
<b>Total debtors</b>	<b>161</b>

### 7. Cash and bank balances

	31/12/15
	£'000
Cash and bank balances	80
Amounts held at futures clearing houses and brokers	146
<b>Total cash and bank balances</b>	<b>226</b>

### 8. Other creditors

	31/12/15
	£'000
Accrued expenses	84

### 9. Related party transactions

Aberdeen Fund Managers Limited, ("the ACD") is a related party.

Aberdeen Fund Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of change in net assets attributable to shareholders. Amounts due to/from Aberdeen Fund Managers Limited in respect of share transactions at the period end are included in the Balance Sheet.

Amounts paid to Aberdeen Fund Managers Limited in respect of ACD fees are disclosed in note 3, with £13,926 due at the period end.

*Shares held by associates of the ACD*

On 31 December 2015, shares held as a percentage of the Fund's value were:

	31/12/15
	%
ACD and associates of the ACD	18.18
Material shareholders:	
State Street Nominees Ltd held 79.38% of the Fund at 31 December 2015.	

### 10. Share classes

The Fund has one share class in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class B - Accumulation	0.20

The net asset value of this share class, the net asset value per share and the number of shares in this class is given in the Comparative Table on page 137. The distributions per share class are given in the Distribution tables on page 155.



## Notes to the financial statements (continued)

### 10. Share classes (continued)

Reconciliation of the shares movement in the year

	Opening shares in issue	Creations	Cancellations	Shares converted	31/12/15 Closing shares in issue
Share Class B - Accumulation	-	92,820,496	(10,799,057)	-	82,021,439

### 11. Capital commitments and contingent liabilities

As at 31 December 2015, the Fund had no capital commitments and no contingent liabilities.

### 12. Risk management policies and disclosures

A statement of the Fund's objective and the policy for achieving it has been included on page 135. The risks inherent in the Fund's investment portfolio are as follows:

#### (1) Market price risk

##### (a) Foreign currency risk

A significant proportion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the sterling value of the portfolio, cash and investment purchases and sales.

As at 31 December the Fund had the following net currency exposure (excluding sterling):

	Currency exposure 31/12/15 £'000
<b>Currency</b>	
US dollar	81,658
<b>Total</b>	<b>81,658</b>

##### (b) Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing including instruments used to hedge against changes in interest rates.

The interest rate risk profile of the Fund's investments at the year end consists of:

	Floating rate investment £'000	Fixed rate investment £'000	Non-interest bearing investment £'000	Total £'000
<b>31/12/15</b>				
<b>Currency</b>				
Sterling	214	-	(230)	(16)
US dollar	(40)	-	81,698	81,658
<b>Total</b>	<b>174</b>	<b>-</b>	<b>81,468</b>	<b>81,642</b>

## Notes to the financial statements (continued)

### 13. Risk management policies and disclosures (continued)

#### (c) Other price risk

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

#### (2) Counterparty risk

As at 31 December 2015 the Fund has no exposure to debt securities.

#### Financial derivatives

The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements.

Financial derivative instrument (FDI) exposure <sup>A</sup>	31/12/15
Exchange traded derivatives (ETDs)	1,519,777
Over the counter derivatives (OTCs)	-
Forward foreign exchange (FFX)	1,514,969
<b>Total FDI exposure</b>	<b>3,034,746</b>
Total FDI exposure as a percentage of the Fund's value	4%

<sup>A</sup> FDI exposure is calculated using the sum of the notionals on each derivative position

Efficient portfolio management (EPM) techniques	31/12/15
Gross revenues arising from repurchase orders (repos)	-
Gross revenues arising from stocklending	-
Direct operational costs and fees incurred for stocklending (stocklending agent costs)	-
Indirect operational costs and fees incurred for stocklending (Investment Adviser operational costs)	-
<b>Net revenue generated for the Fund during the annual accounting period</b>	<b>-</b>
Underlying exposure obtained through EPM techniques <sup>†</sup>	3,034,746
<b>Uncollateralised counterparty exposure</b>	
No uncollateralised counterparty exposure.	-
<b>Collateral</b>	
The type and amount of collateral received to reduce counterparty exposure:	
No collateral received.	-

## Notes to the financial statements (continued)

### 13. Risk management policies and disclosures (continued)

#### Notes:

Receipt of collateral reduced counterparty exposure in relation to OTC positions and stocklending.

† The Investment Adviser has entered into an indemnified stocklending programme with State Street Bank and Trust Company (SSBTC), who is a related party to the Depositary. The counterparty exposure for stocklending activities is therefore to SSBTC. Any collateral received in relation to these activities is not invested in asset types that are required to be included in the global exposure calculations in accordance with the commitment approach.

The counterparty exposure and therefore the amount of collateral received is, however, calculated in a different way to the FDI exposure above. For example, one S&P 500 index futures contract obligates the buyer to 250 units of the S&P 500 index. If the index is trading at \$1,000, then the single futures contract is similar to investing \$250,000 (250 x \$1,000). Therefore, \$250,000 is the notional value of the contract and is the basis on which the FDI exposure figures above are shown.

The counterparty exposure, however, would be the amount that the Fund would lose if the counterparty defaulted, i.e. the unrealised profit of the trade. It is therefore a different amount to the sum of the notionals.

#### Leverage

No leverage has been employed during the year.

### (3) Liquidity risk

All of the Fund's financial liabilities are payable on demand or in less than one year.

### 14. Portfolio transaction costs

Analysis of total trade costs

	Purchases 31/12/15 £'000	Sales 31/12/15 £'000
Equities	148,668	65,425
Futures <sup>A</sup>	-	-
Trades in the period before transaction costs	148,668	65,425
<b>Commissions</b>		
Equities	3	(2)
Futures <sup>A</sup>	-	-
Total commissions	3	(2)
<b>Taxes</b>		
Equities	-	(1)
Futures <sup>A</sup>	-	-
Total taxes	-	(1)
Total costs	3	(3)
<b>Total net trades in the period after transaction costs</b>	<b>148,671</b>	<b>65,422</b>

<sup>A</sup> Purchases and/or sales of future contracts do not incur transaction costs and have been included at the value of their exposure.

## Notes to the financial statements (continued)

### 14. Portfolio transaction costs (continued)

Total transaction cost expressed as a percentage of asset type cost

	Purchases 31/12/15 %	Sales 31/12/15 %
<b>Commissions</b>		
Equities	-	-
Futures	-	-
<b>Taxes</b>		
Equities	-	-
Futures	-	-

Total transaction cost expressed as a percentage of net asset value

	31/12/15 %
Commissions	0.01
Taxes	-
<b>Total costs</b>	<b>0.01</b>

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

The average portfolio dealing spread at the balance sheet was 0.02%.

### 15. Fair value

Valuation technique	31/12/15	
	Assets £'000	Liabilities £'000
Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	80,085	1
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	1,323	16
<b>Total fair value</b>	<b>81,408</b>	<b>17</b>

# Distribution table

For the year ended 31 December 2015

## Interim dividend distribution

Group 1: Shares created for initial seeding of Fund prior to 6 March 2015

Group 2: Shares purchased 6 March 2015 to 30 June 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 31/08/15 (p)
<b>Share Class B - Accumulation</b>			
Group 1	0.4608	-	0.4608
Group 2	0.2705	0.1903	0.4608

## Final dividend distribution

Group 1: Shares purchased prior to 1 July 2015

Group 2: Shares purchased 1 July 2015 to 31 December 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 28/02/16 (p)
<b>Share Class B - Accumulation</b>			
Group 1	0.7952	-	0.7952
Group 2	0.3381	0.4571	0.7952

## Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Aberdeen UK Enhanced Equity Fund

For the year ended 31 December 2015

## Report of the Authorised Fund Manager

### Investment objective and policy

The Fund aims to provide long term capital growth predominantly through investment in equities, equity and index derivative contracts and equity related securities of UK companies which are constituents of the FTSE 100 Index (or such other index as the ACD may at its discretion determine from time to time) money market instruments, cash and near cash and deposits.

The Fund will use derivative transactions with a view to generating additional capital returns. The investment adviser will aim to generate these additional capital returns by selling index options against the relevant index. This strategy is intended to enhance the return for the Fund over the longer term.

The Fund may also invest in other transferable securities, collective investment schemes, permitted derivative contracts and forward contracts and use may also be made of stocklending, borrowing and hedging and other techniques permitted by the COLL Rules.

### Synthetic risk and reward indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The highlighted area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

The Fund is ranked at 5 because the value of the underlying investments are subject to price fluctuations. The synthetic risk and reward indicator shown here is accurate as at 31 December 2015 and there has been no change to this ranking during the year. The lowest category 1 does not mean a risk-free investment.

Further details of the risk profile can be found in the latest KIID, which is available on our website.

### Investment review

#### Cumulative performance (%)

	Period of report 31/12/14 to 31/12/15	5 years 31/12/10 to 31/12/15	Since launch 18/08/09 to 31/12/15
Fund - A Accumulation <sup>A</sup>	(1.19)	4.57	7.55
Benchmark <sup>B</sup>	(1.32)	4.88	7.58

#### Discrete performance (%)

	31/12/14 to 31/12/15	31/12/13 to 31/12/14	31/12/12 to 31/12/13	31/12/11 to 31/12/12	31/12/10 to 31/12/11
% Change <sup>A</sup>	(1.19)	0.19	16.35	11.29	(2.46)
Gross Return <sup>C</sup>	(1.32)	1.63	17.81	11.96	(0.49)

<sup>A</sup> Aberdeen UK Enhanced Equity Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

<sup>B</sup> FTSE 100 index in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Rimes.

<sup>C</sup> Aberdeen UK Enhanced Equity Fund in GBP at close of business; Revenue (net of tax) reinvested and gross of expenses; Source: Aberdeen.

Past performance is not a guide to future results. The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.

### Market review

Following some spells of volatility, wider UK equity markets managed only a small gain over the 12 months, while large cap stocks were slightly down. In part, this was due to weakness in energy and commodity prices. This has had a negative influence throughout 2015 because of the large number of global oil and mining companies that are listed in the UK.

Recently, concerns about the health of the Chinese economy have also had a negative influence on performance, although October brought something of a rebound. In November, the Bank of England highlighted that the prospect of sustained inflation is remote and that the problems being faced by China and other developing economies could lead to the UK's recovery fizzling out. Accordingly, interest rates were once more held at 0.5%.

But in the US, the Federal Reserve has started the process of raising interest rates for the first time since the onset of the financial crisis. Investors had also been nervous ahead of the Federal Reserve's December rate-setting meeting. When rates were eventually raised, the move was taken as an expression of confidence in the strength of the US economy. While stock markets across the world recovered some of their previous losses, the UK market nevertheless finished slightly lower over the month.

### Portfolio review

The UK Enhanced Equity Fund aims to replicate the FTSE 100 index, with an additional actively managed call option-overwriting strategy; this has the effect of potentially capping the Fund's participation in index rises, but adding value during falling markets.

At the stock level, the top performers in the FTSE 100 index over the 12 months included DCC, Hargreaves Lansdown, Berkeley, Taylor Wimpey, Inmarsat, Direct Line Insurance, Provident Financial, Persimmon, Barratt Developments and Carnival. In contrast, Royal Dutch Shell, Rolls Royce, Aberdeen Asset Management, Rio Tinto, Antofagasta, Pearson, Standard Chartered, BHP Billiton, Glencore and Anglo American lagged behind.

In terms of activity and composition, the Fund continued to mirror the FTSE 100 index. We therefore periodically rebalanced its holdings in accordance with the changes that index provider FTSE made at its quarterly reviews. At the December 2015 update, Worldpay, Provident Financial and DCC were added to the index. In contrast, G4S, WM Morrison Supermarkets and Meggitt were excluded.

### Outlook

The UK's expansion is set to continue its pattern of domestic strength largely offsetting external weakness. Improving household spending power should support consumer spending growth, while large cash holdings and easing credit conditions mean that the outlook for business investment growth is encouraging. By contrast, sterling's recent appreciation means that net trade may be a drag on growth this year.

### Aberdeen Asset Managers Limited

January 2016

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

# Comparative table

As at 31 December 2015

## Net asset value and ongoing charges figure

### Share Class A - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	159.59	159.30	136.95
Return before operating charges*	(0.06)	2.09	24.04
Operating charges	(1.85)	(1.80)	(1.69)
Return after operating charges*	(1.91)	0.29	22.35
Closing net asset value per share	157.68	159.59	159.30
Retained distributions on accumulation shares*	4.41	3.80	3.74
* After direct transaction costs of: <sup>A</sup>	0.06	0.05	0.06

### Performance

Return after charges	(1.20%)	0.18%	16.32%
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### Other information

Closing net asset value (£'000)	123,012	123,325	116,652
Closing number of shares	78,014,175	77,276,701	73,228,906
Operating charges <sup>B</sup>	1.13%	1.12%	1.12%
Direct transaction costs	0.04%	0.03%	0.04%

### Prices

Highest share price	174.86	166.50	159.40
Lowest share price	149.12	148.20	139.40

<sup>A</sup> Please refer to Note 15 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.



## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class A - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	140.81	144.03	127.07
Return before operating charges*	0.01	1.92	22.10
Operating charges	(1.62)	(1.62)	(1.56)
Return after operating charges*	(1.61)	0.30	20.54
Distributions on income shares	(3.86)	(3.52)	(3.58)
Closing net asset value per share	135.34	140.81	144.03
* After direct transaction costs of: <sup>A</sup>	0.05	0.04	0.06

#### Performance

Return after charges	(1.14%)	0.21%	16.17%
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#### Other information

Closing net asset value (£'000)	3,856	6,025	7,099
Closing number of shares	2,849,124	4,278,734	4,928,928
Operating charges <sup>B</sup>	1.13%	1.12%	1.12%
Direct transaction costs	0.04%	0.03%	0.04%

#### Prices

Highest share price	154.28	149.10	145.40
Lowest share price	129.51	132.10	129.40

<sup>A</sup> Please refer to Note 15 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class B - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	104.25	103.26	100.00
Return before operating charges*	(0.07)	1.32	3.28
Operating charges	(0.35)	(0.33)	(0.02)
Return after operating charges*	(0.42)	0.99	3.26
Closing net asset value per share	103.83	104.25	103.26
Retained distributions on accumulation shares*	3.76	3.27	0.01
* After direct transaction costs of: <sup>A</sup>	0.04	0.03	0.04

#### Performance

Return after charges	(0.40%)	0.96%	3.26%
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#### Other information

Closing net asset value (£'000)	1,681	2	2
Closing number of shares	1,618,909	2,000	2,000
Operating charges <sup>B</sup>	0.33%	0.32%	0.32%
Direct transaction costs	0.04%	0.03%	0.04%

#### Prices

Highest share price	114.58	108.50	103.30
Lowest share price	97.99	96.65	98.60

<sup>A</sup> Please refer to Note 15 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class B - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	100.99	103.25	100.00
Return before operating charges*	0.01	1.37	3.28
Operating charges	(0.34)	(0.33)	(0.02)
Return after operating charges*	(0.33)	1.04	3.26
Distributions on income shares	(3.65)	(3.30)	(0.01)
Closing net asset value per share	97.01	100.99	103.25
* After direct transaction costs of: <sup>A</sup>	0.04	0.03	0.04

#### Performance

Return after charges	(0.33%)	1.01%	3.26%
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#### Other information

Closing net asset value (£'000)	4,207	1,417	2
Closing number of shares	4,337,053	1,403,471	2,000
Operating charges <sup>B</sup>	0.33%	0.32%	0.32%
Direct transaction costs	0.04%	0.03%	0.04%

#### Prices

Highest share price	111.01	107.30	103.30
Lowest share price	93.04	94.96	98.60

<sup>A</sup> Please refer to Note 15 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class C - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	134.05	132.64	113.45
Return before operating charges*	5.29	1.78	19.94
Operating charges	(0.08)	(0.37)	(0.75)
Return after operating charges*	5.21	1.41	19.19
Return to shareholder as a result of class closure	(139.26)	-	-
Closing net asset value per share	-	134.05	132.64
Retained distributions on accumulation shares*	-	4.32	3.75
* After direct transaction costs of: <sup>A</sup>	0.01	0.04	0.05

#### Performance

Return after charges	3.89%	1.06%	16.91%
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#### Other information

Closing net asset value (£'000)	-	56	3
Closing number of shares	-	41,647	2,000
Operating charges <sup>B</sup>	-	0.27%	0.27%
Direct transaction costs	-	0.03%	0.04%

#### Prices

Highest share price	142.60	139.50	132.70
Lowest share price	130.30	124.30	115.50

<sup>A</sup> Please refer to Note 15 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share class C Accumulation closed on 13 March 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class C - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	124.06	126.78	111.76
Return before operating charges*	4.89	1.72	19.42
Operating charges	(0.07)	(0.35)	(0.74)
Return after operating charges*	4.82	1.37	18.68
Distributions on income shares	-	(4.09)	(3.66)
Return to shareholder as a result of class closure	(128.88)		
Closing net asset value per share	-	124.06	126.78
* After direct transaction costs of: <sup>A</sup>	0.01	0.04	0.05

#### Performance

Return after charges	3.88%	1.08%	16.71%
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#### Other information

Closing net asset value (£'000)	-	62	3
Closing number of shares	-	50,367	2,000
Operating charges <sup>B</sup>	0.26%	0.27%	0.27%
Direct transaction costs	0.04%	0.03%	0.04%

#### Prices

Highest share price	132.00	131.80	128.30
Lowest share price	120.60	116.60	113.80

<sup>A</sup> Please refer to Note 15 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share class C Income closed on 13 March 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class P - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	141.04	144.13	127.05
Return before operating charges*	(0.01)	2.10	22.08
Operating charges	(0.40)	(0.90)	(0.86)
Return after operating charges*	(0.41)	1.20	21.22
Distributions on income shares	(5.10)	(4.29)	(4.14)
Closing net asset value per share	135.53	141.04	144.13
* After direct transaction costs of: <sup>A</sup>	0.05	0.04	0.06

#### Performance

Return after charges	(0.29%)	0.83%	16.70%
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#### Other information

Closing net asset value (£'000)	31,224	20,382	893,614
Closing number of shares	23,038,044	14,451,676	620,014,278
Operating charges <sup>B</sup>	0.28%	0.62%	0.62%
Direct transaction costs	0.04%	0.03%	0.04%

#### Prices

Highest share price	155.05	149.60	145.80
Lowest share price	129.98	132.50	129.40

<sup>A</sup> Please refer to Note 15 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class Q - Income

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	140.99	144.13	127.05
Return before operating charges*	-	1.76	22.09
Operating charges	(0.25)	(0.31)	(0.87)
Return after operating charges*	(0.25)	1.45	21.22
Distributions on income shares	(5.25)	(4.59)	(4.14)
Closing net asset value per share	135.49	140.99	144.13

* After direct transaction costs of: <sup>A</sup>	0.05	0.04	0.06
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#### Performance

Return after charges	(0.18%)	1.01%	16.70%
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#### Other information

Closing net asset value (£'000)	729,937	954,961	113,159
Closing number of shares	538,746,096	677,309,746	78,512,824
Operating charges <sup>B</sup>	0.18%	0.21%	0.62%
Direct transaction costs	0.04%	0.03%	0.04%

#### Prices

Highest share price	155.06	149.70	145.80
Lowest share price	129.97	132.60	129.40

<sup>A</sup> Please refer to Note 15 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

# Portfolio statement

As at 31 December 2015

	Holdings	Market value £'000	Total net assets %
<b>BASIC MATERIALS (7.63%<sup>A</sup>)</b>		<b>39,199</b>	<b>4.39</b>
<b>Chemicals</b>			
Johnson Matthey	111,952	2,975	0.34
<b>Forestry &amp; Paper</b>			
Mondi	202,022	2,693	0.30
<b>Mining</b>			
Anglo American	713,875	2,137	0.24
Antofagasta	193,897	910	0.10
BHP Billiton	1,153,885	8,759	0.98
Fresnillo	89,997	636	0.07
Glencore	6,400,508	5,784	0.65
Randgold Resources	50,163	2,078	0.23
Rio Tinto	668,344	13,227	1.48
<b>CONSUMER GOODS (15.88%<sup>A</sup>)</b>		<b>171,012</b>	<b>19.13</b>
<b>Automobiles &amp; Parts</b>			
GKN	889,836	2,742	0.31
<b>Beverages</b>			
Coca-Cola HBC	108,813	1,576	0.18
Diageo	1,376,045	25,546	2.86
SABMiller	515,964	20,974	2.35
<b>Food Producers</b>			
Associated British Foods	190,385	6,363	0.70
<b>Household Goods &amp; Home Construction</b>			
Barratt Developments	537,631	3,366	0.38
Berkeley	67,956	2,506	0.28
Persimmon	158,015	3,203	0.36
Reckitt Benckiser	344,734	21,625	2.41
Taylor Wimpey	1,852,729	3,763	0.42
<b>Personal Goods</b>			
Burberry	239,352	2,860	0.32
Unilever	659,119	19,289	2.16
<b>Tobacco</b>			
British American Tobacco	1,017,349	38,364	4.29
Imperial Tobacco	525,819	18,835	2.11



## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>CONSUMER SERVICES (9.72%<sup>A</sup>)</b>		<b>95,755</b>	<b>10.71</b>
<b>Food &amp; Drug Retailers</b>			
J Sainsbury	762,624	1,972	0.22
Tesco	4,387,175	6,559	0.73
<b>General Retailers</b>			
Dixons Carphone	528,979	2,643	0.30
Kingfisher	1,294,141	4,264	0.48
Marks & Spencer	876,163	3,964	0.44
Next	81,153	5,908	0.66
Sports Direct International	137,218	790	0.09
<b>Media</b>			
ITV	2,043,216	5,652	0.63
Pearson	444,220	3,267	0.37
Reed Elsevier	617,785	7,395	0.83
Sky	568,229	6,319	0.71
WPP	723,007	11,301	1.26
<b>Travel &amp; Leisure</b>			
Carnival	99,695	3,854	0.43
Compass	910,579	10,699	1.20
easyJet	135,024	2,349	0.26
InterContinental Hotels	129,019	3,419	0.38
International Consolidated Airlines	1,000,084	6,101	0.68
Merlin Entertainments	401,726	1,830	0.20
TUI	257,441	3,105	0.35
Whitbread	99,153	4,364	0.49
<b>FINANCIALS (26.00%<sup>A</sup>)</b>		<b>222,520</b>	<b>24.89</b>
<b>Banks</b>			
Barclays	9,089,256	19,896	2.23
HSBC	10,596,888	56,810	6.36
Lloyds Banking	34,819,317	25,442	2.85
Royal Bank of Scotland	1,757,063	5,306	0.58
Standard Chartered	1,457,939	8,218	0.92
<b>Financial Services</b>			
3i	531,198	2,558	0.29
Aberdeen Asset Management <sup>†</sup>	545,080	1,578	0.18
Hargreaves Lansdown	119,203	1,792	0.20
London Stock Exchange	170,505	4,675	0.51
Provident Financial	82,636	2,782	0.31
Schroders	61,741	1,837	0.21

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Life Insurance</b>			
Aviva	2,196,795	11,335	1.27
Legal & General	3,200,328	8,570	0.96
Old Mutual	2,670,017	4,774	0.53
Prudential	1,394,054	21,343	2.39
St James's Place	274,608	2,765	0.31
Standard Life	1,051,264	4,097	0.46
<b>Nonequity Investment Instrument</b>			
Aberdeen Sterling Liquidity Fund Advisory <sup>†</sup>	17,920,597	17,921	2.00
<b>Nonlife Insurance</b>			
Admiral	105,155	1,745	0.20
Direct Line Insurance	774,918	3,153	0.35
RSA Insurance	539,015	2,298	0.26
<b>Real Estate Investment Trusts</b>			
British Land	555,088	4,363	0.49
Hammerson	429,437	2,577	0.29
Intu Properties	506,925	1,608	0.18
Land Securities	431,367	5,077	0.56
<b>HEALTH CARE (9.27%<sup>^</sup>)</b>		<b>90,823</b>	<b>10.16</b>
<b>Health Care Equipment &amp; Services</b>			
Smith & Nephew	489,871	5,913	0.66
<b>Pharmaceuticals &amp; Biotechnology</b>			
AstraZeneca	687,510	31,735	3.55
GlaxoSmithKline	2,651,736	36,408	4.07
Hikma Pharmaceuticals	73,472	1,688	0.19
Shire	320,970	15,079	1.69
<b>INDUSTRIALS (6.88%<sup>^</sup>)</b>		<b>62,579</b>	<b>7.00</b>
<b>Aerospace &amp; Defence</b>			
BAE Systems	1,726,245	8,624	0.96
Rolls-Royce	995,609	5,725	0.64
Rolls-Royce Preference shares	93,932,261	94	0.01
<b>Construction &amp; Materials</b>			
CRH	442,293	8,704	0.97
<b>General Industrials</b>			
Smiths	214,182	2,012	0.23
<b>Industrial Transportation</b>			
Royal Mail	496,584	2,205	0.25

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>Support Services</b>			
Ashtead	269,783	3,011	0.34
Babcock International	271,477	2,758	0.31
Bunzl	181,385	3,417	0.38
Capita	354,915	4,287	0.48
DCC	50,853	2,878	0.32
Experian	552,245	6,616	0.74
Intertek	87,820	2,434	0.27
Travis Perkins	137,047	2,704	0.30
Wolseley	144,344	5,328	0.60
Worldpay	580,360	1,782	0.20
<b>OIL &amp; GAS (14.15%<sup>A</sup>)</b>		<b>106,556</b>	<b>11.92</b>
<b>Oil &amp; Gas Producers</b>			
BG	1,855,155	18,268	2.04
BP	9,953,668	35,236	3.94
Royal Dutch Shell 'A' Shares	2,141,951	32,686	3.66
Royal Dutch Shell 'B' Shares	1,319,895	20,366	2.28
<b>TECHNOLOGY (1.09%<sup>A</sup>)</b>		<b>11,552</b>	<b>1.29</b>
<b>Software &amp; Computer Services</b>			
Sage	587,824	3,548	0.40
<b>Technology Hardware &amp; Equipment</b>			
ARM	770,361	8,004	0.89
<b>TELECOMMUNICATIONS (5.25%<sup>A</sup>)</b>		<b>56,390</b>	<b>6.31</b>
<b>Fixed Line Telecommunications</b>			
BT	4,567,792	21,546	2.41
<b>Mobile Telecommunications</b>			
Inmarsat	251,274	2,857	0.32
Vodafone	14,473,656	31,987	3.58
<b>UTILITIES (4.34%<sup>A</sup>)</b>		<b>39,730</b>	<b>4.44</b>
<b>Electricity</b>			
SSE	538,657	8,220	0.92
<b>Gas, Water &amp; Multiutilities</b>			
Centrica	2,712,682	5,908	0.65
National Grid	2,058,715	19,290	2.16
Severn Trent	130,069	2,829	0.32
United Utilities	372,486	3,483	0.39

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>DERIVATIVES (0.23%<sup>A</sup>)</b>		<b>(381)</b>	<b>(0.04)</b>
<b>Index Futures</b>			
FTSE 100 Index Futures March 2016	464	221	0.02
<b>Index Options</b>			
FTSE 100 Index Written Call Option February 2016 (Strike Price GBP6,600)	(5,000)	(95)	(0.01)
FTSE 100 Index Written Call Option February 2016 (Strike Price GBP6,575)	(10,000)	(196)	(0.02)
FTSE 100 Index Written Call Option February 2016 (Strike Price GBP6,525)	(15,000)	(311)	(0.03)
<b>Portfolio of investments<sup>A</sup></b>		<b>895,735</b>	<b>100.20</b>
<b>Net other liabilities</b>		<b>(1,818)</b>	<b>(0.20)</b>
<b>Total net assets</b>		<b>893,917</b>	<b>100.00</b>

<sup>A</sup> Comparative figures shown in brackets relate to 31 December 2014.

<sup>^</sup> Including derivative liabilities.

<sup>‡</sup> This investment is a related party (see note 9).

Equity investment instruments are quoted on a listed securities market, unless otherwise stated. Derivative contracts can be exchange traded on a regulated market or over the counter (OTC).

## Statement of total return

For the year ended 31 December 2015

	Notes	31/12/15		31/12/14	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	1		(29,814)		(23,950)
Revenue	2	37,759		38,797	
Expenses	3	(3,023)		(5,256)	
Interest payable and similar charges		(5)		(1)	
Net revenue before taxation		34,731		33,540	
Taxation	4	(281)		283	
Net revenue after taxation			34,450		33,823
<b>Total return before distributions</b>			4,636		9,873
Distributions	5		(34,450)		(34,015)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(29,814)</b>		<b>(24,142)</b>

## Statement of change in net assets attributable to shareholders

For the year ended 31 December 2015

	31/12/15		31/12/14	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		1,106,230		1,130,534
Amounts receivable on creation of shares	33,207		95,569	
Less: Amounts payable on cancellation of shares	(219,256)		(98,516)	
		(186,049)		(2,947)
Dilution adjustment		76		(14)
Stamp duty reserve tax		-		(87)
Change in net assets attributable to shareholders from investment activities		(29,814)		(24,142)
Retained distribution on accumulation shares		3,474		2,886
<b>Closing net assets attributable to shareholders</b>		<b>893,917</b>		<b>1,106,230</b>

Notes to the financial statements are on pages 173 to 181.

# Balance sheet

As at 31 December 2015

	Notes	31/12/15 £'000	31/12/14 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		896,337	1,111,534
<b>Current assets</b>			
Debtors	7	2,661	4,914
Cash and bank balances	8	8,793	5,864
<b>Total assets</b>		<b>907,791</b>	<b>1,122,312</b>
<b>Liabilities</b>			
Investment liabilities		(602)	(396)
<b>Creditors</b>			
Distribution payable		(12,834)	(14,260)
Other creditors	9	(438)	(1,426)
<b>Total liabilities</b>		<b>(13,874)</b>	<b>(16,082)</b>
<b>Net assets attributable to shareholders</b>		<b>893,917</b>	<b>1,106,230</b>

Notes to the financial statements are on pages 173 to 181.

# Notes to the financial statements

For the year ended 31 December 2015

## 1. Net capital losses

The net capital losses during the year comprise:

	31/12/15	31/12/14
	£'000	£'000
Non-derivative securities	(39,390)	(33,024)
Future and option contracts	9,305	9,141
Currency gains/(losses)	102	(67)
Handling charges	(4)	-
Compensation received	173	-
<b>Net capital losses</b>	<b>(29,814)</b>	<b>(23,950)</b>

## 2. Revenue

	31/12/15	31/12/14
	£'000	£'000
UK dividends	30,581	31,128
Overseas taxable revenue	(94)	(17)
Overseas non-taxable revenue	4,199	2,374
Property revenue from UK REITs - PID	331	258
Property revenue from UK REITs - Non PID	79	42
Property revenue from UK REITs - PID Scrip	63	66
Property revenue from UK REITs - Non PID Scrip	-	77
Distributions from Regulated Collective Investment Schemes:		
Offshore distribution taxable	82	144
Bank interest	10	19
Overseas scrip dividends non-taxable	-	1,363
Stocklending revenue	91	87
UK scrip dividends	2,417	3,256
<b>Total revenue</b>	<b>37,759</b>	<b>38,797</b>

## Notes to the financial statements (continued)

### 3. Expenses

	31/12/15	31/12/14
	£'000	£'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	2,598	4,394
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	85	97
Safe custody fees	9	10
Marketing fees	154	152
	248	259
<b>Other expenses:</b>		
Audit fee	7	7
Printing and publishing fees	2	-
Registration fees	985	1,118
Expense capping adjustment <sup>A</sup>	(817)	(522)
	177	603
<b>Total expenses</b>	<b>3,023</b>	<b>5,256</b>

<sup>A</sup> No Registration fee is currently deducted but is borne by the ACD.

Expenses include irrecoverable VAT where applicable.

### 4. Taxation

	31/12/15	31/12/14
	£'000	£'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	281	(283)
<b>(b) Factors affecting the total tax charge for the year:</b>		
The tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2014: 20%). The differences are explained below:		
Net revenue before taxation	34,731	33,540
Corporation tax of 20% (2014: 20%)	6,946	6,708
<b>Effects of:</b>		
UK dividends <sup>A</sup>	(6,116)	(6,226)
Non-taxable scrip dividends	(483)	(939)
Overseas non-taxable revenue	(840)	(475)
Movement in excess management expenses	509	940
Irrecoverable overseas tax	281	(283)
Property revenue from UK REITs - Non PID <sup>A</sup>	(16)	(8)
<b>Current tax charge for year (note 5a)</b>	<b>281</b>	<b>(283)</b>

<sup>A</sup> As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.



## Notes to the financial statements (continued)

### 4. Taxation (continued)

#### (c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

#### (d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,227,132 (31/12/14: £5,718,175) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

### 5. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	31/12/15	31/12/14
	£'000	£'000
Interim	19,218	18,647
Final	14,295	15,441
	33,513	34,088
Add: Revenue deducted on cancellation of shares	1,156	793
Deduct: Revenue received on creation of shares	(219)	(866)
<b>Net distributions for the year</b>	<b>34,450</b>	<b>34,015</b>

Details of the distribution per share is set out in the distribution tables on pages 182 to 183.

### 6. Movement between net revenue and net distributions

	31/12/15	31/12/14
	£'000	£'000
Net revenue after taxation	34,450	33,823
Movement in net income as a result of conversions	-	192
<b>Net distributions for the year</b>	<b>34,450</b>	<b>34,015</b>

### 7. Debtors

	31/12/15	31/12/14
	£'000	£'000
Sales awaiting settlement	18	-
Amounts receivable for issue of shares	283	2,106
Accrued revenue	2,103	2,492
Expense capping adjustment recoverable	62	243
Overseas tax recoverable	195	73
<b>Total debtors</b>	<b>2,661</b>	<b>4,914</b>

### 8. Cash and bank balances

	31/12/15	31/12/14
	£'000	£'000
Cash and bank balances	4,305	4,904
Amounts held at futures clearing houses and brokers	4,488	960
<b>Total cash and bank balances</b>	<b>8,793</b>	<b>5,864</b>

## Notes to the financial statements (continued)

### 9. Other creditors

	31/12/15	31/12/14
	£'000	£'000
Amounts payable for cancellation of shares	172	936
Accrued expenses	266	490
<b>Total other creditors</b>	<b>438</b>	<b>1,426</b>

### 10. Related party transactions

Aberdeen Fund Managers Limited, ("the ACD") is a related party.

Aberdeen Fund Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of change in net assets attributable to shareholders. Amounts due to/from Aberdeen Fund Managers Limited in respect of share transactions at the year end are included in the Balance Sheet.

Amounts paid to Aberdeen Fund Managers Limited in respect of ACD fees are disclosed in note 3, with £205,200 (31/12/14: £234,874) due at the year end.

Holdings of Aberdeen Asset Fund Management Limited Collective Investment Schemes are disclosed in the portfolio statement and transactions in these are shown in the summary of material portfolio changes.

Distributions from Regulated Collective Investment Schemes disclosed in note 2 includes amounts earned from funds where Aberdeen Asset Fund Management Limited act as Authorised Corporate Director. Aberdeen Asset Fund Management Limited act as Investment Manager of Aberdeen Global Liquidity Sterling Fund.

#### *Shares held by associates of the ACD*

On 31 December 2015, shares held as a percentage of the Fund's value were:

	31/12/15	31/12/14
	%	%
ACD and associates of the ACD	1.88	0.05
Material shareholders at 31 December 2015		
Perry Nominees Limited held 32.02% of the Fund.		
Boltro Nominees Limited held 28.18% of the Fund.		
State Street Nominees Ltd held 21.00% of the Fund		

### 11. Share classes

The Fund has six share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.00
Share Class A - Income	1.00
Share Class B - Accumulation	0.20
Share Class B - Income	0.20
Share Class P - Income	0.15
Share Class Q - Income	0.15

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 158 to 165. The distributions per share class are given in the Distribution tables on pages 182 to 183. All share classes have the same rights on winding up.

## Notes to the financial statements (continued)

### 11. Share classes (continued)

Reconciliation of the shares movement in the year

	31/12/14				31/12/15
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class A - Accumulation	77,276,701	1,722,360	(984,887)	-	78,014,175
Share Class A - Income	4,278,734	1,300	(1,305,455)	(125,455)	2,849,124
Share Class B - Accumulation	2,000	1,473,049	(28,734)	172,594	1,618,909
Share Class B - Income	1,403,471	38,945	(3,118,105)	6,012,742	4,337,053
Share Class C - Accumulation	41,647	-	(41,647)	-	-
Share Class C - Income	50,367	-	(1,674)	(48,693)	-
Share Class P - Income	14,451,676	9,400,906	(882,394)	67,856	23,038,044
Share Class Q - Income	677,309,746	11,180,799	(145,411,164)	(4,333,285)	538,746,096

### 12. Capital commitments and contingent liabilities

As at 31 December 2015, the Fund had no capital commitments (31/12/14: £nil) and no contingent liabilities (31/12/14: £nil).

### 13. Securities on loan

The aggregate value of securities on loan at 31 December 2015 is £nil (31/12/14: £57,848,459). The identities of these counterparties are listed in the counterparties table below. Securities on loan are included in the portfolio statement and no account is taken of any collateral held. The aggregate value of collateral held at 31 December 2015 is £nil (31/12/14: £61,099,985). This collateral is listed in the collateral held table below.

The gross earnings and fees paid for the year are £103,638 (31/12/14: £112,463) and £12,543 (31/12/14: £25,820).

	31/12/15	31/12/14
Counterparties	£'000	£'000
Abbey National Treasury Services	-	39,005
ABN AMRO Bank	-	3,597
BNP Paribas Arbitrage	-	5,776
Deutsche Bank	-	2,573
HSBC Bank	-	38
ING Bank	-	733
JP Morgan Securities	-	3,751
Macquarie Bank	-	2,173
Societe Generale	-	83
UBS	-	120
<b>Total securities on loan</b>	<b>-</b>	<b>57,849</b>

	31/12/15	31/12/14
Collateral held	£'000	£'000
Bonds	-	8,678
Equities	-	48,665
Cash	-	3,757
<b>Total collateral held</b>	<b>-</b>	<b>61,100</b>

## Notes to the financial statements (continued)

### 14. Risk management policies and disclosures

A statement of the Fund's objective and the policy for achieving it has been included on page 156. The risks inherent in the Fund's investment portfolio are as follows:

#### (1) Market price risk

##### (a) Foreign currency risk

A significant proportion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the sterling value of the portfolio, cash and investment purchases and sales.

As at 31 December the Fund had the following net currency exposure (excluding sterling):

	Currency exposure 31/12/15 £'000	Currency exposure 31/12/14 £'000
<b>Currency</b>		
Euro	52	37
US dollar	47	-
<b>Total</b>	<b>99</b>	<b>37</b>

##### (b) Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing including instruments used to hedge against changes in interest rates.

The interest rate risk profile of the Fund's investments at the year end consists of:

	Floating rate investment £'000	Fixed rate investment £'000	Non-interest bearing investment £'000	Total £'000
<b>31/12/15</b>				
<b>Currency</b>				
Sterling	8,793	-	885,025	893,818
Euro	-	-	52	52
US dollar	-	-	47	47
<b>Total</b>	<b>8,793</b>	<b>-</b>	<b>885,124</b>	<b>893,917</b>
<b>31/12/14</b>				
<b>Currency</b>				
Sterling	5,864	-	1,100,329	1,106,193
Euro	-	-	37	37
<b>Total</b>	<b>5,864</b>	<b>-</b>	<b>1,100,366</b>	<b>1,106,230</b>

The Fund did not have any long term financial liabilities.

##### (c) Other price risk

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

## Notes to the financial statements (continued)

### 14. Risk management policies and disclosures (continued)

#### (2) Counterparty risk

As at 31 December 2015 the Fund has no exposure to debt securities.

#### Financial derivatives

The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements.

Financial derivative instrument (FDI) exposure <sup>^</sup>	31/12/15	31/12/14
Exchange traded derivatives (ETDs)	16,941,260	48,217,650
Over the counter derivatives (OTCs)	-	-
Forward foreign exchange (FFX)	-	-
<b>Total FDI exposure</b>	<b>16,941,260</b>	<b>48,217,650</b>
Total FDI exposure as a percentage of the Fund's value	2%	4%

<sup>^</sup> FDI exposure is calculated using the sum of the notionals on each derivative position

Efficient portfolio management (EPM) techniques	31/12/15	31/12/14
Gross revenues arising from repurchase orders (repos)	-	-
Gross revenues arising from stocklending	103,638	112,463
Direct operational costs and fees incurred for stocklending (stocklending agent costs)	(10,034)	(20,656)
Indirect operational costs and fees incurred for stocklending (Investment Adviser operational costs)	(2,509)	(5,164)
<b>Net revenue generated for the Fund during the annual accounting period</b>	<b>91,095</b>	<b>86,643</b>
Underlying exposure obtained through EPM techniques <sup>†</sup>	16,941,260	48,217,650
<b>Uncollateralised counterparty exposure</b>		
No uncollateralised counterparty exposure (2014: £nil)	-	-
<b>Collateral</b>		
The type and amount of collateral received to reduce counterparty exposure:		
No collateral received (2014: £nil)	-	-

#### Notes:

Receipt of collateral reduced counterparty exposure in relation to OTC positions and stocklending.

<sup>†</sup>The Investment Adviser has entered into an indemnified stocklending programme with State Street Bank and Trust Company (SSBTC), who is a related party to the Depository. The counterparty exposure for stocklending activities is therefore to SSBTC. Any collateral received in relation to these activities is not invested in asset types that are required to be included in the global exposure calculations in accordance with the commitment approach.

The counterparty exposure and therefore the amount of collateral received is, however, calculated in a different way to the FDI exposure above. For example, one S&P 500 index futures contract obligates the buyer to 250 units of the S&P 500 index. If the index is trading at \$1,000, then the single futures contract is similar to investing \$250,000 (250 x \$1,000). Therefore, \$250,000 is the notional value of the contract and is the basis on which the FDI exposure figures above are shown.

The counterparty exposure, however, would be the amount that the Fund would lose if the counterparty defaulted, i.e. the unrealised profit of the trade. It is therefore a different amount to the sum of the notionals.

#### Leverage

No leverage has been employed during the year.

#### (3) Liquidity risk

All of the Fund's financial liabilities are payable on demand or in less than one year.

## Notes to the financial statements (continued)

### 15. Portfolio transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31/12/15	31/12/14	31/12/15	31/12/14
	£'000	£'000	£'000	£'000
Equities	198,018	173,516	369,902	155,084
Futures <sup>A</sup>	-	-	-	-
Options	5,564	8,481	15,424	17,350
Trades in the year before transaction costs	203,582	181,997	385,326	172,434
<b>Commissions</b>				
Equities	1	3	(10)	(4)
Futures <sup>A</sup>	-	-	-	-
Options	82	88	(81)	(92)
Total commissions	83	91	(91)	(96)
<b>Taxes</b>				
Equities	171	142	(1)	-
Futures <sup>A</sup>	-	-	-	-
Options	-	-	-	-
Total taxes	171	142	(1)	-
Total costs	254	233	(92)	(96)
<b>Total net trades in the year after transaction costs</b>	<b>203,836</b>	<b>182,230</b>	<b>385,234</b>	<b>172,338</b>

<sup>A</sup> Purchases and/or sales of future contracts do not incur transaction costs and have been included at the value of their exposure.

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31/12/15	31/12/14	31/12/15	31/12/14
	%	%	%	%
<b>Commissions</b>				
Equities	-	-	-	-
Futures	-	-	-	-
Options	1.47	1.04	0.50	0.50
<b>Taxes</b>				
Equities	0.09	0.08	-	-
Futures	-	-	-	-
Options	-	-	-	-

Total transaction cost expressed as a percentage of net asset value

	31/12/15	31/12/14
	%	%
Commissions	0.02	0.02
Taxes	0.02	0.01
<b>Total costs</b>	<b>0.04</b>	<b>0.03</b>

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

The average portfolio dealing spread at the balance sheet date was nil (31/12/14: 0.07%).

## Notes to the financial statements (continued)

### 16. Fair value

Valuation technique	31/12/15		31/12/14	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	895,735	602	1,061,348	(396)
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	-	-	50,186	-
<b>Total fair value</b>	<b>895,735</b>	<b>602</b>	<b>1,111,534</b>	<b>(396)</b>

# Distribution table

For the year ended 31 December 2015

## Interim dividend distribution

Group 1: Shares purchased prior to 1 January 2015

Group 2: Shares purchased 1 January 2015 to 30 June 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 31/08/15 (p)	Distribution paid 31/08/14 (p)
<b>Share Class A - Accumulation</b>				
Group 1	2.5692	-	2.5692	2.2738
Group 2	1.7057	0.8635	2.5692	2.2738
<b>Share Class A - Income</b>				
Group 1	2.2650	-	2.2650	2.1031
Group 2	1.5838	0.6812	2.2650	2.1031
<b>Share Class B - Accumulation</b>				
Group 1	2.1255	-	2.1255	-
Group 2	1.1325	0.9930	2.1255	-
<b>Share Class B - Income</b>				
Group 1	2.0813	-	2.0813	1.8700
Group 2	1.2287	0.8526	2.0813	1.8700
<b>Share Class P - Income</b>				
Group 1	2.9052	-	2.9052	2.4182
Group 2	2.6800	0.2252	2.9052	2.4182
<b>Share Class Q - Income</b>				
Group 1	2.9785	-	2.9785	2.5411
Group 2	1.7873	1.1912	2.9785	2.5411



## Distribution table (continued)

### Final dividend distribution

Group 1: Shares purchased prior to 1 July 2015

Group 2: Shares purchased 1 July 2015 to 31 December 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 28/02/16 (p)	Distribution paid 28/02/15 (p)
<b>Share Class A - Accumulation</b>				
Group 1	1.8395	-	1.8395	1.5268
Group 2	0.6650	1.1745	1.8395	1.5268
<b>Share Class A - Income</b>				
Group 1	1.5964	-	1.5964	1.4206
Group 2	0.5587	1.0377	1.5964	1.4206
<b>Share Class B - Accumulation</b>				
Group 1	1.6311	-	1.6311	1.3960
Group 2	1.2425	0.3886	1.6311	-
<b>Share Class B - Income</b>				
Group 1	1.5702	-	1.5702	1.4318
Group 2	0.0627	1.5075	1.5702	1.4318
<b>Share Class P - Income</b>				
Group 1	2.1975	-	2.1975	1.8679
Group 2	0.7783	1.4192	2.1975	1.8679
<b>Share Class Q - Income</b>				
Group 1	2.2671	-	2.2671	2.0534
Group 2	0.6249	1.6422	2.2671	2.0534

### Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Aberdeen UK Flexible Strategy Fund

For the year ended 31 December 2015

## Report of the Authorised Fund Manager

### Investment objective and policy

The Fund aims to achieve a positive capital return, over rolling 3-year periods, regardless of market conditions, through investment and disinvestment (directly and indirectly) in a portfolio predominantly consisting of UK equities, related derivative contracts, money market instruments, cash, near cash, and deposits. There is no guarantee that a positive return will be achieved over any time period and capital may be at risk. Investors may not get back the full amount originally invested.

The Fund may invest up to 100% of its net value in a portfolio of UK equities (typically between 25 and 35 although this may vary from time to time at the discretion of the investment adviser). All or a substantial proportion of the physical assets of the Fund may at any time consist of cash, near cash, deposits and/or money market instruments.

In addition, permitted equity related derivative contracts (including futures, options, swaps, contracts for difference and other derivatives) and techniques may be used to vary the total exposure to the UK equity market and express views on the direction of sectors and/or individual securities in order to enhance capital return, and/or limit downside volatility.

In addition, permitted equity related derivative contracts (including futures, options, swaps, contracts for difference and other derivatives) and techniques may be used to vary the total exposure to the UK equity market and express views on the direction of sectors and/or individual securities in order to enhance capital return, and/or limit downside volatility.

The Fund may take long and short positions in the UK Equity market, securities and groups of securities through derivative contracts but total net derivatives exposure may not exceed the limits in the COLL Rules.

The Fund may also invest, at the investment adviser's discretion, in other transferable securities, other derivatives and forward contracts, and units in collective investment schemes (and use may also be made of stocklending, borrowing, hedging and other techniques permitted by the COLL Rules).

### Synthetic risk and reward indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The highlighted area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

The Fund is ranked at 6 because the value of the underlying investments are subject to price fluctuations. The synthetic risk and reward indicator shown here is accurate as at 31 December 2015 and there has been no change to this ranking during the year. The lowest category 1 does not mean a risk-free investment.

Further details of the risk profile can be found in the latest KIID, which is available on our website.

### Investment review

#### Cumulative performance (%)

	Period of report 31/12/14 to 31/12/15	5 years 31/12/10 to 31/12/15	Since launch 18/08/09 to 31/12/15
Fund - A Accumulation <sup>A</sup>	2.51	5.92	3.04
Benchmark <sup>B</sup>	0.58	0.67	2.08

### Investment review (continued)

#### Discrete performance (%)

	31/12/14 to 31/12/15	31/12/13 to 31/12/14	31/12/12 to 31/12/13	31/12/11 to 31/12/12	31/12/10 to 31/12/11
% Change <sup>A</sup>	2.51	0.70	12.74	10.83	3.40
Gross Return <sup>C</sup>	0.58	2.46	14.80	11.28	4.66

<sup>A</sup> Aberdeen UK Flexible Strategy Fund A Accumulation share price movement in GBP at valuation point; Revenue (net of tax) reinvested and net of expenses; Source: Lipper.

<sup>B</sup> 3-month LIBOR in GBP at close of business; Revenue (gross of tax) reinvested and gross of expenses; Source: Datastream.

<sup>C</sup> Aberdeen UK Flexible Strategy Bond Fund in GBP at close of business; Revenue (net of tax reinvested and gross of expenses); Source: Aberdeen.

Past performance is not a guide to future results. The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.

#### Market review

Investment markets have become increasingly challenging in recent months. After achieving new highs in the first half of 2015, with UK shares reclaiming a peak last reached 15 years ago, recent concerns about slowing growth in China and rising US interest rates have resulted in markets retracing much of their previous progress. The UK equity market finished only slightly ahead over the period. The rise in uncertainty has predominantly been due to the dramatic fall in commodity prices, given the large number of energy and mining companies that are listed in the UK.

In November, the Bank of England highlighted that the prospect of sustained inflation is remote and that the problems being faced by China and other developing economies could lead to the UK's recovery fizzling out. Accordingly, interest rates were once more held at 0.5%.

#### Portfolio review

Looking at the Fund, the main contributors to returns were holdings in companies that are growing quickly and can look forward to rising profits. Some of the best performers included Inmarsat, Persimmon, Sage and Unilever. Our holdings in smaller companies funds, such as the Diverse Income Trust also performed well. Other strong performers included National Grid and fund of hedge funds, BACIT.

The main holdings to detract from returns were those involved in commodity-related activities, such as miners or oil companies. Rio Tinto, Royal Dutch Shell and BP all incurred a share price loss over the year, which negatively affected the returns of the Fund. Profit warnings at Aggreko and Pearson meant that holdings in these companies also underperformed.

Our short positions<sup>A</sup> in ARM and Burberry contributed positively to performance. We closed these positions after sharp declines in their share prices during the late summer equity market sell-off. In addition, the short position in government bonds benefited from the rise in yields from a record low of 1.76% at the end of 2014 as the economic outlook improved through the year.

#### Outlook

Looking ahead, the prospects for the UK economy look reasonably positive. Gradually strengthening wage growth and a modest pick-up in inflation are helping to offset some of the effects of government cuts. Future interest rates are likely to be very modest, particularly with the prospect of an EU referendum on the cards.

#### Aberdeen Asset Managers Limited

January 2016

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.

<sup>A</sup> To take a 'short position' in an equity, an investor borrows the stock and sells it. When the decision is made to close the position, the investor must re-buy it on the open market. If the price has fallen and it's possible to buy the stock back more cheaply, the investor will make a profit.

# Comparative table

As at 31 December 2015

## Net asset value and ongoing charges figure

### Share Class A - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	130.07	129.05	113.95
Return before operating charges*	5.49	3.15	17.12
Operating charges	(2.24)	(2.13)	(2.02)
Return after operating charges*	3.25	1.02	15.10
Closing net asset value per share	133.32	130.07	129.05
Retained distributions on accumulation shares*	0.84	0.40	0.68
* After direct transaction costs of: <sup>A</sup>	0.08	0.17	0.28

### Performance

Return after charges	2.50%	0.79%	13.25%
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### Other information

Closing net asset value (£'000)	1,760	7,503	15,994
Closing number of shares	1,320,001	5,768,649	12,393,371
Operating charges <sup>B</sup>	1.67%	1.64%	1.65%
Direct transaction costs	0.06%	0.13%	0.23%

### Prices

Highest share price	136.51	131.20	129.20
Lowest share price	129.30	126.10	115.30

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class B - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	142.97	140.78	123.36
Return before operating charges*	6.05	3.45	18.59
Operating charges	(1.35)	(1.26)	(1.17)
Return after operating charges*	4.70	2.19	17.42
Closing net asset value per share	147.67	142.97	140.78
Retained distributions on accumulation shares*	2.05	1.56	1.52
* After direct transaction costs of: <sup>A</sup>	0.09	0.18	0.30

#### Performance

Return after charges	3.29%	1.56%	14.12%
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#### Other information

Closing net asset value (£'000)	6,630	8,823	4,694
Closing number of shares	4,489,516	6,171,414	3,334,246
Operating charges <sup>B</sup>	0.92%	0.89%	0.90%
Direct transaction costs	0.06%	0.13%	0.23%

#### Prices

Highest share price	150.52	144.10	141.00
Lowest share price	142.10	138.40	124.90

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share class C Income was closed 13 March 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class C - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	126.95	125.24	110.02
Return before operating charges*	2.97	3.08	16.55
Operating charges	(0.30)	(1.37)	(1.33)
Return after operating charges*	2.67	1.71	15.22
Return to shareholder as a result of class closure	(129.62)	-	-
Closing net asset value per share	-	126.95	125.24
Retained distributions on accumulation shares*	-	1.14	1.08
* After direct transaction costs of: <sup>A</sup>	0.02	0.16	0.26

#### Performance

Return after charges	2.10%	1.37%	14.12%
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#### Other information

Closing net asset value (£'000)	-	18	2
Closing number of shares	-	14,289	1,665
Operating charges <sup>B</sup>	-	1.14%	1.15%
Direct transaction costs	-	0.13%	0.23%

#### Prices

Highest share price	130.00	128.00	125.40
Lowest share price	126.20	123.00	111.40

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share class C Accumulation was closed 13 March 2015.

## Comparative table (continued)

### Net asset value and ongoing charges figure (continued)

#### Share Class X - Accumulation

	Final 31/12/15 (p)	Final 31/12/14 (p)	Final 31/12/13 (p)
<b>Change in net assets per share</b>			
Opening net asset value per share	147.51	144.32	125.63
Return before operating charges*	6.26	3.40	18.90
Operating charges	(0.24)	(0.21)	(0.21)
Return after operating charges*	6.02	3.19	18.69
Closing net asset value per share	153.53	147.51	144.32
Retained distributions on accumulation shares*	3.27	2.48	2.46
* After direct transaction costs of: <sup>A</sup>	0.09	0.19	0.31

#### Performance

Return after charges	4.08%	2.21%	14.88%
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#### Other information

Closing net asset value (£'000)	851	3,854	4,097
Closing number of shares	554,333	2,612,465	2,838,948
Operating charges <sup>B</sup>	0.16%	0.14%	0.15%
Direct transaction costs	0.06%	0.13%	0.23%

#### Prices

Highest share price	155.80	148.60	144.50
Lowest share price	146.70	142.70	127.20

<sup>A</sup> Please refer to Note 14 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the year, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share class X is not published.

# Portfolio statement

As at 31 December 2015

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>BASIC MATERIALS (1.55%<sup>A</sup>)</b>		<b>119</b>	<b>1.29</b>
<b>Mining</b>			
Rio Tinto	6,000	119	1.29
<b>CONSUMER GOODS (5.31%<sup>A</sup>)</b>		<b>472</b>	<b>5.11</b>
<b>Household Goods &amp; Home Construction</b>			
Persimmon	5,883	119	1.29
<b>Personal Goods</b>			
Unilever	5,972	175	1.89
<b>Tobacco</b>			
British American Tobacco	4,728	178	1.93
<b>CONSUMER SERVICES (3.18%<sup>A</sup>)</b>		<b>209</b>	<b>2.26</b>
<b>Media</b>			
Pearson	9,639	71	0.77
<b>Travel &amp; Leisure</b>			
Whitbread	3,128	138	1.49
<b>FINANCIALS (35.66%<sup>A</sup>)</b>		<b>2,664</b>	<b>28.82</b>
<b>Equity Investment Instruments</b>			
BACIT	123,953	158	1.71
Diverse Income Trust	133,860	126	1.36
Foresight Solar Fund	250,000	250	2.70
John Laing Environmental Assets	121,863	125	1.35
NB Global Floating Rate Income Fund	275,000	252	2.73
Pantheon International Participations	7,500	99	1.07
Renewables Infrastructure	220,806	226	2.45
<b>Life Insurance</b>			
Prudential	8,471	130	1.41
<b>Nonequity Investment Instruments</b>			
Aberdeen Sterling Liquidity Fund Advisory <sup>†</sup>	877,028	877	9.49
<b>Real Estate Investment &amp; Services</b>			
UK Mortgages	66,089	66	0.71
<b>Real Estate Investment Trusts</b>			
Hammerson	24,158	145	1.57
Tritax Big Box	163,000	210	2.27
<b>HEALTH CARE (1.69%<sup>A</sup>)</b>		<b>158</b>	<b>1.71</b>
<b>Pharmaceuticals &amp; Biotechnology</b>			
AstraZeneca	3,417	158	1.71



## Portfolio statement (continued)

	Holdings or Nominal Values	Market value £'000	Total net assets %
<b>INDUSTRIALS (4.77%<sup>A</sup>)</b>		<b>348</b>	<b>3.77</b>
<b>Industrial Engineering</b>			
Melrose Industries	62,571	182	1.97
<b>Support Services</b>			
Travis Perkins	8,403	166	1.80
<b>OIL &amp; GAS (3.53%<sup>A</sup>)</b>		-	-
<b>STERLING DENOMINATED BONDS (43.16%<sup>A</sup>)</b>		<b>3,303</b>	<b>35.75</b>
<b>Corporate Bonds</b>			
Standard Chartered Bank 8.103% Perpetual	GBP250,000	254	2.75
<b>Government Bonds</b>			
UK Treasury 0% 11/01/2016	GBP1,250,000	1,250	13.53
UK Treasury 0% 01/02/2016	GBP1,000,000	1,000	10.82
UK Treasury 0% 15/02/2016	GBP800,000	799	8.65
<b>TECHNOLOGY (1.55%<sup>A</sup>)</b>		<b>132</b>	<b>1.43</b>
<b>Software &amp; Computer Services</b>			
Sage	21,963	132	1.43
<b>TELECOMMUNICATIONS (3.29%<sup>A</sup>)</b>		<b>381</b>	<b>4.12</b>
<b>Mobile Telecommunications</b>			
Inmarsat	18,325	208	2.25
Vodafone	78,521	173	1.87
<b>UTILITIES (0.00%<sup>A</sup>)</b>		<b>176</b>	<b>1.90</b>
<b>Gas, Water &amp; Multiutilities</b>			
National Grid	18,742	176	1.90
<b>DERIVATIVES (-0.12%<sup>A</sup>)</b>		<b>11</b>	<b>0.12</b>
<b>Bond Futures</b>			
UK Long Gilt Bond Futures March 2016	(2)	1	0.01
<b>Equity Futures</b>			
FTSE 100 Index Futures March 2016	6	10	0.11
<b>Portfolio of investments</b>		<b>7,973</b>	<b>86.28</b>
<b>Net other assets</b>		<b>1,268</b>	<b>13.72</b>
<b>Total net assets</b>		<b>9,241</b>	<b>100.00</b>

<sup>A</sup> Comparative figures shown in brackets relate to 31 December 2014.

<sup>†</sup> This investment is a related party (see note 10).

Collective investment schemes are regulated within the meaning of the FCA rules, fixed interest securities are traded on a regulated market, Equity investment instruments are quoted on a listed securities market, unless otherwise stated. Any derivative contracts were traded over the counter (OTC).

Since the previous report Fixed Income securities are now disclosed under Sterling Denominated Bonds, comparative figures have been updated.

## Statement of total return

For the year ended 31 December 2015

	Notes	31/12/15		31/12/14	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	1		317		52
Revenue	2	407		504	
Expenses	3	(161)		(285)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		245		218	
Taxation	4	(1)		(1)	
Net revenue after taxation			244		217
<b>Total return before distributions</b>			<b>561</b>		<b>269</b>
Distributions	5		(247)		(229)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>314</b>		<b>40</b>

## Statement of change in net assets attributable to shareholders

For the year ended 31 December 2015

	31/12/15		31/12/14	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		20,198		24,787
Amounts receivable on creation of shares	1,920		9,316	
Less: Amounts payable on cancellation of shares	(13,409)		(14,174)	
		(11,489)		(4,858)
Dilution adjustment		14		21
Stamp duty reserve tax		-		(7)
Change in net assets attributable to shareholders from investment activities		314		40
Retained distribution on accumulation shares		204		215
<b>Closing net assets attributable to shareholders</b>		<b>9,241</b>		<b>20,198</b>

Notes to the financial statements are on pages 194 to 202.

# Balance sheet

As at 31 December 2015

	Notes	31/12/15 £'000	31/12/14 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		7,973	20,945
<b>Current assets</b>			
Debtors	7	25	101
Cash and bank balances	8	1,263	55
<b>Total assets</b>		<b>9,261</b>	<b>21,101</b>
<b>Liabilities</b>			
Investment liabilities		-	(26)
<b>Creditors</b>			
Bank overdrafts		-	(796)
Other creditors	9	(20)	(81)
<b>Total liabilities</b>		<b>(20)</b>	<b>(903)</b>
<b>Net assets attributable to shareholders</b>		<b>9,241</b>	<b>20,198</b>

Notes to the financial statements are on pages 194 to 202.

# Notes to the financial statements

For the year ended 31 December 2015

## 1. Net capital gains

The net capital gains during the year comprise:

	31/12/15	31/12/14
	£'000	£'000
Non-derivative securities	389	112
Future contracts	(71)	(33)
Forward foreign exchange currency contracts	-	(24)
Currency losses	-	(2)
Handling charges	(1)	(1)
<b>Net capital gains</b>	<b>317</b>	<b>52</b>

## 2. Revenue

	31/12/15	31/12/14
	£'000	£'000
UK dividends	162	210
Overseas non-taxable revenue	89	107
Property revenue from UK REITs - PID	20	-
Property revenue from UK REITs - Non PID	7	-
Distributions from Regulated Collective Investment Schemes:		
Offshore distribution taxable	8	12
Bank interest	-	7
Interest on debt securities	99	136
Overseas scrip dividends non-taxable	18	23
UK scrip dividends	-	9
Property revenue from overseas REITs - non-taxable	4	-
<b>Total revenue</b>	<b>407</b>	<b>504</b>

## 3. Expenses

	31/12/15	31/12/14
	£'000	£'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	135	250
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	1	2
<b>Other expenses:</b>		
Audit fee	7	7
Printing and publishing fees	1	-
Registration fees	17	26
	25	33
<b>Total expenses</b>	<b>161</b>	<b>285</b>

Expenses include irrecoverable VAT where applicable.

## Notes to the financial statements (continued)

### 4. Taxation

	31/12/15	31/12/14
	£'000	£'000
(a) <b>Analysis of charge in year:</b>		
Irrecoverable overseas tax	1	1
(b) <b>Factors affecting the total tax charge for the year:</b>		
The tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2014: 20%). The differences are explained below:		
Net revenue before taxation	245	218
Corporation tax of 20% (2014: 20%)	49	44
<b>Effects of:</b>		
UK dividends <sup>A</sup>	(32)	(42)
Non-taxable scrip dividends	(4)	(6)
Overseas non-taxable revenue	(19)	(22)
Movement in excess management expenses	7	26
Irrecoverable overseas tax	1	1
Property revenue from UK REITs - Non PID <sup>A</sup>	(1)	-
<b>Current tax charge for year (note 5a)</b>	<b>1</b>	<b>1</b>

<sup>A</sup> As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

### (c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

### (d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £229,871 (31/12/14: £222,702) relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

### 5. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	31/12/15	31/12/14
	£'000	£'000
Interim	163	139
Final	41	76
	204	215
Add: Revenue deducted on cancellation of shares	49	33
Deduct: Revenue received on creation of shares	(6)	(19)
<b>Net distributions for the year</b>	<b>247</b>	<b>229</b>

Details of the distribution per share is set out in the distribution tables on pages 203 to 204.

## Notes to the financial statements (continued)

### 6. Movement between net revenue and net distributions

	31/12/15	31/12/14
	£'000	£'000
Net revenue after taxation	244	217
Movement in net income as a result of conversions	3	12
<b>Net distributions for the year</b>	<b>247</b>	<b>229</b>

### 7. Debtors

	31/12/15	31/12/14
	£'000	£'000
Sales awaiting settlement	-	15
Amounts receivable for issue of shares	1	17
Accrued revenue	22	67
Overseas tax recoverable	2	2
<b>Total debtors</b>	<b>25</b>	<b>101</b>

### 8. Cash and bank balances

	31/12/15	31/12/14
	£'000	£'000
Cash and bank balances	1,247	-
Amounts held at futures clearing houses and brokers	16	55
<b>Total cash and bank balances</b>	<b>1,263</b>	<b>55</b>

### 9. Other creditors

	31/12/15	31/12/14
	£'000	£'000
Amounts payable for cancellation of shares	4	51
Accrued expenses	16	30
<b>Total other creditors</b>	<b>20</b>	<b>81</b>

## Notes to the financial statements (continued)

### 10. Related party transactions

Aberdeen Fund Managers Limited, ("the ACD") is a related party.

Aberdeen Fund Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of change in net assets attributable to shareholders. Amounts due to/from Aberdeen Fund Managers Limited in respect of share transactions at the year end are included in the Balance Sheet.

Amounts paid to Aberdeen Fund Managers Limited in respect of ACD fees are disclosed in note 3, with £6,876 (31/12/14: £15,907) due at the year end.

Holdings of Aberdeen Asset Fund Management Limited Collective Investment Schemes are disclosed in the portfolio statement and transactions in these are shown in the summary of material portfolio changes.

Distributions from Regulated Collective Investment Schemes disclosed in note 2 includes amounts earned from funds where Aberdeen Asset Fund Management Limited act as Authorised Corporate Director. Aberdeen Asset Fund Management Limited act as Investment Manager of Aberdeen Global Liquidity Sterling Fund.

#### Shares held by associates of the ACD

On 31 December 2015, shares held as a percentage of the Fund's value were:

	31/12/15	31/12/14
	%	%
ACD and associates of the ACD	-	6.21
Material shareholders:		
There were no material holders at 31 December 2015		

### 11. Share classes

The Fund has four share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class A - Accumulation	1.50
Share Class B - Accumulation	0.75
Share Class C - Accumulation	1.00
Share Class X - Accumulation	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 186 to 189. The distributions per share class are given in the Distribution tables on pages 203 to 204. All share classes have the same rights on winding up.

#### Reconciliation of the shares movement in the year

	31/12/14				31/12/15
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class A - Accumulation	5,768,649	159,205	(2,986,669)	(1,621,184)	1,320,001
Share Class B - Accumulation	6,171,414	1,092,439	(4,257,491)	1,483,154	4,489,516
Share Class C - Accumulation	14,289	-	(1,597)	(12,692)	-
Share Class X - Accumulation	2,612,465	77,735	(2,135,867)	-	554,333

### 12. Capital commitments and contingent liabilities

As at 31 December 2015, the Fund had no capital commitments (31/12/14: £nil) and no contingent liabilities (31/12/14: £nil).

## Notes to the financial statements (continued)

### 13. Risk management policies and disclosures

A statement of the Fund's objective and the policy for achieving it has been included on page 184. The risks inherent in the Fund's investment portfolio are as follows:

#### (1) Market price risk

##### (a) Foreign currency risk

A significant proportion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the sterling value of the portfolio, cash and investment purchases and sales.

As at 31 December the Fund had the following net currency exposure (excluding sterling):

	Currency exposure 31/12/15 £'000	Currency exposure 31/12/14 £'000
<b>Currency</b>		
Euro	1	233
US dollar	-	171
<b>Total</b>	<b>1</b>	<b>404</b>

##### (b) Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing including instruments used to hedge against changes in interest rates.

The interest rate risk profile of the Fund's investments at the year end consists of:

	Floating rate investment £'000	Fixed rate investment £'000	Non-interest bearing investment £'000	Total £'000
<b>31/12/15</b>				
<b>Currency</b>				
Sterling	1,263	3,303	4,674	9,240
Euro	-	-	1	1
<b>Total</b>	<b>1,263</b>	<b>3,303</b>	<b>4,675</b>	<b>9,241</b>
<b>31/12/14</b>				
<b>Currency</b>				
Sterling	(740)	8,717	11,817	19,794
Euro	-	-	233	233
US dollar	-	-	171	171
<b>Total</b>	<b>(740)</b>	<b>8,717</b>	<b>12,221</b>	<b>20,198</b>



## Notes to the financial statements (continued)

### 13. Risk management policies and disclosures (continued)

#### (d) Global exposure

Based on the investment strategy, types of complexities of the derivatives and the proportion of the sub-fund comprising derivatives, the method of estimating the sub-fund's overall risk position (Global Exposure) is to use the value at risk (VaR) techniques which estimate the probability of portfolio losses based on the statistical analysis of historical price trends and volatilities. The VaR is produced on a daily basis and the Fund's current VaR limit is detailed below.

#### (i) Value at risk (VaR)

The market risk of the Fund's financial asset and liability positions is monitored by the Investment Risk department using VaR analysis. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

#### Model assumptions:

System:	Advanced Portfolio Technologies (APT)
VaR methodology:	Parametric/Monte Carlo
Confidence level:	99%
Holding period:	4 weeks (20 days)
Decay factor for exponential smoothing of the historical market data:	Nil
Historical observation period:	180 weeks
VaR limit (absolute)	12%
VaR limit (relative)	n/a
Reference portfolio for relative VaR	n/a

The VaR measures of the Fund are detailed below.

	2015	2014
	%	%
Minimum VaR	2.87	2.92
Maximum VaR	4.57	4.38
Average VaR	3.46	3.75

#### (2) Counterparty risk

As at 31 December 2015 the Fund has no exposure to debt securities.

## Notes to the financial statements (continued)

### 13. Risk management policies and disclosures (continued)

#### Financial derivatives

The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements.

Financial derivative instrument (FDI) exposure <sup>^</sup>	31/12/15	31/12/14
Exchange traded derivatives (ETDs)	605,420	934,436
Over the counter derivatives (OTCs)	-	-
Forward foreign exchange (FFX)	-	-
<b>Total FDI exposure</b>	<b>605,420</b>	<b>934,436</b>
Total FDI exposure as a percentage of the Fund's value	7%	5%

<sup>^</sup> FDI exposure is calculated using the sum of the notionals on each derivative position

Efficient portfolio management (EPM) techniques	31/12/15	31/12/14
Gross revenues arising from repurchase orders (repos)	-	-
Gross revenues arising from stocklending	-	-
Direct operational costs and fees incurred for stocklending (stocklending agent costs)	-	-
Indirect operational costs and fees incurred for stocklending (Investment Adviser operational costs)	-	-
<b>Net revenue generated for the Fund during the annual accounting period</b>	<b>-</b>	<b>-</b>
Underlying exposure obtained through EPM techniques <sup>†</sup>	605,420	934,436
<b>Uncollateralised counterparty exposure</b>		
No uncollateralised counterparty exposure (2014: £nil)	-	-
<b>Collateral</b>		
The type and amount of collateral received to reduce counterparty exposure:		
No collateral received (2014: £nil)	-	-

#### Notes:

Receipt of collateral reduced counterparty exposure in relation to OTC positions and stocklending.

<sup>†</sup> The Investment Adviser has entered into an indemnified stocklending programme with State Street Bank and Trust Company (SSBTC), who is a related party to the Depositary. The counterparty exposure for stocklending activities is therefore to SSBTC. Any collateral received in relation to these activities is not invested in asset types that are required to be included in the global exposure calculations in accordance with the commitment approach.

The counterparty exposure and therefore the amount of collateral received is, however, calculated in a different way to the FDI exposure above. For example, one S&P 500 index futures contract obligates the buyer to 250 units of the S&P 500 index. If the index is trading at \$1,000, then the single futures contract is similar to investing \$250,000 (250 x \$1,000). Therefore, \$250,000 is the notional value of the contract and is the basis on which the FDI exposure figures above are shown.

The counterparty exposure, however, would be the amount that the Fund would lose if the counterparty defaulted, i.e. the unrealised profit of the trade. It is therefore a different amount to the sum of the notionals.

#### Leverage as at 31 December 2015

Level of leverage employed during the year:

The lowest leverage measure during the year based on the sum of notionals methodology was 2%.

The largest leverage measure during the year based on the sum of notionals methodology was 7%.

The average measure during the year based on the sum of notionals methodology was 5%.

### (3) Liquidity risk

All of the Fund's financial liabilities are payable on demand or in less than one year.

## Notes to the financial statements (continued)

### 14. Portfolio transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31/12/15	31/12/14	31/12/15	31/12/14
	£'000	£'000	£'000	£'000
Equities	25,817	35,169	39,126	35,789
Futures <sup>^</sup>	-	-	-	-
Trades in the year before transaction costs	25,817	35,169	39,126	35,789
<b>Commissions</b>				
Equities	1	4	(5)	(5)
Futures <sup>^</sup>	-	-	-	-
Total commissions	1	4	(5)	(5)
<b>Taxes</b>				
Equities	4	24	-	-
Futures <sup>^</sup>	-	-	-	-
Total taxes	4	24	-	-
Total costs	5	28	(5)	(5)
<b>Total net trades in the year after transaction costs</b>	<b>25,822</b>	<b>35,197</b>	<b>39,121</b>	<b>35,784</b>

<sup>^</sup> Purchases and/or sales of future contracts do not incur transaction costs and have been included at the value of their exposure.

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31/12/15	31/12/14	31/12/15	31/12/14
	%	%	%	%
<b>Commissions</b>				
Equities	0.00	0.01	0.01	0.01
Futures	-	-	-	-
<b>Taxes</b>				
Equities	0.02	0.07	-	-
Futures	-	-	-	-

Total transaction cost expressed as a percentage of net asset value

	31/12/15	31/12/14
	%	%
Commissions	0.04	0.04
Taxes	0.02	0.09
<b>Total costs</b>	<b>0.06</b>	<b>0.13</b>

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

The average portfolio dealing spread at the balance sheet date was nil (31/12/14: 0.35%).

## Notes to the financial statements (continued)

### 15. Fair value

Valuation technique	31/12/15		31/12/14	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	6,842	-	17,059	(26)
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	1,131	-	3,886	-
<b>Total fair value</b>	<b>7,973</b>	<b>-</b>	<b>20,945</b>	<b>(26)</b>

# Distribution table

For the year ended 31 December 2015

## Interim dividend distribution

Group 1: Shares purchased prior to 1 January 2015

Group 2: Shares purchased 1 January 2015 to 30 June 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 31/08/15 (p)	Distribution paid 31/08/14 (p)
<b>Share Class A - Accumulation</b>				
Group 1	0.7172	-	0.7172	0.2933
Group 2	0.5146	0.2026	0.7172	0.2933
<b>Share Class B - Accumulation</b>				
Group 1	1.3449	-	1.3449	0.9072
Group 2	0.9674	0.3775	1.3449	0.9072
<b>Share Class X - Accumulation</b>				
Group 1	1.9559	-	1.9559	1.3475
Group 2	0.9324	1.0235	1.9559	1.3475

## Final dividend distribution

Group 1: Shares purchased prior to 1 July 2015

Group 2: Shares purchased 1 July 2015 to 31 December 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 28/02/16 (p)	Distribution paid 28/02/15 (p)
<b>Share Class A - Accumulation</b>				
Group 1	0.1256	-	0.1256	0.1090
Group 2	0.0340	0.0916	0.1256	0.1090
<b>Share Class B - Accumulation</b>				
Group 1	0.7095	-	0.7095	0.6538
Group 2	0.3584	0.3511	0.7095	0.6538
<b>Share Class X - Accumulation</b>				
Group 1	1.3151	-	1.3151	1.1370
Group 2	1.3151	-	1.3151	1.1370

## Distribution table (continued)

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### Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Aberdeen World Equity Enhanced Index Fund

For the period 6 March 2015 to 31 December 2015

## Report of the Authorised Fund Manager

### Investment objective and policy

The Fund aims to achieve long-term capital growth by investing in equity and equity-related securities of companies worldwide.

The investment policy of the Fund is to invest primarily in equities and equity-related securities of companies that are constituents of the MSCI World Index. The Fund will use a variety of quantitative techniques and adopt a disciplined approach to stock selection whilst seeking to maintain a level of risk similar to that of the MSCI World Index.

Equity-related securities include but are not limited to depository receipts, convertible securities, equity-linked notes (debt securities linked to the performance of an equity security) warrants, and bonds convertible into common or preferred shares. The Fund may also invest in other transferable securities, money market instruments, cash, near cash, deposits, shares in collective investment schemes (including other funds managed by the Investment Adviser or its affiliates) and derivatives.

It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management of the Fund, although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective as well as hedging in the future. If derivatives are used for the purpose of meeting the investment objective of the Fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.

### Synthetic risk and reward indicator

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The highlighted area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
1	2	3	4	5	6	7

The Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. The synthetic risk and reward indicator shown here is accurate as at 31 December 2015 and there has been no change to this ranking during the year. The lowest category 1 does not mean a risk-free investment.

Further details of the risk profile can be found in the latest KIID, which is available on our website.

### Market review

Global equity markets were down over the reporting period. At the regional level, emerging markets and Asia Pacific were among the worst performers, while the US and Japan performed comparatively well.

For most of 2015, investors in US equities focused their attention on whether the Federal Reserve (the Fed) would indeed move to increase US interest rates. When it came, the Fed's move to raise interest rates (the first since 2006) was modest and in line with expectations. Market commentators' reaction to the increase, which takes the official overnight lending rate for banks to a range between 0.25% and 0.5%, was relatively muted. Instead, they turned their attention to the timing and size of the next hike.

Meanwhile, UK equity markets fell over the reporting period. In part, this was due to weakness in energy and commodity prices. This has had a negative influence throughout 2015 because of the large number of global oil and mining companies that are listed in the UK.

In the Eurozone, the central bank recently announced plans to raise the amount it is currently charging banks to look after their cash deposits in an effort to encourage them to lend more money. Unfortunately, investors were left unimpressed by the increase of just 0.1%. The decision to extend the length of the monetary authority's bond purchase scheme, but without increasing the value of the monthly transactions, was also met with indifference.

Turning to Asia, consumer prices remained far from the Bank of Japan's inflation target. In November, the core index (which includes fresh food) rose just 0.1% compared to the same month in 2014. In addition, household spending fell for the third month in a row, weakening hopes that strong consumption will be the catalyst for stronger inflation in Japan.

Meanwhile, attention also focused on the Chinese renminbi, which weakened to multi-year lows against the US dollar as the government continued to loosen its grip on the exchange rate. The Chinese central bank also announced that it plans to measure the renminbi against a basket of currencies, rather than just the US dollar.

## Report of the Authorised Fund Manager (continued)

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### Portfolio review

Over the period, the Fund benefited from its comparative lack of exposure to Kinder Morgan, the largest pipeline operator in North America. Kinder Morgan's share price slumped during the reporting period, driven by the collapse in the oil price and bearish reports from the Energy Information Administration on crude oil supplies. The company registered a negative score according to our measures of analyst sentiment.

Conversely, an overweight position in discount retailer Wal-Mart Stores acted as a detractor to performance over the reporting period. An announcement that higher wages would lead to a sharp drop in earnings per share caused the share price to fall. Wal-Mart had a positive score according to our measures of prudent management.

### Outlook

Global equities and non-fuel commodity prices have both fallen by more than 10% since May 2015. In the past, this pattern has often been associated with recession. For now, however, such fears seem overdone. The developed economies still look resilient, with few signs of falling 'real' activity or confidence. Policy settings are also expansionary in the Eurozone, Japan and China. Industry is a problem area, but services are proving more robust and should be supported this year by tightening labour markets.

### Aberdeen Asset Managers Limited

January 2016

Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions.



# Comparative table

As at 31 December 2015

## Net asset value and ongoing charges figure

### Share Class B - Accumulation

	Final 31/12/15 (p)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(2.85)
Operating charges	(0.29)
Return after operating charges*	(3.14)
Closing net asset value per share	96.86
Retained distributions on accumulation shares*	1.69
* After direct transaction costs of: <sup>A</sup>	0.05

### Performance

Return after charges	(3.14%)
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### Other Information

Closing net asset value (£000)	13,898
Closing number of shares	14,349,059
Operating charges <sup>B</sup>	0.30%
Direct transaction costs	0.05%

### Prices

Highest share price	104.80
Lowest share price	87.95

<sup>A</sup> Please refer to Note 13 for more information on the portfolio transaction costs.

<sup>B</sup> The operating charges relate to the ongoing charges figure. The ongoing charges figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. This includes the annual management charge, the other operating expenses and any material synthetic element to incorporate the ongoing charges of any underlying collective investments. The OCF can fluctuate as underlying costs change. Where underlying costs have changed, the OCF disclosed in the Key Investor Information Document will be updated to reflect current changes.

Share class B Accumulation was launched 6 March 2015.

# Portfolio statement

As at 31 December 2015

	Holdings	Market value £'000	Total net assets %
<b>AUSTRALIA</b>		<b>327</b>	<b>2.35</b>
Bendigo & Adelaide Bank	370	2	0.01
BHP Billiton	2,019	18	0.13
BlueScope Steel	856	2	0.01
Cochlear	227	11	0.08
CSL	546	28	0.20
Dexus Property <sup>A</sup>	7,034	26	0.19
Fortescue Metals	4,377	4	0.03
Harvey Norman	4,715	10	0.07
Insurance Australia	1,418	4	0.03
Macquarie	148	6	0.04
National Australia Bank	383	6	0.04
Newcrest Mining	5,253	33	0.24
Qantas Airways	4,079	8	0.06
South32	2,019	1	0.01
South32 (London listing)	6,210	3	0.02
Stockland <sup>A</sup>	2,577	5	0.04
Suncorp	1,431	9	0.06
Tabcorp	7,040	16	0.11
Telstra	20,026	55	0.40
Vicinity Centres <sup>A</sup>	10,792	15	0.11
Woodside Petroleum	4,568	65	0.47
<b>AUSTRIA</b>		<b>22</b>	<b>0.16</b>
ANDRITZ	662	22	0.16
<b>BELGIUM</b>		<b>22</b>	<b>0.16</b>
Delhaize	195	13	0.09
Telenet	247	9	0.07
<b>BERMUDA</b>		<b>219</b>	<b>1.58</b>
Arch Capital	266	13	0.10
Axis Capital	160	6	0.04
Bunge	988	46	0.33
Cheung Kong Infrastructure	1,000	6	0.04
Everest Re	306	38	0.27
First Pacific	14,000	6	0.05
Global Brands	4,000	1	0.01
Kerry Properties	5,500	10	0.07
Marvell Technology	2,851	17	0.12
NWS	8,257	8	0.06
PartnerRe	296	28	0.20
RenaissanceRe	332	26	0.19
Yue Yuen Industrial	6,000	14	0.10

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>CANADA</b>		<b>429</b>	<b>3.09</b>
Alimentation Couche-Tard	102	3	0.02
Bank of Montreal	231	9	0.07
Bank of Nova Scotia	123	3	0.02
BlackBerry	3,160	20	0.14
Bombardier	54	-	-
Brookfield Asset Management	72	2	0.01
Canadian Imperial Bank of Commerce	1,560	69	0.50
Canadian National Railway	50	2	0.01
Canadian Pacific Railway	38	3	0.02
Canadian Tire	63	4	0.03
CGI	1,550	42	0.30
Dollarama	300	12	0.09
Empire	1,407	18	0.13
Enbridge	79	2	0.01
Fairfax Financial	44	14	0.10
Finning International	1,464	13	0.09
First Quantum Minerals	231	1	0.01
George Weston	316	16	0.12
H&R Real Estate Investment Trust <sup>A</sup>	1,145	11	0.08
Intact Financial	83	4	0.03
Magna International	1,284	35	0.25
National Bank of Canada	1,133	22	0.16
Pengrowth Energy	839	-	-
Potash of Saskatchewan	464	5	0.04
RioCan Real Estate Investment Trust <sup>A</sup>	100	1	0.01
Royal Bank of Canada	1,456	53	0.38
Suncor Energy	455	8	0.06
Thomson Reuters	91	2	0.01
Toronto-Dominion Bank	1,481	39	0.28
Turquoise Hill Resources	8,548	15	0.11
Yamana Gold	498	1	0.01
<b>CAYMAN ISLANDS</b>		<b>23</b>	<b>0.17</b>
Cheung Kong Property	1,500	7	0.05
CK Hutchison	1,000	9	0.07
WH	19,000	7	0.05
<b>CURACAO</b>		<b>30</b>	<b>0.22</b>
Schlumberger	632	30	0.22
<b>DENMARK</b>		<b>65</b>	<b>0.47</b>
AP Moeller	1	1	0.01
ISS	913	23	0.17
Novo Nordisk	197	8	0.06
Vestas Wind Systems	700	33	0.23

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>FINLAND</b>		<b>97</b>	<b>0.70</b>
Elisa	302	8	0.06
Metso	311	5	0.04
Nokia	4,220	20	0.14
Nokian Renkaat	695	17	0.12
UPM-Kymmene	3,680	47	0.34
<b>FRANCE</b>		<b>564</b>	<b>4.06</b>
Aeroports de Paris	154	12	0.09
Atos	64	4	0.03
AXA	1,276	24	0.17
BNP Paribas	673	26	0.19
Cap Gemini	1,071	67	0.48
CGG	352	1	0.01
Credit Agricole	669	5	0.03
Fonciere Des Regions <sup>A</sup>	255	15	0.11
Natixis	2,191	8	0.06
Orange	2,440	28	0.20
Peugeot	2,727	33	0.24
Renault	774	53	0.38
Sanofi	2,102	122	0.88
SCOR	671	17	0.12
Societe BIC	112	13	0.09
Societe Generale	600	19	0.14
Valeo	257	27	0.19
Vivendi	6,189	90	0.65
<b>GERMANY</b>		<b>224</b>	<b>1.61</b>
Allianz	500	60	0.43
Bayer	34	3	0.02
Bilfinger	40	1	0.01
Continental	21	3	0.02
Deutsche Telekom	240	3	0.02
E.ON	1,980	13	0.09
Hannover Rueck	383	30	0.22
Infineon Technologies	467	5	0.04
Merck	118	8	0.06
METRO	1,085	24	0.17
Muenchener Rueckversicherungs-Gesellschaft	210	29	0.21
OSRAM	589	17	0.12
RWE	2,950	25	0.18
TUI	210	3	0.02
<b>HONG KONG</b>		<b>120</b>	<b>0.86</b>
AIA	2,400	10	0.07
CLP	500	3	0.02
Hang Lung Properties	1,000	2	0.02
Link REIT <sup>A</sup>	1,000	4	0.03
New World Development	5,203	3	0.02

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>HONG KONG (continued)</b>			
PCCW	10,000	4	0.03
Power Assets	9,567	59	0.42
Sun Hung Kai Properties	1,000	8	0.06
Techtronic Industries	3,500	10	0.07
Wheelock	6,000	17	0.12
<b>IRELAND</b>		<b>434</b>	<b>3.12</b>
Aberdeen Sterling Liquidity Fund Advisory†	261,501	261	1.87
Accenture	785	56	0.40
Alkermes	89	5	0.04
CRH	562	11	0.08
Jazz Pharmaceuticals	272	26	0.19
Seagate Technology	927	23	0.17
XL	1,967	52	0.37
<b>ISLE OF MAN</b>		<b>19</b>	<b>0.14</b>
Genting Singapore	51,300	19	0.14
<b>ISRAEL</b>		<b>85</b>	<b>0.61</b>
Bank Hapoalim	2,057	7	0.05
NICE-Systems	55	2	0.01
Teva Pharmaceutical Industries	1,698	76	0.55
<b>ITALY</b>		<b>15</b>	<b>0.11</b>
Banca Monte dei Paschi di Siena	2,310	2	0.01
Intesa Sanpaolo	3,303	8	0.06
UniCredit	1,391	5	0.04
<b>JAPAN</b>		<b>1,357</b>	<b>9.76</b>
Aozora Bank	1,000	2	0.02
Asahi	100	2	0.01
Asahi Glass	1,000	4	0.03
Asahi Kasei	9,000	42	0.30
Astellas Pharma	2,200	22	0.16
Bandai Namco	1,100	16	0.12
Bridgestone	900	21	0.15
Canon	600	12	0.09
Casio Computer	900	14	0.10
Central Japan Railway	300	37	0.27
Chubu Electric Power	3,900	37	0.27
Citizen	2,300	11	0.08
Dai Nippon Printing	4,000	27	0.19
Daicel	2,100	21	0.15
Dentsu	100	4	0.03
Eisai	100	5	0.04
FANUC	200	24	0.17
Fuji Heavy Industries	1,300	37	0.27
FUJIFILM	3,100	89	0.64
Fukuoka Financial	3,000	10	0.07

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>JAPAN (continued)</b>			
Hisamitsu Pharmaceutical	400	11	0.08
Hitachi Construction Machinery	1,200	13	0.09
Honda Motor	2,100	46	0.33
Hoya	1,700	48	0.35
Iida	1,000	13	0.09
ITOCHU	2,800	23	0.17
Japan Tobacco	1,900	48	0.35
JFE	400	4	0.03
Kao	300	11	0.08
KDDI	4,000	71	0.51
Kikkoman	1,000	24	0.17
Konica Minolta	2,900	20	0.14
Kyocera	100	3	0.02
Mazda Motor	300	4	0.03
Medipal	800	9	0.07
Mitsubishi Electric	3,000	22	0.16
Mitsubishi Gas Chemical	4,000	14	0.10
Mitsubishi Materials	1,000	2	0.01
Mitsubishi Motors	2,200	13	0.09
Mitsubishi UFJ Financial	7,700	33	0.24
Mitsui Chemicals	3,000	9	0.07
Mitsui OSK Lines	1,000	2	0.01
Mixi	200	5	0.04
Mizuho	3,500	5	0.04
MS&AD Insurance	100	2	0.01
Murata Manufacturing	100	10	0.07
Nexon	1,100	12	0.09
NHK Spring	1,000	7	0.05
Nippon Express	1,000	3	0.02
Nippon Telegraph & Telephone	3,200	87	0.63
Nippon Yusen	1,000	2	0.01
Nitto Denko	400	20	0.14
NOK	900	15	0.11
NTT Data	100	3	0.02
Oji	1,000	3	0.02
Osaka Gas	13,000	32	0.23
Panasonic	4,800	34	0.24
Resona	4,600	15	0.11
Secom	300	14	0.10
Seiko Epson	800	8	0.06
Sekisui Chemical	2,000	18	0.13
Seven & i	100	3	0.02
Shin-Etsu Chemical	100	4	0.03
Shiseido	300	4	0.03
Sompo Japan Nipponkoa	100	2	0.01
Sony	100	2	0.02
Sumitomo Chemical	6,000	24	0.17
Sumitomo Dainippon Pharma	900	7	0.05

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>JAPAN (continued)</b>			
Sumitomo Heavy Industries	5,000	15	0.11
Sumitomo Mitsui Financial	500	13	0.09
Sumitomo Mitsui Trust	1,000	3	0.02
Sumitomo Rubber Industries	1,500	13	0.09
Takeda Pharmaceutical	100	3	0.02
TDK	100	4	0.03
Teijin	1,000	2	0.01
Terumo	100	2	0.01
THK	900	11	0.08
Toho Gas	3,000	13	0.09
Tokio Marine	100	3	0.02
Tokyo Electric Power	3,500	14	0.10
Tokyo Gas	1,000	3	0.02
Toray Industries	1,000	6	0.04
Toyo Suisan Kaisha	400	10	0.07
Toyota Motor	100	4	0.03
Toyota Tsusho	100	2	0.02
West Japan Railway	100	5	0.04
Yamaguchi Financial	1,000	8	0.06
Yamaha Motor	100	2	0.01
<b>JERSEY</b>		<b>188</b>	<b>1.35</b>
Delphi Automotive	243	14	0.10
Experian	5,290	63	0.45
Shire	930	44	0.32
WPP	4,310	67	0.48
<b>NETHERLANDS</b>		<b>489</b>	<b>3.52</b>
Aegon	2,874	11	0.08
Airbus	37	2	0.01
Boskalis Westminster	731	20	0.14
Fiat Chrysler Automobiles	1,652	16	0.13
Heineken (BATS European Listing)	623	33	0.24
Heineken (TOM MTF Listing)	150	9	0.07
ING	2,727	25	0.18
Koninklijke Ahold	5,169	74	0.53
Koninklijke KPN	2,576	7	0.05
LyondellBasell Industries	1,930	114	0.82
NN	1,428	34	0.24
Randstad	800	34	0.24
RELX	5,977	68	0.49
Wolters Kluwer	1,862	42	0.30
<b>NEW ZEALAND</b>		<b>3</b>	<b>0.02</b>
Mighty River Power	2,644	3	0.02

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>NORWAY</b>		<b>51</b>	<b>0.37</b>
DNB	1,141	10	0.07
Norsk Hydro	5,253	13	0.10
Yara International	969	28	0.20
<b>PAPUA NEW GUINEA</b>		<b>27</b>	<b>0.19</b>
Oil Search	8,409	27	0.19
<b>PORTUGAL</b>		<b>6</b>	<b>0.04</b>
EDP - Energias de Portugal	2,519	6	0.04
Pharol SGPS	2,333	-	-
<b>SINGAPORE</b>		<b>123</b>	<b>0.89</b>
Ascendas Real Estate Investment Trust Rights 13/01/2016	495	-	-
Ascendas Real Estate Investment Trust <sup>^</sup>	13,200	14	0.10
CapitaLand Commercial Trust <sup>^</sup>	17,600	11	0.08
ComfortDelGro	2,500	4	0.03
DBS	3,500	28	0.20
Flextronics International	3,532	27	0.20
Jardine Cycle & Carriage	800	13	0.09
Oversea-Chinese Banking	1,630	7	0.05
United Overseas Bank	300	3	0.02
UOL	2,300	7	0.05
Yangzijiang Shipbuilding	16,300	9	0.07
<b>SPAIN</b>		<b>174</b>	<b>1.25</b>
ACS Actividades de Construccion y Servicios	1,131	22	0.16
Aena	37	3	0.02
Amadeus IT	1,311	39	0.28
Banco Bilbao Vizcaya Argentaria	3,389	17	0.12
Banco de Sabadell	7,477	9	0.07
Banco Santander	5,942	20	0.14
Bankinter	685	3	0.02
CaixaBank	1,457	4	0.03
Endesa	149	2	0.02
Iberdrola	11,095	53	0.38
Mapfre	1,439	2	0.01
<b>SWEDEN</b>		<b>209</b>	<b>1.50</b>
Boliden	1,661	19	0.14
Electrolux	716	12	0.09
Hexagon	1,578	40	0.29
Industrivarden	307	4	0.03
Investor	366	9	0.06
Nordea Bank	7,400	56	0.40
Securitas	762	8	0.06
Skandinaviska Enskilda Banken	374	3	0.02
Skanska	1,372	18	0.13



## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>SWEDEN (continued)</b>			
Svenska Cellulosa	126	2	0.01
Swedbank	565	9	0.06
Swedish Match	1,210	29	0.21
<b>SWITZERLAND</b>		<b>648</b>	<b>4.66</b>
ACE	586	46	0.33
Actelion	284	27	0.19
Adecco	1,109	52	0.37
Credit Suisse	445	6	0.04
Givaudan	16	20	0.14
Lonza	365	40	0.29
Nestle	3,703	187	1.35
Novartis	1,643	97	0.70
Schindler	174	20	0.14
Schindler Participation Certificate	67	8	0.06
SGS	1	1	0.01
Sika	1	2	0.01
Sonova	349	30	0.22
Swatch	13	1	0.01
Swiss Re	763	51	0.37
Transocean	1,959	17	0.12
Zurich Insurance	246	43	0.31
<b>UNITED KINGDOM</b>		<b>744</b>	<b>5.35</b>
3i	2,704	13	0.09
Barclays	6,272	14	0.10
BP	5,205	18	0.13
BT	12,455	59	0.43
Direct Line Insurance	4,777	19	0.14
easyJet	976	17	0.12
HSBC	27,155	146	1.05
Imperial Tobacco	478	17	0.12
Indivior	252	-	-
Intu Properties <sup>A</sup>	5,753	18	0.13
ITV	13,631	38	0.27
Lloyds Banking	30,879	23	0.17
Michael Kors	921	25	0.18
Paragon Offshore	71	-	-
Persimmon	1,883	38	0.27
Reed Elsevier	1,128	14	0.10
Rio Tinto	1,871	37	0.27
Royal Dutch Shell 'A' Shares	2,458	38	0.27
Royal Dutch Shell 'B' Shares	7,003	108	0.78
Royal Mail	5,424	24	0.17
Standard Chartered	6,624	37	0.27
William Hill	5,363	21	0.15
WM Morrison Supermarkets	13,692	20	0.14

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>UNITED STATES OF AMERICA</b>		<b>7,075</b>	<b>50.91</b>
3M	70	7	0.05
Activision Blizzard	905	24	0.17
ADT	1,028	23	0.17
AES	429	3	0.02
Aetna	1,314	96	0.69
AGCO	432	13	0.09
Agilent Technologies	63	2	0.01
Alcoa	2,865	19	0.14
Allstate	142	6	0.04
Ally Financial	1,033	13	0.09
Alpha Natural Resources	959	-	-
Alphabet 'A' Shares	119	63	0.45
Alphabet 'C' Shares	194	100	0.72
American Capital Agency <sup>A</sup>	2,156	25	0.18
American International	1,001	42	0.30
Ameriprise Financial	177	13	0.09
AmerisourceBergen	1,264	89	0.64
Amgen	1,143	126	0.91
Annaly Capital Management <sup>A</sup>	6,516	41	0.30
Anthem	602	57	0.41
Apple	3,019	215	1.55
Archer-Daniels-Midland	470	12	0.09
Arrow Electronics	590	22	0.16
AT&T	2,701	63	0.45
AutoNation	316	13	0.09
AvalonBay Communities <sup>A</sup>	36	4	0.03
Avery Dennison	626	27	0.19
Avnet	840	24	0.17
Baker Hughes	223	7	0.05
Bank of America	3,368	38	0.27
BB&T	503	13	0.09
Bed Bath & Beyond	975	32	0.23
Berkshire Hathaway	649	58	0.42
Best Buy	1,325	27	0.19
Biogen	379	79	0.57
Blackhawk Network	69	2	0.01
Boeing	373	36	0.26
Bristol-Myers Squibb	73	3	0.02
Broadcom	165	6	0.04
CA	2,267	44	0.32
Cablevision Systems	1,100	24	0.17
Calpine	2,337	23	0.17
Cameron International	1,169	50	0.36
Capital One Financial	149	7	0.05
Cardinal Health	682	41	0.30
Caterpillar	121	6	0.04
CDK Global	50	2	0.01

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>UNITED STATES OF AMERICA (continued)</b>			
CenturyLink	3,444	59	0.42
Chevron	43	3	0.02
Chubb	250	22	0.16
Cigna	279	28	0.20
Cintas	669	41	0.30
Cisco Systems	3,257	60	0.43
CIT	253	7	0.05
Citigroup	1,585	56	0.40
Cliffs Natural Resources	266	-	-
CME	232	14	0.10
Comcast	1,734	66	0.47
Community Health Systems Rights 04/01/2016	500	-	-
Corning	3,812	47	0.34
Crown Castle International <sup>A</sup>	77	5	0.04
CVS Health	2,247	149	1.07
Darden Restaurants	721	31	0.22
Delta Air Lines	468	16	0.12
DENTSPLY International	603	25	0.18
Digital Realty Trust <sup>A</sup>	213	11	0.08
Discovery Communications 'A' Shares	24	-	-
Discovery Communications 'C' Shares	30	1	0.01
Dollar General	848	41	0.30
DR Horton	585	13	0.09
Dr Pepper Snapple	1,196	76	0.55
Dun & Bradstreet	185	13	0.09
eBay	2,938	55	0.40
Edwards Lifesciences	736	39	0.28
Electronic Arts	752	35	0.25
EMC	1,172	20	0.14
Entergy	1,085	50	0.36
EOG Resources	1,049	50	0.36
Equity Residential <sup>A</sup>	121	7	0.05
Expedia	44	4	0.03
Expeditors International of Washington	1,175	36	0.26
Express Scripts	453	27	0.19
Exxon Mobil	1,091	58	0.42
F5 Networks	243	16	0.12
Facebook	716	51	0.37
FNF	767	18	0.13
FNFV	49	-	-
Foot Locker	962	42	0.30
Ford Motor	5,706	54	0.39
GameStop	842	16	0.12
Gap	1,593	27	0.19
General Dynamics	258	24	0.17
General Electric	667	14	0.10
Gilead Sciences	2,348	161	1.16
Goldman Sachs	137	17	0.12

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>UNITED STATES OF AMERICA (continued)</b>			
Goodyear Tire & Rubber	1,855	41	0.30
H&R Block	1,622	37	0.27
Halyard Health	21	-	-
Harley-Davidson	373	11	0.08
Harris	773	45	0.32
Hartford Financial Services	549	16	0.12
HCA	231	11	0.08
HCP <sup>A</sup>	1,109	29	0.21
Hewlett Packard Enterprise	1,258	13	0.09
Hologic	1,642	43	0.31
Home Depot	873	78	0.56
HP	1,258	10	0.07
Huntington Bancshares	1,472	11	0.08
Intel	4,137	97	0.70
Intercontinental Exchange	51	9	0.06
International Business Machines	408	38	0.27
International Flavors & Fragrances	557	45	0.32
Interpublic	2,472	39	0.28
Ionis Pharmaceuticals	72	3	0.02
J Alexander's	8	-	-
Jacobs Engineering	864	25	0.18
Johnson & Johnson	3,119	217	1.56
JPMorgan Chase	2,372	106	0.76
KBR	140	2	0.01
KeyCorp	1,398	13	0.09
Keysight Technologies	31	1	0.01
Kohl's	1,386	45	0.32
Lam Research	788	42	0.30
Lands End	45	1	0.01
Lear	535	45	0.32
Liberty Interactive	305	6	0.04
Liberty Property Trust <sup>A</sup>	534	11	0.08
Lincoln National	186	6	0.04
Linear Technology	1,102	32	0.23
Lowe's Cos	1,442	74	0.53
Macy's	790	19	0.14
Manpower	497	28	0.20
Marathon Petroleum	1,267	45	0.32
McKesson	93	12	0.09
Medivation	218	7	0.05
Merck	2,994	107	0.77
MetLife	920	30	0.22
Micron Technology	1,675	16	0.12
Microsoft	1,722	65	0.47
Morgan Stanley	272	6	0.04
Mosaic	1,851	35	0.25
National Oilwell Varco	1,671	38	0.27
Navient	1,119	9	0.06

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>UNITED STATES OF AMERICA (continued)</b>			
NetApp	1,954	35	0.25
Newmont Mining	1,051	13	0.09
News Corp	91	1	0.01
NextEra Energy	367	26	0.19
Northern Trust	263	13	0.09
Now	50	1	0.01
NRG Energy	1,958	16	0.12
Nucor	261	7	0.05
NVIDIA	3,306	74	0.53
OGE Energy	1,224	22	0.16
Oracle	2,617	65	0.47
PACCAR	1,774	57	0.41
Parker-Hannifin	660	43	0.31
Peabody Energy	25	-	-
PepsiCo	691	47	0.34
Pfizer	4,342	95	0.68
Progressive	140	3	0.02
Prologis <sup>A</sup>	507	15	0.11
Prudential Financial	243	13	0.09
Public Service Enterprise	2,916	77	0.55
QUALCOMM	1,411	48	0.35
Quanta Services	1,209	17	0.12
Quintiles Transnational	574	27	0.19
Realty Income <sup>A</sup>	336	12	0.09
ResMed	92	3	0.02
SanDisk	74	4	0.03
Scripps Networks Interactive	518	19	0.14
Sealed Air	461	14	0.10
Seventy Seven Energy	37	-	-
Sherwin-Williams	140	25	0.18
SLM	262	1	0.01
Southwest Airlines	1,224	36	0.26
St Jude Medical	360	15	0.11
Stanley Black & Decker	70	5	0.04
Staples	2,358	15	0.11
Starbucks	1,036	42	0.30
SunTrust Banks	553	16	0.12
Synchrony Financial	496	10	0.07
Target	2,445	120	0.86
Teradata	381	7	0.05
Tesoro	573	41	0.31
Texas Instruments	2,333	87	0.63
Time	60	1	0.01
Toll Brothers	433	10	0.07
Total System Services	1,034	35	0.25
Travelers	979	75	0.54
Twenty-First Century Fox 'A' Shares	1,636	30	0.22
Twenty-First Century Fox 'B' Shares	2,154	40	0.29

## Portfolio statement (continued)

	Holdings	Market value £'000	Total net assets %
<b>UNITED STATES OF AMERICA (continued)</b>			
Tyson Foods	1,862	67	0.48
United Continental	580	23	0.17
United Therapeutics	291	31	0.22
UnitedHealth	902	72	0.52
Urban Edge Properties <sup>A</sup>	37	1	0.01
Valero Energy	2,566	123	0.89
Ventas <sup>A</sup>	271	10	0.07
Veritiv	5	-	-
Voya Financial	939	24	0.17
Walgreens Boots Alliance	376	22	0.16
Wal-Mart Stores	3,502	146	1.05
Walt Disney	267	19	0.14
Waste Management	1,335	48	0.35
Wells Fargo	636	23	0.17
Welltower <sup>A</sup>	948	44	0.32
Western Digital	945	39	0.28
Western Union	3,550	43	0.31
Westlake Chemical	320	12	0.09
WestRock	372	12	0.09
WP Glimcher <sup>A</sup>	31	-	-
Xerox	7,199	52	0.37
Xilinx	608	19	0.14
Zimmer Biomet	48	3	0.02
<b>DERIVATIVES</b>		<b>13</b>	<b>0.09</b>
<b>Futures</b>			
S&P 500 E Mini Futures March 2016	5	2	0.01
<b>Forward Currency Contracts</b>			
<b>Canadian Dollar</b>			
Sold CAD170 for GBP83 Settlement 06/01/2016		-	-
<b>US Dollar</b>			
Bought USD501,715 for GBP329,772 Settlement 23/03/16		11	0.08
Bought USD8,000 for GBP5,380 Settlement 23/03/16		-	-
Sold USD3,246 for GBP2,190 Settlement 06/01/16		-	-
<b>Portfolio of investments</b>		<b>13,802</b>	<b>99.31</b>
<b>Net other assets</b>		<b>96</b>	<b>0.69</b>
<b>Total net assets</b>		<b>13,898</b>	<b>100.00</b>

<sup>A</sup> Real Estate Investment Trust (REIT).

<sup>†</sup> This investment is a related party (see note 9).

Equity investment instruments are quoted on a listed securities market, unless otherwise stated. Derivative contracts can be exchange traded on a regulated market or over the counter (OTC).

## Statement of total return

For the period 6 March 2015 to 31 December 2015

	Notes	31/12/15	
		£'000	£'000
Income			
Net capital losses	1		(694)
Revenue	2	305	
Expenses	3	(30)	
Interest payable and similar charges		(1)	
Net revenue before taxation		274	
Taxation	4	(31)	
Net revenue after taxation			243
<b>Total return before distributions</b>			<b>(451)</b>
Distributions	5		(243)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(694)</b>

## Statement of change in net assets attributable to shareholders

For the period 6 March 2015 to 31 December 2015

	31/12/15	
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-
Assets transferred from other funds <sup>A</sup>		12,949
Amounts receivable on creation of shares	1,402	
Less: Amounts payable on cancellation of shares	(2)	
		1,400
Change in net assets attributable to shareholders from investment activities		(694)
Retained distribution on accumulation shares		243
<b>Closing net assets attributable to shareholders</b>		<b>13,898</b>

<sup>A</sup> Relating to the transfer of assets from the Scottish Widows Fundamental Index Global Equity Fund.

Notes to the financial statements are on pages 223 to 231.

# Balance sheet

As at 31 December 2015

	Notes	31/12/15 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments		13,802
<b>Current assets</b>		
Debtors	6	36
Cash and bank balances	7	79
<b>Total assets</b>		<b>13,917</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Other creditors	8	(19)
<b>Total liabilities</b>		<b>(19)</b>
<b>Net assets attributable to shareholders</b>		<b>13,898</b>

Notes to the financial statements are on pages 223 to 231.



# Notes to the financial statements

For the period 6 March 2015 to 31 December 2015

## 1. Net capital losses

The net capital losses during the period comprise:

	31/12/15
	£'000
Non-derivative securities	(652)
Future contracts	(32)
Forward foreign exchange currency contracts	9
Currency losses	(7)
Handling charges	(12)
<b>Net capital losses</b>	<b>(694)</b>

## 2. Revenue

	31/12/15
	£'000
UK dividends	30
Overseas non-taxable revenue	246
Property revenue from UK REITs - PID	1
Distributions from Regulated Collective Investment Schemes:	
Offshore distribution taxable	2
Overseas scrip dividends non-taxable	1
UK scrip dividends	2
Property revenue from overseas REITs - taxable	22
Property revenue from overseas REITs - non-taxable	1
<b>Total revenue</b>	<b>305</b>

## 3. Expenses

	31/12/15
	£'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>	
ACD's periodic charge	23
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>	
Depositary's fees	1
Safe custody fees	1
	2
<b>Other expenses:</b>	
Audit fee	7
Printing and publishing fees	1
Registration fees	11
Expense capping adjustment <sup>^</sup>	(14)
	5
<b>Total expenses</b>	<b>30</b>

<sup>^</sup> No Registration fee is currently deducted but is borne by the ACD.

Expenses include irrecoverable VAT where applicable.

## Notes to the financial statements (continued)

### 4. Taxation

	31/12/15 £'000
(a) <b>Analysis of charge in year:</b>	
Irrecoverable overseas tax	31
(b) <b>Factors affecting the total tax charge for the year:</b>	
The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20%. The differences are explained below:	
Net revenue before taxation	274
Corporation tax of 20%	55
<b>Effects of:</b>	
UK dividends <sup>A</sup>	(6)
Non-taxable scrip dividends	(1)
Overseas non-taxable revenue	(49)
Revenue taxable in different periods	(1)
Movement in excess management expenses	3
Irrecoverable overseas tax	31
Overseas tax expensed	(1)
<b>Current tax charge for period (note 5a)</b>	<b>31</b>

*OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.*

<sup>A</sup> As an authorised OEIC these items are not subject to corporation tax.

### (c) Deferred taxation:

There is no provision required for deferred taxation at the Balance Sheet date in the current year.

### (d) Factors that may affect future tax charges:

At the period end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,818 relating to surplus management expenses. No deferred tax asset was recognised in the current or prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

### 5. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	31/12/15 £'000
Interim	130
Final	113
	243
Add: Revenue deducted on cancellation of shares	-
Deduct: Revenue received on creation of shares	-
<b>Net distributions for the period</b>	<b>243</b>

Details of the distribution per share is set out in the distribution tables on page 232.

## Notes to the financial statements (continued)

### 6. Debtors

	31/12/15
	£'000
Accrued revenue	16
Expense capping adjustment recoverable	14
Overseas tax recoverable	6
<b>Total debtors</b>	<b>36</b>

### 7. Cash and bank balances

	31/12/15
	£'000
Cash and bank balances	68
Amounts held at futures clearing houses and brokers	11
<b>Total cash and bank balances</b>	<b>79</b>

### 8. Other creditors

	31/12/15
	£'000
Accrued expenses	19

### 9. Related party transactions

Aberdeen Fund Managers Limited, ("the ACD") is a related party.

Aberdeen Fund Managers Limited act as principal on all the transactions of shares in the Fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of change in net assets attributable to shareholders. Amounts due to/from Aberdeen Fund Managers Limited in respect of share transactions at the period end are included in the Balance Sheet.

Amounts paid to Aberdeen Fund Managers Limited in respect of ACD fees are disclosed in note 3, with £2,327 due at the period end.

Holdings of Aberdeen Asset Fund Management Limited Collective Investment Schemes are disclosed in the portfolio statement and transactions in these are shown in the summary of material portfolio changes.

Distributions from Regulated Collective Investment Schemes disclosed in note 2 includes amounts earned from funds where Aberdeen Asset Fund Management Limited act as Authorised Corporate Director. Aberdeen Asset Fund Management Limited act as Investment Manager of Aberdeen Global Liquidity Sterling Fund.

#### *Shares held by associates of the ACD*

On 31 December 2015, shares held as a percentage of the Fund's value were:

	31/12/15
	%
ACD and associates of the ACD	-
Material shareholders:	
State Street Nominees Ltd held 100.00% of the Fund at 31 December 2015.	

## Notes to the financial statements (continued)

### 10. Share classes

The Fund has one share class in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share Class B - Accumulation	0.20

The net asset value of this share class, the net asset value per share and the number of shares in this class are given in the Comparative Table on page 207. The distributions per share class are given in the Distribution tables on page 232.

Reconciliation of the shares movement in the year

	Opening shares in issue	Creations	Cancellations	Shares converted	31/12/15 Closing shares in issue
Share Class B - Accumulation	-	14,351,160	(2,101)	-	14,349,059

### 11. Capital commitments and contingent liabilities

As at 31 December 2015, the Fund had no capital commitments and no contingent liabilities.

## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures

A statement of the Fund's objective and the policy for achieving it has been included on page 205. The risks inherent in the Fund's investment portfolio are as follows:

#### (1) Market price risk

#### (a) Foreign currency risk

A significant proportion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the sterling value of the portfolio, cash and investment purchases and sales.

As at 31 December the Fund had the following net currency exposure (excluding sterling):

	Currency exposure 31/12/15 £'000
<b>Currency</b>	
Australian dollar	351
Canadian dollar	430
Danish krone	65
Euro	1,511
Hong Kong dollar	189
Japanese yen	1,359
New Israeli sheqel	85
New Zealand dollar	3
Norwegian krone	51
Singapore dollar	115
Swedish krona	209
Swiss franc	603
US dollar	8,030
<b>Total</b>	<b>13,001</b>

## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures (continued)

#### (b) Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing including instruments used to hedge against changes in interest rates.

The interest rate risk profile of the Fund's investments at the year end consists of:

Currency	Floating rate investment £'000	Fixed rate investment £'000	Non-interest bearing investment £'000	Total £'000
<b>31/12/15</b>				
Sterling	70	-	827	897
Australian dollar	-	-	351	351
Canadian dollar	-	-	430	430
Danish krone	-	-	65	65
Euro	-	-	1,511	1,511
Hong Kong dollar	-	-	189	189
Japanese yen	-	-	1,359	1,359
New Israeli sheqel	-	-	85	85
New Zealand dollar	-	-	3	3
Norwegian krone	-	-	51	51
Singapore dollar	-	-	115	115
Swedish krona	-	-	209	209
Swiss franc	-	-	603	603
US dollar	9	-	8,021	8,030
<b>Total</b>	<b>79</b>	<b>-</b>	<b>13,819</b>	<b>13,898</b>

#### (c) Other price risk

The Fund invests principally in equities. The value of equities is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of investments spread across all market sectors in line with the Fund's objectives. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

#### (2) Counterparty risk

As at 31 December 2015 the Fund has no exposure to debt securities.

## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures (continued)

#### Financial derivatives

The Fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements.

Financial derivative instrument (FDI) exposure <sup>A</sup>	31/12/15
Exchange traded derivatives (ETDs)	345,240
Over the counter derivatives (OTCs)	-
Forward foreign exchange (FFX)	345,778
<b>Total FDI exposure</b>	<b>691,018</b>
Total FDI exposure as a percentage of the Fund's value	5%

<sup>A</sup> FDI exposure is calculated using the sum of the notionals on each derivative position

Efficient portfolio management (EPM) techniques	31/12/15
Gross revenues arising from repurchase orders (repos)	-
Gross revenues arising from stocklending	-
Direct operational costs and fees incurred for stocklending (stocklending agent costs)	-
Indirect operational costs and fees incurred for stocklending (Investment Adviser operational costs)	-
<b>Net revenue generated for the Fund during the annual accounting period</b>	<b>-</b>
Underlying exposure obtained through EPM techniques <sup>†</sup>	691,018
<b>Uncollateralised counterparty exposure</b>	
No uncollateralised counterparty exposure.	-
<b>Collateral</b>	
The type and amount of collateral received to reduce counterparty exposure:	
No collateral received	-

#### Notes:

Receipt of collateral reduced counterparty exposure in relation to OTC positions and stocklending.

<sup>†</sup> The Investment Adviser has entered into an indemnified stocklending programme with State Street Bank and Trust Company (SSBTC), who is a related party to the Depositary. The counterparty exposure for stocklending activities is therefore to SSBTC. Any collateral received in relation to these activities is not invested in asset types that are required to be included in the global exposure calculations in accordance with the commitment approach.

The counterparty exposure and therefore the amount of collateral received is, however, calculated in a different way to the FDI exposure above. For example, one S&P 500 index futures contract obligates the buyer to 250 units of the S&P 500 index. If the index is trading at \$1,000, then the single futures contract is similar to investing \$250,000 (250 x \$1,000). Therefore, \$250,000 is the notional value of the contract and is the basis on which the FDI exposure figures above are shown.

The counterparty exposure, however, would be the amount that the Fund would lose if the counterparty defaulted, i.e. the unrealised profit of the trade. It is therefore a different amount to the sum of the notionals.

#### Leverage

No leverage has been employed during the year.

## Notes to the financial statements (continued)

### 12. Risk management policies and disclosures (continued)

#### (3) Liquidity risk

All of the Fund's financial liabilities are payable on demand or in less than one year.

### 13. Portfolio transaction costs

Analysis of total trade costs

	Purchases 31/12/15 £'000	Sales 31/12/15 £'000
Equities	28,325	13,808
Futures <sup>A</sup>	-	-
Trades in the year before transaction costs	28,325	13,808
<b>Commissions</b>		
Equities	1	(1)
Futures <sup>A</sup>	-	-
Total commissions	1	(1)
<b>Taxes</b>		
Equities	5	-
Futures <sup>A</sup>	-	-
Total taxes	5	-
Total costs	6	(1)
<b>Total net trades in the year after transaction costs</b>	<b>28,331</b>	<b>13,807</b>

<sup>A</sup> Purchases and/or sales of future contracts do not incur transaction costs and have been included at the value of their exposure.

Total transaction cost expressed as a percentage of asset type cost

	Purchases 31/12/15 %	Sales 31/12/15 %
<b>Commissions</b>		
Equities	-	-
<b>Taxes</b>		
Equities	0.02	-

Total transaction cost expressed as a percentage of net asset value

	31/12/15 %
<b>Commissions</b>	0.01
Taxes	0.04
<b>Total costs</b>	<b>0.05</b>

The Fund incurs broker commission and transfer taxes/stamp duty as a necessary part of buying and selling the Fund's underlying investments in order to achieve the investment objective. In the case of shares, broker commissions, transfer taxes and stamp duty may be paid by the Fund on transactions.

The average portfolio dealing spread at the balance sheet date was 0.09%



## Notes to the financial statements (continued)

### 14. Fair value

Valuation technique	31/12/15	
	Assets £'000	Liabilities £'000
Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.	13,541	-
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	261	-
<b>Total fair value</b>	<b>13,802</b>	<b>-</b>

# Distribution table

For the year ended 31 December 2015

## Interim dividend distribution

Group 1: Shares created for initial seeding of Fund prior to 6 March 2015

Group 2: Shares purchased 6 March 2015 to 30 June 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 31/08/15 (p)
<b>Share Class B - Accumulation</b>			
Group 1	0.9047	-	0.9047
Group 2	0.9047	-	0.9047

## Final dividend distribution

Group 1: Shares purchased prior to 1 July 2015

Group 2: Shares purchased 1 July 2015 to 31 December 2015

	Net Revenue (p)	Equalisation (p)	Distribution paid 28/02/16 (p)
<b>Share Class B - Accumulation</b>			
Group 1	0.7859	-	0.7859
Group 2	0.7859	-	0.7859

## Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 100.00% of the dividend, together with the tax credit, is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Important information

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The information contained in this document has been derived from sources which are considered to be reasonable and appropriate. This document may also include views and expectations, which cannot be taken as fact. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact, nor relied upon when making investment decisions. Forecasts are opinion only, cannot be guaranteed and should not be relied upon when making investment decisions. The value of investments, and the income from them, may fall as well as rise. Investors may not receive back the full amount originally invested.

For significant changes to the Company please see the section "Significant events" on pages 1 to 2.

For all fund and price information, as well as relevant content and market views please visit our website at [aberdeen-asset.co.uk](http://aberdeen-asset.co.uk).

## **What if I have a complaint:**

If you need to complain about any aspect of our service, you should write to the Complaints Team, Aberdeen Fund Managers Limited, 10 Queen's Terrace, Aberdeen, AB10 1YG, who will initiate our formal complaints procedure. If you prefer, you may call the Complaints Team on 01224 404490 or email [complaints@aberdeen-asset.com](mailto:complaints@aberdeen-asset.com) in the first instance. A leaflet detailing our complaints procedure is available on request.

If the complaint is not resolved by us to your satisfaction then you may take your complaint to the Financial Ombudsman Service. In order to contact the Financial Ombudsman Service or obtain details of the compensation scheme you should write to:

The Financial Ombudsman Service, Exchange Tower, London, E14 9SR or telephone 0300 1239 123 or 0800 023 4567.

# General information

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## About OEICs

Aberdeen Investment Funds UK ICVC II (the "Company") is an umbrella Open Ended Investment Company ("OEIC"). An OEIC is a collective investment vehicle with variable capital in which your funds are pooled with a portfolio of investments in accordance with its Prospectus and the Collective Investment Schemes sourcebook (COLL sourcebook).

It should be remembered that the value of your shares will be affected by fluctuations in the relevant markets and foreign currency exchange rates (where applicable) and may, therefore, go down as well as up. You should view your investment over the medium to long-term.

Please contact us on 0345 300 2890 for more information. We may record and monitor calls to help us improve our service.

All sub-funds are classified as UCITS schemes which comply with Chapter 5 of the COLL sourcebook.

The base currency of the Company is Sterling, but a class of shares in respect of any sub-fund may be designated in any currency other than Sterling.

## Prices and dealing times

The price used for either the purchase or sale of shares is normally the next price calculated after your instructions are received and accepted at our Edinburgh Office. Advisers have no authority to guarantee applications or prices.

The latest prices are obtainable from the Dealing Desk on 0800 833 580, or on the Aberdeen website at [aberdeen-asset.co.uk](http://aberdeen-asset.co.uk).

Shares may be bought or sold between 9.00am and 5.00pm on Mondays to Fridays inclusive.

## Prospectus

The Prospectus, which is available from the ACD free of charge on our website or by contacting Customer Services, outlines how the Company is managed and gives details of the types of assets in which each sub-fund may invest. The Prospectus and (where applicable) the Instrument of Incorporation have been amended during the year to 31 December 2015 (as noted on pages 1 to 2).

## Personal taxation

Unless your shares are held within an ISA, if you sell your shares or switch your shares to a different sub-fund, this is treated as a disposal for Capital Gains Tax purposes. Tax rules can change. The value to an investor of the tax advantages of an ISA will depend on personal circumstances, which may change.

Shareholders are recommended to consult with their professional tax advisers if they are in any doubt about their position.

## Queries

If you have any queries about the operation of your sub-fund you should in the first instance contact Customer Services. Please supply details of your holding (including surname, initials and account number).

# Appointments

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## The Company

Aberdeen Investment Funds UK ICVC II

### Head Office

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

Incorporated in Great Britain under registered number IC000238. Authorised and regulated by the Financial Conduct Authority ("FCA").

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## Authorised Corporate Director and Authorised Fund Manager

Aberdeen Fund Managers Limited

### Registered office

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

### Correspondence address

PO Box 9029  
Chelmsford  
CM99 2WJ

Authorised and regulated by the Financial Conduct Authority ("FCA"). Member of the Investment Association.

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## Investment adviser

Aberdeen Asset Managers Limited

### Registered office

10 Queen's Terrace  
Aberdeen  
AB10 1YG

### Correspondence address

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

Authorised and regulated by the Financial Conduct Authority ("FCA"). Member of the Investment Association.

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## Depository

State Street Trustees Limited

### Registered office

20 Churchill Place  
Canary Wharf  
London  
E14 5HJ

### Correspondence address

525 Ferry Road  
Edinburgh  
EH5 2AW

Authorised and regulated by the Financial Conduct Authority ("FCA").

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## Registrar

International Financial Data Services (UK) Limited

### Registered office

IFDS House  
St Nicholas Lane  
Basildon  
Essex  
SS15 5FS

## Independent auditors

KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ

Aberdeen Investment Funds UK ICVC II is an authorised open-ended investment company (OEIC). The Authorised Corporate Director is Aberdeen Fund Managers Limited. Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making investment or other decisions. No recommendation is made, positive or otherwise, regarding individual securities mentioned. This is not an invitation to subscribe for shares in the Company and is by way of information only. Subscriptions will only be received and shares issued on behalf of the current Prospectus and relevant Key Investor Information Document (KIID) and Supplementary Information Document (SID) for the Fund.

These can be obtained from Aberdeen Fund Managers Limited, Freepost RLTZ-CKGZ-ESTA, PO Box 9029, Chelmsford, CM99 2WJ.  
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