

UK AND INCOME INVESTMENT FUNDS ICVC

INTERIM LONG REPORT FOR THE
SIX MONTH PERIOD ENDED 31 AUGUST 2016
(UNAUDITED)



Scottish Widows UK and Income Investment Funds ICVC

The Company and Head Office

Scottish Widows UK and Income Investment Funds ICVC
15 Dalkeith Road
Edinburgh
EH16 5WL

Incorporated in Great Britain under registered number IC000165. Authorised and regulated by the Financial Conduct Authority.

Authorised Corporate Director (ACD), Authorised Fund Manager and Registrar

Scottish Widows Unit Trust Managers Limited

Registered Office:

Charlton Place
Andover
SP10 1RE

Head Office:

15 Dalkeith Road
Edinburgh
EH16 5WL

Authorised and regulated by the Financial Conduct Authority and a member of The Investment Association.

Investment Adviser

Aberdeen Asset Investments Limited

Head Office:

Bow Bells House
1 Bread Street
London
EC4M 9HH

Correspondence Address:

40 Princes Street
Edinburgh
EH2 2BY

Authorised and regulated by the Financial Conduct Authority and a member of The Investment Association.

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.

Independent Auditors

PricewaterhouseCoopers LLP

Level 4, Atria One
144 Morrison Street
Edinburgh
EH3 8EX

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*Collectively, these comprise the Authorised Corporate Director's Report.

SafetyPlus® is a registered trademark of Scottish Widows plc.

About the Company

Welcome to the Interim Long Report for the Scottish Widows UK and Income Investment Funds ICVC (the "Company") covering the period ended 31 August 2016 (the "Report"). The Authorised Corporate Director (the "ACD") and Authorised Fund Manager of the Company is Scottish Widows Unit Trust Managers Limited, a private company limited by shares which was incorporated in England and Wales on 19 April 1982. Its ultimate holding company is Lloyds Banking Group plc ("Lloyds"), which is incorporated in Scotland.

The Company is an Open-Ended Investment Company ("OEIC") with variable capital, incorporated in Great Britain under registration number IC000165 and is authorised and regulated by the Financial Conduct Authority "the FCA" (previously the Financial Services Authority "the FSA") under regulation 12 of the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) ("the OEIC Regulations"), with effect from 15 March 2002.

Shareholders are not liable for the debts of the Company.

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 fund, in that the scheme property of the Company is currently divided among 11 sub-funds, each with different investment objectives. The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to the sub-fund. The investment objective and policies and a review of the investment activities during the period 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 assets of each Fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other sub-fund and shall not be available for such purpose.

Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investments provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

The Financial Statements have been prepared on an individual basis including the 11 sub-funds in existence during the period covered by this Interim Long Report, as permitted by the OEIC Regulations and the COLL Sourcebook.

As required by the OEIC Regulations and the COLL Sourcebook, information for each of the 11 sub-funds has also been included.

The Report of the Authorised Corporate Director is defined as those items highlighted in the contents page in accordance with paragraph 4.5.9 of the COLL Sourcebook.

During the period there have been a number of significant changes to the Company. These changes are detailed in the section Prospectus changes below:

Prospectus changes

During the period and up to the date of this report, the following changes were made to the Company and therefore the following changes were reflected in the Prospectus of Scottish Widows UK and Income Investment Funds ICVC:

- With effect from 18 March 2016, the Depositary section of the Prospectus of the Company was updated to include certain regulatory changes and amendments required under UCITS V. The amendments made related to the responsibility of the Depositary in respect of:
 - the Depositary's functions;
 - the Depositary's liability;
 - the Depositary's ability to delegate;
 - any conflict of interest that may exist; and
 - a list has been included of the 3rd parties appointed by the Depositary.
- The Depositary's fee has also been amended as a result of the additional responsibility
- With effect from 17 August 2016, we have revised the investment objective and policy of the UK Growth Fund and the UK Equity Income Fund (each a Fund) in order to clarify each Fund's investment strategy. The changes to the description of the investment objective and policy of the Funds are intended to give greater clarity to investors on how the Funds are managed.

UK Equity Income Fund

- The investment objective of the Fund has been updated to make it clear that the Fund will invest predominantly in a portfolio of UK securities. The Fund seeks to deliver performance over the long term, before deduction of management fees, in excess of the FTSE All Share Index with a similar level of overall volatility.
- The investment policy of the Fund now makes it clear that the Fund will seek to achieve its objective by investing predominantly in a portfolio of companies which are part of the FTSE All Share Index.
- As part of this, the Investment Adviser will seek to identify companies that are forecast to provide higher than average dividend yields and to achieve long term capital growth. The Fund will then seek to hold more in these companies in comparison to the FTSE All Share Index. This means that, while the Fund will hold a large number of securities in common with the FTSE All Share Index, the weighting of any one security may be significantly different to the FTSE All Share Index.
- The Fund is limited in the extent to which it can hold more (overweight) or less (underweight) in sectors relative to the Index, but it aims to be overweight in sectors which are expected to provide a higher than average dividend yield. The dividend yield is calculated by dividing the annual dividend paid in respect of a security by its share price.

UK Growth Fund

- The investment objective of the Fund has been updated to make it clear that the Fund will invest in a portfolio of predominantly UK companies while seeking to deliver performance over the long term, before deduction of management fees, in excess of the FTSE All Share Index with a similar level of overall volatility.
- The investment policy of the Fund now makes it clear that the Fund will seek to achieve its objective by investing predominantly in a portfolio of companies which are part of the FTSE All Share Index, which will involve investing in equities and may also involve investing in equity-linked securities being depositary receipts, warrants and preference shares. The updated policy also makes it clear that there is limited scope for the Fund to take positions away from the FTSE All Share Index, which means there are limitations on the extent to which the Fund's investment in various sectors may differ to the FTSE All Share Index. These limited positions can be more than is held in the FTSE All Share Index (overweight) or less than is held in the FTSE All Share Index (underweight).
- We have also decided to reduce the annual management charge in respect of the Class A share class of the UK Growth Fund from 1.5% to 1.35% and increase the auditor's fee for the Funds following a review of pricing by the auditor of the Funds. All of the above changes to each Fund were implemented with effect from 17 August 2016.
- We have amended the investment and borrowing powers for the Corporate Bond Fund, High Income Bond Fund, High Reserve Fund and Strategic Income Fund (together the "Funds") to clarify that the Funds can invest in covered bonds. This will allow further flexibility for the Investment Adviser by enabling access to a wider range of assets in order to meet the investment objectives of the Funds. Please note that this will not change the strategies or the risk profiles of the Funds and there are no changes required to the investment objectives and policies of the Funds.

A copy of the Prospectus is available on request.

EU Referendum

On 23 June 2016 the UK electorate voted to leave the European Union. This decision will start a process that is likely to take a minimum of two years to complete, and it is important to note that during this time the UK remains a member of the EU. This means that the rules and regulations governing asset management as well as the protections that were in place for clients prior to the referendum remain unchanged. However, the result may see a further period of uncertainty for the UK economy and financial markets, and there may be increased volatility.

Holdings in other Sub-Funds of the Company

As at 31 August 2016 there were no shares in sub-funds of the Scottish Widows UK and Income Investment Funds ICVC held by other sub-funds of the Company.

Report of the Authorised Corporate Director

In accordance with the requirements of the COLL Sourcebook as issued and amended by the Financial Conduct Authority, I hereby certify the Report on behalf of Scottish Widows Unit Trust Managers Limited, the Authorised Corporate Director.

Ronald Taylor
Director
Scottish Widows Unit Trust Managers Limited
25 October 2016

Summary of Significant Accounting Policies

for the period ended 31 August 2016 (unaudited)

The Interim 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 Authorised Funds issued by the Investment Association (previously the Investment Management Association (IMA)) in May 2014 and FRS 102. The accounting and distribution policies applied are consistent with those of the financial statements for the year ended 28 February 2016 and are described in those annual financial statements.

As a result of the adoption of SORP 2014, comparative amounts and presentation have been restated. The closing net assets attributable to shareholders remains unchanged.

In the 'Statement of change in net assets attributable to shareholders' dilution adjustments are now disclosed as a separate line item. 'Dilution adjustments' have been reclassified from 'Amounts receivable on creation of shares' and 'Amounts payable on cancellation of shares'. The details for each Fund are listed in the table below:

	31 August 2016			31 August 2015		
	Dilution adjustments £'000	Consisting of: Amounts receivable on creation of shares £'000	Amounts payable on cancellation of shares £'000	Dilution adjustments £'000	Consisting of: Amounts receivable on creation of shares £'000	Amounts payable on cancellation of shares £'000
Corporate Bond Fund	2,117	860	1,257	1,860	380	1,480
Environmental Investor Fund	9	3	6	12	6	6
Ethical Fund	12	7	5	9	6	3
Gilt Fund	113	4	109	288	133	155
High Income Bond Fund	48	2	46	48	7	41
High Reserve Fund	34	-	34	35	0	35
SafetyPlus® Fund	0	-	0	1	0	1
Strategic Income Fund	67	7	60	70	19	51
UK Equity Income Fund	39	7	32	49	24	25
UK Growth Fund	486	404	82	275	182	93
UK Select Growth Fund	1	-	1	4	0	4

Corporate Bond Fund

Investment Markets Overview

for the six month period ended 31 August 2016 (unaudited)

Investment Objective and Policy

To provide an attractive level of income, whilst having regard to capital value, through investments denominated in the currency of the United Kingdom, predominantly corporate bonds and other fixed interest securities issued principally by companies operating in the United Kingdom or Europe.

The Fund will invest in a diversified portfolio of securities which may include, directly or indirectly, secured and unsecured loan stock, government and other public securities, other bonds, convertible securities, preference shares and shares, however the Fund may invest in other types of investment at the discretion of the ACD.

Derivatives may be used for efficient portfolio management purposes only.

Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at www.scottishwidows.co.uk/investmentapproaches

<p>The Fund is ranked at 4* because it has experienced medium levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 2 August 2016.</p>	←			→			
	Typically lower rewards, lower risks			Typically higher rewards, higher risks			
	1	2	3	4	5	6	7

Investment Review

Performance	29/02/16 to 31/08/16 %	01/03/15 to 28/02/16 %	01/03/14 to 28/02/15 %	01/03/13 to 28/02/14 %	29/02/12 to 28/02/13 %	01/03/11 to 28/02/12 %
Corporate Bond Fund A Accumulation	16.36	(4.76)	10.40	2.08	9.57	6.36
£ Corporate Bond Sector Average Return	13.11	(2.63)	9.65	3.04	9.87	6.91

Source: Lipper for Corporate Bond Fund and £ Corporate Bond Sector Average Return (funds which invest at least 80% of their assets in Sterling denominated (or hedged back to Sterling), triple BBB minus or above corporate bond securities (as measured by Standard & Poor's or an equivalent external rating agency). This excludes convertibles, preference shares and permanent interest bearing shares (PIBs)).

Basis: Net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

The past six months have been volatile for corporate bond markets, with valuations affected by myriad factors. A constant theme has been concerns over slowing Chinese economic growth and its impact on global growth and commodity prices. Uncertainty over the timing and magnitude of rising US interest rates also kept market participants wary.

The European Central Bank's (ECB) announcement of further monetary easing and a corporate bond buying programme gave credit markets a boost. In the run-up to June's historic referendum on the UK's continued membership of the European Union (EU), bond markets performed strongly. A shift in momentum towards the 'Leave' campaign in the opinion polls fuelled demand for government bonds. But while corporate bonds were strong overall between April and June, nervousness ahead of the June referendum led to a degree of credit underperformance, with subordinated bonds from UK banks and insurers bearing the brunt.

Towards the end of June, corporate bonds recovered their poise from the vote to leave the EU, perhaps looking forward to further economic stimulation measures from global central banks. Market movements in July suggested a reassessment of the policy response to a likely sharp slowdown in the UK economy and the knock-on effects to developed markets' confidence around the world. This manifested itself in a strong rally from both government bond yields and credit spreads. August, too, was strong for corporate bonds, supported mostly by the Bank of England's (BoE) stimulus package, which involved an interest rate cut and renewed quantitative easing. Its new £70 billion bond buying-programme includes an undertaking to buy up to £10 billion of corporate bonds over 18 months.

for the six month period ended 31 August 2016 (unaudited)

Early on, the portfolio's higher beta positions were particularly beneficial, notably holdings in sub-investment grade assets, which were helped by improvements in commodity prices. Bonds issued by European institutions such as Enel were supported by the ECB action and also helped performance. As government bond yields moved up slightly, longer-dated holdings underperformed modestly.

Prior to the EU referendum, we closed the short duration position as a defensive strategy, keeping duration close to benchmark for the remainder of the review period. Following the UK vote to leave the EU, our holdings in utilities and particularly telecoms held up well, contributing to performance. However, holdings in banks and insurance sectors underperformed. Some subordinated bank paper was sold, both in advance of and following the UK referendum. We also reduced holdings in UK non-food retailers and real estate, which were relatively small-sized positions in the fund.

Moving into July, the fund's continuing position in subordinated financials helped performance, especially in insurance. Allocations made to non-sterling credit earlier in the year meant it missed out on the quantum of the rally in sterling credit. We continued to reduce AT1 positions, as we have concerns about how the UK economy's growth path will pan out as the country negotiates its way out of the EU. Results at the end of July from Lloyds and Barclays pointed to the inflation of risky non-sterling asset holdings affecting capital ratios. Also in July, we purchased a new deal from Heathrow (33 years) – the first from the group in sterling for a long while, and the first ever in that segment of the market for BBB risk. We topped up that holding in August, as the Heathrow bonds are likely to be eligible for BoE purchases.

In the aftermath of the EU referendum vote, the BoE's stimulus package provided a fillip for the UK corporate bond market. While credit spreads have tightened significantly in the aftermath, we believe value remains in the sector, and investors remain well-compensated for the risk of default. Spreads could tighten further when the corporate bond-buying programme gets under way.

Nevertheless, we are increasingly becoming cautious about the bonds we consider for investment. We will focus on fundamentals, while thinking about the world post-quantitative easing.

Aberdeen Asset Investments Limited

September 2016

Corporate Bond Fund

Portfolio Statement

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
ASSET-BACKED SECURITIES (4.94%*)		168,408	4.52
Annington Finance No 1 8% 02/10/2021	GBP3,989,243	4,653	0.12
Annington Finance No 4 0% 07/12/2022	GBP20,150,000	18,101	0.48
Annington Finance No 4 1.67219% 10/01/2023	GBP11,828,817	11,764	0.32
Annington Repackaging No 1 5.3236% 10/01/2023	GBP12,750,000	14,780	0.40
BL Superstores Finance 4.482% 04/10/2030	GBP5,597,514	6,440	0.17
BL Superstores Finance 5.27% 04/10/2030	GBP11,886,109	13,322	0.36
Dignity Finance 4.6956% 31/12/2049	GBP11,901,000	15,594	0.42
Finance for Residential Social Housing 8.369% 04/10/2058	GBP3,715,987	6,416	0.17
Freshwater Finance 4.607% 17/10/2036	GBP2,569,112	3,428	0.09
Greene King Finance (FRN) 3.07188% 15/12/2033	GBP13,356,235	13,022	0.35
Housing Association Funding 8.25% 07/06/2027	GBP4,542,832	6,211	0.17
Meadowhall Finance 4.986% 12/07/2037	GBP4,797,586	6,179	0.17
Meadowhall Finance 4.988% 12/07/2037	GBP11,625,441	14,989	0.40
Mitchells & Butlers Finance 5.574% 15/12/2030	GBP2,970,614	3,479	0.09
Mitchells & Butlers Finance (FRN) 1.17188% 15/12/2033	GBP13,420,000	9,662	0.26
SLM Student Loan Trust 2003-10 (FRN) 1.12431% 15/12/2039	GBP5,081,376	4,167	0.11
SLM Student Loan Trust 2003-12 (FRN) 1.12431% 15/03/2038	GBP8,660,000	7,459	0.20
Telereal Securitisation 4.9741% 10/12/2033	GBP3,074,360	3,551	0.10
Telereal Securitisation 5.3887% 10/12/2033	GBP2,794,477	3,375	0.09
Telereal Securitisation 5.4252% 10/12/2033	GBP1,577,928	1,816	0.05
CORPORATE BONDS (83.76%*)#		3,106,623	83.34
Aegon 6.625% 16/12/2039	GBP2,980,000	4,979	0.13
America Movil 5.75% 28/06/2030	GBP10,989,000	15,250	0.41
America Movil 4.948% 22/07/2033	GBP7,881,000	10,483	0.28
America Movil 6.375% 06/09/2073	GBP6,162,000	6,686	0.18
Amgen 5.5% 07/12/2026	GBP10,805,000	14,492	0.39
Amgen 4% 13/09/2029	GBP9,367,000	11,389	0.31
Anglian Water Services Financing 4.5% 05/10/2027	GBP3,798,000	4,896	0.13
Apple 3.6% 31/07/2042	GBP18,880,000	23,715	0.64
APT Pipelines 3.5% 22/03/2030	GBP11,800,000	12,857	0.35
Assicurazioni Generali 6.416% Perpetual	GBP7,500,000	7,720	0.21
Aster Treasury 4.5% 18/12/2043	GBP8,221,000	11,546	0.31
AT&T 5.2% 18/11/2033	GBP23,619,000	31,794	0.85
AT&T 7% 30/04/2040	GBP8,000,000	13,430	0.36
AT&T 4.25% 01/06/2043	GBP31,262,000	38,491	1.03
AT&T 4.875% 01/06/2044	GBP10,330,000	13,925	0.37
Atlantia 6.25% 09/06/2022	GBP5,023,000	6,331	0.17
Aviva 6.125% 14/11/2036	GBP7,070,000	8,154	0.22
Aviva 6.625% 03/06/2041	GBP23,645,000	26,532	0.71
Aviva 5.125% 04/06/2050	GBP10,600,000	11,342	0.31
Aviva 6.875% 20/05/2058	GBP12,073,000	15,304	0.41
Aviva 5.9021% Perpetual	GBP3,462,000	3,662	0.10
Aviva 6.125% Perpetual	GBP3,510,000	3,778	0.10
AXA 5.453% Perpetual	GBP24,328,000	26,024	0.70
AXA 6.6862% Perpetual	GBP10,748,000	12,158	0.33
Bank of America 7.75% 30/04/2018	GBP9,050,000	10,010	0.27
Bank of America 2.3% 25/07/2025	GBP12,800,000	13,080	0.35
Bank of America 7% 31/07/2028	GBP21,950,000	32,358	0.87
Bank of Scotland 9.375% 15/05/2021t	GBP18,570,000	24,421	0.66
Barclays Bank 10% 21/05/2021	GBP38,983,000	50,381	1.35
Barclays Bank 6.75% 16/01/2023	GBP6,156,000	6,473	0.17
Barclays Bank 8.25% Perpetual	GBP5,940,000	6,454	0.17
Barclays Bank 14% Perpetual	GBP12,674,000	16,048	0.43

Corporate Bond Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
BAT International Finance 6% 29/06/2022	GBP14,550,000	18,558	0.50
BAT International Finance 7.25% 12/03/2024	GBP4,522,000	6,417	0.17
BAT International Finance 6% 24/11/2034	GBP2,954,000	4,720	0.13
BG Energy Capital 5.125% 01/12/2025	GBP9,331,000	12,204	0.33
BG Energy Capital 6.5% 30/11/2072	GBP16,188,000	17,130	0.46
BHP Billiton Finance 3.25% 25/09/2024	GBP5,000,000	5,662	0.15
BHP Billiton Finance 4.3% 25/09/2042	GBP11,633,000	15,565	0.42
BHP Billiton Finance 6.5% 22/10/2077	GBP6,290,000	7,063	0.19
BMW Finance 2.375% 01/12/2021	GBP5,352,000	5,740	0.15
British Telecommunications 5.75% 07/12/2028	GBP4,174,000	5,988	0.16
British Telecommunications 6.375% 23/06/2037	GBP4,900,000	8,378	0.22
Brown-Forman 2.6% 07/07/2028	GBP4,140,000	4,512	0.12
Centrica 4.25% 12/09/2044	GBP6,500,000	8,944	0.24
Centrica 5.25% 10/04/2075	GBP12,996,000	13,596	0.36
Chorus 6.75% 06/04/2020	GBP19,700,000	23,157	0.62
Cie de St-Gobain 5.625% 15/11/2024	GBP4,950,000	6,438	0.17
Cie de St-Gobain 4.625% 09/10/2029	GBP12,855,000	16,254	0.44
Circle Anglia Social Housing 7.25% 12/11/2038	GBP2,400,000	4,321	0.12
Citigroup 5.125% 12/12/2018	GBP3,576,000	3,852	0.10
Citigroup 6.8% 25/06/2038	GBP8,122,000	13,976	0.38
Close Brothers Finance 3.875% 27/06/2021	GBP10,500,000	11,635	0.31
CNP Assurances 7.375% 30/09/2041	GBP10,100,000	11,555	0.31
Cooperatieve Rabobank 4.625% 23/05/2029	GBP8,850,000	10,200	0.27
Cooperatieve Rabobank 5.25% 23/05/2041	GBP9,429,000	14,390	0.39
Cooperatieve Rabobank 5.375% 03/08/2060	GBP4,050,000	7,548	0.20
Cooperatieve Rabobank 6.91% Perpetual	GBP5,000,000	6,054	0.16
Credit Agricole 5% Perpetual	GBP7,954,000	8,213	0.22
Credit Agricole 8.125% Perpetual	GBP3,300,000	3,663	0.10
CRH 4.125% 02/12/2029	GBP5,590,000	6,805	0.18
Daily Mail & General Trust 6.375% 21/06/2027	GBP4,100,000	5,023	0.14
Danske Bank 5.375% 29/09/2021	GBP5,966,000	6,262	0.17
Deutsche Telekom International Finance 6.5% 08/04/2022	GBP17,398,000	22,478	0.60
Deutsche Telekom International Finance 7.625% 15/06/2030	GBP5,049,000	8,506	0.23
Digital Stout 4.25% 17/01/2025	GBP5,150,000	5,870	0.16
E.ON International Finance 6.375% 07/06/2032	GBP16,232,000	24,786	0.67
E.ON International Finance 5.875% 30/10/2037	GBP16,050,000	24,888	0.67
E.ON International Finance 6.75% 27/01/2039	GBP6,500,000	11,038	0.30
Eastern Power Networks 6.25% 12/11/2036	GBP19,110,000	32,054	0.86
EE Finance 4.375% 28/03/2019	GBP13,642,000	14,770	0.40
Electricite de France 6.25% 30/05/2028	GBP13,600,000	19,552	0.53
Electricite de France 5.875% 18/07/2031	GBP6,588,000	9,611	0.26
Electricite de France 5.5% 17/10/2041	GBP13,500,000	20,253	0.54
Electricite de France 5.125% 22/09/2050	GBP25,450,000	37,774	1.01
Electricite de France 6% 23/01/2114	GBP8,700,000	15,002	0.40
Electricite de France 5.875% Perpetual	GBP4,100,000	4,080	0.11
Electricite de France 6% Perpetual	GBP23,800,000	24,297	0.65
Electricity North West 8.875% 25/03/2026	GBP6,181,000	10,114	0.27
Enel 5.75% 22/06/2037	GBP4,273,000	6,313	0.17
Enel 6.625% 15/09/2076	GBP630,000	689	0.02
Enel Finance International 5.75% 14/09/2040	GBP25,516,000	38,184	1.02
Engie 4.625% Perpetual	GBP7,900,000	8,321	0.22
ESB Finance 6.5% 05/03/2020	GBP4,522,000	5,355	0.14
FCE Bank 2.727% 03/06/2022	GBP12,410,000	13,208	0.35
Firstgroup 8.75% 08/04/2021	GBP22,067,000	28,576	0.77

Corporate Bond Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
Friends Life 8.25% 21/04/2022	GBP11,467,000	14,505	0.39
Gatwick Funding 6.125% 02/03/2028	GBP3,553,000	4,924	0.13
Gatwick Funding 4.625% 27/03/2036	GBP10,013,000	13,664	0.37
Gatwick Funding 6.5% 02/03/2043	GBP9,779,000	17,453	0.47
GE Capital UK Funding 8% 14/01/2039	GBP5,714,000	12,026	0.32
General Electric Capital 5.5% 07/06/2021	GBP10,496,000	12,733	0.34
General Electric Capital 5.25% 07/12/2028	GBP13,241,000	18,818	0.51
GKN 6.75% 28/10/2019	GBP7,782,000	9,020	0.24
GKN 5.375% 19/09/2022	GBP11,000,000	13,158	0.35
GlaxoSmithKline Capital 6.375% 09/03/2039	GBP11,499,000	20,751	0.56
GlaxoSmithKline Capital 5.25% 10/04/2042	GBP7,742,000	12,874	0.35
Glencore Canada Financial 7.375% 27/05/2020	GBP12,250,000	14,400	0.39
Glencore Finance Europe 6.5% 27/02/2019	GBP16,700,000	18,548	0.50
Glencore Finance Europe 6% 03/04/2022	GBP2,135,000	2,436	0.07
Grainger 5% 16/12/2020	GBP8,100,000	8,630	0.23
Great Rolling Stock 6.5% 05/04/2031	GBP8,379,950	11,740	0.32
Great Rolling Stock 6.875% 27/07/2035	GBP5,286,412	7,407	0.20
Greene King Finance 4.0643% 15/03/2035	GBP2,250,000	2,490	0.07
Guinness Partnership 9.125% 31/01/2025	GBP8,000,000	12,371	0.33
Guinness Trustees 7.5% 30/11/2037	GBP6,457,118	10,249	0.28
HBOS Capital Funding 6.461% Perpetual†	GBP3,680,000	3,956	0.11
Heathrow Finance 7.125% 01/03/2017	GBP7,130,000	7,343	0.20
Heathrow Finance 5.75% 03/03/2025	GBP7,865,000	8,705	0.23
Heathrow Funding 6% 20/03/2020	GBP10,136,000	11,716	0.31
Heathrow Funding 5.225% 15/02/2023	GBP8,850,000	10,929	0.29
Heathrow Funding 7.125% 14/02/2024	GBP24,012,000	32,508	0.87
Heathrow Funding 7.075% 04/08/2028	GBP4,009,000	6,239	0.17
Heathrow Funding 6.75% 03/12/2028	GBP10,000,000	14,691	0.39
Heathrow Funding 6.45% 10/12/2031	GBP13,921,000	22,247	0.60
Heathrow Funding 2.75% 09/08/2051	GBP8,500,000	9,488	0.25
Highbury Finance 7.017% 20/03/2023	GBP8,581,919	10,030	0.27
HJ Heinz Finance UK 6.25% 18/02/2030	GBP6,387,000	9,022	0.24
HSBC 6.375% 18/10/2022	GBP3,650,000	3,804	0.10
HSBC 6.5% 20/05/2024	GBP19,305,000	24,977	0.67
HSBC 6.75% 11/09/2028	GBP5,750,000	7,494	0.20
HSBC 5.375% 22/08/2033	GBP5,000,000	6,373	0.17
HSBC 7% 07/04/2038	GBP7,400,000	11,057	0.30
HSBC 6% 29/03/2040	GBP26,709,000	36,299	0.97
HSBC Bank 4.75% 24/03/2046	GBP8,298,000	10,897	0.29
HSBC Bank Capital Funding Sterling 1 5.844% Perpetual	GBP10,050,000	11,455	0.31
HSBC Bank Capital Funding Sterling 2 5.862% Perpetual	GBP5,120,000	5,450	0.15
Hutchison Whampoa Finance 5.625% 24/11/2026	GBP14,050,000	19,069	0.51
Imperial Tobacco Finance 9% 17/02/2022	GBP14,213,000	19,875	0.53
Imperial Tobacco Finance 8.125% 15/03/2024	GBP4,483,000	6,528	0.18
Imperial Tobacco Finance 5.5% 28/09/2026	GBP11,839,000	15,791	0.42
ING Bank 6.875% 29/05/2023	GBP22,953,000	24,615	0.66
InterContinental Hotels 3.875% 28/11/2022	GBP9,790,000	10,959	0.29
InterContinental Hotels 3.75% 14/08/2025	GBP16,100,000	18,290	0.49
Intu Metrocentre Finance 4.125% 06/12/2023	GBP10,950,000	12,360	0.33
Intu SGS Finance 3.875% 17/03/2028	GBP6,872,000	7,597	0.20
Jaguar Land Rover Automotive 3.875% 01/03/2023	GBP13,000,000	13,650	0.37
Koninklijke KPN 5% 18/11/2026	GBP6,082,000	7,633	0.20
Legal & General 5.5% 27/06/2064	GBP10,000,000	10,765	0.29
Legal & General 6.385% Perpetual	GBP8,000,000	8,188	0.22

Corporate Bond Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
Lloyds Bank 7.625% 22/04/2025†	GBP3,230,000	4,285	0.11
Lloyds Bank 5.75% 09/07/2025†	GBP19,827,000	21,898	0.59
Lloyds Bank 6.5% 17/09/2040†	GBP16,573,000	28,520	0.77
Lloyds Bank 13% Perpetual†	GBP1,675,000	2,876	0.08
Lloyds Banking 7% Perpetual†	GBP11,776,000	11,824	0.32
Lloyds Banking 7.625% Perpetual†	GBP4,850,000	4,983	0.13
London & Quadrant Housing Trust 4.625% 05/12/2033	GBP13,450,000	18,472	0.50
Longstone Finance 4.896% 19/04/2036	GBP800,000	931	0.02
Manchester Airport Funding 4.75% 31/03/2034	GBP5,720,000	7,908	0.21
Marks & Spencer 4.75% 12/06/2025	GBP6,773,000	7,959	0.21
McDonald's 4.125% 11/06/2054	GBP4,500,000	6,155	0.17
Mondelez International 3.875% 06/03/2045	GBP4,746,000	5,703	0.15
Motability Operations 3.75% 16/07/2026	GBP15,000,000	18,296	0.49
Motability Operations 5.625% 29/11/2030	GBP5,767,000	8,728	0.23
Motability Operations 3.625% 10/03/2036	GBP3,650,000	4,712	0.13
Muenchener Rueckversicherungs-Gesellschaft 6.625% 26/05/2042	GBP5,000,000	5,947	0.16
National Grid Electricity Transmission 6.5% 27/07/2028	GBP15,090,000	23,273	0.62
National Westminster Bank 6.5% 07/09/2021	GBP5,910,000	6,904	0.19
National Westminster Bank 7.125% Perpetual	GBP2,630,000	2,876	0.08
Nats En Route 5.25% 31/03/2026	GBP7,230,473	8,580	0.23
NGG Finance 5.625% 18/06/2073	GBP7,790,000	8,840	0.24
NIE Finance 6.375% 02/06/2026	GBP14,690,000	20,909	0.56
Northern Gas Networks Finance 4.875% 30/06/2027	GBP22,419,000	29,387	0.79
Northern Powergrid Yorkshire 2.5% 01/04/2025	GBP7,700,000	8,385	0.22
Northumbrian Water Finance 5.625% 29/04/2033	GBP6,555,000	9,965	0.27
Orange 5.25% 05/12/2025	GBP2,962,000	3,893	0.10
Orange 8.125% 20/11/2028	GBP11,827,000	19,693	0.53
Orange 5.625% 23/01/2034	GBP4,664,000	6,881	0.18
Orange 5.375% 22/11/2050	GBP11,900,000	19,700	0.53
Orange 5.75% Perpetual	GBP4,775,000	5,241	0.14
Orange 5.875% Perpetual	GBP3,000,000	3,302	0.09
Paragon Treasury 3.625% 21/01/2047	GBP5,800,000	6,897	0.19
Petrobras Global Finance 6.625% 16/01/2034	GBP6,850,000	5,977	0.16
PGH Capital 5.75% 07/07/2021	GBP7,000,000	7,603	0.20
PICTS 5.218% 20/01/2039	GBP7,744,385	9,314	0.25
Places for People Homes 5.875% 23/05/2031	GBP17,210,000	23,071	0.62
Places for People Homes 5.09% 31/07/2043	GBP7,700,000	9,480	0.25
Porterbrook Rail Finance 7.125% 20/10/2026	GBP5,814,000	8,546	0.23
Porterbrook Rail Finance 4.625% 04/04/2029	GBP4,199,000	5,316	0.14
Premiertel 6.175% 08/05/2032	GBP8,386,968	9,863	0.26
Prudential 11.375% 29/05/2039	GBP12,600,000	15,519	0.42
Prudential 5% 20/07/2055	GBP24,900,000	26,154	0.70
Prudential 5.7% 19/12/2063	GBP8,100,000	9,119	0.24
QBE Insurance 6.115% 24/05/2042	GBP14,381,000	15,541	0.42
Rio Tinto Finance 4% 11/12/2029	GBP15,640,000	19,056	0.51
RL Finance Bonds No 3 6.125% 13/11/2028	GBP11,400,000	12,661	0.34
RMPA Services 5.337% 30/09/2038	GBP14,270,777	18,351	0.49
Rolls-Royce 3.375% 18/06/2026	GBP8,688,000	9,916	0.27
RSA Insurance 5.125% 10/10/2045	GBP9,700,000	10,146	0.27
RWE Finance 6.25% 03/06/2030	GBP10,820,000	14,984	0.40
RWE Finance 6.125% 06/07/2039	GBP5,450,000	8,000	0.21
Santander UK 1.875% 17/02/2020	GBP11,140,000	11,360	0.30
Santander UK 9.625% 30/10/2023	GBP3,207,000	3,685	0.10
Santander UK 3.625% 14/01/2026	GBP11,543,000	12,375	0.33

Corporate Bond Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
Santander UK 3.875% 15/10/2029	GBP6,900,000	8,108	0.22
Scottish Widows 5.5% 16/06/2023†	GBP2,128,000	2,350	0.06
Scottish Widows 7% 16/06/2043†	GBP7,752,000	9,692	0.26
Segro 6.75% 23/11/2021	GBP17,300,000	21,865	0.59
Severn Trent Utilities Finance 6.125% 26/02/2024	GBP6,898,000	9,255	0.25
Severn Trent Utilities Finance 4.875% 24/01/2042	GBP11,046,000	16,747	0.45
Societe Generale 8.875% Perpetual	GBP11,642,000	12,818	0.34
Society of Lloyd's 4.75% 30/10/2024	GBP7,238,000	8,143	0.22
Society of Lloyd's 7.421% Perpetual	GBP16,170,000	16,804	0.45
South East Water Finance 5.6577% 30/09/2019	GBP10,783,000	12,143	0.33
Southern Gas Networks 4.875% 21/12/2020	GBP4,070,000	4,735	0.13
Southern Gas Networks 6.375% 15/05/2040	GBP10,050,000	17,755	0.48
Southern Water Services Finance 6.192% 31/03/2029	GBP5,233,000	7,813	0.21
Sovereign Housing Capital 5.705% 10/09/2039	GBP2,300,000	3,552	0.10
SSE 8.375% 20/11/2028	GBP15,232,000	25,867	0.69
SSE 3.875% Perpetual	GBP28,221,000	28,432	0.76
Stagecoach 4% 29/09/2025	GBP11,181,000	12,742	0.34
Standard Chartered 5.125% 06/06/2034	GBP8,527,000	8,671	0.23
Standard Chartered Bank 5.375% Perpetual	GBP10,000,000	9,975	0.27
Standard Chartered Bank 7.75% Perpetual	GBP14,740,000	16,558	0.44
Standard Life 6.75% Perpetual	GBP14,939,000	16,928	0.45
Svenska Handelsbanken 4% 18/01/2019	GBP9,725,000	10,446	0.28
Svenska Handelsbanken 2.75% 05/12/2022	GBP11,930,000	13,068	0.35
Swan Housing Capital 3.625% 05/03/2048	GBP5,670,000	6,700	0.18
Swiss Reinsurance 6.3024% Perpetual	GBP21,350,000	23,583	0.63
Telecom Italia 6.375% 24/06/2019	GBP12,150,000	13,598	0.36
Telefonica Emisiones 5.375% 02/02/2026	GBP3,675,000	4,791	0.13
Telefonica Emisiones 5.445% 08/10/2029	GBP3,000,000	4,141	0.11
Thames Water Kemble Finance 7.75% 01/04/2019	GBP5,200,000	5,887	0.16
Thames Water Kemble Finance 5.875% 15/07/2022	GBP7,500,000	7,947	0.21
Thames Water Utilities Cayman Finance 4% 19/06/2025	GBP6,280,000	7,648	0.21
Thames Water Utilities Cayman Finance 5.375% 21/07/2025	GBP4,903,000	5,070	0.14
Thames Water Utilities Cayman Finance 3.5% 25/02/2028	GBP5,100,000	6,079	0.16
Thames Water Utilities Cayman Finance 4.375% 03/07/2034	GBP3,585,000	4,902	0.13
Thames Water Utilities Cayman Finance 5.5% 11/02/2041	GBP3,776,000	6,227	0.17
Thames Water Utilities Cayman Finance 7.241% 09/04/2058	GBP8,225,000	8,997	0.24
Thames Water Utilities Finance 6.75% 16/11/2028	GBP6,950,000	10,830	0.29
THFC Funding No 1 5.125% 21/12/2035	GBP5,800,000	7,970	0.21
Time Warner Cable 5.75% 02/06/2031	GBP18,148,000	22,863	0.61
Time Warner Cable 5.25% 15/07/2042	GBP4,000,000	4,923	0.13
UBS 6.625% 11/04/2018	GBP8,688,000	9,485	0.25
UNITE USAF II 3.374% 30/06/2028	GBP4,328,000	4,802	0.13
UPP Bond 1 Issuer 4.9023% 28/02/2040	GBP16,071,055	20,693	0.56
Verizon Communications 4.75% 17/02/2034	GBP24,100,000	32,299	0.87
Vicinity Centres 3.375% 07/04/2026	GBP6,306,000	7,124	0.19
Virgin Media Finance 7% 15/04/2023	GBP9,662,000	10,556	0.28
Vodafone 3% 12/08/2056	GBP5,900,000	6,074	0.16
Welltower 4.8% 20/11/2028	GBP6,043,000	7,401	0.20
Welltower 4.5% 01/12/2034	GBP1,620,000	1,988	0.05
Wessex Water Services Finance 5.375% 10/03/2028	GBP12,442,000	17,175	0.46
Western Power Distribution 3.625% 06/11/2023	GBP8,600,000	9,569	0.26
Western Power Distribution East Midlands 5.25% 17/01/2023	GBP7,916,000	9,796	0.26
Western Power Distribution East Midlands 6.25% 10/12/2040	GBP3,122,000	5,452	0.15
Western Power Distribution South Wales 9.25% 09/11/2020	GBP3,000,000	4,016	0.11

Corporate Bond Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
Western Power Distribution South Wales 5.75% 23/03/2040	GBP5,200,000	8,521	0.23
Western Power Distribution West Midlands 6% 09/05/2025	GBP13,537,000	18,460	0.50
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP8,358,000	12,579	0.34
Yorkshire Building Society 3.5% 21/04/2026	GBP10,990,000	12,148	0.33
GOVERNMENT BONDS (2.15%*)		197,206	5.29
Mexico Government International Bond 5.625% 19/03/2114	GBP9,044,000	10,370	0.28
States of Guernsey 3.375% 12/12/2046	GBP6,281,000	8,108	0.22
UK Treasury 1.75% 07/09/2022	GBP39,156,000	42,533	1.14
UK Treasury 4.5% 07/12/2042	GBP36,528,000	63,357	1.70
UK Treasury 3.25% 22/01/2044	GBP22,261,000	32,571	0.87
UK Treasury 4.25% 07/12/2049	GBP7,310,000	13,439	0.36
UK Treasury 4.25% 07/12/2055	GBP13,419,000	26,828	0.72
MORTGAGE-BACKED SECURITIES (6.34%*)#		188,397	5.05
Aire Valley Mortgages (FRN) Class 2A1 0.94625% 20/09/2066	GBP2,888,561	2,888	0.08
Aire Valley Mortgages (FRN) Class 2A2 0.88625% 20/09/2066	GBP9,598,004	9,594	0.26
Aire Valley Mortgages (FRN) Class 2A3 0.88625% 20/09/2066	GBP2,873,821	2,873	0.08
Aire Valley Mortgages (FRN) Class 3A1 0.98625% 20/09/2066	GBP11,625,760	11,622	0.31
Alba 2006-2 (FRN) 0.74188% 15/12/2038	GBP6,911,452	6,296	0.17
Aspire Defence Finance 4.674% 31/03/2040	GBP17,797,255	22,861	0.61
Canary Wharf Finance II 6.455% 22/10/2033	GBP5,005,561	7,583	0.20
Canary Wharf Finance II 6.8% 22/10/2033	GBP3,559,931	4,875	0.13
Delamare Finance 5.5457% 19/02/2029	GBP2,514,181	2,617	0.07
Dukinfield (FRN) 1.38563% 15/08/2045	GBP5,228,325	5,162	0.14
Equity Release Funding No 3 5.05% 26/04/2033	GBP2,652,000	3,342	0.09
Finsbury Square 2016-1 (FRN) 1.88438% 16/02/2058	GBP5,858,081	5,859	0.16
Gemgarto 2015-1 (FRN) 1.33438% 16/02/2047	GBP2,298,704	2,279	0.06
Land Securities Capital Markets 5.376% 30/09/2029	GBP10,097,000	13,753	0.37
Paragon Mortgages NO 23 (FRN) 1.6275% 15/01/2043	GBP15,867,773	15,747	0.42
Paragon Mortgages NO 24 (FRN) 2.00188% 15/07/2043	GBP3,713,996	3,728	0.10
Precise Mortgage Funding 2015-1 (FRN) 1.52431% 12/03/2048	GBP4,009,841	3,965	0.11
Precise Mortgage Funding 2015-2B (FRN) 1.72431% 12/06/2048	GBP12,809,089	12,747	0.34
Precise Mortgage Funding No 1 (FRN) 1.72431% 12/03/2047	GBP1,446,148	1,438	0.04
Sanctuary Housing Association 8.375% 01/09/2031	GBP2,342,710	3,768	0.10
Slate (FRN) 1.6235% 24/10/2044	GBP11,827,451	11,700	0.31
Slate No.1 0% 24/07/2017	GBP1,696,815	1,683	0.04
Tesco Property Finance 1 7.6227% 13/07/2039	GBP4,443,733	5,479	0.15
Tesco Property Finance 4 5.8006% 13/10/2040	GBP4,933,861	5,136	0.14
Tesco Property Finance 5 5.6611% 13/10/2041	GBP5,429,639	5,598	0.15
THFC Funding No 2 6.35% 08/07/2041	GBP1,898,000	3,087	0.08
Thrones 2013-1 (FRN) 2.02325% 20/07/2044	GBP3,430,493	3,419	0.09
Thrones 2014-1 (FRN) 1.23563% 15/11/2049	GBP9,397,812	9,298	0.25
Portfolio of investments		3,660,634	98.20
Net other assets		67,177	1.80
Total net assets		3,727,811	100.00

All investments held are listed, unless otherwise stated.

Stocks shown as FRNs represent Floating Rate Notes - debt instruments that pay a floating rate of interest, usually based on an accepted market benchmark rate such as LIBOR.

†This investment is a related party.

#Since the previous report classification headings have been updated by data providers. Comparative figures have been updated where appropriate.

* Comparative figures shown in brackets relate to 28 February 2016.

Corporate Bond Fund

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
UK Treasury 1.75% 07/09/2022	182,662	UK Treasury 1.75% 07/09/2022	141,898
UK Treasury 4.5% 07/12/2042	88,342	Long Gilt Futures September 2016	78,830
Long Gilt Futures September 2016	81,282	Long Gilt Futures June 2016	69,321
Long Gilt Futures June 2016	69,211	UK Treasury 3.25% 22/01/2044	43,509
UK Treasury 3.25% 22/01/2044	56,902	UK Treasury 4.5% 07/12/2042	36,420
UK Treasury 2% 22/01/2045	34,709	UK Treasury 2% 22/01/2045	34,785
AT&T 5.2% 18/11/2033	24,245	UK Treasury 4.25% 07/12/2055	33,611
Segro 6.75% 23/11/2021	21,659	Imperial Tobacco Finance 9% 17/02/2022	26,448
Heathrow Funding 6.75% 03/12/2028	14,776	GE Capital UK Funding 6.25% 05/05/2038	24,737
SSE 3.875% Perpetual	13,795	DIRECTV Financing 5.2% 18/11/2033	24,269

Purchases and sales of Futures have been included at the value of their exposure.

Corporate Bond Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	530,378	414,522	617,862	3,898,475
Closing number of shares	166,432,292	151,332,292	214,859,792	1,496,626,747
Closing net asset value per share (p)	318.67	273.91	287.57	260.48
Operating charges#	1.12%	1.11%	1.10%	1.12%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Income				
Closing net asset value (£'000)	156,091	143,507	170,168	482,959
Closing number of shares	116,561,989	123,140,489	135,451,089	412,853,832
Closing net asset value per share (p)	133.91	116.54	125.63	116.98
Operating charges#	1.12%	1.11%	1.11%	1.12%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class B - Accumulation				
Closing net asset value (£'000)	66,441	60,620	68,690	67,208
Closing number of shares	20,314,403	21,585,403	23,344,803	25,266,803
Closing net asset value per share (p)	327.07	280.84	294.24	265.99
Operating charges#	0.87%	0.87%	0.87%	0.87%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class B - Income				
Closing net asset value (£'000)	71,559	65,973	78,560	80,053
Closing number of shares	53,485,382	56,662,382	62,589,382	68,495,682
Closing net asset value per share (p)	133.79	116.43	125.52	116.87
Operating charges#	0.87%	0.87%	0.87%	0.87%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class G - Accumulation				
Closing net asset value (£'000)	1,304	959	682	433
Closing number of shares	1,037,600	887,600	601,400	421,800
Closing net asset value per share (p)	125.65	108.00	113.39	102.72
Operating charges#	1.12%	1.11%	1.12%	1.12%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class G - Income				
Closing net asset value (£'000)	425	343	275	148
Closing number of shares	376,000	349,000	259,200	149,300
Closing net asset value per share (p)	113.11	98.43	106.12	98.83
Operating charges#	1.12%	1.11%	1.12%	1.12%

Corporate Bond Fund

Comparative Tables

(continued)

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15
Share Class W - Accumulation (Gross)			
Closing net asset value (£'000)	2,901,613	2,564,574	3,136,561
Closing number of shares	2,276,611,294	2,360,372,794	2,795,780,794
Closing net asset value per share (p)	127.45	108.65	112.19
Operating charges#	0.12%	0.12%	0.12%

#Operating charges are representative of the ongoing charges figure.

Share class W Gross Accumulation was launched on 2 April 2014.

Corporate Bond Fund

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		488,711		(199,159)
Revenue	74,828		85,679	
Expenses	(5,920)		(6,573)	
Interest payable and similar charges	-		(4)	
Net revenue before taxation	68,908		79,102	
Taxation	57		-	
Net revenue after taxation		68,965		79,102
Total return before distributions		557,676		(120,057)
Distributions		(68,965)		(79,101)
Change in net assets attributable to shareholders from investment activities		488,711		(199,158)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated 01/03/15 to 31/08/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		3,250,498		4,072,798
Assets transferred from UK Corporate Bond Fund**		11,841		-
Amounts receivable on creation of shares*	175,397		77,879	
Less: Amounts payable on cancellation of shares*	(264,321)		(317,508)	
		(88,924)		(239,629)
Dilution adjustment*		2,117		1,860
Change in net assets attributable to shareholders from investment activities		488,711		(199,158)
Retained distribution on accumulation shares		63,526		72,577
Unclaimed distributions		42		39
Closing net assets attributable to shareholders		3,727,811		3,708,487

*Prior year figures have been restated as a result of the 2014 IMA SORP.

**Relating to the transfer of assets from the UK Corporate Bond Fund.

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Corporate Bond Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Fixed assets		
Investments	<u>3,660,634</u>	<u>3,159,040</u>
Current assets		
Debtors	65,578	73,634
Cash and bank balances	<u>17,373</u>	<u>24,946</u>
Total assets	<u>3,743,585</u>	<u>3,257,620</u>
Liabilities		
Creditors		
Distribution payable	(2,457)	(2,654)
Other creditors	<u>(13,317)</u>	<u>(4,468)</u>
Total liabilities	<u>(15,774)</u>	<u>(7,122)</u>
Net assets attributable to shareholders	<u>3,727,811</u>	<u>3,250,498</u>

Corporate Bond Fund

Distribution Tables

for the six month period ended 31 August 2016 (unaudited)

Distribution in pence per share

- Group 1 First interim Shares purchased prior to 29 February 2016
 Second interim Shares purchased prior to 1 April 2016
 Third interim Shares purchased prior to 1 May 2016
 Fourth interim Shares purchased prior to 1 June 2016
 Fifth interim Shares purchased prior to 1 July 2016
 Sixth interim Shares purchased prior to 1 August 2016
- Group 2 First interim Shares purchased on or between 29 February 2016 and 31 March 2016
 Second interim Shares purchased on or between 1 April 2016 and 30 April 2016
 Third interim Shares purchased on or between 1 May 2016 and 31 May 2016
 Fourth interim Shares purchased on or between 1 June 2016 and 30 June 2016
 Fifth interim Shares purchased on or between 1 July 2016 and 31 July 2016
 Sixth interim Shares purchased on or between 1 August 2016 and 31 August 2016

Share Class A - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
	(p)	(p)	(p)	(p)	(p)	(p)
Group 1						
First interim	0.9121	0.1824	0.7297	-	0.7297	0.6491
Second interim	0.7039	0.1408	0.5631	-	0.5631	0.6135
Third interim	0.7839	0.1568	0.6271	-	0.6271	0.5910
Fourth interim	0.7344	0.1469	0.5875	-	0.5875	0.6579
Fifth interim	0.6679	0.1336	0.5343	-	0.5343	0.6309
Sixth interim	0.7745	0.1549	0.6196	-	0.6196	0.5774
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.4208	0.0842	0.3366	0.3931	0.7297	0.6491
Second interim	0.3824	0.0765	0.3059	0.2572	0.5631	0.6135
Third interim	0.3321	0.0664	0.2657	0.3614	0.6271	0.5910
Fourth interim	0.3980	0.0796	0.3184	0.2691	0.5875	0.6579
Fifth interim	0.3126	0.0625	0.2501	0.2842	0.5343	0.6309
Sixth interim	0.4779	0.0956	0.3823	0.2373	0.6196	0.5774

Share Class A - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
	(p)	(p)	(p)	(p)	(p)	(p)
Group 1						
First interim	0.3881	0.0776	0.3105	-	0.3105	0.2835
Second interim	0.2988	0.0598	0.2390	-	0.2390	0.2680
Third interim	0.3320	0.0664	0.2656	-	0.2656	0.2570
Fourth interim	0.3104	0.0621	0.2483	-	0.2483	0.2857
Fifth interim	0.2811	0.0562	0.2249	-	0.2249	0.2732
Sixth interim	0.3263	0.0653	0.2610	-	0.2610	0.2496
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.1916	0.0383	0.1533	0.1572	0.3105	0.2835
Second interim	0.1665	0.0333	0.1332	0.1058	0.2390	0.2680
Third interim	0.1828	0.0366	0.1462	0.1194	0.2656	0.2570
Fourth interim	0.1596	0.0319	0.1277	0.1206	0.2483	0.2857
Fifth interim	0.1636	0.0327	0.1309	0.0940	0.2249	0.2732
Sixth interim	0.2311	0.0462	0.1849	0.0761	0.2610	0.2496

Corporate Bond Fund

Distribution Tables

(continued)

for the six month period ended 31 August 2016 (unaudited)

Share Class B - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	1.0021	0.2004	0.8017	-	0.8017	0.7158
Second interim	0.7800	0.1560	0.6240	-	0.6240	0.6780
Third interim	0.8688	0.1738	0.6950	-	0.6950	0.6511
Fourth interim	0.8151	0.1630	0.6521	-	0.6521	0.7240
Fifth interim	0.7456	0.1491	0.5965	-	0.5965	0.6944
Sixth interim	0.8681	0.1736	0.6945	-	0.6945	0.6355
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.5911	0.1182	0.4729	0.3288	0.8017	0.7158
Second interim	0.5626	0.1125	0.4501	0.1739	0.6240	0.6780
Third interim	0.5309	0.1062	0.4247	0.2703	0.6950	0.6511
Fourth interim	0.5423	0.1085	0.4338	0.2183	0.6521	0.7240
Fifth interim	0.4648	0.0930	0.3718	0.2247	0.5965	0.6944
Sixth interim	0.5934	0.1187	0.4747	0.2198	0.6945	0.6355

Share Class B - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.4155	0.0831	0.3324	-	0.3324	0.3053
Second interim	0.3225	0.0645	0.2580	-	0.2580	0.2885
Third interim	0.3585	0.0717	0.2868	-	0.2868	0.2765
Fourth interim	0.3355	0.0671	0.2684	-	0.2684	0.3068
Fifth interim	0.3063	0.0613	0.2450	-	0.2450	0.2935
Sixth interim	0.3564	0.0713	0.2851	-	0.2851	0.2679
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2976	0.0595	0.2381	0.0943	0.3324	0.3053
Second interim	0.2515	0.0503	0.2012	0.0568	0.2580	0.2885
Third interim	0.2234	0.0447	0.1787	0.1081	0.2868	0.2765
Fourth interim	0.2463	0.0493	0.1970	0.0714	0.2684	0.3068
Fifth interim	0.2139	0.0428	0.1711	0.0739	0.2450	0.2935
Sixth interim	0.2838	0.0568	0.2270	0.0581	0.2851	0.2679

Corporate Bond Fund

Distribution Tables

(continued)

for the six month period ended 31 August 2016 (unaudited)

Share Class G - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.3596	0.0719	0.2877	-	0.2877	0.2560
Second interim	0.2775	0.0555	0.2220	-	0.2220	0.2431
Third interim	0.3091	0.0618	0.2473	-	0.2473	0.2332
Fourth interim	0.2896	0.0579	0.2317	-	0.2317	0.2596
Fifth interim	0.2583	0.0517	0.2066	-	0.2066	0.2489
Sixth interim	0.3105	0.0621	0.2484	-	0.2484	0.2278
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.1305	0.0261	0.1044	0.1833	0.2877	0.2560
Second interim	0.1495	0.0299	0.1196	0.1024	0.2220	0.2431
Third interim	0.1011	0.0202	0.0809	0.1664	0.2473	0.2332
Fourth interim	0.2170	0.0434	0.1736	0.0581	0.2317	0.2596
Fifth interim	0.2169	0.0434	0.1735	0.0331	0.2066	0.2489
Sixth interim	0.2618	0.0524	0.2094	0.0390	0.2484	0.2278

Share Class G - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.3279	0.0656	0.2623	-	0.2623	0.2399
Second interim	0.2524	0.0505	0.2019	-	0.2019	0.2264
Third interim	0.2805	0.0561	0.2244	-	0.2244	0.2170
Fourth interim	0.2623	0.0525	0.2098	-	0.2098	0.2413
Fifth interim	0.2378	0.0476	0.1902	-	0.1902	0.2310
Sixth interim	0.2755	0.0551	0.2204	-	0.2204	0.2109
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2964	0.0593	0.2371	0.0252	0.2623	0.2399
Second interim	0.2466	0.0493	0.1973	0.0046	0.2019	0.2264
Third interim	0.2735	0.0547	0.2188	0.0056	0.2244	0.2170
Fourth interim	0.1939	0.0388	0.1551	0.0547	0.2098	0.2413
Fifth interim	0.2301	0.0460	0.1841	0.0061	0.1902	0.2310
Sixth interim	0.2658	0.0532	0.2126	0.0078	0.2204	0.2109

Corporate Bond Fund

Distribution Tables

(continued)

for the six month period ended 31 August 2016 (unaudited)

Share Class W - Accumulation (Gross)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.4655	-	0.4655	-	0.4655	0.4152
Second interim	0.3698	-	0.3698	-	0.3698	0.3935
Third interim	0.4124	-	0.4124	-	0.4124	0.3774
Fourth interim	0.3901	-	0.3901	-	0.3901	0.4186
Fifth interim	0.3638	-	0.3638	-	0.3638	0.4022
Sixth interim	0.4208	-	0.4208	-	0.4208	0.3683
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2704	-	0.2704	0.1951	0.4655	0.4152
Second interim	0.1961	-	0.1961	0.1737	0.3698	0.3935
Third interim	0.2887	-	0.2887	0.1237	0.4124	0.3774
Fourth interim	0.1080	-	0.1080	0.2821	0.3901	0.4186
Fifth interim	0.3052	-	0.3052	0.0586	0.3638	0.4022
Sixth interim	0.1815	-	0.1815	0.2393	0.4208	0.3683

Equalisation

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to 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 the shares for capital gains tax purposes.

Environmental Investor Fund

Investment Markets Overview

for the six month period ended 31 August 2016 (unaudited)

Investment Objective and Policy

To provide long-term capital growth through investment primarily in UK companies that demonstrate a positive commitment to the protection and preservation of the natural environment.

The Fund will invest primarily in United Kingdom companies but may also invest in other international companies, that demonstrate a commitment to the protection and preservation of the natural environment. It may include, directly or indirectly, shares, equity backed depository receipts, convertible securities and listed warrants, however the Fund may invest in other types of investment at the discretion of the ACD. The Fund's investment universe is drawn from companies benchmarked against a broad range of environmental criteria.

Derivatives may be used for efficient portfolio management purposes only.

Criteria

The Fund will avoid investing in companies which the Investment Adviser considers demonstrate a pattern of noncompliance with local environmental regulations or which significantly contribute to environmental problems. Specific negative screens for this category include nuclear power, fines for offences or repetitive breaches of water pollution regulations, and/or dumping waste (including hazardous waste) in inappropriate areas.

In addition to the negative screens the Investment Adviser will encourage companies to be included in the portfolio to adopt more responsible practices where they are considered to be lacking or deficient with regard to this.

Further detail regarding investment philosophy and style can be found on the Responsible Investment section of the Scottish Widows website : http://www.scottishwidows.co.uk/about_us/responsibleinvestment/index.html

Subject to the requirements of the FCA Rules and/or the OEIC Regulations, the criteria listed above may be updated from time to time to reflect changing market developments that may have environmental impact as agreed with the ACD and the Investment Adviser.

Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at www.scottishwidows.co.uk/investmentapproaches

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 2 August 2016.</p>	<p style="text-align: center;">Typically lower rewards, lower risks</p> <p style="text-align: center;">←</p> <p style="text-align: center;">Typically higher rewards, higher risks</p> <p style="text-align: center;">→</p>						
	1	2	3	4	5	6	7

Investment Review

Performance	29/02/16 to 31/08/16 %	01/03/15 to 28/02/16 %	01/03/14 to 28/02/15 %	01/03/13 to 28/02/14 %	29/02/12 to 28/02/13 %	01/03/11 to 28/02/12 %
Environmental Investor Fund A Accumulation	14.06	(8.83)	1.65	21.88	15.74	(8.08)

Source: Lipper for Environmental Investor Fund. Basis: Net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

for the six month period ended 31 August 2016 (unaudited)

UK equities rose in the six months under review even as investors grappled with the aftermath of Britain's shock vote to exit the European Union (EU). At the start of the period, stockmarkets increased on the back of firmer energy prices, the European Central Bank's ultra-loose stimulus and better Chinese economic data. However, the referendum on EU membership resulted in a backlash. A sell-off reverberated across global financial markets; the sterling fell to a 30-year low against the US dollar and David Cameron stepped down as UK prime minister, all within 24 hours. Subsequently, stockmarkets recovered, albeit cautiously. Concerns over the health of Europe's banking sector were mitigated by relief from the rapid change in the UK's political leadership, with the appointment of Theresa May as Prime Minister. Towards the period end, some local benchmarks reached 14-month highs on the back of energy-sector gains. Oil and gas stocks increased on speculation that OPEC members would agree to freeze production, which in turn lifted the oil price. Investors were also cheered by the Bank of England's interest rate cut, which left the official lending rate at a new low of 0.25%.

In the six months under review, the fund rose by 14.06% in sterling terms, outperforming the benchmark.

At the stock level, contributing to relative return was the lack of exposure to both BT and Lloyds Banking groups. Not holding BT Group added to performance as the company has been facing heightened competition and some regulatory uncertainty. Lloyds Banking Group's shares suffered sharp falls in the aftermath of the Brexit vote because of its focus on the domestic UK market. Also benefiting the fund was Standard Chartered, which returned to profitability towards the end of the reporting period, largely because of reduced commodity exposure, better cost controls and lower impairment levels.

Conversely, detracting from performance was our lack of exposure to both HSBC and BP. HSBC benefited from improved sentiment towards emerging markets, while BP's shares also rebounded amid improving sentiment but it continues to face a tough trading environment. We do not hold BP in keeping with the fund's mandate. Lastly, Inmarsat also detracted as its shares suffered from a slower than expected take-up of its new aviation offering and some end market challenges in the maritime division.

The outlook for European economies, as well as for corporate earnings, remains one of gradually improving fundamentals though spare capacity in the labour market is high and inflationary pressures weak. As such, we expect central banks to remain accommodative to support the recovery. So far, Britain's decision to leave the EU has been primarily a political shock for the currency bloc, rather than an economic one. Stockmarkets are likely to remain volatile, particularly in light of heightened political risk. While our positioning has been rewarded with performance in the ensuing sell-off after the Brexit vote, it reflects long-held views and our bottom-up stock picking approach that favour diversified international exposure. Our investment process leads us to prefer companies that have sustainable business models, attractive structural growth opportunities and, importantly, sound balance sheets that should enable them to withstand the more challenging backdrop better than their peers. We continue our thorough due diligence and will look to take advantage of any short-term potential mispricing opportunities to buy good quality companies at attractive prices for the long term.

Aberdeen Asset Investments Limited

September 2016

Environmental Investor Fund

Portfolio Statement

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (7.29%*)		13,657	7.01
Chemicals			
Croda International	170,896	5,706	2.93
Elementis	1,930,000	4,221	2.17
Victrex	243,000	3,730	1.91
CONSUMER GOODS (11.99%*)		18,655	9.58
Automobiles & Parts			
GKN	1,225,000	3,789	1.95
Food Producers			
Associated British Foods	85,500	2,607	1.34
Personal Goods			
PZ Cussons	1,300,000	4,408	2.26
Unilever	220,000	7,851	4.03
CONSUMER SERVICES (15.44%*)		29,757	15.28
General Retailers			
Dignity	148,000	3,980	2.04
Inchcape	478,000	3,370	1.73
Media			
Euromoney Institutional Investor	385,000	3,915	2.01
Pearson	479,000	4,139	2.13
Rightmove	50,000	2,083	1.07
Travel & Leisure			
Compass	525,000	7,613	3.91
Whitbread	112,000	4,657	2.39
FINANCIALS (13.08%*)		25,293	13.00
Banks			
Standard Chartered	974,583	6,166	3.17
Financial Services			
Close Brothers	424,000	5,775	2.97
Schroders (Non-Voting)	240,608	4,976	2.56
Life Insurance			
Prudential	617,000	8,376	4.30
HEALTH CARE (5.52%*)		9,687	4.98
Health Care Equipment & Services			
Essilor International	37,000	3,610	1.86
Pharmaceuticals & Biotechnology			
AstraZeneca	121,500	6,077	3.12
INDUSTRIALS (29.55%*)		64,343	33.05
Aerospace & Defense			
Rolls-Royce	868,000	6,662	3.42
Ultra Electronics	220,546	3,723	1.91
Electronic & Electrical Equipment			
Oxford Instruments	541,888	4,205	2.16
General Industrials			
RPC	682,799	5,974	3.07

Environmental Investor Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Industrial Engineering			
Melrose Industries	3,992,625	5,829	2.99
Rotork	1,770,000	3,579	1.84
Spirax-Sarco Engineering	89,357	3,906	2.01
Industrial Transportation			
BBA Aviation	989,000	2,419	1.24
Support Services			
Aggreko	277,000	2,839	1.46
Berendsen	445,000	5,465	2.81
Bunzl	131,000	3,161	1.62
Capita	396,000	4,130	2.12
Experian	487,000	7,412	3.81
Intertek	142,500	5,039	2.59
TECHNOLOGY (5.82%*)		13,432	6.90
Software & Computer Services			
AVEVA	297,000	5,670	2.91
Sage	1,064,000	7,762	3.99
TELECOMMUNICATIONS (4.58%*)		8,808	4.52
Mobile Telecommunications			
Inmarsat	613,000	4,935	2.53
Vodafone	1,680,000	3,873	1.99
UTILITIES (5.42%*)		8,373	4.30
Gas, Water & Multiutilities			
Centrica	1,272,000	2,971	1.53
National Grid	513,000	5,402	2.77
Portfolio of investments		192,005	98.62
Net other assets		2,689	1.38
Total net assets		194,694	100.00

All investments held are listed, unless otherwise stated.

*Comparative figures shown in brackets relate to 28 February 2016.

Environmental Investor Fund

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
Melrose Industries	8,379	Melrose Industries	4,878
Bunzl	2,739	Great Portland Estates	3,868
Rightmove	1,741	Persimmon	3,614
Prudential	1,544	Centrica	2,307
Inmarsat	1,305	Cobham	2,022
Capita	885	Essilor International	1,627
Victrex	611	Unilever	1,496
Close Brothers	600	Compass	1,202
Associated British Foods	508	Berendsen	1,003
Intertek	490	Pearson	695

Environmental Investor Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	60,973	55,811	65,958	70,237
Closing number of shares	23,473,551	24,784,551	26,702,551	28,902,151
Closing net asset value per share (p)	259.75	225.18	247.01	243.02
Operating charges#	1.62%	1.61%	1.62%	1.61%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class G - Accumulation				
Closing net asset value (£'000)	386	279	229	41
Closing number of shares	264,500	220,500	164,700	30,100
Closing net asset value per share (p)	145.96	126.54	138.75	136.54
Operating charges#	1.62%	1.61%	1.62%	1.61%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class X - Accumulation				
Closing net asset value (£'000)	133,335	118,152	132,931	130,073
Closing number of shares	41,536,589	42,784,089	44,543,889	44,969,889
Closing net asset value per share (p)	321.01	276.16	298.43	289.24
Operating charges#	0.12%	0.12%	0.12%	0.11%

#Operating charges are representative of the ongoing charges figure.

Environmental Investor Fund

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		24,044		(10,975)
Revenue	3,762		3,914	
Expenses	(557)		(608)	
Interest payable and similar charges	-		-	
Net revenue before taxation	3,205		3,306	
Taxation	-		-	
Net revenue after taxation		3,205		3,306
Total return before equalisation		27,249		(7,669)
Equalisation		(72)		(66)
Change in net assets attributable to shareholders from investment activities		27,177		(7,735)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated 01/03/15 to 31/08/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		174,242		199,118
Amounts receivable on creation of shares*	737		1,173	
Less: Amounts payable on cancellation of shares*	(7,471)		(8,141)	
		(6,734)		(6,968)
Dilution adjustment*		9		12
Change in net assets attributable to shareholders from investment activities		27,177		(7,735)
Closing net assets attributable to shareholders		194,694		184,427

*Prior year figures have been restated as a result of the 2014 IMA SORP.

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Environmental Investor Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Fixed assets		
Investments	<u>192,005</u>	<u>171,960</u>
Current assets		
Debtors	642	356
Cash and bank balances	<u>2,446</u>	<u>2,145</u>
Total assets	<u>195,093</u>	<u>174,461</u>
Liabilities		
Creditors		
Other creditors	<u>(399)</u>	<u>(219)</u>
Total liabilities	<u>(399)</u>	<u>(219)</u>
Net assets attributable to shareholders	<u><u>194,694</u></u>	<u><u>174,242</u></u>

Ethical Fund

Investment Markets Overview

for the six month period ended 31 August 2016 (unaudited)

Investment Objective and Policy

To provide long-term capital growth through investment primarily in UK companies with ethical attributes and practices.

The Fund will invest primarily in UK companies, but may also invest in other international companies, that demonstrate ethical attributes and practices. It may include, directly or indirectly, shares, equity backed depository receipts, convertible securities and listed warrants. However, the Fund may invest in other types of investment at the discretion of the ACD. The Fund's investment universe is drawn from companies benchmarked against a broad range of ethical criteria.

Derivatives may be used for efficient portfolio management purposes only.

Criteria

The Investment Adviser applies negative screening criteria in the areas of: the production and/or sale of alcoholic, or tobacco or pornographic products; gambling; military; and weapons. If a company's turnover in any of these areas exceeds 10% (or 5% for pornography), it is automatically excluded from the Fund's investable universe. The Fund takes this approach with alcohol, tobacco, pornography and gambling on the basis that these four areas contribute largely to social problems and to the breakdown of the family and community as a whole. The military and weapons screens serve the purpose of avoiding activities that destroy human life. The Fund will seek to avoid investing in companies that undertake animal testing for cosmetics and toiletries.

Environmental, social and government criteria listed above will also be taken into account and where a company is considered to be lacking or deficient with regard to these criteria, the Investment Adviser will encourage the company to adopt more responsible practices.

Further information regarding the criteria and investment philosophy can be found on the Responsible Investment section of the Scottish Widows website: http://www.scottishwidows.co.uk/about_us/responsibleinvestment/index.html

Subject to the requirements of the FCA Rules and/or the OEIC Regulations, the criteria may be updated from time to time to reflect changing market developments that may have an environmental impact as agreed with the ACD and the Investment Adviser.

Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at www.scottishwidows.co.uk/investmentapproaches

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 2 August 2016.</p>	<p>Typically lower rewards, lower risks</p> <p style="text-align: right;">Typically higher rewards, higher risks</p>							
	←	1	2	3	4	5	6	7

Investment Review

Performance	29/02/16 to 31/08/16 %	01/03/15 to 28/02/16 %	01/03/14 to 28/02/15 %	01/03/13 to 28/02/14 %	29/02/12 to 28/02/13 %	01/03/11 to 28/02/12 %
Ethical Fund A Accumulation	15.17	(9.25)	(0.86)	19.85	11.75	(10.19)

Source: Lipper for Ethical Fund. Basis: Net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

for the six month period ended 31 August 2016 (unaudited)

UK equities rose in the six months under review even as investors grappled with the aftermath of Britain's shock vote to exit the European Union (EU). At the start of the period, stockmarkets increased on the back of firmer energy prices, the European Central Bank's ultra-loose stimulus and better Chinese economic data. However, the referendum on EU membership resulted in a backlash. A sell-off reverberated across global financial markets; the sterling fell to a 30-year low against the US dollar and David Cameron stepped down as UK prime minister, all within 24 hours. Subsequently, stockmarkets recovered, albeit cautiously. Concerns over the health of Europe's banking sector were mitigated by relief from the rapid change in the UK's political leadership, with the appointment of Theresa May as Prime Minister. Towards the period end, some local benchmarks reached 14-month highs on the back of energy-sector gains. Oil and gas stocks increased on speculation that OPEC members would agree to freeze production, which in turn lifted the oil price. Investors were also cheered by the Bank of England's interest rate cut, which left the official lending rate at a new low of 0.25%.

In the six months under review, the fund rose by 15.17% in sterling terms, outperforming the benchmark.

At the stock level, contributing to relative return was the lack of exposure to both BT and Lloyds Banking groups. Not holding BT Group added to performance as the company has been facing heightened competition and some regulatory uncertainty. Lloyds Banking Group's shares suffered sharp falls in the aftermath of the Brexit vote because of its focus on the domestic UK market. Also benefiting the fund was Standard Chartered, which returned to profitability towards the end of the reporting period, largely because of reduced commodity exposure, better cost controls and lower impairment levels.

Conversely, detracting from performance was Devro because of delays related to the company's two large plants in the US and China. A lack of exposure to both BP and British American Tobacco, which is in keeping with the fund's mandate, also proved costly. BP's shares rebounded amid improving sentiment but it continues to face a tough trading environment, whereas British American Tobacco's shares performed well during the period, reflecting investors' preference for defensive businesses amid heightened market volatility.

The outlook for European economies, as well as for corporate earnings, remains one of gradually improving fundamentals though spare capacity in the labour market is high and inflationary pressures weak. As such, we expect central banks to remain accommodative to support the recovery. So far, Britain's decision to leave the EU has been primarily a political shock for the currency bloc, rather than an economic one. Stockmarkets are likely to remain volatile, particularly in light of heightened political risk. While our positioning has been rewarded with performance in the ensuing sell-off after the Brexit vote, it reflects long-held views and our bottom-up stock picking approach that favour diversified international exposure. Our investment process leads us to prefer companies that have sustainable business models, attractive structural growth opportunities and, importantly, sound balance sheets that should enable them to withstand the more challenging backdrop better than their peers. We continue our thorough due diligence and will look to take advantage of any short-term potential mispricing opportunities to buy good quality companies at attractive prices for the long term.

Aberdeen Asset Investments Limited

September 2016

Ethical Fund

Portfolio Statement

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (4.62%*)		4,336	4.33
Chemicals			
Fuchs Petrolub	75,000	2,371	2.37
Victrex	128,000	1,965	1.96
CONSUMER GOODS (11.07%*)		7,741	7.74
Beverages			
A.G.Barr	422,000	2,165	2.16
Food Producers			
Devro	943,000	2,226	2.23
Personal Goods			
PZ Cussons	988,000	3,350	3.35
CONSUMER SERVICES (20.96%*)		20,037	20.02
Food & Drug Retailers			
Tesco	607,000	991	0.99
General Retailers			
Dignity	94,139	2,531	2.53
Inchcape	363,000	2,559	2.56
Media			
Euromoney Institutional Investor	246,000	2,502	2.50
Pearson	248,000	2,143	2.14
Rightmove	26,000	1,083	1.08
Travel & Leisure			
Compass	306,000	4,437	4.43
Millennium & Copthorne Hotels	335,000	1,421	1.42
Whitbread	57,000	2,370	2.37
FINANCIALS (16.85%*)		16,428	16.42
Banks			
HSBC	618,703	3,449	3.45
Standard Chartered	487,959	3,087	3.08
Financial Services			
Close Brothers	219,000	2,983	2.98
Schroders (Non-Voting)	124,662	2,578	2.58
Life Insurance			
Prudential	319,000	4,331	4.33
HEALTH CARE (2.41%*)		1,854	1.85
Health Care Equipment & Services			
Essilor International	19,000	1,854	1.85
INDUSTRIALS (27.28%*)		33,036	33.01
Electronic & Electrical Equipment			
Oxford Instruments	276,087	2,142	2.14
General Industrials			
RPC	411,600	3,602	3.60
Industrial Engineering			
Melrose Industries	2,204,436	3,219	3.22
Rotork	979,000	1,980	1.98
Spirax-Sarco Engineering	57,000	2,491	2.49

Ethical Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Industrial Transportation			
BBA Aviation	1,108,800	2,712	2.71
Support Services			
Aggreko	141,000	1,445	1.44
Amadeus IT	67,000	2,390	2.39
Berendsen	230,000	2,824	2.82
Bunzl	67,000	1,617	1.62
Capita	203,000	2,117	2.11
Experian	254,000	3,866	3.86
Intertek	74,400	2,631	2.63
TECHNOLOGY (6.33%*)		7,365	7.36
Software & Computer Services			
AVEVA	181,000	3,455	3.45
Sage	536,000	3,910	3.91
TELECOMMUNICATIONS (2.08%*)		1,941	1.94
Mobile Telecommunications			
Vodafone	842,000	1,941	1.94
UTILITIES (5.99%*)		4,775	4.77
Gas, Water & Multiutilities			
Centrica	651,000	1,521	1.52
National Grid	309,000	3,254	3.25
Portfolio of investments		97,513	97.44
Net other assets		2,558	2.56
Total net assets		100,071	100.00

All investments held are listed, unless otherwise stated.

*Comparative figures shown in brackets relate to 28 February 2016.

Ethical Fund

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
Melrose Industries	4,594	Melrose Industries	2,661
Victrex	2,056	Linde	2,643
Bunzl	1,401	Great Portland Estates	2,434
Rightmove	905	Persimmon	1,847
Prudential	852	Centrica	1,174
Capita	474	Compass	623
Linde	360	Essilor International	610
Close Brothers	306	Berendsen	592
Intertek	297	Spirax-Sarco Engineering	376
AVEVA	169	Pearson	309

Ethical Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	1,894	1,705	1,980	2,174
Closing number of shares	1,401,107	1,473,907	1,552,707	1,702,807
Closing net asset value per share (p)	135.20	115.72	127.54	127.67
Operating charges#	1.63%	1.62%	1.62%	1.62%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class B - Accumulation				
Closing net asset value (£'000)	2,805	2,587	3,228	3,499
Closing number of shares	2,001,319	2,158,819	2,450,319	2,659,819
Closing net asset value per share (p)	140.17	119.82	131.73	131.54
Operating charges#	1.38%	1.37%	1.37%	1.37%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class G - Accumulation				
Closing net asset value (£'000)	243	198	87	73
Closing number of shares	173,400	165,400	66,300	55,200
Closing net asset value per share (p)	139.75	119.61	131.82	131.99
Operating charges#	1.63%	1.62%	1.62%	1.62%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class X - Accumulation				
Closing net asset value (£'000)	95,129	83,640	92,425	91,652
Closing number of shares	57,194,050	59,201,050	60,253,850	60,586,850
Closing net asset value per share (p)	166.33	141.28	153.39	151.27
Operating charges#	0.12%	0.12%	0.12%	0.12%

#Operating charges are representative of the ongoing charges figure.

Ethical Fund

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		13,518		(4,089)
Revenue	2,021		2,029	
Expenses	(92)		(98)	
Interest payable and similar charges	-		-	
Net revenue before taxation	1,929		1,931	
Taxation	(32)		(25)	
Net revenue after taxation		1,897		1,906
Total return before equalisation		15,415		(2,183)
Equalisation		(48)		(20)
Change in net assets attributable to shareholders from investment activities		15,367		(2,203)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated 01/03/15 to 31/08/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		88,130		97,720
Amounts receivable on creation of shares*	1,195		1,100	
Less: Amounts payable on cancellation of shares*	(4,633)		(2,572)	
		(3,438)		(1,472)
Dilution adjustment*		12		9
Change in net assets attributable to shareholders from investment activities		15,367		(2,203)
Closing net assets attributable to shareholders		100,071		94,054

*Prior year figures have been restated as a result of the 2014 IMA SORP.

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Ethical Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Fixed assets		
Investments	<u>97,513</u>	<u>86,003</u>
Current assets		
Debtors	475	109
Cash and bank balances	<u>2,287</u>	<u>2,227</u>
Total assets	<u>100,275</u>	<u>88,339</u>
Liabilities		
Creditors		
Other creditors	<u>(204)</u>	<u>(209)</u>
Total liabilities	<u>(204)</u>	<u>(209)</u>
Net assets attributable to shareholders	<u><u>100,071</u></u>	<u><u>88,130</u></u>

Gilt Fund

Investment Markets Overview

for the six month period ended 31 August 2016 (unaudited)

Investment Objective and Policy

To provide an income, whilst having regard to capital value, through investment primarily in UK Government Securities.

The Fund will invest primarily in a portfolio of UK Government and other fixed interest securities. However, the Fund may invest in other types of investment at the discretion of the ACD. These investments may include loan stock, overseas and non-UK government bonds.

Derivatives may be used for efficient portfolio management purposes only.

Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at www.scottishwidows.co.uk/investmentapproaches

<p>The Fund is ranked at 4* because it has experienced medium levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 2 August 2016.</p>	Typically lower rewards, lower risks			Typically higher rewards, higher risks			
	←	→	→	→	→	→	
	1	2	3	4	5	6	7

Investment Review

Performance	29/02/16 to 31/08/16 %	01/03/15 to 28/02/16 %	01/03/14 to 28/02/15 %	01/03/13 to 28/02/14 %	29/02/12 to 28/02/13 %	01/03/11 to 28/02/12 %
Gilt Fund A Accumulation	11.25	2.61	10.00	(2.37)	0.61	14.31
UK Gilt Sector Average Return	13.74	3.93	12.73	(1.54)	1.44	16.29

Source: Lipper for Gilt Fund and UK Gilt Sector Average Return (funds which invest at least 95% of their assets in Sterling denominated (or hedged back to Sterling) government backed securities, with a rating the same or higher than that of the UK, with at least 80% invested in UK government securities (Gilts)).

Basis: Net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

for the six month period ended 31 August 2016 (unaudited)

While markets were volatile at the beginning of 2016, they stabilised from mid-February thanks to central bank statements and actions.

Monetary policy was eased in March with a combination of a further expansion in quantitative easing (QE) from the European Central Bank (ECB) and a pushing back on interest rate hike expectations from the US Federal Open Markets Committee. Market sentiment changed in April; a recovery in the oil price improved the mood for investors, and core bond markets sold off while risk assets, including corporate bonds and equities, outperformed. In terms of UK domestic news, opinion polls showed the lead of the 'Remain' camp in the upcoming UK referendum on continuing membership of the European Union (EU) widening through May, and this was reflected in sterling strength.

As June wore on, opinion polls oscillated between a likely 'Leave' vote and a close 'Remain' victory, but as the 23 June vote date loomed, investors became seemingly complacent that the 'Remain' camp would prevail. When it finally became clear that 'Leave' had won, there was a surge in volatility throughout markets as investors abandoned higher-risk assets. The yield on UK 10-year government bonds finished the month just over 60 basis points lower, while sterling fell nearly 10% versus the dollar.

In July, a new Conservative Party leader was elected much more quickly than expected. EU leaders have signalled that there can be no negotiations on the UK's exit until Article 50 of the Lisbon Treaty is triggered. The Bank of England unexpectedly delayed taking action at the July Monetary Policy Committee meeting. Disappointing post-Brexit economic data further increased expectations of an interest rate cut at the August meeting. Accordingly, markets were pricing for a 0.25% deposit rate cut in August. In the event, the Bank of England's monetary policy meeting in August over-delivered relative to expectations. Interest rates were duly cut to 0.25%, but markets were surprised by a resumption of QE and a corporate bond buying programme. This was complemented with a Term Funding Scheme, created to help ease the transmission of the easing of conditions into the real economy.

Over the six-month review period, the 10-year Gilt yield moved from 1.40% to 0.64%.

Early strong performance by the Fund was due to an overweight in European periphery government bonds, which outperformed relative to UK gilts. The Fund's curve flattener position also made a positive contribution in March, as the long end of the yield curve outperformed the short end.

Although the portfolio was relatively well hedged going into the EU referendum, certain positions underperformed during the volatility at the end of June, when the result caused large swings in the market and a rally in UK government bonds. In particular, the curve flattener position was a large contributor to negative performance. The UK government bond curve steepened following the Brexit announcement because front-end bonds outperformed longer-maturity bonds as the market began to price in cuts in interest rates (as opposed to interest rate hikes) at the front end of the curve.

During July the Fund added foreign currency exposure to the US dollar (essentially long US dollar and short sterling). This position was done to express our views on growth and monetary policy divergence between the UK & the US. The Fund retained its long-end inflation trade by being long 30-year breakevens – buying inflation-linked bonds and selling the corresponding nominal bond. We also maintained a cross-market trade into Australia. Both these positions underperformed in July.

We added a long duration position at the start of August, as we thought gilts appeared too cheap given the UK's outlook. The Fund benefited from this position, and we later took profits as gilts rallied after the Bank of England's policy actions.

In the aftermath of the UK's vote to leave the European Union, the Bank of England acted to stabilise markets. Governor Mark Carney cut the base rate by 0.25% and announced a resumption of QE. This will involve the purchase of £60 billion of gilts in the open market over six months, and ten-year yields moved sharply lower on the news. However, the perception is growing that the monetary toolkit of the world's policy makers is now close to fully exploited. This has led to an intensification of calls for fiscal stimulus in the UK; whether policy is meaningful enough in size and design to have a meaningful impact on growth remains to be seen.

Aberdeen Asset Investments Limited

September 2016

Gilt Fund

Portfolio Statement

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
EURO DENOMINATED BONDS (2.07%*)		-	-
STERLING DENOMINATED BONDS (97.30%*)		3,182,123	99.35
Corporate Bonds			
GE Capital UK Funding (FRN) 0.73625% 20/03/2017	GBP41,394	41	0.00
Government Bonds			
UK Treasury 1.75% 22/01/2017	GBP168,432,821	169,502	5.29
UK Treasury 1.25% 22/07/2018	GBP230,624,453	235,385	7.35
UK Treasury 4.5% 07/03/2019	GBP78,845,958	87,604	2.74
UK Treasury 1.75% 22/07/2019	GBP226,277,480	236,763	7.39
UK Treasury 3.75% 07/09/2019	GBP111,155,822	123,374	3.85
UK Treasury 4.75% 07/03/2020~	GBP180	0	0.00
UK Treasury 2% 22/07/2020	GBP95,781,230	102,488	3.20
UK Treasury 3.75% 07/09/2020	GBP1,809	2	0.00
UK Treasury 8% 07/06/2021	GBP35,994,653	49,300	1.54
UK Treasury 3.75% 07/09/2021	GBP139,850,307	164,439	5.13
UK Treasury 4% 07/03/2022	GBP443	1	0.00
UK Treasury 1.75% 07/09/2022	GBP64,402,036	69,956	2.18
UK Treasury 2.75% 07/09/2024	GBP109,358,000	129,195	4.03
UK Treasury 5% 07/03/2025	GBP19,273,269	26,482	0.83
UK Treasury 2% 07/09/2025	GBP229,519,000	259,015	8.09
UK Treasury 4.25% 07/06/2032	GBP114,945,293	169,961	5.31
UK Treasury 4.5% 07/09/2034	GBP92,461,253	144,452	4.51
UK Treasury 4.25% 07/03/2036	GBP67,246,413	104,121	3.25
UK Treasury 4.75% 07/12/2038	GBP55,740,862	94,633	2.95
UK Treasury 4.25% 07/12/2040	GBP66,694,032	109,054	3.40
UK Treasury 4.5% 07/12/2042	GBP24,677,749	42,803	1.34
UK Treasury 3.25% 22/01/2044	GBP121,210,549	177,351	5.54
UK Treasury 0.125% 22/03/2044	GBP35,337,000	64,082	2.00
UK Treasury 3.5% 22/01/2045	GBP136,331,334	209,686	6.55
UK Treasury 4.25% 07/12/2049	GBP45,593,592	83,816	2.62
UK Treasury 3.75% 22/07/2052	GBP64,229,585	113,066	3.53
UK Treasury 4% 22/01/2060	GBP60,795,866	122,081	3.81
UK Treasury 2.5% 22/07/2065	GBP10,873,000	16,694	0.52
UK Treasury 3.5% 22/07/2068	GBP39,298,122	76,776	2.40
DERIVATIVES (-0.23%*)		(17,263)	(0.54)
Forward Currency Contracts			
Australian Dollar			
Bought AUD208,604,000 for GBP120,750,395 Settlement 07/09/2016		(1,239)	(0.04)
Sold AUD208,604,000 for GBP103,568,476 Settlement 07/09/2016		(15,943)	(0.50)
US Dollar			
Bought USD41,806,000 for GBP31,553,246 Settlement 07/09/2016		373	0.01
Bought USD42,130,000 for GBP32,627,931 Settlement 07/09/2016		(454)	(0.01)
Portfolio of investments^		3,164,860	98.81
Net other assets		38,207	1.19
Total net assets		3,203,067	100.00

All investments held are listed, unless otherwise stated.

Forward Currency Contracts are Over the Counter (OTC) contracts.

Stocks shown as FRNs represent Floating Rate Notes - debt instruments that pay a floating rate of interest, usually based on an accepted market benchmark rate such as LIBOR.

^Including investment liabilities.

~The market value of the holdings is below £500 and is therefore rounded down to £0.

*Comparative figures shown in brackets relate to 28 February 2016.

Gilt Fund

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
UK Treasury 2% 07/09/2025	338,116	UK Treasury 4% 07/09/2016	386,328
UK Treasury 1.75% 22/01/2017	160,888	UK Treasury 4.25% 07/06/2032	152,469
UK Treasury 2.75% 07/09/2024	128,583	UK Treasury 4.25% 07/09/2039	135,766
Australia Government Bond 3.75% 21/04/2037	103,499	Australia Government Bond 3.75% 21/04/2037	126,211
UK Treasury 4% 07/09/2016	95,417	UK Treasury 2% 07/09/2025	123,387
UK Treasury 3.5% 22/01/2045	71,637	UK Treasury 4.25% 07/12/2040	81,146
UK Treasury 4.25% 07/03/2036	67,337	UK Treasury 3.5% 22/01/2045	81,143
UK Treasury 4.75% 07/12/2038	65,731	UK Treasury 4.75% 07/12/2030	46,329
UK Treasury 0.125% 22/03/2044	57,171	UK Treasury 3.25% 22/01/2044	39,451
UK Treasury 1.75% 07/09/2022	21,587	Spain Government Bond 2.15% 31/10/2025	28,506

Gilt Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	16,986	9,828	10,680	169,516
Closing number of shares	5,986,450	3,851,450	4,293,850	74,966,550
Closing net asset value per share (p)	283.74	255.18	248.74	226.12
Operating charges#	1.11%	1.11%	1.10%	1.11%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Income				
Closing net asset value (£'000)	3,262	3,227	3,528	97,823
Closing number of shares	1,495,500	1,640,000	1,828,000	55,312,000
Closing net asset value per share (p)	218.10	196.78	193.02	176.86
Operating charges#	1.11%	1.11%	1.10%	1.11%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class B - Income				
Closing net asset value (£'000)	1,470	1,423	1,583	1,620
Closing number of shares	673,840	723,340	820,340	915,940
Closing net asset value per share (p)	218.10	196.77	193.01	176.84
Operating charges#	0.86%	0.86%	0.86%	0.86%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class G - Accumulation				
Closing net asset value (£'000)	285	224	33	20
Closing number of shares	237,800	206,800	31,000	20,500
Closing net asset value per share (p)	120.00	107.95	105.21	95.65
Operating charges#	1.11%	1.11%	1.11%	1.10%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class G - Income				
Closing net asset value (£'000)	31	28	11	20
Closing number of shares	26,900	26,900	10,400	20,700
Closing net asset value per share (p)	116.79	105.37	103.33	94.68
Operating charges#	1.12%	1.11%	1.10%	1.11%
	31/08/16	28/02/16	28/02/15	
Share Class W - Accumulation (Gross)				
Closing net asset value (£'000)	3,181,033	3,037,567	3,688,071	
Closing number of shares	2,472,792,400	2,640,092,900	3,326,686,900	
Closing net asset value per share (p)	128.64	115.06	110.86	
Operating charges#	0.11%	0.11%	0.11%	

#Operating charges are representative of the ongoing charges figure.

Share class W Gross Accumulation was launched on 20 March 2014.

Gilt Fund

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		323,781		(46,379)
Revenue	29,274		30,916	
Expenses	(1,878)		(1,931)	
Interest payable and similar charges	-		-	
Net revenue before taxation	27,396		28,985	
Taxation	-		-	
Net revenue after taxation		27,396		28,985
Total return before distribution		351,177		(17,394)
Distribution		(27,396)		(28,985)
Change in net assets attributable to shareholders from investment activities		323,781		(46,379)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated 01/03/15 to 31/08/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		3,052,297		3,703,906
Assets transferred to Pension and Life Fund 26 May 2015**		-		(102,602)
Amounts receivable on creation of shares*	172,234		173,539	
Less: Amounts payable on cancellation of shares*	(372,477)		(447,111)	
		(200,243)		(273,572)
Dilution adjustment*		113		288
Change in net assets attributable to shareholders from investment activities		323,781		(46,379)
Retained distribution on accumulation shares		27,119		28,261
Unclaimed distributions		-		1
Closing net assets attributable to shareholders		3,203,067		3,309,903

*Prior year figures have been restated as a result of the 2014 IMA SORP.

**Relating to the transfer of assets to a related party, SW with Profits ACT Inv.Fund

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Gilt Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Fixed assets		
Investments	<u>3,182,496</u>	<u>3,033,154</u>
Current assets		
Debtors	21,198	25,262
Cash and bank balances	<u>20,957</u>	<u>7,678</u>
Total assets	<u>3,224,651</u>	<u>3,066,094</u>
Liabilities		
Investment liabilities	<u>(17,636)</u>	<u>(7,213)</u>
Creditors		
Distribution payable	(20)	(21)
Other creditors	<u>(3,928)</u>	<u>(6,563)</u>
Total liabilities	<u>(21,584)</u>	<u>(13,797)</u>
Net assets attributable to shareholders	<u>3,203,067</u>	<u>3,052,297</u>

Gilt Fund

Distribution Tables

for the six month period ended 31 August 2016 (unaudited)

Distribution in pence per share

Group 1 First interim Shares purchased prior to 29 February 2016

Second interim Shares purchased prior to 1 June 2016

Group 2 First interim Shares purchased on or between 29 February 2016 and 31 May 2016

Second interim Shares purchased on or between 1 June 2016 and 31 August 2016

Share Class A - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.5178	0.1036	0.4142	-	0.4142	0.2916
Second interim	0.4455	0.0891	0.3564	-	0.3564	0.4319
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.0388	0.0078	0.0310	0.3832	0.4142	0.2916
Second interim	0.2475	0.0495	0.1980	0.1584	0.3564	0.4319

Share Class A - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.3991	0.0798	0.3193	-	0.3193	0.2264
Second interim	0.3420	0.0684	0.2736	-	0.2736	0.3347
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.1641	0.0328	0.1313	0.1880	0.3193	0.2264
Second interim	0.3395	0.0679	0.2716	0.0020	0.2736	0.3347

Share Class B - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.5275	0.1055	0.4220	-	0.4220	0.3222
Second interim	0.4744	0.0949	0.3795	-	0.3795	0.4287
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.5016	0.1003	0.4013	0.0207	0.4220	0.3222
Second interim	0.4381	0.0876	0.3505	0.0290	0.3795	0.4287

Share Class G - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2189	0.0438	0.1751	-	0.1751	0.1263
Second interim	0.1790	0.0358	0.1432	-	0.1432	0.1841
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.1274	0.0255	0.1019	0.0732	0.1751	0.1263
Second interim	0.1631	0.0326	0.1305	0.0127	0.1432	0.1841

Gilt Fund

Distribution Tables

(continued)

for the six month period ended 31 August 2016 (unaudited)

Share Class G - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2136	0.0427	0.1709	-	0.1709	0.1229
Second interim	0.1825	0.0365	0.1460	-	0.1460	0.1813
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2136	0.0427	0.1709	-	0.1709	0.1229
Second interim	0.1825	0.0365	0.1460	-	0.1460	0.1813

Share Class W - Accumulation (Gross)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.5338	-	0.5338	-	0.5338	0.4388
Second interim	0.5116	-	0.5116	-	0.5116	0.5129
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.3289	-	0.3289	0.2049	0.5338	0.4388
Second interim	0.2307	-	0.2307	0.2809	0.5116	0.5129

Equalisation

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to 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 the shares for capital gains tax purposes.

for the six month period ended 31 August 2016 (unaudited)

Global high yielding bonds performed strongly in the six months to 31 August. The primary factors affecting the asset class were an oil led-rebound in commodity prices, and dovish central bank policy from the US Federal Reserve and European Central Bank.

The high-yield market sustained its upturn through the end of the period, despite weathering another outbreak of volatility in response to the UK's generally unexpected vote to leave the European Union at the end of June. This accompanied a continued strengthening in the oil price, which recovered from below US\$30 a barrel in January to around US\$50 by the end of June. Further support came from central banks, with the Fed refraining from following up on its December 2015 interest-rate hike – the first for almost a decade – and the European Central Bank expanding its asset-purchase programme to include investment-grade corporate bonds. This had a positive knock-on effect in the high-yield market as investors anticipated a period of easier corporate finance and a wider-ranging hunt for yield.

August was the sixth consecutive month of positive total returns for 'risk assets' as the reporting period came to a close. Global high yield credit spreads rallied along with other risk assets during August's reach for yield, continuing the trend from June. This rally has resulted from further accommodative central bank policies and sustained declines in global sovereign yields (rising % into negative to more deeply negative yields territory), driving investors further out the credit curve and lower in quality for incremental yield.

The fund underperformed the benchmark over the period. The Fund's conservative position across the energy sector compared to the global high yield benchmark hurt returns in the first two months of the review period. The sector outperformed as commodity prices recovered. An underweight in metals and mining and a higher-than-benchmark allocation to cash also detracted from returns. From May onwards, performance was broadly in line with benchmark.

In terms of stock selection, there were strong individual performances from Sprint (wireless telecommunication), Sun Products (household cleaning products), and Tronox (chemicals).

We expect continued subdued growth punctuated by bouts of geopolitical uncertainty. Spreads in US are currently very tight, and in Europe they are even tighter. If one expects more supportive growth, or perhaps just a still supportive set of central banks, we think that these spreads are more than adequate. Unfortunately, the probability of more supportive growth would seem to have taken a step down following the Brexit vote, especially in the European economies. In the US, some of the economic indicators are encouraging, but we will be scrutinising employment patterns closely. Given the prevailing uncertainties and current valuations, we continue to take a more cautious stance than we have historically while still seeking to exploit what we believe are opportunities for potential above-market returns.

Aberdeen Asset Investments Limited

September 2016

High Income Bond Fund

Portfolio Statement

as at 31 August 2016 (unaudited)

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
EURO DENOMINATED BONDS (7.12%*)		11,901	6.00
Corporate Bonds			
ALBA 8% 15/05/2018	EUR1,235,000	981	0.49
Bank of New York Mellon (Luxembourg) 4.202% 15/12/2050	EUR1,100,000	349	0.18
Barclays 6.5% Perpetual	EUR630,000	511	0.26
Corral Petroleum 11.75% 15/05/2021	EUR780,000	612	0.31
HSBC 5.25% Perpetual	EUR795,000	661	0.33
INEOS 5.375% 01/08/2024	EUR674,000	576	0.29
International Personal Finance 5.75% 07/04/2021	EUR1,680,000	1,314	0.66
KBC 5.625% Perpetual	EUR659,000	556	0.28
Obrascon Huarte Lain 4.75% 15/03/2022	EUR1,653,000	1,008	0.51
Obrascon Huarte Lain 5.5% 15/03/2023	EUR252,000	152	0.08
OHL Investments 4% 25/04/2018	EUR300,000	230	0.11
Techem 6.125% 01/10/2019	EUR310,000	274	0.14
Techem Energy Metering Service 7.875% 01/10/2020	EUR310,000	275	0.14
Thomas Cook Finance 7.75% 15/06/2020	EUR690,000	603	0.30
Trinseo Materials Operating/Trinseo Materials Finance 6.375% 01/05/2022	EUR1,191,000	1,075	0.54
United 7.875% 15/11/2020	EUR423,000	377	0.19
UPC 6.75% 15/03/2023	EUR1,200,000	1,113	0.56
Valeant Pharmaceuticals International 4.5% 15/05/2023	EUR610,000	430	0.22
Valeant Pharmaceuticals International (Berlin Listed) 4.5% 15/05/2023	EUR1,140,000	804	0.41
STERLING DENOMINATED BONDS (8.49%*)		13,455	6.78
Corporate Bonds			
Annington Finance No 5 13% 15/01/2023	GBP715,520	821	0.41
Bakkavor Finance 2 8.25% 15/02/2018	GBP157,458	161	0.08
Boparan Finance 5.5% 15/07/2021	GBP260,000	248	0.13
Cabot Financial Luxembourg 10.375% 01/10/2019	GBP475,000	504	0.25
Cabot Financial Luxembourg 8.375% 01/08/2020	GBP225,000	234	0.12
Co-operative 2011 7.5% 08/07/2026	GBP555,000	655	0.33
Enel 6.625% 15/09/2076	GBP150,000	164	0.08
Entertainment One 6.875% 15/12/2022	GBP800,000	856	0.43
Gala Electric Casinos 11.5% 01/06/2019	GBP165,455	171	0.09
Gala Finance 8.875% 01/09/2018	GBP65,371	67	0.03
Galaxy Finco 7.875% 15/11/2021	GBP250,000	250	0.13
Jaguar Land Rover Automotive 5% 15/02/2022	GBP530,000	584	0.29
Jaguar Land Rover Automotive 3.875% 01/03/2023	GBP465,000	488	0.25
Lloyds Bank 13% Perpetualt	GBP590,000	1,013	0.51
Lloyds Banking 7.875% Perpetualt	GBP361,000	374	0.19
Matalan Finance 6.875% 01/06/2019	GBP625,000	494	0.25
Nationwide Building Society 6.875% Perpetual	GBP420,000	412	0.21
New Look Secured Issuer 6.5% 01/07/2022	GBP495,000	478	0.24
PGH Capital 6.625% 18/12/2025	GBP953,000	990	0.50
Pizzaexpress Financing 2 6.625% 01/08/2021	GBP466,000	463	0.23
R&R Ice Cream 5.5% 15/05/2020	GBP245,000	252	0.13
Royal Bank of Scotland 9.5% Perpetual	GBP275,000	300	0.15
Societe Generale 8.875% Perpetual	GBP440,000	484	0.24
Stonegate Pub Financing 5.75% 15/04/2019	GBP670,000	685	0.35
TVL Finance 8.5% 15/05/2023	GBP300,000	320	0.16
Unique Pub Finance 7.395% 28/03/2024	GBP485,000	476	0.24
Virgin Media Finance 7% 15/04/2023	GBP100,000	109	0.05
Virgin Media Secured Finance 6% 15/04/2021	GBP238,500	250	0.13
Virgin Media Secured Finance 5.5% 15/01/2025	GBP751,500	806	0.41
Voyage Care Bondco 6.5% 01/08/2018	GBP350,000	346	0.17

High Income Bond Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
US DOLLAR DENOMINATED BONDS (76.05%*)		158,021	79.68
Asset-Backed Securities			-
American Airlines 2013-2 Class B Pass Through Trust 5.6% 15/01/2022	USD1,085,096	868	0.44
Continental Airlines 2007-1 Class B Pass Through Trust 6.903% 19/10/2023	USD447,222	364	0.18
TerraForm Power Operating 5.875% 01/02/2023	USD1,309,000	1,007	0.51
Corporate Bonds			
ABC Supply 5.75% 15/12/2023	USD269,000	218	0.11
Adient Global 4.875% 15/08/2026	USD1,288,000	993	0.50
AES Andres Dominicana 7.95% 11/05/2026	USD595,000	478	0.24
Air Canada 6.75% 01/10/2019	USD965,000	764	0.39
Aircastle 7.625% 15/04/2020	USD1,288,000	1,132	0.57
Albertsons 6.625% 15/06/2024	USD435,000	356	0.18
Albertsons 5.75% 15/03/2025	USD1,439,000	1,131	0.57
Alfa 6.875% 25/03/2044	USD750,000	637	0.32
Ally Financial 5.125% 30/09/2024	USD590,000	486	0.25
Ally Financial 5.75% 20/11/2025	USD2,031,000	1,657	0.84
Altice Financing 7.5% 15/05/2026	USD590,000	474	0.24
Altice US Finance I 5.375% 15/07/2023	USD1,610,000	1,289	0.65
Altice US Finance I 5.5% 15/05/2026	USD290,000	233	0.12
AmeriGas Partners 5.625% 20/05/2024	USD340,000	278	0.14
AmeriGas Partners 5.875% 20/08/2026	USD563,000	462	0.23
Anglo American Capital 4.875% 14/05/2025	USD1,700,000	1,307	0.66
Antero Resources 5.125% 01/12/2022	USD190,000	144	0.07
ArcelorMittal 6.5% 01/03/2021	USD1,923,000	1,600	0.81
Australia & New Zealand Banking 6.75% Perpetual	USD440,000	377	0.19
Avanti Communications 10% 01/10/2019	USD813,000	484	0.25
Avis Budget Finance 5.5% 01/04/2023	USD1,039,000	819	0.41
Avis Budget Finance 6.375% 01/04/2024	USD317,000	254	0.13
Avis Budget Finance 5.25% 15/03/2025	USD181,000	137	0.07
Axalta Coating Systems 4.875% 15/08/2024	USD300,000	239	0.12
Banco de Galicia y Buenos Aires 8.25% 19/07/2026	USD1,162,000	971	0.49
Banco do Brasil 9% Perpetual	USD1,055,000	722	0.37
Bank of America 6.25% Perpetual	USD810,000	652	0.33
Belden 5.25% 15/07/2024	USD262,000	201	0.10
Blue Racer Finance 6.125% 15/11/2022	USD1,905,000	1,389	0.70
BNP Paribas 7.625% Perpetual	USD821,000	656	0.33
Bombardier 5.75% 15/03/2022	USD248,000	177	0.09
Bombardier 6% 15/10/2022	USD581,000	417	0.21
Boyd Gaming 6.375% 01/04/2026	USD1,470,000	1,198	0.61
Building Materials 9% 15/09/2018	USD1,287,000	1,019	0.51
Cablevision 6.5% 15/06/2021	USD362,000	289	0.15
CalAtlantic 5.875% 15/11/2024	USD320,000	264	0.13
CalAtlantic 5.25% 01/06/2026	USD2,132,000	1,652	0.83
California Resources 8% 15/12/2022	USD220,000	114	0.06
Calpine 6% 15/01/2022	USD1,081,000	864	0.44
Calpine 7.875% 15/01/2023	USD117,000	94	0.05
Calpine 5.75% 15/01/2025	USD1,255,000	954	0.48
Canadian Natural Resources 6.5% 15/02/2037	USD560,000	466	0.23
Carrizo Oil & Gas 6.25% 15/04/2023	USD355,000	268	0.14
CCO 5.75% 15/02/2026	USD3,375,000	2,763	1.39
CCO 5.5% 01/05/2026	USD387,000	312	0.16
Cengage Learning 9.5% 15/06/2024	USD1,723,000	1,350	0.68
Cenovus Energy 3.8% 15/09/2023	USD95,000	70	0.04
CenturyLink 5.625% 01/04/2020	USD222,000	180	0.09

High Income Bond Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
CenturyLink 7.5% 01/04/2024	USD250,000	207	0.10
Cenveo 6% 01/08/2019	USD1,742,000	1,173	0.59
Citigroup 6.25% Perpetual	USD925,000	766	0.39
Community Health Systems 6.875% 01/02/2022	USD785,000	500	0.25
Compass Minerals International 4.875% 15/07/2024	USD1,524,000	1,112	0.56
Constellation Brands 4.75% 01/12/2025	USD628,000	522	0.26
Constellium 8% 15/01/2023	USD910,000	707	0.36
Continental Resources 3.8% 01/06/2024	USD1,238,000	859	0.43
Country Garden 7.5% 10/01/2023	USD705,000	579	0.29
Dana 6% 15/09/2023	USD815,000	652	0.33
DR Horton 4.75% 15/02/2023	USD250,000	204	0.10
DR Horton 5.75% 15/08/2023	USD1,750,000	1,509	0.76
Dynegy 7.375% 01/11/2022	USD1,715,000	1,293	0.65
Dynegy 7.625% 01/11/2024	USD890,000	663	0.33
EMI Music Publishing North America 7.625% 15/06/2024	USD544,000	451	0.23
Endo/Endo Finance/Endo Finco 6% 15/07/2023	USD2,288,000	1,585	0.80
Enel 8.75% 24/09/2073	USD1,401,000	1,249	0.63
Energy Future Intermediate Finance 11.75% 01/03/2022**	USD864,041	803	0.40
Enso 5.2% 15/03/2025	USD1,338,000	740	0.37
Equinix 5.375% 01/04/2023	USD1,614,000	1,303	0.66
First Data 5.375% 15/08/2023	USD2,486,000	1,976	1.00
First Quantum Minerals 6.75% 15/02/2020	USD1,250,000	873	0.44
Florida East Coast 6.75% 01/05/2019	USD755,000	594	0.30
Florida East Coast 9.75% 01/05/2020	USD579,000	396	0.20
Freeport-McMoRan 3.55% 01/03/2022	USD2,110,000	1,421	0.72
Fresh Market 9.75% 01/05/2023	USD1,060,000	757	0.38
Frontier Communications 6.875% 15/01/2025	USD1,145,000	782	0.39
GFL Environmental 9.875% 01/02/2021	USD1,078,000	897	0.45
Goldman Sachs 5.375% Perpetual	USD975,000	752	0.38
Goodyear Tire & Rubber 5% 31/05/2026	USD967,000	773	0.39
Hardwoods Acquisition 7.5% 01/08/2021	USD1,719,000	905	0.46
HCA 5.25% 15/04/2025	USD83,000	68	0.03
HCA 5.875% 15/02/2026	USD2,720,000	2,201	1.11
HCA 5.25% 15/06/2026	USD167,000	136	0.07
HD Supply 5.25% 15/12/2021	USD725,000	591	0.30
HD Supply 5.75% 15/04/2024	USD1,066,000	871	0.44
Hilcorp Finance 5.75% 01/10/2025	USD710,000	531	0.27
Hornbeck Offshore Services 5% 01/03/2021	USD992,000	432	0.22
ING 6.5% Perpetual	USD746,000	557	0.28
Inmarsat Finance 4.875% 15/05/2022	USD2,557,000	1,887	0.95
InRetail Consumer 5.25% 10/10/2021	USD478,000	379	0.19
International Lease Finance 6.25% 15/05/2019	USD935,000	776	0.39
JBS USA/JBS USA Finance 5.75% 15/06/2025	USD1,555,000	1,211	0.61
KB Home 7% 15/12/2021	USD2,677,000	2,192	1.11
Kinder Morgan 7.8% 01/08/2031	USD1,970,000	1,813	0.91
Kindred Healthcare 8.75% 15/01/2023	USD750,000	588	0.30
Kissner Milling 7.25% 01/06/2019	USD1,470,000	1,153	0.58
Kratos Defense & Security Solutions 7% 15/05/2019	USD1,088,000	756	0.38
Landry's 9.375% 01/05/2020	USD673,000	541	0.27
Landry's Holdings II 10.25% 01/01/2018	USD535,000	417	0.21
Lennar 4.875% 15/12/2023	USD1,695,000	1,355	0.68
Level 3 Financing 5.375% 15/08/2022	USD660,000	527	0.27
Level 3 Financing 5.125% 01/05/2023	USD995,000	789	0.40
Level 3 Financing 5.375% 01/05/2025	USD180,000	145	0.07

High Income Bond Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
Level 3 Financing 5.25% 15/03/2026	USD556,000	440	0.22
Liberty Interactive 8.5% 15/07/2029	USD323,000	270	0.14
Liberty Interactive 8.25% 01/02/2030	USD84,000	69	0.03
MEG Energy 6.375% 30/01/2023	USD979,000	583	0.29
MEG Energy 7% 31/03/2024	USD2,465,000	1,515	0.76
Meritor 6.25% 15/02/2024	USD820,000	582	0.29
MGM Resorts International 4.625% 01/09/2026	USD1,776,000	1,344	0.68
MMC Energy 8.875% 15/10/2020~	USD4,115,000	0	0.00
Momentive Performance Materials 3.88% 24/10/2021	USD2,330,000	1,467	0.74
Murphy Oil 6.875% 15/08/2024	USD231,000	185	0.09
Nationstar Capital 6.5% 01/07/2021	USD755,000	549	0.28
Nationstar Capital 6.5% 01/06/2022	USD725,000	515	0.26
NCR 5% 15/07/2022	USD1,365,000	1,065	0.54
Neiman Marcus 8% 15/10/2021	USD1,074,000	703	0.35
NewStar Financial 7.25% 01/05/2020	USD1,191,000	880	0.44
Northgroup Preferred Capital 6.378% Perpetual	USD945,000	727	0.37
NRG Energy 7.25% 15/05/2026	USD2,344,000	1,865	0.94
Numericable 6% 15/05/2022	USD1,402,000	1,089	0.55
Numericable 7.375% 01/05/2026	USD277,000	219	0.11
NWH Escrow 7.5% 01/08/2021	USD155,000	79	0.04
NXP 4.125% 01/06/2021	USD1,698,000	1,359	0.69
NXP 3.875% 01/09/2022	USD400,000	310	0.16
Oasis Petroleum 6.5% 01/11/2021	USD1,037,000	732	0.37
Oasis Petroleum 6.875% 15/01/2023	USD518,000	364	0.18
PaperWorks Industries 9.5% 15/08/2019	USD1,333,000	962	0.49
Park-Ohio Industries 8.125% 01/04/2021	USD2,344,000	1,820	0.92
PBF 7% 15/11/2023	USD765,000	555	0.28
PBF Logistics 6.875% 15/05/2023	USD335,000	247	0.12
Pelabuhan Indonesia II 4.25% 05/05/2025	USD1,970,000	1,538	0.78
Pertamina Persero 4.3% 20/05/2023	USD620,000	493	0.25
Pertamina Persero 6% 03/05/2042	USD1,365,000	1,147	0.58
Petrobras Global Finance 8.75% 23/05/2026	USD1,480,000	1,245	0.63
Post 5% 15/08/2026	USD2,635,000	2,009	1.01
QBE Insurance 6.75% 02/12/2044	USD1,305,000	1,109	0.56
QVC 4.375% 15/03/2023	USD112,000	86	0.04
Rite Aid 6.125% 01/04/2023	USD2,350,000	1,944	0.98
Rowan Cos 4.875% 01/06/2022	USD675,000	445	0.22
Rural/Metro 'Private Placement' 10.125% 15/07/2019 (Issued 30/06/2011)**	USD1,087,000	2	0.00
Rural/Metro 'Private Placement' 10.125% 15/07/2019 (Issued 03/02/2012)**	USD472,000	1	0.00
Sabine Pass Liquefaction 5.625% 01/02/2021	USD1,690,000	1,354	0.68
Sabine Pass Liquefaction 5.875% 30/06/2026	USD651,000	532	0.27
Sanchez Energy 6.125% 15/01/2023	USD375,000	225	0.11
Sappi Papier 7.5% 15/06/2032	USD1,490,000	1,069	0.54
Scientific Games International 7% 01/01/2022	USD2,405,000	1,951	0.98
Sealed Air 5.25% 01/04/2023	USD86,000	70	0.04
Sealed Air 5.5% 15/09/2025	USD1,199,000	995	0.50
Sensata Technologies 5% 01/10/2025	USD540,000	427	0.22
Service Corp International 5.375% 15/05/2024	USD1,595,000	1,306	0.66
Sinclair Television 5.625% 01/08/2024	USD248,000	198	0.10
Sinclair Television 5.875% 15/03/2026	USD2,066,000	1,668	0.84
Spectrum Brands 5.75% 15/07/2025	USD795,000	659	0.33
Springs Industries 6.25% 01/06/2021	USD2,144,000	1,686	0.85
Sprint 7.875% 15/09/2023	USD2,410,000	1,798	0.91
Sprint 7.125% 15/06/2024	USD507,000	362	0.18

High Income Bond Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
Sprint Communications 7% 15/08/2020	USD285,000	214	0.11
Standard Industries 5.375% 15/11/2024	USD1,276,000	1,037	0.52
State Street Capital Trust IV (FRN) 1.6525% 01/06/2077	USD990,000	638	0.32
Steel Dynamics 5.125% 01/10/2021	USD170,000	135	0.07
Steel Dynamics 5.5% 01/10/2024	USD250,000	202	0.10
Sun Products 7.75% 15/03/2021	USD2,180,000	1,728	0.87
Sunoco 6.25% 15/04/2021	USD2,307,000	1,814	0.91
Teine Energy 6.875% 30/09/2022	USD90,000	69	0.03
Tenet Healthcare 8.125% 01/04/2022	USD2,186,000	1,698	0.86
Tenet Healthcare 6.75% 15/06/2023	USD330,000	242	0.12
T-Mobile USA 6% 15/04/2024	USD481,000	393	0.20
T-Mobile USA 6.5% 15/01/2026	USD715,000	600	0.30
TransDigm 6% 15/07/2022	USD2,420,000	1,921	0.97
TransDigm 6.5% 15/07/2024	USD1,055,000	837	0.42
TransDigm 6.375% 15/06/2026	USD439,000	343	0.17
Triumph Group 5.25% 01/06/2022	USD1,050,000	765	0.39
Tronox Finance 7.5% 15/03/2022	USD1,597,000	1,091	0.55
UBS 7% Perpetual	USD825,000	671	0.34
United Rentals North America 6.125% 15/06/2023	USD534,000	430	0.22
United Rentals North America 5.75% 15/11/2024	USD816,000	649	0.33
United Rentals North America 5.5% 15/07/2025	USD770,000	606	0.31
Unitymedia Hessen/Unitymedia NRW 5.5% 15/01/2023	USD676,000	543	0.27
Valeant Pharmaceuticals International 6.375% 15/10/2020	USD990,000	720	0.36
Valeant Pharmaceuticals International 5.875% 15/05/2023	USD1,005,000	679	0.34
Valvoline 5.5% 15/07/2024	USD418,000	334	0.17
VTR Finance 6.875% 15/01/2024	USD1,380,000	1,105	0.56
Wanda Properties International 7.25% 29/01/2024	USD635,000	561	0.28
Whiting Petroleum 5.75% 15/03/2021	USD119,000	82	0.04
Wind Acquisition Finance 4.75% 15/07/2020	USD705,000	548	0.28
Wind Acquisition Finance 7.375% 23/04/2021	USD1,865,000	1,470	0.74
WR Grace & Co 5.125% 01/10/2021	USD1,301,000	1,059	0.53
WR Grace & Co 5.625% 01/10/2024	USD1,055,000	870	0.44
XPO Logistics 7.875% 01/09/2019	USD1,652,000	1,312	0.66
XPO Logistics 6.125% 01/09/2023	USD492,000	386	0.20
Zayo Group/Zayo Capital 6% 01/04/2023	USD2,321,000	1,851	0.93
Zayo Group/Zayo Capital 6.375% 15/05/2025	USD260,000	210	0.11
Government Bonds			
Argentine Republic Government International Bond 7.5% 22/04/2026	USD1,475,000	1,256	0.63
Ghana Government International Bond 7.875% 07/08/2023	USD1,150,000	811	0.41
Ivory Coast Government International Bond 6.375% 03/03/2028	USD900,000	722	0.36
Paraguay Government International Bond 5% 15/04/2026	USD545,000	456	0.23
UNITED STATES EQUITIES (0.07%*)		145	0.07
Pharmaceuticals & Biotechnology			
WP Rocket	950,405	145	0.07
Software & Computer Services			
Ziff Davis**	2,470	-	-

High Income Bond Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
DERIVATIVES (-2.58%*)		514	0.26
Forward Currency Contracts			
Euro			
Bought EUR133,000 for GBP115,585 Settlement 12/09/2016		(3)	0.00
Bought EUR347,000 for GBP299,222 Settlement 12/09/2016		(4)	0.00
Bought EUR1,743,000 for GBP1,496,904 Settlement 12/09/2016		(16)	(0.01)
Sold EUR377,000 for GBP325,839 Settlement 12/09/2016		6	0.01
Sold EUR223,000 for GBP192,457 Settlement 12/09/2016		3	0.00
Sold EUR133,000 for GBP115,449 Settlement 12/09/2016		2	0.00
Sold EUR200,000 for GBP172,279 Settlement 12/09/2016		2	0.00
Sold EUR200,000 for GBP171,953 Settlement 12/09/2016		2	0.00
Sold EUR129,000 for GBP110,884 Settlement 12/09/2016		1	0.00
Sold EUR107,000 for GBP90,868 Settlement 12/09/2016~		0	0.00
Sold EUR550,000 for GBP467,022 Settlement 12/09/2016~		0	0.00
Sold EUR14,399,000 for GBP12,222,159 Settlement 12/09/2016		(16)	(0.01)
US Dollar			
Bought USD5,099,000 for GBP3,931,171 Settlement 12/09/2016		(40)	(0.02)
Sold USD53,751,000 for GBP41,161,758 Settlement 12/09/2016		141	0.07
Sold USD52,250,000 for GBP40,015,317 Settlement 12/09/2016		141	0.07
Sold USD53,750,000 for GBP41,159,417 Settlement 12/09/2016		140	0.07
Sold USD53,750,000 for GBP41,159,039 Settlement 12/09/2016		139	0.07
Sold USD2,000,000 for GBP1,536,962 Settlement 12/09/2016		11	0.01
Sold USD306,000 for GBP237,608 Settlement 12/09/2016		4	0.00
Sold USD600,000 for GBP461,049 Settlement 12/09/2016		3	0.00
Sold USD203,000 for GBP156,461 Settlement 12/09/2016		2	0.00
Sold USD230,000 for GBP176,300 Settlement 12/09/2016		1	0.00
Sold USD2,000,000 for GBP1,520,907 Settlement 12/09/2016		(5)	0.00
Portfolio of investments^		184,036	92.79
Net other assets		14,297	7.21
Total net assets		198,333	100.00

All investments held are listed, unless otherwise stated.

Forward Currency Contracts are Over the Counter (OTC) contracts.

Stocks shown as FRNs represent Floating Rate Notes - debt instruments that pay a floating rate of interest, usually based on an accepted market benchmark rate such as LIBOR.

*Comparative figures shown in brackets relate to 28 February 2016.

**Defaulted bonds/Suspended securities.

^Including investment liabilities.

†This investment is a related party.

~The market value of the holdings is below £500 and is therefore rounded down to £0.

High Income Bond Fund

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
Park-Ohio Industries 8.125% 01/04/2021	2,100	Indonesia Government International Bond 5.875% 15/01/2024	2,314
Post 5% 15/08/2026	2,017	United Continental 6% 01/12/2020	1,939
Goodyear Tire & Rubber 5% 31/05/2026	1,876	New Enterprise Stone & Lime 13% 15/03/2018	1,919
NRG Energy 7.25% 15/05/2026	1,787	MGM Resorts International 5.25% 31/03/2020	1,861
TransDigm 6% 15/07/2022	1,776	CenturyLink 7.65% 15/03/2042	1,638
Sunoco 6.25% 15/04/2021	1,690	Fly Leasing 6.375% 15/10/2021	1,601
Clean Harbors 5.125% 01/06/2021	1,621	Crown Castle International 5.25% 15/01/2023	1,580
Cengage Learning 9.5% 15/06/2024	1,490	International Lease Finance 6.25% 15/05/2019	1,576
Sinclair Television 5.875% 15/03/2026	1,488	MHGE Parent Finance 8.5% 01/08/2019	1,561
CalAtlantic 5.25% 01/06/2026	1,451	Park-Ohio Industries 8.125% 01/04/2021	1,542

High Income Bond Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	15,119	15,149	20,263	88,496
Closing number of shares	6,894,742	7,703,242	9,198,742	39,947,087
Closing net asset value per share (p)	219.29	196.66	220.28	221.53
Operating charges#	1.63%	1.62%	1.62%	1.62%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Income				
Closing net asset value (£'000)	134,893	128,444	160,516	176,614
Closing number of shares	150,506,742	156,016,842	165,876,842	173,216,442
Closing net asset value per share (p)	89.63	82.33	96.77	101.96
Operating charges#	1.63%	1.62%	1.62%	1.62%
	31/08/16	28/02/16	28/02/15	
Share Class X - Accumulation				
Closing net asset value (£'000)	48,321	46,693	60,457	
Closing number of shares	21,279,145	23,092,645	27,070,045	
Closing net asset value per share (p)	227.08	202.20	223.33	
Operating charges#	0.13%	0.12%	0.12%	

#Operating charges are representative of the ongoing charges figure.

Share class X Accumulation was launched on 4 March 2014.

High Income Bond Fund

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		17,534		(12,086)
Revenue	6,570		7,574	
Expenses	(1,268)		(1,462)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	5,302		6,111	
Taxation	(13)		-	
Net revenue after taxation		5,289		6,111
Total return before distributions		22,823		(5,975)
Distributions		(6,045)		(6,983)
Change in net assets attributable to shareholders from investment activities		16,778		(12,958)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		190,286		241,235
Amounts receivable on creation of shares*	1,238		2,898	
Less: Amounts payable on cancellation of shares*	(11,643)		(11,481)	
		(10,405)		(8,583)
Dilution adjustment*		48		48
Change in net assets attributable to shareholders from investment activities		16,778		(12,958)
Retained distribution on accumulation shares		1,608		1,933
Unclaimed distributions		18		19
Closing net assets attributable to shareholders		198,333		221,694

*Prior year figures have been restated as a result of the 2014 IMA SORP.

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

High Income Bond Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Fixed assets		
Investments	<u>184,120</u>	<u>174,790</u>
Current assets		
Debtors	3,273	5,013
Cash and bank balances	<u>13,244</u>	<u>18,850</u>
Total assets	<u>200,637</u>	<u>198,653</u>
Liabilities		
Investment liabilities	<u>(84)</u>	<u>(5,152)</u>
Creditors		
Distribution payable	(1,896)	(1,991)
Other creditors	<u>(324)</u>	<u>(1,224)</u>
Total liabilities	<u>(2,304)</u>	<u>(8,367)</u>
Net assets attributable to shareholders	<u>198,333</u>	<u>190,286</u>

High Income Bond Fund

Distribution Tables

for the six month period ended 31 August 2016 (unaudited)

Distribution in pence per share

- Group 1 First interim Shares purchased prior to 29 February 2016
 Second interim Shares purchased prior to 1 April 2016
 Third interim Shares purchased prior to 1 May 2016
 Fourth interim Shares purchased prior to 1 June 2016
 Fifth interim Shares purchased prior to 1 July 2016
 Sixth interim Shares purchased prior to 1 August 2016
- Group 2 First interim Shares purchased on or between 29 February 2016 and 31 March 2016
 Second interim Shares purchased on or between 1 April 2016 and 30 April 2016
 Third interim Shares purchased on or between 1 May 2016 and 31 May 2016
 Fourth interim Shares purchased on or between 1 June 2016 and 30 June 2016
 Fifth interim Shares purchased on or between 1 July 2016 and 31 July 2016
 Sixth interim Shares purchased on or between 1 August 2016 and 31 August 2016

Share Class A - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
	(p)	(p)	(p)	(p)	(p)	(p)
Group 1						
First interim	0.9785	0.1957	0.7828	-	0.7828	1.1062
Second interim	0.9151	0.1830	0.7321	-	0.7321	0.7778
Third interim	1.0101	0.2020	0.8081	-	0.8081	0.7970
Fourth interim	1.2961	0.2592	1.0369	-	1.0369	0.8181
Fifth interim	1.0388	0.2078	0.8310	-	0.8310	0.8604
Sixth interim	1.0936	0.2187	0.8749	-	0.8749	0.7353
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.6409	0.1282	0.5127	0.2701	0.7828	1.1062
Second interim	0.5945	0.1189	0.4756	0.2565	0.7321	0.7778
Third interim	0.6009	0.1202	0.4807	0.3274	0.8081	0.7970
Fourth interim	1.0851	0.2170	0.8681	0.1688	1.0369	0.8181
Fifth interim	0.6958	0.1392	0.5566	0.2744	0.8310	0.8604
Sixth interim	0.6206	0.1241	0.4965	0.3784	0.8749	0.7353

Share Class A - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
	(p)	(p)	(p)	(p)	(p)	(p)
Group 1						
First interim	0.4099	0.0820	0.3279	-	0.3279	0.4862
Second interim	0.3819	0.0764	0.3055	-	0.3055	0.3400
Third interim	0.4201	0.0840	0.3361	-	0.3361	0.3472
Fourth interim	0.5369	0.1074	0.4295	-	0.4295	0.3552
Fifth interim	0.4281	0.0856	0.3425	-	0.3425	0.3722
Sixth interim	0.4491	0.0898	0.3593	-	0.3593	0.3169
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.1933	0.0387	0.1546	0.1733	0.3279	0.4862
Second interim	0.1473	0.0295	0.1178	0.1877	0.3055	0.3400
Third interim	0.1846	0.0369	0.1477	0.1884	0.3361	0.3472
Fourth interim	0.2405	0.0481	0.1924	0.2371	0.4295	0.3552
Fifth interim	0.2088	0.0418	0.1670	0.1755	0.3425	0.3722
Sixth interim	0.2018	0.0404	0.1614	0.1979	0.3593	0.3169

High Income Bond Fund

Distribution Tables

(continued)

for the six month period ended 31 August 2016 (unaudited)

Share Class X - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
First interim	1.1060	0.2212	0.8848	-	0.8848	1.2020
Second interim	1.0291	0.2058	0.8233	-	0.8233	0.8655
Third interim	1.1384	0.2277	0.9107	-	0.9107	0.8840
Fourth interim	1.4295	0.2859	1.1436	-	1.1436	0.9129
Fifth interim	1.1634	0.2327	0.9307	-	0.9307	0.9539
Sixth interim	1.2359	0.2472	0.9887	-	0.9887	0.8190
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2709	0.0542	0.2167	0.6681	0.8848	1.2020
Second interim	0.3429	0.0686	0.2743	0.5490	0.8233	0.8655
Third interim	0.9318	0.1864	0.7454	0.1653	0.9107	0.8840
Fourth interim	0.2364	0.0473	0.1891	0.9545	1.1436	0.9129
Fifth interim	0.7614	0.1523	0.6091	0.3216	0.9307	0.9539
Sixth interim	0.7160	0.1432	0.5728	0.4159	0.9887	0.8190

Equalisation

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to 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 the shares for capital gains tax purposes.

High Reserve Fund

Investment Markets Overview

for the six month period ended 31 August 2016 (unaudited)

Investment Objective and Policy

To provide a high and regular income whilst providing some potential for capital growth over the medium to long-term through investment predominantly in the United Kingdom but also in Europe.

The Fund will invest in a diversified portfolio of UK and European securities which may include, directly or indirectly, high yielding equities, Gilt-edged securities, corporate bonds, convertible stocks, preference shares and warrants, however the Fund may invest in other types of investment at the discretion of the ACD.

Derivatives may be used for efficient portfolio management purposes only.

Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at www.scottishwidows.co.uk/investmentapproaches

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 2 August 2016.</p>	<p>Typically lower rewards, lower risks</p> <p style="text-align: center;">←</p>							<p>Typically higher rewards, higher risks</p> <p style="text-align: center;">→</p>						
	1	2	3	4	5	6	7							

Investment Review

Performance	29/02/16 to 31/08/16 %	01/03/15 to 28/02/16 %	01/03/14 to 28/02/15 %	01/03/13 to 28/02/14 %	29/02/12 to 28/02/13 %	01/03/11 to 28/02/12 %
High Reserve Fund A Accumulation	12.76	(7.96)	4.65	12.84	8.57	(0.57)
UK Equity & Bond Income Sector Average Return	10.63	(3.93)	6.53	13.96	13.00	3.63

Source: Lipper for High Reserve Fund and UK Equity & Bond Income Sector Average Return (funds which invest at least 80% of their assets in the UK, between 20% and 80% in UK fixed interest securities and between 20% and 80% in UK equities. These funds aim to have a yield in excess of 120% of the FTSE All-Share Index).

Basis: Net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

The Fund invests in a mix of equities and corporate bonds. The value of the Fund rose by 12.76% during the six months under review.

Looking first at equities, in the run-up to the June referendum on European Union membership, all eyes were on the UK. This led to some big share price movements as opinion polls swung between the 'Leave' and 'Remain' camps. The backlash after the Leave result was swift: the stock markets sold off; sterling fell to a 30-year low against the US dollar; and David Cameron announced that he would step down as prime minister.

Bank of England Governor Mark Carney issued an immediate statement, which provided some comfort, reminding investors of the robustness of the financial system and the central bank's ability to keep markets functioning. In August, the Bank's monetary policy committee moved to cut interest rates from 0.5% to a new all-time low of 0.25% as part of an economic stimulus package. This helped boost the market and share prices recovered, exceeding pre-referendum levels.

Corporate bonds performed very well over the six months. In part, this was related to the strong performance of government bonds, which were popular among investors in the run up to the EU referendum. Bonds, especially those issued by governments are often investors' asset class of choice during turbulent periods due to their perceived safety. This is because governments are seen as very reliable borrowers and relatively unlikely to miss payments to investors (or to "default").

Bonds received a further boost from the economic stimulus package announced by the Bank of England in August. As well as a cut in interest rates, the measures include a new £70 billion bond-buying programme and an undertaking to buy up to £10 billion of corporate bonds over 18 months.

Looking at the positioning of the Fund, it held a relatively high weighting in corporate bonds at the expense of equities. This was positive for performance given the outperformance of corporate bonds compared to equities.

for the six month period ended 31 August 2016 (unaudited)

However, the UK equity portion of the portfolio underperformed its benchmark, which meant the Fund didn't capture the UK equity market's full return. The relative performance of the corporate bond portfolio was more positive. This part of the Fund outperformed its benchmark, thereby enhancing returns to investors.

The UK is entering an uncertain period as negotiations to leave the European Union get underway. Further periods of stock market volatility are therefore likely. We believe the portfolio's current blend of corporate bonds and equities provides investors with the required level of income, while offering some exposure to equities.

Aberdeen Asset Investments Limited

September 2016

High Reserve Fund

Portfolio Statement

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (3.46%*)		13,329	3.92
Chemicals			
Johnson Matthey	29,481	985	0.29
Forestry & Paper			
Mondi	148,877	2,337	0.69
Mining			
BHP Billiton	184,083	1,914	0.56
Centamin	987,045	1,523	0.45
Lonmin	1,702	4	0.00
Rio Tinto	279,359	6,566	1.93
CONSUMER GOODS (12.64%*)		41,359	12.17
Automobiles & Parts			
GKN	999,836	3,092	0.91
Beverages			
Coca-Cola	40,420	685	0.20
Food Producers			
Associated British Foods	129	4	0.00
Greencore	31,919	115	0.03
Tate & Lyle	273,483	2,020	0.60
Household Goods & Home Construction			
Bellway	16,070	373	0.11
Berkeley	129,828	3,369	0.99
Bovis Homes	78,204	690	0.20
Crest Nicholson	97,231	451	0.13
Persimmon	212,571	3,894	1.15
Personal Goods			
Burberry	152,868	1,998	0.59
Unilever	207,674	7,411	2.18
Tobacco			
British American Tobacco	212,772	10,116	2.98
Imperial Tobacco	178,845	7,141	2.10
CONSUMER SERVICES (11.80%*)		43,729	12.87
Food & Drug Retailers			
Casino Guichard Perrachon	3,316	127	0.04
Wm Morrison Supermarkets	1,526,926	3,011	0.89
General Retailers			
Debenhams	318,937	191	0.06
Halfords	90,162	324	0.09
Inchcape	603,517	4,255	1.25
JD Sports Fashion	14,621	190	0.06
Marks & Spencer	243,779	831	0.24
Saga	79,365	173	0.05
WH Smith	213,872	3,251	0.96
Media			
ITV	719,323	1,442	0.42
Pearson	293,329	2,534	0.75
UBM	41,789	290	0.08
WPP	346,847	6,208	1.83

High Reserve Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Travel & Leisure			
Carnival	21,170	774	0.23
Compass	472,798	6,856	2.02
easyJet	211,136	2,346	0.69
InterContinental Hotels	117,383	3,851	1.13
Ladbrokes	289,784	459	0.13
Mitchells & Butlers	128,411	331	0.10
National Express	418,807	1,480	0.44
Paddy Power Betfair	3,390	312	0.09
Playtech	75,213	688	0.20
Restaurant	87,451	346	0.10
SSP	49,676	162	0.05
Stagecoach	176,405	402	0.12
William Hill	903,810	2,895	0.85
FINANCIALS (15.05%*)		56,926	16.75
Banks			
Barclays	1,252,238	2,118	0.62
HSBC	2,959,597	16,500	4.86
Lloyds Banking†	3,629,188	2,136	0.63
Collective Investment Schemes			
Aberdeen Liquidity Fund (Lux) - Sterling Fund◇	30	30	0.01
Financial Services			
3i	111,774	691	0.20
Burford Capital	503,032	1,987	0.59
Close Brothers	260,310	3,546	1.04
Jupiter Fund Management	47,940	201	0.06
Man	611,092	661	0.19
Provident Financial	37,966	1,135	0.33
Schroders	71,448	1,969	0.58
Tullett Prebon	348,919	1,319	0.39
Life Insurance			
Aviva	327,448	1,390	0.41
Legal & General	3,183,606	6,644	1.96
Prudential	668,428	9,074	2.67
Nonlife Insurance			
Admiral	36,292	743	0.22
Beazley	105,704	414	0.12
Direct Line Insurance	580,764	2,109	0.62
Hiscox	92,591	976	0.29
RSA Insurance	103,041	517	0.15
Real Estate Investment & Services			
Savills	73,919	548	0.16
Real Estate Investment Trusts			
Derwent London	15,315	415	0.12
Hammerson	248,962	1,435	0.42
Intu Properties	116,725	368	0.11

High Reserve Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
HEALTH CARE (7.74%*)		18,825	5.54
Health Care Equipment & Services			
Spire Healthcare	24,231	84	0.03
Pharmaceuticals & Biotechnology			
AstraZeneca	123,017	6,154	1.81
Dechra Pharmaceuticals	5,556	73	0.02
GlaxoSmithKline	746,547	12,273	3.61
Indivior	76,768	241	0.07
INDUSTRIALS (7.14%*)		23,321	6.86
Aerospace & Defence			
Cobham	122,209	197	0.06
Meggitt	453,349	2,119	0.62
QinetiQ	800,710	1,839	0.54
Senior	265,332	626	0.18
Industrial Engineering			
Bodycote	118,595	703	0.21
Fenner	103,312	170	0.05
Melrose Industries	773,123	1,129	0.33
Spirax-Sarco Engineering	18,064	790	0.23
Weir	54,941	841	0.25
Industrial Transportation			
Royal Mail	946,762	4,890	1.44
Support Services			
Aggreko	86,869	890	0.26
Carillion	135,453	368	0.11
Electrocomponents	297,738	910	0.27
Experian	348,524	5,305	1.56
Hays	347,325	456	0.13
Mitie	144,156	389	0.12
WS Atkins	112,868	1,699	0.50
OIL & GAS (7.46%*)		24,485	7.21
Oil & Gas Producers			
BP	2,139,667	9,279	2.73
John Wood	316,534	2,244	0.66
Royal Dutch Shell 'B' Shares	654,396	12,944	3.81
Soco International	11,959	18	0.01
TECHNOLOGY (1.52%*)		6,084	1.79
Software & Computer Services			
Micro Focus International	47,084	958	0.28
Sage	680,489	4,964	1.46
Technology Hardware & Equipment			
ARM	9,537	162	0.05

High Reserve Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
TELECOMMUNICATIONS (4.47%*)		13,119	3.86
Fixed Line Telecommunications			
BT	864,043	3,362	0.99
KCOM	152,754	170	0.05
TalkTalk Telecom	456,500	969	0.28
Mobile Telecommunications			
Inmarsat	92,410	744	0.22
Vodafone	3,415,280	7,874	2.32
UTILITIES (3.55%*)		12,959	3.81
Electricity			
Drax	167,848	509	0.15
Gas, Water & Multiutilities			
Centrica	2,862,846	6,688	1.97
National Grid	547,250	5,762	1.69
ASSET-BACKED SECURITIES (1.07%*)		3,775	1.11
Annington Finance No 4 0% 07/12/2022	GBP100,000	90	0.03
Annington Finance No 4 1.67219% 10/01/2023	GBP505,505	503	0.15
Annington Repackaging No 1 5.3236% 10/01/2023	GBP380,000	441	0.13
Dignity Finance 4.6956% 31/12/2049	GBP454,000	595	0.17
Greene King Finance (FRN) 3.07188% 15/12/2033	GBP176,144	172	0.05
Meadowhall Finance 4.986% 12/07/2037	GBP469,152	604	0.18
SLM Student Loan Trust 2003-12 (FRN) 1.12431% 15/03/2038	GBP307,000	264	0.08
Telereal Securitisation 4.0902% 10/12/2033	GBP600,000	626	0.18
Trafford Centre Finance 6.5% 28/07/2033	GBP339,168	480	0.14
CORPORATE BONDS (20.74%*)		67,363	19.83
America Movil 4.948% 22/07/2033	GBP300,000	399	0.12
Amgen 5.5% 07/12/2026	GBP345,000	463	0.14
Apple 3.6% 31/07/2042	GBP390,000	490	0.14
APT Pipelines 3.5% 22/03/2030	GBP300,000	327	0.10
Aspire Defence Finance 4.674% 31/03/2040	GBP724,363	930	0.27
AT&T 5.2% 18/11/2033	GBP380,000	512	0.15
AT&T 7% 30/04/2040	GBP450,000	755	0.22
AT&T 4.875% 01/06/2044	GBP700,000	944	0.28
Aviva 6.625% 03/06/2041	GBP427,000	479	0.14
Aviva 6.875% 20/05/2058	GBP700,000	887	0.26
Aviva 6.125% Perpetual	GBP310,000	334	0.10
AXA 6.6862% Perpetual	GBP800,000	905	0.27
Bank of America 2.3% 25/07/2025	GBP300,000	307	0.09
Bank of America 7% 31/07/2028	GBP600,000	885	0.26
Bank of Scotland 6.375% 16/08/2019†	GBP629,000	704	0.21
Bank of Scotland 9.375% 15/05/2021†	GBP410,000	539	0.16
Barclays Bank 10% 21/05/2021	GBP300,000	388	0.11
Barclays Bank 9.5% 07/08/2021	GBP299,000	383	0.11
Barclays Bank 6.375% Perpetual	GBP720,000	737	0.22
BAT International Finance 6% 24/11/2034	GBP183,000	292	0.09
BG Energy Capital 6.5% 30/11/2072	GBP730,000	772	0.23
BHP Billiton Finance 4.3% 25/09/2042	GBP350,000	468	0.14
BMW Finance 2.375% 01/12/2021	GBP119,000	128	0.04
Brown-Forman 2.6% 07/07/2028	GBP100,000	109	0.03
Centrica 5.25% 10/04/2075	GBP300,000	314	0.09
Chorus 6.75% 06/04/2020	GBP300,000	353	0.10
Cie de St-Gobain 5.625% 15/11/2024	GBP150,000	195	0.06

High Reserve Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
Citigroup 4.5% 03/03/2031	GBP450,000	534	0.16
CNP Assurances 7.375% 30/09/2041	GBP300,000	343	0.10
Cooperatieve Rabobank 6.91% Perpetual	GBP200,000	242	0.07
Daily Mail & General Trust 6.375% 21/06/2027	GBP100,000	123	0.04
Danske Bank 5.375% 29/09/2021	GBP839,000	881	0.26
Deutsche Telekom International Finance 6.5% 08/04/2022	GBP120,000	155	0.05
Deutsche Telekom International Finance 7.625% 15/06/2030	GBP300,000	505	0.15
E.ON International Finance 6.375% 07/06/2032	GBP300,000	458	0.13
E.ON International Finance 5.875% 30/10/2037	GBP450,000	698	0.21
Eastern Power Networks 6.25% 12/11/2036	GBP395,000	663	0.19
Electricite de France 5.875% 18/07/2031	GBP300,000	438	0.13
Electricite de France 6.125% 02/06/2034	GBP950,000	1,438	0.42
Electricite de France 5.5% 27/03/2037	GBP300,000	437	0.13
Electricite de France 5.125% 22/09/2050	GBP300,000	445	0.13
Electricite de France 6% 23/01/2114	GBP300,000	517	0.15
Electricite de France 6% Perpetual	GBP400,000	408	0.12
Enel 5.75% 22/06/2037	GBP100,000	148	0.04
Enel Finance International 5.75% 14/09/2040	GBP575,000	860	0.25
FCE Bank 2.727% 03/06/2022	GBP160,000	170	0.05
Firstgroup 8.75% 08/04/2021	GBP470,000	609	0.18
Friends Life 8.25% 21/04/2022	GBP300,000	379	0.11
Gatwick Funding 4.625% 27/03/2036	GBP330,000	450	0.13
GKN 5.375% 19/09/2022	GBP300,000	359	0.11
GlaxoSmithKline Capital 5.25% 10/04/2042	GBP780,000	1,297	0.38
Glencore Canada Financial 7.375% 27/05/2020	GBP275,000	323	0.09
Glencore Finance Europe 6.5% 27/02/2019	GBP250,000	278	0.08
Goldman Sachs 7.25% 10/04/2028	GBP600,000	890	0.26
Grainger 5% 16/12/2020	GBP150,000	160	0.05
Great Rolling Stock 6.875% 27/07/2035	GBP430,700	603	0.18
Greene King Finance 4.0643% 15/03/2035	GBP100,000	111	0.03
Heathrow Finance 5.75% 03/03/2025	GBP725,000	802	0.24
Heathrow Funding 9.2% 29/03/2023	GBP300,000	406	0.12
Heathrow Funding 6.75% 03/12/2028	GBP600,000	881	0.26
Highbury Finance 7.017% 20/03/2023	GBP811,803	949	0.28
HSBC 6.375% 18/10/2022	GBP750,000	782	0.23
HSBC 6.5% 20/05/2024	GBP500,000	647	0.19
HSBC 6% 29/03/2040	GBP1,000,000	1,359	0.40
InterContinental Hotels 3.875% 28/11/2022	GBP281,000	315	0.09
InterContinental Hotels 3.75% 14/08/2025	GBP300,000	341	0.10
Intu Metrocentre Finance 4.125% 06/12/2023	GBP250,000	282	0.08
Intu SGS Finance 3.875% 17/03/2028	GBP300,000	332	0.10
Koninklijke KPN 5% 18/11/2026	GBP200,000	251	0.07
Kraft Heinz Foods 4.125% 01/07/2027	GBP500,000	594	0.17
Legal & General 5.5% 27/06/2064	GBP185,000	199	0.06
Lloyds Bank 6.5% 17/09/2040†	GBP275,000	473	0.14
Manchester Airport Funding 4.125% 02/04/2024	GBP400,000	475	0.14
Manchester Airport Funding 4.75% 31/03/2034	GBP100,000	138	0.04
Marks & Spencer 4.75% 12/06/2025	GBP200,000	235	0.07
McDonald's 4.125% 11/06/2054	GBP200,000	274	0.08
Mondelez International 4.5% 03/12/2035	GBP450,000	573	0.17
Motability Operations 5.625% 29/11/2030	GBP258,000	390	0.11
National Capital Trust I 5.62% Perpetual	GBP900,000	940	0.28
National Grid Electricity Transmission 7.375% 13/01/2031	GBP505,000	879	0.26
NGG Finance 5.625% 18/06/2073	GBP200,000	227	0.07

High Reserve Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
NIE Finance 6.375% 02/06/2026	GBP300,000	427	0.13
Northumbrian Water Finance 5.125% 23/01/2042	GBP710,000	1,111	0.33
Orange 5.625% 23/01/2034	GBP510,000	752	0.22
Orange 5.875% Perpetual	GBP503,000	554	0.16
Orbit Capital 3.5% 24/03/2045	GBP300,000	347	0.10
Petrobras Global Finance 6.625% 16/01/2034	GBP150,000	131	0.04
PGH Capital 5.75% 07/07/2021	GBP170,000	185	0.05
Places for People Homes 5.875% 23/05/2031	GBP500,000	670	0.20
Porterbrook Rail Finance 7.125% 20/10/2026	GBP345,000	507	0.15
Prudential 11.375% 29/05/2039	GBP420,000	517	0.15
Prudential 5.7% 19/12/2063	GBP500,000	563	0.17
QBE Insurance 6.115% 24/05/2042	GBP898,000	970	0.29
Rabobank Capital Funding Trust IV 5.556% Perpetual	GBP456,000	483	0.14
Rio Tinto Finance 4% 11/12/2029	GBP375,000	457	0.13
RL Finance Bonds No 3 6.125% 13/11/2028	GBP200,000	222	0.07
Rolls-Royce 3.375% 18/06/2026	GBP200,000	228	0.07
RSA Insurance 5.125% 10/10/2045	GBP300,000	314	0.09
RWE Finance 5.5% 06/07/2022	GBP250,000	303	0.09
RWE Finance 6.25% 03/06/2030	GBP282,000	391	0.11
RWE Finance 6.125% 06/07/2039	GBP200,000	294	0.09
Santander UK 3.625% 14/01/2026	GBP303,000	325	0.10
Scentre Group Trust 1/2 2.375% 08/04/2022	GBP380,000	399	0.12
Scottish Amicable Finance 8.5% Perpetual	GBP440,000	471	0.14
Scottish Widows 5.5% 16/06/2023†	GBP400,000	442	0.13
Segro 6.75% 23/11/2021	GBP600,000	758	0.22
Severn Trent Utilities Finance 6.25% 07/06/2029	GBP315,000	479	0.14
Severn Trent Utilities Finance 4.875% 24/01/2042	GBP255,000	387	0.11
Society of Lloyd's 7.421% Perpetual	GBP937,000	974	0.29
Southern Gas Networks 6.375% 15/05/2040	GBP400,000	707	0.21
SSE 8.375% 20/11/2028	GBP500,000	849	0.25
SSE 3.875% Perpetual	GBP300,000	302	0.09
Stagecoach 4% 29/09/2025	GBP247,000	281	0.08
Standard Chartered 5.125% 06/06/2034	GBP600,000	610	0.18
Standard Chartered Bank 7.75% Perpetual	GBP600,000	674	0.20
Standard Life 6.75% Perpetual	GBP400,000	453	0.13
Stirling Water Seafield Finance 5.822% 26/09/2026	GBP624,215	736	0.22
Swan Housing Capital 3.625% 05/03/2048	GBP110,000	130	0.04
Thames Water Utilities Cayman Finance 5.5% 11/02/2041	GBP670,000	1,105	0.32
Time Warner Cable 5.75% 02/06/2031	GBP400,000	504	0.15
United Utilities Water 5.625% 20/12/2027	GBP400,000	562	0.17
UPP Bond 1 Issuer 4.9023% 28/02/2040	GBP291,352	375	0.11
Vattenfall 6.875% 15/04/2039	GBP165,000	286	0.08
Verizon Communications 4.75% 17/02/2034	GBP500,000	670	0.20
Vicinity Centres 3.375% 07/04/2026	GBP153,000	173	0.05
Vodafone 3.375% 08/08/2049	GBP180,000	196	0.06
Welltower 4.8% 20/11/2028	GBP200,000	245	0.07
Wessex Water Services Finance 5.375% 10/03/2028	GBP450,000	621	0.18
Western Power Distribution 3.625% 06/11/2023	GBP200,000	223	0.07
Western Power Distribution East Midlands 5.25% 17/01/2023	GBP400,000	495	0.15
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP635,000	956	0.28
Westpac Banking 2.625% 14/12/2022	GBP300,000	324	0.09
Yorkshire Building Society 3.5% 21/04/2026	GBP260,000	287	0.08
Zurich Finance UK 6.625% Perpetual	GBP238,000	273	0.08

High Reserve Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
GOVERNMENT BONDS (1.13%*)		8,765	2.58
Mexico Government International Bond 5.625% 19/03/2114	GBP300,000	344	0.10
UK Treasury 4.5% 07/03/2019	GBP1,443,678	1,604	0.47
UK Treasury 4% 07/03/2022	GBP933,000	1,125	0.33
UK Treasury 1.75% 07/09/2022	GBP46,000	50	0.02
UK Treasury 2% 07/09/2025	GBP3,533,000	3,987	1.17
UK Treasury 4.25% 07/09/2039	GBP961,000	1,545	0.46
UK Treasury 4.25% 07/12/2049	GBP60,000	110	0.03
MORTGAGE-BACKED SECURITIES (1.03%*)		2,554	0.75
Aire Valley Mortgages (FRN) Class 2A2 0.88625% 20/09/2066	GBP418,518	418	0.12
Alba 2006-2 (FRN) 0.74188% 15/12/2038	GBP309,468	282	0.08
Gemgarto 2015-1 (FRN) 1.33438% 16/02/2047	GBP43,636	43	0.01
Land Securities Capital Markets 5.376% 30/09/2029	GBP272,000	371	0.11
Paragon Mortgages NO 24 (FRN) 2.00188% 15/07/2043	GBP371,786	373	0.11
Precise Mortgage Funding 2015-1 (FRN) 1.52431% 12/03/2048	GBP92,799	92	0.03
Precise Mortgage Funding No 1 (FRN) 1.72431% 12/03/2047	GBP30,128	30	0.01
Residential Mortgage Securities 28 (FRN) 1.72188%	GBP269,352	268	0.08
Tesco Property Finance 4 5.8006% 13/10/2040	GBP295,559	308	0.09
Thrones 2014-1 (FRN) 1.23563% 15/11/2049	GBP372,929	369	0.11
DERIVATIVES (0.00%*)		(304)	(0.09)
Futures Contracts			
FTSE 100 Index Futures September 2016	16	(3)	0.00
Long Gilt Futures December 2016	8	1	0.00
Options Contracts			
FTSE 100 Index November 2016 7150 Call (written option)	(28)	(8)	0.00
FTSE 100 Index October 2016 6950 Call (written option)	(16)	(9)	0.00
FTSE 100 Index November 2016 7025 Call (written option)	(28)	(17)	(0.01)
FTSE 100 Index October 2016 6875 Call (written option)	(20)	(18)	(0.01)
FTSE 100 Index September 2016 6800 Call (written option)	(30)	(26)	(0.01)
FTSE 100 Index October 2016 6850 Call (written option)	(63)	(66)	(0.02)
FTSE 100 Index November 2016 6900 Call (written option)	(68)	(75)	(0.02)
FTSE 100 Index October 2016 6900 Call (written option)	(104)	(83)	(0.02)
Portfolio of investments[^]		336,289	98.96
Net other assets		3,549	1.04
Total net assets		339,838	100.00

All investments held are listed, unless otherwise stated.

Any derivative contracts were traded on an eligible derivatives exchange.

Stocks shown as FRNs represent Floating Rate Notes - debt instruments that pay a floating rate of interest, usually based on an accepted market benchmark rate such as LIBOR.

*Comparative figures shown in brackets relate to 28 February 2016.

[^]Including investment liabilities.

[†]This investment is a related party.

[◇]Asset managed by the Fund's Investment Adviser.

High Reserve Fund

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
FTSE 100 Index Futures September 2016	12,054	FTSE 100 Index Futures September 2016	11,359
FTSE 100 Index Futures June 2016	9,263	FTSE 100 Index Futures June 2016	9,375
Aberdeen Liquidity Fund (Lux) - Sterling Fund [∅] #	7,115	Aberdeen Liquidity Fund (Lux) - Sterling Fund [∅] #	7,607
InterContinental Hotels	4,927	Long Gilt Futures June 2016	4,464
UK Treasury 2% 07/09/2025	4,525	AstraZeneca	4,411
Long Gilt Futures June 2016	4,460	Royal Dutch Shell 'B' Shares	4,305
Long Gilt Futures September 2016	3,429	GlaxoSmithKline	4,206
Berkeley	3,206	Long Gilt Futures September 2016	3,548
Wm Morrison Supermarkets	3,037	FTSE 100 Index Futures March 2016	3,302
UK Treasury 4.5% 07/03/2019	2,603	British American Tobacco	3,095

Purchases and sales of Futures have been included at the value of their exposure.

[∅]Asset managed by the Fund's Investment Adviser.

[#]With effect from 18 July 2016 holding moved from Aberdeen Global Liquidity Sterling Fund Advisory to Aberdeen Liquidity Fund (Lux) - Sterling Fund

High Reserve Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	228,793	214,273	258,962	273,942
Closing number of shares	69,774,049	74,414,549	82,753,049	91,627,049
Closing net asset value per share (p)	327.91	287.95	312.93	298.98
Operating charges#	1.37%	1.36%	1.37%	1.37%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Income				
Closing net asset value (£'000)	111,045	105,325	131,420	141,076
Closing number of shares	84,874,705	89,329,705	98,535,205	106,912,205
Closing net asset value per share (p)	130.83	117.91	133.37	131.95
Operating charges#	1.37%	1.36%	1.37%	1.37%

#Operating charges are representative of the ongoing charges figure.

High Reserve Fund

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		36,030		(29,960)
Revenue	8,870		9,305	
Expenses	(2,288)		(2,558)	
Interest payable and similar charges	(2)		-	
Net revenue before taxation	6,580		6,747	
Taxation	-		-	
Net revenue after taxation		6,580		6,747
Total return before distribution		42,610		(23,213)
Distribution		(8,672)		(8,707)
Change in net assets attributable to shareholders from investment activities		33,938		(31,920)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		319,598		390,382
Amounts receivable on creation of shares	138		93	
Less: Amounts payable on cancellation of shares*	(19,627)		(20,717)	
		(19,489)		(20,624)
Dilution adjustment*		34		35
Change in net assets attributable to shareholders from investment activities		33,938		(31,920)
Retained distribution on accumulation shares		5,732		5,714
Unclaimed distributions		25		23
Closing net assets attributable to shareholders		339,838		343,610

*Prior year figures have been restated as a result of the 2014 IMA SORP.

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

High Reserve Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Fixed assets		
Investments	<u>336,594</u>	<u>315,878</u>
Current assets		
Debtors	3,509	3,683
Cash and bank balances	<u>2,219</u>	<u>1,763</u>
Total assets	<u>342,322</u>	<u>321,324</u>
Liabilities		
Investment liabilities	<u>(305)</u>	<u>(100)</u>
Creditors		
Distribution payable	(1,319)	(893)
Other creditors	<u>(860)</u>	<u>(733)</u>
Total liabilities	<u>(2,484)</u>	<u>(1,726)</u>
Net assets attributable to shareholders	<u>339,838</u>	<u>319,598</u>

High Reserve Fund

Distribution Tables

for the six month period ended 31 August 2016 (unaudited)

Distribution in pence per share

Group 1 First interim Shares purchased prior to 29 February 2016

Second interim Shares purchased prior to 1 June 2016

Group 2 First interim Shares purchased on or between 29 February 2016 and 31 May 2016

Second interim Shares purchased on or between 1 June 2016 and 31 August 2016

Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1	(p)	(p)	(p)	(p)
First interim	4.2290	-	4.2290	4.0307
Second interim	3.8500	-	3.8500	3.1528
Group 2	(p)	(p)	(p)	(p)
First interim	2.4089	1.8201	4.2290	4.0307
Second interim	2.6305	1.2195	3.8500	3.1528

Share Class A - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1	(p)	(p)	(p)	(p)
First interim	1.7319	-	1.7319	1.7181
Second interim	1.5546	-	1.5546	1.3274
Group 2	(p)	(p)	(p)	(p)
First interim	0.9372	0.7947	1.7319	1.7181
Second interim	0.9679	0.5867	1.5546	1.3274

Corporate shareholder information (unaudited) for all share classes

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

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

First 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.

First 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.

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

Second 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.

Second 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

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to 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 the shares for capital gains tax purposes.

for the six month period ended 31 August 2016 (unaudited)

Despite Brexit-induced volatility in the middle of the reporting period, large cap UK equity markets made gains in sterling terms over the six months. In the run-up to the June referendum, all eyes were on the UK as its voters decided whether the country should remain a member of the European Union (EU). This led to some big share price movements as opinion polls swung between the 'Leave' and 'Remain' camps. The backlash after the Leave result was swift: global stockmarkets sold off; sterling fell to a 30-year low against the US dollar; and David Cameron announced that he would step down as prime minister. Bank of England Governor Mark Carney issued an immediate statement, which provided some comfort, reminding investors of the robustness of the financial system and the central bank's ability to keep markets functioning. In August, the Bank's monetary policy committee moved to cut interest rates from 0.5% to a new all-time low of 0.25%.

Recent economic data has proved relatively strong. For example, a fall in the number of benefit claimants between June and July meant that unemployment remained at an 11-year low. However, economic surveys of business sentiment have fallen since the referendum. There are also growing worries about the housing market after the Royal Institute of Chartered Surveyors reported slowing housing-market activity in the wake of the Brexit vote.

At the end of August, 93.08% of the fund was invested in cash investments, while 6.92% was invested in call options. In the current climate, the cash and call strategy remains the most efficient way of meeting the fund's aim due to the prohibitive cost of protection via derivatives. A large proportion of the portfolio continues to be invested in cash-like investments, these provide the protection required but will significantly limit the extent of FTSE 100 exposure. The safety price for A-class shares was 35.90.

We are gradually getting more hard data on the UK economy's performance in the immediate aftermath of the EU referendum. As the dust has settled, some of the worst fears about the short-term impact on activity have not been realised and confidence has stabilised. However, huge uncertainties remain over the timing and nature of any Brexit deal, and its long-term implications for the UK economy. Thus the Bank of England has said that its views on the economy have not changed following its August stimulus package, and a further rate cut remains on the table before year-end. Equally, the Chancellor still looks set to unveil a modest "fiscal reset" in November's Autumn Statement.

Aberdeen Asset Investments Limited

September 2016

Portfolio Statement

as at 31 August 2016 (unaudited)

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
SHORT TERM DEPOSIT (96.26%*)		118,502	82.03
Bank of America 0.565% 16/09/2016	GBP6,000,000	6,000	4.15
CIC 0.57% 05/10/2016	GBP7,000,000	7,001	4.85
Credit Agricole 0.24% 12/09/2016	GBP3,000,000	3,000	2.08
Credit Suisse 0.65% 19/09/2016	GBP6,000,000	6,001	4.15
Danske Bank 0.75% 18/10/2016	GBP3,000,000	3,002	2.08
DZ Bank 0.41% 30/11/2016	GBP7,000,000	7,000	4.85
ING Bank 0.58% 13/09/2016	GBP6,000,000	6,001	4.15
La Banque Postale 0.34% 09/11/2016	GBP6,000,000	5,999	4.15
Lloyds Bank 0.51% 18/11/2016†	GBP6,000,000	6,001	4.15
Mizuho Bank 0.39% 30/11/2016	GBP6,000,000	6,000	4.15
Nationwide Building Society 0.49% 03/11/2016	GBP7,000,000	7,001	4.85
Natixis 0.57% 01/11/2016	GBP7,000,000	6,995	4.84
NBAD 0.55% 21/11/2016	GBP7,000,000	7,002	4.85
PACCAR Financial Europe 0.001% 06/09/2016	GBP3,000,000	3,000	2.08
Qatar National Bank (London branch) 0.01% 18/11/2016	GBP6,500,000	6,494	4.50
Rabobank International 0.69% 13/12/2016	GBP4,000,000	4,002	2.77
Standard Chartered Bank 0.62% 09/09/2016	GBP6,000,000	6,000	4.15
Sumitomo Mitsui Banking 0.41% 30/11/2016	GBP5,000,000	5,000	3.46
Sumitomo Mitsui Trust Bank 0.58% 07/11/2016	GBP3,000,000	3,001	2.08
Sumitomo Mitsui Trust Bank 0.4% 11/11/2016	GBP4,000,000	4,000	2.77
UBS 0.47% 30/11/2016	GBP6,000,000	6,000	4.15
Wells Fargo 0.7% 07/11/2016	GBP4,000,000	4,002	2.77
COLLECTIVE INVESTMENT SCHEMES (7.79%*)		15,508	10.73
Aberdeen Liquidity Fund (Lux) - Sterling Fund◇	15,508	15,508	10.73
OPTIONS CONTRACTS (3.29%*)		10,535	7.29
FTSE 100 Index December 2016 5700 Call	100	1,070	0.74
FTSE 100 Index December 2016 5950 Call	150	1,257	0.87
FTSE 100 Index December 2016 6000 Call	150	1,190	0.82
FTSE 100 Index December 2016 6100 Call	1,650	11,616	8.04
FTSE 100 Index December 2016 6600 Call (written option)	(100)	(305)	(0.21)
FTSE 100 Index December 2016 6700 Call (written option)	(1,800)	(4,293)	(2.97)
Portfolio of investments^		144,545	100.05
Net other liabilities		(78)	(0.05)
Total net assets		144,467	100.00

All investments held are listed, unless otherwise stated.

Any derivative contracts were traded on an eligible derivatives exchange.

*Comparative figures shown in brackets relate to 28 February 2016.

^Including investment liabilities.

†This investment is a related party.

◇Asset managed by the Fund's Investment Adviser.

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
Sumitomo Mitsui Trust Bank	35,285	Sumitomo Mitsui Trust Bank	35,285
Aberdeen Liquidity Fund (Lux) - Sterling Fund [∅] #	35,032	Aberdeen Liquidity Fund (Lux) - Sterling Fund [∅] #	31,149
National Bank of Abu Dhabi	14,000	Credit Agricole	14,000
Nationwide Building Society	14,000	National Bank of Abu Dhabi	14,000
Lloyds Bank [†]	13,000	Lloyds Bank [†]	14,000
ING Bank	12,000	Nationwide Building Society	14,000
Credit Agricole	10,000	Sumitomo Mitsui Banking	7,700
DZ Bank Deutsche Zentrale	7,000	Natixis	7,000
DZ Bank	7,000	Agence Centrale Organismes	7,000
Credit Industriel et Commercial	7,000	DZ Bank Deutsche Zentrale	7,000

All of the above are the cumulative value of rolling short term deposits.

[†]This investment is a related party.

[∅]Asset managed by the Fund's Investment Adviser.

[#]With effect from 18 July 2016 holding moved from Aberdeen Global Liquidity Sterling Fund Advisory to Aberdeen Liquidity Fund (Lux) - Sterling Fund

SafetyPlus® Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	33,183	34,027	40,254	51,254
Closing number of shares	84,492,854	89,710,354	100,453,354	122,975,054
Closing net asset value per share (p)	39.27	37.93	40.07	41.68
Operating charges#	1.12%	1.12%	1.12%	1.12%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class X - Accumulation				
Closing net asset value (£'000)	111,284	115,255	153,671	179,457
Closing number of shares	251,018,584	270,018,084	342,848,084	387,461,084
Closing net asset value per share (p)	44.33	42.68	44.82	46.32
Operating charges#	0.12%	0.12%	0.12%	0.12%

#Operating charges are representative of the ongoing charges figure.

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		5,229		(7,568)
Revenue	425		482	
Expenses	(262)		(307)	
Interest payable and similar charges	-		-	
Net revenue before taxation	163		175	
Taxation	-		-	
Net revenue after taxation		163		175
Total return before equalisation		5,392		(7,393)
Equalisation		(9)		(12)
Change in net assets attributable to shareholders from investment activities		5,383		(7,405)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated 01/03/15 to 31/08/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		149,282		193,925
Amounts receivable on creation of shares	199		1,490	
Less: Amounts payable on cancellation of shares*	(10,397)		(19,700)	
		(10,198)		(18,210)
Dilution adjustment*		-		1
Change in net assets attributable to shareholders from investment activities		5,383		(7,405)
Closing net assets attributable to shareholders		144,467		168,311

*Prior year figures have been restated as a result of the 2014 IMA SORP.

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

SafetyPlus® Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Current assets		
Investments**	149,143	162,916
Debtors	11,106	134
Cash and bank balances	-	1
Total assets	160,249	163,051
Liabilities		
Investment liabilities	(4,598)	(2,681)
Creditors		
Bank overdrafts	(5,998)	-
Other creditors	(5,186)	(11,088)
Total liabilities	(15,782)	(13,769)
Net assets attributable to shareholders	144,467	149,282

***Depending on the outcome of a customer vote in October 2016, the SafetyPlus® Fund may commence its termination process in November 2016, and as such the full portfolio of investments is now considered a current asset, as apposed to a fixed asset for disclosure purposes.*

for the six month period ended 31 August 2016 (unaudited)

Early on, the investment grade portfolio's higher beta positions were particularly beneficial, notably holdings in sub-investment grade assets, which were helped by improvements in commodity prices. Bonds issued by European institutions such as Enel were supported by the ECB action and also helped performance. As government bond yields moved up slightly, longer-dated holdings underperformed modestly. Prior to the EU referendum, we closed the short duration position as a defensive strategy, keeping duration close to benchmark for the remainder of the review period. Following the UK vote to leave the EU, our holdings in utilities and particularly telecoms held up well, contributing to performance. However, holdings in banks and insurance sectors underperformed. Some subordinated bank paper was sold, both in advance of and following the UK referendum. We also reduced holdings in UK non-food retailers and real estate, which were relatively small-sized positions in the fund.

Moving into July, the fund's continuing position in subordinated financials helped performance, especially in insurance. Allocations made to non-sterling credit earlier in the year meant it missed out on the quantum of the rally in sterling credit. We continued to reduce AT1 positions, as we have concerns about how the UK economy's growth path will pan out as the country negotiates its way out of the EU. Results at the end of July from Lloyds and Barclays pointed to the inflation of risky non-sterling asset holdings affecting capital ratios.

The European high yield portfolio enjoyed a strong six months. Returns were driven by dovish central banks lifting all risk assets and a strong retracement in oil, energy and commodity names. Whilst the fund is broadly underweight these sectors, it enjoyed good returns from the likes of BHP, Glencore and Befesa Zinc. Italian and UK insurers Generali and Phoenix, were also strong contributors whilst international door to door lender, IPF was the top performer in the period. One underperformer was Brighthouse, the UK's largest rent-to-own company that is struggling under a new regulatory regime. The fund remains positioned overweight single B names, reflecting our positive expectations for growth in Europe and a low default environment.

In the aftermath of the EU referendum vote, the BoE's stimulus package provided a fillip for the UK corporate bond market. While credit spreads have tightened significantly in the aftermath, we believe value remains in the sector, and investors remain well-compensated for the risk of default. Spreads could tighten further when the corporate bond-buying programme gets under way. Nevertheless, we are increasingly becoming cautious about the bonds we consider for investment. We will focus on fundamentals, while thinking about the world post-quantitative easing.

The high yield portfolio remains positioned overweight single B names, reflecting our positive expectations for growth in Europe and a low default environment.

Aberdeen Asset Investments Limited

September 2016

Strategic Income Fund

Portfolio Statement

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value €000	Total Net Assets %
EURO DENOMINATED BONDS (21.59%*)		44,236	19.86
Corporate Bonds			
3AB Optique Developpement 5.625% 15/04/2019	EUR380,000	325	0.15
ABN AMRO Bank 2.875% 18/01/2028	EUR1,800,000	1,628	0.73
Adient Global 3.5% 15/08/2024	EUR333,000	293	0.13
Agrokor (FRN) 4.952% 08/08/2017	EUR1,000,000	846	0.38
ALBA 8% 15/05/2018	EUR900,000	716	0.32
Albea Beauty 8.75% 01/11/2019	EUR200,000	181	0.08
Aldesa Financial Services 7.25% 01/04/2021	EUR180,000	103	0.05
Alliance Automotive Finance 6.25% 01/12/2021	EUR290,000	264	0.12
Alliance Automotive Finance (FRN) 6.5% 01/12/2021	EUR200,000	173	0.08
Alliance Data Systems 5.25% 15/11/2023	EUR800,000	691	0.31
Altice 7.25% 15/05/2022	EUR920,000	825	0.37
Anglo American Capital 3.5% 28/03/2022	EUR350,000	301	0.13
Ardagh Finance 8.375% 15/06/2019	EUR156,281	139	0.06
Ardagh Packaging Finance 6.75% 15/05/2024	EUR251,000	231	0.10
Arrow Global Finance (FRN) 4.75% 01/05/2023	EUR183,000	156	0.07
AXA 5.25% 16/04/2040	EUR1,000,000	954	0.43
Axalta Coating Systems 4.25% 15/08/2024	EUR100,000	89	0.04
Barclays 6.5% Perpetual	EUR400,000	325	0.15
Bayer 3% 01/07/2075	EUR300,000	257	0.11
Befesa Zinc SAU Via Zinc Capital 8.875% 15/05/2018	EUR1,245,000	1,080	0.48
BiSoho 5.875% 01/05/2023	EUR100,000	90	0.04
Bormioli Rocco 10% 01/08/2018	EUR750,000	657	0.29
Campofrio Food 3.375% 15/03/2022	EUR416,000	367	0.16
Cerba European Lab 7% 01/02/2020	EUR180,000	159	0.07
Cirsa Funding Luxembourg 5.75% 15/05/2021	EUR104,000	94	0.04
Cirsa Funding Luxembourg 5.875% 15/05/2023	EUR222,000	198	0.09
ConvaTec Healthcare 10.875% 15/12/2018	EUR920,000	804	0.36
Corral Petroleum 11.75% 15/05/2021	EUR250,000	197	0.09
Cott 5.5% 01/07/2024	EUR537,000	491	0.22
Crown European 3.375% 15/05/2025	EUR830,000	748	0.34
Danica Pension Livsforsikrings 4.375% 29/09/2045	EUR800,000	711	0.32
Demeter Investments for Swiss Life 4.375% Perpetual	EUR860,000	754	0.34
Dufry Finance 4.5% 15/07/2022	EUR290,000	260	0.12
Dufry Finance 4.5% 01/08/2023	EUR413,000	375	0.17
Electricite de France 4.25% Perpetual	EUR800,000	693	0.31
Elis 3% 30/04/2022	EUR342,000	300	0.13
Eurogrid 1.5% 18/04/2028	EUR200,000	184	0.08
Fiat Chrysler Automobiles 3.75% 29/03/2024	EUR904,000	800	0.36
Galapagos 5.375% 15/06/2021	EUR710,000	598	0.27
Gamenet 6% 15/08/2021	EUR149,000	130	0.06
GCL 9.375% 15/04/2018	EUR200,000	175	0.08
Glencore Finance Europe 1.75% 17/03/2025	EUR280,000	226	0.10
Goodyear Dunlop Tires Europe 3.75% 15/12/2023	EUR160,000	144	0.06
Hanesbrands Finance Luxembourg 3.5% 15/06/2024	EUR388,000	353	0.16
HeidelbergCement 2.25% 03/06/2024	EUR328,000	300	0.13
Holding Medi-Partenaires 7% 15/05/2020	EUR570,000	509	0.23
HSBC 5.25% Perpetual	EUR400,000	333	0.15
INEOS 5.375% 01/08/2024	EUR538,000	460	0.21
International Personal Finance 5.75% 07/04/2021	EUR1,297,000	1,016	0.46
InterXion 6% 15/07/2020	EUR351,000	315	0.14
Intralot Finance Luxembourg 9.75% 15/08/2018	EUR400,000	357	0.16
Kloekner Pentaplast of America 7.125% 01/11/2020	EUR500,000	451	0.20

Strategic Income Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value €000	Total Net Assets %
La Financiere Atalian 7.25% 15/01/2020	EUR213,000	192	0.09
LGE HoldCo VI 7.125% 15/05/2024	EUR660,000	636	0.29
Lincoln Finance 6.875% 15/04/2021	EUR206,000	192	0.09
Marcolin 8.5% 15/11/2019	EUR300,000	260	0.12
Merlin Entertainments 2.75% 15/03/2022	EUR475,000	413	0.18
National Westminster Bank 1.86% Perpetual	EUR690,000	530	0.24
Nexans 3.25% 26/05/2021	EUR200,000	182	0.08
Novafives 4.5% 30/06/2021	EUR980,000	775	0.35
Oberthur Technologies 9.25% 30/04/2020	EUR550,000	491	0.22
Obrascon Huarte Lain 4.75% 15/03/2022	EUR1,050,000	641	0.29
Obrascon Huarte Lain 5.5% 15/03/2023	EUR320,000	194	0.09
Paprec 5.25% 01/04/2022	EUR200,000	178	0.08
Paprec 7.375% 01/04/2023	EUR125,000	109	0.05
Perstorp 9% 15/05/2017	EUR510,000	435	0.20
Picard Bondco 7.75% 01/02/2020	EUR160,000	144	0.06
PortAventura Entertainment Barcelona 7.25% 01/12/2020	EUR400,000	355	0.16
ProGroup 5.125% 01/05/2022	EUR122,000	111	0.05
R&R Pik 9.25% 15/05/2018	EUR600,000	513	0.23
Safari Holding Verwaltungs 8.25% 15/02/2021	EUR500,000	450	0.20
Sappi Papier 3.375% 01/04/2022	EUR397,000	348	0.16
Sappi Papier 4% 01/04/2023	EUR438,000	391	0.18
Selecta 6.5% 15/06/2020	EUR230,000	172	0.08
Senvion 6.625% 15/11/2020	EUR675,000	603	0.27
SES 4.625% Perpetual	EUR613,000	540	0.24
SFR 5.625% 15/05/2024	EUR1,375,000	1,239	0.56
SIG Combibloc 7.75% 15/02/2023	EUR250,000	225	0.10
SSE 2.375% Perpetual	EUR1,000,000	843	0.38
SSE 5.625% Perpetual	EUR800,000	714	0.32
TDF Infrastructure 2.5% 07/04/2026	EUR400,000	366	0.16
Telenet Finance VI Luxembourg 4.875% 15/07/2027	EUR620,000	563	0.25
Thomas Cook Finance 7.75% 15/06/2020	EUR720,000	630	0.28
TMF 9.875% 01/12/2019	EUR500,000	453	0.20
TOTAL 2.625% Perpetual	EUR400,000	336	0.15
Trinseo Materials Operating 6.375% 01/05/2022	EUR380,000	343	0.15
Trionista Holdco 5% 30/04/2020	EUR192,000	168	0.08
Trionista TopCo 6.875% 30/04/2021	EUR192,000	172	0.08
Unilabs Subholding 8.5% 15/07/2018	EUR700,000	610	0.27
United 7.875% 15/11/2020	EUR667,000	596	0.27
Unitymedia 3.75% 15/01/2027	EUR145,000	124	0.06
UPC 6.75% 15/03/2023	EUR1,860,000	1,727	0.78
UPCB Finance IV 4% 15/01/2027	EUR397,000	345	0.15
Valeant Pharmaceuticals International 4.5% 15/05/2023	EUR1,006,000	710	0.32
Volvo Car 3.25% 18/05/2021	EUR188,000	171	0.08
Vonovia Finance 4% Perpetual	EUR300,000	274	0.12
WEPA Hygieneprodukte 3.75% 15/05/2024	EUR337,000	303	0.14
WFS Global 9.5% 15/07/2022	EUR310,000	255	0.11
WFS Global 12.5% 30/12/2022	EUR100,000	71	0.03
Wind Acquisition Finance 7% 23/04/2021	EUR1,110,000	980	0.44
Worldpay Finance 3.75% 15/11/2022	EUR364,000	337	0.15

Strategic Income Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
STERLING DENOMINATED BONDS (74.15%*)		167,204	75.05
Asset-Backed Securities			
Annington Finance No 4 1.67219% 10/01/2023	GBP1,874,257	1,864	0.84
Annington Repackaging No 1 5.3236% 10/01/2023	GBP660,000	765	0.34
BL Superstores Finance 5.27% 04/10/2030	GBP880,043	986	0.44
Dignity Finance 3.5456% 31/12/2034	GBP533,480	619	0.28
Dignity Finance 4.6956% 31/12/2049	GBP136,000	178	0.08
Greene King Finance (FRN) 3.07188% 15/12/2033	GBP275,849	269	0.12
Marston's Issuer 5.641% 15/07/2035	GBP400,000	363	0.16
Meadowhall Finance 4.988% 12/07/2037	GBP494,120	637	0.29
SLM Student Loan Trust 2003-12 (FRN) 1.12431% 15/03/2038	GBP410,000	353	0.16
Telereal Securitisation 4.0902% 10/12/2033	GBP700,000	731	0.33
Telereal Securitisation 4.9741% 10/12/2033	GBP670,440	774	0.35
Corporate Bonds			
1st Credit 11% 10/06/2020	GBP450,000	437	0.20
America Movil 5.75% 28/06/2030	GBP555,000	770	0.35
America Movil 4.948% 22/07/2033	GBP500,000	665	0.30
Amgen 5.5% 07/12/2026	GBP465,000	624	0.28
Amgen 4% 13/09/2029	GBP700,000	851	0.38
Anglian Water Services Financing 6.625% 15/01/2029	GBP81,000	126	0.06
Apple 3.6% 31/07/2042	GBP727,000	913	0.41
APT Pipelines 3.5% 22/03/2030	GBP500,000	545	0.24
Assicurazioni Generali 6.416% Perpetual	GBP500,000	515	0.23
AT&T 5.2% 18/11/2033	GBP880,000	1,185	0.53
AT&T 4.25% 01/06/2043	GBP625,000	770	0.35
AT&T 4.875% 01/06/2044	GBP1,550,000	2,089	0.94
Aviva 6.625% 03/06/2041	GBP550,000	617	0.28
Aviva 5.125% 04/06/2050	GBP400,000	428	0.19
Aviva 6.875% 20/05/2058	GBP1,050,000	1,331	0.60
AXA 5.453% Perpetual	GBP693,000	741	0.33
AXA 6.6862% Perpetual	GBP700,000	792	0.36
Bakkavor Finance 2 8.25% 15/02/2018	GBP327,245	334	0.15
Bank of America 2.3% 25/07/2025	GBP500,000	511	0.23
Bank of America 7% 31/07/2028	GBP1,950,000	2,875	1.29
Barclays 7.875% Perpetual	GBP200,000	198	0.09
Barclays Bank 10% 21/05/2021	GBP1,726,000	2,231	1.00
Barclays Bank 6.375% Perpetual	GBP575,000	589	0.26
BG Energy Capital 6.5% 30/11/2072	GBP1,230,000	1,302	0.58
BHP Billiton Finance 3.25% 25/09/2024	GBP250,000	283	0.13
BHP Billiton Finance 4.3% 25/09/2042	GBP604,000	808	0.36
BHP Billiton Finance 6.5% 22/10/2077	GBP680,000	764	0.34
BMW Finance 2.375% 01/12/2021	GBP232,000	249	0.11
Boparan Finance 5.25% 15/07/2019	GBP300,000	299	0.13
Boparan Finance 5.5% 15/07/2021	GBP120,000	115	0.05
Brighthouse 7.875% 15/05/2018	GBP625,000	419	0.19
British Telecommunications 5.75% 07/12/2028	GBP660,000	947	0.42
Brown-Forman 2.6% 07/07/2028	GBP190,000	207	0.09
Cabot Financial Luxembourg 10.375% 01/10/2019	GBP525,000	557	0.25
Cabot Financial Luxembourg 8.375% 01/08/2020	GBP225,000	234	0.11
Centrica 7% 19/09/2033	GBP881,000	1,494	0.67
Centrica 5.25% 10/04/2075	GBP400,000	418	0.19
Chorus 6.75% 06/04/2020	GBP600,000	705	0.32
Cie de St-Gobain 5.625% 15/11/2024	GBP600,000	780	0.35

Strategic Income Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
Citigroup 6.8% 25/06/2038	GBP840,000	1,445	0.65
Close Brothers Finance 3.875% 27/06/2021	GBP500,000	554	0.25
Cooperatieve Rabobank 4.875% 10/01/2023	GBP540,000	655	0.29
Cooperatieve Rabobank 5.375% 03/08/2060	GBP500,000	932	0.42
Cooperatieve Rabobank 6.91% Perpetual	GBP200,000	242	0.11
Co-operative 2011 6.875% 08/07/2020	GBP220,000	254	0.11
Coventry Building Society 5.875% 28/09/2022	GBP925,000	1,153	0.52
Credit Agricole 8.125% Perpetual	GBP150,000	167	0.07
Daily Mail & General Trust 6.375% 21/06/2027	GBP350,000	429	0.19
Deutsche Telekom International Finance 6.5% 08/04/2022	GBP220,000	284	0.13
Deutsche Telekom International Finance 7.625% 15/06/2030	GBP500,000	842	0.38
Digital Stout 4.25% 17/01/2025	GBP150,000	171	0.08
E.ON International Finance 6.375% 07/06/2032	GBP400,000	611	0.27
E.ON International Finance 5.875% 30/10/2037	GBP1,000,000	1,551	0.70
E.ON International Finance 6.75% 27/01/2039	GBP200,000	340	0.15
Eastern Power Networks 6.25% 12/11/2036	GBP809,000	1,357	0.61
EDU UK BondCo 8.875% 15/09/2018	GBP500,000	502	0.23
Electricite de France 6.25% 30/05/2028	GBP600,000	863	0.39
Electricite de France 5.5% 27/03/2037	GBP1,800,000	2,619	1.18
Electricite de France 5.5% 17/10/2041	GBP600,000	900	0.40
Electricite de France 6% 23/01/2114	GBP500,000	862	0.39
Electricite de France 5.875% Perpetual	GBP200,000	199	0.09
Electricite de France 6% Perpetual	GBP700,000	715	0.32
Elli Finance UK 8.75% 15/06/2019	GBP590,000	493	0.22
Enel 6.625% 15/09/2076	GBP270,000	295	0.13
Enel Finance International 5.625% 14/08/2024	GBP1,031,000	1,330	0.60
Enel Finance International 5.75% 14/09/2040	GBP1,000,000	1,496	0.67
Entertainment One 6.875% 15/12/2022	GBP200,000	214	0.10
European Investment Bank 4.625% 12/10/2054	GBP500,000	990	0.44
F&C Asset Management 6.75% 20/12/2026	GBP750,000	749	0.34
FCE Bank 2.727% 03/06/2022	GBP330,000	351	0.16
Firstgroup 8.75% 08/04/2021	GBP1,070,000	1,386	0.62
Friends Life 8.25% 21/04/2022	GBP600,000	759	0.34
Gala Electric Casinos 11.5% 01/06/2019	GBP190,909	197	0.09
Galaxy Finco 7.875% 15/11/2021	GBP500,000	501	0.22
Garfunkelux Holdco 3 8.5% 01/11/2022	GBP300,000	308	0.14
Gatwick Funding 6.125% 02/03/2028	GBP500,000	693	0.31
Gatwick Funding 4.625% 27/03/2036	GBP220,000	300	0.13
Gatwick Funding 5.75% 23/01/2039	GBP270,000	428	0.19
General Electric 5.375% 18/12/2040	GBP456,000	762	0.34
GKN 6.75% 28/10/2019	GBP1,000,000	1,159	0.52
GKN 5.375% 19/09/2022	GBP200,000	239	0.11
GlaxoSmithKline Capital 5.25% 19/12/2033	GBP1,020,000	1,564	0.70
GlaxoSmithKline Capital 5.25% 10/04/2042	GBP320,000	532	0.24
Glencore Finance Europe 6% 03/04/2022	GBP600,000	685	0.31
Goldman Sachs 7.25% 10/04/2028	GBP489,000	726	0.33
Grainger 5% 16/12/2020	GBP500,000	533	0.24
Great Rolling Stock 6.5% 05/04/2031	GBP570,000	799	0.36
Greene King Finance 4.0643% 15/03/2035	GBP200,000	221	0.10
Heathrow Funding 7.125% 14/02/2024	GBP1,800,000	2,437	1.09
Heathrow Funding 6.75% 03/12/2028	GBP650,000	955	0.43
Heathrow Funding 6.45% 10/12/2031	GBP1,634,000	2,611	1.17
Highbury Finance 7.017% 20/03/2023	GBP889,118	1,039	0.47
HSBC 6.375% 18/10/2022	GBP450,000	469	0.21

Strategic Income Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
HSBC 6.5% 20/05/2024	GBP1,070,000	1,384	0.62
HSBC 6% 29/03/2040	GBP1,750,000	2,378	1.07
HSBC Bank Capital Funding Sterling 1 5.844% Perpetual	GBP500,000	570	0.26
Imperial Tobacco Finance 5.5% 28/09/2026	GBP958,000	1,278	0.57
ING Bank 6.875% 29/05/2023	GBP843,000	904	0.41
InterContinental Hotels 3.875% 28/11/2022	GBP468,000	524	0.24
InterContinental Hotels 3.75% 14/08/2025	GBP600,000	682	0.31
Jaguar Land Rover Automotive 5% 15/02/2022	GBP700,000	772	0.35
Koninklijke KPN 5% 18/11/2026	GBP400,000	502	0.23
Kraft Heinz Foods 4.125% 01/07/2027	GBP800,000	951	0.43
Ladbrokes Finance 7.625% 05/03/2017	GBP310,000	320	0.14
Land Securities Capital Markets 5.425% 31/03/2022	GBP1,500,000	1,724	0.77
Legal & General 5.5% 27/06/2064	GBP400,000	431	0.19
Lloyds Bank 5.75% 09/07/2025†	GBP2,500,000	2,761	1.24
Lloyds Bank 6.5% 17/09/2040†	GBP440,000	757	0.34
Lloyds Bank 13% Perpetual†	GBP2,310,000	3,234	1.45
Lloyds Banking 7% Perpetual†	GBP600,000	602	0.27
Manchester Airport Funding 4.125% 02/04/2024	GBP450,000	535	0.24
Manchester Airport Funding 4.75% 31/03/2034	GBP650,000	899	0.40
Marlin Intermediate 10.5% 01/08/2020	GBP190,000	201	0.09
Matalan Finance 6.875% 01/06/2019	GBP175,000	138	0.06
McDonald's 4.125% 11/06/2054	GBP200,000	273	0.12
Mizzen Bondco 7% 01/05/2021	GBP610,815	626	0.28
Mondelez International 4.5% 03/12/2035	GBP400,000	510	0.23
Motability Operations 4.375% 08/02/2027	GBP200,000	256	0.11
Motability Operations 5.625% 29/11/2030	GBP321,000	486	0.22
Motability Operations 3.625% 10/03/2036	GBP300,000	387	0.17
Moto Finance 6.375% 01/09/2020	GBP393,000	410	0.18
Moy Park Bondco 6.25% 29/05/2021	GBP383,000	404	0.18
National Capital Trust I 5.62% Perpetual	GBP730,000	763	0.34
National Grid Gas 6% 13/05/2038	GBP185,000	320	0.14
Nationwide Building Society 6.875% Perpetual	GBP240,000	235	0.11
New Look Secured Issuer 6.5% 01/07/2022	GBP109,000	105	0.05
NGG Finance 5.625% 18/06/2073	GBP700,000	794	0.36
Orange 8.125% 20/11/2028	GBP400,000	666	0.30
Orange 5.625% 23/01/2034	GBP150,000	221	0.10
Orange 5.375% 22/11/2050	GBP300,000	497	0.22
Orange 5.75% Perpetual	GBP494,000	542	0.24
Paragon Treasury 3.625% 21/01/2047	GBP300,000	357	0.16
PGH Capital 5.75% 07/07/2021	GBP800,000	869	0.39
PGH Capital 6.625% 18/12/2025	GBP656,000	681	0.31
Pizzaexpress Financing 2 6.625% 01/08/2021	GBP193,000	192	0.09
Places for People Homes 5.875% 23/05/2031	GBP700,000	938	0.42
Provident Financial 8% 23/10/2019	GBP1,000,000	1,138	0.51
Prudential 5% 20/07/2055	GBP700,000	735	0.33
Prudential 5.7% 19/12/2063	GBP600,000	675	0.30
Rio Tinto Finance 4% 11/12/2029	GBP950,000	1,157	0.52
RL Finance Bonds No 3 6.125% 13/11/2028	GBP300,000	333	0.15
Rolls-Royce 3.375% 18/06/2026	GBP240,000	274	0.12
Royal Bank of Scotland 9.5% Perpetual	GBP275,000	300	0.13
RSA Insurance 5.125% 10/10/2045	GBP500,000	523	0.23
RWE Finance 5.5% 06/07/2022	GBP450,000	545	0.24
RWE Finance 6.25% 03/06/2030	GBP355,000	492	0.22
RWE Finance 6.125% 06/07/2039	GBP200,000	294	0.13

Strategic Income Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
Santander UK 3.625% 14/01/2026	GBP484,000	519	0.23
Scentre Group Trust 1/2 2.375% 08/04/2022	GBP670,000	704	0.32
Scottish Amicable Finance 8.5% Perpetual	GBP972,000	1,040	0.47
Scottish Widows 5.5% 16/06/2023†	GBP200,000	221	0.10
Segro 6.75% 23/11/2021	GBP510,000	645	0.29
Siemens Financieringsmaatschappij 6.125% 14/09/2066	GBP1,000,000	1,002	0.45
Society of Lloyd's 4.75% 30/10/2024	GBP268,000	301	0.13
Society of Lloyd's 7.421% Perpetual	GBP1,976,000	2,053	0.92
South East Water Finance 5.6577% 30/09/2019	GBP449,000	506	0.23
Southern Gas Networks 6.375% 15/05/2040	GBP500,000	883	0.40
Southern Water Services Finance 5% 31/03/2041	GBP745,000	1,131	0.51
SSE 3.875% Perpetual	GBP1,200,000	1,209	0.54
Stagecoach 4% 29/09/2025	GBP557,000	635	0.29
Standard Chartered 5.125% 06/06/2034	GBP750,000	763	0.34
Standard Chartered 4.375% 18/01/2038	GBP415,000	505	0.23
Standard Chartered Bank 7.75% Perpetual	GBP1,130,000	1,269	0.57
Standard Life 6.75% Perpetual	GBP1,335,000	1,513	0.68
Stonegate Pub Financing 5.75% 15/04/2019	GBP420,000	429	0.19
Svenska Handelsbanken 2.75% 05/12/2022	GBP1,000,000	1,095	0.49
Swan Housing Capital 3.625% 05/03/2048	GBP220,000	260	0.12
Swiss Reinsurance 6.3024% Perpetual	GBP650,000	718	0.32
Telefonica Emisiones 5.289% 09/12/2022	GBP400,000	492	0.22
TES Finance 6.75% 15/07/2020	GBP300,000	240	0.11
Tesco 6.125% 24/02/2022	GBP780,000	903	0.41
Tesco Property Finance 1 7.6227% 13/07/2039	GBP691,022	852	0.38
Thames Water Utilities Cayman Finance 3.5% 25/02/2028	GBP300,000	358	0.16
Thames Water Utilities Cayman Finance 5.5% 11/02/2041	GBP130,000	214	0.10
Thames Water Utilities Finance 5.125% 28/09/2037	GBP800,000	1,230	0.55
Time Warner Cable 5.75% 02/06/2031	GBP600,000	756	0.34
Time Warner Cable 5.25% 15/07/2042	GBP100,000	123	0.05
Travis Perkins 4.5% 07/09/2023	GBP300,000	306	0.14
TVL Finance 8.5% 15/05/2023	GBP164,000	175	0.08
UNITE USAF II 3.374% 30/06/2028	GBP400,000	444	0.20
UPP Bond 1 Issuer 4.9023% 28/02/2040	GBP485,586	625	0.28
Verizon Communications 4.75% 17/02/2034	GBP1,200,000	1,608	0.72
Vicinity Centres 3.375% 07/04/2026	GBP286,000	323	0.14
Virgin Media Finance 7% 15/04/2023	GBP150,000	164	0.07
Virgin Media Secured Finance 6% 15/04/2021	GBP270,000	283	0.13
Vodafone 3.375% 08/08/2049	GBP300,000	326	0.15
Voyage Care Bondco 6.5% 01/08/2018	GBP500,000	495	0.22
Wells Fargo Bank 5.25% 01/08/2023	GBP1,500,000	1,839	0.83
Welltower 4.5% 01/12/2034	GBP180,000	221	0.10
Western Power Distribution 3.625% 06/11/2023	GBP370,000	412	0.18
Western Power Distribution East Midlands 6.25% 10/12/2040	GBP500,000	873	0.39
Western Power Distribution West Midlands 6% 09/05/2025	GBP580,000	791	0.36
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP362,000	545	0.24
Westpac Banking 2.625% 14/12/2022	GBP400,000	432	0.19
William Hill 4.875% 07/09/2023	GBP725,000	776	0.35
Yorkshire Power Finance 7.25% 04/08/2028	GBP665,000	1,032	0.46

Strategic Income Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Nominal Values	Market Value £000	Total Net Assets %
Government Bonds			
UK Treasury 1.75% 07/09/2022	GBP3,832,000	4,162	1.87
UK Treasury 4.25% 07/12/2027	GBP655,000	903	0.41
UK Treasury 4.5% 07/12/2042	GBP2,844,000	4,933	2.21
UK Treasury 3.25% 22/01/2044	GBP1,064,000	1,557	0.70
UK Treasury 4.25% 07/12/2049	GBP153,000	281	0.13
UK Treasury 4.25% 07/12/2055	GBP261,000	522	0.23
Mortgage Backed Securities			
Canary Wharf Finance II 6.455% 22/10/2033	GBP437,024	662	0.30
Paragon Mortgages NO 23 (FRN) 1.6275% 15/01/2043	GBP705,573	700	0.31
Precise Mortgage Funding 2015-2B (FRN) 1.72431% 12/06/2048	GBP577,854	575	0.26
US DOLLAR DENOMINATED BONDS (3.30%*)		6,219	2.79
Corporate Bonds			
AT&T 4.6% 15/02/2021	USD1,100,000	923	0.41
Barclays Bank 7.75% 10/04/2023	USD490,000	398	0.18
BP Capital Markets 2.75% 10/05/2023	USD848,000	660	0.30
BPCE 5.15% 21/07/2024	USD1,100,000	892	0.40
Glencore Funding 4.125% 30/05/2023	USD478,000	361	0.16
ING 6% Perpetual	USD450,000	340	0.15
International Game Technology 5.625% 15/02/2020	USD650,000	533	0.24
International Game Technology 6.25% 15/02/2022	USD900,000	738	0.33
Marks & Spencer 7.125% 01/12/2037	USD800,000	733	0.33
Royal Bank of Scotland 7.5% Perpetual	USD200,000	145	0.07
SSE 5.625% Perpetual	USD630,000	496	0.22
DERIVATIVES (-2.64%*)		(5,242)	(2.35)
Forward Currency Contracts			
Euro			
Bought EUR2,300,000 for GBP1,783,397 Settlement 07/09/2016		173	0.08
Bought EUR678,000 for GBP520,033 Settlement 07/09/2016		57	0.03
Bought EUR916,000 for GBP727,562 Settlement 07/09/2016		52	0.02
Bought EUR568,000 for GBP437,396 Settlement 07/09/2016		46	0.02
Bought EUR789,000 for GBP626,354 Settlement 07/09/2016		45	0.02
Bought EUR1,045,000 for GBP861,111 Settlement 07/09/2016		28	0.01
Bought EUR881,000 for GBP735,776 Settlement 07/09/2016		14	0.01
Bought EUR391,000 for GBP328,198 Settlement 07/09/2016		4	0.00
Bought EUR192,000 for GBP159,932 Settlement 07/09/2016		3	0.00
Bought EUR192,000 for GBP160,402 Settlement 07/09/2016		3	0.00
Bought EUR1,248,000 for GBP1,067,681 Settlement 07/09/2016		(6)	0.00
Sold EUR692,000 for GBP589,660 Settlement 07/09/2016		1	0.00
Sold EUR1,765,000 for GBP1,483,459 Settlement 07/09/2016		(18)	(0.01)
Sold EUR409,000 for GBP322,427 Settlement 07/09/2016		(26)	(0.01)
Sold EUR537,000 for GBP430,505 Settlement 07/09/2016		(26)	(0.01)
Sold EUR454,000 for GBP355,943 Settlement 07/09/2016		(30)	(0.01)
Sold EUR521,000 for GBP401,185 Settlement 07/09/2016		(42)	(0.02)
Sold EUR1,052,000 for GBP848,543 Settlement 07/09/2016		(46)	(0.02)
Sold EUR12,448,000 for GBP9,566,910 Settlement 07/09/2016		(1,024)	(0.46)
Sold EUR44,956,000 for GBP34,535,649 Settlement 07/09/2016		(3,712)	(1.67)
US Dollar			
Sold USD423,000 for GBP320,831 Settlement 07/09/2016		(2)	0.00
Sold USD235,000 for GBP162,739 Settlement 07/09/2016		(17)	(0.01)
Sold USD2,799,000 for GBP1,925,346 Settlement 07/09/2016		(212)	(0.09)
Sold USD5,825,000 for GBP4,006,837 Settlement 07/09/2016		(442)	(0.20)

Strategic Income Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
Futures Contracts			
Euro-Bobl Futures September 2016	(31)	(34)	(0.01)
Euro-Bund Futures September 2016	(17)	(35)	(0.02)
Long Gilt Futures December 2016	21	4	0.00
Portfolio of investments[^]		212,417	95.35
Net other assets		10,369	4.65
Total net assets		222,786	100.00

All investments held are listed, unless otherwise stated.

Forward Currency Contracts are Over the Counter (OTC) contracts.

Stocks shown as FRNs represent Floating Rate Notes - debt instruments that pay a floating rate of interest, usually based on an accepted market benchmark rate such as LIBOR.

*Comparative figures shown in brackets relate to 28 February 2016.

[^]Including investment liabilities.

[†]This investment is a related party.

Strategic Income Fund

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
Long Gilt Futures September 2016	5,171	Long Gilt Futures September 2016	5,369
UK Treasury 1.75% 07/09/2022	4,699	Euro-Bobl Futures June 2016	3,471
Euro-Bobl Futures March 2016	3,518	Euro-Bobl Futures September 2016	3,181
Euro-Bobl Futures June 2016	3,466	GE Capital UK Funding	2,825
Long Gilt Futures December 2016	2,758	Euro-Bund Futures September 2016	2,236
Heathrow Funding 6.75% 03/12/2028	960	UK Treasury 4.5% 07/12/2042	2,208
UK Treasury 3.25% 22/01/2044	951	Bank of America 1.294% 06/05/2019	1,320
Cooperatieve Rabobank 5.375% 03/08/2060	905	UK Treasury 4.25% 07/12/2055	1,137
UK Treasury 4.25% 07/12/2027	898	UK Treasury 4.25% 07/03/2036	1,122
UK Treasury 4.5% 07/12/2042	882	Orange	1,084

Purchases and sales of Futures have been included at the value of their exposure.

Strategic Income Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	53,830	49,192	55,587	179,959
Closing number of shares	26,790,773	27,908,273	30,298,773	106,098,878
Closing net asset value per share (p)	200.93	176.26	183.46	169.61
Operating charges#	1.38%	1.37%	1.37%	1.38%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Income				
Closing net asset value (£'000)	32,021	30,028	34,824	36,400
Closing number of shares	30,503,147	32,098,147	34,620,347	37,877,147
Closing net asset value per share (p)	104.98	93.55	100.59	96.10
Operating charges#	1.38%	1.37%	1.38%	1.38%
	31/08/16	28/02/16	28/02/15	
Share Class W - Accumulation (Gross)				
Closing net asset value (£'000)	136,935	124,728	137,183	
Closing number of shares	110,353,455	115,772,955	124,881,455	
Closing net asset value per share (p)	124.09	107.73	109.85	
Operating charges#	0.13%	0.13%	0.13%	

#Operating charges are representative of the ongoing charges figure.

Share class W Accumulation was launched on 2 April 2014.

Strategic Income Fund

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		24,855		(9,359)
Revenue	5,298		5,493	
Expenses	(662)		(678)	
Interest payable and similar charges	(3)		(3)	
Net revenue before taxation	4,633		4,812	
Taxation	-		-	
Net revenue after taxation		4,633		4,812
Total return before distribution		29,488		(4,547)
Distribution		(4,791)		(4,976)
Change in net assets attributable to shareholders from investment activities		24,697		(9,523)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated 01/03/15 to 31/08/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		203,948		227,594
Amounts receivable on creation of shares*	2,053		4,617	
Less: Amounts payable on cancellation of shares*	(11,939)		(13,049)	
		(9,886)		(8,432)
Dilution adjustment*		67		70
Change in net assets attributable to shareholders from investment activities		24,697		(9,523)
Retained distribution on accumulation shares		3,957		4,084
Unclaimed distributions		3		3
Closing net assets attributable to shareholders		222,786		213,796

*Prior year figures have been restated as a result of the 2014 IMA SORP.

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Strategic Income Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Fixed assets		
Investments	218,089	202,156
Current assets		
Debtors	4,078	5,476
Cash and bank balances	7,150	2,599
Total assets	229,317	210,231
Liabilities		
Investment liabilities	(5,672)	(5,560)
Creditors		
Bank overdrafts	-	(113)
Distribution payable	(368)	(396)
Other creditors	(491)	(214)
Total liabilities	(6,531)	(6,283)
Net assets attributable to shareholders	222,786	203,948

Strategic Income Fund

Distribution Tables

for the six month period ended 31 August 2016 (unaudited)

Distribution in pence per share

- Group 1 First interim Shares purchased prior to 29 February 2016
 Second interim Shares purchased prior to 1 April 2016
 Third interim Shares purchased prior to 1 May 2016
 Fourth interim Shares purchased prior to 1 June 2016
 Fifth interim Shares purchased prior to 1 July 2016
 Sixth interim Shares purchased prior to 1 August 2016
- Group 2 First interim Shares purchased on or between 29 February 2016 and 31 March 2016
 Second interim Shares purchased on or between 1 April 2016 and 30 April 2016
 Third interim Shares purchased on or between 1 May 2016 and 31 May 2016
 Fourth interim Shares purchased on or between 1 June 2016 and 30 June 2016
 Fifth interim Shares purchased on or between 1 July 2016 and 31 July 2016
 Sixth interim Shares purchased on or between 1 August 2016 and 31 August 2016

Share Class A - Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
	(p)	(p)	(p)	(p)	(p)	(p)
Group 1						
First interim	0.6995	0.1399	0.5596	-	0.5596	0.5116
Second interim	0.5629	0.1126	0.4503	-	0.4503	0.4678
Third interim	0.6111	0.1222	0.4889	-	0.4889	0.4452
Fourth interim	0.6371	0.1274	0.5097	-	0.5097	0.5075
Fifth interim	0.5668	0.1134	0.4534	-	0.4534	0.4847
Sixth interim	0.6403	0.1281	0.5122	-	0.5122	0.4584
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.4358	0.0872	0.3486	0.2110	0.5596	0.5116
Second interim	0.3098	0.0620	0.2478	0.2025	0.4503	0.4678
Third interim	0.2284	0.0457	0.1827	0.3062	0.4889	0.4452
Fourth interim	0.3623	0.0725	0.2898	0.2199	0.5097	0.5075
Fifth interim	0.1860	0.0372	0.1488	0.3046	0.4534	0.4847
Sixth interim	0.3189	0.0638	0.2551	0.2571	0.5122	0.4584

Share Class A - Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
	(p)	(p)	(p)	(p)	(p)	(p)
Group 1						
First interim	0.3714	0.0743	0.2971	-	0.2971	0.2805
Second interim	0.2979	0.0596	0.2383	-	0.2383	0.2558
Third interim	0.3226	0.0645	0.2581	-	0.2581	0.2428
Fourth interim	0.3351	0.0670	0.2681	-	0.2681	0.2761
Fifth interim	0.2978	0.0596	0.2382	-	0.2382	0.2630
Sixth interim	0.3355	0.0671	0.2684	-	0.2684	0.2480
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.1020	0.0204	0.0816	0.2155	0.2971	0.2805
Second interim	0.1716	0.0343	0.1373	0.1010	0.2383	0.2558
Third interim	0.2045	0.0409	0.1636	0.0945	0.2581	0.2428
Fourth interim	0.2290	0.0458	0.1832	0.0849	0.2681	0.2761
Fifth interim	0.2475	0.0495	0.1980	0.0402	0.2382	0.2630
Sixth interim	0.3326	0.0665	0.2661	0.0023	0.2684	0.2480

Strategic Income Fund

Distribution Tables

(continued)

for the six month period ended 31 August 2016 (unaudited)

Share Class W - Accumulation (Gross)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid/payable to 15/10/2016	Distributions paid to 15/10/2015
	(p)	(p)	(p)	(p)	(p)	(p)
Group 1						
First interim	0.5178	-	0.5178	-	0.5178	0.4676
Second interim	0.4231	-	0.4231	-	0.4231	0.4308
Third interim	0.4623	-	0.4623	-	0.4623	0.4106
Fourth interim	0.4745	-	0.4745	-	0.4745	0.4652
Fifth interim	0.4261	-	0.4261	-	0.4261	0.4458
Sixth interim	0.4979	-	0.4979	-	0.4979	0.4195
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
First interim	0.2578	-	0.2578	0.2600	0.5178	0.4676
Second interim	0.2391	-	0.2391	0.1840	0.4231	0.4308
Third interim	0.2956	-	0.2956	0.1667	0.4623	0.4106
Fourth interim	0.0954	-	0.0954	0.3791	0.4745	0.4652
Fifth interim	0.2152	-	0.2152	0.2109	0.4261	0.4458
Sixth interim	0.3198	-	0.3198	0.1781	0.4979	0.4195

Equalisation

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to 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 the shares for capital gains tax purposes.

UK Equity Income Fund

Investment Markets Overview

for the six month period ended 31 August 2016 (unaudited)

Investment Objective and Policy

To provide an above average income together with capital growth over the longer term. The Fund will invest predominantly in a portfolio of UK securities. The Fund seeks to deliver performance, before deduction of management fees, in excess of the FTSE All Share Index (the "Index") with a similar level of overall volatility, over the long term.

To invest predominantly in a portfolio of companies which are part of the Index.

The Investment Adviser identifies companies that are forecast to provide higher than average dividend yields* and to achieve long term capital growth. The Fund seeks to hold more in these companies in comparison to the Index. Therefore, while the Fund will hold a large number of securities in common with the Index, the weighting of any one security may be significantly different to the Index.

The Fund is limited in the extent to which it can hold more (overweight) or less (underweight) in sectors** relative to the Index, but it aims to be overweight in sectors which are expected to provide a higher than average dividend yield.

Derivatives may be used for efficient portfolio management purposes only.

* The dividend yield is calculated by dividing the annual dividend paid in respect of a security by its share price.

** A sector is a business area, industry or economy which shares the same characteristics. Company shares are typically grouped into different sectors depending on the company's business.

Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at www.scottishwidows.co.uk/investmentapproaches

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 19 August 2016.</p>	<p style="text-align: center;">Typically lower rewards, lower risks</p> <p style="text-align: center;">←</p>							<p style="text-align: center;">Typically higher rewards, higher risks</p> <p style="text-align: center;">→</p>						
	1	2	3	4	5	6	7							

Investment Review

Performance	29/02/16 to 31/08/16 %	01/03/15 to 28/02/16 %	01/03/14 to 28/02/15 %	01/03/13 to 28/02/14 %	29/02/12 to 28/02/13 %	01/03/11 to 28/02/12 %
UK Equity Income Fund A Accumulation	11.82	(9.40)	2.95	15.51	7.85	(2.85)

Source: Lipper for UK Equity Income Fund.

Basis: Net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

for the six month period ended 31 August 2016 (unaudited)

Despite Brexit-induced volatility in the middle of the reporting period, wider UK equity markets made gains in sterling terms over the six months. At the sector level, technology and basic materials were among the strongest performers. In contrast, telecoms and consumer services lagged behind.

In the run-up to the June referendum, all eyes were on the UK as its voters decided whether the country should remain a member of the European Union (EU). This led to some big share price movements as opinion polls swung between the 'Leave' and 'Remain' camps. The backlash after the Leave result was swift: global stockmarkets sold off; sterling fell to a 30-year low against the US dollar; and David Cameron announced that he would step down as prime minister. Bank of England Governor Mark Carney issued an immediate statement, which provided some comfort, reminding investors of the robustness of the financial system and the central bank's ability to keep markets functioning. In August, the Bank's monetary policy committee moved to cut interest rates from 0.5% to a new all-time low of 0.25%.

Recent economic data has proved relatively strong. For example, a fall in the number of benefit claimants between June and July meant that unemployment remained at an 11-year low. However, economic surveys of business sentiment have fallen since the referendum. There are also growing worries about the housing market after the Royal Institute of Chartered Surveyors reported slowing housing-market activity in the wake of the Brexit vote.

Over the period, the Fund benefited from an overweight (in comparison to the benchmark) position in BHP Billiton, the mining company. The sustained rise in metal prices helped to drive BHP's share price higher and the stock measured a positive score based on our measures of prudent management.

In contrast, the relatively underweight exposure to microchip designer ARM Holdings had a negative effect on returns. ARM's share price soared after it agreed to a takeover worth £24 billion by Softbank, the Japanese telecommunications provider. ARM Holdings had a negative score according to our trend metrics.

We are gradually getting more hard data on the UK economy's performance in the immediate aftermath of the EU referendum. As the dust has settled, some of the worst fears about the short-term impact on activity have not been realised and confidence has stabilised. However, huge uncertainties remain over the timing and nature of any Brexit deal, and its long-term implications for the UK economy. Thus the Bank of England has said that its views on the economy have not changed following its August stimulus package, and a further rate cut remains on the table before year-end. Equally, the Chancellor still looks set to unveil a modest "fiscal reset" in November's Autumn Statement.

Aberdeen Asset Investments Limited

September 2016

UK Equity Income Fund

Portfolio Statement

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (5.24%*)		30,974	5.14
Chemicals			
Johnson Matthey	70,867	2,367	0.39
Forestry & Paper			
Mondi	342,863	5,383	0.90
Mining			
BHP Billiton	440,936	4,586	0.76
Centamin	2,273,153	3,507	0.58
Lonmin	4,174	9	0.00
Rio Tinto	643,361	15,122	2.51
CONSUMER GOODS (16.82%*)		95,264	15.79
Automobiles & Parts			
GKN	2,284,719	7,067	1.17
Beverages			
Coca-Cola	93,086	1,577	0.26
Food Producers			
Greencore	81,983	294	0.05
Tate & Lyle	630,498	4,656	0.77
Household Goods & Home Construction			
Bellway	37,062	859	0.14
Berkeley	299,179	7,764	1.29
Bovis Homes	180,103	1,589	0.26
Crest Nicholson	232,900	1,080	0.18
Persimmon	488,779	8,955	1.48
Personal Goods			
Burberry	359,745	4,702	0.78
Unilever	477,516	17,040	2.83
Tobacco			
British American Tobacco	489,240	23,261	3.86
Imperial Tobacco	411,228	16,420	2.72
CONSUMER SERVICES (15.61%*)		101,312	16.80
Food & Drug Retailers			
Casino Guichard Perrachon	7,999	305	0.05
Wm Morrison Supermarkets	3,516,493	6,935	1.15
General Retailers			
Debenhams	684,466	411	0.07
Halfords	183,007	657	0.11
Inchcape	1,390,759	9,805	1.63
JD Sports Fashion	33,672	437	0.07
Marks & Spencer	581,678	1,983	0.33
Saga	183,037	398	0.07
Sports Direct International	9,513	28	0.00
WH Smith	484,090	7,358	1.22
Media			
ITE	31,463	55	0.01
ITV	1,669,518	3,347	0.55
Pearson	676,384	5,844	0.97
UBM	96,239	668	0.11
WPP	801,114	14,340	2.38

UK Equity Income Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Travel & Leisure			
Carnival	48,754	1,783	0.30
Compass	1,089,526	15,798	2.62
easyJet	508,463	5,649	0.94
FirstGroup	52,997	58	0.01
InterContinental Hotels	270,330	8,870	1.47
Ladbroke's	667,371	1,057	0.17
Mitchells & Butlers	313,779	810	0.13
National Express	974,755	3,444	0.57
Paddy Power Betfair	7,564	696	0.11
Playtech	188,630	1,727	0.29
Restaurant	219,415	869	0.14
SSP	114,405	373	0.06
Stagecoach	412,913	940	0.16
William Hill	2,081,463	6,667	1.11
FINANCIALS (20.14%*)		147,303	24.43
Banks			
Barclays	2,888,268	4,886	0.81
HSBC	6,815,914	37,999	6.30
Lloyds Banking†	8,357,977	4,920	0.81
Collective Investment Schemes			
Aberdeen Liquidity Fund (Lux) - Sterling Fund◊	15,613	15,613	2.59
Financial Services			
3i	257,781	1,593	0.26
Burford Capital	1,147,396	4,532	0.75
Close Brothers	598,545	8,152	1.35
ICAP	31,678	151	0.02
Jupiter Fund Management	110,563	462	0.08
Man	1,377,347	1,490	0.25
Provident Financial	90,943	2,717	0.45
Schroders	165,192	4,553	0.75
Tullett Prebon	823,964	3,115	0.52
Life Insurance			
Aviva	736,306	3,126	0.52
Legal & General	7,320,255	15,277	2.53
Prudential	1,539,382	20,897	3.46
Standard Life	43,354	155	0.03
Nonlife Insurance			
Admiral	86,931	1,780	0.30
Beazley	257,739	1,010	0.17
Direct Line Insurance	1,391,118	5,053	0.84
Hiscox	227,520	2,398	0.40
RSA Insurance	237,640	1,193	0.20
Real Estate Investment & Services			
Savills	142,825	1,059	0.18
Real Estate Investment Trusts			
Derwent London	31,246	847	0.14
Hammerson	603,035	3,477	0.58
Intu Properties	269,200	848	0.14

UK Equity Income Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
HEALTH CARE (10.33%*)		43,003	7.13
Pharmaceuticals & Biotechnology			
AstraZeneca	283,484	14,180	2.35
GlaxoSmithKline	1,716,580	28,220	4.68
Indivior	191,801	603	0.10
INDUSTRIALS (9.78%*)		54,096	8.97
Aerospace & Defence			
Cobham	281,444	453	0.08
Meggitt	1,012,716	4,734	0.78
QinetiQ	1,844,026	4,236	0.70
Senior	664,440	1,567	0.26
Industrial Engineering			
Bodycote	284,072	1,685	0.28
Fenner	441,492	728	0.12
Melrose Industries	1,979,445	2,890	0.48
Spirax-Sarco Engineering	42,879	1,874	0.31
Weir	133,743	2,048	0.34
Industrial Transportation			
Royal Mail	2,181,743	11,269	1.87
Support Services			
Aggreko	188,886	1,936	0.32
Carillion	330,276	898	0.15
Electrocomponents	652,344	1,993	0.33
Experian	805,197	12,255	2.03
Hays	772,673	1,014	0.17
Mitie	253,423	685	0.11
WS Atkins	254,552	3,831	0.64
OIL & GAS (10.04%*)		56,594	9.38
Oil & Gas Producers			
BP	4,919,860	21,335	3.54
Royal Dutch Shell 'B' Shares	1,504,691	29,763	4.93
Soco International	218,305	328	0.05
Oil Equipment, Services & Distribution			
John Wood	728,974	5,168	0.86
TECHNOLOGY (2.02%*)		13,860	2.30
Software & Computer Services			
Micro Focus International	99,920	2,032	0.34
Sage	1,568,134	11,440	1.90
Technology Hardware & Equipment			
ARM	22,845	388	0.06
TELECOMMUNICATIONS (6.04%*)		30,768	5.10
Fixed Line Telecommunications			
BT	1,995,431	7,764	1.29
KCOM	834,591	928	0.15
TalkTalk Telecom	1,012,714	2,150	0.36
Mobile Telecommunications			
Inmarsat	221,209	1,781	0.29
Vodafone	7,870,245	18,145	3.01

UK Equity Income Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
UTILITIES (4.70%*)		29,722	4.93
Electricity			
Drax	346,284	1,050	0.18
Gas, Water & Multiutilities			
Centrica	6,593,099	15,401	2.55
National Grid	1,260,310	13,271	2.20
DERIVATIVES (-0.04%*)		(801)	(0.13)
Futures Contracts			
FTSE 100 Index Futures September 2016	318	(77)	(0.01)
Options Contracts			
FTSE 100 Index November 2016 7150 Call (written option)	(67)	(20)	(0.00)
FTSE 100 Index October 2016 6950 Call (written option)	(37)	(21)	(0.00)
FTSE 100 Index November 2016 7025 Call (written option)	(67)	(41)	(0.01)
FTSE 100 Index October 2016 6875 Call (written option)	(48)	(44)	(0.01)
FTSE 100 Index September 2016 6800 Call (written option)	(75)	(64)	(0.01)
FTSE 100 Index October 2016 6850 Call (written option)	(152)	(158)	(0.03)
FTSE 100 Index November 2016 6900 Call (written option)	(160)	(177)	(0.03)
FTSE 100 Index October 2016 6900 Call (written option)	(250)	(199)	(0.03)
Portfolio of investments[^]		602,095	99.84
Net other assets		946	0.16
Total net assets		603,041	100.00

All investments held are listed, unless otherwise stated.

Any derivative contracts were traded on an eligible derivatives exchange.

*Comparative figures shown in brackets relate to 28 February 2016.

[^]Including investment liabilities.

†This investment is a related party.

◇Asset managed by the Fund's Investment Adviser.

UK Equity Income Fund

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
FTSE 100 Index Futures September 2016	48,873	FTSE 100 Index Futures September 2016	27,765
Aberdeen Liquidity Fund (Lux) - Sterling Fund [∅] #	25,965	FTSE 100 Index Futures June 2016	22,641
FTSE 100 Index Futures June 2016	22,594	Royal Dutch Shell 'B' Shares	12,196
InterContinental Hotels	12,036	GlaxoSmithKline	11,909
Wm Morrison Supermarkets	6,988	AstraZeneca	11,845
Berkeley	6,947	Aberdeen Liquidity Fund (Lux) - Sterling Fund [∅] #	10,353
FTSE 100 Index Futures March 2016	6,721	British American Tobacco	8,308
Direct Line Insurance	5,218	Imperial Tobacco	7,495
Melrose Industries	4,113	FTSE 100 Index Futures March 2016	6,733
Legal & General	3,816	Standard Chartered	6,207

Purchases and sales of Futures have been included at the value of their exposure.

[∅]Asset managed by the Fund's Investment Adviser.

[#]With effect from 18 July 2016 holding moved from Aberdeen Global Liquidity Sterling Fund Advisory to Aberdeen Liquidity Fund (Lux) - Sterling Fund

UK Equity Income Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	112,634	103,998	124,648	131,534
Closing number of shares	2,662,416	2,786,476	3,025,476	3,287,026
Closing net asset value per share (p)	4,230.53	3,732.24	4,119.96	4,001.62
Operating charges#	1.37%	1.36%	1.36%	1.36%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Income				
Closing net asset value (£'000)	229,742	224,062	270,587	291,097
Closing number of shares	32,303,160	34,760,660	36,355,910	38,907,410
Closing net asset value per share (p)	711.21	644.59	744.27	748.18
Operating charges#	1.37%	1.36%	1.36%	1.36%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class B - Income				
Closing net asset value (£'000)	3,658	3,567	4,531	4,802
Closing number of shares	493,866	532,066	586,766	620,266
Closing net asset value per share (p)	740.62	670.38	772.11	774.21
Operating charges#	1.12%	1.11%	1.11%	1.11%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class C - Income				
Closing net asset value (£'000)	1,721	1,616	1,937	1,787
Closing number of shares	217,415	226,015	236,515	218,715
Closing net asset value per share (p)	791.75	714.82	819.12	817.26
Operating charges#	0.61%	0.61%	0.61%	0.61%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class X - Accumulation				
Closing net asset value (£'000)	255,286	243,555	298,866	312,924
Closing number of shares	5,058,275	5,505,275	6,196,475	6,763,675
Closing net asset value per share (p)	5,046.89	4,424.03	4,823.15	4,626.54
Operating charges#	0.11%	0.11%	0.11%	0.11%

#Operating charges are representative of the ongoing charges figure.

UK Equity Income Fund

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		60,775		(61,266)
Revenue	17,133		17,632	
Expenses	(2,500)		(2,816)	
Interest payable and similar charges	(2)		-	
Net revenue before taxation	14,631		14,816	
Taxation	-		-	
Net revenue after taxation		14,631		14,816
Total return before distribution		75,406		(46,450)
Distribution		(16,791)		(17,253)
Change in net assets attributable to shareholders from investment activities		58,615		(63,703)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated 01/03/15 to 31/08/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		576,798		700,569
Amounts receivable on creation of shares*	1,203		3,978	
Less: Amounts payable on cancellation of shares*	(43,411)		(40,076)	
		(42,208)		(36,098)
Dilution adjustment*		39		49
Change in net assets attributable to shareholders from investment activities		58,615		(63,703)
Retained distribution on accumulation shares		9,778		9,995
Unclaimed distributions		19		22
Closing net assets attributable to shareholders		603,041		610,834

*Prior year figures have been restated as a result of the 2014 IMA SORP.

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

UK Equity Income Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Fixed assets		
Investments	<u>602,896</u>	<u>580,949</u>
Current assets		
Debtors	4,833	4,550
Cash and bank balances	<u>4,002</u>	<u>1,153</u>
Total assets	<u>611,731</u>	<u>586,652</u>
Liabilities		
Investment liabilities	<u>(801)</u>	<u>(249)</u>
Creditors		
Bank overdrafts	-	(2,810)
Distribution payable	(6,434)	(3,965)
Other creditors	<u>(1,455)</u>	<u>(2,830)</u>
Total liabilities	<u>(8,690)</u>	<u>(9,854)</u>
Net assets attributable to shareholders	<u><u>603,041</u></u>	<u><u>576,798</u></u>

UK Equity Income Fund

Distribution Tables

for the six month period ended 31 August 2016 (unaudited)

Distribution in pence per share

Group 1 Interim Shares purchased prior to 29 February 2016

Group 2 Interim Shares purchased on or between 29 February 2016 and 31 August 2016

Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1 Interim	(p) 112.6833	(p) -	(p) 112.6833	(p) 103.8817
Group 2 Interim	(p) 59.4472	(p) 53.2361	(p) 112.6833	(p) 103.8817

Share Class A - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1 Interim	(p) 19.4634	(p) -	(p) 19.4634	(p) 18.7670
Group 2 Interim	(p) 12.6151	(p) 6.8483	(p) 19.4634	(p) 18.7670

Share Class B - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1 Interim	(p) 20.2550	(p) -	(p) 20.2550	(p) 19.4808
Group 2 Interim	(p) 15.9829	(p) 4.2721	(p) 20.2550	(p) 19.4808

Share Class C - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1 Interim	(p) 21.6245	(p) -	(p) 21.6245	(p) 20.6924
Group 2 Interim	(p) 19.5089	(p) 2.1156	(p) 21.6245	(p) 20.6924

Distribution Tables

(continued)

for the six month period ended 31 August 2016 (unaudited)

Share Class X - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/10/2016	Distributions paid to 31/10/2015
Group 1 Interim	(p) 133.9935	(p) -	(p) 133.9935	(p) 121.9791
Group 2 Interim	(p) 133.9935	(p) -	(p) 133.9935	(p) 121.9791

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.

Equalisation

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to 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 the shares for capital gains tax purposes.

UK Growth Fund

Investment Markets Overview

for the six month period ended 31 August 2016 (unaudited)

Investment Objective and Policy

To provide long term capital growth through investment in a broad portfolio of predominantly UK companies. The Fund seeks to deliver performance, before deduction of management fees, in excess of the FTSE All Share Index (the "Index") with a similar level of overall volatility, over the long term.

To invest predominantly in a portfolio of companies which are part of the Index. This will involve investing in equities and may also include equity-linked securities being depositary receipts, warrants and preference shares.

The Investment Adviser may only take limited positions away from the Index. This means there are limitations on the extent to which the Fund's investment in various sectors* may differ to the Index. These limited positions can be more than is held in the Index (overweight) or less than is held in the Index (underweight).

Derivatives may be used for efficient portfolio management purposes only.

* A sector is a business area, industry or economy which shares the same characteristics. Company shares are typically grouped into different sectors depending on the company's business.

Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at www.scottishwidows.co.uk/investmentapproaches

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 17 August 2016.</p>	<p style="text-align: center;">Typically lower rewards, lower risks</p> <p style="text-align: center;">←</p>							<p style="text-align: center;">Typically higher rewards, higher risks</p> <p style="text-align: center;">→</p>						
	1	2	3	4	5	6	7							

Investment Review

Performance	29/02/16 to 31/08/16 %	01/03/15 to 28/02/16 %	01/03/14 to 28/02/15 %	01/03/13 to 28/02/14 %	29/02/12 to 28/02/13 %	01/03/11 to 28/02/12 %
UK Growth Fund A Accumulation	11.79	(9.33)	1.91	12.90	10.69	(3.17)

Source: Lipper for UK Growth Fund.

Basis: Net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Despite Brexit-induced volatility in the middle of the reporting period, wider UK equity markets made gains in sterling terms over the six months. At the sector level, technology and basic materials were among the strongest performers. In contrast, telecoms and consumer services lagged behind.

In the run-up to the June referendum, all eyes were on the UK as its voters decided whether the country should remain a member of the European Union (EU). This led to some big share price movements as opinion polls swung between the 'Leave' and 'Remain' camps. The backlash after the Leave result was swift: global stockmarkets sold off; sterling fell to a 30-year low against the US dollar; and David Cameron announced that he would step down as prime minister. Bank of England Governor Mark Carney issued an immediate statement, which provided some comfort, reminding investors of the robustness of the financial system and the central bank's ability to keep markets functioning. In August, the Bank's monetary policy committee moved to cut interest rates from 0.5% to a new all-time low of 0.25%.

Recent economic data has proved relatively strong. For example, a fall in the number of benefit claimants between June and July meant that unemployment remained at an 11-year low. However, economic surveys of business sentiment have fallen since the referendum. There are also growing worries about the housing market after the Royal Institute of Chartered Surveyors reported slowing housing-market activity in the wake of the Brexit vote.

Investment Markets Overview

(continued)

for the six month period ended 31 August 2016 (unaudited)

Over the reporting period, the position in Easyjet had a negative influence on performance. Shares in the airline underperformed on fears that the Brexit vote would lead to lower demand for flights. Holdings in housebuilders Persimmon and Berkeley Group also suffered after the referendum, in response to fears of a slowdown in the domestic economy.

Conversely, the holdings in Experian, the credit ratings company; Shire, the pharmaceuticals business; and mining firms Glencore and Rio Tinto had a positive effect on returns over the period. Their significant exposure to non-sterling earnings was advantageous for their share prices, given that the currency weakened significantly in the aftermath of the vote.

We are gradually getting more hard data on the UK economy's performance in the immediate aftermath of the EU referendum. As the dust has settled, some of the worst fears about the short-term impact on activity have not been realised and confidence has stabilised. However, huge uncertainties remain over the timing and nature of any Brexit deal, and its long-term implications for the UK economy. Thus the Bank of England has said that its views on the economy have not changed following its August stimulus package, and a further rate cut remains on the table before year-end. Equally, the Chancellor still looks set to unveil a modest "fiscal reset" in November's Autumn Statement.

Aberdeen Asset Investments Limited

September 2016

UK Growth Fund

Portfolio Statement

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (5.62%*)		195,403	6.78
Chemicals			
Croda International	56,714	1,894	0.07
Elementis	787,883	1,723	0.06
Johnson Matthey	196,923	6,577	0.23
Synthomer	326,295	1,213	0.04
Forestry & Paper			
Mondi	1,895,213	29,755	1.03
Industrial Metals & Mining			
Evraz	835,283	1,103	0.04
Mining			
Acacia Mining	203,371	967	0.03
Avocet Mining	13,511	14	0.00
BHP Billiton	440,670	4,583	0.16
Centamin	4,728,395	7,296	0.25
Fresnillo	457,878	7,738	0.27
Glencore	24,680,694	43,635	1.52
Hochschild Mining	295,065	751	0.03
KAZ Minerals	338,870	590	0.02
Lonmin	48,147	99	0.00
Polymetal International	601,038	6,702	0.23
Randgold Resources	274,159	20,164	0.70
Rio Tinto	2,553,991	60,032	2.08
Vedanta Resources	111,141	567	0.02
CONSUMER GOODS (19.16%*)		537,047	18.64
Automobiles & Parts			
GKN	4,563,264	14,114	0.49
Beverages			
A.G.Barr	32,004	164	0.01
Britvic	326,385	2,105	0.07
Coca-Cola	651,146	11,030	0.38
Diageo	2,247,810	47,822	1.66
SABMiller	1,009,334	44,411	1.54
Stock Spirits	61,098	104	0.00
Food Producers			
Associated British Foods	885,009	26,984	0.94
Cranswick	40,231	977	0.03
Devro	148,932	352	0.01
Greencore	307,955	1,106	0.04
Tate & Lyle	524,183	3,871	0.14
Household Goods & Home Construction			
Barratt Developments	1,428,834	7,028	0.24
Bellway	171,764	3,982	0.14
Berkeley	420,488	10,912	0.38
Bovis Homes	249,809	2,205	0.08
Crest Nicholson	167,384	776	0.03
Galliford Try	145,828	1,660	0.06
Persimmon	1,605,798	29,418	1.02
Reckitt Benckiser	1,123,767	83,237	2.89
Redrow	155,509	574	0.02

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Leisure Goods			
Photo-Me International	350,778	561	0.02
Personal Goods			
Burberry	924,335	12,081	0.42
PZ Cussons	87,393	296	0.01
Unilever	1,593,620	56,868	1.97
Tobacco			
British American Tobacco	2,200,930	104,643	3.63
Imperial Tobacco	1,747,214	69,766	2.42
CONSUMER SERVICES (13.85%*)		357,980	12.42
Food & Drug Retailers			
Booker	4,636,856	8,272	0.29
Greggs	360,489	3,756	0.13
J Sainsbury	3,042,295	7,387	0.26
Tesco	7,824,648	12,774	0.44
WM Morrison Supermarkets	12,927,481	25,493	0.88
General Retailers			
Card Factory	86,964	245	0.01
Debenhams	4,062,431	2,437	0.08
Dignity	168,050	4,519	0.16
Dunelm	39,414	349	0.01
Home Retail	764,041	1,225	0.04
Inchcape	1,621,090	11,429	0.40
Kingfisher	1,773,281	6,586	0.23
Marks & Spencer	5,789,167	19,735	0.68
Pets at Home	127,340	312	0.01
Saga	550,506	1,197	0.04
Sports Direct International	234,583	697	0.02
Topps Tiles	284,459	328	0.01
WH Smith	637,760	9,694	0.34
Media			
Auto Trader	1,370,331	5,246	0.18
Euromoney Institutional Investor	332,506	3,382	0.12
ITE	639,719	1,121	0.04
ITV	8,442,182	16,927	0.59
Moneysupermarket.com	454,165	1,339	0.05
Pearson	219,759	1,899	0.06
RELX	402,575	5,817	0.20
Rightmove	204,678	8,529	0.30
UBM	165,885	1,152	0.04
WPP	3,037,280	54,367	1.89
Travel & Leisure			
American Leisure**	3,000,000	-	0.00
Carnival	438,947	16,052	0.56
Compass	2,159,701	31,316	1.09
Domino's Pizza	306,751	1,134	0.04
easyJet	1,109,348	12,325	0.43
FirstGroup	2,956,160	3,243	0.11
Fuller Smith & Turner	60,268	585	0.02
Go-Ahead	61,585	1,225	0.04
InterContinental Hotels	402,239	13,197	0.46
International Consolidated Airlines	1,743,454	6,848	0.24

UK Growth Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Ladbrokes	2,391,590	3,786	0.13
National Express	2,728,727	9,641	0.33
Paddy Power Betfair	166,491	15,309	0.53
Restaurant	311,247	1,232	0.04
SSP	447,168	1,460	0.05
Stagecoach	1,391,329	3,168	0.11
Thomas Cook	1,536,370	1,065	0.04
TUI	446,197	4,631	0.16
William Hill	4,797,083	15,365	0.53
Wizz Air	11,719	184	0.01
FINANCIALS (24.64%*)		672,923	23.35
Banks			
Bank of Georgia	28,535	810	0.03
Barclays	18,820,570	31,835	1.10
CYBG	1,175,833	3,171	0.11
HSBC	22,294,327	124,291	4.31
Lloyds Banking†	76,593,448	45,083	1.56
Metro Bank	35,304	849	0.03
Royal Bank of Scotland	2,718,437	5,437	0.19
Standard Chartered	3,493,868	22,106	0.77
Collective Investment Schemes			
Aberdeen Liquidity Fund (Lux) - Sterling Fund◊	34,229	34,229	1.19
Scottish Widows UK Smaller Companies Fund X Acct	2,023,145	8,594	0.30
Equity Investment Instruments			
3i Infrastructure	1,079,309	2,010	0.07
Aberforth Smaller Companies Trust	562,911	5,804	0.20
Alliance Trust	1,489,418	8,512	0.30
Asian Total Return Investment	95,182	237	0.01
Bankers Investment Trust	32,510	217	0.01
BBGI	558,039	812	0.03
Better Capital	673,505	583	0.02
BH Global	34,392	429	0.01
BlackRock Frontiers Investment Trust	1,187,879	1,503	0.05
Blackrock Income Strategies Trust	356,853	402	0.01
BlackRock Smaller Companies Trust	688,631	6,136	0.21
Blackrock Throgmorton Trust	163,042	533	0.02
City of London Investment Trust	257,110	1,044	0.04
CVC Credit Partners European Opportunities	351,225	346	0.01
Diverse Income Trust	661,393	602	0.02
Edinburgh Investment Trust	443,573	3,194	0.11
Fidelity China Special Situations	531,269	892	0.03
Fidelity Special Values	530,391	1,036	0.04
Finsbury Growth & Income Trust	567,547	3,729	0.13
Foreign & Colonial Investment Trust	969,074	4,845	0.17
Greencoat UK Wind Fund	1,313,701	1,501	0.05
Henderson Smaller Companies Investment Trust	715,640	4,516	0.16
Herald Investment Trust	256,666	2,010	0.07
HgCapital Trust	45,136	576	0.02
HICL Infrastructure	1,896,245	3,303	0.11
Highbridge Multi Strategy Fund	359,310	687	0.02
ICG Enterprise Trust	213,445	1,244	0.04
Impax Environmental Markets	1,135,025	2,287	0.08
Invesco Perpetual UK Smaller Companies Investment Trust	228,146	874	0.03

UK Growth Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
JPMorgan American Investment Trust	544,119	1,779	0.06
JPMorgan Asian Investment Trust	124,429	337	0.01
JPMorgan European Smaller Companies Trust	208,242	616	0.02
JPMorgan Mid Cap Investment Trust	203,947	1,890	0.06
Jupiter European Opportunities Trust	316,311	1,756	0.06
Mercantile Investment Trust	440,802	7,406	0.26
Montanaro UK Smaller Companies Investment Trust	165,842	774	0.03
Murray International Trust	299,312	3,277	0.11
NB Global Floating Rate Income Fund	2,885,395	2,699	0.09
Pantheon International Participations	120,710	1,782	0.06
Perpetual Income and Growth Investment Trust	279,567	1,062	0.04
Polar Capital Global Financials Trust	703,211	719	0.02
Renewables Infrastructure	2,764,963	2,870	0.10
Ruffer Investment	1,413,211	3,159	0.11
Schroder AsiaPacific Fund	1,066,149	3,529	0.12
Schroder UK Mid Cap Fund	179,329	779	0.03
Scottish Investment Trust	277,303	1,945	0.07
Scottish Mortgage Investment Trust	498,304	1,531	0.05
Scottish Oriental Smaller Companies Trust	41,147	370	0.01
Standard Life UK Smaller Companies Trust	273,636	961	0.03
Starwood European Real Estate Finance	395,529	420	0.01
Temple Bar Investment Trust	234,999	2,609	0.09
Templeton Emerging Markets Investment Trust	635,957	3,635	0.13
Witan Investment Trust	294,523	2,450	0.08
Woodford Patient Capital Trust	2,093,502	1,931	0.07
Financial Services			
3i	1,054,187	6,515	0.23
Aberdeen Asset Management	820,529	2,650	0.09
Ashmore	526,121	1,895	0.07
Brewin Dolphin	134,168	352	0.01
Close Brothers	118,172	1,610	0.06
Henderson	603,858	1,452	0.05
ICAP	890,383	4,256	0.15
IG	903,647	8,621	0.30
Investec	684,449	3,125	0.11
IP	466,501	901	0.03
John Laing	129,656	336	0.01
Jupiter Fund Management	1,304,494	5,455	0.19
London Stock Exchange	58,272	1,629	0.06
Man	1,830,437	1,981	0.07
Paragon	1,069,357	3,348	0.12
Rathbone Brothers	44,952	815	0.03
S&U	8,286	193	0.01
Schroders	336,661	9,278	0.32
Tullett Prebon	976,608	3,693	0.13
Life Insurance			
Aviva	3,569,990	15,155	0.53
Chesnara	32,973	108	0.00
Legal & General	12,557,804	26,208	0.91
Old Mutual	1,877,062	3,664	0.13
Phoenix	631,911	5,425	0.19
Prudential	3,963,177	53,800	1.87
Standard Life	2,224,827	7,974	0.28

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Nonlife Insurance			
Admiral	260,991	5,342	0.19
Beazley	400,773	1,570	0.05
Direct Line Insurance	4,896,282	17,783	0.62
Hiscox	573,753	6,047	0.21
Jardine Lloyd Thompson	145,549	1,438	0.05
Lancashire	514,835	3,277	0.11
Novae	111,350	902	0.03
RSA Insurance	2,488,823	12,494	0.43
Real Estate Investment & Services			
Countrywide	357,732	949	0.03
Helical	103,210	290	0.01
Henderson EuroTrust	26,910	242	0.01
Kennedy Wilson Europe Real Estate	106,979	1,025	0.04
Savills	1,082,844	8,029	0.28
ST Modwen Properties	198,220	544	0.02
U & I	87,767	150	0.01
UNITE	552,338	3,402	0.12
Real Estate Investment Trusts			
Assura	3,903,900	2,278	0.08
British Land	772,387	5,098	0.18
Derwent London	322,543	8,747	0.30
Great Portland Estates	896,095	5,999	0.21
Hammerson	2,052,243	11,831	0.41
Hansteen	227,904	262	0.01
Intu Properties	935,301	2,945	0.10
Land Securities	647,412	7,050	0.24
Shaftesbury	755,407	7,252	0.25
Town Centre Securities	47,546	143	0.00
Tritax Big Box	581,677	840	0.03
HEALTH CARE (7.65%*)		235,238	8.16
Health Care Equipment & Services			
Mediclinic International	143,796	1,484	0.05
Spire Healthcare	173,942	604	0.02
UDG Healthcare	325,878	2,027	0.07
Pharmaceuticals & Biotechnology			
AstraZeneca	1,458,169	72,938	2.53
BTG	49,718	303	0.01
Dechra Pharmaceuticals	471,887	6,196	0.22
Genus	190,002	3,486	0.12
GlaxoSmithKline	4,789,889	78,746	2.73
Hikma Pharmaceuticals	244,961	5,279	0.18
Indivior	1,988,202	6,247	0.22
Shire	1,020,470	49,411	1.72
Smith & Nephew	656,377	8,113	0.28
Vectura	306,278	404	0.01

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
INDUSTRIALS (9.92%*)		273,602	9.50
Aerospace & Defence			
BAE Systems	49,092	264	0.01
Cobham	404,999	652	0.02
John Menzies	104,188	625	0.02
Meggitt	1,760,993	8,233	0.29
QinetiQ	2,085,839	4,791	0.17
Rolls-Royce	5,139,836	39,448	1.37
Ultra Electronics	179,349	3,027	0.10
Construction & Materials			
CRH	687,569	17,739	0.62
Keller	15,032	138	0.00
Kier	61,415	779	0.03
Morgan Sindall	29,579	223	0.01
Electronic & Electrical Equipment			
e2v technologies	218,766	526	0.02
Halma	409,662	4,388	0.15
Oxford Instruments	187,846	1,458	0.05
Renishaw	21,945	574	0.02
Spectris	9,520	185	0.01
TT Electronics	693,738	1,028	0.03
Xaar	35,883	180	0.01
XP Power	37,193	616	0.02
General Industrials			
DS Smith	1,432,477	5,935	0.21
RPC	276,914	2,423	0.08
Smurfit Kappa	402,233	7,731	0.27
Vesuvius	185,927	648	0.02
Industrial Engineering			
Fenner	101,829	168	0.01
Hill & Smith	157,373	1,860	0.06
Rotork	1,223,402	2,474	0.09
Spirax-Sarco Engineering	151,652	6,629	0.23
Weir	256,736	3,931	0.14
Industrial Transportation			
James Fisher & Sons	18,911	294	0.01
Royal Mail	3,689,091	19,054	0.66
Stobart	517,903	808	0.03
Wincanton	97,191	191	0.01
Support Services			
AA	419,919	1,148	0.04
Aggreko	847,038	8,682	0.30
Berendsen	379,111	4,655	0.16
Bunzl	305,686	7,376	0.26
Carillion	1,996,447	5,430	0.19
DCC	179,582	12,472	0.43
Diploma	172,292	1,430	0.05
Electrocomponents	511,233	1,562	0.05
Experian	2,787,134	42,420	1.47
Filtrona	178,981	924	0.03
Grafton	792,276	4,813	0.17
Hays	1,737,440	2,281	0.08

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
HomeServe	182,715	1,015	0.03
Howden Joinery	1,624,121	7,417	0.26
Interserve	699,926	2,983	0.10
Intertek	88,288	3,122	0.11
Lavendon	438,529	594	0.02
Michael Page International	877,776	3,091	0.11
Mitie	1,590,200	4,297	0.15
Northgate	504,829	2,106	0.07
Paysafe	300,465	1,315	0.04
Rentokil Initial	3,317,978	7,130	0.25
Robert Walters	63,037	213	0.01
RPS	445,821	800	0.03
St Ives	67,405	81	0.00
SThree	322,829	799	0.03
Wolseley	26,894	1,176	0.04
Worldpay	1,011,558	3,025	0.10
WS Atkins	280,718	4,225	0.15
OIL & GAS (9.63%*)		294,601	10.22
Oil & Gas Producers			
BP	20,589,246	89,285	3.10
Cairn Energy	150,815	288	0.01
EnQuest	1,309,662	357	0.01
Genel Energy	173,463	176	0.01
Ophir Energy	780,687	564	0.02
Royal Dutch Shell 'A' Shares	4,715,186	89,612	3.11
Royal Dutch Shell 'B' Shares	4,995,283	98,807	3.43
Oil Equipment, Services & Distribution			
John Wood	1,804,809	12,796	0.44
Petrofac	316,552	2,716	0.09
TECHNOLOGY (1.73%*)		65,358	2.27
Software & Computer Services			
AVEVA	201,970	3,856	0.13
Fidessa	89,172	2,194	0.08
Micro Focus International	391,077	7,954	0.27
Sage	3,436,147	25,067	0.87
SDL	104,840	469	0.02
Technology Hardware & Equipment			
ARM	1,442,497	24,465	0.85
Laird	405,010	1,207	0.04
Spirent Communications	166,870	146	0.01
TELECOMMUNICATIONS (5.74%*)		124,928	4.34
Fixed Line Telecommunications			
BT	8,788,746	34,197	1.19
KCOM	1,052,052	1,170	0.04
TalkTalk Telecom	620,823	1,318	0.05
Mobile Telecommunications			
Inmarsat	1,230,488	9,906	0.34
Vodafone	33,978,232	78,337	2.72
UTILITIES (3.20%*)		105,143	3.65
Electricity			
Drax	357,442	1,084	0.04
SSE	1,608,271	24,140	0.84

UK Growth Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
Gas, Water & Multiutilities			
Centrica	17,145,738	40,052	1.39
National Grid	3,216,760	33,873	1.17
Pennon	402,223	3,513	0.12
Severn Trent	103,504	2,481	0.09
DERIVATIVES (0.05%*)		4,789	0.17
Futures			
FTSE 100 Index Futures September 2016	809	4,789	0.17
Portfolio of investments		2,867,012	99.50
Net other assets		14,266	0.50
Total net assets		2,881,278	100.00

All investments held are listed, unless otherwise stated.

Derivatives can be exchange traded or Over the Counter (OTC) contracts.

*Comparative figures shown in brackets relate to 28 February 2016.

**Delisted securities.

†This investment is a related party.

◇Asset managed by the Fund's Investment Adviser.

UK Growth Fund

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
Aberdeen Liquidity Fund (Lux) - Sterling Fund [∅] #	142,592	Aberdeen Liquidity Fund (Lux) - Sterling Fund [∅] #	140,710
FTSE 100 Index Futures June 2016	109,553	FTSE 100 Index Futures June 2016	108,716
FTSE 100 Index Futures September 2016	102,863	FTSE 100 Index Futures March 2016	86,277
FTSE 100 Index Futures March 2016	51,773	FTSE 100 Index Futures September 2016	56,541
FTSE 250 Index Futures September 2016	30,216	FTSE 250 Index Futures June 2016	29,320
FTSE 250 Index Futures June 2016	28,469	FTSE 250 Index Futures March 2016	28,738
WM Morrison Supermarkets	19,521	FTSE 250 Index Futures September 2016	27,180
Imperial Tobacco	18,437	Compass	20,166
Randgold Resources	13,208	BHP Billiton	19,948
WPP	13,168	CRH	17,474

Purchases and sales of Futures have been included at the value of their exposure.

[∅]Asset managed by the Fund's Investment Adviser.

[#]With effect from 18 July 2016 holding moved from Aberdeen Global Liquidity Sterling Fund Advisory to Aberdeen Liquidity Fund (Lux) - Sterling Fund

UK Growth Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	870,794	809,782	965,451	1,024,019
Closing number of shares	530,780,008	558,895,508	604,420,508	653,217,508
Closing net asset value per share (p)	164.06	144.89	159.73	156.77
Operating charges#	1.60%	1.61%	1.61%	1.61%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class B - Accumulation				
Closing net asset value (£'000)	101,491	93,112	110,359	115,358
Closing number of shares	57,686,544	60,076,044	64,911,044	69,480,244
Closing net asset value per share (p)	175.93	154.99	170.02	166.03
Operating charges#	1.11%	1.11%	1.11%	1.11%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class C - Income				
Closing net asset value (£'000)	5,502	5,010	6,190	7,142
Closing number of shares	4,288,300	4,443,800	4,864,800	5,627,900
Closing net asset value per share (p)	128.31	112.75	127.25	126.91
Operating charges#	0.61%	0.61%	0.61%	0.61%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class X - Income				
Closing net asset value (£'000)	1,903,491	1,477,793	1,764,984	1,844,330
Closing number of shares	1,485,910,078	1,316,201,078	1,392,498,578	1,459,261,078
Closing net asset value per share (p)	128.10	112.28	126.75	126.39
Operating charges#	0.11%	0.12%	0.11%	0.11%

#Operating charges are representative of the ongoing charges figure.

UK Growth Fund

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		287,865		(217,300)
Revenue	65,936		66,201	
Expenses	(8,326)		(9,200)	
Interest payable and similar charges	-		-	
Net revenue before taxation	57,610		57,001	
Taxation	(191)		(264)	
Net revenue after taxation		57,419		56,737
Total return before equalisation		345,284		(160,563)
Equalisation		2,598		(1,075)
Change in net assets attributable to shareholders from investment activities		347,882		(161,638)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		2,385,697		2,846,984
Assets transferred from Unit Trusts*		184,450		-
Amounts receivable on creation of shares**	73,544		30,854	
Less: Amounts payable on cancellation of shares**	(110,781)		(117,745)	
		(37,237)		(86,891)
Dilution adjustment*		486		275
Change in net assets attributable to shareholders from investment activities		347,882		(161,638)
Unclaimed distributions		-		1
Closing net assets attributable to shareholders		2,881,278		2,598,731

*Relating to the transfer of assets from internal parties.

**Prior year figures have been restated as a result of the 2014 IMA SORP.

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

UK Growth Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Fixed assets		
Investments	<u>2,867,012</u>	<u>2,415,259</u>
Current assets		
Debtors	52,828	29,130
Cash and bank balances	<u>1,124</u>	<u>4,270</u>
Total assets	<u>2,920,964</u>	<u>2,448,659</u>
Liabilities		
Investment liabilities	<u>-</u>	<u>(1,057)</u>
Creditors		
Bank overdrafts	(1,750)	(100)
Distribution payable	-	(58,428)
Other creditors	<u>(37,936)</u>	<u>(3,377)</u>
Total liabilities	<u>(39,686)</u>	<u>(62,962)</u>
Net assets attributable to shareholders	<u>2,881,278</u>	<u>2,385,697</u>

UK Select Growth Fund

Investment Markets Overview

for the six month period ended 31 August 2016 (unaudited)

Investment Objective and Policy

To provide long-term capital growth through investment in a select portfolio of primarily UK equities.

The Fund will invest in a select portfolio of primarily UK securities which will predominantly include shares and convertibles, however the Fund may invest in other types of investment at the discretion of the ACD. The Fund will focus on a limited number of holdings (typically between 30 and 50).

Derivatives may be used for efficient portfolio management purposes only.

Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of fund risk based on measuring a fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

This is a separate measure to Scottish Widows' Investment Approaches (where we use our own methodology to take an overall look at funds' risks and aims and categorise our funds as Secure, Cautious, Balanced, Progressive, Adventurous or Specialist). You can read more about them at www.scottishwidows.co.uk/investmentapproaches

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 2 August 2016.</p>	<p style="text-align: center;">Typically lower rewards, lower risks</p> <p style="text-align: center;">←</p>							<p style="text-align: center;">Typically higher rewards, higher risks</p> <p style="text-align: center;">→</p>						
	1	2	3	4	5	6	7							

Investment Review

Performance	29/02/16 to 31/08/16 %	01/03/15 to 28/02/16 %	01/03/14 to 28/02/15 %	01/03/13 to 28/02/14 %	29/02/12 to 28/02/13 %	01/03/11 to 28/02/12 %
UK Select Growth Fund A Accumulation	15.31	(13.01)	(6.44)	9.21	5.35	(6.74)
UK All Companies Sector Average Return	10.66	(5.52)	3.69	19.28	14.36	1.06

Source: Lipper for UK Select Growth Fund and UK All Companies Sector Average Return (funds which invest at least 80% of their assets in UK equities which have a primary objective of achieving capital growth).

Basis: Net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

UK equities rose in the six months under review even as investors grappled with the aftermath of Britain's shock vote to exit the European Union (EU). At the start of the period, stockmarkets increased on the back of firmer energy prices, the European Central Bank's ultra-loose stimulus and better Chinese economic data. However, the referendum on EU membership resulted in a backlash. A sell-off reverberated across global financial markets; the sterling fell to a 30-year low against the US dollar and David Cameron stepped down as UK prime minister, all within 24 hours. Subsequently, stockmarkets recovered, albeit cautiously. Concerns over the health of Europe's banking sector were mitigated by relief from the rapid change in the UK's political leadership, with the appointment of Theresa May as Prime Minister. Towards the period end, some local benchmarks reached 14-month highs on the back of energy-sector gains. Oil and gas stocks increased on speculation that OPEC members would agree to freeze production, which in turn lifted the oil price. Investors were also cheered by the Bank of England's interest rate cut, which left the official lending rate at a new low of 0.25%.

In the six months under review, the fund rose by 15.31% in sterling terms, outperforming the benchmark.

At the stock level, contributing to relative return was Weir Group, as its shares rose in tandem with the broader energy sector. Also benefiting the fund was Standard Chartered, which returned to profitability towards the end of the reporting period, largely because of reduced commodity exposure, better cost controls and lower impairment levels. Not holding BT Group added to performance as the company has been facing heightened competition and some regulatory uncertainty.

Conversely, detracting from performance was Inmarsat, as its shares suffered from a slower than expected take-up of its new aviation offering and some end market challenges in the maritime division. Also costing the fund was Ultra Electronics, its shares derated on the back of muted organic growth. Lastly, Cobham detracted as trading is expected to remain subdued due to the challenging backdrop. We exited our position as we had grown increasingly wary of the highly-gearred balance sheet following the acquisition of Aeroflex.

Investment Markets Overview

(continued)

for the six month period ended 31 August 2016 (unaudited)

The outlook for European economies, as well as for corporate earnings, remains one of gradually improving fundamentals though spare capacity in the labour market is high and inflationary pressures weak. As such, we expect central banks to remain accommodative to support the recovery. So far, Britain's decision to leave the EU has been primarily a political shock for the currency bloc, rather than an economic one. Stockmarkets are likely to remain volatile, particularly in light of heightened political risk. While our positioning has been rewarded with performance in the ensuing sell-off after the Brexit vote, it reflects long-held views and our bottom-up stock picking approach that favour diversified international exposure. Our investment process leads us to prefer companies that have sustainable business models, attractive structural growth opportunities and, importantly, sound balance sheets that should enable them to withstand the more challenging backdrop better than their peers. We continue our thorough due diligence and will look to take advantage of any short-term potential mispricing opportunities to buy good quality companies at attractive prices for the long term.

Aberdeen Asset Investments Limited

September 2016

UK Select Growth Fund

Portfolio Statement

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
BASIC MATERIALS (7.70%*)		2,509	8.44
Chemicals			
Croda International	25,300	845	2.84
Elementis	196,000	429	1.44
Mining			
BHP Billiton	74,500	774	2.61
Rio Tinto	19,600	461	1.55
CONSUMER GOODS (15.93%*)		3,902	13.12
Automobiles & Parts			
GKN	192,200	594	2.00
Food Producers			
Associated British Foods	13,200	402	1.35
Personal Goods			
Unilever	33,300	1,188	3.99
Tobacco			
British American Tobacco	24,200	1,151	3.87
Imperial Tobacco	14,200	567	1.91
CONSUMER SERVICES (12.39%*)		3,712	12.48
Food & Drug Retailers			
Tesco	225,600	368	1.24
General Retailers			
Dignity	15,349	413	1.39
Inchcape	84,500	597	2.01
Media			
Pearson	74,000	639	2.14
Travel & Leisure			
Compass	78,500	1,138	3.83
Whitbread	13,400	557	1.87
FINANCIALS (15.64%*)		4,955	16.66
Banks			
HSBC	155,000	864	2.90
Standard Chartered	151,300	957	3.22
Collective Investment Schemes			
HBOS Smaller Companies Fund I Inct	597,225	1,110	3.73
Financial Services			
Schroders	12,500	345	1.16
Schroders (Non-Voting)	23,405	484	1.63
Life Insurance			
Prudential	88,000	1,195	4.02
HEALTH CARE (6.65%*)		1,765	5.94
Pharmaceuticals & Biotechnology			
AstraZeneca	17,700	885	2.98
GlaxoSmithKline	53,500	880	2.96

UK Select Growth Fund

Portfolio Statement

(continued)

as at 31 August 2016 (unaudited)

	Holdings	Market Value £000	Total Net Assets %
INDUSTRIALS (20.69%*)		7,263	24.43
Aerospace & Defence			
Rolls-Royce	122,600	941	3.16
Ultra Electronics	42,700	721	2.42
General Industrials			
RPC	56,000	490	1.65
Industrial Engineering			
Rotork	289,300	585	1.97
Spirax-Sarco Engineering	13,600	594	2.01
Weir	40,000	612	2.06
Support Services			
Aggreko	44,000	451	1.52
Bunzl	13,200	319	1.07
Capita	60,500	631	2.12
Experian	61,800	941	3.16
Filtrona	75,000	387	1.30
Intertek	16,700	591	1.99
OIL & GAS (8.18%*)		1,947	6.55
Oil & Gas Producers			
Royal Dutch Shell 'B'	54,000	1,068	3.59
Oil Equipment, Services & Distribution			
John Wood	124,000	879	2.96
TECHNOLOGY (4.59%*)		1,661	5.59
Software & Computer Services			
AVEVA	35,300	674	2.27
Sage	135,300	987	3.32
TELECOMMUNICATIONS (4.29%*)		1,293	4.35
Mobile Telecommunications			
Inmarsat	90,700	730	2.46
Vodafone	244,000	563	1.89
UTILITIES (1.79%*)		453	1.52
Gas, Water & Multiutilities			
Centrica	194,000	453	1.52
Portfolio of investments		29,460	99.08
Net other assets		273	0.92
Total net assets		29,733	100.00

All investments held are listed, unless otherwise stated.

*Comparative figures shown in brackets relate to 28 February 2016.

†This investment is a related party.

UK Select Growth Fund

Material Portfolio Changes

for the six month period ended 31 August 2016 (unaudited)

	Cost £000		Proceeds £000
Major purchases		Major sales	
Filtrona	483	Royal Dutch Shell 'B'	522
RPC	429	Persimmon	430
Dignity	381	Cobham	429
Capita	290	Unilever	254
Bunzl	282	GlaxoSmithKline	204
Inmarsat	237	Pearson	201
Schroders (Non-Voting)	134	British American Tobacco	173
Rotork	128	HSBC	164
Prudential	123	Rolls-Royce	150
AVEVA	113	Centrica	117

UK Select Growth Fund

Comparative Tables

as at 31 August 2016 (unaudited)

	31/08/16	28/02/16	28/02/15	28/02/14
Share Class A - Accumulation				
Closing net asset value (£'000)	4,024	3,562	4,563	5,326
Closing number of shares	228,400	236,700	263,620	288,650
Closing net asset value per share (p)	1,761.87	1,504.83	1,731.03	1,845.25
Operating charges#	1.65%	1.66%	1.64%	1.64%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class B - Accumulation				
Closing net asset value (£'000)	15,353	13,671	17,233	19,954
Closing number of shares	840,061	876,861	963,311	1,049,011
Closing net asset value per share (p)	1,827.66	1,559.02	1,788.91	1,902.17
Operating charges#	1.40%	1.41%	1.39%	1.39%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class C - Accumulation				
Closing net asset value (£'000)	10,350	9,347	11,775	13,541
Closing number of shares	547,419	580,319	638,689	692,489
Closing net asset value per share (p)	1,890.65	1,610.71	1,843.56	1,955.41
Operating charges#	1.15%	1.16%	1.14%	1.14%
	31/08/16	28/02/16	28/02/15	28/02/14
Share Class X - Accumulation				
Closing net asset value (£'000)	6	5	1,832	2,451
Closing number of shares	266	266	87,266	111,166
Closing net asset value per share (p)	2,186.70	1,853.16	2,099.44	2,204.67
Operating charges#	0.12%	0.14%	0.14%	0.14%

#Operating charges are representative of the ongoing charges figure.

UK Select Growth Fund

Statement of Total Return

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		01/03/15 to 31/08/15	
	£000	£000	£000	£000
Income				
Net capital gains/(losses)		3,971		(2,896)
Revenue	681		800	
Expenses	(192)		(227)	
Interest payable and similar charges	-		-	
Net revenue before taxation	489		573	
Taxation	-		-	
Net revenue after taxation		489		573
Total return before equalisation		4,460		(2,323)
Equalisation		(12)		(41)
Change in net assets attributable to shareholders from investment activities		4,448		(2,364)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 31 August 2016 (unaudited)

	29/02/16 to 31/08/16		Restated 01/03/15 to 31/08/15	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		26,585		35,403
Amounts receivable on creation of shares	62		1,992	
Less: Amounts payable on cancellation of shares*	(1,363)		(5,605)	
		(1,301)		(3,613)
Dilution adjustment*		1		4
Change in net assets attributable to shareholders from investment activities		4,448		(2,364)
Closing net assets attributable to shareholders		29,733		29,430

*Prior year figures have been restated as a result of the 2014 IMA SORP.

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

UK Select Growth Fund

Balance Sheet

as at 31 August 2016 (unaudited)

	31/08/16 £000	28/02/16 £000
Assets		
Fixed assets		
Investments	<u>29,460</u>	<u>26,013</u>
Current assets		
Debtors	174	553
Cash and bank balances	<u>160</u>	<u>80</u>
Total assets	<u>29,794</u>	<u>26,646</u>
Liabilities		
Creditors		
Other creditors	<u>(61)</u>	<u>(61)</u>
Total liabilities	<u>(61)</u>	<u>(61)</u>
Net assets attributable to shareholders	<u>29,733</u>	<u>26,585</u>

General Information

About OEICs

The Scottish Widows UK and Income Investment Funds ICVC (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).

Scottish Widows is committed to being a responsible investor on behalf of our customers, with particular focus on Stewardship, Ethical investment and Environmental, Social and Governance (ESG) issues. Our commitment to responsible investment is explained in more detail through this link: www.scottishwidows.co.uk/about_us/responsibleinvestment

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 2244 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.

Shares

The Company currently offers six share classes; Class A, Class B, Class C, Class G, Class W and Class X. Each share class has a different ACD fee.

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 0845 845 0066.

Shares may be bought or sold between 9.00am and 5.00pm on Mondays to Fridays inclusive.

Liability

Shareholders are not liable for the debts of the Company.

Prospectus

The Prospectus, which is available from the ACD free of charge, 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 six month period to 31 August 2016 (as noted on pages 2 and 3). Full terms and conditions are available from the ACD.

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 advisors 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 the ACD. Please supply details of your holding (including surname, initials and account number).

Scottish Widows Unit Trust Managers Limited. Registered in England and Wales No. 1629925.
Registered Office in the United Kingdom at Charlton Place, Andover, Hampshire SP10 1RE. Tel: 0845 300 2244.
Authorised and regulated by the Financial Conduct Authority. Financial Services Register number 122129.

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