

# Aberdeen Global II

## Interim Report and Accounts

For the period ended 31 December 2015



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# Incorporation

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Aberdeen Global II ("the Company") was incorporated as a société anonyme, qualifying as a société d'investissement à capital variable on 18 February 2008 for an unlimited period and commenced operations on 16 May 2008. It is registered under number B136363 at the Register of Commerce at the District Court of Luxembourg.

As at 31 December 2015, the Company has issued shares in the following Funds:

Asia Pacific Multi Asset	Global Government Bond
Asian Bond	Global High Yield Bond
Australian Dollar Bond	Global Sovereign Opportunities Bond
Canadian Dollar Bond	Sterling Bond
Emerging Europe Bond	Sterling Credit Bond
Euro Absolute Return Bond	Sterling Government Bond
Euro Corporate Bond	Sterling Index Linked Bond
Euro Government Bond	Sterling Long Dated Credit Bond
Euro High Yield Bond	Sterling Long Dated Government Bond
Euro Short Term Bond	US Dollar Bond
European Convertibles Bond	US Dollar High Yield Bond
Global Bond	US Dollar Short Term Bond

The full name of each Fund is constituted by the name of the Company, Aberdeen Global II, followed by a hyphen and then the specific name of the Fund. Throughout the Financial Statements, the Funds are referred to by their short names as indicated above.

No subscriptions can be received on the basis of this document. Subscriptions are only valid if made on the basis of the current Prospectus or on the Key Investor Information Document, accompanied by a copy of the latest annual report or of the subsequent semi-annual report if it has been published.

Please see the Notes to the Financial Statements for changes during the period.

# Chairman's Statement

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During the period, the total assets under management ('AUM') of the Company decreased from US\$3.4 billion to US\$2.7 billion. Investor appetite remained low for Fixed Income products generally in the second half of 2015, mainly due to low interest rates and uncertainties in global markets. However, the Aberdeen Global II – European Convertibles Bond Fund was one fund favoured by investors, with positive inflows such that the AUM of this Fund is now above EUR 190 million.

In terms of performance the Funds investing in government bonds were the best performing Funds over the period. The Aberdeen Global II – Euro Government Bond Fund returned 3.17% over the six months, the Aberdeen Global II – Sterling Government Bond Fund by 2.41%, the Aberdeen Global II – Sterling Long Dated Government Bond Fund 2.84% and the Aberdeen Global II – Global Government Bond Fund 0.55%.

As at 31 December 2015 there were 24 funds in the umbrella. In the period, the Board decided to close the Aberdeen Global II – Euro Bond Fund on 24 October 2015 following significant investor redemptions.

In terms of other fund changes, fixed operating, administrative and servicing expenses were introduced at the beginning of the financial year with a view to improving the offering. In addition, the management fees of the Aberdeen Global II – Global High Yield Bond Fund were reduced with effect from 1 October 2015 and the benchmark of the Fund was changed to be in line with comparable funds. Those changes were reflected in an updated prospectus published in October 2015. This new prospectus also included the Aberdeen Global II – US Dollar Credit Bond Fund which was launched on 19 January 2016.

The Board continues to review the entire fund range in order to provide products that meet investors' needs in the continuously changing financial environment.

**CG Little**  
**Chairman**

**February 2016**



# Investment Manager's Review

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## Investment review

The narrative of recent months has been one of global markets in turmoil. China continues to dominate the headlines as the rest of emerging markets have struggled. Despite this, US data has been strong enough to justify the first interest rate rise since 2006, and the Eurozone looks set to build on steady, albeit unspectacular, growth.

In the UK, economic data has remained mixed. The Autumn Statement came at just the right time for Chancellor George Osborne as he was able to report strong figures. More recently, however, Osborne has highlighted how the UK now faces a 'dangerous cocktail' of economic risks in the slowing economy. There have been growing concerns around the manufacturing and service sectors, two of the most important sectors in the UK economy, which has reined in optimism. Regarding a raise in interest rates, we expect this to be much later this year, and perhaps even into 2017.

The US economy has been spluttering along. The latter stages of 2015 saw some strong economic data but there have been concerns around the fragile state of economy since the US Federal Reserve hike last month. Global events have not helped matters as China's slowdown has kept markets cautious. The continued slump in oil also remains a key concern for the US energy companies. A gradual rise in interest rates is likely, but it may be more gradual than markets initially expected.

The picture for developing and Asian economies continues to look bleak. China is facing various headwinds but it is important to highlight that the economy is slowing, not collapsing. Gross Domestic Product growth is still far above that of developed markets, and we believe markets overreacted to the devaluation of the yuan back in August. It was a wake-up call which prompted concerns around the speed and nature of the evident, and arguably inevitable, slowdown, but we believe this was less about the state of the economy and more about liberalisation and preparing the yuan for inclusion into the International Monetary Fund's Special Drawing Rights basket of currencies. These are two incremental steps in the globalisation of the Chinese currency. Additionally, a slowdown in growth is a necessary consequence of restructuring an investment-led economy towards a more sustainable model with personal consumption and services as its main growth pillars. That said, waning Chinese demand will continue to weigh heavily on the wider emerging market economies.

The main influence on bond market movements over the period was the possible actions of the world's major central banks. It naturally followed that in December, when these actions came to fruition, the same forces were brought to bear on the market.

The European Central Bank disappointed markets as the new policy measures, aimed at stimulating growth and inflation, fell markedly short of expectations. Market reaction was swift, with Eurozone government bond prices falling sharply. In the US, US Treasury yields were sent marginally higher before fresh uncertainty over global growth triggered further buying of government debt. Thereafter, Treasuries traded in a narrow range through to year end. The Bank of Japan followed suit by announcing its own policy changes, although Governor Haruhiko Kuroda described the changes as no more than "a technicality".

Commodities rounded off a negative period with yet another month of losses in December. Oil was one of the worst performers, with the price of Brent crude sliding nearly 20% to its lowest level in more than a decade. The price of oil has not been this low since the depths of the financial crisis. The main reason for the decline is a steep rise in global production. Although demand growth from China has slowed, the inventories of oil around the world have continued to increase.

Saudi Arabia and Iran have both resisted calls to stem production, as they battle for market share. This has contributed to the record levels of inventories and resulted in a 70% decline in oil prices over the past 18 months. In December there were further concerns that the glut in supply could swell further after new legislation was passed in the US to allow the export of oil for the first time since the 1970s.

The MSCI world equity index ended the period lower, which was a broad reflection of equity markets as a whole. Market volatility was present throughout, however.

In foreign exchange, the US dollar continued to strengthen versus G10 currencies. Two winners in towards the end of the period against the dollar were the euro and the Japanese yen, despite the fact that both economic areas are cutting interest rates. The Eurozone's economic story continues to improve in most respects, but remains somewhat dependent on quantitative easing and currency weakness. The Japanese economy continues to demonstrate rather anaemic growth. However, as investor confidence remains high and the currency is widely perceived as undervalued, the yen rose slightly. The continued decline in oil prices put downward pressures on other commodity-linked currencies.

Aberdeen Asset Managers Limited

January 2016

# Net Asset Value History

Numbers are shown in USD terms (unless otherwise stated).

Fund	Share Class	NAV per Share 31.12.15	NAV per Share 30.06.15	NAV per Share 30.06.14	NAV per Share 30.06.13	Ongoing Charge % <sup>†</sup> as at 31.12.15	OASE % * as at 31.12.15
Asia Pacific Multi Asset	A-1	8.8996	9.6605	-	-	1.93	0.35
	A-2	166.6728	179.2744	181.6209	173.5936	1.93	0.35
	A(CHF)-2^	134.1625	145.2263	148.4971	142.7716	2.02	0.44
	A(EUR)-2^	148.6572	160.0942	162.8514	156.0129	2.02	0.44
	E(EUR)-2	11.7939	12.3688	10.1977	10.2666	1.93	0.35
	W-1	10.3062	-	-	-	2.93	0.35
	W-2	10.3142	-	-	-	2.93	0.35
	X-2	9.5684	10.2520	10.3151	9.7961	1.18	0.35
	Y(EUR)-2	11.5159	12.0321	9.8402	9.8268	1.18	0.35
Asian Bond	A-1	113.1444	118.1310	123.8921	124.3823	1.60	0.38
	A-2	146.7606	150.8861	153.9689	150.6586	1.60	0.38
	A(EUR)-2^	139.9700	144.3868	148.1649	145.3258	1.74	0.52
	D(GBP)-2^	10.2947	10.5763	10.7975	10.5747	1.74	0.52
	I-2	1,490.1914	1,527.9438	1,550.8416	1,509.3204	1.06	0.34
	X-1	-	-	9.2895	9.3260	-	-
	X-2	-	-	9.7796	9.5209	-	-
	Y(EUR)-1	-	-	8.8491	9.3571	-	-
	Y(EUR)-2	-	-	9.3151	9.5526	-	-
	Z-2	1,071.0310	1,094.2584	1,102.9020	1,065.8879	0.36	0.34
Australian Dollar Bond	A(AUD)-1	1,266.1484	1,253.9824	1,220.3754	1,195.1199	1.17	0.27
	A(AUD)-2	4,354.5958	4,280.9466	4,090.2545	3,921.1814	1.17	0.27
	X(AUD)-1	10.3000	10.2009	9.9275	9.7220	0.77	0.27
	X(AUD)-2	11.1112	10.9011	10.3739	9.9060	0.77	0.27
Canadian Dollar Bond	A(CAD)-1	1,371.5649	1,365.0359	1,315.2675	1,290.6008	1.18	0.28
	A(CAD)-2	3,700.4596	3,664.1375	3,494.9960	3,391.1478	1.18	0.28
	X(CAD)-1	10.1799	10.1328	9.7680	9.5848	0.78	0.28
	X(CAD)-2	-	-	10.0389	9.7024	-	-
Dynamic Allocation Multi Asset	A(EUR)-2	-	-	10.1583	9.7621	-	-
	I(EUR)-2	-	-	10.3030	9.8085	-	-
	X(EUR)-2	-	-	10.2876	9.8087	-	-
Emerging Europe Bond	A(EUR)-2	210.0988	219.1268	233.9208	231.8335	1.78	0.58
	X(EUR)-2	8.8283	9.1848	9.7580	9.6217	1.28	0.58
Euro Absolute Return Bond	A(EUR)-2	9.9248	-	-	-	1.34	0.34
	I(EUR)-2	1.0506	1.0775	-	-	0.80	0.30
	X(EUR)-2	9.3919	-	-	-	0.84	0.34
	Z(EUR)-2	9.9395	-	-	-	0.30	0.30
Euro Bond <sup>^</sup>	I(EUR)-1	-	10.4683	10.2200	-	-	-
	Z(EUR)-2	-	18.8812	18.1605	16.6929	-	-
Euro Corporate Bond	A(EUR)-1	10.6365	10.6136	10.5332	-	1.18	0.28
	A(EUR)-2	10.8529	10.7937	10.6241	-	1.18	0.28
	A(CZK)-2^	106.5054	106.5555	105.3087	99.2804	1.32	0.42
	I(EUR)-2	13.1684	13.0603	12.8135	11.9736	0.74	0.24
	Z(EUR)-2	16.2382	16.0775	15.6763	14.5708	0.24	0.24

Fund	Share Class	NAV per Share 31.12.15	NAV per Share 30.06.15	NAV per Share 30.06.14	NAV per Share 30.06.13	Ongoing Charge % <sup>†</sup> as at 31.12.15	OASE % * as at 31.12.15
Euro Government Bond	A(EUR)-1	135.4971	131.6746	128.7340	120.4027	1.13	0.23
	A(EUR)-2	509.3789	495.0089	482.5853	446.4612	1.13	0.23
	J(EUR)-2	1,981.0049	1,920.8976	1,864.4991	1,717.3722	0.69	0.19
	X(EUR)-1	11.1170	10.7862	10.5368	9.8529	0.73	0.23
	X(EUR)-2	11.5934	11.2450	10.9003	10.0438	0.73	0.23
	Z(EUR)-2	9.9678	-	-	-	0.19	0.19
Euro High Yield Bond	A(EUR)-2	136.1134	135.1630	134.2691	118.8907	1.50	0.30
	I(EUR)-2	1,422.0632	1,406.8061	1,387.3550	1,221.4116	0.76	0.26
	X(EUR)-2	12.1060	11.9924	11.8540	10.4444	1.00	0.30
Euro Short Term Bond	A(EUR)-1	50.7330	50.6817	50.6566	50.5022	0.73	0.23
	A(EUR)-2	147.4773	147.3281	147.2143	146.7658	0.73	0.23
	J(EUR)-2	1,237.6256	1,234.7411	1,229.5036	1,220.3697	0.44	0.19
	X(EUR)-1	9.9946	9.9770	9.9784	9.9247	0.48	0.23
	X(EUR)-2	10.1152	10.0893	10.0554	9.9855	0.48	0.23
European Convertibles Bond	A(EUR)-2	17.6370	17.3889	16.0328	14.7681	1.45	0.25
	I(EUR)-1	12.2752	12.1323	11.3135	10.5902	0.91	0.21
	I(EUR)-2	1,955.5929	1,922.9174	1,763.4223	1,615.5750	0.91	0.21
	X(EUR)-2	12.5100	12.3032	11.2879	10.3461	0.95	0.25
Global Bond	J-2	14.5842	14.6460	15.8092	14.6486	0.71	0.21
	X-2	-	-	10.1659	9.4241	-	-
	Z-2	15.5269	15.5536	16.7049	15.4015	0.21	0.21
Global Government Bond	D(GBP)-1	0.9169	0.8611	0.8828	0.9394	1.21	0.31
	J-2	8.0337	8.0219	8.8662	8.2648	0.77	0.27
	R(GBP)-1	-	-	9.0991	9.6829	-	-
	Z-2	15.9372	15.8723	17.4547	16.1894	0.27	0.27
Global High Yield Bond	A-1	9.2241	10.0434	11.2143	10.4717	1.29	0.29
	A-2	9.3709	9.9562	10.5847	-	1.29	0.29
	A(EUR)-1^	8.2243	8.9794	10.0930	-	1.29	0.29
	E(EUR)-1	11.0504	11.7313	10.6580	10.4829	1.29	0.29
	E(EUR)-2	11.8066	12.2306	10.5799	-	1.29	0.29
	I-1	9.2214	10.0419	11.2109	10.4716	0.75	0.25
	I-2	-	-	10.6240	-	-	-
	I(EUR)-2^	9.0794	9.6487	10.2599	-	0.75	0.25
	X-1	-	-	10.4145	9.6164	-	-
	X-2	9.5195	10.0875	10.6632	-	0.79	0.29
	Y(EUR)-1	-	-	9.8072	9.6484	-	-
	Z-2	9.6325	10.1753	10.6766	-	0.25	0.25
Global Sovereign Opportunities Bond	I-1	1.6641	1.7609	1.8380	1.7974	1.24	0.24
	Z-1	9.0477	9.5751	-	-	0.24	0.24
	Z-2	15.4186	15.9302	15.8697	14.9106	0.24	0.24

## NET ASSET VALUE HISTORY (CONTINUED)

Fund	Share Class	NAV per Share 31.12.15	NAV per Share 30.06.15	NAV per Share 30.06.14	NAV per Share 30.06.13	Ongoing Charge % <sup>†</sup> as at 31.12.15	OASE % * as at 31.12.15
Sterling Bond	A(GBP)-1	647.9591	645.8116	616.3885	609.4944	1.13	0.23
	A(GBP)-2	2,328.7641	2,306.8900	2,168.1612	2,103.5469	1.13	0.23
	I(GBP)-2	1.8145	1.7937	1.6784	1.6212	0.69	0.19
	J(GBP)-2	17.4887	17.2860	16.1750	15.6241	0.69	0.19
	K(GBP)-2	1.9879	1.9634	1.8344	1.7693	0.54	0.19
	X(GBP)-1	-	-	9.5483	9.4416	-	-
	X(GBP)-2	10.8099	10.6862	10.0031	9.6671	0.73	0.23
	Z(GBP)-1	1.1114	1.1078	1.0573	1.0455	0.19	0.19
	Z(GBP)-2	17.6416	17.3939	16.1955	15.5665	0.19	0.19
Sterling Credit Bond	I(GBP)-1	1.0805	1.0824	1.0557	1.0282	0.70	0.20
	I(GBP)-2	2.1473	2.1195	2.0066	1.8909	0.70	0.20
	K(GBP)-1	1.2170	1.2193	1.1893	1.1580	0.55	0.20
	K(GBP)-2	-	-	2.0808	1.9577	-	-
	Z(GBP)-1	10.2447	10.2633	-	-	0.20	0.20
	Z(GBP)-2	2.0086	1.9777	1.8632	1.7470	0.20	0.20
Sterling Government Bond	D(GBP)-1	1.1752	1.1602	1.0700	1.0648	1.25	0.35
	D(GBP)-2	1.6146	1.5857	1.4443	1.4146	1.25	0.35
	J(GBP)-2	3.0534	2.9919	2.7138	2.6464	0.81	0.31
	R(GBP)-1	10.2262	10.0957	9.3110	9.2668	0.85	0.35
	R(GBP)-2	10.8983	10.6816	9.6937	9.4570	0.85	0.35
	Z(GBP)-1	1.3784	1.3608	1.2549	1.2490	0.31	0.31
	Z(GBP)-2	2.3199	2.2676	2.0465	1.9858	0.31	0.31
Sterling Index Linked Bond	I(GBP)-2	2.4972	2.5302	2.2157	2.1362	0.73	0.23
	J(GBP)-2	3.7470	3.7965	3.3247	3.2055	0.73	0.23
	K(GBP)-2	2.5864	2.6186	2.2898	2.2043	0.58	0.23
	Z(GBP)-1	-	-	-	2.1433	-	-
	Z(GBP)-2	3.5250	3.5626	3.1044	2.9781	0.23	0.23
Sterling Long Dated Credit Bond	K(GBP)-2	2.6213	2.5774	2.3952	2.2150	0.75	0.40
	Z(GBP)-2	2.2568	2.2151	2.0513	1.8904	0.40	0.40
Sterling Long Dated Government Bond	I(GBP)-2	2.4068	2.3490	2.0625	1.9305	0.84	0.34
	K(GBP)-2	2.4555	2.3947	2.0971	2.0025	0.69	0.34
	Z(GBP)-2	1.9320	1.8807	1.6413	1.5618	0.34	0.34
US Dollar Bond	A-1	1,330.5629	1,341.4452	1,346.2439	1,317.1623	1.23	0.33
	A-2	3,605.8847	3,613.5317	3,581.3092	3,463.0832	1.23	0.33
	J-2	1,848.8148	1,848.5805	1,824.1680	1,756.2187	0.79	0.29
	X-1	-	-	9.7675	9.5559	-	-
	X-2	10.1775	10.1785	10.0481	9.6784	0.83	0.33
US Dollar High Yield Bond	A-1	8.5162	9.5707	10.9492	10.3716	1.51	0.26
	A-2	8.6357	9.4386	10.2332	-	1.51	0.26
	A(EUR)-2^	8.9430	9.8055	10.6801	9.6076	1.60	0.35
	I-1	8.2189	9.2380	10.5700	-	0.83	0.13
	I-2	24.4519	26.6339	28.6863	25.6173	0.83	0.13
	I(EUR)-2^	28.4940	31.1275	33.6937	30.1168	0.83	0.13
	X-1	8.0247	9.0192	10.3202	9.7752	0.96	0.26
	Z-2	9.6868	-	18.4076	16.3381	0.14	0.14



Fund	Share Class	NAV per Share 31.12.15	NAV per Share 30.06.15	NAV per Share 30.06.14	NAV per Share 30.06.13	Ongoing Charge % <sup>†</sup> as at 31.12.15	OASE % * as at 31.12.15
US Dollar Short Term Bond	A-1	103.1145	103.5627	103.9242	103.4781	0.74	0.24
	A-2	306.0121	306.6089	306.7206	305.0839	0.74	0.24
	X-1	-	-	-	9.9274	-	-
	X-2	-	-	10.0793	9.9657	-	-

<sup>†</sup> Source: Aberdeen Asset Management.

Ongoing charge figures shown for KIIDs may differ from those shown in the report and accounts as they may be calculated on a simulated basis where it is considered more appropriate.

<sup>^</sup> Base currency exposure share class

<sup>\*</sup> Operating, Administrative and Servicing Expenses (OASE) Gross Rate %.

<sup>^</sup> Fund closed on 24 October 2015.

Exchange Rates	31.12.15	30.06.15	30.06.14	30.06.13
£ - US\$	1.473900	1.572700	1.709850	1.516700
£ - €	1.356801	1.411500	1.248850	1.166800
€ - US\$	1.086306	1.114205	1.369140	1.299880
£ - AU\$	2.025801	2.046200	1.811550	1.656950
£ - CA\$	2.047401	1.963450	1.821250	1.600050

# Summary of Historic Information

For the period ended 31 December 2015

Fund	Base Currency	Net Asset Value	Net Asset Value	Net Asset Value	Net Asset Value
		31.12.15 ('000)	30.06.15 ('000)	30.06.14 ('000)	30.06.13 ('000)
Asia Pacific Multi Asset	US Dollars	109,997	138,332	162,128	205,830
Asian Bond	US Dollars	77,383	100,036	129,500	173,879
Australian Dollar Bond	Australian Dollars	96,676	108,148	152,184	184,305
Canadian Dollar Bond	Canadian Dollars	80,920	89,250	147,037	176,110
Dynamic Allocation Multi Asset	Euro	-	-	12,650	14,086
Emerging Europe Bond	Euro	16,543	19,509	54,295	68,219
Euro Absolute Return Bond	Euro	8,440	8,656	-	-
Euro Bond <sup>A</sup>	Euro	-	9,920	12,748	12,601
Euro Corporate Bond	Euro	63,311	78,118	155,399	152,326
Euro Government Bond	Euro	263,085	273,634	316,291	371,637
Euro High Yield Bond	Euro	46,102	42,339	57,296	47,318
Euro Short Term Bond	Euro	113,357	132,047	229,375	318,408
European Convertibles Bond	Euro	190,037	175,124	209,406	212,530
Global Bond	US Dollars	334,834	428,133	439,047	335,894
Global Government Bond	US Dollars	106,851	101,911	116,548	114,658
Global High Yield Bond	US Dollars	15,283	16,673	18,546	15,828
Global Sovereign Opportunities Bond	US Dollars	60,696	94,497	84,417	98,025
Sterling Bond	Sterling	235,545	277,749	232,728	250,870
Sterling Credit Bond	Sterling	167,355	169,786	144,798	201,561
Sterling Government Bond	Sterling	26,678	42,375	83,504	162,721
Sterling Index Linked Bond	Sterling	109,122	114,423	101,818	142,106
Sterling Long Dated Credit Bond	Sterling	19,840	21,240	21,493	72,886
Sterling Long Dated Government Bond	Sterling	44,665	41,850	37,537	59,994
US Dollar Bond	US Dollars	60,558	70,832	88,011	126,117
US Dollar High Yield Bond	US Dollars	64,626	220,321	429,466	223,048
US Dollar Short Term Bond	US Dollars	111,570	115,476	150,951	211,539
<b>Consolidated Total</b>	<b>US Dollars</b>	<b>2,720,818</b>	<b>3,314,261</b>	<b>4,397,734</b>	<b>4,746,653</b>

<sup>A</sup> Fund closed on 24 October 2015.

# Performance History

Fund	Base Currency	31.12.15 %	30.06.15 %	30.06.14 %	30.06.13 %
Asia Pacific Multi Asset - A Accumulation Shares	USD	(7.06)	(1.17)	4.77	3.12
Benchmark: 60% HSBC Asian Local Bond Index (ALBI) and 40% MSCI AC Asia Pacific Index	USD	(5.04)	0.66	7.79	7.14
Asian Bond - A Accumulation Shares	USD	(2.78)	(1.94)	2.49	(0.23)
Benchmark: HSBC Asian Local Bond Index (ALBI)	USD	(2.74)	(1.04)	3.32	2.33
Australian Dollar Bond - A Accumulation Shares	AUD	1.71	4.70	4.60	(1.38)
Benchmark: JPMorgan Government Bond Index Traded AUD	AUD	2.16	6.27	5.36	0.08
Canadian Dollar Bond - A Accumulation Shares	CAD	1.31	4.52	2.85	(2.81)
Benchmark: JPMorgan Government Bond Index Traded CAD	CAD	1.80	5.72	3.71	(1.94)
Dynamic Allocation Multi Asset - A Accumulations Shares	EUR	-	-	4.65	(2.94)
Benchmark: 50% MSCI AC World Index and 50% Citigroup World Government Bond Index (WGBI).	EUR	-	-	9.77	0.16
Emerging Europe Bond - A Accumulation Shares	EUR	(4.01)	(6.78)	1.15	3.94
Benchmark: JPMorgan Global Bond Index Emerging Markets Global Diversified Europe Index.	EUR	(3.21)	(3.90)	1.48	4.58
Euro Absolute Return Bond - I Accumulation Shares	EUR	(2.25)	1.34	-	-
Benchmark: 3 Month EURIBOR	EUR	(0.03)	-	-	-
Euro Bond - Z Accumulation Shares <sup>A</sup>	EUR	2.60	4.28	9.14	6.23
Benchmark: Barclays Capital Euro Aggregate Index	EUR	2.19	3.50	8.20	6.74
Euro Corporate Bond - Z Accumulation Shares	EUR	1.11	2.76	7.74	7.58
Benchmark: Barclays Capital Euro Aggregate Corporate Index	EUR	1.03	1.79	7.20	7.54
Euro Government Bond - A Accumulation Shares	EUR	3.17	2.29	8.05	6.20
Benchmark: Barclays Capital Euro Aggregate Treasury Index	EUR	3.03	4.33	9.28	6.84
Euro High Yield Bond - A Accumulation Shares	EUR	0.63	0.64	13.18	15.47
Benchmark: Bank of America Merrill Lynch Euro High Yield Constrained Index	EUR	(1.05)	1.81	13.56	16.52
Euro Short Term Bond - A Accumulation Shares	EUR	0.20	(0.02)	0.27	0.57
Benchmark: Citigroup EMU Government Bond Index (EGBI) 1 - 3 Years (ex.BBB)	EUR	0.17	0.44	0.86	0.43
European Convertibles Bond - A Accumulation Shares	EUR	1.15	8.56	8.77	11.43
Benchmark: UBS Europe Convertible Index	EUR	0.76	9.36	13.01	11.40

## PERFORMANCE HISTORY (CONTINUED)

Fund	Base Currency	31.12.15 %	30.06.15 %	30.06.14 %	30.06.13 %
Global Bond - Z Accumulation Shares	USD	(0.07)	(6.71)	8.66	(1.33)
Benchmark: Barclays Capital Global Aggregate Bond Index	USD	(0.08)	(7.09)	7.39	(2.18)
Global Government Bond - J Accumulation Shares	USD	0.55	(8.82)	8.06	(4.30)
Benchmark: Citigroup World Government Bond Index	USD	0.47	(9.02)	6.85	(4.50)
Global High Yield Bond - A Income Shares	USD	(6.06)	(5.93)	12.80	12.04
Benchmark: Bank of America Merrill Lynch Global High Yield Index	USD	(5.83)	(3.95)	13.66	11.24
Global Sovereign Opportunities Bond - Z Accumulation Shares	USD	(3.10)	0.63	6.68	6.55
Benchmark: Citigroup World Government Bond Index USA	USD	0.79	2.26	1.97	(1.56)
Sterling Bond - Z Accumulation Shares	GBP	1.52	7.61	4.21	0.88
Benchmark: Bank of America Merrill Lynch Sterling Broad Market Index	GBP	1.79	8.36	3.90	0.36
Sterling Credit Bond - Z Accumulation Shares	GBP	1.67	6.37	6.83	6.91
Benchmark: Bank of America Merrill Lynch Sterling Non-Gilts Index	GBP	1.49	6.52	6.89	6.49
Sterling Government Bond - Z Accumulation Shares	GBP	2.41	11.07	3.26	(3.08)
Benchmark: FTSE- A British Government Fixed > 5 Years Index	GBP	2.45	12.19	3.37	(3.42)
Sterling Index Linked Bond - Z Accumulation Shares	GBP	(0.95)	14.99	4.42	2.71
Benchmark: FTSE - A British Government Index Linked > 5 Years Index	GBP	(1.09)	15.75	4.31	2.71
Sterling Long Dated Bond - Z Accumulation Shares	GBP	-	-	-	(1.04)
Benchmark: Bank of America Merrill Lynch Sterling Broad Market > 10 Years Index	GBP	-	-	-	(1.33)
Sterling Long Dated Credit Bond - Z Accumulation Shares	GBP	2.08	8.42	8.69	7.14
Benchmark: Bank of America Merrill Lynch Sterling Non-Gilts > 10 Years Index	GBP	1.83	8.68	8.99	5.55
Sterling Long Dated Government Bond - Z Accumulation Shares	GBP	2.84	14.94	5.31	(4.61)
Benchmark: FTSE - A British Government > 15 Years Index	GBP	2.60	16.25	5.32	(4.64)
US Dollar Bond - A Accumulation Shares	USD	(0.46)	1.06	3.39	(1.85)
Benchmark: JPMorgan Government Bond Index Traded USD	USD	1.00	2.61	2.34	(2.04)
US Dollar High Yield Bond - I Accumulation Shares	USD	(7.84)	(6.39)	12.95	12.86
Benchmark: Bank of America Merrill Lynch US High Yield Master II Index	USD	(6.96)	(0.55)	11.80	9.57

Fund	Base Currency	31.12.15 %	30.06.15 %	30.06.14 %	30.06.13 %
US Dollar Short Term Bond - A Accumulation Shares	USD	(0.19)	(0.07)	0.53	0.66
Benchmark: Citigroup US World Government Bond Index 1-3 Years Index	USD	(0.14)	0.87	0.73	0.35

Performance is calculated at 30 June each year unless otherwise stated.

Past performance is no indication of current or future performance. These performance data do not take account of the commissions and costs incurred on the issue and redemption of shares.

<sup>A</sup> Fund closed on 24 October 2015.



# Aberdeen Global II - Combined Statements

## Statement of Net Assets

As at 31 December 2015

	US\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	2,640,804
Cash at bank	59,346
Amounts held at futures clearing houses and brokers	2,824
Interest and dividends receivable	24,529
Subscriptions receivable	3,771
Receivable for investments sold	13,119
Unrealised gains on forward currency exchange contracts (note 2.6)	2,458
Unrealised gains on future contracts (note 2.7)	277
Unrealised gains on swap contracts (note 2.8)	706
Other assets	32
<b>Total assets</b>	<b>2,747,866</b>
<b>Liabilities</b>	
Payable for investments purchased	6,193
Taxes and expenses payable	1,897
Redemptions payable	12,849
Unrealised losses on forward currency exchange contracts (note 2.6)	2,236
Unrealised losses on future contracts (note 2.7)	256
Unrealised losses on swap contracts (note 2.8)	313
Other liabilities	3,304
<b>Total liabilities</b>	<b>27,048</b>
<b>Net assets at the end of the period</b>	<b>2,720,818</b>

## Statement of Changes in Net Assets

For the period from 1 July 2015 to 31 December 2015

	US\$'000
Net assets at the beginning of the period	3,314,261
Exchange rate effect on opening net assets	(98,243)
Net gains from investments	27,539
Net realised losses	(32,024)
Net unrealised losses	(3,029)
Proceeds from shares issued	652,140
Payments for shares redeemed	(1,133,020)
Net equalisation paid (note 10)	(3,049)
Dividends paid (note 5)	(3,757)
<b>Net assets at the end of the period</b>	<b>2,720,818</b>

## Statement of Operations

For the period from 1 July 2015 to 31 December 2015

	US\$'000
<b>Income</b>	
Investment income	38,388
Bank interest	51
<b>Total income</b>	<b>38,439</b>
<b>Expenses</b>	
Management fees (note 4.2)	7,173
Operating, administrative and servicing fees (note 4.3)	3,724
Bank interest	3
<b>Total expenses</b>	<b>10,900</b>
<b>Net gains from investments</b>	<b>27,539</b>
Realised losses on investments	(26,892)
Realised losses on forward currency exchange contracts	(5,154)
Realised losses on future contracts	(655)
Realised gains on swap contracts	1,526
Realised currency exchange losses	(849)
<b>Net realised losses</b>	<b>(32,024)</b>
Decrease in unrealised appreciation on investments	(4,721)
Decrease in unrealised depreciation on forward foreign exchange contracts	1,478
Decrease in unrealised depreciation on future contracts	201
Increase in unrealised appreciation on swap contracts	123
Unrealised currency exchange losses	(110)
<b>Net unrealised losses</b>	<b>(3,029)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(7,514)</b>

The accompanying notes form an integral part of these financial statements.

# Asia Pacific Multi Asset

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Asia Pacific Multi Asset - A Accumulation shares decreased by 7.06% compared to a decrease of 5.04% in the composite benchmark being 60% HSBC Asian Local Bond Index (ALBI) and 40% MSCI AC Asia Pacific Index.

Source: Aberdeen Asset Management, Lipper and JP Morgan.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, USD.

## Market review

It was a challenging 6 months for Asian financial markets, both equities and fixed income, coupled with heightened volatility. Despite recovering some of the double digit percentage losses in the last quarter, equities had significantly underperformed fixed income. In debt markets, Asian credit outperformed government bonds. During the period, markets were driven by concerns over the global economy, mainly China's slowdown, the prospect of a potential rate hike in US, which eventually materialised in December, and the fall in oil price (Brent) which went below US\$40 per barrel.

In equities, the key source of turbulence was China. Mainland stocks swung wildly after peaking in mid-June amid a crackdown on margin trading and perceptions that valuations were stretched after months of blistering gains. Beijing tried to stabilise markets by cutting interest rates and banks' reserve ratios as well as rolling out other measures to boost liquidity. But markets continued to recoil from lacklustre industrial profits and manufacturing activity. The domestic rout accelerated and unsettled global financial markets after the Chinese central bank's unexpected move to devalue the renminbi in August amplified fears that the economy may be headed for a steeper slowdown.

Regional currencies generally weakened against the US dollar amid signs of a nascent US recovery and expectations of the start of a Fed normalisation cycle. After several false starts, the US central bank finally hiked rates in mid-December, the first time in almost a decade. The ringgit was the worst-performing currency, with the decline exacerbated by the plunge in global oil prices to 11 year lows and debt problems at state investment firm 1MDB. The yuan, Singapore dollar, won, Taiwan dollar and baht also weakened as concerns over sluggish exports and domestic demand persisted. Meanwhile, Beijing indicated that it would measure the yuan against a basket of currencies, rather than just the US dollar. The rupiah, rupee and peso were more resilient as fund flows stabilised towards the period-end after valuations grew more attractive.

In government bond markets, China and India led gains as their central banks cut rates and were explicit in their intent to keep policy accommodative. Taiwan, fearing the impact of a Chinese slowdown, also cut rates. Korean bonds did well as the central bank had to soften its hawkish stance and lower its inflation target after growth worries persisted. Thailand strengthened as a stuttering recovery and falling consumer prices, exacerbated by bombings in Bangkok, fuelled hopes of additional easing.

In Singapore and Hong Kong, market returns were subdued, given the prospect of a Fed rate hike, which weighed on short duration bonds. Malaysia and Indonesia saw muted gains as risk aversion led to significant outflows from these markets early on but sentiment recovered somewhat towards the period end as value emerged on

weakness. In Malaysia, the populist 2016 budget focused on support for low-income workers and less reliance on oil and gas revenues, while Indonesia rolled out several stimulus measures to help boost growth.

In credit markets, China also led gains, buttressed by firm interest in property bonds after down payment requirements for first time homebuyers were eased; an acceleration in reforms for state owned enterprises; and further regulations to liberalise bond markets, including the removal of quotas for highly rated issuers. This was despite news of more SOEs narrowly avoiding default because the government had intervened. Conversely, Indonesia and India underperformed, dragged down by resource related credits as the tumble in oil prices to US\$36 a barrel led to fears over troubled balance sheets and earnings. Overall, investment grade credits were robust but high-yield sovereigns suffered from heightened risk aversion, particularly after outflows surged in the US on the back of several high-yield credit fund failures.

## Portfolio review

The Fund underperformed the benchmark, largely due to negative stock selection and country allocation within the equities portion.

Australia was the key detractor where the stock prices of the diversified miners, BHP and Rio Tinto, were pressured by weaker commodity prices and concern over a continued slowdown in Chinese economy. Even with no near term uplift in commodity prices, we continue to hold the view that the strength in Rio's asset base and balance sheet will enable it to be a consolidator in the sector, while we have previously reduced our position in BHP. The overweight allocation to Singapore also hurt performance, where the equity market underperformed the broader region. The doubling of the interbank rate dampened the performance of the interest rate sensitive sector. The Fund has exposure via City Development and the three local banks. Whilst the banks should benefit from the higher rate, investors have focused on rising credit costs and the banks' exposure to the commodity sector. Our view is that although credit costs and NPLs will creep up it will be contained and the capital position of the banks will remain solid.

The position in Standard Chartered was a negative contributor despite a string of positive announcements including changes to board and management as well as a rights issue which was well within expectations. We believe that, while the operating environment will remain anaemic, the changes will put the bank in good stead.

On a positive note, the underweight allocation to Chinese equities contributed positively to the relative returns.

In fixed income, holdings outperformed the benchmark despite posting negative returns over the period. Off-benchmark allocation to US dollar Asian credit detracted from performance but this was more than compensated for by the positive contributions from our local rates and currency allocations. In our local rates allocation, the overweight to the higher yielding and better performing markets of India and Indonesia bolstered performance. As for our credit allocation, the exposure to lower rated quasi sovereigns detracted the most from performance but the losses were mitigated by the overweight to investment grade industrials.

The tactical decision to reduce the allocation to Asia and Japan equities in early August mitigated the some of the impact from the sell-off.

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## Outlook

We anticipate reasonable growth in major advanced economies, a controlled slowdown in China and emerging markets growth to slow towards the rates achieved by developed markets. US rate 'lift off' has finally occurred, but we expect the tightening cycle to be usually slow. Global headwinds and dollar strength could continue to weigh on inflation. In other developed countries, monetary policy is likely to remain highly accommodative as central banks remain worried about downside risk.

Within the Asia Pacific region, weakness in markets over the last two years has, however, created opportunities. This is particularly so in India and the Philippines, while we have also become more positive about Indonesia and Malaysia. Bouts of volatility may present a good time to increase positions in these markets. Nevertheless, given that current headwinds are likely to persist, a degree of caution should prevail.

Asia still has robust economic buffers and, from a fundamental perspective, we are far less concerned about its prospects when compared to other parts of the emerging and even developed market regions. Softening commodity prices continue to be supportive of stable inflation, external balances and fiscal positions for the majority of countries. The biggest challenge is one of perception and sentiment, which remain unsupportive.

**Aberdeen Investment Solutions Team**

January 2016

**Statement of Net Assets**

As at 31 December 2015

	US\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	103,863
Cash at bank	5,640
Amounts held at futures clearing houses and brokers	170
Interest and dividends receivable	937
Subscriptions receivable	4
Unrealised gains on future contracts (note 2.7)	46
Other assets	2
<b>Total assets</b>	<b>110,662</b>
<b>Liabilities</b>	
Taxes and expenses payable	184
Redemptions payable	122
Unrealised losses on forward currency exchange contracts (note 2.6)	265
Other liabilities	94
<b>Total liabilities</b>	<b>665</b>
<b>Net assets at the end of the period</b>	<b>109,997</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
Net assets at the beginning of the period	138,332
Net gains from investments	1,069
Net realised losses	(5,823)
Net unrealised losses	(6,455)
Proceeds from shares issued	5,471
Payments for shares redeemed	(22,480)
Net equalisation paid (note 10)	(42)
Dividends paid (note 5)	(75)
<b>Net assets at the end of the period</b>	<b>109,997</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
<b>Income</b>	
Investment income	2,210
Bank interest	1
<b>Total income</b>	<b>2,211</b>
<b>Expenses</b>	
Management fees (note 4.2)	912
Operating, administrative and servicing fees (note 4.3)	230
<b>Total expenses</b>	<b>1,142</b>
<b>Net gains from investments</b>	<b>1,069</b>
Realised losses on investments	(3,198)
Realised losses on future contracts	(71)
Realised losses on forward currency exchange contracts	(2,462)
Realised currency exchange losses	(92)
<b>Net realised losses</b>	<b>(5,823)</b>
Decrease in unrealised appreciation on investments	(5,971)
Increase in unrealised appreciation on future contracts	16
Decrease in unrealised appreciation on forward currency exchange contracts	(492)
Unrealised currency exchange losses	(8)
<b>Net unrealised losses</b>	<b>(6,455)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(11,209)</b>

## Share Transactions

For the period from 1 July 2015 to 31 December 2015

	A-1	A-2	A(CHF)-2^	A(EUR)-2^	E(EUR)-2
Shares outstanding at the beginning of the period	910,617	371,025	119,672	129,815	1,463,974
Shares issued during the period	90,132	8,152	515	1,160	93,105
Shares redeemed during the period	(82,481)	(69,826)	(20,394)	(29,777)	(123,411)
<b>Shares outstanding at the end of the period</b>	<b>918,268</b>	<b>309,351</b>	<b>99,793</b>	<b>101,198</b>	<b>1,433,668</b>
<b>Net asset value per share</b>	<b>8.8996</b>	<b>166.6728</b>	<b>134.1625</b>	<b>148.6572</b>	<b>11.7939</b>

	W-1	W-2	X-2	Y(EUR)-2
Shares outstanding at the beginning of the period	-	-	99,923	5,023
Shares issued during the period	790	790	171,696	2,890
Shares redeemed during the period	-	-	(50,935)	(3,805)
<b>Shares outstanding at the end of the period</b>	<b>790</b>	<b>790</b>	<b>220,684</b>	<b>4,108</b>
<b>Net asset value per share</b>	<b>10.3062</b>	<b>10.3142</b>	<b>9.5684</b>	<b>11.5159</b>

^ Base currency exposure share class

The accompanying notes form an integral part of these financial statements.



# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					84.86%
<b>Bonds 50.10%</b>					
<b>Corporate Bonds 28.07%</b>					
<b>Australia 0.32%</b>					
Commonwealth Bank of Australia	4.5000	09/12/25	350,000	348	0.32
<b>China 6.71%</b>					
Beijing State-Owned Assets Management Hong Kong	4.1250	26/05/25	531,000	519	0.47
Bluestar Finance (EMTN)	4.3750	11/06/20	445,000	446	0.41
CCBL Cayman	3.2500	28/07/20	339,000	338	0.31
China Resources Gas	4.5000	05/04/22	292,000	304	0.28
CNOOC Finance 2003	5.5000	21/05/33	51,000	55	0.05
CNOOC Nexen Finance 2014 ULC	4.2500	30/04/24	385,000	389	0.35
CNPC General Capital	2.7500	14/05/19	200,000	200	0.18
COSL Financel	3.2500	06/09/22	396,000	376	0.34
Eastern Creation II Investment (EMTN)	2.6250	20/11/17	256,000	257	0.23
ENN Energy	6.0000	13/05/21	492,000	536	0.49
Greenland Global Investment	5.8750	03/07/24	491,000	490	0.45
Kunlun Energy	3.7500	13/05/25	200,000	195	0.18
Logan Property	11.2500	04/06/19	200,000	220	0.20
Proven Honour Capital	4.1250	19/05/25	540,000	533	0.48
Semiconductor Manufacturing International	4.1250	07/10/19	300,000	301	0.27
Sinopec Capital	3.1250	24/04/23	500,000	478	0.43
Sinopec Capital 2013	3.1250	24/04/23	251,000	240	0.22
Sinopec Group Overseas Development 2012	3.9000	17/05/22	253,000	258	0.23
Sinopec Group Overseas Development 2015	4.1000	28/04/45	197,000	178	0.16
Wanda Properties International	7.2500	29/01/24	350,000	383	0.35
Zhaohai Investment	4.0000	23/07/20	500,000	493	0.45
Zhaohai Investment	3.1000	23/07/18	200,000	197	0.18
				<b>7,386</b>	<b>6.71</b>
<b>Hong Kong 3.12%</b>					
Champion (EMTN)	3.7500	17/01/23	228,000	221	0.20
CNPC General Capital	3.4000	16/04/23	400,000	388	0.35
HLP Finance (EMTN)	4.7500	25/06/22	602,000	625	0.57
Hutchison Whampoa International	7.4500	24/11/33	274,000	374	0.34
Hutchison Whampoa International 09	7.6250	09/04/19	142,000	164	0.15
Hutchison Whampoa International 14	1.6250	31/10/17	147,000	146	0.13
LS Finance 2025	4.5000	26/06/25	500,000	490	0.45
Swire Property Financing (EMTN)	4.3750	18/06/22	500,000	533	0.48
Zhejiang Energy Hong Kong	2.3000	30/09/17	500,000	496	0.45
				<b>3,437</b>	<b>3.12</b>
<b>India 8.31%</b>					
Axis Bank	8.8500	05/12/24	50,000,000	780	0.71
Axis Bank	9.1500	31/12/22	20,000,000	312	0.28
Axis Bank Dubai (EMTN)	5.1250	05/09/17	115,000	120	0.11
Bank of Baroda London	4.8750	23/07/19	200,000	211	0.19

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Bank of Baroda London	5.0000	24/08/16	50,000	51	0.05
Bharti Airtel International Netherlands	5.1250	11/03/23	300,000	311	0.28
Bharti Airtel International Netherlands	5.3500	20/05/24	200,000	211	0.19
Export-Import Bank of India	8.1500	21/01/30	100,000,000	1,500	1.37
Export-Import Bank of India (EMTN)	2.7500	01/04/20	516,000	511	0.46
GCX	7.0000	01/08/19	200,000	188	0.17
Indian Railway Finance	3.9170	26/02/19	400,000	412	0.37
NTPC (EMTN)	5.6250	14/07/21	150,000	164	0.15
ONGC Videsh	4.6250	15/07/24	379,000	388	0.35
ONGC Videsh	3.2500	15/07/19	250,000	251	0.23
Power Finance	8.6500	28/12/24	80,000,000	1,219	1.12
Power Grid of India	8.2000	23/01/25	50,000,000	750	0.68
Power Grid of India	9.2500	26/12/16	3,750,000	58	0.05
Rural Electrification	8.5700	21/12/24	50,000,000	770	0.70
Rural Electrification	9.3500	15/06/22	30,000,000	480	0.44
Rural Electrification	9.3500	19/10/16	16,000,000	246	0.22
State Bank of India (London)	3.6220	17/04/19	200,000	204	0.19
				<b>9,137</b>	<b>8.31</b>
<b>Indonesia 3.87%</b>					
Bank OCBC	9.4000	10/02/17	7,000,000,000	502	0.46
Jababeka International	7.5000	24/09/19	200,000	190	0.17
Lembaga Pembiayaan Ekspor Indonesia	9.5000	13/03/20	40,000,000,000	2,881	2.62
Majapahit Holdings	7.8750	29/06/37	338,000	367	0.33
Pertamina Persero	6.4500	30/05/44	191,000	167	0.15
Perusahaan Listrik Negara	5.2500	24/10/42	193,000	153	0.14
				<b>4,260</b>	<b>3.87</b>
<b>Malaysia 0.89%</b>					
Ambank Malaysia (EMTN)	3.1250	03/07/19	197,000	198	0.18
AMBB Capital	FRN	29/01/49	300,000	300	0.27
Petronas Capital	7.8750	22/05/22	300,000	375	0.35
Public Bank Berhad	FRN	22/08/36	100,000	102	0.09
				<b>975</b>	<b>0.89</b>
<b>Philippines 0.20%</b>					
Philippine Long Distance Telephone (EMTN)	8.3500	06/03/17	202,000	217	0.20
<b>Singapore 0.46%</b>					
HPHT Finance 15	2.8750	17/03/20	200,000	199	0.18
Oversea-Chinese Banking (MTN)	FRN	11/03/23	300,000	302	0.28
				<b>501</b>	<b>0.46</b>
<b>South Korea 2.63%</b>					
Busan Bank (GMTN)	4.1250	09/02/17	431,000	441	0.40
Doosan Heavy Industries & Construction	2.1250	27/04/20	229,000	224	0.20
Doosan Power System	VAR	03/12/45	500,000	498	0.46
Hyundai Capital Services (EMTN)	2.6250	29/09/20	230,000	227	0.21

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Korea Exchange Bank	2.5000	12/06/19	200,000	200	0.18
Korea Hydro & Nuclear Power	3.2500	15/06/25	203,000	203	0.18
Korea Hydro & Nuclear Power	3.0000	19/09/22	199,000	198	0.18
Korea Water Resources	2.0000	16/04/18	100,000	99	0.09
Korean Reinsurance	VAR	21/10/44	333,000	339	0.31
Minera y Metalurgica del Boleo	2.8750	07/05/19	266,000	268	0.24
Shinhan Bank	1.8750	30/07/18	200,000	200	0.18
				<b>2,897</b>	<b>2.63</b>
<b>Thailand 0.86%</b>					
Bangkok Bank PUB (HK)	3.8750	27/09/22	100,000	102	0.09
Bangkok Bank PUB (HK)	9.0250	15/03/29	50,000	70	0.06
Krung Thai Bank Cayman (EMTN)	VAR	26/12/24	256,000	262	0.24
PTT Global Chemical	4.2500	19/09/22	300,000	308	0.29
Siam Commercial Bank	3.5000	07/04/19	200,000	203	0.18
				<b>945</b>	<b>0.86</b>
<b>United Kingdom 0.70%</b>					
Standard Chartered Bank	3.9500	11/01/23	810,000	775	0.70
<b>Total Corporate Bonds</b>				<b>30,878</b>	<b>28.07</b>
<b>Government Bonds 22.03%</b>					
<b>China 4.17%</b>					
China Development Bank	5.8000	03/01/16	2,500,000	385	0.35
China (Peoples Republic of)	4.0800	22/08/23	10,000,000	1,667	1.53
China (Peoples Republic of)	3.4100	24/06/20	10,000,000	1,587	1.44
China (Peoples Republic of)	3.7700	15/08/16	4,000,000	621	0.56
China (Peoples Republic of)	3.6400	09/04/25	1,000,000	164	0.15
China (Peoples Republic of)	3.4600	11/07/20	1,000,000	159	0.14
				<b>4,583</b>	<b>4.17</b>
<b>India 4.79%</b>					
India (Government of)	8.1500	11/06/22	125,000,000	1,944	1.76
India (Government of)	8.0700	15/01/17	80,000,000	1,216	1.11
India (Government of)	8.3300	07/06/36	60,000,000	925	0.84
India (Government of)	8.1200	10/12/20	58,500,000	898	0.82
India (Government of)	8.6000	02/06/28	10,500,000	166	0.15
India (Government of)	8.4000	28/07/24	8,030,000	125	0.11
				<b>5,274</b>	<b>4.79</b>
<b>Indonesia 3.93%</b>					
Indonesia (Republic of)	9.0000	15/03/29	19,400,000,000	1,414	1.29
Indonesia (Republic of)	8.2500	15/05/36	12,000,000,000	817	0.74
Indonesia (Republic of)	8.3750	15/03/34	8,315,000,000	568	0.52
Indonesia (Republic of)	5.2500	17/01/42	550,000	499	0.45

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Indonesia (Republic of)	8.3750	15/03/24	4,795,000,000	339	0.31
Indonesia (Republic of)	7.0000	15/05/27	5,000,000,000	313	0.28
Indonesia (Republic of) (EMTN)	4.6250	15/04/43	212,000	183	0.17
Perusahaan Penerbit SBSN Indonesia III	4.3500	10/09/24	200,000	192	0.17
				<b>4,325</b>	<b>3.93</b>
<b>Malaysia 2.71%</b>					
Malaysia (Government of)	3.9550	15/09/25	9,000,000	2,060	1.88
Malaysia (Government of)	3.7950	30/09/22	4,000,000	918	0.83
				<b>2,978</b>	<b>2.71</b>
<b>Philippines 1.49%</b>					
Philippines (Republic of)	3.6250	21/03/33	83,000,000	1,500	1.36
Philippines (Republic of)	3.2500	15/08/23	7,000,000	139	0.13
				<b>1,639</b>	<b>1.49</b>
<b>Singapore 0.48%</b>					
Housing and Development Board	1.8300	21/11/18	750,000	526	0.48
<b>South Korea 4.29%</b>					
Korea (Republic of)	3.7500	10/12/33	3,000,000,000	3,162	2.87
Korea (Republic of)	3.5000	10/03/24	1,300,000,000	1,230	1.12
Korea (Republic of)	3.3750	10/09/23	350,000,000	327	0.30
				<b>4,719</b>	<b>4.29</b>
<b>Sri Lanka 0.17%</b>					
Sri Lanka (Republic of)	6.1250	03/06/25	212,000	189	0.17
<b>Total Government Bonds</b>				<b>24,233</b>	<b>22.03</b>
<b>Total Bonds</b>				<b>55,111</b>	<b>50.10</b>
<b>Equities 34.76%</b>					
<b>Australia 1.44%</b>					
CSL			6,800	524	0.48
QBE Insurance			115,369	1,057	0.96
				<b>1,581</b>	<b>1.44</b>
<b>China 1.53%</b>					
Anhui Conch Cement			68,000	183	0.17
China Mobile			81,500	920	0.83
PetroChina			884,000	580	0.53
				<b>1,683</b>	<b>1.53</b>
<b>Hong Kong 6.09%</b>					
AIA			261,200	1,573	1.43
Dairy Farm International			46,100	280	0.25
Hang Lung			112,000	364	0.33

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Hang Lung Properties			130,440	298	0.27
Hong Kong Exchanges & Clearing			12,900	330	0.30
Jardine Strategic			73,500	2,012	1.84
MTR			37,739	187	0.17
Swire Pacific 'A'			100,000	1,126	1.02
Swire Properties			181,400	525	0.48
				<b>6,695</b>	<b>6.09</b>
<b>Indonesia 0.56%</b>					
Astra International			206,000	90	0.08
Bank Central Asia			220,000	213	0.19
Unilever Indonesia			117,600	315	0.29
				<b>618</b>	<b>0.56</b>
<b>Japan 9.51%</b>					
Chugai Pharmaceutical Co			23,300	822	0.75
Daikin Industries Co			6,800	503	0.46
East Japan Railway Co			6,800	648	0.59
Fanuc Corp			5,800	1,016	0.92
Honda Motor Co			26,900	875	0.80
Japan Tobacco			28,800	1,071	0.97
Keyence Corp			900	502	0.46
Nippon Paint Holdings Co			14,300	352	0.32
Seven & I Holdings			24,900	1,149	1.04
Shin-Etsu Chemical Co			26,900	1,478	1.34
Toyota Motor Corp			14,200	884	0.80
Uni-charm Corp			41,200	848	0.77
Yahoo! Japan Corp			77,000	317	0.29
				<b>10,465</b>	<b>9.51</b>
<b>Malaysia 0.56%</b>					
CIMB			375,611	397	0.36
Public Bank (Alien)			50,700	219	0.20
				<b>616</b>	<b>0.56</b>
<b>Philippines 0.92%</b>					
Ayala Land			702,200	514	0.47
Bank of the Philippine Islands			278,126	495	0.45
				<b>1,009</b>	<b>0.92</b>
<b>Singapore 5.94%</b>					
City Developments			167,000	902	0.82
DBS			38,689	455	0.41
Keppel			146,000	669	0.61
Oversea-Chinese Banking Corp			291,521	1,810	1.65
Singapore Technologies Engineering			373,000	793	0.72



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Singapore Telecommunications			346,000	896	0.81
United Overseas Bank			73,138	1,013	0.92
				<b>6,538</b>	<b>5.94</b>
<b>South Korea 1.41%</b>					
Samsung Electronics (PREF)			1,664	1,548	1.41
<b>Taiwan 1.90%</b>					
Taiwan Mobile			201,700	612	0.56
TSMC			338,000	1,474	1.34
				<b>2,086</b>	<b>1.90</b>
<b>Thailand 0.72%</b>					
Siam Cement (Alien)			62,500	797	0.72
<b>United Kingdom 3.87%</b>					
BHP Billiton			50,950	571	0.52
HSBC			181,876	1,452	1.32
Rio Tinto			37,392	1,091	0.99
Standard Chartered Bank			136,990	1,138	1.04
				<b>4,252</b>	<b>3.87</b>
<b>United States 0.31%</b>					
Yum! Brands			4,700	343	0.31
<b>Total Equities</b>				<b>38,231</b>	<b>34.76</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>93,342</b>	<b>84.86</b>
<b>Other transferable securities and money market instruments 1.06%</b>					
<b>Bonds 1.06%</b>					
<b>Corporate Bonds 0.43%</b>					
<b>United Kingdom 0.43%</b>					
HSBC (PERP)	VAR	29/12/49	467,000	468	0.43
<b>Total Corporate Bonds</b>				<b>468</b>	<b>0.43</b>
<b>Government Bonds 0.63%</b>					
<b>Malaysia 0.63%</b>					
Malaysia (Government of)	4.7860	31/10/35	3,000,000	703	0.63
<b>Total Government Bonds</b>				<b>703</b>	<b>0.63</b>
<b>Total Bonds</b>				<b>1,171</b>	<b>1.06</b>
<b>Total Other transferable securities and money market instruments</b>				<b>1,171</b>	<b>1.06</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Investment Funds 8.50%</b>					
Aberdeen Global - Indian Equity Fund Z-2 <sup>†</sup>			233,288	3,699	3.36
Aberdeen Global - Japanese Smaller Companies Fund A-2 <sup>†</sup>			219,028	3,499	3.18
Aberdeen Global - Asia Pacific Equity Fund A-2 <sup>†</sup>			9,183	559	0.51
Aberdeen Global - Asian Credit Bond Fund Z-2 <sup>†</sup>			156,498	1,593	1.45
				<b>9,350</b>	<b>8.50</b>
<b>Total Investment Funds</b>				<b>9,350</b>	<b>8.50</b>

#### Derivatives (0.20%)

##### Futures 0.04%

Future	Maturity	Notional	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
CBT US Long Bond	21/03/16	4	(2)	-
CBT US 10 Year Note	21/03/16	(23)	13	0.01
CBT US 2 Year Note	31/03/16	12	(4)	-
CBT US 5 Year Note	31/03/16	(89)	35	0.03
KFE Korea 10 Year Bond	15/03/16	3	4	-
<b>Unrealised gains on future contracts</b>			<b>46</b>	<b>0.04</b>

##### Forward currency exchange contracts 0.24%

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
BNP Paribas	CHF	USD	15/03/16	13,626,653	13,724,785	(69)	(0.06)
BNP Paribas	EUR	USD	15/03/16	15,593,304	16,984,695	(13)	(0.01)
BNP Paribas	EUR	USD	15/03/16	12,641	13,903	-	-
BNP Paribas	USD	EUR	15/03/16	338,979	307,960	4	-
BNP Paribas	USD	CHF	15/03/16	303,184	298,124	4	-
BNP Paribas	USD	EUR	15/03/16	128,133	116,997	1	-
BNP Paribas	USD	EUR	15/03/16	86,973	78,806	1	-
BNP Paribas	USD	EUR	15/03/16	70,131	64,079	-	-
BNP Paribas	USD	CHF	15/03/16	47,359	46,733	1	-
BNP Paribas	USD	EUR	15/03/16	41,067	37,439	-	-
BNP Paribas	USD	EUR	15/03/16	39,368	35,769	-	-
BNP Paribas	USD	EUR	15/03/16	36,003	32,882	-	-
BNP Paribas	USD	CHF	15/03/16	35,288	35,048	-	-
BNP Paribas	USD	EUR	15/03/16	19,538	17,754	-	-
BNP Paribas	USD	EUR	15/03/16	4,637	4,250	-	-
BNP Paribas	USD	EUR	15/03/16	3,072	2,805	-	-
BNP Paribas	USD	EUR	15/03/16	2,766	2,541	-	-
BNP Paribas	USD	MYR	26/01/16	2,900,000	12,742,600	(58)	(0.05)
Credit Suisse	MYR	USD	26/01/16	6,020,000	1,400,000	(2)	-
Credit Suisse	MYR	USD	26/01/16	3,010,000	700,000	(1)	-
Credit Suisse	SGD	USD	14/01/16	141,671	100,000	-	-
Credit Suisse	USD	AUD	14/01/16	2,100,000	2,889,776	(1)	-
Deutsche Bank	PHP	USD	04/02/16	71,104,500	1,500,000	11	0.01
Deutsche Bank	PHP	USD	04/02/16	52,143,300	1,100,000	8	0.01

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Goldman Sachs	KRW	USD	22/02/16	2,559,040,000	2,200,000	(25)	(0.02)
Goldman Sachs	KRW	USD	22/02/16	1,512,160,000	1,300,000	(15)	(0.01)
Goldman Sachs	THB	USD	25/02/16	57,576,000	1,600,000	(2)	-
Goldman Sachs	THB	USD	25/02/16	32,386,500	900,000	(1)	-
Goldman Sachs	USD	EUR	07/01/16	1,700,000	1,540,169	27	0.02
Goldman Sachs	USD	MYR	26/01/16	700,000	2,987,600	6	0.01
Goldman Sachs	USD	KRW	22/02/16	300,000	351,330,000	1	-
Royal Bank of Canada	CNH	USD	02/02/16	20,523,200	3,200,000	(92)	(0.08)
Royal Bank of Canada	CNH	USD	02/02/16	16,507,000	2,500,000	-	-
Royal Bank of Canada	MYR	USD	26/01/16	9,557,900	2,200,000	19	0.02
Royal Bank of Canada	SGD	USD	14/01/16	3,938,620	2,800,000	(25)	(0.02)
Royal Bank of Canada	SGD	USD	14/01/16	1,828,645	1,300,000	(12)	(0.01)
Royal Bank of Canada	SGD	USD	14/01/16	1,273,091	900,000	(3)	-
Royal Bank of Canada	SGD	USD	14/01/16	707,273	500,000	(2)	-
Royal Bank of Canada	SGD	USD	14/01/16	568,062	400,000	-	-
Royal Bank of Canada	SGD	USD	14/01/16	143,423	100,000	1	-
Royal Bank of Canada	USD	SGD	14/01/16	500,000	708,677	1	-
Royal Bank of Canada	USD	SGD	14/01/16	200,000	282,101	1	-
Royal Bank of Canada	USD	SGD	14/01/16	200,000	284,491	-	-
Royal Bank of Canada	USD	NZD	22/01/16	1,300,000	1,947,250	(31)	(0.03)
Royal Bank of Canada	USD	MYR	26/01/16	700,000	3,041,150	(6)	(0.01)
Royal Bank of Canada	USD	CNH	02/02/16	5,000,000	32,067,500	145	0.12
Royal Bank of Canada	USD	PHP	04/02/16	200,000	9,540,000	(3)	-
Standard Chartered	KRW	USD	22/02/16	2,669,840,000	2,300,000	(31)	(0.03)
Standard Chartered	KRW	USD	22/02/16	947,840,000	800,000	6	0.01
Standard Chartered	USD	SGD	14/01/16	2,300,000	3,217,240	33	0.03
Standard Chartered	USD	SGD	14/01/16	1,200,000	1,678,560	17	0.02
Standard Chartered	USD	PHP	04/02/16	100,000	4,773,000	(1)	-
Standard Chartered	USD	KRW	22/02/16	1,200,000	1,392,960,000	16	0.01
Standard Chartered	USD	KRW	22/02/16	600,000	709,680,000	(3)	-
State Street	AUD	USD	14/01/16	279,135	200,000	3	-
State Street	CNH	USD	02/02/16	6,453,200	1,000,000	(23)	(0.02)
State Street	CNH	USD	02/02/16	5,926,950	900,000	(3)	-
State Street	CNH	USD	02/02/16	2,634,200	400,000	(1)	-
State Street	CNH	USD	02/02/16	2,066,400	315,000	(2)	-
State Street	EUR	USD	07/01/16	1,565,875	1,800,000	(98)	(0.09)
State Street	KRW	USD	22/02/16	1,297,560,000	1,100,000	3	-
State Street	KRW	USD	22/02/16	707,760,000	600,000	1	-
State Street	NZD	USD	22/01/16	297,659	200,000	3	-
State Street	SGD	USD	14/01/16	3,248,980	2,300,000	(11)	(0.01)
State Street	SGD	USD	14/01/16	3,222,645	2,300,000	(29)	(0.03)
State Street	SGD	USD	14/01/16	2,294,002	1,600,000	16	0.01
State Street	SGD	USD	14/01/16	1,681,380	1,200,000	(15)	(0.01)
State Street	SGD	USD	14/01/16	1,271,340	900,000	(4)	-
State Street	SGD	USD	14/01/16	850,350	600,000	(1)	-
State Street	USD	SGD	14/01/16	1,000,000	1,397,550	15	0.01
State Street	USD	SGD	14/01/16	400,000	559,020	6	0.01
State Street	USD	SGD	14/01/16	300,000	421,225	3	-

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
State Street	USD	SGD	14/01/16	200,000	282,668	1	-
State Street	USD	SGD	14/01/16	200,000	284,675	(1)	-
State Street	USD	NZD	22/01/16	2,000,000	2,988,420	(43)	(0.04)
State Street	USD	CNH	02/02/16	300,000	1,947,600	5	-
State Street	USD	CNH	02/02/16	200,000	1,314,440	1	-
State Street	USD	CNH	02/02/16	100,000	643,300	3	-
State Street	USD	PHP	04/02/16	100,000	4,740,000	(1)	-
Unrealised losses on forward currency exchange contracts						(265)	(0.24)
Unrealised losses on derivatives						(219)	(0.20)
Total investments						103,644	94.22
Other net assets						6,353	5.78
Total						109,997	100.00

† Managed by subsidiaries of Aberdeen Asset Management PLC.

# Asian Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Asian Bond - A Accumulation shares decreased by 2.78% compared to a decrease of 2.74% in the benchmark being HSBC Asian Local Bond Index (ALBI).

Source: Aberdeen Asset Management, Lipper and JP Morgan.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, USD.

## Market review

Against a backdrop of heightened volatility, Asian credit markets outperformed government bonds over the six months under review. A rout in Chinese equities buffeted global sentiment early on, aggravating lingering anxieties over the timing of a Federal Reserve rate hike. A change in the policy that determines the yuan's value further roiled markets as the currency's devaluation was mistakenly viewed as a response to a worse than expected Chinese slowdown. But confidence was later revived by still loose monetary policy, notably Beijing's surprise interest rate cuts and Europe's expanded stimulus programme. Government bond yields generally declined but the segment in aggregate still lagged corporate bonds.

Regional currencies generally weakened against the US dollar amid signs of a nascent US recovery and expectations of the start of a Fed normalisation cycle. After much dithering, the US central bank finally hiked rates in mid-December, the first time in almost a decade. The ringgit was the worst performing currency, with the decline exacerbated by the plunge in global oil prices to 11 year lows and debt problems at state investment firm 1MDB. The yuan, Singapore dollar, won, Taiwan dollar and baht also weakened as concerns over sluggish exports and domestic demand persisted. Meanwhile, Beijing indicated that it would measure the yuan against a basket of currencies, rather than just the US dollar. The rupiah, rupee and peso were more resilient as fund flows stabilised towards the period end after valuations grew more attractive.

In government bond markets, China and India led gains as their central banks cut rates and were explicit in their intent to keep policy accommodative. Taiwan, fearing the impact of a Chinese slowdown, also cut rates. Korean bonds did well as the central bank had to soften its hawkish stance and lower its inflation target after growth worries persisted. Thailand strengthened as a stuttering recovery and falling consumer prices, exacerbated by bombings in Bangkok, fuelled hopes of additional easing.

In Singapore and Hong Kong, market returns were subdued, given the prospect of a Fed rate hike, which weighed on short duration bonds. Malaysia and Indonesia saw muted gains as risk aversion led to significant outflows from these markets early on but sentiment recovered somewhat towards the period end as value emerged on weakness. In Malaysia, the populist 2016 budget focused on support for low income workers and less reliance on oil and gas revenues, while Indonesia rolled out several stimulus measures to help boost growth.

In credit markets, China also led gains, buttressed by firm interest in property bonds after down payment requirements for first time homebuyers were eased; an acceleration in reforms for state owned enterprises; and further regulations to liberalise bond markets, including the removal of quotas for highly rated issuers. This was despite news of more SOEs narrowly avoiding default because the government had intervened. Conversely, Indonesia and India underperformed, dragged down by resource related credits as the tumble in oil prices to US\$36 a barrel led to fears over troubled balance sheets and earnings. Overall, investment-grade credits were robust but high-yield sovereigns suffered from heightened risk aversion, particularly after outflows surged in the US on the back of several high yield credit fund failures.

## Portfolio review

The Fund performed largely in line with the benchmark. At the overall portfolio level, our off benchmark allocation to US dollar Asian credit detracted from performance but this was counterbalanced by the positive contributions from our local rates and currency allocations.

In our local rates allocation, the overweight to the higher yielding and better performing markets of India and Indonesia bolstered performance. In our currency strategies, the Fund gained from our underweight positions in the ringgit and Singapore dollar. As for our credit allocation, the exposure to lower rated quasi sovereigns detracted the most from performance but the losses were mitigated by the overweight to investment grade industrials.

## Outlook

While uncertainty with respect to the outlook for Fed policy has eased, concerns over commodity markets and their impact on the broader emerging market universe, as well as worries surrounding Chinese economic growth and policy will result in a challenging environment for Asia and emerging markets in general. The weakness in markets over the last two years has, however, created opportunities in the region. This is particularly so in India and the Philippines, while we have also become more positive about Indonesia and Malaysia. Bouts of volatility may present a good time to increasing positions in these markets. Nevertheless, given that current headwinds are likely to persist, a degree of caution will prevail.

Asia still has robust economic buffers and, from a fundamental perspective, we are far less concerned about its prospects when compared to other parts of the emerging and even developed-market regions. Softening commodity prices continue to be supportive of stable inflation, external balances and fiscal positions for the majority of countries. The biggest challenge is one of perception and sentiment, which remain negative.

**Aberdeen Fixed Income Team**  
January 2016

**Statement of Net Assets**

As at 31 December 2015

	US\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	69,567
Cash at bank	7,460
Amounts held at futures clearing houses and brokers	308
Interest receivable	915
Subscriptions receivable	68
Unrealised gains on future contracts (note 2.7)	75
<b>Total assets</b>	<b>78,393</b>
<b>Liabilities</b>	
Taxes and expenses payable	80
Redemptions payable	504
Unrealised losses on forward currency exchange contracts (note 2.6)	307
Other liabilities	119
<b>Total liabilities</b>	<b>1,010</b>
<b>Net assets at the end of the period</b>	<b>77,383</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
Net assets at the beginning of the period	100,036
Net gains from investments	1,535
Net realised losses	(3,546)
Net unrealised losses	(705)
Proceeds from shares issued	1,309
Payments for shares redeemed	(21,130)
Net equalisation paid (note 10)	(69)
Dividends paid (note 5)	(47)
<b>Net assets at the end of the period</b>	<b>77,383</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
<b>Income</b>	
Investment income	2,028
Bank interest	1
<b>Total income</b>	<b>2,029</b>
<b>Expenses</b>	
Management fees (note 4.2)	330
Operating, administrative and servicing fees (note 4.3)	164
<b>Total expenses</b>	<b>494</b>
<b>Net gains from investments</b>	<b>1,535</b>
Realised losses on investments	(2,204)
Realised losses on future contracts	(97)
Realised losses on forward currency exchange contracts	(1,165)
Realised currency exchange losses	(80)
<b>Net realised losses</b>	<b>(3,546)</b>
Decrease in unrealised appreciation on investments	(81)
Increase in unrealised appreciation on future contracts	42
Decrease in unrealised appreciation on forward currency exchange contracts	(656)
Unrealised currency exchange losses	(10)
<b>Net unrealised losses</b>	<b>(705)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(2,716)</b>

The accompanying notes form an integral part of these financial statements.

## Share Transactions

For the period from 1 July 2015 to 31 December 2015

	A-1	A-2	A(EUR)-2^
Shares outstanding at the beginning of the period	32,697	185,863	65,650
Shares issued during the period	108	1,135	1,171
Shares redeemed during the period	(5,749)	(62,521)	(13,683)
<b>Shares outstanding at the end of the period</b>	<b>27,056</b>	<b>124,477</b>	<b>53,138</b>
<b>Net asset value per share</b>	<b>113.1444</b>	<b>146.7606</b>	<b>139.9700</b>

	D(GBP)-2^	I-2	Z-2
Shares outstanding at the beginning of the period	15,912	24,716	17,855
Shares issued during the period	-	628	-
Shares redeemed during the period	(1,600)	(6,088)	(58)
<b>Shares outstanding at the end of the period</b>	<b>14,312</b>	<b>19,256</b>	<b>17,797</b>
<b>Net asset value per share</b>	<b>10.2947</b>	<b>1,490.1914</b>	<b>1,071.0310</b>

^ Base currency exposure share class

The accompanying notes form an integral part of these financial statements.



# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					82.22%
<b>Bonds 82.22%</b>					
<b>Corporate Bonds 47.38%</b>					
<b>Australia 0.39%</b>					
Commonwealth Bank of Australia	4.5000	09/12/25	300,000	298	0.39
<b>China 10.34%</b>					
Beijing State-Owned Assets Management Hong Kong	4.1250	26/05/25	669,000	653	0.84
Bluestar Finance (EMTN)	4.3750	11/06/20	555,000	557	0.72
CCBL Cayman	3.2500	28/07/20	303,000	302	0.39
China Railway Resources	3.8500	05/02/23	248,000	247	0.32
China Resources Gas	4.5000	05/04/22	250,000	260	0.34
CNOOC Finance 2003	5.5000	21/05/33	101,000	109	0.14
CNOOC Finance 2014	4.2500	30/04/24	295,000	298	0.39
CNPC General Capital	2.7500	14/05/19	200,000	200	0.26
Eastern Creation II Investment (EMTN)	2.6250	20/11/17	287,000	288	0.37
ENN Energy	6.0000	13/05/21	305,000	333	0.43
Greenland Global Investment	5.8750	03/07/24	388,000	387	0.50
Kunlun Energy	3.7500	13/05/25	220,000	215	0.28
Logan Property	11.2500	04/06/19	200,000	220	0.28
Proven Honour Capital	4.1250	19/05/25	700,000	690	0.89
Semiconductor Manufacturing International	4.1250	07/10/19	600,000	602	0.78
Shanghai Electric Global Investment	3.0000	14/08/19	200,000	200	0.26
Sinopec Capital	3.1250	24/04/23	400,000	382	0.49
Sinopec Capital 2013	3.1250	24/04/23	323,000	309	0.40
Sinopec Group Overseas Development 2013	4.3750	17/10/23	250,000	259	0.33
Wanda Properties International	7.2500	29/01/24	600,000	656	0.85
Zhaohai Investment	4.0000	23/07/20	650,000	641	0.83
Zhaohai Investment	3.1000	23/07/18	200,000	197	0.25
				<b>8,005</b>	<b>10.34</b>
<b>Hong Kong 5.00%</b>					
Champion (EMTN)	3.7500	17/01/23	252,000	245	0.32
CNPC General Capital	3.4000	16/04/23	500,000	485	0.63
HLP Finance (EMTN)	4.7500	25/06/22	423,000	438	0.57
Hongkong Land Finance (EMTN)	4.5000	01/06/22	200,000	213	0.28
Hutchison Whampoa International	7.4500	24/11/33	218,000	297	0.38
Hutchison Whampoa International	7.6250	09/04/19	170,000	197	0.25
Hutchison Whampoa International 14	1.6250	31/10/17	316,000	314	0.41
LS Finance 2022	4.2500	16/10/22	200,000	199	0.26
LS Finance 2025	4.5000	26/06/25	500,000	490	0.63
Swire Property Financing (EMTN)	4.3750	18/06/22	372,000	397	0.51
Zhejiang Energy Hong Kong	2.3000	30/09/17	600,000	596	0.76
				<b>3,871</b>	<b>5.00</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>India 15.90%</b>					
Axis Bank	8.8500	05/12/24	80,000,000	1,249	1.61
Axis Bank	9.1500	31/12/22	70,000,000	1,093	1.41
Axis Bank Dubai (EMTN)	5.1250	05/09/17	200,000	209	0.27
Bharti Airtel International Netherlands	5.1250	11/03/23	400,000	415	0.54
Export-Import Bank of India	8.8700	30/10/29	40,000,000	637	0.82
Export-Import Bank of India (EMTN)	2.7500	01/04/20	527,000	522	0.67
GCX	7.0000	01/08/19	350,000	329	0.43
Indian Railway Finance	3.9170	26/02/19	510,000	525	0.68
ONGC Videsh	4.6250	15/07/24	373,000	382	0.49
ONGC Videsh	3.2500	15/07/19	350,000	351	0.45
Power Finance	8.6500	28/12/24	120,000,000	1,828	2.37
Power Grid of India	8.9300	20/10/29	50,000,000	786	1.02
Power Grid of India	9.2500	26/12/16	21,250,000	327	0.42
Rural Electrification	9.3500	15/06/22	190,000,000	3,043	3.94
Rural Electrification	9.3500	19/10/16	26,000,000	399	0.52
State Bank of India (London)	3.6220	17/04/19	200,000	204	0.26
				<b>12,299</b>	<b>15.90</b>
<b>Indonesia 6.98%</b>					
Bank OCBC	9.4000	10/02/17	10,000,000,000	717	0.93
Jababeka International	7.5000	24/09/19	200,000	190	0.25
Lembaga Pembiayaan Ekspor Indonesia	9.5000	13/03/20	46,000,000,000	3,314	4.28
Majapahit	7.8750	29/06/37	416,000	451	0.58
Pertamina Persero	6.4500	30/05/44	232,000	203	0.26
Pertamina Persero (EMTN)	5.6250	20/05/43	441,000	347	0.45
Perusahaan Listrik Negar	5.2500	24/10/42	227,000	180	0.23
				<b>5,402</b>	<b>6.98</b>
<b>Malaysia 1.93%</b>					
Ambank Malaysia (EMTN)	3.1250	03/07/19	303,000	304	0.39
AMBB Capital	FRN	29/01/49	500,000	502	0.65
Petronas Capital	7.8750	22/05/22	302,000	377	0.49
Petronas Capital	5.2500	12/08/19	50,000	54	0.07
Public Bank Berhad	FRN	22/08/36	250,000	254	0.33
				<b>1,491</b>	<b>1.93</b>
<b>Philippines 0.90%</b>					
Philippine Long Distance Telephone (EMTN)	8.3500	06/03/17	376,000	405	0.52
Rizal Commercial Banking (EMTN)	3.4500	02/02/21	287,000	290	0.38
				<b>695</b>	<b>0.90</b>
<b>Singapore 0.65%</b>					
HPHT Finance 15	2.8750	17/03/20	200,000	199	0.26
Oversea-Chinese Banking	FRN	11/03/23	305,000	307	0.39
				<b>506</b>	<b>0.65</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>South Korea 3.24%</b>					
Busan Bank (GMTN)	4.1250	09/02/17	382,000	391	0.50
Doosan Heavy Industries & Construction	2.1250	27/04/20	346,000	339	0.44
Doosan Power System	VAR	03/12/45	500,000	496	0.65
Hyundai Capital Services (EMTN)	2.6250	29/09/20	200,000	197	0.25
Korea Gas	2.2500	25/07/17	100,000	101	0.13
Korea Hydro & Nuclear Power	3.2500	15/06/25	248,000	248	0.32
Korea Hydro & Nuclear Power	3.0000	19/09/22	247,000	246	0.32
Minera y Metalurgica del Boleo	2.8750	07/05/19	286,000	289	0.37
Shinhan Bank	1.8750	30/07/18	200,000	200	0.26
				<b>2,507</b>	<b>3.24</b>
<b>Thailand 1.28%</b>					
Krung Thai Bank Cayman (EMTN)	VAR	26/12/24	386,000	394	0.51
PTT Global Chemical	4.2500	19/09/22	350,000	359	0.46
Siam Commercial Bank	3.5000	07/04/19	202,000	205	0.27
Thai Oil	3.6250	23/01/23	29,000	29	0.04
				<b>987</b>	<b>1.28</b>
<b>United Kingdom 0.77%</b>					
Standard Chartered Bank	3.9500	11/01/23	620,000	594	0.77
<b>Total Corporate Bonds</b>				<b>36,655</b>	<b>47.38</b>
<b>Government Bonds 34.84%</b>					
<b>China 7.41%</b>					
China Development Bank	5.8000	03/01/16	2,500,000	385	0.50
China (Peoples Republic of)	4.1300	18/09/24	10,000,000	1,685	2.17
China (Peoples Republic of)	3.3600	24/05/22	10,000,000	1,591	2.05
China (Peoples Republic of)	3.4600	11/07/20	10,000,000	1,590	2.06
China (Peoples Republic of)	3.6400	09/04/25	1,000,000	164	0.21
China (Peoples Republic of)	4.1300	07/11/18	1,000,000	161	0.21
China (Peoples Republic of)	3.5700	17/11/21	1,000,000	160	0.21
				<b>5,736</b>	<b>7.41</b>
<b>India 5.10%</b>					
India (Government of)	8.1500	11/06/22	104,000,000	1,618	2.09
India (Government of)	8.3300	07/06/36	100,000,000	1,542	1.99
India (Government of)	8.1200	10/12/20	41,000,000	630	0.81
India (Government of)	8.4000	28/07/24	10,030,000	156	0.20
India (Government of)	9.2000	30/09/30	250,000	4	0.01
				<b>3,950</b>	<b>5.10</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Indonesia 6.05%</b>					
Indonesia (Republic of)	9.0000	15/03/29	38,900,000,000	2,835	3.67
Indonesia (Republic of)	8.2500	15/05/36	14,000,000,000	953	1.23
Indonesia (Republic of)	8.3750	15/03/24	5,569,000,000	394	0.51
Indonesia (Republic of)	5.2500	17/01/42	300,000	272	0.35
Perusahaan Penerbit SBSN Indonesia III	4.3500	10/09/24	234,000	225	0.29
				<b>4,679</b>	<b>6.05</b>
<b>Malaysia 4.74%</b>					
Malaysia (Government of)	3.9550	15/09/25	11,000,000	2,519	3.26
Malaysia (Government of)	3.7950	30/09/22	5,000,000	1,147	1.48
				<b>3,666</b>	<b>4.74</b>
<b>Philippines 2.26%</b>					
Philippines (Republic of)	3.6250	21/03/33	97,000,000	<b>1,753</b>	<b>2.26</b>
<b>Singapore 0.91%</b>					
Housing and Development Board	1.8300	21/11/18	1,000,000	<b>702</b>	<b>0.91</b>
<b>South Korea 7.98%</b>					
Korea (Republic of)	3.7500	10/12/33	3,500,000,000	3,689	4.77
Korea (Republic of)	3.5000	10/03/24	2,200,000,000	2,080	2.69
Korea (Republic of)	3.3750	10/09/23	430,000,000	402	0.52
				<b>6,171</b>	<b>7.98</b>
<b>Sri Lanka 0.39%</b>					
Sri Lanka (Republic of)	6.1250	03/06/25	342,000	<b>305</b>	<b>0.39</b>
<b>Total Government Bonds</b>				<b>26,962</b>	<b>34.84</b>
<b>Total Bonds</b>				<b>63,617</b>	<b>82.22</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>63,617</b>	<b>82.22</b>
<b>Other transferable securities and money market instruments 1.90%</b>					
<b>Bonds 1.90%</b>					
<b>Corporate Bonds 0.69%</b>					
<b>United Kingdom 0.69%</b>					
HSBC (PERP)	VAR	29/12/49	535,000	<b>536</b>	<b>0.69</b>
<b>Total Corporate Bonds</b>				<b>536</b>	<b>0.69</b>
<b>Government Bonds 1.21%</b>					
<b>Malaysia 1.21%</b>					
Malaysia (Government of)	4.7860	31/10/35	4,000,000	<b>938</b>	<b>1.21</b>
<b>Total Government Bonds</b>				<b>938</b>	<b>1.21</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Total Bonds</b>				<b>1,474</b>	<b>1.90</b>
<b>Total Other transferable securities and money market instruments</b>				<b>1,474</b>	<b>1.90</b>
<b>Investment Funds 5.78%</b>					
Aberdeen Global - Asian Credit Bond Fund Z-2 <sup>†</sup>			439,840	4,476	5.78
<b>Total Investment Funds</b>				<b>4,476</b>	<b>5.78</b>

**Derivatives (0.30%)**

**Futures 0.10%**

Future	Maturity	Notional	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
CBT US Long Bond	21/03/16	8	(14)	(0.02)
CBT US 10 Year Note	21/03/16	(37)	33	0.04
CBT US 2 Year Note	31/03/16	12	(4)	(0.01)
CBT US 5 Year Note	31/03/16	(108)	37	0.06
KFE Korea 10 Year Bond	15/03/16	17	23	0.03
<b>Unrealised gains on future contracts</b>			<b>75</b>	<b>0.10</b>

**Forward currency exchange contracts (0.40%)**

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
BNP Paribas	EUR	USD	04/01/16	46,775	51,398	(1)	-
BNP Paribas	EUR	USD	15/03/16	7,573,604	8,249,397	(7)	(0.01)
BNP Paribas	EUR	USD	15/03/16	47,190	51,358	-	-
BNP Paribas	EUR	USD	15/03/16	43,405	47,355	-	-
BNP Paribas	EUR	USD	15/03/16	42,367	46,215	-	-
BNP Paribas	EUR	USD	15/03/16	30,805	33,790	-	-
BNP Paribas	EUR	USD	15/03/16	13,591	14,795	-	-
BNP Paribas	GBP	USD	15/03/16	147,577	221,800	(4)	(0.01)
BNP Paribas	GBP	USD	15/03/16	1,635	2,424	-	-
BNP Paribas	USD	EUR	07/01/16	47,278	43,405	-	-
BNP Paribas	USD	MYR	26/01/16	3,600,000	15,818,400	(72)	(0.09)
BNP Paribas	USD	EUR	15/03/16	88,368	80,688	1	-
BNP Paribas	USD	EUR	15/03/16	68,106	61,536	1	-
BNP Paribas	USD	EUR	15/03/16	57,673	52,437	1	-
BNP Paribas	USD	EUR	15/03/16	51,482	46,775	1	-
BNP Paribas	USD	EUR	15/03/16	47,417	43,466	-	-
BNP Paribas	USD	EUR	15/03/16	20,711	19,055	-	-
BNP Paribas	USD	EUR	15/03/16	3,061	2,819	-	-
BNP Paribas	USD	GBP	15/03/16	2,460	1,626	-	-
Credit Suisse	MYR	USD	26/01/16	8,170,000	1,900,000	(3)	-
Credit Suisse	MYR	USD	26/01/16	3,010,000	700,000	(1)	-
Credit Suisse	SGD	USD	14/01/16	708,354	500,000	(1)	-
Credit Suisse	USD	AUD	14/01/16	2,200,000	3,027,384	(1)	-
Credit Suisse	USD	AUD	14/01/16	300,000	412,860	-	-

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Deutsche Bank	PHP	USD	04/02/16	80,585,100	1,700,000	13	0.02
Deutsche Bank	PHP	USD	04/02/16	71,104,500	1,500,000	11	0.01
Deutsche Bank	USD	KRW	22/02/16	200,000	233,340,000	2	-
Goldman Sachs	KRW	USD	22/02/16	3,256,960,000	2,800,000	(32)	(0.04)
Goldman Sachs	KRW	USD	22/02/16	1,977,440,000	1,700,000	(19)	(0.03)
Goldman Sachs	MYR	USD	26/01/16	875,200	200,000	3	-
Goldman Sachs	THB	USD	25/02/16	64,773,000	1,800,000	(3)	-
Goldman Sachs	THB	USD	25/02/16	43,182,000	1,200,000	(2)	-
Goldman Sachs	USD	EUR	07/01/16	2,100,000	1,902,562	33	0.04
Goldman Sachs	USD	MYR	26/01/16	1,100,000	4,726,700	3	-
Royal Bank of Canada	CNH	USD	02/02/16	23,088,600	3,600,000	(104)	(0.13)
Royal Bank of Canada	CNH	USD	02/02/16	13,205,600	2,000,000	-	-
Royal Bank of Canada	MYR	USD	26/01/16	12,164,600	2,800,000	24	0.03
Royal Bank of Canada	SGD	USD	14/01/16	4,641,945	3,300,000	(29)	(0.04)
Royal Bank of Canada	SGD	USD	14/01/16	2,391,305	1,700,000	(15)	(0.02)
Royal Bank of Canada	SGD	USD	14/01/16	1,273,091	900,000	(3)	-
Royal Bank of Canada	SGD	USD	14/01/16	848,728	600,000	(2)	-
Royal Bank of Canada	USD	SGD	14/01/16	300,000	423,151	2	-
Royal Bank of Canada	USD	SGD	14/01/16	200,000	279,554	3	-
Royal Bank of Canada	USD	SGD	14/01/16	200,000	284,491	-	-
Royal Bank of Canada	USD	NZD	22/01/16	1,400,000	2,097,039	(34)	(0.04)
Royal Bank of Canada	USD	MYR	26/01/16	900,000	3,910,050	(8)	(0.01)
Royal Bank of Canada	USD	CNH	02/02/16	4,100,000	26,295,350	119	0.16
Standard Chartered	CNH	USD	02/02/16	7,133,832	1,100,000	(20)	(0.03)
Standard Chartered	KRW	USD	22/02/16	2,669,840,000	2,300,000	(31)	(0.04)
Standard Chartered	PHP	USD	04/02/16	9,552,000	200,000	3	-
Standard Chartered	USD	SGD	14/01/16	3,000,000	4,196,400	43	0.06
Standard Chartered	USD	SGD	14/01/16	1,200,000	1,678,560	17	0.02
Standard Chartered	USD	SGD	14/01/16	1,100,000	1,546,302	10	0.01
Standard Chartered	USD	SGD	14/01/16	300,000	420,580	4	-
Standard Chartered	USD	CNH	02/02/16	200,000	1,292,779	4	0.01
Standard Chartered	USD	PHP	04/02/16	300,000	14,319,000	(4)	(0.01)
Standard Chartered	USD	KRW	22/02/16	2,100,000	2,437,680,000	28	0.04
State Street	AUD	USD	14/01/16	275,195	200,000	-	-
State Street	CNH	USD	02/02/16	4,609,850	700,000	(2)	-
State Street	CNH	USD	02/02/16	4,517,240	700,000	(16)	(0.02)
State Street	EUR	USD	07/01/16	1,739,861	2,000,000	(109)	(0.14)
State Street	KRW	USD	22/02/16	1,533,480,000	1,300,000	3	-
State Street	KRW	USD	22/02/16	707,760,000	600,000	1	-
State Street	KRW	USD	22/02/16	703,920,000	600,000	(2)	-
State Street	KRW	USD	22/02/16	351,960,000	300,000	(1)	-
State Street	SGD	USD	14/01/16	4,203,450	3,000,000	(38)	(0.05)
State Street	SGD	USD	14/01/16	3,955,280	2,800,000	(13)	(0.02)
State Street	SGD	USD	14/01/16	3,390,240	2,400,000	(11)	(0.01)
State Street	SGD	USD	14/01/16	1,961,610	1,400,000	(18)	(0.02)
State Street	SGD	USD	14/01/16	992,075	700,000	(1)	-
State Street	SGD	USD	14/01/16	849,621	600,000	(1)	-
State Street	SGD	USD	14/01/16	708,625	500,000	(1)	-

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
State Street	USD	SGD	14/01/16	1,600,000	2,236,080	24	0.03
State Street	USD	SGD	14/01/16	200,000	280,526	2	-
State Street	USD	NZD	22/01/16	2,500,000	3,735,525	(54)	(0.07)
State Street	USD	CNH	02/02/16	300,000	1,971,660	1	-
State Street	USD	CNH	02/02/16	200,000	1,324,360	(1)	-
Unrealised losses on forward currency exchange contracts						(307)	(0.40)
Unrealised losses on derivatives						(232)	(0.30)
Total investments						69,335	89.60
Other net assets						8,048	10.40
Total						77,383	100.00

<sup>†</sup> Managed by subsidiaries of Aberdeen Asset Management PLC.



# Australian Dollar Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Australian Dollar Bond - A Accumulation shares increased by 1.71% compared to an increase of 2.16% in the benchmark, JPMorgan Government Bond Index Traded AUD.

Source: Aberdeen Asset Management and Lipper.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, AUD.

## Market review

It was an eventful half in financial markets, with the focus shifting from Greek debt negotiations to developments in the Chinese economy and finally, to the Fed rate hike in December.

Consequently, it was a volatile period for bond yields. The Australian 3 year bond yield traded in a 0.45% range, though it closed the half much where it started at 2%. Longer bonds outperformed shorter dated bonds, capturing a fall in longer term inflation expectations. Australian bonds outperformed their US counterparts, reflecting Australia's closer ties to a slowing Chinese growth outlook. The AUD also depreciated, devaluing by almost 4.7% against the USD since the end of June to stand at 72.85 cents against the USD at the end of the year.

In Australia, economic data indicated some stability in growth, albeit at a sub-par pace. The employment numbers illustrated a clear sign of improvement, reaffirming our view that the unemployment rate has likely peaked. Business conditions remained positive and consumer confidence continued to improve. Spare capacity remains in the labour market though; as such we expect wage inflation to remain quiescent. Weak wage inflation combined with continued falling momentum in home loan credit also means that consumer spending growth will remain subdued, a point that was demonstrated in the September quarter GDP report. Private demand remains weak in Australia even when the impact of mining related investment is ignored. This point was corroborated by the retail sales report. Although at a headline level the growth in retail sales was close to market expectations, a deceleration in consumer spending at cafes and restaurants confirmed the deceleration in discretionary consumption reported in the national accounts.

It was also a difficult period for risk assets, with Chinese macroeconomic developments denting confidence about the prospects for global growth. This realisation had damaging consequences for commodity prices as demand forecasts were revisited. Commodity prices were also hurt by the stronger USD as the Fed guided markets towards a December hike.

Australian corporate credit spreads were modestly wider versus government bonds, however the excess carry on offer led to a modest outperformance of equivalent maturity government bonds. Names such as Glencore and Anglo American underperformed materially despite drastic dividend and workforce cuts, while Volkswagen Finance bonds were punished due to the emissions-cheating scandal. Semi-government bonds outperformed government bonds on a duration adjusted basis, despite Western Australia announcing a large shortfall in mining royalties at its mid-year budget update.

## Portfolio review

It was a positive half for Interest rates strategies, with our long duration bias adding to performance. Early in the half, the Fund preferred longer dated bonds over shorter dated bonds to increase duration; while in the latter period shorter dated bonds were used to express downside risks to Australian growth. Within market neutral government strategies, our preference for 20 year bonds over 10 year bonds also benefited the Fund. Credit strategies were a modest positive for fund performance over the half, with the preference to own semi-government bonds adding to performance.

## Outlook

We expect a period of stable (but sub-par) growth for 2016, and low inflation. Although low inflation might justify a lower cash rate in isolation, we maintain our long held view that the cash rate will remain at 2% in this environment.

This view continues to be supported by the incoming data, with the labour market in particular slowly strengthening. Confidence has also improved over the last few months. With the current monetary policy stance and the weaker Australian dollar both working to cushion the economy as the deep slowdown in mining investment continues, we believe that the Reserve Bank of Australia will remain satisfied that additional monetary accommodation is not required, even as the falling terms of trade further reduces national income growth. This is partially due to fiscal policy also doing its part to support the economy, with the December Mid-Year Economic and Fiscal Outlook (MYEFO) indicating that the Australian deficit will continue to grow in advance of earlier estimates. This is important, because it means that the government balance sheet is absorbing the majority of the income shock from the lower terms of trade, which means that consumer incomes will be shielded for now. We do not expect a discretionary expansion of fiscal policy, but at the same time tighter fiscal policy in such an environment would very likely have been counterproductive. Although we believe the fiscal stance will indeed have to tighten in the future, we see this as a story for 2017 rather than 2016.

We therefore expect 2016 to feature a continuation of the current lacklustre environment for demand in both the public sector and the private sector. With the growth impulse coming from residential investment also likely to fall somewhat (albeit from elevated levels) as tighter regulation continues to bite, growth momentum will be increasingly reliant on net exports. This increasing leverage to offshore demand (in particular Chinese demand) in an environment where domestic demand growth remains weak justifies our continued view that the risks to the Australian economy remain skewed to the downside.

Our outlook for credit markets is dictated by several major factors: the macroeconomic backdrop; issuer credit fundamentals; technical factors (supply/demand/sentiment); and valuations.

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We consider the macroeconomic backdrop to be neutral for credit while stable US growth is good, as is the European recovery, weaker emerging market and Chinese economies is bad. Credit fundamentals are a slight negative, as ongoing gradual re-leveraging (in the US especially) is occurring while shareholder friendly activity persists (buy-backs, mergers and acquisitions). Indeed, emerging market corporates are facing challenges in refinancing the rapid expansion in USD credit from recent years, as a stronger USD combines with a weaker fundamental backdrop for the materials emerging economies typically produce.

Technicals are neutral (a shift from the strong force of prior quarters) given the US is gradually tightening policy, and we are yet to find out what further measures the European Central Bank (ECB) will introduce. Also, until very recently negative funds flow from credit and emerging market funds created selling pressure in markets that were still experiencing elevated supply volumes. Valuations however have adjusted significantly through the second half of 2015, leading this factor to be a clear positive in driving the future outlook for credit. Our central case expectation is for a modest tightening in spreads from these more elevated levels, though in our most likely downside surprise we see scope for renewed weakness in high yield and emerging markets compared to investment grade credit. Our most likely upside scenario involves more pronounced spread tightening, as the relief from a better growth outlook, in China and emerging economies specifically, occurs without a shift to a more hawkish stance from central banks.

**Aberdeen Fixed Income Team**

January 2016

**Statement of Net Assets**

As at 31 December 2015

	AU\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	95,254
Cash at bank	1,007
Interest receivable	843
Subscriptions receivable	150
<b>Total assets</b>	<b>97,254</b>
<b>Liabilities</b>	
Taxes and expenses payable	105
Redemptions payable	333
Other liabilities	140
<b>Total liabilities</b>	<b>578</b>
<b>Net assets at the end of the period</b>	<b>96,676</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	AU\$'000
Net assets at the beginning of the period	108,148
Net gains from investments	844
Net realised gains	676
Net unrealised gains	237
Proceeds from shares issued	47,605
Payments for shares redeemed	(60,518)
Net equalisation paid (note 10)	(44)
Dividends paid (note 5)	(272)
<b>Net assets at the end of the period</b>	<b>96,676</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	AU\$'000
<b>Income</b>	
Investment income	1,463
Bank interest	48
<b>Total income</b>	<b>1,511</b>
<b>Expenses</b>	
Management fees (note 4.2)	512
Operating, administrative and servicing fees (note 4.3)	155
<b>Total expenses</b>	<b>667</b>
<b>Net gains from investments</b>	<b>844</b>
Realised gains on investments	676
<b>Net realised gains</b>	<b>676</b>
Increase in unrealised appreciation on investments	237
<b>Net unrealised gains</b>	<b>237</b>
<b>Net increase in assets as a result of operations</b>	<b>1,757</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	A-1	A-2	X-1	X-2
Shares outstanding at the beginning of the period	31,653	15,536	108,047	77,316
Shares issued during the period	956	10,564	30,334	4,305
Shares redeemed during the period	(6,176)	(12,082)	(4,286)	(10,957)
<b>Shares outstanding at the end of the period</b>	<b>26,433</b>	<b>14,018</b>	<b>134,095</b>	<b>70,664</b>
<b>Net asset value per share</b>	<b>1,266.1484</b>	<b>4,354.5958</b>	<b>10.3000</b>	<b>11.1112</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value AU\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					98.53%
<b>Bonds 98.53%</b>					
<b>Government Bonds 98.53%</b>					
<b>Australia 98.53%</b>					
Australia (Commonwealth of)	5.2500	15/03/19	13,900,000	15,271	15.80
Australia (Commonwealth of)	5.7500	15/05/21	9,900,000	11,611	12.01
Australia (Commonwealth of)	5.5000	21/01/18	10,100,000	10,800	11.17
Australia (Commonwealth of)	3.7500	21/04/37	10,000,000	10,474	10.83
Australia (Commonwealth of)	2.7500	21/04/24	9,200,000	9,199	9.52
Australia (Commonwealth of)	1.7500	21/11/20	8,400,000	8,209	8.49
Australia (Commonwealth of)	2.7500	21/06/35	6,600,000	5,980	6.19
Australia (Commonwealth of)	2.7500	21/10/19	4,700,000	4,812	4.98
Australia (Commonwealth of)	4.2500	21/04/26	4,000,000	4,485	4.64
Australia (Commonwealth of)	5.5000	21/04/23	3,680,000	4,382	4.53
Australia (Commonwealth of)	4.7500	21/04/27	1,520,000	1,781	1.84
Australia (Commonwealth of)	5.7500	15/07/22	1,240,000	1,483	1.53
Queensland Treasury	5.5000	21/06/21	1,900,000	2,164	2.24
Treasury of Victoria	6.0000	15/06/20	4,000,000	4,603	4.76
				<b>95,254</b>	<b>98.53</b>
<b>Total Government Bonds</b>				<b>95,254</b>	<b>98.53</b>
<b>Total Bonds</b>				<b>95,254</b>	<b>98.53</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>95,254</b>	<b>98.53</b>
<b>Total investments</b>				<b>95,254</b>	<b>98.53</b>
<b>Other net assets</b>				<b>1,422</b>	<b>1.47</b>
<b>Total</b>				<b>96,676</b>	<b>100.00</b>

# Canadian Dollar Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Canadian Dollar Bond - A Accumulation shares increased by 1.31% compared to an increase of 1.80% in the benchmark, JPMorgan Government Bond Index Traded CAD.

Source: Aberdeen Asset Management and Lipper.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, CAD.

## Market review

Global bond and FX markets had an eventful start to 2015 with the European Central Banks quantitative easing decision, Greek election and surprise policy moves from various central banks driving volatility across markets. The key focus over much of the year, however, was on the US Federal Reserve and whether or not they would begin the path to normalising monetary policy.

Volatility was the name of the game for most of the period as divergent central bank policy and a slowing global economy took centre stage. The rout in commodities continues to hit the headlines and suffered for much of the year, with oil prices continuing to plummet to levels not seen in a decade.

Real gross domestic product growth for second quarter 2015 came in at a negative 0.5%. Lower commodity prices continued to adversely impact the economy as the effects of China's economic slowdown spread. Business investment and inventory reductions reduced growth while consumer spending and net exports supported growth. Overall, the growth situation largely mirrors the Bank of Canada's (BOC) forecast and, after the cut in the overnight rate in July, the BOC left rates unchanged at 0.5% at its last meeting in December. Macro headwinds and continued downward pressure on oil and commodity prices are likely to weigh on sentiment going forward, however.

In the federal election on October 19, the Liberal Party won a majority of the seats and will form a majority government. The Liberal's project has a considerable deficit for the next several years in order to finance increased infrastructure spending and a revised tax system. The deficit, and the associated government borrowing, is likely to put slight upward pressure on Canadian government bond yields.

The final stages of the period saw employment drop by 36,000 as the temporary jobs associated with the recent national election were eliminated. The unemployment rate finished at 7.1% while goods producing industries added 46,000 jobs while service industries reduced employment by 82,000 positions. The weaker Canadian dollar helped stimulate the manufacturing sector, but continued weak domestic growth limited the recovery in consumer consumption.

## Portfolio review

The Fund underperformed its benchmark over the six-month period ended 31 December 2015 and underperformed on a net of fees basis. The carry from the overweight in high quality provincial and corporate bonds added to performance over the period but spreads widened and the resulting price decline more than offset the impact of the additional carry. In particular, underperformance in the month of September represented the total underperformance for the period as provincial and corporate spreads widened significantly as investors reduced their risk exposure. We continue to believe that these positions will add value over the medium to long term, albeit with short term periods of volatility. Credit quality for the provincials and the corporate issuers held in the Fund remain strong in spite of the slower economic recovery in Canada.

## Outlook

Overall lower energy prices are a net negative for the Canadian economy. Business investment in the oil and mining sectors are likely to continue to decline as commodity prices do not appear to have reached a bottom. Offsetting the declines from oil and mining, manufacturing and industries focused on exporting to the United States should benefit from the lower value of the Canadian dollar making export to the U.S. more competitive. The slow adjustment in the economy means that the twin effects of declines in Canada's largest export category and capital curtailments will more than offset positive impacts of increasing industrial exports and that the BOCs vaunted rebalancing of growth away from domestic consumption towards exports and business investment is unlikely to be realized quickly. Canadian household debt is at record levels and the domestic housing market, while strong in Ontario and British Columbia, is showing some weakness in the other provinces that are more commodities dependent. This will limit a consumer lead increase in domestic growth in the near term.

## Aberdeen North American Fixed Income Team

January 2016

**Statement of Net Assets**

As at 31 December 2015

	CA\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	80,548
Cash at bank	273
Interest receivable	385
Subscriptions receivable	49
<b>Total assets</b>	<b>81,255</b>
<b>Liabilities</b>	
Taxes and expenses payable	86
Redemptions payable	149
Other liabilities	100
<b>Total liabilities</b>	<b>335</b>
<b>Net assets at the end of the period</b>	<b>80,920</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	CA\$'000
Net assets at the beginning of the period	89,250
Net gains from investments	446
Net realised gains	594
Net unrealised losses	(426)
Proceeds from shares issued	28,098
Payments for shares redeemed	(36,910)
Net equalisation paid (note 10)	(32)
Dividends paid (note 5)	(100)
<b>Net assets at the end of the period</b>	<b>80,920</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	CA\$'000
<b>Income</b>	
Investment income	966
Bank interest	1
<b>Total income</b>	<b>967</b>
<b>Expenses</b>	
Management fees (note 4.2)	397
Operating, administrative and servicing fees (note 4.3)	124
<b>Total expenses</b>	<b>521</b>
<b>Net gains from investments</b>	<b>446</b>
Realised gains on investments	594
<b>Net realised gains</b>	<b>594</b>
Decrease in unrealised appreciation on investments	(426)
<b>Net unrealised gains</b>	<b>(426)</b>
<b>Net increase in assets as a result of operations</b>	<b>614</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	A -1	A -2	X-1
Shares outstanding at the beginning of the period	14,085	18,867	88,014
Shares issued during the period	115	7,487	17,113
Shares redeemed during the period	(942)	(9,686)	(1,499)
<b>Shares outstanding at the end of the period</b>	<b>13,258</b>	<b>16,668</b>	<b>103,628</b>
<b>Net asset value per share</b>	<b>1,371.5649</b>	<b>3,700.4596</b>	<b>10.1799</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value CA\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					98.31%
<b>Bonds 98.31%</b>					
<b>Asset Backed Bonds / Mortgage Backed Bonds 1.24%</b>					
<b>Canada 1.24%</b>					
BMW Canada Auto Trust	1.5210	20/07/17	1,000,000	1,002	1.24
<b>Total Asset Backed Bonds / Mortgage Backed Bonds</b>				<b>1,002</b>	<b>1.24</b>
<b>Corporate Bonds 31.92%</b>					
<b>Canada 12.80%</b>					
Altalink Investments	3.6740	05/06/19	400,000	422	0.52
Cameco	3.7500	14/11/22	1,000,000	1,024	1.27
Canadian Natural Resources (MTN)	3.0500	19/06/19	1,000,000	1,004	1.24
Canadian Pacific Rail Road	5.1000	14/01/22	1,000,000	1,120	1.37
Canadian Pacific Rail Road	6.2500	01/06/18	1,000,000	1,098	1.36
Hydro One	2.7800	09/10/18	2,000,000	2,076	2.56
Saputo	2.6540	26/11/19	500,000	513	0.63
Shaw Communications	4.3500	31/01/24	1,000,000	1,040	1.29
Suncor Energy	3.1000	26/11/21	1,000,000	1,025	1.27
TMX	3.2530	03/10/18	1,000,000	1,040	1.29
				<b>10,362</b>	<b>12.80</b>
<b>Germany 3.02%</b>					
KFW	5.0500	04/02/25	2,000,000	2,443	3.02
<b>Japan 2.51%</b>					
Honda Canada Finance	2.2750	11/12/17	2,000,000	2,032	2.51
<b>United States 13.59%</b>					
American Express Canada	2.3100	29/03/18	2,000,000	2,035	2.51
Bank of America	3.2280	22/06/22	1,000,000	1,025	1.27
Caterpillar Financial Services	2.6300	01/06/17	1,000,000	1,017	1.26
Citigroup	3.3900	18/11/21	1,000,000	1,040	1.29
Ford Credit Canada	2.4500	07/05/20	1,000,000	988	1.22
General Motors Financial of Canada	3.0800	22/05/20	750,000	749	0.93
Goldman Sachs	5.0000	03/05/18	1,000,000	1,075	1.33
IBM	2.2000	10/02/17	1,000,000	1,009	1.25
JP Morgan Chase	2.9200	19/09/17	2,000,000	2,051	2.53
				<b>10,989</b>	<b>13.59</b>
<b>Total Corporate Bonds</b>				<b>25,826</b>	<b>31.92</b>
<b>Government Bonds 65.15%</b>					
<b>Canada 65.15%</b>					
Canada (Government of)	5.0000	01/06/37	4,050,000	6,046	7.46
Canada (Government of)	4.0000	01/06/41	4,300,000	5,843	7.22
Canada (Government of)	3.7500	01/06/19	4,900,000	5,427	6.71
Canada (Government of)	3.5000	01/12/45	3,600,000	4,671	5.77



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value CA\$'000	Percentage of total net assets %
Canada (Government of)	1.7500	01/09/19	3,350,000	3,489	4.31
Canada (Government of)	1.5000	01/03/17	2,800,000	2,834	3.50
Canada (Government of)	5.7500	01/06/33	1,800,000	2,785	3.44
Canada (Government of)	2.5000	01/06/24	2,300,000	2,523	3.12
Canada (Government of)	1.5000	01/09/17	2,400,000	2,441	3.02
Canada (Government of)	1.5000	01/06/23	1,400,000	1,432	1.77
Canada (Government of)	2.7500	01/06/22	1,000,000	1,106	1.37
Canada (Government of)	0.7500	01/09/20	1,000,000	1,001	1.24
Canada Housing Trust No 1	2.2500	15/12/25	1,000,000	1,018	1.26
City of Toronto Canada	2.9500	28/04/35	1,000,000	927	1.15
Labrador-Island Link Fund	3.7600	01/06/33	1,500,000	1,740	2.15
Manitoba (Province of) (MTN)	6.5000	22/09/17	2,000,000	2,194	2.71
Municipal Finance Authority of British Columbia	1.7500	15/10/20	3,000,000	3,022	3.73
Regional Municipality of York	2.6000	15/12/25	1,000,000	992	1.23
Saskatchewan (Province of)	3.2000	03/06/24	3,000,000	3,232	3.99
				<b>52,723</b>	<b>65.15</b>
<b>Total Government Bonds</b>				<b>52,723</b>	<b>65.15</b>
<b>Total Bonds</b>				<b>79,551</b>	<b>98.31</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>79,551</b>	<b>98.31</b>
<b>Other transferable securities and money market instruments 1.23%</b>					
<b>Bonds 1.23%</b>					
<b>Corporate Bonds 1.23%</b>					
<b>Germany 1.23%</b>					
VW Credit Canada	2.8000	20/08/18	1,000,000	997	1.23
<b>Total Corporate Bonds</b>				<b>997</b>	<b>1.23</b>
<b>Total Bonds</b>				<b>997</b>	<b>1.23</b>
<b>Total Other transferable securities and money market instruments</b>				<b>997</b>	<b>1.23</b>
<b>Total investments</b>				<b>80,548</b>	<b>99.54</b>
<b>Other net assets</b>				<b>372</b>	<b>0.46</b>
<b>Total</b>				<b>80,920</b>	<b>100.00</b>

# Emerging Europe Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Emerging Europe Bond - A Accumulation shares decreased by 4.01% compared to a decrease of 3.21% in the benchmark, JPMorgan Global Bond Index Emerging Markets Global Diversified Europe Index.

Source: Aberdeen Asset Management, Lipper, and JP Morgan.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, EUR.

## Market review

Emerging markets (EM) debt was under pressure over the period across both hard and local currency assets as risk of sentiment persisted particularly in the run up to the tightening of US monetary policy.

In a turbulent period for global rates, bond markets were impacted across regions by a series of significant events in Europe, Asia and the US which dominated world headlines. China was the focus of many investors' attention as the country's economy showed continued signs of a slowdown. In August the Chinese government devalued the renminbi by a record 1.90%, spurring investors to drive the currency to its lowest level in nearly three years. This currency depreciation coupled with weak economic data brought chaos to equity markets, in turn prompting policy makers to take action and cut interest rates by 25 basis points in a bid to calm the storm. In November it was announced that the renminbi will be included in the International Monetary Fund's Special Drawing Rights basket of currencies from October 2016. While the direct impact of inclusion will be minimal, it confirms China's ongoing commitment to liberalising its capital account and may result in some gradual managed depreciation over the medium term.

Much of the sentiment over the half year period was dominated by the looming interest rate hike in the US. September saw the announcement that the US Federal Reserve would not be hiking interest rates. The decision, a surprising result for some, left investors wondering when the hike will finally occur. Following hawkish indications, the Federal Open Market Committee finally confirmed in December that it would raise its target rate by 25 basis points, seven years after cutting to the zero lower bound. On the other hand, the European Central Bank, under delivered with its expanded stimulus package as the pace of quantitative easing bond purchases was not increased nor was the yield floor on purchases removed.

Elsewhere, the People's Bank of China eased policy yet again by cutting the Reserve Requirement Ratio by 50 basis points and its benchmark rates by 25 basis points. Oil prices were also a key driver of returns as Organization of the Petroleum Exporting Countries OPEC declined to cut production which caused both West Texas Intermediate WTI and Brent crude to fall by over 16% to end the year at around US\$37 per barrel.

## Portfolio review

The Fund underperformed its benchmark over the period under review. It benefitted from an overweight position in Poland and an underweight position in Hungary and Romania. An overweight position in Russia detracted from the Fund.

During the period under review, we increased the Fund's holdings of Hungarian and Turkish government bonds, preferring them to Russian rates. In terms of currency exposure, we increased our exposure to Turkish lira and Polish zloty, while decreasing the Fund's Russian ruble and Hungarian forint positions.

## Outlook

EM has had another tough year as external factors, most notably when US monetary policy would be tightened, guided sentiment against the asset class. It should be noted though that on aggregate hard currency sovereign and corporate bonds had positive returns, while local currency rates all avoided losses over 2015, it was in emerging market currencies where most pain was felt. The key is that many more emerging market countries have free floating exchange rates compared to the US dollar pegs of the past which have allowed currencies to become the favoured "venting mechanism" for the markets to express a negative view. There are some benefits to this: it contains volatility in hard currency spreads and local currency yields, and on a fundamental level improves balance of payments positions by boosting export competitiveness and increasing imports costs. Ultimately, emerging market currencies will stabilise which means that local currency bonds in US dollar terms could become a better performing asset class in the coming years.

Looking ahead, we believe the key risks for emerging markets in the coming year will be the pace of US rate hikes and concerns about Chinese growth that could prompt renewed fears of currency weakness. In the absence of any inflation surprises, we would expect a more moderate pace of US rate hikes to be generally supportive for higher yielding assets. Concerns about China are likely to persist at times, but we believe further stimulus will help prevent a sharp slowdown in growth, and that officials will seek to stem currency volatility in what is still a tightly managed exchange rate.

## Aberdeen Emerging Markets Debt Team

January 2016

**Statement of Net Assets**

As at 31 December 2015

	€'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	16,155
Cash at bank	11
Interest receivable	372
Subscriptions receivable	2
Receivable for investments sold	141
<b>Total assets</b>	<b>16,681</b>
<b>Liabilities</b>	
Taxes and expenses payable	28
Redemptions payable	67
Unrealised losses on forward currency exchange contracts (note 2.6)	43
<b>Total liabilities</b>	<b>138</b>
<b>Net assets at the end of the period</b>	<b>16,543</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	€'000
Net assets at the beginning of the period	19,509
Net gains from investments	388
Net realised losses	(337)
Net unrealised losses	(785)
Proceeds from shares issued	1,815
Payments for shares redeemed	(4,014)
Net equalisation paid (note 10)	(33)
<b>Net assets at the end of the period</b>	<b>16,543</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	€'000
<b>Income</b>	
Investment income	554
<b>Total income</b>	<b>554</b>
<b>Expenses</b>	
Management fees (note 4.2)	111
Operating, administrative and servicing fees (note 4.3)	54
Bank interest	1
<b>Total expenses</b>	<b>166</b>
<b>Net gains from investments</b>	<b>388</b>
Realised losses on investments	(635)
Realised gains on forward currency exchange contracts	314
Realised currency exchange losses	(16)
<b>Net realised losses</b>	<b>(337)</b>
Increase in unrealised depreciation on investments	(619)
Decrease in unrealised appreciation on forward currency exchange contracts	(166)
<b>Net unrealised losses</b>	<b>(785)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(734)</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	A-2	X-2
Shares outstanding at the beginning of the period	88,317	17,052
Shares issued during the period	8,631	-
Shares redeemed during the period	(18,649)	(6,620)
<b>Shares outstanding at the end of the period</b>	<b>78,299</b>	<b>10,432</b>
<b>Net asset value per share</b>	<b>210.0988</b>	<b>8.8283</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					97.65%
<b>Bonds 97.65%</b>					
<b>Government Bonds 97.65%</b>					
<b>Hungary 9.55%</b>					
Hungary (Republic of)	4.0000	25/04/18	171,130,000	564	3.41
Hungary (Republic of)	7.0000	24/06/22	143,550,000	559	3.38
Hungary (Republic of)	5.5000	24/06/25	122,740,000	456	2.76
				<b>1,579</b>	<b>9.55</b>
<b>Poland 30.52%</b>					
Poland (Republic of)	5.7500	23/09/22	5,480,000	1,520	9.19
Poland (Republic of)	4.0000	25/10/23	5,260,000	1,330	8.04
Poland (Republic of)	5.7500	25/10/21	4,615,000	1,269	7.67
Poland (Republic of)	5.2500	25/10/17	1,820,000	452	2.73
Poland (Republic of)	3.2500	25/07/25	1,140,000	273	1.65
Poland (Republic of)	-	25/07/17	900,000	205	1.24
				<b>5,049</b>	<b>30.52</b>
<b>Romania 6.66%</b>					
Romania (Republic of)	5.9000	26/07/17	1,880,000	448	2.71
Romania (Republic of)	5.8500	26/04/23	1,690,000	431	2.60
Romania (Republic of)	5.8000	26/07/27	880,000	223	1.35
				<b>1,102</b>	<b>6.66</b>
<b>Russia Federation 19.09%</b>					
Russia (Federation of)	7.0500	19/01/28	101,591,000	1,069	6.47
Russia (Federation of)	7.4000	14/06/17	44,790,000	545	3.29
Russia (Federation of)	7.6000	14/04/21	41,000,000	474	2.87
Russia (Federation of)	6.9000	03/08/16	37,180,000	461	2.78
Russia (Federation of)	7.0000	25/01/23	41,300,000	454	2.74
Russia (Federation of)	7.5000	15/03/18	12,650,000	152	0.92
Russia Foreign Bond (Federation of)	8.1500	03/02/27	299,000	3	0.02
				<b>3,158</b>	<b>19.09</b>
<b>Turkey 31.83%</b>					
Turkey (Republic of)	8.8000	27/09/23	5,380,000	1,540	9.30
Turkey (Republic of)	9.5000	12/01/22	4,960,000	1,489	9.00
Turkey (Republic of)	9.0000	08/03/17	2,400,000	744	4.49
Turkey (Republic of)	10.7000	24/02/16	1,720,000	542	3.28
Turkey (Republic of)	8.2000	13/07/16	1,670,000	520	3.15
Turkey (Republic of)	8.8000	14/11/18	720,000	217	1.31
Turkey (Republic of)	10.4000	20/03/24	690,000	215	1.30
				<b>5,267</b>	<b>31.83</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Total Government Bonds				16,155	97.65
Total Bonds				16,155	97.65
Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market				16,155	97.65

Derivatives (0.26%)

Forward currency exchange contracts (0.26%)

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
Barclays Capital	EUR	HUF	14/01/16	135,651	42,413,000	2	0.01
UBS	EUR	HUF	14/01/16	21,338	6,673,000	-	-
UBS	EUR	HUF	14/01/16	60,967	19,000,000	1	0.01
HSBC	EUR	PLN	14/01/16	114,571	500,000	(2)	(0.01)
UBS	EUR	PLN	14/01/16	60,006	257,000	-	-
Royal Bank of Canada	EUR	PLN	14/01/16	73,736	314,000	1	-
HSBC	EUR	RON	14/01/16	13,462	60,000	-	-
UBS	EUR	RON	14/01/16	161,344	715,000	3	0.02
UBS	EUR	RON	14/01/16	39,424	176,000	1	-
UBS	EUR	RON	14/01/16	60,152	268,000	1	0.01
HSBC	EUR	TRY	14/01/16	13,291	45,000	(1)	(0.01)
Royal Bank of Canada	EUR	TRY	14/01/16	17,365	54,000	-	-
HSBC	EUR	TRY	14/01/16	233,844	734,000	3	0.02
Barclays Capital	EUR	TRY	14/01/16	432,440	1,493,000	(37)	(0.23)
Barclays Capital	EUR	TRY	14/01/16	52,975	165,000	1	0.01
HSBC	EUR	TRY	14/01/16	55,524	174,000	1	0.01
UBS	EUR	TRY	14/01/16	56,011	178,000	-	-
HSBC	EUR	USD	14/01/16	34,918	37,000	1	0.01
Barclays Capital	EUR	USD	14/01/16	40,569	43,000	1	0.01
JPM Chase	EUR	USD	14/01/16	42,809	47,000	-	-
Royal Bank of Canada	EUR	USD	14/01/16	716,785	819,000	(37)	(0.23)
UBS	HUF	EUR	14/01/16	190,748,000	611,437	(8)	(0.05)
Deutsche Bank	HUF	EUR	14/01/16	22,839,000	73,471	(1)	(0.01)
HSBC	HUF	EUR	14/01/16	7,000,000	22,075	-	-
Goldman Sachs	PLN	EUR	14/01/16	1,508,000	354,707	(3)	(0.02)
UBS	PLN	EUR	14/01/16	270,000	63,041	-	-
UBS	PLN	EUR	14/01/16	565,000	132,025	-	-
HSBC	PLN	EUR	14/01/16	641,000	149,978	(1)	-
UBS	PLN	EUR	14/01/16	872,000	205,989	(3)	(0.02)
Deutsche Bank	RON	EUR	14/01/16	1,420,000	320,537	(7)	(0.04)
UBS	RUB	USD	22/02/16	14,825,000	219,955	(18)	(0.11)
Deutsche Bank	RUB	USD	24/02/16	4,693,000	68,331	(5)	(0.03)
Goldman Sachs	RUB	USD	24/02/16	4,927,000	73,757	(7)	(0.04)

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
Deutsche Bank	TRY	EUR	14/01/16	166,000	48,580	4	0.02
Royal Bank of Canada	USD	EUR	14/01/16	107,000	100,209	(2)	(0.01)
Deutsche Bank	USD	EUR	14/01/16	110,000	96,386	5	0.03
Goldman Sachs	USD	EUR	14/01/16	224,000	211,538	(5)	(0.03)
Royal Bank of Canada	USD	EUR	14/01/16	50,000	46,052	-	-
Deutsche Bank	USD	RUB	24/02/16	30,429	2,038,000	3	0.02
Deutsche Bank	USD	RUB	24/02/16	36,030	2,445,000	3	0.02
Goldman Sachs	USD	RUB	24/02/16	765,998	51,567,000	63	0.38
Unrealised losses on forward currency exchange contracts						(43)	(0.26)
Unrealised losses on derivatives						(43)	(0.26)
Total investments						16,112	97.39
Other net assets						431	2.61
Total						16,543	100.00

# Euro Absolute Return Bond

For the period ended 31 December 2015

## Performance

For the period to 31 December 2015, the value of Euro Absolute Return Bond - I Accumulation shares decreased by 2.25% compared to an decrease of 0.03% in the benchmark, 3 Month EURIBOR.

Source: Aberdeen Asset Management, Lipper, and JP Morgan.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, EUR.

## Market review

The second half of 2015 has been a difficult period for global fixed income markets as high central bank activity, the economic slowdown in China, volatile commodity prices and idiosyncratic credit events each hindered performance within the asset class.

In developed markets, debate continued to centre on the timing, and scale, of the US Federal Reserve's (Fed) interest rate hikes. Following the decision in June not to hike, there were mixed messages regarding a lift-off date with the market expecting the announcement to occur in the Fed's September meeting. The September meeting came and went without the announcement. The Federal Open Market Committee hiked the Fed Funds target rate by 25 basis points (bp) to 25-50 bp, exactly seven years after cutting to the zero lower bound. The move was widely anticipated after several months of signalling from various Fed speakers.

The European Central Bank (ECB) reiterated their desire to maintain as much support as necessary to normalise inflation (and growth) in the eurozone, creating suspicions of further monetary easing. ECB President Mario Draghi eventually under delivered versus market expectations in December by cutting the deposit rate just 10 bp rather than the 15 bp priced, and delivering a 6 month extension of the Public Sector Purchase Program rather than up scaling the quantity of monthly purchases too. As a consequence yields rose (notably in the front end) and the euro strengthened, particularly against the US dollar for the end of the period.

A sell-off in credit occurred in September as was the result of credit-specific risk. Volkswagen and Glencore were the most prominent concerns with the former admitting defrauding environmental regulation and the latter experiencing enormous share price volatility following a broker note suggesting severe difficulties for the company may be in store should commodity prices remain low. The scale of both businesses contributed to a tone of broader investor nervousness.

Emerging market (EM) credits had a difficult period with events in China and Brazil driving much of the news flow. In August the People's Bank of China made the surprise decision to devalue its currency, decreasing the Chinese yuan 4.6% versus the US dollar in total. The combination of a devaluation in addition to policy measures such as rate cuts and a rapidly falling stock market spooked offshore risk markets. Elsewhere Brazil was downgraded by credit ratings agency Standard & Poor's in the same month, and with it \$56 billion of corporate debt which dropped out of the investment grade index causing a flurry of index-related forced selling. More positively, Petrobras, the state-controlled oil company, increased its petrol and diesel prices by 6% and 4% respectively which will help it reclaim some losses from the recent Brazilian real depreciation.

## Portfolio review

Fixed income markets disappointed investors with limited total return over the period, with yields generally higher. In the first half of the period, EM contributed negatively to return, with underperformance equally split between rates, foreign exchange and corporate bonds, with specific positioning in Brazil accounting for most of these losses. Stock selection in corporations was insufficient to offset the broader market weakness, though hedges in Europe neutralised the beta effect. Away from the broad corporate positioning the Fund held 0.5% in Volkswagen which detracted 8.5 bp.

In the second half of the period and despite the difficult backdrop, the Fund achieved a modest positive return. Interest rate positioning had a neutral impact on performance, however our currency exposure generated positive outperformance, principally driven by the short euro positioning (versus both sterling and US dollars). This positioning reflects our ongoing expectation of continued ECB market intervention and therefore euro currency weakness. Our positioning in short Korean won (a proxy for the Chinese Yuan) versus the US dollar also added to performance as China continued to pursue a policy of currency weakness.

All sectors and markets within our corporate bond portfolio performed well towards the end of the period, with the only exception being energy. By the end, as weakness in China, oil, and the first Fed hike was a reality, market sentiment weakened into the New Year which resulted in our credit hedges significantly contributing to positive return.

We continue to run the corporate bond portfolio 100% hedged from a duration perspective and predominately hedging credit risk. We have a preference for shorter dated bonds in within our corporate bond portfolio construction.

## Outlook

We expect the euro to weaken over the course of the next twelve months as the ECB remains committed to maintaining its quantitative easing programme. Whilst global markets remain fragile, we take comfort that the banking system is much reformed, and that oil related write downs, are unlikely to result in a systematic banking failure. We do expect an uptick in restructuring of the weaker issuers within the HY energy sector. Within EM we see potential for interesting investment opportunities once oil bottoms out and the first few US Fed hikes are behind us. As ever we take comfort from our independent global analyst platform which is focused on fundamental analysis, which we consider will be essential in avoiding bad credits and achieving outperformance over the next 12 months.

## Aberdeen Euro Fixed Income Team

January 2016



**Statement of Net Assets**

As at 31 December 2015

	€'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	8,020
Cash at bank	459
Amounts held at futures clearing houses and brokers	60
Interest receivable	82
Unrealised gains on forward currency exchange contracts (note 2.6)	8
<b>Total assets</b>	<b>8,629</b>
<b>Liabilities</b>	
Taxes and expenses payable	7
Unrealised losses on future contracts (note 2.7)	9
Unrealised losses on swap contracts (note 2.8)	158
Other liabilities	15
<b>Total liabilities</b>	<b>189</b>
<b>Net assets at the end of the period</b>	<b>8,440</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	€'000
Net assets at the beginning of the period	8,656
Net losses from investments	(4)
Net realised gains	54
Net unrealised losses	(267)
Proceeds from shares issued	6,000
Payments for shares redeemed	(5,992)
Net equalisation paid (note 10)	(7)
<b>Net assets at the end of the period</b>	<b>8,440</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	€'000
<b>Income</b>	
Investment income	28
<b>Total income</b>	<b>28</b>
<b>Expenses</b>	
Management fees (note 4.2)	21
Operating, administrative and servicing fees (note 4.3)	11
<b>Total expenses</b>	<b>32</b>
<b>Net losses from investments</b>	<b>(4)</b>
Realised losses on investments	(34)
Realised losses on future contracts	(23)
Realised gains on swap contracts	31
Realised gains on forward currency exchange contracts	88
Realised currency exchange losses	(8)
<b>Net realised gains</b>	<b>54</b>
Increase in unrealised depreciation on investments	(162)
Decrease in unrealised appreciation on future contracts	(20)
Increase in unrealised depreciation on swap contracts	(26)
Decrease in unrealised appreciation on forward currency exchange contracts	(59)
<b>Net unrealised losses</b>	<b>(267)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(217)</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	A-2	I-2	X-2	Z-2
Shares outstanding at the beginning of the period	-	8,033,551	-	-
Shares issued during the period	200,000	-	200,000	200,000
Shares redeemed during the period	-	(5,672,686)	-	-
<b>Shares outstanding at the end of the period</b>	<b>200,000</b>	<b>2,360,865</b>	<b>200,000</b>	<b>200,000</b>
<b>Net asset value per share</b>	<b>9.9248</b>	<b>1.0506</b>	<b>9.9319</b>	<b>9.9395</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					90.24%
<b>Bonds 90.24%</b>					
<b>Corporate Bonds 87.80%</b>					
<b>Australia 4.68%</b>					
APT Pipelines	4.2000	23/03/25	70,000	61	0.72
APT Pipelines	1.3750	22/03/22	100,000	95	1.13
BHP Billiton Finance	VAR	22/04/76	100,000	99	1.16
National Australia Bank (EMTN)	0.8750	20/01/22	50,000	49	0.59
Westpac Banking	1.5500	25/05/18	100,000	91	1.08
				<b>395</b>	<b>4.68</b>
<b>Brazil 0.81%</b>					
Petrobras Global Finance	8.3750	10/12/18	25,000	21	0.25
QGOG Atlantic Alaskan Rigs	5.2500	30/07/19	74,340	47	0.56
				<b>68</b>	<b>0.81</b>
<b>Canada 2.52%</b>					
Air Canada	7.6250	01/10/19	48,000	34	0.40
Canadian Natural Resources	1.7500	15/01/18	77,000	69	0.82
Canadian Pacific Railway	3.7000	01/02/26	55,000	50	0.59
Rogers Communications	5.3400	22/03/21	80,000	60	0.71
				<b>213</b>	<b>2.52</b>
<b>Colombia 0.46%</b>					
Ecopetrol	5.3750	26/06/26	49,000	39	0.46
<b>Denmark 1.18%</b>					
Danica Pension Livsforsikringsaktieselskab	VAR	29/09/45	100,000	100	1.18
<b>France 10.87%</b>					
ALD International (EMTN)	0.7500	26/01/18	100,000	100	1.19
BNP Paribas Cardif (PERP)	VAR	29/11/49	100,000	96	1.13
BNP Paribas (PERP)	VAR	29/07/49	50,000	69	0.81
Cap Gemini	2.5000	01/07/23	100,000	104	1.23
Cap Gemini	FRN	02/07/18	100,000	101	1.19
Cerba European Lab	7.0000	01/02/20	100,000	104	1.24
Electricite de France (EMTN) (PERP)	VAR	22/01/49	100,000	98	1.16
Orange (EMTN) (PERP)	VAR	29/10/49	100,000	134	1.60
RCI Banque (EMTN)	6.0000	18/10/16	44,000	30	0.35
RCI Banque (EMTN)	1.3750	17/11/20	20,000	20	0.24
Societe Generale (EMTN) (PERP)	VAR	29/09/49	50,000	61	0.73
				<b>917</b>	<b>10.87</b>
<b>Germany 3.98%</b>					
Eurogrid	1.8750	10/06/25	100,000	100	1.19
Merck Financial Services (EMTN)	0.7500	02/09/19	30,000	30	0.36
Siemens Financieringsmaatschappij	VAR	14/09/66	55,000	76	0.90

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Volkswagen International Finance (PERP)	VAR	29/12/49	48,000	42	0.49
WPP Finance Deutschland (EMTN)	1.6250	23/03/30	100,000	88	1.04
				<b>336</b>	<b>3.98</b>
<b>Ireland 1.13%</b>					
Ryanair (EMTN)	1.1250	10/03/23	100,000	<b>96</b>	<b>1.13</b>
<b>Italy 2.37%</b>					
Intesa Sanpaolo (EMTN)	FRN	15/06/20	100,000	100	1.19
Wind Acquisition Finance	4.0000	15/07/20	100,000	100	1.18
				<b>200</b>	<b>2.37</b>
<b>Japan 2.34%</b>					
American Honda Finance (EMTN)	FRN	11/03/19	100,000	100	1.18
Bank of Tokyo-Mitsubishi UFJ (EMTN)	0.8750	11/03/22	100,000	98	1.16
				<b>198</b>	<b>2.34</b>
<b>Jersey 0.83%</b>					
ASIF III Jersey (EMTN)	5.3750	14/10/16	50,000	<b>70</b>	<b>0.83</b>
<b>Mexico 0.86%</b>					
Petroleos Mexicanos	4.2500	15/01/25	26,000	21	0.25
Petroleos Mexicanos (EMTN)	5.5000	09/01/17	50,000	52	0.61
				<b>73</b>	<b>0.86</b>
<b>Netherlands 5.48%</b>					
ABN AMRO Bank (EMTN)	0.7500	09/06/20	61,000	61	0.73
ABN AMRO Bank (PERP)	VAR	29/03/49	40,000	40	0.48
ING Bank (EMTN)	FRN	17/08/18	200,000	185	2.18
Shell International Finance	2.1250	11/05/20	80,000	73	0.86
Stork Technical Services	11.0000	15/08/17	100,000	104	1.23
				<b>463</b>	<b>5.48</b>
<b>Spain 1.03%</b>					
Gas Natural Fenosa Finance (PERP)	VAR	29/12/49	100,000	<b>87</b>	<b>1.03</b>
<b>Sweden 2.58%</b>					
Skandinaviska Enskilda Banken (EMTN)	FRN	19/11/18	100,000	136	1.61
Swedbank (EMTN) (PERP)	VAR	29/03/49	60,000	82	0.97
				<b>218</b>	<b>2.58</b>
<b>Switzerland 1.82%</b>					
Demeter Investments for Swiss Life (PERP)	VAR	29/12/49	100,000	99	1.17
UBS Jersey (EMTN) (PERP)	VAR	29/12/49	50,000	55	0.65
				<b>154</b>	<b>1.82</b>
<b>United Kingdom 11.67%</b>					
Barclays Bank (PERP)	FRN	29/10/49	250,000	241	2.86
FCE Bank (EMTN)	FRN	17/09/19	100,000	99	1.18

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Lloyds Bank	FRN	14/05/18	200,000	183	2.17
Lloyds Bank (EMTN)	VAR	16/12/21	30,000	44	0.52
Pentair Finance	2.4500	17/09/19	120,000	122	1.45
Rio Tinto Finance USA	1.3750	17/06/16	95,000	87	1.04
RSA Insurance	VAR	10/10/45	100,000	132	1.56
Scottish Amicable Finance (PERP)	8.5000	29/06/49	50,000	75	0.89
				<b>983</b>	<b>11.67</b>
<b>United States 33.19%</b>					
American Express	2.6500	02/12/22	60,000	54	0.64
AT&T	FRN	04/06/19	130,000	129	1.55
Bank of America (EMTN)	FRN	14/09/20	100,000	100	1.19
Blue Racer Finance	6.1250	15/11/22	20,000	13	0.15
Cardinal Health	3.2000	15/03/23	100,000	91	1.08
CBS	3.5000	15/01/25	130,000	114	1.36
CCO Safari II	4.4640	23/07/22	30,000	28	0.33
Chevron	2.4110	03/03/22	30,000	27	0.32
Citigroup	3.3900	18/11/21	100,000	69	0.82
Columbia Pipeline	2.4500	01/06/18	22,000	20	0.23
Columbia Pipeline	3.3000	01/06/20	19,000	17	0.20
Constellation Brands	4.7500	01/12/25	9,000	8	0.10
CVS Health	1.9000	20/07/18	120,000	110	1.31
Exelon	1.5500	09/06/17	50,000	46	0.54
Exelon Generation	2.9500	15/01/20	40,000	37	0.44
Express Scripts	2.2500	15/06/19	30,000	27	0.33
Exxon Mobil	FRN	06/03/22	100,000	91	1.07
Fidelity National Information Services	3.6250	15/10/20	75,000	70	0.83
GE Capital UK Funding (EMTN)	4.6250	18/01/16	45,000	61	0.72
General Motors Financial (EMTN)	0.8500	23/02/18	100,000	100	1.18
Georgia-Pacific	5.4000	01/11/20	75,000	76	0.90
Goldman Sachs	FRN	22/05/17	110,000	101	1.20
Halliburton	6.1500	15/09/19	70,000	73	0.86
Harley-Davidson	3.5000	28/07/25	41,000	38	0.45
HJ Heinz	2.0000	02/07/18	53,000	49	0.58
HJ Heinz	3.5000	15/07/22	41,000	38	0.45
HJ Heinz Finance	7.1250	01/08/39	15,000	17	0.20
HP Enterprise	2.4500	05/10/17	90,000	83	0.98
International Paper	3.8000	15/01/26	90,000	82	0.97
Jones Energy Finance	6.7500	01/04/22	2,000	1	0.01
JPMorgan Chase (PERP)	VAR	29/12/49	50,000	44	0.52
Kinder Morgan	2.0000	01/12/17	100,000	89	1.05
Merck	2.3500	10/02/22	100,000	90	1.07
Microsoft	2.3750	12/02/22	78,000	71	0.84
MPT Operating Partnership Finance	6.3750	15/02/22	37,000	35	0.41
NextEra Energy Capital	6.0000	01/03/19	80,000	81	0.96
Penske Truck Leasing Finance	3.3750	01/02/22	104,000	93	1.10
Prologis	1.3750	07/10/20	100,000	99	1.18
Quest Diagnostics	2.5000	30/03/20	37,000	34	0.40
Sabine Pass Liquefaction	6.2500	15/03/22	100,000	86	1.01

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Seagate HDD Cayman	4.8750	01/06/27	50,000	35	0.42
United Technologies	VAR	04/05/18	100,000	91	1.08
UnitedHealth	2.7000	15/07/20	30,000	28	0.33
Verizon Communications	3.0000	01/11/21	70,000	64	0.76
Williams Partners	3.6000	15/03/22	100,000	72	0.86
Xcel Energy	1.2000	01/06/17	19,000	17	0.21
				<b>2,799</b>	<b>33.19</b>
<b>Total Corporate Bonds</b>				<b>7,409</b>	<b>87.80</b>
<b>Government Bonds 2.44%</b>					
<b>Brazil 1.84%</b>					
Brazil (Federal Republic of)	10.0000	01/01/23	890,000	155	1.84
<b>France 0.60%</b>					
Agence Francaise Development	FRN	29/07/49	50,000	51	0.60
<b>Total Government Bonds</b>				<b>206</b>	<b>2.44</b>
<b>Total Bonds</b>				<b>7,615</b>	<b>90.24</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>7,615</b>	<b>90.24</b>
<b>Other transferable securities and money market instruments 4.80%</b>					
<b>Bonds 4.80%</b>					
<b>Asset Backed Bonds / Mortgage Backed Bonds 2.74%</b>					
<b>United Kingdom 2.74%</b>					
Paragon Mortgages No 19	FRN	15/08/41	87,960	119	1.41
Thrones 2014-1	FRN	15/11/49	84,652	112	1.33
				<b>231</b>	<b>2.74</b>
<b>Total Asset Backed Bonds / Mortgage Backed Bonds</b>				<b>231</b>	<b>2.74</b>
<b>Corporate Bonds 1.27%</b>					
<b>Australia 1.06%</b>					
Suncorp Metway	2.3500	27/04/20	80,000	73	0.86
Transurban Finance	4.1250	02/02/26	19,000	17	0.20
				<b>90</b>	<b>1.06</b>
<b>United States 0.21%</b>					
Mylan	3.0000	15/12/18	19,000	17	0.21
<b>Total Corporate Bonds</b>				<b>107</b>	<b>1.27</b>
<b>Government Bonds 0.79%</b>					
<b>South Korea 0.79%</b>					
Export-Import Bank of Korea (MTN)	FRN	21/05/20	100,000	67	0.79

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Total Government Bonds				67	0.79
Total Bonds				405	4.80
Total Other transferable securities and money market instruments				405	4.80

#### Derivatives (1.89%)

##### Futures (0.10%)

			Unrealised Gains/(Losses) €'000	Percentage of total net assets %
Future	Maturity	Notional		
CBT US 10 Year Note	21/03/16	(2)	1	0.01
EUX Euro BOBL	08/03/16	2	(2)	(0.03)
EUX Euro-BTP	08/03/16	2	(4)	(0.03)
ICE Long Gilt	29/03/16	(1)	1	0.01
MSE Canada 10 Year Bond	21/03/16	(1)	(2)	(0.02)
OSE Japan 10 Year Bond	14/03/16	(1)	(3)	(0.04)
SGX 10 Year Mini JGB	09/03/16	(1)	-	-
Unrealised losses on future contracts			(9)	(0.10)

##### Forward currency exchange contracts 0.09%

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
Barclays Capital	EUR	CAD	08/01/16	173,379	253,000	6	0.07
Barclays Capital	EUR	GBP	08/01/16	16,339	12,000	-	-
Barclays Capital	EUR	USD	08/01/16	11,958	13,000	-	-
Barclays Capital	EUR	USD	08/01/16	10,053	11,000	-	-
Barclays Capital	EUR	NZD	22/02/16	170,111	284,000	(8)	(0.10)
Barclays Capital	GBP	EUR	22/02/16	9,634	13,640	(1)	(0.01)
Barclays Capital	USD	EUR	08/01/16	29,000	26,622	-	-
Citigroup	EUR	GBP	08/01/16	84,501	61,000	2	0.02
Citigroup	EUR	AUD	08/01/16	26,615	40,000	-	-
Citigroup	EUR	GBP	22/02/16	170,000	119,634	8	0.09
Citigroup	USD	EUR	22/02/16	274,034	255,000	(3)	(0.04)
Citigroup	USD	KRW	22/02/16	181,207	213,000,000	-	-
Deutsche Bank	EUR	GBP	22/02/16	15,259	11,000	-	-
Deutsche Bank	NZD	CAD	22/02/16	284,000	261,010	5	0.06
Deutsche Bank	USD	EUR	08/01/16	19,000	17,364	-	-
Deutsche Bank	USD	EUR	08/01/16	9,000	8,206	-	-
Deutsche Bank	USD	BRL	22/02/16	184,517	721,000	5	0.06
Deutsche Bank	USD	AUD	22/02/16	179,453	246,000	1	0.01
Deutsche Bank	USD	EUR	22/02/16	18,000	16,611	-	-
Goldman Sachs	EUR	AUD	08/01/16	86,742	129,000	-	-
Goldman Sachs	EUR	USD	08/01/16	16,352	18,000	-	-
Goldman Sachs	KRW	USD	22/02/16	213,000,000	180,089	1	0.01
Goldman Sachs	USD	EUR	08/01/16	9,000	8,188	-	-
HSBC	CAD	EUR	22/02/16	13,010	8,617	-	-
HSBC	EUR	GBP	08/01/16	1,403,118	1,014,000	29	0.34

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
HSBC	GBP	EUR	08/01/16	50,000	68,795	(1)	(0.01)
HSBC	GBP	EUR	22/02/16	110,000	155,616	(7)	(0.08)
JPM Chase	CAD	EUR	22/02/16	248,000	172,834	(9)	(0.10)
JPM Chase	EUR	USD	08/01/16	1,657,579	1,813,000	(11)	(0.12)
Royal Bank of Canada	AUD	EUR	08/01/16	18,000	11,845	-	-
Royal Bank of Canada	GBP	EUR	08/01/16	15,000	20,242	-	-
UBS	EUR	USD	08/01/16	1,658,575	1,814,000	(11)	(0.13)
UBS	EUR	USD	08/01/16	5,521	6,000	-	-
UBS	EUR	USD	22/02/16	100,084	107,000	2	0.02
UBS	GBP	EUR	22/02/16	12,486	16,951	-	-
Unrealised gains on forward currency exchange contracts						8	0.09

#### Swaps (1.88%)

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
Barclays Capital	USD	20/12/20	2,250,000	1.0000	North America Investment Grade Series 25	(11)	(0.13)
Barclays Capital	USD	21/04/20	600,000	1.2910	3 Month USD LIBOR	7	0.09
Barclays Capital	USD	21/10/18	640,000	0.9725	3 Month USD LIBOR	6	0.07
Barclays Capital	USD	21/10/21	730,000	1.5550	3 Month USD LIBOR	10	0.11
Barclays Capital	USD	21/10/25	460,000	2.0075	3 Month USD LIBOR	6	0.07
Citigroup	EUR	20/12/20	1,170,000	5.0000	Itraxx Europe Crossover Series 24	(95)	(1.14)
Citigroup	EUR	20/12/20	820,000	1.0000	Itraxx Europe Crossover Series 23	(9)	(0.11)
Citigroup	USD	20/12/20	1,000,000	5.0000	North America High Yield Series 25	(10)	(0.12)
Goldman Sachs	AUD	09/11/17	3,370,000	3 Month AUD BBR	2.0063	(3)	(0.04)
Goldman Sachs	AUD	09/11/17	3,350,000	3 Month AUD BBR	2.0375	(3)	(0.03)
Goldman Sachs	EUR	16/06/18	300,000	0.2550	6 Month EUR EIBOR	(2)	(0.02)
Goldman Sachs	EUR	16/06/20	420,000	0.5475	6 Month EUR EIBOR	(6)	(0.07)
Goldman Sachs	EUR	16/06/22	430,000	0.8475	6 Month EUR EIBOR	(9)	(0.10)
Goldman Sachs	EUR	16/06/25	670,000	1.1950	6 Month EUR EIBOR	(16)	(0.19)
Goldman Sachs	EUR	18/09/21	4,200,000	6 Month EUR EIBOR	1.3113	8	0.10
Goldman Sachs	GBP	16/09/21	3,370,000	2.3413	6 Month GBP LIBOR	(5)	(0.06)
Goldman Sachs	USD	05/10/25	480,000	1.7330	US CPI URBAN CON	5	0.06
JPM Chase	EUR	20/06/20	490,000	5.0000	Itraxx Europe Crossover Series 23	(31)	(0.37)
Unrealised losses on swap contracts						(158)	(1.88)
Unrealised losses on derivatives						(159)	(1.89)
Total investments						7,861	93.15
Other net assets						579	6.85
Total						8,440	100.00

# Euro Bond

For the period ended 26 October 2015

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## Performance

For the period ended 26 October 2015, the value of Euro Bond - Z Accumulation shares increased by 2.60% compared to an increase of 2.19% in the benchmark, Barclays Capital Euro Aggregate Index.

Source: Aberdeen Asset Management and BNP Paribas.

Basis: Total return, Special Month End Price NAV to NAV, gross of fees, EUR.

## Market review

2015 was a year of enormous volatility in both government yields and credit spreads. The European bond market started the year in a very bullish mood brought about by the European Central Bank's decision to finally engage in quantitative easing. Initially the market's anticipation caused spreads to tighten significantly and brought 10 year German bunds to an all-time low of 0.07%. However, in May government bond yields suddenly decompressed, and credit spreads followed. In the second half of the year growing concerns over emerging markets, commodities and slowing global growth caused further weakness in spreads.

German car manufacturer Volkswagen shocked markets by admitting it was engaged in intentionally deceptive behaviour to ensure a range of its vehicles successfully passed emission tests. The fraud was discovered by the US Environmental Protection Agency (EPA) where the issue affects nearly 500,000 cars sold by the group. The EPA has stated the potential maximum fine is \$18 billion.

The other major investment grade credit mover in the month was Glencore, with the debt of the global mining and commodity trading group falling sharply, moving to valuations more associated with distressed rather than Investment Grade corporates.

Deutsche Bank announced the departure of both co-CEO Anshu Jain and Jurgen Fitschen, to be replaced by the former UBS CFO, John Cryan. The news, whilst un-expected, came soon after a poorly received strategy review. The change in management team yet again highlighted the headwinds the bank continues to face.

The rating agencies took numerous rating actions on the European banks over the month, with Fitch and Moody's taking steps to remove government support incorporated into senior debt ratings. The rating actions followed the implementation of various legislative actions in European jurisdictions which seek to impose losses on senior bank creditors at point of failure.

Issuance of Alternative Tier 1 instruments by banks, hybrid capital designed to absorb losses in the event of failure, continued unabated in 2015. The number of transactions being rated Investment Grade or benefiting from more investor friendly features, led to solid demand from real money investors.

Also during the period, Vodafone bond spreads widened substantially in the month as bondholders became concerned about the implications of tie up with US based European cable operator Liberty Global. German utilities underperformed due to uncertainties around the nuclear liabilities. AB InBev announced it had reached an agreement in principle to acquire SABMiller for \$104bn in a 59% cash/41% equity offer. The deal would create the largest brewer in the world with revenues more than double that of the largest competitor, Heineken.

## Outlook

The Fund closed 26 October 2015.

## Aberdeen Euro Fixed Income Team

January 2016



**Statement of Net Assets**

As at 31 December 2015

	€'000
<b>Assets</b>	
Cash at bank	6
<b>Total assets</b>	<b>6</b>
<b>Liabilities</b>	
Taxes and expenses payable	1
Other liabilities	5
<b>Total liabilities</b>	<b>6</b>
<b>Net assets at the end of the period</b>	<b>-</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	€'000
Net assets at the beginning of the period	9,920
Net gains from investments	22
Net realised gains	165
Net unrealised gains	5
Payments for shares redeemed	(10,096)
Net equalisation paid (note 10)	(16)
<b>Net assets at the end of the period</b>	<b>-</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	€'000
<b>Income</b>	
Investment income	22
<b>Total income</b>	<b>22</b>
<b>Net gains from investments</b>	<b>22</b>
Realised gains on investments	205
Realised losses on future contracts	(33)
Realised losses on forward currency exchange contracts	(7)
<b>Net realised gains</b>	<b>165</b>
Decrease in unrealised appreciation on investments	(17)
Decrease in unrealised depreciation on futures contracts	15
Decrease in unrealised depreciation on forward currency exchange contracts	7
<b>Net unrealised gains</b>	<b>5</b>
<b>Net increase in assets as a result of operations</b>	<b>192</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	I-1	Z-2
Shares outstanding at the beginning of the period	672	525,042
Shares issued during the period	-	-
Shares redeemed during the period	(672)	(525,042)
<b>Shares outstanding at the end of the period</b>	<b>-</b>	<b>-</b>
<b>Net asset value per share</b>	<b>-</b>	<b>-</b>

The accompanying notes form an integral part of these financial statements.

# Euro Corporate Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Euro Corporate Bond - Z Accumulation shares increased by 1.11% compared to an increase of 1.03% in the benchmark, Barclays Capital Euro Aggregate Corporate Index.

Source: Aberdeen Asset Management and BNP Paribas.

Basis: Total return, Special Month End Price NAV to NAV, gross of fees, EUR.

## Market review

2015 was a year of enormous volatility in both government yields and credit spreads. The European bond market started the year in a very bullish mood brought about by the European Central Bank's decision to finally engage in quantitative easing (QE). Initially the market's anticipation caused spreads to tighten significantly and brought 10 year German bunds to an all-time-low of 0.07%.

However, in May government bond yields suddenly decompressed, and credit spreads followed. In the second half of the year growing concerns over emerging markets, commodities and slowing global growth caused further weakness in spreads. Towards the end of the year, the focus was again on the US Federal Reserve as they raised interest rates for the first time in almost a decade. Markets reacted calmly, with European fixed income almost unaffected.

German car manufacturer Volkswagen (VW) shocked markets by admitting it was engaged in intentionally deceptive behaviour to ensure a range of its vehicles successfully passed emission tests. The fraud was discovered by the US Environmental Protection Agency (EPA) where the issue affects nearly 500,000 cars sold by the group. The EPA has stated the potential maximum fine is \$18bn.

The other major investment grade credit mover in the month was Glencore, with the debt of the global mining and commodity trading group falling sharply, moving to valuations more associated with distressed rather than Investment Grade corporates.

Deutsche Bank announced the departure of both co-CEO Anshu Jain and Jurgen Fitschen, to be replaced by the former UBS CFO, John Cryan. The news, whilst un-expected, came soon after a poorly received strategy review. The change in management team yet again highlighted the headwinds the bank continues to face.

The rating agencies took numerous rating actions on the European banks over the month, with Fitch and Moody's taking steps to remove government support incorporated into senior debt ratings. The rating actions followed the implementation of various legislative actions in European jurisdictions which seek to impose losses on senior bank creditors at point of failure.

Issuance of Alternative Tier 1 instruments by banks, hybrid capital designed to absorb losses in the event of failure, continued unabated in 2015. The number of transactions being rated Investment Grade or benefiting from more investor friendly features led to solid demand from real money investors.

Also during the period, Vodafone bond spreads widened substantially in the month as bondholders became concerned about the implications of tie-up with US based European cable operator Liberty Global. German utilities underperformed due to uncertainties around the nuclear liabilities. AB InBev announced it had reached an agreement in principle to acquire SABMiller for \$104bn in a 59% cash/41% equity offer. The deal would create the largest brewer in the world with revenues more than double that of the largest competitor, Heineken.

Over the year and despite QE, 10 year German government bond yields rose from 0.54% at the end of 2014 to 0.63%. Yields of 10year Italian BTPs fell from 1.89 to 1.60%. Euro Investment Grade Credit spreads tightened from 88 basis points to 134 basis points. US high yield spreads, most affected by falling oil prices, widened from 483 to 660 basis points (all numbers are according to Barclays indices).

## Portfolio review

The Fund slightly outperformed its benchmark over the period. While overall beta positioning detracted from performance, Sector allocation contributed positively. Holding overweight positions in names like Glencore and VW had a negative effect, compensated by the avoidance of issuers like Casino or Anglo American.

The primary market was actively used over the period. While the total credit beta position of the Fund was relatively unchanged, several names with deteriorating credit outlook were sold.

The overall sensitivity of the Fund to a rise in interest rates relative to the benchmark remained neutral. Meanwhile, we continue to only hold assets denominated in euros.

## Outlook

The outlook for credit in 2016 remains in the balance, with many offsetting risks and influences. We expect the ECB to continue with and even expand its quantitative easing programme which is likely to support risk assets. Whilst unlikely, the potential for corporate credit to be included in QE purchases could have a significantly positive impact of on the market.

Weakness in emerging markets and commodities is expected to continue to weigh on corporate earnings but should not signal a sharp decline in investment grade credit quality. Rather, the year is likely to be more characterised by stock and sector picking than 2015, which as a whole was more a market directional call.

With slow, positive growth and a supportive central bank, European investment grade credit should be a relative safe haven. However these conditions could see credit negative M&A accelerate in Europe, due to an improvement in growth and confidence in the Eurozone or via the targeting of European companies from overseas. Net issuance in EUR markets is likely to accelerate in 2016, driven by an increase in supply from the banking sector and continued overseas issuance into EUR markets. The banking sector is expected to continue to build resilience through higher capital buffers. However, political risk in Europe remains significant, with several important elections in 2016 including the Brexit vote expected in Q2.

Geopolitical risks are also increasing and have the potential to unsettle markets. All things considered we still see valuations in both EUR and GBP as attractive, especially in the context of very low government yields and 2015's back up in spreads. But significant tail risks remain, keeping positioning conservative.

## Aberdeen Euro Fixed Income Team

January 2016

### Statement of Net Assets

As at 31 December 2015

	€'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	61,129
Cash at bank	500
Interest receivable	765
Subscriptions receivable	1,028
<b>Total assets</b>	<b>63,422</b>
<b>Liabilities</b>	
Taxes and expenses payable	24
Redemptions payable	75
Unrealised losses on forward currency exchange contracts (note 2.6)	12
<b>Total liabilities</b>	<b>111</b>
<b>Net assets at the end of the period</b>	<b>63,311</b>

### Statement of Changes in Net Assets

For the period from 1 July 2015 to 31 December 2015

	€'000
Net assets at the beginning of the period	78,118
Net gains from investments	538
Net realised gains	(75)
Net unrealised gains	229
Proceeds from shares issued	3,802
Payments for shares redeemed	(19,258)
Net equalisation paid (note 10)	(43)
<b>Net assets at the end of the period</b>	<b>63,311</b>

### Statement of Operations

For the period from 1 July 2015 to 31 December 2015

	€'000
<b>Income</b>	
Investment income	649
<b>Total income</b>	<b>649</b>
<b>Expenses</b>	
Management fees (note 4.2)	24
Operating, administrative and servicing fees (note 4.3)	87
<b>Total expenses</b>	<b>111</b>
<b>Net gains from investments</b>	<b>538</b>
Realised losses on investments	(110)
Realised gains on forward currency exchange contracts	34
Realised currency exchange gains	1
<b>Net realised losses</b>	<b>(75)</b>
Decrease in unrealised depreciation on investments	264
Decrease in unrealised appreciation on forward currency exchange contracts	(35)
<b>Net unrealised gains</b>	<b>229</b>
<b>Net increase in assets as a result of operations</b>	<b>692</b>

### Share Transactions

For the period from 1 July 2015 to 31 December 2015

	A-1	A-2	A(CZK)-2^	I-2	Z-2
Shares outstanding at the beginning of the period	68,344	288,046	899,690	30,404	4,376,876
Shares issued during the period	5,915	3,017	21,784	274,814	-
Shares redeemed during the period	(62,590)	(258,528)	(173,956)	(190,724)	(781,644)
<b>Shares outstanding at the end of the period</b>	<b>11,669</b>	<b>32,535</b>	<b>747,518</b>	<b>114,494</b>	<b>3,595,232</b>
<b>Net asset value per share</b>	<b>10.6365</b>	<b>10.8529</b>	<b>106.5054</b>	<b>13.1684</b>	<b>16.2382</b>

^ Base currency exposure share class.

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					95.59%
<b>Bonds 95.59%</b>					
<b>Corporate Bonds 92.95%</b>					
<b>Australia 2.85%</b>					
APT Pipelines (EMTN)	1.3750	22/03/22	600,000	571	0.91
AusNet Services (EMTN)	1.5000	26/02/27	300,000	274	0.43
BHP Billiton Finance (EMTN)	0.7500	28/10/22	500,000	471	0.74
Transurban Finance (EMTN)	2.0000	28/08/25	500,000	489	0.77
				<b>1,805</b>	<b>2.85</b>
<b>Belgium 1.19%</b>					
AG Insurance	VAR	30/06/47	600,000	550	0.87
Proximus (EMTN)	1.8750	01/10/25	200,000	205	0.32
				<b>755</b>	<b>1.19</b>
<b>Denmark 0.31%</b>					
Danica Pension Livsforsikringsaktieselskab	VAR	29/09/45	200,000	199	0.31
<b>France 19.96%</b>					
ALD International (EMTN)	0.7500	26/01/18	800,000	800	1.26
ALD International (EMTN)	2.0000	26/05/17	400,000	408	0.64
Arkema (EMTN)	1.5000	20/01/25	300,000	290	0.46
AXA (EMTN) (PERP)	VAR	20/05/49	700,000	691	1.09
Banque Federative du Credit Mutuel (EMTN)	3.0000	21/05/24	700,000	731	1.16
BPCE (EMTN)	2.0000	24/04/18	1,300,000	1,353	2.13
Cap Gemini	2.5000	01/07/23	400,000	416	0.66
Carrefour Banque	FRN	20/03/20	300,000	297	0.47
Carrefour (EMTN)	1.7500	15/07/22	500,000	518	0.82
Electricite de France (EMTN)	2.7500	10/03/23	300,000	331	0.52
Electricite de France (EMTN) (PERP)	VAR	22/01/49	400,000	392	0.62
GDF Suez (EMTN)	-	13/03/17	1,300,000	1,298	2.05
GDF Suez (PERP)	VAR	02/06/49	600,000	593	0.94
Pernod Ricard	2.0000	22/06/20	200,000	209	0.33
RCI Banque (EMTN)	FRN	13/06/17	1,000,000	1,001	1.58
RCI Banque (EMTN)	1.3750	17/11/20	150,000	151	0.24
Sanofi (EMTN)	0.8750	22/09/21	700,000	707	1.12
Societe Generale (EMTN)	2.6250	27/02/25	700,000	674	1.06
Societe Generale (EMTN)	2.3750	28/02/18	600,000	627	0.99
TDF Infrastructure	2.8750	19/10/22	300,000	308	0.49
Total (EMTN) (PERP)	VAR	29/12/49	949,000	840	1.33
				<b>12,635</b>	<b>19.96</b>
<b>Germany 4.44%</b>					
Bayer (EMTN)	VAR	01/07/75	160,000	161	0.25
Eurogrid	1.8750	10/06/25	400,000	401	0.63
Eurogrid (EMTN)	1.6250	03/11/23	200,000	201	0.32
Merck Financial Services (EMTN)	0.7500	02/09/19	695,000	704	1.11

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Volkswagen International Finance (EMTN)	0.8750	16/01/23	460,000	424	0.67
Volkswagen International Finance (PERP)	VAR	29/03/49	350,000	326	0.52
Vonovia Finance (EMTN)	2.1250	09/07/22	300,000	303	0.48
Vonovia Finance (PERP)	VAR	29/12/49	300,000	292	0.46
				<b>2,812</b>	<b>4.44</b>
<b>Ireland 3.29%</b>					
CRH Finance Germany (EMTN)	1.7500	16/07/21	500,000	513	0.81
CRH Funding (EMTN)	1.8750	09/01/24	100,000	101	0.16
ESB Finance (EMTN)	2.1250	08/06/27	135,000	137	0.22
Ryanair (EMTN)	1.8750	17/06/21	1,300,000	1,335	2.10
				<b>2,086</b>	<b>3.29</b>
<b>Italy 16.73%</b>					
Assicurazioni Generali (EMTN)	VAR	27/10/47	200,000	212	0.33
Atlantia (EMTN)	2.8750	26/02/21	900,000	986	1.56
Autostrade per l'Italia (EMTN)	1.1250	04/11/21	200,000	201	0.32
Enel	VAR	15/01/75	400,000	419	0.66
Enel Finance International (EMTN)	1.9660	27/01/25	300,000	308	0.49
ENI (EMTN)	4.0000	29/06/20	900,000	1,022	1.61
FCA Capital Ireland (EMTN)	2.0000	23/10/19	900,000	916	1.45
Intesa Sanpaolo (EMTN)	1.1250	14/01/20	800,000	804	1.27
Intesa Sanpaolo (EMTN)	FRN	15/06/20	700,000	704	1.11
Iren (EMTN)	2.7500	02/11/22	200,000	207	0.33
SNAM (EMTN)	3.5000	13/02/20	900,000	1,001	1.58
SNAM (EMTN)	1.5000	24/04/19	400,000	413	0.65
SNAM (EMTN)	1.5000	21/04/23	300,000	304	0.48
Terna Rete Elettrica Nazionale (EMTN)	0.8750	02/02/22	900,000	885	1.40
UniCredit (EMTN)	FRN	19/02/20	600,000	603	0.95
Zi Rete Gas (EMTN)	1.1250	02/01/20	1,600,000	1,605	2.54
				<b>10,590</b>	<b>16.73</b>
<b>Japan 1.24%</b>					
Bank of Tokyo-Mitsubishi UFJ (EMTN)	0.8750	11/03/22	800,000	784	1.24
<b>Netherlands 2.46%</b>					
ABN AMRO Bank (EMTN)	VAR	30/06/25	700,000	719	1.14
Enexis (EMTN)	1.5000	20/10/23	200,000	202	0.32
Koninklijke DSM (EMTN)	1.0000	09/04/25	350,000	332	0.52
Vesteda Finance (EMTN)	2.5000	27/10/22	300,000	302	0.48
				<b>1,555</b>	<b>2.46</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
<b>Spain 3.02%</b>					
Amadeus Finance (EMTN)	0.6250	02/12/17	500,000	502	0.79
Gas Natural Fenosa Finance (EMTN)	1.3750	21/01/25	200,000	192	0.30
Gas Natural Fenosa Finance (PERP)	VAR	29/12/49	600,000	521	0.82
Iberdrola International (EMTN)	1.7500	17/09/23	100,000	102	0.16
Santander Consumer Finance	0.9000	18/02/20	600,000	592	0.95
				<b>1,909</b>	<b>3.02</b>
<b>Sweden 0.84%</b>					
Nordea Bank (EMTN)	2.0000	17/02/21	500,000	<b>530</b>	<b>0.84</b>
<b>Switzerland 5.64%</b>					
Demeter Investments for Swiss Life (PERP)	VAR	29/12/49	430,000	424	0.67
Glencore Finance	4.6250	03/04/18	500,000	471	0.74
Lunar Funding V	1.7500	15/09/25	300,000	303	0.48
Roche Finance Europe (EMTN)	0.8750	25/02/25	1,080,000	1,060	1.67
UBS (EMTN)	1.1250	30/06/20	600,000	612	0.97
UBS London (EMTN)	0.5000	15/05/18	700,000	704	1.11
				<b>3,574</b>	<b>5.64</b>
<b>United Kingdom 20.00%</b>					
Abbey National Treasury Services (EMTN)	1.7500	15/01/18	1,410,000	1,450	2.28
Aviva (EMTN)	VAR	04/12/45	300,000	286	0.45
Barclays Bank (EMTN)	2.1250	24/02/21	800,000	850	1.34
BAT International Finance (EMTN)	0.3750	13/03/19	1,034,000	1,031	1.63
Coventry Building Society	2.5000	18/11/20	670,000	716	1.13
EE Finance (EMTN)	3.2500	03/08/18	1,000,000	1,070	1.69
FCE Bank (EMTN)	FRN	17/09/19	500,000	497	0.79
FCE Bank (EMTN)	1.5280	09/11/20	200,000	202	0.32
HBOS (EMTN)	VAR	18/03/30	600,000	684	1.08
Imperial Tobacco Finance (EMTN)	8.3750	17/02/16	970,000	979	1.55
Lloyds Bank (EMTN)	1.0000	19/11/21	400,000	398	0.63
Lloyds Bank (EMTN)	1.2500	13/01/25	350,000	343	0.54
Motability Operations (EMTN)	1.6250	09/06/23	300,000	308	0.49
Nationwide Building Society (EMTN)	1.1250	03/06/22	556,000	554	0.88
Nationwide Building Society (EMTN)	1.2500	03/03/25	500,000	484	0.76
Pentair Finance	2.4500	17/09/19	750,000	764	1.21
SSE (EMTN)	1.7500	08/09/23	300,000	304	0.48
SSE (PERP)	VAR	29/12/49	600,000	572	0.90
Tesco Corporate Treasury Services (EMTN)	1.3750	01/07/19	500,000	481	0.76
3i (EMTN)	5.6250	17/03/17	650,000	689	1.09
				<b>12,662</b>	<b>20.00</b>
<b>United States 10.98%</b>					
AT&T	FRN	04/06/19	900,000	901	1.42
Citigroup	1.7500	28/01/25	400,000	394	0.62
Coca-Cola	1.1250	09/03/27	764,000	715	1.13

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
General Motors Financial (EMTN)	1.8750	15/10/19	800,000	816	1.29
Goldman Sachs (EMTN)	2.0000	27/07/23	1,000,000	1,017	1.61
HJ Heinz	2.0000	30/06/23	400,000	405	0.64
JPMorgan Chase (EMTN)	1.3750	16/09/21	560,000	568	0.90
Metropolitan Life Global Funding I (EMTN)	2.3750	30/09/19	470,000	502	0.79
Thermo Fisher Scientific	1.5000	01/12/20	100,000	101	0.16
Toyota Motor Credit (EMTN)	1.0000	09/03/21	330,000	333	0.53
Verizon Communications	1.6250	01/03/24	800,000	799	1.26
Wells Fargo (EMTN)	1.1250	29/10/21	400,000	402	0.63
				<b>6,953</b>	<b>10.98</b>
<b>Total Corporate Bonds</b>				<b>58,849</b>	<b>92.95</b>
<b>Government Bonds 2.64%</b>					
<b>Germany 2.64%</b>					
Germany (Federal Republic of)	1.0000	15/08/25	1,000,000	1,035	1.63
Germany (Federal Republic of)	5.5000	04/01/31	395,000	637	1.01
				<b>1,672</b>	<b>2.64</b>
<b>Total Government Bonds</b>				<b>1,672</b>	<b>2.64</b>
<b>Total Bonds</b>				<b>60,521</b>	<b>95.59</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>60,521</b>	<b>95.59</b>
<b>Other transferable securities and money market instruments 0.96%</b>					
<b>Bonds 0.96%</b>					
<b>Corporate Bonds 0.96%</b>					
<b>United States 0.96%</b>					
Apple	2.0000	17/09/27	600,000	608	0.96
<b>Total Corporate Bonds</b>				<b>608</b>	<b>0.96</b>
<b>Total Bonds</b>				<b>608</b>	<b>0.96</b>
<b>Total Other transferable securities and money market instruments</b>				<b>608</b>	<b>0.96</b>

Derivative (0.02)%

Forward currency exchange contracts (0.02)%

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/ (Losses) €'000	Percentage of total net assets %
BNP Paribas	CZK	EUR	15/03/16	104,000	3,864	-	-
BNP Paribas	CZK	EUR	15/03/16	80,357,134	2,986,122	(12)	(0.02)
BNP Paribas	EUR	CZK	15/03/16	10,083	271,694	-	-
BNP Paribas	EUR	CZK	15/03/16	20,037	540,589	-	-
BNP Paribas	EUR	CZK	15/03/16	3,567	96,147	-	-
BNP Paribas	EUR	CZK	15/03/16	3,905	105,431	-	-
Unrealised losses on forward currency exchange contracts						(12)	(0.02)
Unrealised losses on derivatives						(12)	(0.02)
Total investments						61,117	96.53
Other net assets						2,194	3.47
Total						63,311	100.00



# Euro Government Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Euro Government Bond - A Accumulation shares increased by 3.17% compared to an increase of 3.03% in the benchmark, Barclays Capital Euro Aggregate Treasury Index.

Source: Aberdeen Asset Management, Lipper, and JP Morgan.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, EUR.

## Market review

The second half of 2015 started promisingly, with a deal between the European authorities and the embattled Greek government. Market stability was brief, however, as Chinese stock market ructions, negative economic data, unexpected currency depreciations and other emerging market concerns hit global risk assets and commodities hard. Volatility spiked to levels not seen since the financial eurozone crises, while declining oil and metal prices would remain a theme for the rest of the year. In September, focus turned to policy responses the US Federal Reserve (Fed) stood flat on rates, as expected. In October, the European Central Bank (ECB) voiced its preparedness to act positively, boosting risk assets. November was relatively stable, before concerns around China and commodities resurfaced in December. The "risk-off" tone was exacerbated by the ECB's underwhelming additional policy stimulus, whereas the Fed's first rate hike passed off smoothly.

The rating agencies took numerous rating actions on the European banks over the quarter, with Fitch and Moody's taking steps to remove government support incorporated into senior debt ratings. The rating actions followed the implementation of various legislative actions in European jurisdictions which seek to impose losses on senior bank creditors at point of failure.

Issuance of Alternative Tier 1 (AT1) instruments by banks, hybrid capital designed to absorb losses in the event of failure, continued unabated as the period drew to a close. The number of transactions that were rated Investment Grade, or had benefitted from more investor friendly features, led to a solid demand from real money investors.

The ECB disappointed the market with its expanded stimulus package in December. In the weeks leading up to the announcement, Mario Draghi indicated on numerous occasions that the ECB would deliver an extensive stimulus package to 'do what it takes' in a bid to boost inflation to the near 2% target so understandably investors had been expecting decisive, bolder action. Instead, the deposit rate was cut by 10 basis points to -0.3%, in line with consensus although a sizeable minority expected more, and quantitative easing (QE) was extended by 6 months to March 2017. Additionally, the scope of the purchase program was expanded to include local government bonds and Draghi emphasised that maturing bonds would now be reinvested also, which while not expected at this meeting was assumed to be announced in the future.

The real disappointments were that the pace of purchases was not ramped up, nor was the yield floor on purchases removed (which currently is the deposit rate). This significantly reduces the universe of bonds that can be included in the program. It may be that Draghi overestimated his ability to build consensus around further easing in the Governing Council (GC), with even moderate members of the GC resisting a bigger stimulus package.

## Portfolio review

The Fund outperformed its benchmark over the period. The portfolio was biased to be long interest rate risk over the period and maintained an overweight position to higher yielding sovereigns such as Ireland, which is benefitting from stronger growth in trading partners like the US and UK, and Italy which is beginning to benefit from reforms initiated under the Renzi government. Both remain relatively free from political headline risk, unlike Spain. Foreign exchange strategies were a small positive, mainly due to being short the Euro against the US Dollar.

## Outlook

Looking ahead, the fall in commodity markets and the associated fall in inflation means we expect the ECB to continue with and even expand its quantitative easing programme which is likely to support risk assets including core government bond yields.

Political risk in Europe remains significant, with several important elections in 2016 including the "Brexit" vote expected in the second quarter. Geopolitical risks are also increasing and have the potential to unsettle markets.

## Aberdeen Euro Fixed Income Team

January 2016

### Statement of Net Assets

As at 31 December 2015

	€'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	259,874
Cash at bank	598
Amounts held at futures clearing houses and brokers	673
Interest receivable	2,165
Subscriptions receivable	87
Unrealised gains on forward currency exchange contracts (note 2.6)	70
Unrealised gains on swap contracts (note 2.8)	373
<b>Total assets</b>	<b>263,840</b>
<b>Liabilities</b>	
Taxes and expenses payable	252
Redemptions payable	502
Unrealised losses on future contracts (note 2.7)	1
<b>Total liabilities</b>	<b>755</b>
<b>Net assets at the end of the period</b>	<b>263,085</b>

### Statement of Changes in Net Assets

For the period from 1 July 2015 to 31 December 2015

	€'000
Net assets at the beginning of the period	273,634
Net losses from investments	(358)
Net realised gains	1,150
Net unrealised gains	7,357
Proceeds from shares issued	59,952
Payments for shares redeemed	(78,645)
Net equalisation paid (note 10)	(5)
<b>Net assets at the end of the period</b>	<b>263,085</b>

### Statement of Operations

For the period from 1 July 2015 to 31 December 2015

	€'000
<b>Income</b>	
Investment income	1,111
<b>Total income</b>	<b>1,111</b>
<b>Expenses</b>	
Management fees (note 4.2)	1,158
Operating, administrative and servicing fees (note 4.3)	310
Bank interest	1
<b>Total expenses</b>	<b>1,469</b>
<b>Net losses from investments</b>	<b>(358)</b>
Realised gains on investments	1,948
Realised losses on future contracts	(697)
Realised gains on swap contracts	263
Realised losses on forward currency exchange contracts	(363)
Realised currency exchange losses	(1)
<b>Net realised gains</b>	<b>1,150</b>
Increase in unrealised appreciation on investments	6,335
Decrease in unrealised depreciation on future contracts	301
Increase in unrealised appreciation on swap contracts	275
Decrease in unrealised depreciation on forward currency exchange contracts	456
Unrealised currency exchange losses	(10)
<b>Net unrealised gains</b>	<b>7,357</b>
<b>Net increase in assets as a result of operations</b>	<b>8,149</b>

### Share Transactions

For the period from 1 July 2015 to 31 December 2015

	A-1	A-2	J-2	X-1	X-2	Z-2
Shares outstanding at the beginning of the period	491,028	330,289	23,208	60,845	21,932	-
Shares issued during the period	998	95,424	3,926	26,691	20,082	299,710
Shares redeemed during the period	(62,001)	(93,189)	(11,167)	(54,043)	(3,446)	-
<b>Shares outstanding at the end of the period</b>	<b>430,025</b>	<b>332,524</b>	<b>15,967</b>	<b>33,493</b>	<b>38,568</b>	<b>299,710</b>
<b>Net asset value per share</b>	<b>135.4971</b>	<b>509.3789</b>	<b>1,981.0049</b>	<b>11.1170</b>	<b>11.5934</b>	<b>9.9678</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					98.78%
<b>Bonds 98.78%</b>					
<b>Government Bonds 98.78%</b>					
<b>Austria 2.64%</b>					
Austria (Republic of)	3.4000	22/11/22	2,673,000	3,232	1.24
Austria (Republic of)	1.2000	20/10/25	1,947,000	2,006	0.76
Austria (Republic of)	3.1500	20/06/44	572,000	749	0.28
Austria (Republic of)	4.1500	15/03/37	514,000	747	0.28
Austria (Republic of)	2.4000	23/05/34	178,000	202	0.08
				<b>6,936</b>	<b>2.64</b>
<b>Belgium 11.35%</b>					
Belgium (Kingdom of)	3.7500	28/09/20	13,226,000	15,595	5.92
Belgium (Kingdom of)	1.0000	22/06/31	6,457,000	5,914	2.25
Belgium (Kingdom of)	3.5000	28/06/17	4,590,000	4,852	1.84
Belgium (Kingdom of)	0.8000	22/06/25	2,096,000	2,071	0.79
Belgium (Kingdom of)	3.7500	22/06/45	1,045,000	1,439	0.55
				<b>29,871</b>	<b>11.35</b>
<b>Finland 0.83%</b>					
Finland (Republic of)	0.8750	15/09/25	1,405,000	1,400	0.53
Finland (Republic of)	0.7500	15/04/31	584,000	533	0.20
Finland (Republic of)	2.6250	04/07/42	208,000	256	0.10
				<b>2,189</b>	<b>0.83</b>
<b>France 11.22%</b>					
France (Government of)	0.5000	25/05/25	12,722,000	12,265	4.65
France (Government of)	5.7500	25/10/32	3,918,000	6,303	2.40
France (Government of)	3.2500	25/05/45	3,734,000	4,753	1.81
France (Government of)	4.7500	25/04/35	3,117,000	4,665	1.77
France (Government of)	4.0000	25/10/38	1,100,000	1,541	0.59
				<b>29,527</b>	<b>11.22</b>
<b>Germany 30.85%</b>					
Germany (Federal Republic of)	0.5000	13/10/17	29,066,000	29,505	11.21
Germany (Federal Republic of)	1.0000	15/08/25	17,997,000	18,620	7.08
Germany (Federal Republic of)	2.2500	04/09/21	8,944,000	10,074	3.83
Germany (Federal Republic of)	-	17/04/20	8,542,000	8,583	3.26
Germany (Federal Republic of)	4.7500	04/07/28	4,934,000	7,196	2.74
Germany (Federal Republic of)	4.0000	04/01/37	2,928,000	4,344	1.65
Germany (Federal Republic of)	2.5000	15/08/46	2,280,000	2,846	1.08
				<b>81,168</b>	<b>30.85</b>
<b>Ireland 3.50%</b>					
Ireland (Republic of)	2.4000	15/05/30	8,206,000	8,942	3.40
Ireland (Republic of)	2.0000	18/02/45	273,000	262	0.10
				<b>9,204</b>	<b>3.50</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Italy 22.91%					
Italy (Republic of)	4.5000	01/02/18	14,125,000	15,433	5.87
Italy (Republic of)	2.1500	15/12/21	9,961,000	10,645	4.05
Italy (Republic of)	2.5000	01/12/24	8,366,000	9,090	3.46
Italy (Republic of)	4.7500	01/09/28	6,233,000	8,220	3.12
Italy (Republic of)	1.0500	01/12/19	6,734,000	6,903	2.62
Italy (Republic of)	1.6500	01/03/32	4,785,000	4,554	1.73
Italy (Republic of)	4.0000	01/02/37	2,509,000	3,133	1.19
Italy (Republic of)	3.2500	01/09/46	2,045,000	2,288	0.87
				60,266	22.91
Netherlands 4.54%					
Netherlands (Kingdom of)	4.0000	15/07/18	4,209,000	4,666	1.77
Netherlands (Kingdom of)	0.2500	15/07/25	2,322,000	2,208	0.84
Netherlands (Kingdom of)	5.5000	15/01/28	836,000	1,263	0.48
Netherlands (Kingdom of)	2.7500	15/01/47	93,000	119	0.05
Netherlands (Kingdom of) (EMTN)	3.5000	15/07/20	3,169,000	3,686	1.40
				11,942	4.54
Spain 10.94%					
Spain (Kingdom of)	4.5000	31/01/18	7,004,000	7,643	2.92
Spain (Kingdom of)	4.0000	30/04/20	5,884,000	6,731	2.56
Spain (Kingdom of)	5.1500	31/10/44	3,622,000	5,141	1.95
Spain (Kingdom of)	5.1500	31/10/28	2,585,000	3,431	1.30
Spain (Kingdom of)	5.5000	30/04/21	2,312,000	2,871	1.09
Spain (Kingdom of)	4.9000	30/07/40	1,298,000	1,761	0.67
Spain (Kingdom of)	5.7500	30/07/32	822,000	1,193	0.45
				28,771	10.94
Total Government Bonds				259,874	98.78
Total Bonds				259,874	98.78
Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market				259,874	98.78
Derivatives 0.17%					
Futures nil					
Future		Maturity	Notional	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
EUX Euro Bund		08/03/16	(72)	(23)	(0.01)
ICE Long Gilt		29/03/16	(62)	22	0.01
Unrealised losses on future contracts				(1)	

Forward currency exchange contracts 0.03%

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
Barclays Capital	USD	EUR	10/02/16	9,071,000	8,432,633	(91)	(0.03)
Citigroup	EUR	GBP	10/02/16	316,167	233,000	-	-
Citigroup	EUR	USD	10/02/16	2,616,945	2,833,000	12	-
Citigroup	EUR	USD	10/02/16	2,616,945	2,833,000	12	-
Deutsche Bank	USD	EUR	10/02/16	6,094,000	5,659,887	(56)	(0.02)
Goldman Sachs	EUR	GBP	10/02/16	302,030	214,000	12	-
Goldman Sachs	EUR	USD	10/02/16	3,613,748	3,825,000	96	0.04
HSBC	GBP	EUR	10/02/16	137,000	194,127	(8)	-
JPM Chase	MXN	USD	10/02/16	51,003,000	2,964,582	(18)	(0.01)
UBS	EUR	MXN	10/02/16	2,829,024	51,183,000	111	0.05
Unrealised gains on forward currency exchange contracts						70	0.03

Swaps 0.14%

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
Barclays Capital	EUR	17/09/23	39,410,000	6 Month EUR Eibor	1.6844	106	0.04
Barclays Capital	GBP	15/09/23	31,510,000	2.3825	6 Month GBP Libor	28	0.01
Citigroup	EUR	07/10/17	156,000,000	0.1720	1 Day EUR Eonia	(145)	(0.06)
Citigroup	EUR	08/10/19	86,610,000	6 Month EUR Eibor	0.5150	12	-
Citigroup	EUR	08/10/19	70,600,000	6 Month EUR Eibor	0.5150	9	-
Citigroup	EUR	16/03/16	587,010,000	0.2185	1 Day EUR Eonia	260	0.11
Citigroup	EUR	21/03/17	591,200,000	1 Day EUR Eonia	0.2500	54	0.02
Credit Suisse	GBP	02/11/17	64,340,000	6 Month GBP Libor	1.1950	(58)	(0.02)
Credit Suisse	GBP	02/11/18	64,840,000	1.5775	6 Month GBP Libor	86	0.03
Goldman Sachs	GBP	08/09/25	8,690,000	1.9080	6 Month GBP Libor	80	0.03
Goldman Sachs	GBP	08/09/45	3,400,000	6 Month GBP Libor	2.1030	(59)	(0.02)
Unrealised gains on swap contracts						373	0.14
Unrealised gains on derivatives						442	0.17
Total investments						260,316	98.95
Other net assets						2,769	1.05
Total						263,085	100.00

# Euro High Yield Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Euro High Yield Bond - A Accumulation shares increased by 0.63% compared to a decrease of 1.05% in the benchmark, Bank of America Merrill Lynch Euro High Yield Constrained Index.

Source: Aberdeen Asset Management and Lipper.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, EUR.

## Market review

The period was particularly volatile for markets globally, and European high yield proved no different. Having had a reasonable start to the period, the asset class felt the force of "risk-off" sentiment following macroeconomic events later in the quarter.

Towards the end of the year, the focus was again on the US Federal Reserve as they raised interest rates for the first time in almost a decade. Markets reacted calmly, with European high yield largely unaffected.

German car manufacturer Volkswagen shocked markets by admitting it was engaged in intentionally deceptive behaviour to ensure a range of its vehicles successfully passed emission tests.

The fraud was discovered by the US Environmental Protection Agency (EPA) where the issue affects nearly 500,000 cars sold by the group. The EPA has stated the potential maximum fine is \$18 billion.

The other major investment grade credit mover in the month was Glencore, with the debt of the global mining and commodity trading group falling sharply, moving to valuations more associated with distressed rather than Investment Grade corporates.

Volatility ensued towards the end of the year, as credit markets were rocked by central bank weakness in peripheral countries and negative sentiment globally. An ageing credit cycle and poor earnings from various investment grade credit companies brought the Bank of America Merrill Lynch European High Yield index down slightly to finish the full year at +0.73%.

Economic data in Europe remained mixed. The European Central Bank failed to lift inflation despite announcing a welcome boost to Eurozone's quantitative easing programme. The fresh stimulus included an extension of the current programme and an increase to the range of assets available for purchase, but the market's reaction suggests bolder action is required.

European high yield largely avoided the weakness seen in the US high yield market. China continues to play a pivotal role in market sentiment as investors remain cautious over global growth, volatility and geopolitical risk.

## Portfolio review

The Fund finished the period with an average credit rating of B+ versus its benchmark of BB-. We maintained our long credit position but short duration positioning in the Fund.

The Fund has a modified duration of 2.9 years versus 3.6 years, which we maintain by our yield to call paper and floating rate paper. At the period end, the Fund held 27.1% in BB rate paper up from 8.5% in 2014. This is a result of increasing the credit quality of the Fund while taking advantage of weakness in government bond markets to buy longer maturity bonds which tend to be BB rated, with some bonds being bullet structure.

23% of the Fund is in sterling bonds, although all the currency is hedged back into Euros; we feel "Brexit" will play an increasing role in performance over 2016, perhaps even into 2017.

We have maintained cash levels above 4% in order to be flexible. Volatility levels have increased in markets so we are keen to be able to take advantage of market weakness.

Encouragingly, we have had no defaults in the Fund despite the Moody's default number moving up to 2.5% at the end of November last year.

## Outlook

The outlook, for European high yield in 2016, remains in the balance with many off setting risks and influences. We expect the ECB to continue with and even expand its quantitative easing programme which is likely to support risk assets.

Weakness in emerging markets and commodities is expected to continue to weigh on corporate earnings but should not signal a sharp decline in investment grade credit quality. Rather, the year is likely to be more characterised by stock and sector picking than 2015, which as a whole was more a market directional call.

With slow, positive growth and a supportive central bank, European high yield should be a relatively safe haven. However, political risk in Europe remains significant, with several important elections in 2016 including the "Brexit" vote expected in the second quarter.

## Aberdeen Euro High Yield Team

January 2016

**Statement of Net Assets**

As at 31 December 2015

	€'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	44,140
Cash at bank	1,896
Interest receivable	886
Subscriptions receivable	92
Receivable for investments sold	81
Unrealised gains on forward currency exchange contracts (note 2.6)	601
<b>Total assets</b>	<b>47,696</b>
<b>Liabilities</b>	
Taxes and expenses payable	60
Redemptions payable	1,534
<b>Total liabilities</b>	<b>1,594</b>
<b>Net assets at the end of the period</b>	<b>46,102</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	€'000
Net assets at the beginning of the period	42,339
Net gains from investments	975
Net realised losses	(621)
Net unrealised losses	(258)
Proceeds from shares issued	28,086
Payments for shares redeemed	(24,388)
Net equalisation paid (note 10)	(31)
<b>Net assets at the end of the period</b>	<b>46,102</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	€'000
<b>Income</b>	
Investment income	1,295
<b>Total income</b>	<b>1,295</b>
<b>Expenses</b>	
Management fees (note 4.2)	253
Operating, administrative and servicing fees (note 4.3)	67
<b>Total expenses</b>	<b>320</b>
<b>Net gains from investments</b>	<b>975</b>
Realised gains on investments	301
Realised losses on swap contracts	(154)
Realised losses on forward currency exchange contracts	(744)
Realised currency exchange losses	(24)
<b>Net realised losses</b>	<b>(621)</b>
Increase in unrealised depreciation on investments	(1,421)
Decrease in unrealised depreciation on forward currency exchange contracts	1,169
Unrealised currency exchange losses	(6)
<b>Net unrealised losses</b>	<b>(258)</b>
<b>Net increase in assets as a result of operations</b>	<b>96</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	A-2	I-2	X-2
Shares outstanding at the beginning of the period	291,497	1,991	11,451
Shares issued during the period	37,807	15,795	50,986
Shares redeemed during the period	(40,299)	(13,522)	(4,547)
<b>Shares outstanding at the end of the period</b>	<b>289,005</b>	<b>4,264</b>	<b>57,890</b>
<b>Net asset value per share</b>	<b>136.1134</b>	<b>1,422.0632</b>	<b>12.1060</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					94.24%
<b>Bonds 94.24%</b>					
<b>Corporate Bonds 94.24%</b>					
<b>Australia 0.42%</b>					
BHP Billiton Finance	VAR	22/04/76	194,000	191	0.42
<b>Austria 0.36%</b>					
Wienerberger (PERP)	VAR	29/12/49	162,000	166	0.36
<b>Belgium 1.54%</b>					
KBC (PERP)	VAR	29/03/49	225,000	226	0.49
Telenet Finance VI Luxembourg	4.8750	15/07/27	500,000	482	1.05
				708	1.54
<b>Canada 0.31%</b>					
Entertainment One	6.8750	15/12/22	107,000	145	0.31
<b>Cayman Islands 0.54%</b>					
Mizzen Bondco	7.0000	01/05/21	189,400	249	0.54
<b>Czech Republic 1.21%</b>					
CE Energy	7.0000	01/02/21	550,000	559	1.21
<b>France 8.60%</b>					
Albea Beauty	8.7500	01/11/19	300,000	319	0.69
CEGEDIM	6.7500	01/04/20	940,000	1,001	2.17
Cerba European Lab	7.0000	01/02/20	650,000	676	1.47
HomeVi	6.8750	15/08/21	400,000	423	0.92
Novafives	4.5000	30/06/21	550,000	468	1.02
Novalis	3.0000	30/04/22	205,000	203	0.44
Orange (PERP)	VAR	29/12/49	275,000	371	0.80
Paprec	5.2500	01/04/22	109,000	109	0.24
Paprec	7.3750	01/04/23	100,000	98	0.21
Rexel	3.2500	15/06/22	300,000	297	0.64
				3,965	8.60
<b>Germany 12.16%</b>					
ALBA	8.0000	15/05/18	600,000	559	1.21
Deutsche Raststaetten	6.7500	30/12/20	400,000	425	0.92
Galapagos	FRN	15/06/21	620,000	592	1.28
Galapagos	5.3750	15/06/21	100,000	97	0.21
KraussMaffei (EMTN)	8.7500	15/12/20	796,000	854	1.85
ProGroup	5.1250	01/05/22	100,000	105	0.23
Safari Holding Verwaltungs	8.2500	15/02/21	510,000	541	1.17
Siemens Financieringsmaatschappij	VAR	14/09/66	300,000	416	0.90
Techem	6.1250	01/10/19	1,050,000	1,106	2.41
Techem Energy	7.8750	01/10/20	200,000	216	0.47
Unitymedia Hessen	5.5000	15/01/23	500,000	461	1.00



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Unitymedia Hessen	4.6250	15/02/26	100,000	100	0.22
Volkswagen Financial Services (EMTN)	2.6250	22/07/19	100,000	134	0.29
				<b>5,606</b>	<b>12.16</b>
<b>Hungary 1.17%</b>					
Agrokor	9.8750	01/05/19	500,000	537	1.17
<b>Ireland 0.81%</b>					
Ardagh Packaging Finance	4.2500	15/01/22	225,000	228	0.50
Ardagh Packaging Finance	7.0000	15/11/20	158,824	144	0.31
				<b>372</b>	<b>0.81</b>
<b>Italy 7.32%</b>					
Assicurazioni Generali (PERP)	VAR	29/12/49	300,000	412	0.89
Bormioli Rocco Holdings	10.0000	01/08/18	220,000	230	0.50
Cerved Technologies (EMTN)	8.0000	15/01/21	675,000	721	1.56
Cerved Technologies	6.3750	15/01/20	650,000	674	1.46
Gamenet	7.2500	01/08/18	483,000	455	0.99
Telecom Italia (EMTN)	6.3750	24/06/19	600,000	884	1.92
				<b>3,376</b>	<b>7.32</b>
<b>Luxembourg 4.62%</b>					
Altice	7.2500	15/05/22	350,000	327	0.71
ArcelorMittal (EMTN)	3.1250	14/01/22	100,000	77	0.17
Convatec Healthcare	10.8750	15/12/18	200,000	205	0.45
Convatec Healthcare	10.5000	15/12/18	200,000	186	0.40
Dufry Finance (EMTN)	4.5000	15/07/22	125,000	131	0.28
Garfunkelux Holdco 3	7.5000	01/08/22	200,000	206	0.45
Intralot Capital	6.0000	15/05/21	100,000	90	0.20
Wind Acquisition Finance	7.0000	23/04/21	600,000	598	1.29
Xefin Lux (EMTN)	FRN	01/06/19	310,000	310	0.67
				<b>2,130</b>	<b>4.62</b>
<b>Netherlands 6.28%</b>					
ING Groep (PERP)	VAR	29/12/49	200,000	185	0.40
InterXion	6.0000	15/07/20	800,000	846	1.84
LGE VI	7.1250	15/05/24	580,000	629	1.37
UPC	6.7500	15/03/23	800,000	866	1.88
UPCB Finance IV	4.0000	15/01/27	133,000	126	0.27
Ziggo Secured Finance	3.7500	15/01/25	260,000	241	0.52
				<b>2,893</b>	<b>6.28</b>
<b>South Africa 1.56%</b>					
Sappi Papier	3.3750	01/04/22	747,000	717	1.56

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
<b>Spain 6.16%</b>					
Aldesa Financial Services (EMTN)	7.2500	01/04/21	150,000	122	0.26
Befesa Zinc (EMTN)	8.8750	15/05/18	910,000	895	1.94
Campofrio Food	3.3750	15/03/22	233,000	236	0.51
Cirsa Funding Luxembourg	5.8750	15/05/23	128,000	122	0.26
Empark Funding	FRN	15/12/19	100,000	101	0.22
Obrascon Huarte Lain	4.7500	15/03/22	600,000	505	1.10
Obrascon Huarte Lain	5.5000	15/03/23	220,000	188	0.41
PortAventura Entertainment Barcelona	7.2500	01/12/20	360,000	371	0.81
PortAventura Entertainment Barcelona	FRN	01/12/19	300,000	300	0.65
				<b>2,840</b>	<b>6.16</b>
<b>Sweden 0.51%</b>					
Unilabs Subholding AB	8.5000	15/07/18	225,000	234	0.51
<b>Switzerland 0.48%</b>					
Dufry Finance	4.5000	01/08/23	213,000	222	0.48
<b>United Kingdom 29.03%</b>					
Alliance Automotive Finance	6.2500	01/12/21	190,000	200	0.43
Alliance Automotive Finance	FRN	01/12/21	140,000	142	0.31
Bakkavor Finance 2	8.2500	15/02/18	404,749	565	1.23
Barclays Bank (PERP)	VAR	29/12/49	300,000	305	0.66
Barclays Bank (PERP)	VAR	29/12/49	200,000	272	0.59
Boparan Finance (EMTN)	4.3750	15/07/21	200,000	178	0.39
Brakes Capital	7.1250	15/12/18	254,000	356	0.77
Cabot Financial Luxembourg (EMTN)	8.3750	01/08/20	182,000	256	0.55
Co-Operative 2011	VAR	08/07/20	500,000	741	1.61
Elli Finance UK	8.7500	15/06/19	650,000	759	1.65
Fiat Chrysler Finance Europe (EMTN)	7.3750	09/07/18	238,000	265	0.57
Galaxy Bidco	6.3750	15/11/20	100,000	142	0.31
Grainger	5.0000	16/12/20	600,000	855	1.86
IDH Finance	6.0000	01/12/18	200,000	273	0.59
International Personal Finance (EMTN)	5.7500	07/04/21	658,000	600	1.30
Jaguar Land Rover Automotive	5.0000	15/02/22	500,000	700	1.52
KCA Deutag UK Finance	7.2500	15/05/21	600,000	377	0.82
KCA Deutag UK Finance	7.2500	15/05/21	200,000	126	0.27
Kerling	10.6250	01/02/17	170,000	171	0.37
Ladbrokes Finance	7.6250	05/03/17	190,000	274	0.59
Matalan Finance	6.8750	01/06/19	500,000	567	1.23
Merlin Entertainments	2.7500	15/03/22	275,000	268	0.58
Moy Park Bondco	6.2500	29/05/21	250,000	347	0.75
Nationwide Building Society (EMTN) (PERP)	VAR	11/03/49	150,000	205	0.44
Priory No 3	7.0000	15/02/18	550,983	764	1.66
Priory No 3 (EMTN)	8.8750	15/02/19	430,000	604	1.31

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Royal Bank of Scotland (PERP)	VAR	29/12/49	200,000	192	0.42
Silk Bidco	7.5000	01/02/22	110,000	115	0.25
Standard Chartered Bank (PERP)	VAR	29/05/49	350,000	483	1.05
TES Finance	FRN	15/07/20	200,000	263	0.57
Tesco (EMTN)	6.1250	24/02/22	500,000	710	1.54
Thames Water Kemble Finance (EMTN)	5.8750	15/07/22	405,000	560	1.21
Voyage Care Bondco	6.5000	01/08/18	408,000	555	1.20
Worldpay Finance	3.7500	15/11/22	194,000	198	0.43
				<b>13,388</b>	<b>29.03</b>
<b>United States 11.16%</b>					
Alliance Data Systems	5.2500	15/11/23	450,000	448	0.97
Ball	3.5000	15/12/20	100,000	103	0.22
Crown America	4.5000	15/01/23	1,000,000	904	1.96
Crown European	4.0000	15/07/22	500,000	519	1.13
Goodyear Dunlop Tires Europe	3.7500	15/12/23	140,000	142	0.31
International Game Technology	6.2500	15/02/22	900,000	779	1.69
Kloeckner Pentaplast of America	7.1250	01/11/20	300,000	309	0.67
MPT Operating Partnership (EMTN)	5.7500	01/10/20	750,000	801	1.74
OI European	4.8750	31/03/21	250,000	273	0.59
Rapid	6.6250	15/11/20	225,000	232	0.50
Trinseo Materials Operating	6.3750	01/05/22	150,000	149	0.32
Valeant Pharmaceuticals	4.5000	15/05/23	559,000	487	1.06
				<b>5,146</b>	<b>11.16</b>
<b>Total Corporate Bonds</b>				<b>43,444</b>	<b>94.24</b>
<b>Total Bonds</b>				<b>43,444</b>	<b>94.24</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>43,444</b>	<b>94.24</b>
<b>Other transferable securities and money market instruments 1.51%</b>					
<b>Equities nil</b>					
<b>Czech Republic nil</b>					
Bestsport Services			2,928,000	-	-
<b>Total Equities</b>				<b>-</b>	<b>-</b>
<b>Bonds 1.51%</b>					
<b>Corporate Bonds 1.51%</b>					
<b>Croatia 0.97%</b>					
Agrokor	FRN	08/08/17	450,000	447	0.97
<b>Czech Republic nil</b>					
Sazka	9.0000	12/07/21	1,781,365	2	-

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
<b>Ireland nil</b>					
ERC Ireland (PIK) (PREF)	FRN	15/02/17	1,772,343	-	-
<b>Luxembourg nil</b>					
Hellas Telecommunications III	8.5000	15/10/13	1,671,218	-	-
<b>United Kingdom 0.54%</b>					
Virgin Media Secured Finance	6.2500	28/03/29	180,000	247	0.54
<b>Total Corporate Bonds</b>				<b>696</b>	<b>1.51</b>
<b>Total Bonds</b>				<b>696</b>	<b>1.51</b>
<b>Total Other transferable securities and money market instruments</b>				<b>696</b>	<b>1.51</b>

#### Derivatives 1.30%

##### Forward currency exchange contracts 1.30%

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
Barclays Capital	GBP	EUR	08/01/16	324,000	451,498	(12)	(0.03)
Citigroup	EUR	GBP	10/02/16	502,397	366,000	6	0.01
Deutsche Bank	EUR	GBP	10/02/16	218,643	154,000	10	0.02
Deutsche Bank	EUR	GBP	10/02/16	25,477	18,000	1	-
Deutsche Bank	EUR	USD	10/02/16	3,340,888	3,594,000	36	0.08
HSBC	EUR	GBP	10/02/16	113,242	82,000	2	-
HSBC	EUR	GBP	10/02/16	6,552,137	4,624,000	284	0.63
JPM Chase	EUR	GBP	10/02/16	6,540,071	4,624,000	272	0.59
UBS	EUR	GBP	10/02/16	121,097	88,000	2	-
<b>Unrealised gains on forward currency exchange contracts</b>						<b>601</b>	<b>1.30</b>
<b>Unrealised gains on derivatives</b>						<b>601</b>	<b>1.30</b>
<b>Investment asset</b>						<b>44,741</b>	<b>97.05</b>
<b>Other net assets</b>						<b>1,361</b>	<b>2.95</b>
<b>Total</b>						<b>46,102</b>	<b>100.00</b>

# Euro Short Term Bond

For the period ended 31 December 2015

## Performance

For period ended 31 December 2015, the value of Euro Short Term Bond - A Accumulation shares increased by 0.20% compared to an increase of 0.17% in the benchmark, Citigroup EMU Government Bond Index (EGBI ) 1-3 Years (ex BBB).

Source: Aberdeen Asset Management and Lipper.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, EUR.

## Market review

The Eurozone performed relatively well over the period despite concerns surrounding a global economic slowdown. Rates markets bounced from the summer's weakness early on in the period as a resolution between Greece and its creditors prompted a sharp risk on tone, pushing peripheral spreads tighter.

Risks to Europe's inflation and growth outlook have since intensified. Much of this is a result of the outlook for China, an emerging market slowdown, the plummet in the price of oil and other falling commodity prices, added to the negative sentiment in general. Amid all this, there has been some positive economic data in Europe, but macro headwinds will concern policy makers, especially as the European Central Bank (ECB) has been pumping EUR60 billion into financial institutions on a monthly basis (via the buying of government bonds) since March 2015. With at least €1.1 trillion promised by the ECB extended through until March 2017. Inflation is supposed to have been given a welcome boost as banks have more money to lend, encouraging consumers to borrow and thus spend.

Clearly, with worries of disinflation evident once again in Europe, the current programme is not having the desired effect. Draghi has acknowledged that price growth will take longer than expected; Ewald Nowotny, a member of the governing council at the ECB, stated they will "clearly miss" their 2% target, while the IMF suggested that inflation will not reach this figure before 2020.

Markets remained volatile into year end. This was driven primarily by uncertainty surrounding the outcome of September's US Federal Reserve (Fed) meeting. Following the decision not to hike, there was a selloff in global equity markets, while bond markets rallied towards the end of the month. Overall, yield curves, both in Europe and the US, finished flatter and lower.

December was dominated by divergent central bank action. The (Fed) hiked the target range for the Federal Funds rate by 25 basis points while the (ECB) cut its deposit rate by 10bps to -0.30% and expanded its quantitative easing policy. Both moves were widely anticipated although the ECB somewhat under delivered relative to market expectations. As such, European rates sold-off and peripheral spreads finished the period wider.

## Portfolio review

The Funds overall duration position has been relatively flat to benchmark with an underweight in the 1-3 year sector and a long position in 5 years on the expectation that the curve would flatten as the ECB stepped up its support. The Fund has been predominantly seeking longer dated maturities to provide some positive yield carry over bunds. Performance both in absolute and relative terms is positive over the period despite some spread widening during the summer. This impacted the allocation within the Fund to corporate bonds and disappointment from the ECB in December. Financial bonds, which the Fund is biased towards, have outperformed other sectors and were one of the key drivers of performance during the period. With regard to activity, there have been several new issues at a premium to existing bonds which the Fund has rotated into selling down some stale names into more attractive issues. The main focus has been on looking for attractive yield opportunities on the back of further central bank action while reducing cash held due to negative deposit rates.

## Outlook

The market will be looking at what further action the ECB is likely to take having been disappointed in December as the central bank failed to deliver a more extensive stimulus package, as had been expected. Downside risk remain to both growth and inflation. This suggests that, with the ongoing global environment, a further cut to the Depo rate will likely be discussed with other policy measures again at upcoming meetings.

**Aberdeen Euro Fixed Income Team**  
January 2016

**Statement of Net Assets**

As at 31 December 2015

	€'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	112,326
Cash at bank	669
Amounts held at futures clearing houses and brokers	474
Interest receivable	615
Subscriptions receivable	21
<b>Total assets</b>	<b>114,105</b>
<b>Liabilities</b>	
Taxes and expenses payable	82
Redemptions payable	481
Unrealised losses on future contracts (note 2.7)	185
<b>Total liabilities</b>	<b>748</b>
<b>Net assets at the end of the period</b>	<b>113,357</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	€'000
Net assets at the beginning of the period	132,047
Net losses from investments	(46)
Net realised losses	(307)
Net unrealised gains	436
Proceeds from shares issued	63,276
Payments for shares redeemed	(82,047)
Net equalisation paid (note 10)	(2)
<b>Net assets at the end of the period</b>	<b>113,357</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	€'000
<b>Income</b>	
Investment income	415
<b>Total income</b>	<b>415</b>
<b>Expenses</b>	
Management fees (note 4.2)	311
Operating, administrative and servicing fees (note 4.3)	149
Bank interest	1
<b>Total expenses</b>	<b>461</b>
<b>Net losses from investments</b>	<b>(46)</b>
Realised losses on investments	(753)
Realised gains on future contracts	446
<b>Net realised losses</b>	<b>(307)</b>
Increase in unrealised appreciation on investments	617
Increase in unrealised depreciation on future contracts	(181)
<b>Net unrealised gains</b>	<b>436</b>
<b>Net increase in assets as a result of operations</b>	<b>83</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	A-1	A-2	J-2	X-1	X-2
Shares outstanding at the beginning of the period	238,697	740,084	8,818	915	1,645
Shares issued during the period	1,589	281,257	17,438	10,711	4,363
Shares redeemed during the period	(55,363)	(390,775)	(17,526)	-	-
<b>Shares outstanding at the end of the period</b>	<b>184,923</b>	<b>630,566</b>	<b>8,730</b>	<b>11,626</b>	<b>6,008</b>
<b>Net asset value per share</b>	<b>50.7330</b>	<b>147.4773</b>	<b>1,237.6256</b>	<b>9.9946</b>	<b>10.1152</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					99.09%
<b>Bonds 99.09%</b>					
<b>Asset Backed Bonds / Mortgage Backed Bonds 2.62%</b>					
<b>France 2.62%</b>					
FCC Minotaure	FRN	22/12/26	2,981,167	2,973	2.62
<b>Total Asset Backed Bonds / Mortgage Backed Bonds</b>				<b>2,973</b>	<b>2.62</b>
<b>Corporate Bonds 91.34%</b>					
<b>Australia 5.84%</b>					
National Australia Bank (EMTN)	FRN	16/01/18	3,000,000	2,998	2.64
Westpac Banking (EMTN)	FRN	10/11/16	1,500,000	1,503	1.33
Westpac Banking (EMTN)	4.1250	25/05/18	1,000,000	1,090	0.96
Westpac Banking (EMTN)	4.2500	22/09/16	1,000,000	1,030	0.91
				<b>6,621</b>	<b>5.84</b>
<b>Belgium 4.91%</b>					
Anheuser-Busch Inbev (EMTN)	1.2500	24/03/17	5,000,000	5,064	4.47
Solvay	FRN	01/12/17	500,000	502	0.44
				<b>5,566</b>	<b>4.91</b>
<b>Canada 1.77%</b>					
Royal Bank of Canada (EMTN)	FRN	22/10/18	2,000,000	2,004	1.77
<b>Finland 5.13%</b>					
Pohjola Bank (EMTN)	3.0000	08/09/17	3,000,000	3,145	2.77
Pohjola Bank (EMTN)	FRN	03/03/17	2,667,000	2,673	2.36
				<b>5,818</b>	<b>5.13</b>
<b>France 10.25%</b>					
BNP Paribas (EMTN)	1.5000	12/03/18	2,500,000	2,572	2.27
GDF Suez (EMTN)	-	13/03/17	2,000,000	1,997	1.76
Sanofi (EMTN)	1.0000	14/11/17	3,000,000	3,051	2.69
Societe Generale	FRN	22/07/18	1,500,000	1,504	1.33
Total Capital International (EMTN)	FRN	19/03/20	2,500,000	2,492	2.20
				<b>11,616</b>	<b>10.25</b>
<b>Germany 12.50%</b>					
BMW Finance (EMTN)	FRN	26/05/17	1,500,000	1,497	1.32
BMW US Capital (EMTN)	1.2500	20/07/16	3,300,000	3,320	2.93
BMW US Capital (EMTN)	1.0000	18/07/17	2,750,000	2,782	2.45
Daimler (EMTN)	FRN	27/01/17	2,500,000	2,499	2.20
Daimler (EMTN)	1.0000	08/07/16	1,600,000	1,608	1.42
Volkswagen Bank (EMTN)	FRN	09/05/17	2,500,000	2,466	2.18
				<b>14,172</b>	<b>12.50</b>
<b>Hong Kong 4.13%</b>					
Hutchison Whampoa Finance 09	4.7500	14/11/16	4,500,000	4,677	4.13

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
<b>Japan 2.08%</b>					
American Honda Finance (EMTN)	FRN	11/03/19	2,366,000	2,362	2.08
<b>Netherlands 2.21%</b>					
Propertize (EMTN)	FRN	10/03/17	2,500,000	2,502	2.21
<b>New Zealand 6.77%</b>					
ANZ New Zealand International (EMTN)	FRN	05/12/16	2,000,000	2,006	1.77
ASB Finance London (EMTN)	FRN	03/07/17	3,500,000	3,504	3.09
Westpac Securities (EMTN)	FRN	10/03/17	2,160,000	2,166	1.91
				<b>7,676</b>	<b>6.77</b>
<b>Sweden 7.92%</b>					
Nordea Bank (EMTN)	2.2500	05/10/17	3,000,000	3,111	2.74
Skandinaviska Enskilda (EMTN)	3.7500	19/05/16	1,100,000	1,115	0.98
Skandinaviska Enskilda (GMTN)	3.8750	12/04/17	3,000,000	3,145	2.78
Svenska Handelsbanken (EMTN)	2.2500	27/08/20	1,500,000	1,607	1.42
				<b>8,978</b>	<b>7.92</b>
<b>Switzerland 2.32%</b>					
Credit Suisse Guernsey (EMTN)	1.0000	12/03/19	1,350,000	1,383	1.22
Credit Suisse London (EMTN)	FRN	10/11/17	1,250,000	1,252	1.10
				<b>2,635</b>	<b>2.32</b>
<b>United Kingdom 11.40%</b>					
BP Capital Markets (EMTN)	3.8300	06/10/17	3,000,000	3,186	2.81
British Telecom (EMTN)	1.1250	10/06/19	1,500,000	1,532	1.35
Coventry Building Society (EMTN)	2.2500	04/12/17	700,000	725	0.64
Elsevier Financing (Aquarius) (EMTN)	FRN	20/05/17	700,000	701	0.62
Nationwide Building Society (EMTN)	FRN	02/11/18	1,500,000	1,502	1.32
Standard Chartered Bank (EMTN)	1.7500	29/10/17	3,200,000	3,278	2.89
Standard Chartered Bank (EMTN)	FRN	13/06/17	2,000,000	2,001	1.77
				<b>12,925</b>	<b>11.40</b>
<b>United States 14.11%</b>					
Citigroup (EMTN)	FRN	11/11/19	1,600,000	1,597	1.41
GE Capital European Funding (EMTN)	3.6250	15/06/17	3,000,000	3,152	2.77
GE Capital European Funding (EMTN)	1.0000	02/05/17	2,000,000	2,024	1.79
Goldman Sachs (EMTN)	FRN	27/07/17	1,600,000	1,604	1.42
John Deere (EMTN)	FRN	19/03/19	730,000	733	0.65
JPMorgan Chase (EMTN)	FRN	19/02/17	1,500,000	1,503	1.33
JPMorgan Chase (EMTN)	FRN	20/11/16	1,150,000	1,151	1.02
Metropolitan Life Global Funding I (EMTN)	4.6250	16/05/17	550,000	584	0.51
Paccar Financial Europe (EMTN)	FRN	19/05/17	1,500,000	1,503	1.33
Wells Fargo (EMTN)	2.2500	03/09/20	2,000,000	2,134	1.88
				<b>15,985</b>	<b>14.11</b>
<b>Total Corporate Bonds</b>				<b>103,537</b>	<b>91.34</b>



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
<b>Government Bonds 5.13%</b>					
<b>Netherlands 5.13%</b>					
Netherlands (Kingdom of) (EMTN)	3.5000	15/07/20	5,000,000	5,816	5.13
<b>Total Government Bonds</b>				5,816	5.13
<b>Total Bonds</b>				112,326	99.09
<b>Derivatives (0.16%)</b>					
<b>Futures (0.16%)</b>					
Future		Maturity	Notional	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
EUX Euro Bobl		08/03/16	154	(177)	(0.15)
EUX Euro Schatz		08/03/16	34	(8)	(0.01)
<b>Unrealised losses on future contracts</b>				(185)	(0.16)
<b>Unrealised losses on derivatives</b>				(185)	(0.16)
<b>Total investments</b>				112,141	98.93
<b>Other net assets</b>				1,216	1.07
<b>Total</b>				113,357	100.00

# European Convertibles Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of European Convertibles Bond - A Accumulation shares increased by 1.15% compared to an increase of 0.76% in the benchmark, UBS Europe Convertible Index.

Source: Aberdeen and Lipper.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, EUR.

## Market review

The second half of 2015 started promisingly, with a deal between the European authorities and the embattled Greek government. Market stability was brief, however, as Chinese stock market ructions, negative economic data, unexpected currency depreciations and other emerging market concerns hit global risk assets and commodities hard. Volatility spiked to levels not seen since the financial eurozone crises, while declining oil and metal prices would remain a theme for the rest of the year. In September, focus turned to policy responses, the US Federal Reserve (Fed) stood flat on rates, as expected. In October, the European Central Bank (ECB) voiced its preparedness to act positively, boosting risk assets. November was relatively stable, before concerns around China and commodities resurfaced in December. The "risk-off" tone was exacerbated by the ECB's underwhelming additional policy stimulus, whereas the Fed's first rate hike passed off smoothly.

European convertibles participated with equities and credit broadly, but provided substantial insulation for investors from the steep equity declines seen in August, September and December. This reflected both the relatively defensive profile of the asset class as well as supportive technicals for most of the period. New convertible issuance was concentrated in times of relative market strength, e.g. July and late October through November. Over the period, convertibles' valuations were well supported by positive demand supply dynamics, especially towards year end, as a heavy volume of existing bonds was falling due for redemption, being converted, or subject to offers. M&A on convertible names again helped asset class returns, for example in telecom equipment networks (Nokia/Alcatel) and German real estate (Deutsche Wohnen and Leg Immobilien).

## Portfolio review

We maintained a modest underweight equity position for most of the period, as improving fundamentals in the Eurozone were counterbalanced by increasing global risk factors, in particular a deterioration of the growth picture in the US and emerging markets. The main active position of the portfolio from a top down level was its level of credit risk which was below that of the benchmark, in terms of both spread duration and risk profile. This was beneficial for the relative performance of the Fund. In terms of security selection, this translated positively in particular with underweights in several higher beta credit names including Abengoa, Outokumpu and Rallye Casino. Our similarly cautious approach towards new issues was also beneficial, including not subscribing to Rocket or Neopost. Other notable positions included being overweight in the German real estate sector (e.g. Leg Immobilien) or Airlines (IAG), which had a positive contribution, while overweights in large caps such as Siemens and the Rag Evonik exchangeable bonds were detrimental to Fund performance.

## Outlook

The market may start 2016 with some caution and heightened volatility, given cues from commodity markets, concerns around economic growth and inflation (and whether current policy stimulus measures will prove sufficient). In addition, some geopolitical risks remain, including in Europe and a potential 'Brexit' vote. Indeed, the first business day of the year delivered a sharp equity and credit retracement, exacerbated by a raft of disappointing data (Chinese Caixin PMI, German inflation and US ISM manufacturing). That said, data has not been and is not expected to be uniformly negative, as evidenced by robust US labour market data that helped support the Fed's first rate hike in December since 2006.

Technicals also look reasonably supportive in several markets. Convertible valuations remain underpinned as the sizeable recent conversions and redemptions of existing bonds have greatly exceeded new issuance volumes. Absent a significant rise in equity levels, we expect primary convertibles activity to remain muted, lending some support to valuations.

Taken together, we start 2016 with a modest underweight in overall equity sensitivity (delta) and a relatively defensive credit profile, with lower credit spread beta and duration than the benchmark, in order to protect the positive convexity profile of the Fund.

## Aberdeen Euro Converts Team

January 2016

**Statement of Net Assets**

As at 31 December 2015

	€'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	173,529
Cash at bank	13,491
Interest receivable	599
Subscriptions receivable	587
Receivable for investments sold	2,050
Unrealised gains on forward currency exchange contracts (note 2.6)	157
Other assets	27
<b>Total assets</b>	<b>190,440</b>
<b>Liabilities</b>	
Taxes and expenses payable	213
Redemptions payable	71
Other liabilities	119
<b>Total liabilities</b>	<b>403</b>
<b>Net assets at the end of the period</b>	<b>190,037</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	€'000
Net assets at the beginning of the period	175,124
Net gains from investments	722
Net realised gains	6,975
Net unrealised losses	(6,244)
Proceeds from shares issued	88,082
Payments for shares redeemed	(74,514)
Net equalisation received (note 10)	11
Dividends paid (note 5)	(119)
<b>Net assets at the end of the period</b>	<b>190,037</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	€'000
<b>Income</b>	
Investment income	1,828
<b>Total income</b>	<b>1,828</b>
<b>Expenses</b>	
Management fees (note 4.2)	891
Operating, administrative and servicing fees (note 4.3)	215
<b>Total expenses</b>	<b>1,106</b>
<b>Net gains from investments</b>	<b>722</b>
Realised gains on investments	7,453
Realised losses on forward currency exchange contracts	(452)
Realised currency exchange losses	(26)
<b>Net realised gains</b>	<b>6,975</b>
Decrease in unrealised appreciation on investments	(6,477)
Decrease in unrealised depreciation on forward currency exchange contracts	256
Unrealised currency exchange losses	(23)
<b>Net unrealised losses</b>	<b>(6,244)</b>
<b>Net increase in assets as a result of operations</b>	<b>1,453</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	A-2	I-1	I-2	X-2
Shares outstanding at the beginning of the period	5,397,668	1,875,000	29,983	70,038
Shares issued during the period	1,734,371	-	28,556	83,937
Shares redeemed during the period	(1,572,663)	-	(24,186)	(10,916)
<b>Shares outstanding at the end of the period</b>	<b>5,559,376</b>	<b>1,875,000</b>	<b>34,353</b>	<b>143,059</b>
<b>Net asset value per share</b>	<b>17.6370</b>	<b>12.2752</b>	<b>1,955.5929</b>	<b>12.5100</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					88.32%
<b>Bonds 88.32%</b>					
<b>Corporate Bonds 23.58%</b>					
<b>France 4.28%</b>					
BIM	2.5000	13/11/20	23,662	596	0.31
BNP Paribas Arbitrage Issuance (EMTN)	-	27/02/20	3,670,000	4,011	2.11
Cap Gemini	-	01/01/19	23,200	2,158	1.14
Nexans	4.0000	01/01/16	25,591	1,360	0.72
				<b>8,125</b>	<b>4.28</b>
<b>Germany 9.90%</b>					
Brenntag Finance	1.8750	02/12/22	1,250,000	1,214	0.64
LEG Immobilien	0.5000	01/07/21	1,500,000	2,190	1.15
Siemens Financieringsmaatschappij	1.6500	16/08/19	8,500,000	8,602	4.54
Siemens Financieringsmaatschappij	1.0500	16/08/17	7,000,000	6,788	3.57
				<b>18,794</b>	<b>9.90</b>
<b>Luxembourg 1.51%</b>					
APERAM	0.6250	08/07/21	2,800,000	2,878	1.51
<b>Norway 0.62%</b>					
Marine Harvest	0.8750	06/05/19	900,000	1,183	0.62
<b>Spain 0.77%</b>					
ACS Actividades Finance 2	1.6250	27/03/19	400,000	455	0.24
Iberdrola International (EMTN)	-	11/11/22	1,000,000	1,018	0.53
				<b>1,473</b>	<b>0.77</b>
<b>United Kingdom 3.94%</b>					
Great Portland Estates	1.0000	10/09/18	1,500,000	2,472	1.30
International Consolidated Airlines	0.6250	17/11/22	3,000,000	3,034	1.60
J Sainsbury	1.2500	21/11/19	800,000	1,158	0.61
Vodafone (EMTN)	-	26/11/20	600,000	823	0.43
				<b>7,487</b>	<b>3.94</b>
<b>United States 2.56%</b>					
National Grid North America (EMTN)	0.9000	02/11/20	900,000	1,246	0.66
QIAGEN	0.3750	19/03/19	3,400,000	3,618	1.90
				<b>4,864</b>	<b>2.56</b>
<b>Total Corporate Bonds</b>				<b>44,804</b>	<b>23.58</b>
<b>Corporate Convertible Bonds 64.74%</b>					
<b>Belgium 3.63%</b>					
Ageasfinlux	FRN	29/08/49	3,750,000	2,390	1.26
Econocom GRP (EBAB)	1.5000	15/01/19	71,703	836	0.44
GBL Verwaltung	1.2500	07/02/17	2,500,000	2,663	1.40
Sagerpar	0.3750	09/10/18	900,000	1,002	0.53
				<b>6,891</b>	<b>3.63</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
<b>Finland 0.42%</b>					
Solidium	-	04/09/18	700,000	804	0.42
<b>France 12.86%</b>					
Air France-KLM	2.0300	15/02/23	80,398	854	0.45
Airbus (EMTN)	-	01/07/22	2,000,000	2,167	1.14
AXA	3.7500	01/01/17	10,220	2,798	1.47
Credit Agricole (EMTN)	-	06/12/16	13,100	984	0.52
Fonciere Des Regions	3.3400	01/01/17	14,900	1,498	0.79
Fonciere Des Regions	0.8750	01/04/19	6,770	684	0.36
Ingenico	-	26/06/22	5,260	979	0.52
Michelin France	-	01/01/17	9,470	1,321	0.70
Nexans	2.5000	01/01/19	28,000	2,111	1.11
Orpar	-	15/07/19	800,000	816	0.43
Suez Environnement	-	27/02/20	12,007	271	0.14
Technip	0.2500	01/01/17	54,700	5,239	2.75
Unibail-Rodamco	-	01/07/21	13,023	4,230	2.23
Unibail-Rodamco	-	01/01/22	1,326	472	0.25
				<b>24,424</b>	<b>12.86</b>
<b>Germany 10.19%</b>					
Adidas	0.2500	14/06/19	1,400,000	1,761	0.93
Deutsche Post	0.6000	06/12/19	4,000,000	5,259	2.77
Deutsche Wohnen	0.5000	22/11/20	500,000	823	0.43
Fresenius (FRE)	-	24/09/19	2,400,000	3,399	1.79
Fresenius Medical Care	1.1250	31/01/20	1,100,000	1,378	0.72
RAG-Stiftung	-	31/12/18	1,600,000	1,761	0.93
RAG-Stiftung (EMTN)	-	18/02/21	4,400,000	4,979	2.62
				<b>19,360</b>	<b>10.19</b>
<b>Hungary 2.12%</b>					
MNV ZRT	3.3750	02/04/19	3,600,000	4,034	2.12
<b>India 0.47%</b>					
Vedanta Resources Jersey	5.5000	13/07/16	1,200,000	888	0.47
<b>Italy 5.22%</b>					
Buzzi Unicem	1.3750	17/07/19	1,100,000	1,356	0.71
Prysmian	1.2500	08/03/18	2,600,000	2,937	1.55
Telecom Italia	1.1250	26/03/22	5,000,000	5,626	2.96
				<b>9,919</b>	<b>5.22</b>
<b>Jersey 2.75%</b>					
British Land Company (EMTN)	1.5000	10/09/17	800,000	1,278	0.67
Derwent London Capital	1.1250	24/07/19	1,400,000	2,270	1.19
Magnolia Finance	FRN	29/03/49	1,700,000	1,684	0.89
				<b>5,232</b>	<b>2.75</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
<b>Mexico 5.24%</b>					
America Movil	-	28/05/20	9,700,000	9,961	5.24
<b>Netherlands 1.91%</b>					
Salzgitter Finance	2.0000	08/11/17	900,000	990	0.52
Wereldhave	1.0000	22/05/19	2,500,000	2,647	1.39
				3,637	1.91
<b>Norway 0.45%</b>					
Siem Industries	1.0000	12/09/19	1,000,000	862	0.45
<b>Portugal 3.39%</b>					
Parpublica	5.2500	28/09/17	6,000,000	6,445	3.39
<b>Singapore 0.36%</b>					
BW	1.7500	10/09/19	800,000	679	0.36
<b>Spain 3.76%</b>					
ACS Actividades Finance	2.6250	22/10/18	2,600,000	3,179	1.67
CAJA Ahorros Barcelona	1.0000	25/11/17	3,900,000	3,976	2.09
				7,155	3.76
<b>Sweden 1.46%</b>					
AB Industrivarden	1.8750	27/02/17	2,550,000	2,768	1.46
<b>Switzerland 3.10%</b>					
STMicroelectronics	-	03/07/19	2,400,000	2,117	1.11
Swiss Life	-	02/12/20	3,230,000	3,773	1.99
				5,890	3.10
<b>United Arab Emirates 2.12%</b>					
Aabar Investments PJSC (EMTN)	0.5000	27/03/20	4,300,000	4,024	2.12
<b>United Kingdom 5.29%</b>					
Balfour Beatty Finance	1.8750	03/12/18	1,500,000	2,027	1.07
British Land White 2015	-	09/06/20	700,000	935	0.49
Inmarsat	1.7500	16/11/17	1,300,000	1,819	0.96
International Consolidated Airlines	1.7500	31/05/18	1,800,000	3,561	1.87
Subsea 7	1.0000	05/10/17	2,000,000	1,718	0.90
				10,060	5.29
<b>Total Corporate Convertible Bonds</b>				123,033	64.74
<b>Total Bonds</b>				167,837	88.32
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				167,837	88.32

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value €'000	Percentage of total net assets %
Other transferable securities and money market instruments 3.00%					
Bonds 3.00%					
Corporate Bonds 2.18%					
France 0.66%					
Total (EMTN)	0.5000	02/12/22	1,400,000	1,262	0.66
Sweden 1.52%					
Industrivarden	-	15/05/19	23,000,000	2,879	1.52
Total Corporate Bonds				4,141	2.18
Corporate Convertible Bonds 0.82%					
Italy 0.24%					
Safilo	1.2500	22/05/19	500,000	458	0.24
United Kingdom 0.58%					
Carillion Finance Jersey	2.5000	19/12/19	800,000	1,093	0.58
Total Corporate Convertible Bonds				1,551	0.82
Total Bonds				5,692	3.00
Total Other transferable securities and money market instruments				5,692	3.00

Derivatives 0.08%

Forward currency exchange contracts 0.08%

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) €'000	Percentage of total net assets %
Barclays Capital	EUR	USD	10/02/16	1,481,993	1,570,000	38	0.02
Barclays Capital	EUR	USD	10/02/16	6,662,325	7,120,000	114	0.07
Citigroup	EUR	GBP	10/02/16	340,951	240,000	16	0.01
Citigroup	USD	EUR	10/02/16	590,000	539,519	3	-
Citigroup	USD	EUR	10/02/16	790,000	726,590	-	-
Deutsche Bank	GBP	EUR	10/02/16	670,000	946,764	(39)	(0.02)
Deutsche Bank	USD	EUR	10/02/16	1,215,000	1,149,573	(32)	(0.02)
Deutsche Bank	USD	EUR	10/02/16	1,320,000	1,201,323	13	0.01
Goldman Sachs	EUR	GBP	10/02/16	1,209,672	850,000	57	0.03
HSBC	EUR	USD	10/02/16	365,757	400,000	(2)	-
HSBC	EUR	USD	10/02/16	399,845	425,000	9	-
HSBC	GBP	EUR	10/02/16	90,000	124,117	(2)	-
HSBC	USD	EUR	10/02/16	520,000	479,898	(2)	-
Royal Bank of Canada	EUR	USD	10/02/16	475,999	510,000	7	-
Royal Bank of Canada	GBP	EUR	10/02/16	330,000	457,249	(10)	(0.01)
UBS	EUR	SEK	10/02/16	976,646	9,100,000	(17)	(0.01)
UBS	USD	EUR	10/02/16	1,540,000	1,412,376	4	-
Unrealised gains on forward currency exchange contracts						157	0.08
Unrealised gains on derivatives						157	0.08
Total investments						173,686	91.40
Other net assets						16,351	8.60
Total						190,037	100.00



# Global Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of the Global Bond – Z Accumulation shares decreased by 0.07% compared to a decrease of 0.08% in the benchmark, Barclays Capital Global Aggregate Bond Index.

Source: Aberdeen Asset Management and BNP Paribas.

Basis: Total return, Special Month End Price NAV to NAV, gross of fees, USD.

## Market review

The first half of the review period was a particularly volatile time for global markets. Uncertainties were initially triggered by the People's Bank of China's unexpected devaluation of the yuan versus the US dollar, following a period of weaker-than-expected economic data. Meanwhile, the US Federal Reserve (Fed) left interest rates unchanged, citing concern over financial markets and international developments. The European Central Bank also kept policy on hold; however, the bank's president, Mario Draghi, hinted at additional monetary easing, particularly if market volatility and emerging market weakness were to persist. Risk assets generally underperformed while government bonds outperformed.

In the final three months of 2015, divergent central bank policy was the primary focus for government bond markets. "Core" government bonds from the US, the Eurozone and the UK sold off in October. This move was led by US Treasuries, as an unexpectedly hawkish Federal Open Market Committee statement encouraged expectations that the Fed would begin to normalise policy. In November, strong US labour market data helped push the Treasury yield higher as market expectations for the first interest rate hike converged on December. Meanwhile, European Central Bank (ECB) policy makers continued to talk up the possibility of further easing.

In December, policymakers on both sides of the Atlantic took action. The Federal Reserve (Fed) hiked the target range for the Federal Funds rate by 25 basis points (bps) while the ECB cut its deposit rate by 10 bps and expanded its quantitative easing policy. In reaction, the euro generally outperformed while European government bonds sold off. Peripheral European government bond spreads over the German Bund also finished the period wider.

## Portfolio review

The portfolio outperformed relative to the benchmark over the review period. Long European duration positions made a positive contribution as concerns over the Eurozone's inflation outlook raised expectations of further monetary easing helping to push yields lower. US yield curve positioning also added value; continued improvements in the labour market and hawkish Fed rhetoric drove curve flattening as shorter dated maturities underperformed. These gains, however, were partially offset by our short UK gilts versus German bunds position which struggled as gilts outperformed in August. Tactical US shorts over the period were a drag to performance as global growth concerns pared expectations of a Fed interest rate hike, although this was partially compensated for by a short sterling futures position when the Fed eventually raised rates in December. Allocation to credit detracted as an overweight to energy sectors underperformed as oil prices continued to tumble. Security selection in the insurance and telecommunication sectors detracted from performance, although this was partially offset by some of the industrial basic names held which

added value. Currency contribution to performance was flat as gains in the second half of the period were offset by losses in the first half. The portfolio's short euro position generally underperformed in the third quarter of 2015 as "risk-off" sentiment led to the euro strengthening, while in the fourth quarter, the market began to focus on further policy action from the ECB. Elsewhere, an off-benchmark allocation to credit detracted.

## Outlook

The fortunes of the Chinese economy and the potential impact of further depreciation in the value of the Yuan will influence investors and policy makers in the coming year. Continued weakness in commodity prices, and in particular the oil price, could further undermine investor sentiment and suppress inflationary pressure. The Fed's projected path of four interest rate hikes in 2016 is higher than market expectations, and this could result in heightened market volatility. While economic data in the US remains solid, a stronger US dollar might hamper stronger growth. The pick-up in Eurozone economic growth should be sustained through 2016. Despite disappointing the market with their policy easing package in December, the ECB is likely to provide more stimulus in 2016.

## Aberdeen Fixed Income Team

January 2016

**Statement of Net Assets**

As at 31 December 2015

	US\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	323,371
Cash at bank	8,269
Amounts held at futures clearing houses and brokers	635
Interest receivable	2,188
Receivable for investments sold	4,169
Unrealised gains on forward currency exchange contracts (note 2.6)	942
Unrealised gains on future contracts (note 2.7)	142
<b>Total assets</b>	<b>339,716</b>
<b>Liabilities</b>	
Payable for investments purchased	4,623
Taxes and expenses payable	154
Unrealised losses on swap contracts (note 2.8)	105
<b>Total liabilities</b>	<b>4,882</b>
<b>Net assets at the end of the period</b>	<b>334,834</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
Net assets at the beginning of the period	428,133
Net gains from investments	3,996
Net realised losses	(15,679)
Net unrealised gains	10,243
Proceeds from shares issued	4,793
Payments for shares redeemed	(95,863)
Net equalisation paid (note 10)	(789)
<b>Net assets at the end of the period</b>	<b>334,834</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
<b>Income</b>	
Investment income	4,871
Bank interest	3
<b>Total income</b>	<b>4,874</b>
<b>Expenses</b>	
Management fees (note 4.2)	442
Operating, administrative and servicing fees (note 4.3)	436
<b>Total expenses</b>	<b>878</b>
<b>Net gains from investments</b>	<b>3,996</b>
Realised losses on investments	(12,906)
Realised losses on future contracts	(331)
Realised losses on swap contracts	(356)
Realised losses on forward currency exchange contracts	(1,769)
Realised currency exchange losses	(317)
<b>Net realised losses</b>	<b>(15,679)</b>
Decrease in unrealised depreciation on investments	7,177
Increase in unrealised appreciation on future contracts	107
Decrease in unrealised depreciation on swap contracts	596
Decrease in unrealised depreciation on forward currency exchange contracts	2,360
Unrealised currency exchange gains	3
<b>Net unrealised gains</b>	<b>10,243</b>
<b>Net decrease in assets as a result of operations</b>	<b>(1,440)</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	J-2	Z-2
Shares outstanding at the beginning of the period	12,112,203	16,120,964
Shares issued during the period	31,872	278,023
Shares redeemed during the period	(298,609)	(5,960,505)
<b>Shares outstanding at the end of the period</b>	<b>11,845,466</b>	<b>10,438,482</b>
<b>Net asset value per share</b>	<b>14.5842</b>	<b>15.5269</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					94.63%
<b>Bonds 94.63%</b>					
<b>Asset Backed Bonds / Mortgage Backed Bonds 11.79%</b>					
<b>United States 11.79%</b>					
Barclays Capital 2009-RR4 Trus	FRN	26/04/37	31,414	31	0.01
COMM 2007-C9 Mortgage Trust	FRN	10/12/49	190,000	188	0.06
COMM 2013-THL Mortgage Trust	FRN	08/06/30	380,000	380	0.11
COMM 2014-LC17 Mortgage Trust	3.6870	10/10/47	500,000	393	0.12
Credit Suisse Mortgage Trust 2009-3R	FRN	27/08/37	123,480	124	0.04
Domino's Pizza Master Issuer 2012-1A	5.2160	25/01/42	827,633	852	0.25
Fannie Mae Pool	3.5000	01/12/44	2,028,525	2,099	0.62
Fannie Mae Pool	3.5000	01/10/45	1,743,260	1,802	0.53
Fannie Mae Pool	3.5000	01/10/34	1,173,438	1,229	0.37
Fannie Mae Pool	3.5000	01/04/45	1,116,999	1,155	0.34
Fannie Mae Pool	4.0000	01/12/44	1,001,241	1,072	0.32
Fannie Mae Pool	5.5000	01/09/38	772,116	869	0.26
Fannie Mae Pool	4.0000	01/06/44	774,158	825	0.25
Fannie Mae Pool	4.0000	01/12/35	757,717	809	0.24
Fannie Mae Pool	5.0000	01/12/39	421,959	466	0.14
Fannie Mae Pool	5.0000	01/04/41	182,361	205	0.06
Fannie Mae Pool	5.5000	01/09/39	178,422	201	0.06
Fannie Mae Pool	3.5000	01/11/34	156,708	164	0.05
Fannie Mae Pool	5.0000	01/09/41	132,257	146	0.04
Fannie Mae Pool	5.5000	01/03/38	121,234	137	0.04
Fannie Mae Pool	4.0000	01/08/32	116,151	125	0.04
Fannie Mae Pool	6.5000	01/09/38	107,969	123	0.04
Fannie Mae Pool	3.5000	01/08/34	105,283	110	0.03
Fannie Mae REMICS	4.0000	25/05/40	1,449,711	1,536	0.46
Fannie Mae REMICS	3.5000	25/10/42	1,132,941	1,183	0.35
Fannie Mae REMICS	3.0000	25/12/42	970,249	994	0.30
Fannie Mae REMICS	3.0000	25/10/42	815,023	815	0.24
Fannie Mae REMICS	4.0000	25/03/33	589,544	633	0.19
Fannie Mae REMICS	4.0000	25/03/33	504,027	538	0.16
Fannie Mae REMICS	3.5000	25/06/33	465,168	486	0.15
Fannie Mae REMICS	3.5000	25/08/42	259,962	272	0.08
Fannie Mae REMICS	4.0000	25/03/33	213,832	229	0.07
Freddie Mac Gold Pool	4.0000	01/03/44	788,357	839	0.25
Freddie Mac Gold Pool	3.0000	01/04/35	808,437	826	0.25
Freddie Mac Gold Pool	3.5000	01/11/45	793,346	818	0.24
Freddie Mac Gold Pool	4.0000	01/12/35	760,000	812	0.24
Freddie Mac Gold Pool	4.0000	01/11/45	762,887	807	0.24
Freddie Mac REMICS	2.5000	15/09/39	948,059	960	0.29
Freddie Mac REMICS	3.0000	15/06/44	928,781	952	0.28
Freddie Mac REMICS	4.0000	15/07/32	875,000	942	0.28
Freddie Mac REMICS	3.0000	15/04/35	880,000	872	0.26
Freddie Mac Strips	3.0000	15/08/42	982,085	972	0.29
FREMF 2011-K10 Mortgage Trust	VAR	25/11/49	755,000	794	0.24
Government National Mortgage Association	3.5000	20/01/34	1,193,168	1,237	0.37

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
GSMSC Pass-Through Trust 2008-2R	FRN	25/10/36	70,909	56	0.02
GSMSC Pass-Through Trust 2009-3R	FRN	25/07/35	105,528	107	0.03
Hyatt Hotel Portfolio Trust 2015-HYT	FRN	15/11/29	1,300,000	1,309	0.39
JP Morgan Mortgage Trust 2005-A8	FRN	25/11/35	6,300	5	-
JP Morgan Mortgage Trust 2014-IVR3	FRN	25/09/44	771,209	783	0.23
JP Morgan Resecuritization Trust Series 2009-7	VAR	27/09/36	263,624	264	0.08
JP Morgan Resecuritization Trust Series 2009-8	FRN	20/04/36	51,675	52	0.02
SBA Tower Trust	2.9330	15/12/17	661,000	669	0.20
SFAVE Commercial Mortgage Securities Trust 2015-5AVE	VAR	05/01/35	1,199,000	1,032	0.31
Structured Asset Securities Series 2003 40A	FRN	25/01/34	566,788	553	0.17
Wachovia Bank Commercial Mortgage Trust Series 2007-C32	5.7030	15/06/49	1,400,000	1,460	0.44
Wells Fargo Mortgage Backed Securities 2003-N Trust	FRN	25/12/33	174,167	174	0.05
Wells Fargo Mortgage Backed Securities 2005-AR10 Trust	FRN	25/06/35	706,598	723	0.22
Wendys Funding LLC 2015-1	4.0800	15/06/45	1,268,820	1,262	0.38
				<b>39,471</b>	<b>11.79</b>
<b>Total Asset Backed Bonds / Mortgage Backed Bonds</b>				<b>39,471</b>	<b>11.79</b>
<b>Corporate Bonds 32.44%</b>					
<b>Australia 2.96%</b>					
AGL Energy (MTN)	5.0000	05/11/21	1,000,000	749	0.22
APT Pipelines	4.2000	23/03/25	960,000	903	0.27
APT Pipelines	2.0000	22/03/27	621,000	604	0.18
Australia & New Zealand Banking	4.5000	19/03/24	660,000	663	0.20
BHP Billiton Finance	VAR	22/04/76	370,000	397	0.12
BHP Billiton Finance	VAR	19/10/75	255,000	250	0.07
National Australia Bank (EMTN)	0.8750	20/01/22	1,520,000	1,631	0.48
National Australia Bank (EMTN)	0.8750	16/11/22	1,089,000	1,181	0.35
QBE Insurance	2.4000	01/05/18	1,237,000	1,239	0.37
QBE Insurance	VAR	02/12/44	540,000	566	0.17
Telstra	3.1250	07/04/25	650,000	625	0.19
Westpac Banking	1.5500	25/05/18	630,000	625	0.19
Westpac Banking	2.3000	26/05/20	490,000	488	0.15
				<b>9,921</b>	<b>2.96</b>
<b>Brazil 0.10%</b>					
QCOG Atlantic Alaskan Rigs	5.2500	30/07/19	464,625	321	0.10
<b>Canada 0.72%</b>					
Bank of Nova Scotia	2.8730	04/06/21	710,000	528	0.16
Canadian Natural Resources	1.7500	15/01/18	571,000	556	0.17
Canadian Pacific Railway	4.8000	01/08/45	165,000	161	0.05
Rogers Communications	6.1100	25/08/40	710,000	591	0.17
Shaw Communications	6.7500	09/11/39	710,000	590	0.17
				<b>2,426</b>	<b>0.72</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>China 0.31%</b>					
CNOOC Curtis Funding No 1	4.5000	03/10/23	330,000	342	0.10
Industrial & Commercial Bank of China New York (MTN)	3.2310	13/11/19	680,000	692	0.21
				<b>1,034</b>	<b>0.31</b>
<b>Colombia 0.10%</b>					
Ecopetrol	5.8750	28/05/45	483,000	345	0.10
<b>Denmark 0.05%</b>					
Danica Pension Livsforsikringsaktieselskab	VAR	29/09/45	160,000	173	0.05
<b>France 2.27%</b>					
ALD International (EMTN)	0.7500	26/01/18	800,000	869	0.26
Arkema (EMTN)	1.5000	20/01/25	300,000	315	0.09
AXA (EMTN) (PERP)	VAR	20/05/49	380,000	408	0.12
BNP Paribas Cardif (PERP)	VAR	29/11/49	500,000	520	0.16
Cap Gemini	2.5000	01/07/23	500,000	565	0.17
Credit Agricole Assurances (PERP)	VAR	31/10/49	500,000	522	0.16
Electricite De France	FRN	29/01/49	860,000	812	0.24
Orange (EMTN) (PERP)	VAR	29/10/49	410,000	599	0.18
RCI Banque (EMTN)	1.3750	17/11/20	230,000	252	0.08
RCI Banque (EMTN)	6.0000	18/10/16	290,000	214	0.06
Societe Generale (EMTN) (PERP)	VAR	29/09/49	450,000	600	0.18
TDF Infrastructure	2.8750	19/10/22	1,000,000	1,114	0.33
Total (EMTN) (PERP)	VAR	29/12/49	800,000	804	0.24
				<b>7,594</b>	<b>2.27</b>
<b>Germany 0.85%</b>					
Deutsche Annington Finance (PERP)	VAR	29/12/49	600,000	635	0.19
Eurogrid	1.8750	10/06/25	600,000	654	0.21
Eurogrid (EMTN)	1.6250	03/11/23	100,000	109	0.03
Merck Financial Services (EMTN)	0.7500	02/09/19	370,000	406	0.12
Volkswagen International Finance (PERP)	VAR	29/12/49	511,000	481	0.14
WPP Finance Deutschland (EMTN)	1.6250	23/03/30	580,000	552	0.16
				<b>2,837</b>	<b>0.85</b>
<b>Hong Kong 0.75%</b>					
CNPC General Capital	2.7500	14/05/19	1,420,000	1,419	0.42
Hutchison Whampoa Europe Finance 13 (PERP)	VAR	29/05/49	489,000	534	0.16
Hutchison Whampoa Finance 14	1.3750	31/10/21	510,000	554	0.17
				<b>2,507</b>	<b>0.75</b>
<b>India 1.15%</b>					
Bharti Airtel International Netherlands	3.3750	20/05/21	260,000	295	0.09
Export-Import Bank of India (EMTN)	2.7500	01/04/20	570,000	564	0.17
HDFC Bank (EMTN)	3.0000	06/03/18	590,000	596	0.18
ICICI Bank Dubai (EMTN)	3.5000	18/03/20	610,000	616	0.18
Indian Railway Finance	3.9170	26/02/19	570,000	586	0.18

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
NTPC (EMTN)	5.6250	14/07/21	510,000	557	0.17
ONGC Videsh	2.7500	15/07/21	570,000	627	0.18
				<b>3,841</b>	<b>1.15</b>
<b>Indonesia 0.30%</b>					
Pelabuhan Indonesia II PT	4.2500	05/05/25	560,000	499	0.15
Pertamina Persero	4.3000	20/05/23	570,000	519	0.15
				<b>1,018</b>	<b>0.30</b>
<b>Ireland 0.35%</b>					
Ryanair (EMTN)	1.1250	10/03/23	690,000	717	0.22
XLIT	5.5000	31/03/45	480,000	450	0.13
				<b>1,167</b>	<b>0.35</b>
<b>Italy 0.45%</b>					
Enel	VAR	24/09/73	500,000	571	0.17
Generali Finance (EMTN) (PERP)	VAR	30/11/49	474,000	500	0.15
SNAM (EMTN)	1.5000	21/04/23	410,000	451	0.13
				<b>1,522</b>	<b>0.45</b>
<b>Japan 1.74%</b>					
Bank of Tokyo-Mitsubishi UFJ	2.3500	08/09/19	1,280,000	1,275	0.38
Bank of Tokyo-Mitsubishi UFJ (EMTN)	0.8750	11/03/22	1,120,000	1,193	0.36
Mitsubishi UFJ Trust & Banking	2.4500	16/10/19	1,360,000	1,356	0.41
Mitsubishi UFJ Trust & Banking	1.6000	16/10/17	240,000	238	0.07
Sumitomo Mitsui Banking Corp (GMTN)	2.2500	11/07/19	1,040,000	1,034	0.31
Toyota Credit Canada	1.8000	19/02/20	1,000,000	719	0.21
				<b>5,815</b>	<b>1.74</b>
<b>Mexico 0.37%</b>					
Petroleos Mexicanos	5.5000	21/01/21	1,240,000	1,254	0.37
<b>Netherlands 1.05%</b>					
Aegon (EMTN)	VAR	25/04/44	430,000	451	0.13
Enexis (EMTN)	1.5000	20/10/23	230,000	253	0.08
Koninklijke DSM (EMTN)	1.0000	09/04/25	610,000	628	0.19
Rabobank Nederland (EMTN)	4.2500	13/10/21	1,140,000	855	0.25
TenneT (EMTN)	1.7500	04/06/27	610,000	667	0.20
Vesteda Finance (EMTN)	1.7500	22/07/19	595,000	654	0.20
				<b>3,508</b>	<b>1.05</b>
<b>New Zealand 0.19%</b>					
BNZ International Funding	2.3500	04/03/19	640,000	637	0.19
<b>Singapore 0.28%</b>					
HPHT Finance 15	2.2500	17/03/18	950,000	945	0.28

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>South Korea 0.57%</b>					
Korea Expressway	1.6250	28/04/17	1,330,000	1,326	0.40
Minera y Metalurgica del Boleo	2.8750	07/05/19	570,000	575	0.17
				<b>1,901</b>	<b>0.57</b>
<b>Spain 0.20%</b>					
Gas Natural Fenosa Finance (PERP)	VAR	29/12/49	700,000	<b>660</b>	<b>0.20</b>
<b>Sweden 0.54%</b>					
Nordea Bank (EMTN) (PERP)	VAR	29/09/49	580,000	579	0.17
Skandinaviska Enskilda Banken	2.6250	17/11/20	591,000	590	0.18
Svenska Handelsbanken (PERP)	VAR	29/12/49	650,000	627	0.19
				<b>1,796</b>	<b>0.54</b>
<b>Switzerland 0.55%</b>					
Credit Suisse Funding	3.8000	15/09/22	550,000	550	0.16
Demeter Investments for Swiss Life (PERP)	VAR	29/12/49	540,000	578	0.17
UBS	1.3750	01/06/17	710,000	707	0.22
				<b>1,835</b>	<b>0.55</b>
<b>Thailand 0.06%</b>					
Thai Oil	3.6250	23/01/23	200,000	<b>197</b>	<b>0.06</b>
<b>United Arab Emirates 0.16%</b>					
ADCB Finance Cayman (EMTN)	3.0000	04/03/19	550,000	<b>550</b>	<b>0.16</b>
<b>United Kingdom 4.87%</b>					
Abbey National Treasury Services (EMTN)	1.1250	14/01/22	540,000	581	0.17
Aviva (EMTN)	VAR	04/12/45	510,000	528	0.16
Barclays Bank (EMTN)	1.5000	01/04/22	500,000	539	0.16
BG Energy Capital	VAR	30/11/72	390,000	609	0.18
British Telecom	5.9500	15/01/18	582,000	628	0.19
BUPA Finance	3.3750	17/06/21	140,000	211	0.06
Centrica	VAR	10/04/75	160,000	227	0.07
Experian Finance (EMTN)	3.5000	15/10/21	150,000	230	0.07
HSBC (EMTN)	FRN	18/10/22	650,000	1,015	0.30
HSBC (PERP)	VAR	29/12/49	400,000	438	0.13
Legal & General (EMTN)	VAR	27/06/64	360,000	505	0.15
Lloyds Bank	1.7500	14/05/18	500,000	499	0.15
Lloyds Bank (MTN)	3.2500	01/04/20	360,000	259	0.08
Pentair Finance	2.4500	17/09/19	2,230,000	2,468	0.75
RSA Insurance	VAR	10/10/45	360,000	515	0.15
Santander UK	5.0000	07/11/23	650,000	678	0.20
Scottish Widows	5.5000	16/06/23	260,000	401	0.12
SSE	FRN	01/10/49	500,000	522	0.16
SSE (PERP)	VAR	29/12/49	300,000	425	0.13
SSE (PERP)	VAR	29/12/49	130,000	135	0.04
Stagecoach	4.0000	29/09/25	310,000	459	0.14

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Thames Water Utilities Financial (EMTN)	4.0000	19/06/25	690,000	1,088	0.32
Western Power Distribution	3.6250	06/11/23	340,000	500	0.15
Whitbread	3.3750	16/10/25	188,000	274	0.08
Yorkshire Building Society (EMTN)	0.7500	10/11/22	820,000	886	0.26
Yorkshire Building Society (EMTN)	2.1250	18/03/19	760,000	858	0.26
3i (EMTN)	5.6250	17/03/17	710,000	818	0.24
				<b>16,296</b>	<b>4.87</b>
<b>United States 11.50%</b>					
American International	4.3750	15/01/55	610,000	526	0.16
Apple	3.4500	09/02/45	640,000	552	0.16
AT&T	3.8250	25/11/20	1,000,000	766	0.23
Bank of America (EMTN)	1.6250	14/09/22	637,000	695	0.21
Bank of America (MTN)	2.0500	07/12/18	830,000	828	0.25
Bay Area California Toll Authority	6.7930	01/04/30	280,000	344	0.10
Burlington Northern Santa Fe	4.7000	01/09/45	372,000	373	0.11
CBS	4.6000	15/01/45	310,000	267	0.08
Chevron	2.4110	03/03/22	350,000	341	0.10
Citigroup	3.3900	18/11/21	1,130,000	846	0.25
Coca-Cola	1.6250	09/03/35	688,000	673	0.20
Columbia Pipeline	2.4500	01/06/18	264,000	258	0.08
Columbia Pipeline	3.3000	01/06/20	219,000	213	0.06
Comcast	6.9500	15/08/37	560,000	732	0.22
CVS Health	3.5000	20/07/22	353,000	360	0.11
Energy Transfer Partners	5.2000	01/02/22	290,000	271	0.08
ERAC USA Finance	6.2000	01/11/16	460,000	477	0.14
Exelon	5.1000	15/06/45	280,000	283	0.08
Exelon Generation	2.9500	15/01/20	337,000	336	0.10
Express Scripts	2.2500	15/06/19	310,000	308	0.09
Fidelity National Information Services	3.6250	15/10/20	945,000	958	0.29
Ford Motor Credit	5.7500	01/02/21	1,070,000	1,183	0.36
Ford Motor Credit	1.7240	06/12/17	1,080,000	1,064	0.32
General Motors Financial (EMTN)	0.8500	23/02/18	760,000	824	0.25
Georgia-Pacific	5.4000	01/11/20	770,000	850	0.25
Goldman Sachs	3.7500	22/05/25	750,000	756	0.23
Goldman Sachs	3.5500	12/02/21	930,000	707	0.21
Goldman Sachs	2.5500	23/10/19	660,000	660	0.20
Goldman Sachs (MTN)	4.8000	08/07/44	740,000	739	0.22
Harley-Davidson	3.5000	28/07/25	304,000	306	0.09
Harley-Davidson	4.6250	28/07/45	218,000	214	0.06
Health Care REIT	4.8000	20/11/28	200,000	312	0.09
Home Depot	2.6250	01/06/22	284,000	284	0.08
HP Enterprise	2.4500	05/10/17	1,320,000	1,319	0.40
HP Enterprise	3.6000	15/10/20	544,000	546	0.16
HSBC Finance	6.6760	15/01/21	790,000	908	0.27
Intel	4.9000	29/07/45	140,000	148	0.04
International Paper	5.1500	15/05/46	400,000	382	0.11
Ipalco Enterprises	5.0000	01/05/18	255,000	268	0.08



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
JPMorgan Chase	2.9200	19/09/17	790,000	583	0.17
JPMorgan Chase (PERP)	VAR	29/12/49	590,000	561	0.17
JPMorgan Chase	3.8750	10/09/24	850,000	847	0.25
Kinder Morgan	2.2500	16/03/27	160,000	126	0.04
Kinder Morgan Energy Partners	3.5000	01/03/21	224,000	201	0.06
HJ Heinz	2.0000	02/07/18	464,000	462	0.14
HJ Heinz	3.5000	15/07/22	445,000	449	0.13
Legg mason	5.6250	15/01/44	290,000	289	0.09
Marathon Petroleum	4.7500	15/09/44	610,000	500	0.15
Merck	3.7000	10/02/45	235,000	218	0.06
Metropolitan Life Global Funding I (EMTN)	2.6250	05/12/22	285,000	419	0.13
Microsoft	3.7500	12/02/45	300,000	277	0.08
Mondelez International	2.3750	06/03/35	160,000	151	0.05
Morgan Stanley	3.1250	05/08/21	930,000	691	0.21
Morgan Stanley	3.7000	23/10/24	440,000	443	0.13
MPT Operating Partnership Finance	6.3750	15/02/22	212,000	217	0.06
Mylan	3.0000	15/12/18	414,000	413	0.12
National Rural Utilities Cooperative Finance	FRN	30/04/43	625,000	618	0.18
Penske Truck Leasing Finance	3.3750	01/02/22	845,000	822	0.25
Perrigo Finance	3.5000	15/12/21	1,131,000	1,101	0.34
Phillips 66	4.8750	15/11/44	405,000	363	0.11
Prologis	1.3750	07/10/20	470,000	508	0.15
Public Services Company of New Mexico	7.9500	15/05/18	230,000	258	0.08
QUALCOMM	4.8000	20/05/45	206,000	183	0.05
Quest Diagnostics	3.5000	30/03/25	640,000	620	0.19
Quest Diagnostics	2.5000	30/03/20	512,000	506	0.15
Quest Diagnostics	4.7000	30/03/45	407,000	366	0.11
Seagate HDD Cayman	4.8750	01/06/27	510,000	392	0.12
Thermo Fisher Scientific	1.5000	01/12/20	360,000	395	0.12
United Technologies	VAR	04/05/18	980,000	971	0.29
Verizon Communications	6.5500	15/09/43	317,000	378	0.11
Verizon Communications	5.0120	21/08/54	318,000	292	0.09
Wells Fargo (MTN)	4.1000	03/06/26	340,000	344	0.10
Williams Partners	3.6000	15/03/22	1,000,000	787	0.24
Williams Partners	7.2500	01/02/17	540,000	551	0.16
Williams Partners	3.9000	15/01/25	452,000	340	0.10
				<b>38,519</b>	<b>11.50</b>
<b>Total Corporate Bonds</b>				<b>108,619</b>	<b>32.44</b>
<b>Government Bonds 50.02%</b>					
<b>Australia 0.87%</b>					
Australia (Commonwealth of)	1.7500	21/11/20	3,260,000	2,318	0.69
Australia (Commonwealth of)	4.5000	15/04/20	750,000	598	0.18
				<b>2,916</b>	<b>0.87</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Belgium 0.69%</b>					
Belgium (Kingdom of)	2.2500	22/06/23	1,374,000	1,681	0.50
Belgium (Kingdom of)	3.7500	22/06/45	426,000	637	0.19
				<b>2,318</b>	<b>0.69</b>
<b>Canada 0.39%</b>					
Canada (Government of)	5.0000	01/06/37	1,210,000	<b>1,300</b>	<b>0.39</b>
<b>France 2.55%</b>					
Agence Francaise Development	FRN	29/07/49	650,000	720	0.22
France (Government of)	-	25/05/20	2,877,000	3,115	0.92
France (Government of)	0.5000	25/05/25	2,002,000	2,097	0.63
France (Government of)	1.5000	25/05/31	1,215,000	1,310	0.39
France (Government of)	3.2500	25/05/45	937,000	1,296	0.39
				<b>8,538</b>	<b>2.55</b>
<b>Germany 1.05%</b>					
Germany (Federal Republic of)	0.5000	15/02/25	1,320,000	1,427	0.43
Germany (Federal Republic of)	5.5000	04/01/31	640,000	1,122	0.33
Germany (Federal Republic of)	2.5000	15/08/46	720,000	976	0.29
				<b>3,525</b>	<b>1.05</b>
<b>Ireland 1.67%</b>					
Ireland (Republic of)	3.4000	18/03/24	4,310,000	<b>5,582</b>	<b>1.67</b>
<b>Italy 5.76%</b>					
Italy (Republic of)	0.7000	01/05/20	12,757,000	13,927	4.16
Italy (Republic of)	1.5000	01/06/25	2,393,000	2,602	0.78
Italy (Republic of)	1.6500	01/03/32	1,760,000	1,819	0.54
Italy (Republic of)	3.2500	01/09/46	772,000	938	0.28
				<b>19,286</b>	<b>5.76</b>
<b>Japan 12.04%</b>					
Japan (Government of)	0.3000	20/03/18	802,600,000	6,720	2.01
Japan (Government of)	2.1000	20/06/29	1,149,650,000	11,550	3.45
Japan (Government of)	1.1000	20/03/21	1,056,000,000	9,269	2.77
Japan (Government of)	1.5000	20/03/45	413,750,000	3,633	1.09
Japan (Government of)	2.4000	20/03/37	309,150,000	3,228	0.96
Japan (Government of)	0.4000	20/03/25	53,350,000	451	0.13
Japan (Government of) (INDX)	0.1000	10/03/24	604,500,000	5,452	1.63
				<b>40,303</b>	<b>12.04</b>
<b>Mexico 2.53%</b>					
Mexico (Government of)	10.0000	05/12/24	97,890,000	7,194	2.15
Mexico (Government of)	8.0000	11/06/20	20,000,000	1,276	0.38
				<b>8,470</b>	<b>2.53</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>South Korea 0.24%</b>					
Korea Land & Housing	1.8750	02/08/17	820,000	819	0.24
<b>Spain 4.26%</b>					
Spain (Kingdom of)	1.6000	30/04/25	12,280,000	13,199	3.95
Spain (Kingdom of)	5.1500	31/10/44	680,000	1,049	0.31
				<b>14,248</b>	<b>4.26</b>
<b>Sweden 1.31%</b>					
Svensk Exportkredit (EMTN)	VAR	14/11/23	2,515,000	2,492	0.74
Sweden (Kingdom of)	3.7500	12/08/17	15,000,000	1,900	0.57
				<b>4,392</b>	<b>1.31</b>
<b>United Kingdom 3.27%</b>					
UK Treasury	4.2500	07/12/49	1,800,000	3,651	1.09
UK Treasury	2.7500	07/09/24	1,520,000	2,398	0.72
UK Treasury	4.2500	07/06/32	1,180,000	2,177	0.65
UK Treasury	2.0000	22/07/20	1,080,000	1,638	0.49
UK Treasury	4.7500	07/12/38	530,000	1,069	0.32
				<b>10,933</b>	<b>3.27</b>
<b>United States 13.39%</b>					
US Treasury	1.3750	31/08/20	13,109,000	12,902	3.85
US Treasury	0.8750	15/10/18	6,527,400	6,457	1.93
US Treasury	0.3750	15/03/16	6,228,000	6,230	1.86
US Treasury	1.7500	30/09/22	5,016,000	4,917	1.47
US Treasury	2.1250	15/05/25	4,842,000	4,779	1.43
US Treasury	2.5000	15/02/45	5,315,600	4,771	1.42
US Treasury	4.5000	15/02/36	1,760,000	2,256	0.67
US Treasury	5.2500	15/11/28	542,000	708	0.21
US Treasury	0.6250	31/08/17	700,000	696	0.21
US Treasury	2.0000	15/08/25	700,000	683	0.20
US Treasury	1.0000	30/11/19	300,000	293	0.09
US Treasury	4.3750	15/05/40	135,000	170	0.05
				<b>44,862</b>	<b>13.39</b>
<b>Total Government Bonds</b>				<b>167,492</b>	<b>50.02</b>
<b>Municipal Bonds 0.38%</b>					
<b>United States 0.38%</b>					
Chicago Illinois Transit Authority	6.2000	01/12/40	480,000	521	0.16
Municipal Electric Authority of Georgia	6.6370	01/04/57	620,000	745	0.22
				<b>1,266</b>	<b>0.38</b>
<b>Total Municipal Bonds</b>				<b>1,266</b>	<b>0.38</b>
<b>Total Bonds</b>				<b>316,848</b>	<b>94.63</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market				316,848	94.63
Other transferable securities and money market instruments 1.95%					
Bonds 1.95%					
Asset Backed Bonds / Mortgage Backed Bonds 0.47%					
United States 0.47%					
Chase Mortgage Finance Trust Series 2005-A1	FRN	25/12/35	112,977	103	0.03
First Horizon Mortgage Pass-Through Trust 2006-AR4	FRN	25/01/37	235,532	210	0.06
Securitized Asset Backed NIM Trust 2005-FR4	0.0000	25/01/36	141,742	-	-
Suntrust Adjustable Rate Mortgage Loan Trust 2007-2	FRN	25/04/37	332,902	278	0.08
WaMu Mortgage Pass-Through Certificates Series 2006-AR16 Trust	FRN	25/12/36	427,015	381	0.12
WaMu Mortgage Pass-Through Certificates Series 2006-AR18 Trust	FRN	25/01/37	262,875	223	0.07
Wells Fargo Mortgage Backed Securities 2006-AR10 Trust	FRN	25/07/36	374,770	365	0.11
				1,560	0.47
Total Asset Backed Bonds / Mortgage Backed Bonds				1,560	0.47
Corporate Bonds 1.31%					
Australia 0.42%					
Suncorp Metway	2.3500	27/04/20	900,000	885	0.26
Transurban Finance	4.1250	02/02/26	536,000	528	0.16
				1,413	0.42
Netherlands 0.13%					
ABN AMRO Bank (MTN)	3.2500	09/04/20	600,000	430	0.13
Sweden 0.25%					
Svenska Handelsbanken (MTN)	4.5000	10/04/19	1,090,000	820	0.25
Switzerland 0.17%					
Credit Suisse (MTN)	3.5000	29/04/20	790,000	571	0.17
United States 0.34%					
Apple	2.0000	17/09/27	520,000	572	0.17
Metropolitan Life Global Funding I (MTN)	4.7500	17/09/21	760,000	577	0.17
				1,149	0.34
Total Corporate Bonds				4,383	1.31
Government Bonds 0.17%					
South Korea 0.17%					
Export-Import Bank of Korea (MTN)	4.2500	21/05/20	780,000	580	0.17
Total Government Bonds				580	0.17
Total Bonds				6,523	1.95
Total Other transferable securities and money market instruments				6,523	1.95

**Derivatives 0.29%**
**Futures 0.04%**

Future	Maturity	Notional	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
CBT US Long Bond	21/03/16	8	1	-
CBT US Ultra Bond	21/03/16	(2)	(1)	-
CBT US 10 Year Note	21/03/16	(29)	14	-
CBT US 2 Year Note	31/03/16	7	-	-
CBT US 5 Year Note	31/03/16	(6)	1	-
EUX Euro BOBL	08/03/16	(28)	35	0.01
EUX Euro Bund	08/03/16	(30)	74	0.02
EUX Euro Buxl 30 Year Bond	08/03/16	5	(17)	-
EUX Euro Schatz	08/03/16	28	(7)	-
EUX Euro-BTP	08/03/16	14	(27)	(0.01)
ICE Long Gilt	29/03/16	(2)	2	-
KFE Korea 3 Yr Bond	15/03/16	196	43	0.01
MSE Canada 10 Year Bond	21/03/16	12	23	0.01
SFE Australia 10 Year Bond	15/03/16	(16)	(8)	-
SGX 10 Year Mini JGB	09/03/16	27	9	-
<b>Unrealised gains on future contracts</b>			<b>142</b>	<b>0.04</b>

**Forward currency exchange contracts 0.28%**

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Barclays Capital	AUD	USD	14/01/16	2,361,000	1,701,653	15	-
Barclays Capital	AUD	USD	14/01/16	301,000	219,201	-	-
Barclays Capital	AUD	USD	14/01/16	458,000	330,096	3	-
Barclays Capital	AUD	USD	14/01/16	774,000	563,660	(1)	-
Barclays Capital	CAD	USD	14/01/16	3,376,000	2,531,803	(101)	(0.03)
Barclays Capital	EUR	USD	14/01/16	248,000	272,264	(3)	-
Barclays Capital	EUR	USD	14/01/16	393,000	434,573	(8)	-
Barclays Capital	EUR	USD	14/01/16	432,000	493,276	(24)	(0.01)
Barclays Capital	EUR	USD	14/01/16	7,546,000	8,291,779	(92)	(0.03)
Barclays Capital	JPY	USD	14/01/16	230,850,000	1,885,780	34	0.01
Barclays Capital	JPY	USD	14/01/16	266,631,000	2,227,363	(10)	-
Barclays Capital	JPY	USD	14/01/16	283,295,000	2,369,531	(14)	-
Barclays Capital	JPY	USD	14/01/16	818,563,000	6,846,611	(40)	(0.01)
Barclays Capital	MXN	USD	14/01/16	5,758,000	333,040	-	-
Barclays Capital	USD	EUR	08/01/16	272,181	248,000	3	-
Barclays Capital	USD	EUR	14/01/16	110,237	100,000	2	-
Barclays Capital	USD	AUD	14/01/16	1,172,084	1,630,000	(13)	-
Barclays Capital	USD	CAD	14/01/16	3,316,133	4,431,000	126	0.04
Barclays Capital	USD	GBP	14/01/16	733,539	478,000	29	0.01
Citigroup	EUR	USD	08/01/16	92,000	101,235	(1)	-
Citigroup	EUR	USD	14/01/16	295,000	335,470	(15)	-
Citigroup	EUR	GBP	14/01/16	3,154,000	2,217,420	159	0.05
Citigroup	EUR	GBP	14/01/16	3,824,000	2,779,417	59	0.02
Citigroup	EUR	USD	14/01/16	395,000	424,626	5	-
Citigroup	EUR	USD	14/01/16	531,000	570,534	6	-
Citigroup	GBP	USD	14/01/16	444,000	671,175	(17)	-

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Citigroup	GBP	USD	14/01/16	8,811,000	13,427,303	(440)	(0.14)
Citigroup	JPY	USD	14/01/16	52,470,000	436,544	-	-
Citigroup	KRW	USD	22/02/16	692,501,000	589,137	(1)	-
Citigroup	NZD	USD	14/01/16	1,081,000	702,450	37	0.01
Citigroup	USD	SGD	14/01/16	1,005,708	1,426,000	1	-
Citigroup	USD	EUR	14/01/16	13,440,098	12,377,000	(9)	-
Citigroup	USD	GBP	14/01/16	1,837,854	1,206,000	60	0.02
Citigroup	USD	EUR	14/01/16	4,245,157	3,954,000	(51)	(0.02)
Citigroup	USD	SEK	14/01/16	437,826	3,801,000	(13)	-
Citigroup	USD	GBP	14/01/16	6,476,280	4,295,000	146	0.04
Citigroup	USD	CHF	14/01/16	686,462	686,000	1	-
Deutsche Bank	CAD	USD	14/01/16	3,127,000	2,349,444	(98)	(0.03)
Deutsche Bank	CAD	NZD	14/01/16	5,592,522	6,424,000	(368)	(0.12)
Deutsche Bank	EUR	USD	08/01/16	156,000	168,868	1	-
Deutsche Bank	EUR	USD	14/01/16	241,000	273,175	(11)	-
Deutsche Bank	EUR	USD	14/01/16	3,948,000	4,244,096	46	0.01
Deutsche Bank	EUR	USD	14/01/16	4,431,000	5,046,054	(231)	(0.07)
Deutsche Bank	EUR	USD	14/01/16	506,000	574,779	(25)	(0.01)
Deutsche Bank	EUR	USD	14/01/16	890,000	1,011,198	(44)	(0.01)
Deutsche Bank	JPY	USD	14/01/16	12,271,000	101,493	1	-
Deutsche Bank	JPY	USD	14/01/16	136,908,000	1,115,813	23	0.01
Deutsche Bank	NZD	CAD	14/01/16	4,999,000	4,605,504	104	0.03
Deutsche Bank	NZD	AUD	14/01/16	6,673,000	6,189,168	64	0.02
Deutsche Bank	SEK	USD	14/01/16	1,314,000	160,921	(5)	-
Deutsche Bank	SEK	USD	14/01/16	3,526,000	404,485	14	-
Deutsche Bank	USD	EUR	14/01/16	1,220,217	1,121,000	2	-
Deutsche Bank	USD	JPY	14/01/16	1,855,261	228,390,000	(44)	(0.01)
Deutsche Bank	USD	JPY	14/01/16	1,860,010	223,684,000	-	-
Deutsche Bank	USD	EUR	14/01/16	19,929,666	18,677,000	(365)	(0.12)
Deutsche Bank	USD	CAD	14/01/16	2,352,580	3,176,000	66	0.02
Deutsche Bank	USD	EUR	14/01/16	28,155,864	24,724,000	1,289	0.38
Deutsche Bank	USD	JPY	14/01/16	335,731	40,660,000	(2)	-
Deutsche Bank	USD	AUD	14/01/16	3,366,641	4,606,000	17	0.01
Deutsche Bank	USD	GBP	14/01/16	338,224	223,000	10	-
Deutsche Bank	USD	GBP	14/01/16	427,906	283,000	11	-
Goldman Sachs	EUR	USD	14/01/16	210,000	223,086	5	-
Goldman Sachs	JPY	USD	14/01/16	1,149,410,000	9,374,750	183	0.05
Goldman Sachs	KRW	USD	22/02/16	3,941,919,000	3,332,842	17	0.01
Goldman Sachs	NOK	USD	14/01/16	4,645,000	572,465	(48)	(0.01)
Goldman Sachs	SGD	USD	14/01/16	3,521,000	2,510,159	(29)	(0.01)
Goldman Sachs	USD	JPY	14/01/16	14,010,534	1,713,550,000	(238)	(0.07)
Goldman Sachs	USD	EUR	14/01/16	1,644,351	1,525,000	(13)	-
Goldman Sachs	ZAR	USD	14/01/16	9,955,000	728,690	(88)	(0.03)
HSBC	AUD	USD	14/01/16	4,526,000	3,284,957	6	-
HSBC	EUR	USD	14/01/16	12,056,000	12,807,041	293	0.08
HSBC	EUR	USD	14/01/16	182,000	200,856	(3)	-
HSBC	EUR	USD	14/01/16	400,000	425,302	9	-
HSBC	GBP	USD	14/01/16	1,060,000	1,638,148	(76)	(0.02)

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
HSBC	GBP	USD	14/01/16	1,714,000	2,584,520	(58)	(0.02)
HSBC	GBP	USD	14/01/16	1,773,000	2,677,134	(64)	(0.02)
HSBC	GBP	USD	14/01/16	2,232,000	3,366,598	(77)	(0.02)
HSBC	USD	CAD	14/01/16	1,071,628	1,399,000	64	0.02
HSBC	USD	GBP	14/01/16	2,596,322	1,722,000	58	0.02
HSBC	USD	CAD	14/01/16	409,808	535,000	25	0.01
HSBC	USD	AUD	14/01/16	4,364,943	6,014,000	(8)	-
HSBC	USD	MXN	14/01/16	7,550,943	126,026,000	261	0.08
JPM Chase	MYR	USD	22/02/16	2,995,000	681,224	12	-
JPM Chase	AUD	USD	14/01/16	241,000	174,867	-	-
JPM Chase	CAD	USD	14/01/16	2,542,000	1,970,503	(140)	(0.04)
JPM Chase	CAD	USD	14/01/16	565,000	425,527	(19)	(0.01)
JPM Chase	CHF	USD	14/01/16	2,457,000	2,564,520	(109)	(0.03)
JPM Chase	CHF	USD	14/01/16	323,000	337,135	(14)	-
JPM Chase	CZK	USD	14/01/16	7,821,000	328,829	(14)	-
JPM Chase	DKK	USD	14/01/16	8,683,000	1,326,297	(62)	(0.02)
JPM Chase	EUR	USD	14/01/16	8,587,000	9,099,661	231	0.07
JPM Chase	EUR	USD	14/01/16	985,000	1,046,962	23	0.01
JPM Chase	JPY	USD	14/01/16	873,026,000	7,083,530	176	0.05
JPM Chase	USD	EUR	14/01/16	10,703,390	9,691,000	173	0.05
JPM Chase	USD	EUR	14/01/16	1,246,506	1,136,000	12	-
JPM Chase	USD	EUR	14/01/16	557,904	490,000	25	0.01
Royal Bank of Canada	USD	EUR	14/01/16	334,915	305,000	3	-
Royal Bank of Canada	USD	JPY	14/01/16	880,941	106,011,000	(1)	-
UBS	AUD	USD	14/01/16	1,253,000	901,827	9	-
UBS	EUR	USD	14/01/16	10,604,000	11,257,779	265	0.08
UBS	EUR	USD	14/01/16	158,000	179,967	(8)	-
UBS	EUR	USD	14/01/16	355,000	377,401	8	-
UBS	EUR	GBP	14/01/16	3,812,000	2,822,710	(18)	(0.01)
UBS	GBP	USD	14/01/16	106,000	157,859	(2)	-
UBS	GBP	USD	14/01/16	93,000	143,655	(7)	-
UBS	JPY	USD	14/01/16	121,590,000	987,341	24	0.01
UBS	JPY	EUR	14/01/16	77,840,000	574,077	23	0.01
UBS	PLN	USD	14/01/16	3,505,000	939,061	(52)	(0.02)
UBS	SEK	USD	14/01/16	11,800,000	1,455,954	(56)	(0.02)
UBS	USD	SEK	14/01/16	1,371,805	11,118,000	53	0.02
UBS	USD	EUR	14/01/16	256,308	240,000	(4)	-
UBS	USD	EUR	14/01/16	294,856	276,000	(5)	-
UBS	USD	EUR	14/01/16	341,744	320,000	(6)	-
UBS	USD	EUR	14/01/16	342,596	319,000	(4)	-
UBS	USD	NZD	14/01/16	3,839,419	5,784,000	(117)	(0.03)
UBS	USD	SEK	14/01/16	425,282	3,627,000	(5)	-
UBS	USD	AUD	14/01/16	742,230	1,023,000	(2)	-
UBS	USD	EUR	14/01/16	905,446	794,000	43	0.01
<b>Unrealised gains on forward currency exchange contracts</b>						<b>942</b>	<b>0.28</b>

Swaps (0.03%)

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Citigroup	USD	18/09/25	3,260,000	1.8300	US CPI URBAN CON	11	-
Deutsche Bank	USD	18/09/25	5,600,000	1.8300	US CPI URBAN CON	18	0.01
Goldman Sachs	AUD	09/11/17	120,960,000	3 Month AUD BBR	2.0063	(134)	(0.04)
<b>Unrealised losses on swap contracts</b>						<b>(105)</b>	<b>(0.03)</b>
<b>Unrealised gains on derivatives</b>						<b>979</b>	<b>0.29</b>
<b>Total investments</b>						<b>324,350</b>	<b>96.87</b>
<b>Other net assets</b>						<b>10,484</b>	<b>3.13</b>
<b>Total</b>						<b>334,834</b>	<b>100.00</b>



# Global Government Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Global Government Bond – J Accumulation shares increased by 0.55% compared to an increase of 0.47% in the benchmark, Citigroup World Government Bond Index.

Source: Aberdeen Asset Management and BNP Paribas.

Basis: Total return, Special Month End Price NAV to NAV, gross of fees, USD.

## Market review

The first half of the review period was a particularly volatile time for global markets. Uncertainties were initially triggered by the People's Bank of China's unexpected devaluation of the yuan versus the US dollar, following a period of weaker than expected economic data. Meanwhile, the US Federal Reserve (Fed) left interest rates unchanged, citing concern over financial markets and international developments. The European Central Bank also kept policy on hold; however, the bank's president, Mario Draghi, hinted at additional monetary easing, particularly if market volatility and emerging market weakness were to persist. Risk assets generally underperformed while government bonds outperformed.

In the final three months of 2015, divergent central bank policy was the primary focus for government bond markets. "Core" government bonds from the US, the Eurozone and the UK sold off in October. This move was led by US Treasuries, as an unexpectedly hawkish Federal Open Market Committee statement encouraged expectations that the Fed would begin to normalise policy. In November, strong US labour market data helped push the Treasury yield higher as market expectations for the first interest rate hike converged on December. Meanwhile, European Central Bank (ECB) policy makers continued to talk up the possibility of further easing.

In December, policymakers on both sides of the Atlantic took action. The Fed hiked the target range for the Federal Funds rate by 25 basis points (bps) while the ECB cut its deposit rate by 10 bps and expanded its quantitative easing policy. In reaction, the euro generally outperformed while European government bonds sold off. Peripheral European government bond spreads over the German Bund also finished the period wider.

## Portfolio review

The portfolio outperformed relative to the benchmark over the period. Long European duration positions made positive contributions as concerns over the Eurozone's inflation outlook raised expectations of further monetary easing, helping to push yields lower. US yield curve positioning also added value as continued improvements in the labour market and hawkish Fed rhetoric drove curve flattening as shorter-dated maturities underperformed. These gains, however, were partially offset by our short UK gilts versus German bunds position, which struggled as gilts outperformed in August. Tactical US shorts were also a drag on performance as global growth concerns pared expectations of a Fed interest rate hike, although this was partially compensated for by a short sterling futures position when the Fed eventually raised rates in December. Currency contribution to performance was flat as gains in the second half of the period were offset by losses in the first half. The portfolio's short euro position generally underperformed in the third quarter as "risk-off" sentiment led to the euro strengthening, while in the fourth quarter, the market began to focus on further policy action from the ECB. Elsewhere, an off-benchmark allocation to credit detracted.

## Outlook

The fortunes of the Chinese economy and the potential impact of further depreciation in the value of the Yuan will influence investors and policy makers in the coming year. Continued weakness in commodity prices, and in particular the oil price, could further undermine investor sentiment and suppress inflationary pressure. The Fed's projected path of four interest rate hikes in 2016 is higher than market expectations, and this could result in heightened market volatility. While economic data in the US remains solid, a stronger US dollar might hamper stronger growth. The pick-up in Eurozone economic growth should be sustained through 2016. Despite disappointing the market with their policy easing package in December, the ECB is likely to provide more stimulus in 2016.

## Aberdeen Global Marco Team

January 2016

**Statement of Net Assets**

As at 31 December 2015

	US\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	104,809
Cash at bank	1,699
Amounts held at futures clearing houses and brokers	64
Interest receivable	523
Receivable for investments sold	1,498
Unrealised gains on future contracts (note 2.7)	14
<b>Total assets</b>	<b>108,607</b>
<b>Liabilities</b>	
Payable for investments purchased	1,435
Taxes and expenses payable	31
Unrealised losses on swap contracts (note 2.8)	36
Unrealised losses on forward currency exchange contracts (note 2.6)	254
<b>Total liabilities</b>	<b>1,756</b>
<b>Net assets at the end of the period</b>	<b>106,851</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
Net assets at the beginning of the period	101,911
Net gains from investments	686
Net realised losses	(5,452)
Net unrealised gains	4,609
Proceeds from shares issued	56,009
Payments for shares redeemed	(50,875)
Net equalisation paid (note 10)	(37)
<b>Net assets at the end of the period</b>	<b>106,851</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
<b>Income</b>	
Investment income	883
<b>Total income</b>	<b>883</b>
<b>Expenses</b>	
Management fees (note 4.2)	32
Operating, administrative and servicing fees (note 4.3)	165
<b>Total expenses</b>	<b>197</b>
<b>Net gains from investments</b>	<b>686</b>
Realised losses on investments	(5,271)
Realised gains on future contracts	56
Realised losses on swap contracts	(77)
Realised losses on forward currency exchange contracts	(11)
Realised currency exchange losses	(149)
<b>Net realised losses</b>	<b>(5,452)</b>
Decrease in unrealised depreciation on investments	4,645
Decrease in unrealised appreciation on future contracts	(21)
Decrease in unrealised depreciation on swap contracts	119
Increase in unrealised depreciation on forward currency exchange contracts	(144)
Unrealised currency exchange gains	10
<b>Net unrealised gains</b>	<b>4,609</b>
<b>Net decrease in assets as a result of operations</b>	<b>(157)</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	D(GBP)-1	J-2	Z-2
Shares outstanding at the beginning of the period	219,883	412,544	6,193,375
Shares issued during the period	6,126	4,378,164	1,287,288
Shares redeemed during the period	(46,248)	(4,781,638)	(796,010)
<b>Shares outstanding at the end of the period</b>	<b>179,761</b>	<b>9,070</b>	<b>6,684,653</b>
<b>Net asset value per share</b>	<b>0.9169</b>	<b>8.0337</b>	<b>15.9372</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					98.09%
<b>Bonds 98.09%</b>					
<b>Corporate Bonds 8.00%</b>					
<b>Australia 0.63%</b>					
National Australia Bank (EMTN)	0.8750	20/01/22	630,000	676	0.63
<b>France 0.52%</b>					
TDF Infrastructure	2.8750	19/10/22	500,000	557	0.52
<b>Hong Kong 0.66%</b>					
CNPC General Capital	2.7500	14/05/19	700,000	700	0.66
<b>Japan 0.70%</b>					
Bank of Tokyo-Mitsubishi UFJ (EMTN)	0.8750	11/03/22	350,000	373	0.35
Mitsubishi UFJ Trust & Banking	2.4500	16/10/19	380,000	379	0.35
				752	0.70
<b>Mexico 0.47%</b>					
Petroleos Mexicanos	5.5000	21/01/21	500,000	506	0.47
<b>Singapore 0.33%</b>					
HPHT Finance 15	2.2500	17/03/18	360,000	358	0.33
<b>South Korea 0.65%</b>					
Korea Expressway	1.6250	28/04/17	700,000	698	0.65
<b>United Kingdom 0.93%</b>					
Pentair Finance	2.4500	17/09/19	890,000	984	0.93
<b>United States 3.11%</b>					
Ford Motor Credit	1.7240	06/12/17	848,000	835	0.78
HP Enterprise	2.4500	05/10/17	1,470,000	1,470	1.39
Mylan	3.0000	15/12/18	110,000	110	0.10
Quest Diagnostics	2.5000	30/03/20	412,000	407	0.38
Thermo Fisher Scientific	1.5000	01/12/20	200,000	219	0.21
United Technologies	VAR	04/05/18	274,000	271	0.25
				3,312	3.11
<b>Total Corporate Bonds</b>				<b>8,543</b>	<b>8.00</b>
<b>Government Bonds 90.09%</b>					
<b>Australia 1.16%</b>					
Australia (Commonwealth of)	1.7500	21/11/20	1,747,000	1,242	1.16
<b>Belgium 1.29%</b>					
Belgium (Kingdom of)	2.2500	22/06/23	650,579	796	0.75
Belgium (Kingdom of)	3.7500	22/06/45	388,559	581	0.54
				1,377	1.29

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Canada 0.75%</b>					
Canada (Government of)	5.0000	01/06/37	745,000	801	0.75
<b>France 6.48%</b>					
France (Government of)	-	25/05/20	3,820,000	4,136	3.87
France (Government of)	1.5000	25/05/31	1,100,000	1,186	1.11
France (Government of)	0.5000	25/05/25	891,000	933	0.87
France (Government of)	3.2500	25/05/45	487,000	673	0.63
				<b>6,928</b>	<b>6.48</b>
<b>Germany 2.93%</b>					
Germany (Federal Republic of)	0.5000	15/02/25	1,060,000	1,146	1.07
Germany (Federal Republic of)	5.5000	04/01/31	610,000	1,069	1.00
Germany (Federal Republic of)	2.5000	15/08/46	677,000	918	0.86
				<b>3,133</b>	<b>2.93</b>
<b>Ireland 1.95%</b>					
Ireland (Republic of)	3.4000	18/03/24	1,610,000	2,085	1.95
<b>Italy 6.57%</b>					
Italy (Republic of)	0.7000	01/05/20	3,843,000	4,196	3.92
Italy (Republic of)	1.6500	01/03/32	1,580,000	1,633	1.53
Italy (Republic of)	1.5000	01/06/25	861,000	936	0.88
Italy (Republic of)	3.2500	01/09/46	212,000	258	0.24
				<b>7,023</b>	<b>6.57</b>
<b>Japan 19.88%</b>					
Japan Government Five Year Bond	0.3000	20/03/18	385,650,000	3,229	3.02
Japan (Government of)	2.1000	20/06/29	617,250,000	6,201	5.81
Japan (Government of)	1.1000	20/03/21	523,500,000	4,594	4.30
Japan (Government of)	2.4000	20/03/37	194,700,000	2,033	1.90
Japan (Government of)	1.5000	20/03/45	228,950,000	2,011	1.88
Japan (Government of)	0.4000	20/03/25	140,550,000	1,189	1.11
Japan (Government of) (INDX)	0.1000	10/03/24	220,200,000	1,986	1.86
				<b>21,243</b>	<b>19.88</b>
<b>Mexico 2.54%</b>					
Mexico (Government of)	10.0000	05/12/24	36,922,000	2,713	2.54
<b>Netherlands 1.28%</b>					
Netherlands (Kingdom of)	1.7500	15/07/23	706,336	842	0.79
Netherlands (Kingdom of)	3.7500	15/01/42	322,305	521	0.49
				<b>1,363</b>	<b>1.28</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Poland 0.14%</b>					
Poland (Republic of)	5.7500	25/10/21	500,000	149	0.14
<b>South Korea 0.37%</b>					
Korea Land & Housing	1.8750	02/08/17	400,000	400	0.37
<b>Spain 7.31%</b>					
Spain (Kingdom of)	1.6000	30/04/25	4,065,000	4,369	4.09
Spain (Kingdom of)	1.1500	30/07/20	2,419,000	2,685	2.51
Spain (Kingdom of)	5.1500	31/10/44	489,000	754	0.71
				<b>7,808</b>	<b>7.31</b>
<b>Sweden 1.41%</b>					
Svensk Exportkredit (EMTN)	VAR	14/11/23	1,100,000	1,090	1.02
Sweden (Kingdom of)	2.5000	12/05/25	3,100,000	417	0.39
				<b>1,507</b>	<b>1.41</b>
<b>United Kingdom 5.59%</b>					
UK Treasury	4.2500	07/12/49	993,000	2,014	1.88
UK Treasury	2.0000	22/07/20	915,000	1,388	1.30
UK Treasury	2.7500	07/09/24	630,000	994	0.93
UK Treasury	4.2500	07/06/32	525,000	968	0.91
UK Treasury	4.7500	07/12/38	300,230	606	0.57
				<b>5,970</b>	<b>5.59</b>
<b>United States 30.44%</b>					
US Treasury	0.6250	31/07/17	10,883,000	10,825	10.14
US Treasury	1.3750	31/08/20	8,405,000	8,272	7.74
US Treasury	1.7500	30/09/22	4,238,000	4,154	3.89
US Treasury	2.5000	15/02/45	3,593,000	3,225	3.02
US Treasury	2.1250	15/05/25	2,761,200	2,725	2.55
US Treasury	0.3750	15/01/16	1,682,000	1,682	1.57
US Treasury	4.5000	15/02/36	960,000	1,231	1.15
US Treasury	5.2500	15/11/28	314,000	410	0.38
				<b>32,524</b>	<b>30.44</b>
<b>Total Government Bonds</b>				<b>96,266</b>	<b>90.09</b>
<b>Total Bonds</b>				<b>104,809</b>	<b>98.09</b>
Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market				<b>104,809</b>	<b>98.09</b>

**Derivatives (0.26%)**
**Futures 0.01%**

Future	Maturity	Notional	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
EUX Euro BOBL	08/03/16	(5)	6	0.01
EUX Euro Bund	08/03/16	(7)	18	0.01
EUX Euro-BTP	08/03/16	5	(10)	(0.01)
Unrealised gains on future contracts			14	0.01

**Forward currency exchange contracts (0.24%)**

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Barclays Capital	EUR	USD	14/01/16	2,204,000	2,421,824	(27)	(0.03)
Barclays Capital	EUR	USD	14/01/16	192,000	210,900	(2)	-
Barclays Capital	GBP	USD	14/01/16	188,000	287,497	(10)	(0.01)
Barclays Capital	JPY	USD	14/01/16	280,896,000	2,349,466	(14)	(0.01)
Barclays Capital	JPY	USD	14/01/16	230,779,000	1,910,454	9	0.01
Barclays Capital	JPY	USD	14/01/16	32,345,000	262,973	6	0.01
Barclays Capital	JPY	USD	14/01/16	18,266,000	148,696	3	-
Barclays Capital	MXN	USD	14/01/16	1,867,000	107,986	-	-
Barclays Capital	USD	EUR	14/01/16	822,239	759,000	(3)	-
Barclays Capital	USD	CAD	14/01/16	347,152	460,000	16	0.01
Barclays Capital	USD	JPY	14/01/16	241,109	28,969,000	-	-
Barclays Capital	USD	EUR	14/01/16	213,585	200,000	(4)	-
Citigroup	AUD	USD	14/01/16	783,000	550,517	19	0.02
Citigroup	EUR	GBP	14/01/16	1,294,000	940,524	20	0.02
Citigroup	EUR	GBP	14/01/16	1,025,000	720,626	52	0.05
Citigroup	GBP	USD	14/01/16	2,535,000	3,863,150	(126)	(0.13)
Citigroup	GBP	USD	14/01/16	877,000	1,334,120	(41)	(0.04)
Citigroup	GBP	USD	14/01/16	523,000	794,259	(23)	(0.02)
Citigroup	GBP	USD	14/01/16	125,000	188,957	(5)	-
Citigroup	GBP	USD	14/01/16	73,000	109,809	(2)	-
Citigroup	JPY	USD	14/01/16	47,054,000	387,350	4	-
Citigroup	MXN	USD	14/01/16	5,702,000	334,859	(5)	-
Citigroup	USD	EUR	14/01/16	1,200,325	1,118,000	(15)	(0.01)
Citigroup	USD	MXN	14/01/16	445,463	7,396,000	18	0.02
Citigroup	USD	CAD	14/01/16	201,275	268,000	8	0.01
Citigroup	USD	KRW	22/02/16	1,175,240	1,381,436,000	1	-
Deutsche Bank	AUD	USD	14/01/16	793,000	573,795	3	-
Deutsche Bank	CAD	NZD	14/01/16	1,890,872	2,172,000	(123)	(0.13)
Deutsche Bank	CAD	USD	14/01/16	374,000	280,902	(12)	(0.01)
Deutsche Bank	EUR	USD	14/01/16	1,305,000	1,402,874	15	0.01
Deutsche Bank	EUR	USD	14/01/16	422,000	453,677	5	-
Deutsche Bank	EUR	USD	14/01/16	359,000	396,314	(6)	(0.01)
Deutsche Bank	JPY	USD	14/01/16	133,124,000	1,111,971	(5)	-
Deutsche Bank	JPY	USD	14/01/16	26,070,000	216,560	-	-
Deutsche Bank	JPY	USD	14/01/16	6,481,000	53,604	-	-
Deutsche Bank	MXN	USD	14/01/16	15,166,000	902,268	(25)	(0.02)
Deutsche Bank	NZD	AUD	14/01/16	2,271,000	2,106,339	22	0.02
Deutsche Bank	NZD	CAD	14/01/16	1,584,000	1,459,315	33	0.03

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Deutsche Bank	SGD	USD	14/01/16	783,000	557,918	(6)	(0.01)
Deutsche Bank	USD	EUR	14/01/16	4,031,386	3,748,000	(41)	(0.04)
Deutsche Bank	USD	EUR	14/01/16	1,647,854	1,447,000	75	0.07
Deutsche Bank	USD	JPY	14/01/16	1,207,590	145,766,000	(4)	-
Deutsche Bank	USD	AUD	14/01/16	1,093,464	1,496,000	6	0.01
Deutsche Bank	USD	AUD	14/01/16	699,296	986,000	(18)	(0.02)
Deutsche Bank	USD	GBP	14/01/16	615,440	405,000	18	0.02
Deutsche Bank	USD	EUR	14/01/16	423,401	371,000	20	0.02
Deutsche Bank	USD	EUR	14/01/16	327,811	309,000	(8)	(0.01)
Deutsche Bank	USD	AUD	14/01/16	264,134	375,000	(9)	(0.01)
Deutsche Bank	USD	GBP	14/01/16	226,129	147,000	9	0.01
Deutsche Bank	USD	GBP	14/01/16	133,078	88,000	3	-
Deutsche Bank	ZAR	USD	14/01/16	1,924,000	141,012	(17)	(0.02)
Goldman Sachs	CAD	USD	14/01/16	304,000	232,747	(14)	(0.01)
Goldman Sachs	JPY	USD	14/01/16	26,560,000	221,021	-	-
Goldman Sachs	KRW	USD	22/02/16	1,381,436,000	1,167,986	6	0.01
Goldman Sachs	NOK	USD	14/01/16	1,889,000	232,807	(19)	(0.02)
Goldman Sachs	USD	JPY	14/01/16	1,251,602	154,320,000	(32)	(0.03)
Goldman Sachs	USD	EUR	14/01/16	1,080,831	951,000	47	0.04
Goldman Sachs	USD	GBP	14/01/16	961,717	633,000	29	0.03
Goldman Sachs	USD	EUR	14/01/16	541,251	502,000	(4)	-
Goldman Sachs	USD	GBP	14/01/16	297,198	197,000	7	0.01
Goldman Sachs	USD	MXN	14/01/16	179,393	3,008,000	5	0.01
HSBC	AUD	USD	14/01/16	1,363,000	963,639	27	0.03
HSBC	AUD	USD	14/01/16	354,000	256,932	-	-
HSBC	EUR	USD	14/01/16	740,000	795,107	9	0.01
HSBC	EUR	USD	14/01/16	604,000	645,378	11	0.01
HSBC	EUR	USD	14/01/16	339,000	374,978	(7)	(0.01)
HSBC	EUR	USD	14/01/16	207,000	219,404	6	0.01
HSBC	GBP	USD	14/01/16	666,000	1,029,252	(48)	(0.04)
HSBC	JPY	USD	14/01/16	311,808,000	2,539,662	53	0.05
HSBC	JPY	USD	14/01/16	64,543,000	523,922	13	0.01
HSBC	JPY	USD	14/01/16	17,390,000	146,063	(1)	-
HSBC	JPY	USD	14/01/16	13,510,000	109,757	3	-
HSBC	NZD	CAD	14/01/16	257,493	228,000	12	0.01
HSBC	USD	EUR	14/01/16	2,457,148	2,286,000	(27)	(0.03)
HSBC	USD	JPY	14/01/16	372,403	45,850,000	(9)	(0.01)
HSBC	USD	SGD	14/01/16	238,699	340,000	(1)	-
HSBC	USD	JPY	14/01/16	219,007	26,150,000	2	-
HSBC	USD	CAD	14/01/16	198,846	264,000	9	0.01
HSBC	USD	GBP	14/01/16	173,026	115,000	4	-
HSBC	USD	JPY	14/01/16	159,699	19,690,000	(4)	-
HSBC	USD	GBP	14/01/16	132,406	87,000	4	-
HSBC	USD	ZAR	14/01/16	119,142	1,708,000	9	0.01
HSBC	USD	GBP	14/01/16	106,980	71,000	2	-
HSBC	USD	EUR	14/01/16	106,105	98,000	-	-
HSBC	ZAR	USD	14/01/16	5,904,000	406,435	(26)	(0.02)
JPM Chase	AUD	USD	14/01/16	572,000	418,893	(3)	-

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
JPM Chase	CAD	USD	14/01/16	1,235,000	957,345	(68)	(0.06)
JPM Chase	CHF	USD	14/01/16	290,000	302,691	(13)	(0.01)
JPM Chase	DKK	USD	14/01/16	3,745,000	572,035	(27)	(0.02)
JPM Chase	EUR	USD	14/01/16	700,000	795,480	(35)	(0.03)
JPM Chase	JPY	USD	14/01/16	129,956,000	1,056,648	24	0.02
JPM Chase	JPY	USD	14/01/16	100,629,000	817,880	19	0.02
JPM Chase	MYR	USD	22/02/16	1,598,000	363,471	7	0.01
JPM Chase	PLN	USD	14/01/16	1,379,000	348,523	1	-
JPM Chase	SEK	USD	14/01/16	484,000	56,012	1	-
JPM Chase	USD	JPY	14/01/16	2,917,200	358,390,000	(63)	(0.06)
JPM Chase	USD	EUR	14/01/16	1,470,781	1,367,000	(15)	(0.01)
JPM Chase	USD	JPY	14/01/16	590,545	72,630,000	(13)	(0.01)
JPM Chase	USD	EUR	14/01/16	555,573	519,000	(8)	(0.01)
JPM Chase	USD	GBP	14/01/16	286,038	185,000	13	0.01
Royal Bank of Canada	USD	JPY	14/01/16	842,591	101,396,000	(1)	-
Royal Bank of Canada	USD	EUR	14/01/16	86,182	79,000	-	-
UBS	EUR	GBP	14/01/16	1,277,000	945,593	(6)	(0.01)
UBS	EUR	USD	14/01/16	988,000	1,080,753	(7)	(0.01)
UBS	EUR	USD	14/01/16	855,000	919,211	10	0.01
UBS	EUR	USD	14/01/16	633,000	679,836	8	0.01
UBS	EUR	USD	14/01/16	322,000	366,538	(17)	(0.02)
UBS	EUR	USD	14/01/16	228,000	245,105	3	-
UBS	EUR	USD	14/01/16	208,000	236,432	(10)	(0.01)
UBS	EUR	USD	14/01/16	129,000	146,865	(7)	(0.01)
UBS	JPY	USD	14/01/16	170,891,000	1,393,917	27	0.03
UBS	JPY	USD	14/01/16	33,350,000	271,684	6	0.01
UBS	JPY	USD	14/01/16	24,580,000	205,569	(1)	-
UBS	NZD	USD	14/01/16	330,000	215,807	10	0.01
UBS	PLN	USD	14/01/16	529,000	141,730	(8)	(0.01)
UBS	USD	MXN	14/01/16	2,588,480	43,197,000	91	0.08
UBS	USD	JPY	14/01/16	1,771,715	217,480,000	(37)	(0.03)
UBS	USD	NZD	14/01/16	1,507,490	2,271,000	(46)	(0.04)
UBS	USD	EUR	14/01/16	1,009,254	910,000	20	0.02
UBS	USD	JPY	14/01/16	690,212	82,970,000	-	-
UBS	USD	EUR	14/01/16	566,759	497,000	27	0.02
UBS	USD	JPY	14/01/16	420,104	51,470,000	(8)	(0.01)
UBS	USD	EUR	14/01/16	315,004	295,000	(6)	(0.01)
UBS	USD	JPY	14/01/16	250,630	30,860,000	(6)	(0.01)
UBS	USD	PLN	14/01/16	180,723	712,000	-	-
UBS	USD	EUR	14/01/16	174,894	158,000	3	-
UBS	USD	AUD	14/01/16	120,032	169,000	(3)	-
UBS	USD	SEK	14/01/16	109,218	950,000	(4)	-
UBS	USD	GBP	14/01/16	108,092	71,000	3	-
UBS	USD	EUR	14/01/16	106,319	93,000	5	-
Unrealised losses on forward currency exchange contracts						(254)	(0.24)



Swaps (0.03%)

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Citigroup	USD	18/09/25	1,030,000	US CPI URBAN CON	1.8300	3	-
Deutsche Bank	USD	18/09/25	1,860,000	1.8300	US CPI URBAN CON	6	0.01
Goldman Sachs	AUD	09/11/17	41,550,000	3 Month AUD-BBR	2.0063	(45)	(0.04)
<b>Unrealised losses on swap contracts</b>						<b>(36)</b>	<b>(0.03)</b>
<b>Unrealised losses on derivatives</b>						<b>(276)</b>	<b>(0.26)</b>
<b>Total investments</b>						<b>104,533</b>	<b>97.83</b>
<b>Other net assets</b>						<b>2,318</b>	<b>2.17</b>
<b>Total</b>						<b>106,851</b>	<b>100.00</b>

# Global High Yield Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Global High Yield Bond – A Income shares decreased by 6.06% compared to a decrease of 5.83% in the benchmark, Bank of American Merrill Lynch Global High Yield Index.

Source: Aberdeen Asset Management and Lipper.

Basis: Total return, Nav to Nav, net of annual charges, gross income invested, USD.

## Reduction of charges

The Management Fee (note 4.2) and current level of Operating, Administrative and Servicing Expenses ("OASE"), in respect of all share classes of the Fund were reduced as follows:

Share Classes	ISIN	Previous AMC until 30 September 2015 (% of net asset value)	Previous ONC until 30 September 2015 (% of net asset value)	Effective AMC as of 1 October 2015 (% of net asset value)	Effective ONC as of 1 October 2015 (% of net asset value)
A - 1	LU0775117095	1.25%	1.98%	1.00%	1.29%
A - 1 (EUR)	LU1016763408	1.25%	2.12%	1.00%	1.29%
A - 2	LU0775117178	1.25%	1.98%	1.00%	1.29%
E - 1	LU0775117418	1.25%	1.98%	1.00%	1.29%
E - 2	LU0775117509	1.25%	1.98%	1.00%	1.29%
I - 1	LU0775117681	0.70%	1.39%	0.50%	0.75%
I - 2 (EUR)	LU1016766096	0.70%	1.53%	0.50%	0.75%
X - 2	LU0985955979	0.70%	1.43%	0.50%	0.79%
Z - 2	LU0775118499	0.00%	0.69%	0.00%	0.25%

## Market review

The first half of the review period was a particularly volatile time for global markets. Uncertainties were initially triggered by the People's Bank of China's unexpected devaluation of the yuan versus the US dollar, following a period of weaker than expected economic data. Meanwhile, the US Federal Reserve (Fed) left interest rates unchanged, citing concern over financial markets and international developments. The European Central Bank (ECB) also kept policy on hold; however, the bank's president, Mario Draghi, hinted at additional monetary easing, particularly if market volatility and emerging market weakness were to persist. Risk assets generally underperformed while government bonds outperformed.

Divergent central bank policy was the primary focus for government bond markets in the second half of the period. "Core" government bonds from the US, the Eurozone and the UK sold off in October. This move was led by US Treasuries, as an unexpectedly hawkish Federal Open Market Committee statement encouraged expectations that the Fed would begin to normalise policy. In November, strong US labour market data helped push the Treasury yield higher as market expectations for the first interest rate hike converged on December. Meanwhile, European Central Bank policy makers continued to talk up the possibility of further easing.

In December, policymakers on both sides of the Atlantic took action. The Fed hiked the target range for the Federal Funds rate by 25 basis points (bps) while the ECB cut its deposit rate by 10 bps and expanded its quantitative easing policy. In reaction, the euro generally

outperformed while European government bonds sold off. Peripheral European government bond spreads over the German Bund also finished the period wider.

The US high-yield market, as measured by the Bank of America Merrill Lynch (BofA ML) U.S. High Yield Master II Index, lost ground over the period, experiencing several bouts of volatility. Investor sentiment in the asset class was dampened by the ongoing downturn in global energy and commodity prices, along with concerns regarding global economic growth. Not surprisingly, lower-rated CCC bonds recorded the greatest losses for the period, underperforming their B and BB rated counterparts. Energy was the weakest-performing sector thanks to the falling oil prices, while the materials sector also significantly lagged the overall market. Conversely, the consumer goods sector recorded a modest positive return and was the strongest performer.

US high yield issuance totaled US\$112.5 billion over the six-month period. The par- and issuer-weighted default rates rose 141 and 133 bp, respectively, ending the reporting period at corresponding levels of 3.50% and 3.38%.

European high yield largely avoided the weakness seen in the US high yield market. However, German car manufacturer Volkswagen (VW) shocked markets by admitting it was engaged in intentionally deceptive behaviour to ensure a range of its vehicles successfully passed emission tests. The fraud was discovered by the US Environmental Protection Agency (EPA) where the issue affects nearly 500,000 cars sold by the group. The EPA has stated the potential maximum fine is \$18 billion.

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The other major investment grade credit mover was Glencore, with the debt of the global mining and commodity trading group falling sharply, moving to valuations more associated with distressed rather than Investment Grade corporates.

Emerging market companies within the index continued to outperform US companies in the 2nd half and in particular during the 4th quarter. During the 4th quarter emerging market high yield companies returned 2.35% vs. 1.44% for European high yield and -2.16% for US high yield companies. Most of this outperformance can be attributed to Eastern Europe and Russian based companies which continued to rebound from the Ukraine driven selloff in 2014.

### Portfolio review

The beginning of the reporting period saw various headwinds including a shift in Chinese-led emerging market demand as well as a continued slump in commodity prices. This pressure continued to weigh on the market for the remainder of the 2nd half except for a short relief rally in October. During the selloff higher rated companies outperformed while lower quality companies underperformed the market. Therefore the Fund's overweight towards lower rated single B and CCC was a drag on performance. However, security selection in European high yield and single Bs helped to offset most of the drag from being overweight lower quality companies.

Another benefit for the Fund was the underweight to the energy sector. The main subsector underweight within energy was an underweight to the energy services segment. The Fund was careful to avoid the energy services subsector because those companies have little pricing power when commodity prices go south and exploration and production (E&P) companies need to cut costs.

Within the E&P energy subsector, the Fund has been selective to invest in companies that have strong balance sheets and lower cost of production. These companies have been smart enough to position their balance sheets to weather storms like the ones occurring now and they will be the ones to benefit when the price rebounds.

The last positive contributor worth mentioning was the Fund's conservative positioning in regards to cash. The Fund carried a higher allocation to cash during the quarter as a way to take advantage of market volatility. The extra cash added to performance since the overall market posted a negative return. The Fund will look to put that cash back to work when opportunities present themselves in 2016.

### Outlook

The fortunes of the Chinese economy and the potential impact of further depreciation in the value of the Yuan will influence investors and policy makers in the coming year. Continued weakness in commodity prices, and in particular the oil price, could further undermine investor sentiment and suppress inflationary pressure. The Fed's projected path of four interest rate hikes in 2016 is higher than market expectations, and this could result in heightened market volatility. While economic data in the US remains solid, a stronger US dollar might hamper stronger growth. The pick-up in Eurozone economic growth should be sustained through 2016 and the ECB, despite disappointing the market with their policy easing package in December, is likely to provide more stimulus over the year.

**Aberdeen Global High Yield Team**  
January 2016

### Statement of Net Assets

As at 31 December 2015

	US\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	13,465
Cash at bank	1,615
Interest receivable	248
Unrealised gains on forward currency exchange contracts (note 2.6)	146
Unrealised gains on swap contracts (note 2.8)	18
<b>Total assets</b>	<b>15,492</b>
<b>Liabilities</b>	
Taxes and expenses payable	15
Other liabilities	194
<b>Total liabilities</b>	<b>209</b>
<b>Net assets at the end of the period</b>	<b>15,283</b>

### Statement of Changes in Net Assets

For the period from 1 July 2015 to 31 December 2015

	US\$'000
Net assets at the beginning of the period	16,673
Net gains from investments	422
Net realised losses	(1,023)
Net unrealised losses	(376)
Proceeds from shares issued	100
Payments for shares redeemed	(117)
Dividends paid (note 5)	(396)
<b>Net assets at the end of the period</b>	<b>15,283</b>

### Statement of Operations

For the period from 1 July 2015 to 31 December 2015

	US\$'000
<b>Income</b>	
Investment income	511
<b>Total income</b>	<b>511</b>
<b>Expenses</b>	
Management fees (note 4.2)	54
Operating, administrative and servicing fees (note 4.3)	35
<b>Total expenses</b>	<b>89</b>
<b>Net gains from investments</b>	<b>422</b>
Realised losses on investments	(884)
Realised losses on swap contracts	(25)
Realised losses on forward currency exchange contracts	(132)
Realised currency exchange gains	18
<b>Net realised losses</b>	<b>(1,023)</b>
Increase in unrealised depreciation on investments	(604)
Increase in unrealised appreciation on swap contracts	18
Decrease in unrealised depreciation on forward currency exchange contracts	249
Unrealised currency exchange losses	(39)
<b>Net unrealised losses</b>	<b>(376)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(977)</b>

### Share Transactions

For the period from 1 July 2015 to 31 December 2015

	A-1	A-2	A(EUR)-1^	E(EUR)-1	E(EUR)-2
Shares outstanding at the beginning of the period	61,425	3,478	60,402	44,658	11,245
Shares issued during the period	1,368	1,000	-	627	-
Shares redeemed during the period	(9,566)	-	-	(500)	(445)
<b>Shares outstanding at the end of the period</b>	<b>53,227</b>	<b>4,478</b>	<b>60,402</b>	<b>44,785</b>	<b>10,800</b>
<b>Net asset value per share</b>	<b>9.2241</b>	<b>9.3709</b>	<b>8.2243</b>	<b>11.0504</b>	<b>11.8066</b>

	I-1	I(EUR)-2^	X-2	Z-2
Shares outstanding at the beginning of the period	1,385,000	66,533	4,800	800
Shares issued during the period	-	485	6,548	-
Shares redeemed during the period	-	(1,435)	-	-
<b>Shares outstanding at the end of the period</b>	<b>1,385,000</b>	<b>65,583</b>	<b>11,348</b>	<b>800</b>
<b>Net asset value per share</b>	<b>9.2214</b>	<b>9.0794</b>	<b>9.5195</b>	<b>9.6325</b>

^ Base currency exposure share class

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					87.44%
<b>Equities 0.24%</b>					
<b>United States 0.24%</b>					
Cengage Learning			1,606	37	0.24
<b>Total Equities</b>				<b>37</b>	<b>0.24</b>
<b>Bonds 87.20%</b>					
<b>Corporate Bonds 84.37%</b>					
<b>Belgium 0.71%</b>					
KBC (PERP)	VAR	29/03/49	100,000	109	0.71
<b>Brazil 0.23%</b>					
JBS USA Finance	5.7500	15/06/25	40,000	35	0.23
<b>Canada 2.90%</b>					
Air Canada	6.7500	01/10/19	75,000	78	0.51
Gateway Casinos & Entertainment	8.5000	26/11/20	100,000	69	0.45
Kissner Milling	7.2500	01/06/19	130,000	123	0.81
MEG Energy	6.3750	30/01/23	130,000	90	0.59
MEG Energy	7.0000	31/03/24	45,000	32	0.21
Northgroup PFD Capital (PERP)	VAR	29/01/49	50,000	51	0.33
				<b>443</b>	<b>2.90</b>
<b>Colombia 0.20%</b>					
Pacific Rubiales Energy	5.1250	28/03/23	150,000	31	0.20
<b>France 3.03%</b>					
Albea Beauty	8.7500	01/11/19	100,000	116	0.76
CEGEDIM	6.7500	01/04/20	200,000	231	1.51
Magnolia (EMTN)	9.0000	01/08/20	100,000	116	0.76
				<b>463</b>	<b>3.03</b>
<b>Germany 1.42%</b>					
ALBA	8.0000	15/05/18	100,000	101	0.66
Safari Holding Verwaltungs	8.2500	15/02/21	100,000	115	0.76
				<b>216</b>	<b>1.42</b>
<b>Indonesia 1.19%</b>					
Pertamina Persero	4.3000	20/05/23	200,000	182	1.19
<b>Italy 0.56%</b>					
Wind Acquisition Finance	7.3750	23/04/21	90,000	85	0.56
<b>Luxembourg 1.16%</b>					
ArcelorMittal	6.5000	01/03/21	86,000	69	0.45
Bank of New York Mellon Luxembourg (EMTN)	FRN	15/12/50	100,000	60	0.39
Intelsat Jackson	6.6250	15/12/22	75,000	48	0.32
				<b>177</b>	<b>1.16</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Mexico 1.77%</b>					
Alfa	6.8750	25/03/44	200,000	187	1.22
Axtel	VAR	31/01/20	80,000	83	0.55
				<b>270</b>	<b>1.77</b>
<b>Netherlands 0.91%</b>					
InterXion	6.0000	15/07/20	100,000	114	0.75
Sensata Technologies	5.0000	01/10/25	25,000	25	0.16
				<b>139</b>	<b>0.91</b>
<b>South Africa 0.51%</b>					
Sappi Papier	7.5000	15/06/32	85,000	78	0.51
<b>Spain 0.61%</b>					
OHL Investments	4.0000	25/04/18	100,000	93	0.61
<b>Sweden 0.74%</b>					
Unilabs Subholding	8.5000	15/07/18	100,000	113	0.74
<b>United Kingdom 12.46%</b>					
Annington Finance No 5	13.0000	15/01/23	112,401	196	1.28
Barclays Bank (PERP)	VAR	29/04/49	50,000	77	0.50
Brighthouse	7.8750	15/05/18	100,000	143	0.94
HBOS Sterling Finance Jersey (PERP)	VAR	29/12/49	50,000	95	0.62
IDH Finance	FRN	01/12/18	100,000	147	0.96
Inmarsat Finance	4.8750	15/05/22	160,000	156	1.02
International Personal Finance (EMTN)	5.7500	07/04/21	100,000	99	0.65
Interoute Finco	7.3750	15/10/20	100,000	114	0.74
Matalan Finance	6.8750	01/06/19	100,000	123	0.81
Nationwide Building Society (EMTN) (PERP)	VAR	11/03/49	100,000	148	0.97
PGH Capital	6.6250	18/12/25	100,000	148	0.97
Rexam	FRN	29/06/67	70,000	77	0.50
Royal Bank of Scotland (PERP)	VAR	29/08/49	75,000	93	0.61
Unique Pub Finance	7.3950	28/03/24	105,000	158	1.04
Virgin Media Secured Finance	5.5000	15/01/25	90,000	131	0.85
				<b>1,905</b>	<b>12.46</b>
<b>United States 55.97%</b>					
AAF	12.0000	01/07/19	1	-	-
ABC Supply	5.7500	15/12/23	13,000	13	0.09
Aircastle	7.6250	15/04/20	130,000	147	0.96
Ally Financial	5.1250	30/09/24	130,000	134	0.87
Ally Financial	5.7500	20/11/25	108,000	110	0.72
Axiall	4.8750	15/05/23	12,000	11	0.07
Bank of America (PERP)	VAR	29/12/49	80,000	81	0.53
Blue Racer Finance	6.1250	15/11/22	160,000	111	0.73
Building Materials of America	9.0000	15/09/18	180,000	188	1.23
Building Materials of America	5.3750	15/11/24	130,000	130	0.85

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Building Materials of America	6.0000	15/10/25	25,000	26	0.17
California Resources	8.0000	15/12/22	77,000	41	0.27
California Resources	6.0000	15/11/24	20,000	6	0.04
California Resources	5.5000	15/09/21	10,000	3	0.02
Calpine	5.7500	15/01/25	115,000	102	0.67
Calpine	7.8750	15/01/23	22,000	24	0.15
CCO Safari	5.7500	15/02/26	47,000	47	0.31
CenturyLink	7.6000	15/09/39	50,000	39	0.25
CenturyLink	7.6500	15/03/42	40,000	31	0.20
CenturyLink	6.7500	01/12/23	10,000	9	0.06
Cenveo	6.0000	01/08/19	185,000	131	0.86
Chaparral Energy	7.6250	15/11/22	56,000	13	0.09
Cogent Communications	5.3750	01/03/22	85,000	83	0.54
Community Health Systems	6.8750	01/02/22	80,000	76	0.50
Compass Minerals International	4.8750	15/07/24	100,000	96	0.63
Constellation Brands	4.7500	01/12/25	14,000	14	0.09
Constellis Finance	9.7500	15/05/20	60,000	49	0.32
Continental Resources	4.9000	01/06/44	58,000	35	0.23
Crown Castle International	5.2500	15/01/23	80,000	84	0.55
DR Horton	5.7500	15/08/23	80,000	86	0.56
DR Horton	4.7500	15/02/23	20,000	20	0.13
Dynegy	7.3750	01/11/22	105,000	92	0.60
Dynegy	7.6250	01/11/24	50,000	43	0.28
Eagle Spinco	4.6250	15/02/21	4,000	4	0.02
Endo Finance	6.0000	15/07/23	86,000	86	0.56
Endo Finance	6.0000	15/07/23	25,000	25	0.16
Energy Future Intermediate	11.7500	01/03/22	39,671	42	0.28
Equinix	5.8750	15/01/26	80,000	83	0.54
Equinix	5.3750	01/04/23	80,000	82	0.54
Evolution Escrow Issuer	7.5000	15/03/22	68,000	40	0.26
First Data	5.0000	15/01/24	16,000	16	0.10
First Maryland Capital 1	FRN	15/01/27	60,000	51	0.33
Florida East Coast	6.7500	01/05/19	80,000	73	0.48
Frontier Communications	10.5000	15/09/22	79,000	79	0.52
General Electric (PERP)	VAR	29/12/49	123,450	124	0.81
GenOn Energy	7.8750	15/06/17	88,000	77	0.50
Goldman Sachs (PERP)	VAR	29/12/49	45,000	45	0.29
Goodyear Tire & Rubber	6.5000	01/03/21	225,000	237	1.56
Goodyear Tire & Rubber	5.1250	15/11/23	90,000	93	0.61
Hardwoods Acquisition	7.5000	01/08/21	70,000	58	0.38
HCA	5.8750	15/02/26	160,000	161	1.05
Hilcorp Energy Finance	5.7500	01/10/25	7,000	6	0.04
Hornbeck Offshore Services	5.0000	01/03/21	47,000	32	0.21
Huntington Ingalls Industries	5.0000	15/11/25	15,000	15	0.10
International Lease Finance	6.2500	15/05/19	115,000	123	0.81
Jones Energy Finance	6.7500	01/04/22	96,000	54	0.35
KB Home	7.0000	15/12/21	155,000	154	1.01
Kinder Morgan (MTN)	7.7500	15/01/32	115,000	110	0.72

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Kindred Healthcare	8.7500	15/01/23	75,000	69	0.45
HJ Heinz Finance	7.1250	01/08/39	20,000	24	0.16
Kratos Defense & Security Solutions	7.0000	15/05/19	100,000	69	0.45
Landry's II	10.2500	01/01/18	195,000	195	1.28
Lennar	4.8750	15/12/23	80,000	80	0.52
Level 3 Financing	5.3750	15/08/22	205,000	209	1.38
MEDNAX	5.2500	01/12/23	11,000	11	0.07
MHGE Parent Finance	8.5000	01/08/19	112,000	111	0.73
Momentive Performance	3.8800	24/10/21	115,000	80	0.52
Morgan Stanley (PERP)	VAR	29/12/49	50,000	50	0.33
Mustang Merger	8.5000	15/08/21	260,000	270	1.78
Nationstar Mortgage	6.5000	01/06/22	35,000	30	0.20
Nationstar Mortgage Capital	6.5000	01/07/21	35,000	31	0.20
New Enterprise Stone & Lime	13.0000	15/03/18	111,159	114	0.75
NewStar Financial	7.2500	01/05/20	55,000	54	0.35
GenOn Energy	9.5000	15/10/18	5,000	4	0.03
NRG Energy	6.2500	01/05/24	165,000	139	0.91
NWH Escrow	7.5000	01/08/21	40,000	32	0.21
Oasis Petroleum	6.8750	15/03/22	143,000	92	0.60
Oasis Petroleum	6.8750	15/01/23	35,000	22	0.14
Palace Entertainment	8.8750	15/04/17	80,000	79	0.51
PaperWorks Industries	9.5000	15/08/19	84,000	77	0.51
PBF Finance	7.0000	15/11/23	35,000	34	0.22
PBF Logistics Finance	6.8750	15/05/23	15,000	14	0.09
Petco	8.5000	15/10/17	80,000	82	0.53
Post	7.3750	15/02/22	120,000	126	0.82
Rite Aid	6.1250	01/04/23	80,000	83	0.54
Sabine Pass Liquefaction	5.7500	15/05/24	100,000	88	0.57
Sabine Pass Liquefaction	5.6250	01/03/25	10,000	9	0.06
Scientific Games International	7.0000	01/01/22	80,000	77	0.50
Sealed Air	5.2500	01/04/23	145,000	149	0.97
Service International	5.3750	15/05/24	75,000	78	0.51
Sinclair Television	5.6250	01/08/24	140,000	137	0.89
Sinclair Television	6.1250	01/10/22	30,000	31	0.20
Springs Industries	6.2500	01/06/21	80,000	80	0.52
Sprint	7.2500	15/09/21	280,000	212	1.40
Standard Pacific	5.8750	15/11/24	70,000	74	0.48
State Street Capital Trust IV	FRN	15/06/37	45,000	37	0.24
Steel Dynamics	5.5000	01/10/24	135,000	124	0.81
Steel Dynamics	5.1250	01/10/21	10,000	9	0.06
Summit Materials Finance	6.1250	15/07/23	160,000	158	1.04
Sun Products	7.7500	15/03/21	100,000	87	0.57
Tenet Healthcare	8.1250	01/04/22	145,000	145	0.95
T-Mobile	6.5000	15/01/26	35,000	35	0.23
TransDigm	6.5000	15/07/24	120,000	120	0.78
TransDigm	6.0000	15/07/22	35,000	34	0.23
Trinseo Materials Operating	6.3750	01/05/22	100,000	108	0.71
Triumph	5.2500	01/06/22	50,000	41	0.27



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
United Rentals	6.1250	15/06/23	15,000	15	0.10
United Rentals North America	5.5000	15/07/25	30,000	29	0.19
United Rentals North American	5.7500	15/11/24	70,000	70	0.46
Valeant Pharmaceuticals	7.5000	15/07/21	30,000	30	0.20
Valeant Pharmaceuticals	6.1250	15/04/25	25,000	22	0.15
Valeant Pharmaceuticals	4.5000	15/05/23	120,000	113	0.74
WR Grace & Co-Conn	5.6250	01/10/24	50,000	51	0.33
WR Grace & Co-Conn	5.1250	01/10/21	50,000	51	0.33
XPO Logistics	7.8750	01/09/19	80,000	82	0.53
Zayo Capital	6.0000	01/04/23	130,000	124	0.81
Zayo Capital	6.3750	15/05/25	10,000	9	0.06
				<b>8,555</b>	<b>55.97</b>
<b>Total Corporate Bonds</b>				<b>12,894</b>	<b>84.37</b>
<b>Government Bonds 2.83%</b>					
<b>Argentina 0.23%</b>					
Argentina (Republic of)	7.0000	17/04/17	35,000	35	0.23
<b>Indonesia 1.41%</b>					
Indonesia (Republic of)	6.7500	15/01/44	200,000	215	1.41
<b>Ivory Coast 1.19%</b>					
Ivory Coast (Government of)	6.3750	03/03/28	200,000	183	1.19
<b>Total Government Bonds</b>				<b>433</b>	<b>2.83</b>
<b>Total Bonds</b>				<b>13,327</b>	<b>87.20</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>13,364</b>	<b>87.44</b>
<b>Other transferable securities and money market instruments 0.66%</b>					
<b>Bonds 0.66%</b>					
<b>Corporate Bonds 0.38%</b>					
<b>United States 0.38%</b>					
Florida East Coast	9.7500	01/05/20	85,000	58	0.38
GMX Resources	9.0000	02/03/18	315,000	-	-
Momentive Performance	8.8750	15/10/20	196,000	-	-
				<b>58</b>	<b>0.38</b>
<b>Total Corporate Bonds</b>				<b>58</b>	<b>0.38</b>
<b>Government Bonds 0.28%</b>					
<b>Argentina 0.28%</b>					
Argentina (Republic of)	8.7500	07/05/24	40,000	43	0.28
<b>Total Government Bonds</b>				<b>43</b>	<b>0.28</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Total Bonds				101	0.66
Total Other transferable securities and money market instruments				101	0.66

Derivatives 1.08%

Forward currency exchange contracts 0.96%

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Barclays Capital	USD	EUR	14/01/16	12,817	12,000	-	-
BNP Paribas	EUR	USD	15/03/16	605,454	659,478	(1)	-
BNP Paribas	EUR	USD	15/03/16	511,290	556,912	-	-
BNP Paribas	EUR	USD	15/03/16	4,212	4,617	-	-
BNP Paribas	EUR	USD	15/03/16	3,549	3,891	-	-
BNP Paribas	USD	EUR	15/03/16	6,143	5,611	-	-
BNP Paribas	USD	EUR	15/03/16	5,910	5,340	-	-
BNP Paribas	USD	EUR	15/03/16	5,196	4,745	-	-
BNP Paribas	USD	EUR	15/03/16	5,015	4,531	-	-
BNP Paribas	USD	EUR	15/03/16	3,884	3,527	-	-
BNP Paribas	USD	EUR	15/03/16	3,615	3,314	-	-
BNP Paribas	USD	EUR	15/03/16	3,305	3,000	-	-
BNP Paribas	USD	EUR	15/03/16	3,061	2,806	-	-
Citigroup	USD	GBP	14/01/16	1,944,528	1,276,000	64	0.42
Deutsche Bank	EUR	USD	14/01/16	17,000	18,206	-	-
Deutsche Bank	USD	EUR	14/01/16	1,852,839	1,627,000	84	0.56
HSBC	EUR	USD	14/01/16	125,000	135,380	-	-
Royal Bank of Canada	EUR	USD	14/01/16	7,400	7,878	-	-
Royal Bank of Canada	USD	CAD	14/01/16	143,948	188,000	9	0.06
Royal Bank of Canada	USD	EUR	14/01/16	80,652	74,000	-	-
UBS	CAD	USD	14/01/16	86,000	64,297	(2)	(0.02)
UBS	EUR	USD	14/01/16	96,000	109,741	(5)	(0.04)
UBS	USD	EUR	14/01/16	118,427	112,000	(3)	(0.02)
Unrealised gains on forward currency exchange contracts						146	0.96

Swaps 0.12%

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Citigroup	USD	20/06/20	500,000	North America High Yield Series 24	5.0000	18	0.12
Unrealised gains on swap contracts						18	0.12
Unrealised gains on derivatives						164	1.08
Total investments						13,629	89.18
Other net assets						1,654	10.82
Total						15,283	100.00

# Global Sovereign Opportunities Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Global Sovereign Opportunities Bond – Z Accumulation shares decreased by 3.10% compared to an increase of 0.79% in the benchmark, Citigroup World Government Bond Index USA.

Source: Aberdeen Asset Management and BNP Paribas.

Basis: Total return, Special Month End Price NAV to NAV, gross of fees, USD.

## Market review

Emerging markets (EM) debt was under pressure over the period across both hard and local currency assets as “risk-off” sentiment persisted particularly in the run-up to the tightening of US monetary policy.

In a turbulent period for global rates, bond markets were impacted across regions by a series of significant events in Europe, Asia and the US which dominated world headlines. China was the focus of many investors’ attention as the country’s economy showed continued signs of a slowdown. In August the Chinese government devalued the renminbi by a record 1.90%, spurring investors to drive the currency to its lowest level in nearly three years. This currency depreciation coupled with weak economic data brought chaos to equity markets, in turn prompting policy makers to take action and cut interest rates by 25 basis points in a bid to calm the storm. In November it was announced that the renminbi will be included in the International Monetary Fund’s Special Drawing Rights basket of currencies from October 2016. While the direct impact of inclusion will be minimal, it confirms China’s ongoing commitment to liberalising its capital account and may result in some gradual managed depreciation over the medium term.

Much of the sentiment over the half-year period was dominated by the looming interest rate hike in the US. September saw the announcement that the US Federal Reserve would not be hiking interest rates. The decision, a surprising result for some, left investors wondering when the hike will finally occur. Following hawkish indications, the Federal Open Market Committee finally confirmed in December that it would raise its target rate by 25 basis points, seven years after cutting to the zero lower bound. On the other hand, the European Central Bank, under-delivered with its expanded stimulus package as the pace of quantitative easing bond purchases was not increased nor was the yield floor on purchases removed.

Elsewhere, the People’s Bank of China eased policy yet again by cutting the Reserve Requirement Ratio by 50 basis points and its benchmark rates by 25 basis points. Oil prices were also a key driver of returns as Organization of the Petroleum Exporting Countries declined to cut production which caused both West Texas Intermediate and Brent crude to fall by over 16% to end the year at around US\$37 per barrel.

## Portfolio review

The Fund underperformed its benchmark over the period under review. It benefitted from a short currency position in Hungary, as well as USD dollar bond holdings in Panama, Paraguay and Honduras. Exposure to Argentine peso was also a positive contributor. Positioning in Brazil, Mexico, Russia and Venezuela all detracted from the Fund.

During the period, we took profits on our 30-year Romania dollar bonds and also reduced the Fund’s position in Jamaica. We participated in the new 30 year bond from Paraguay and increased the Fund’s weighting in El Salvador and Dominican Republic. We reduced both the Fund’s Argentina position and Venezuela holding. We also participated in a sovereign guaranteed note from the Ecuadorean state owned enterprise, Petroecuador. In local currency space, we reduced the Fund’s holdings of Peruvian bonds and on the other side increased exposure to Indonesia. Towards the end of the period, we added to our Indonesia and Russia bond positions and also initiated two IRS trades in Hungary and Malaysia.

## Outlook

EM had another tough year as external factors most notably when US monetary policy would be tightened guided sentiment against the asset class. It should be noted though that on aggregate hard currency sovereign and corporate bonds had positive returns, while local currency rates all avoided losses over 2015 it was in emerging market currencies where most pain was felt. The key is that many more emerging market countries have free-floating exchange rates compared to the US dollar pegs of the past which have allowed currencies to become the favoured “venting mechanism” for the markets to express a negative view. There are some benefits to this: it contains volatility in hard currency spreads and local currency yields, and on a fundamental level improves balance of payments positions by boosting export competitiveness and increasing imports costs. Ultimately, emerging market currencies will stabilise which means that local currency bonds in US dollar terms could become a better performing asset class in the coming years.

Looking ahead, we believe the key risks for emerging markets in the coming year will be the pace of US rate hikes and concerns about Chinese growth that could prompt renewed fears of currency weakness. In the absence of any inflation surprises, we would expect a more moderate pace of US rate hikes to be generally supportive for higher yielding assets. Concerns about China are likely to persist at times, but we believe further stimulus will help prevent a sharp slowdown in growth, and that officials will seek to stem currency volatility in what is still a tightly managed exchange rate.

**Aberdeen Emerging Markets Debt Team**

January 2016

### Statement of Net Assets

As at 31 December 2015

	US\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	56,757
Cash at bank	2,830
Interest receivable	1,096
Subscriptions receivable	1
Receivable for investments sold	815
Unrealised gains on forward currency exchange contracts (note 2.6)	373
Unrealised gains on swap contracts (note 2.8)	116
<b>Total assets</b>	<b>61,988</b>
<b>Liabilities</b>	
Taxes and expenses payable	34
Redemptions payable	1,041
Other liabilities	217
<b>Total liabilities</b>	<b>1,292</b>
<b>Net assets at the end of the period</b>	<b>60,696</b>

### Statement of Changes in Net Assets

For the period from 1 July 2015 to 31 December 2015

	US\$'000
Net assets at the beginning of the period	94,497
Net gains from investments	1,428
Net realised losses	(1,777)
Net unrealised losses	(1,972)
Proceeds from shares issued	26,924
Payments for shares redeemed	(57,941)
Net equalisation paid (Note 10)	(97)
Dividends paid (Note 5)	(366)
<b>Net assets at the end of the period</b>	<b>60,696</b>

### Statement of Operations

For the period from 1 July 2015 to 31 December 2015

	US\$'000
<b>Income</b>	
Investment income	1,597
<b>Total income</b>	<b>1,597</b>
<b>Expenses</b>	
Management fees (note 4.2)	90
Operating, administrative and servicing fees (note 4.3)	79
<b>Total expenses</b>	<b>169</b>
<b>Net gains from investments</b>	<b>1,428</b>
Realised losses on investments	(2,118)
Realised gains on swap contracts	80
Realised gains on forward currency exchange contracts	451
Realised currency exchange losses	(190)
<b>Net realised losses</b>	<b>(1,777)</b>
Increase in unrealised depreciation on investments	(2,408)
Decrease in unrealised appreciation on swap contracts	(130)
Decrease in unrealised depreciation on forward currency exchange contracts	566
<b>Net unrealised losses</b>	<b>(1,972)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(2,321)</b>

### Share Transactions

For the period from 1 July 2015 to 31 December 2015

	I-1	Z-1	Z-2
Shares outstanding at the beginning of the period	10,848,731	166,896	4,632,445
Shares issued during the period	1,805,809	-	1,523,540
Shares redeemed during the period	(1,567,188)	(30,427)	(3,496,183)
<b>Shares outstanding at the end of the period</b>	<b>11,087,352</b>	<b>136,469</b>	<b>2,659,802</b>
<b>Net asset value per share</b>	<b>1.6641</b>	<b>9.0477</b>	<b>15.4186</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					92.99%
<b>Bonds 92.99%</b>					
<b>Corporate Bonds 13.30%</b>					
<b>Brazil 2.08%</b>					
Petrobras Global Finance	FRN	17/03/20	570,000	406	0.67
Petrobras Global Finance	3.0000	15/01/19	130,000	99	0.16
Petrobras Global Finance	6.2500	17/03/24	100,000	72	0.12
Petrobras Global Finance	7.8750	15/03/19	771,000	685	1.13
				<b>1,262</b>	<b>2.08</b>
<b>Chile 0.56%</b>					
Empresa Nacional del Petroleo	4.3750	30/10/24	350,000	337	0.56
<b>Dominican Republic 0.56%</b>					
Mestenio	8.5000	02/01/20	326,667	338	0.56
<b>India 0.62%</b>					
State Bank of India (London)	3.2500	18/04/18	370,000	376	0.62
<b>Kazakhstan 2.51%</b>					
Kazakhstan Temir Zholy Finance	6.9500	10/07/42	450,000	397	0.65
KazMunayGas National	7.0000	05/05/20	340,000	361	0.59
KazMunayGas National (EMTN)	9.1250	02/07/18	700,000	771	1.27
				<b>1,529</b>	<b>2.51</b>
<b>Mexico 3.28%</b>					
Pemex Project Funding Master Trust	6.6250	15/06/35	640,000	575	0.95
Pemex Project Funding Master Trust	6.6250	15/06/38	200,000	177	0.29
Petroleos Mexicanos	6.3750	23/01/45	950,000	808	1.32
Petroleos Mexicanos	6.5000	02/06/41	500,000	435	0.72
				<b>1,995</b>	<b>3.28</b>
<b>Oman 0.69%</b>					
Lamar Funding	3.9580	07/05/25	465,000	417	0.69
<b>South Africa 1.98%</b>					
Transnet	4.5000	10/02/16	1,200,000	1,200	1.98
<b>United Arab Emirates 1.02%</b>					
RAK Capital (EMTN)	3.0940	31/03/25	650,000	619	1.02
<b>Total Corporate Bonds</b>				<b>8,073</b>	<b>13.30</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Government Bonds 79.69%</b>					
<b>Angola 0.44%</b>					
Angola (Republic of)	9.5000	12/11/25	284,000	264	0.44
<b>Argentina 1.64%</b>					
Argentina (Republic of)	8.2800	31/12/33	800,059	923	1.52
Argentina (Republic of)	8.2800	31/12/33	62,769	70	0.12
				993	1.64
<b>Armenia 0.44%</b>					
Armenia (Republic of)	6.0000	30/09/20	276,000	267	0.44
<b>Brazil 7.40%</b>					
Banco Nacional de Desenvolvimento Economico e Social	6.3690	16/06/18	350,000	345	0.57
Banco Nacional de Desenvolvimento Economico e Social	6.5000	10/06/19	250,000	246	0.40
Brazil (Federal Republic of)	10.0000	01/01/25	5,200,000	873	1.43
Brazil (Federal Republic of)	6.0000	15/08/24	790,000	513	0.85
Brazil (Federal Republic of)	6.0000	15/08/30	670,000	416	0.69
Brazil (Federal Republic of)	6.0000	15/08/50	500,000	296	0.49
Brazil (Federal Republic of)	7.1250	20/01/37	290,000	252	0.42
Brazil (Federal Republic of)	6.0000	15/08/16	1,150,000	806	1.32
Brazil (Federal Republic of)	6.0000	15/08/20	1,120,000	749	1.23
				4,496	7.40
<b>Chile 1.02%</b>					
Chile (Republic of)	2.2500	30/10/22	640,000	619	1.02
<b>Costa Rica 0.49%</b>					
Costa Rica (Republic of)	7.1580	12/03/45	350,000	295	0.49
<b>Dominican Republic 1.67%</b>					
Dominican (Republic of)	6.8500	27/01/45	590,000	562	0.93
Dominican (Republic of)	5.8750	18/04/24	450,000	451	0.74
				1,013	1.67
<b>Egypt 0.96%</b>					
Egypt (Republic of)	5.8750	11/06/25	670,000	583	0.96
<b>El Salvador 1.13%</b>					
El Salvador (Republic of)	6.3750	18/01/27	462,000	390	0.65
El Salvador (Republic of)	5.8750	30/01/25	350,000	294	0.48
				684	1.13
<b>Ethiopia 2.08%</b>					
Ethiopia (Republic of)	6.6250	11/12/24	1,420,000	1,264	2.08
<b>Gabon 0.29%</b>					
Gabon (Republic of)	6.9500	16/06/25	220,000	175	0.29

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Georgia 2.13%</b>					
Georgia (Republic of)	6.8750	12/04/21	1,240,000	1,290	2.13
<b>Ghana 1.10%</b>					
Ghana (Republic of)	8.1250	18/01/26	850,000	669	1.10
<b>Guatemala 2.02%</b>					
Guatemala (Republic of)	5.7500	06/06/22	1,160,000	1,227	2.02
<b>Honduras 1.15%</b>					
Honduras (Republic of)	7.5000	15/03/24	660,000	698	1.15
<b>Hungary 5.38%</b>					
Hungary (Republic of)	3.5000	18/07/16	2,950,000	3,264	5.38
<b>Indonesia 7.33%</b>					
Indonesia (Republic of)	5.8750	13/03/20	1,250,000	1,364	2.24
Indonesia (Republic of)	8.3750	15/03/34	19,977,000,000	1,364	2.24
Indonesia (Republic of)	6.6250	17/02/37	470,000	495	0.82
Indonesia (Republic of)	9.0000	15/03/29	4,795,000,000	349	0.58
Perusahaan Penerbit	4.3500	10/09/24	920,000	884	1.45
				<b>4,456</b>	<b>7.33</b>
<b>Iraq 0.95%</b>					
Iraq (Republic of)	5.8000	15/01/28	850,000	575	0.95
<b>Ivory Coast 0.99%</b>					
Ivory Coast (Government of)	6.3750	03/03/28	540,000	493	0.81
Ivory Coast (Government of)	5.7500	31/12/32	120,000	107	0.18
				<b>600</b>	<b>0.99</b>
<b>Jamaica 0.96%</b>					
Jamaica (Government of)	7.8750	28/07/45	599,000	584	0.96
<b>Kenya 0.73%</b>					
Kenya (Republic of)	6.8750	24/06/24	500,000	442	0.73
<b>Mexico 4.41%</b>					
Mexico (Government of)	4.0000	02/10/23	710,000	721	1.19
Mexico (Government of)	6.0500	11/01/40	650,000	715	1.18
Mexico (Government of)	5.7500	05/03/26	10,270,000	572	0.94
Mexico (Government of)	5.5500	21/01/45	350,000	359	0.59
Mexico (Government of)	4.5000	22/11/35	903,100	308	0.51
				<b>2,675</b>	<b>4.41</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Mongolia 1.47%</b>					
Development Bank of Mongolia	5.7500	21/03/17	680,000	652	1.08
Mongolia (Government of)	5.1250	05/12/22	300,000	240	0.39
				<b>892</b>	<b>1.47</b>
<b>Mozambique 0.38%</b>					
Mozambique (Republic of)	6.3050	11/09/20	273,000	230	0.38
<b>Pakistan 0.52%</b>					
Pakistan (Republic of)	8.2500	30/09/25	310,000	317	0.52
<b>Panama 3.46%</b>					
Panama (Republic of)	7.1250	29/01/26	1,270,000	1,585	2.62
Panama (Republic of)	3.7500	16/03/25	520,000	512	0.84
				<b>2,097</b>	<b>3.46</b>
<b>Paraguay 0.95%</b>					
Paraguay (Republic of)	6.1000	11/08/44	600,000	579	0.95
<b>Peru 3.93%</b>					
Peru (Republic of)	7.8400	12/08/20	3,400,000	1,053	1.73
Peru (Republic of)	6.9500	12/08/31	2,668,000	729	1.20
Peru (Republic of)	7.1250	30/03/19	530,000	605	1.00
				<b>2,387</b>	<b>3.93</b>
<b>Russia Federation 2.36%</b>					
Russia (Federation of)	7.0500	19/01/28	125,484,000	1,434	2.36
<b>Rwanda 1.08%</b>					
Rwanda (Republic of)	6.6250	02/05/23	680,000	653	1.08
<b>Senegal 0.52%</b>					
Senegal (Republic of)	8.7500	13/05/21	300,000	316	0.52
<b>Serbia 0.99%</b>					
Serbia (Republic of)	5.2500	21/11/17	580,000	602	0.99
<b>Tanzania 0.74%</b>					
Tanzania (Republic of)	FRN	08/03/20	470,000	449	0.74
<b>Tunisia 1.29%</b>					
Banque Centrale de Tunisie	5.7500	30/01/25	900,000	783	1.29
<b>Turkey 0.50%</b>					
Turkey (Republic of)	6.7500	30/05/40	270,000	301	0.50



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Ukraine 1.05%</b>					
Ukraine (Republic of)	7.7500	01/09/20	255,000	236	0.39
Ukraine (Republic of)	7.7500	01/09/21	223,000	204	0.34
Ukraine (Republic of)	7.7500	01/09/24	118,000	105	0.17
Ukraine (Republic of)	VAR	31/05/40	232,000	93	0.15
				<b>638</b>	<b>1.05</b>
<b>United Arab Emirates 1.16%</b>					
Dubai (Government of) (EMTN)	7.7500	05/10/20	580,000	704	1.16
<b>United States 10.44%</b>					
US Treasury	2.7500	30/11/16	3,752,500	3,819	6.28
US Treasury	2.6250	15/08/20	2,430,000	2,525	4.16
				<b>6,344</b>	<b>10.44</b>
<b>Uruguay 3.04%</b>					
Uruguay (Republic of)	5.1000	18/06/50	750,000	648	1.07
Uruguay (Republic of) (INDX)	5.0000	14/09/18	17,405,000	1,195	1.97
				<b>1,843</b>	<b>3.04</b>
<b>Zambia 1.10%</b>					
Zambia (Republic of)	8.9700	30/07/27	840,000	668	1.10
<b>Total Government Bonds</b>				<b>48,370</b>	<b>79.69</b>
<b>Total Bonds</b>				<b>56,443</b>	<b>92.99</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>56,443</b>	<b>92.99</b>
<b>Other transferable securities and money market instruments 0.52%</b>					
<b>Bonds 0.52%</b>					
<b>Government Bonds 0.52%</b>					
<b>Argentina 0.52%</b>					
Argentina (Republic of)	2.5000	31/12/38	500,000	314	0.52
<b>Venezuela nil</b>					
Venezuela (Republic of) (WTS)	-	15/04/20	1,215	-	-
<b>Total Government Bonds</b>				<b>314</b>	<b>0.52</b>
<b>Total Bonds</b>				<b>314</b>	<b>0.52</b>
<b>Total Other transferable securities and money market instruments</b>				<b>314</b>	<b>0.52</b>

**Derivatives 0.81%**
**Forward currency exchange contracts 0.62%**

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Barclays Capital	INR	USD	22/02/16	8,844,000	131,187	1	-
Barclays Capital	USD	PLN	14/01/16	646,379	2,569,000	(4)	(0.01)
Barclays Capital	USD	THB	14/01/16	624,374	22,317,000	4	0.01
Barclays Capital	USD	PEN	22/02/16	2,459,238	8,356,000	31	0.05
Citigroup	ARS	USD	21/11/16	6,125,000	347,616	6	0.01
Citigroup	INR	USD	22/02/16	77,821,000	1,160,814	6	0.01
Deutsche Bank	EUR	USD	14/01/16	258,000	282,244	(2)	-
Deutsche Bank	USD	EUR	14/01/16	3,632,994	3,180,000	178	0.29
Deutsche Bank	USD	BRL	22/02/16	3,959,053	15,470,000	114	0.19
Deutsche Bank	USD	IDR	22/02/16	1,626,335	23,175,273,000	(24)	(0.04)
Goldman Sachs	IDR	USD	22/02/16	7,725,184,000	534,985	15	0.03
Goldman Sachs	USD	HUF	14/01/16	682,594	194,000,000	16	0.03
Goldman Sachs	USD	PEN	22/02/16	87,619	299,000	1	-
Goldman Sachs	USD	IDR	22/02/16	74,416	1,046,662,000	-	-
Goldman Sachs	USD	RUB	24/02/16	390,686	26,301,000	36	0.06
JPM Chase	MXN	USD	14/01/16	11,812,000	707,440	(24)	(0.04)
JPM Chase	USD	COP	22/02/16	612,481	2,032,212,000	(24)	(0.04)
JPM Chase	USD	MYR	22/02/16	558,171	2,454,000	(10)	(0.02)
UBS	HUF	USD	14/01/16	54,980,000	201,527	(13)	(0.02)
UBS	PLN	USD	14/01/16	2,288,000	591,219	(12)	(0.02)
UBS	PLN	USD	14/01/16	281,000	70,738	-	-
UBS	USD	HUF	14/01/16	1,259,361	343,997,000	77	0.13
UBS	USD	MXN	14/01/16	540,355	9,300,000	2	-
UBS	USD	HUF	14/01/16	133,043	39,083,000	(1)	-
<b>Unrealised gains on forward currency exchange contracts</b>						<b>373</b>	<b>0.62</b>

**Swap contracts 0.19%**

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Unrealised Gains/ (Losses) US\$'000	Percentage of total net assets %
Barclays Capital	USD	20/12/19	2,950,000	1.0000	Hungary Government International Bond	44	0.07
Barclays Capital	USD	20/12/19	2,900,000	1.0000	Colombia Government International Bond	121	0.21
Deutsche Bank	MXN	11/06/18	7,100,000	28 Day MXN TIIE	9.2500	45	0.07
Deutsche Bank	HUF	23/12/19	340,000,000	2.5550	6 Month HUF Bubor	(36)	(0.06)
HSBC	INR	03/03/20	95,700,000	1 Day HS INR Mibor	6.7550	(102)	(0.17)
Morgan Stanley	MXN	27/10/17	26,100,000	28 Day MXN TIIE	5.9850	44	0.07
<b>Unrealised gains on swap contracts</b>						<b>116</b>	<b>0.19</b>
<b>Unrealised gains on derivatives</b>						<b>489</b>	<b>0.81</b>
<b>Total investments</b>						<b>57,246</b>	<b>94.32</b>
<b>Other net assets</b>						<b>3,450</b>	<b>5.68</b>
<b>Total</b>						<b>60,696</b>	<b>100.00</b>

# Sterling Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Sterling Bond - Z Accumulation shares increased by 1.52% compared to an increase of 1.79% in the benchmark, Bank of America Merrill Lynch Sterling Broad Market Index.

Source: Aberdeen Asset Management and BNP Paribas.

Basis: Total return, Special Month End Price NAV to NAV, gross of fees, GBP.

## Market review

UK government bond yields moved marginally lower and prices higher, with the yield on the benchmark 10 year Gilt moving from 2.03% to 1.96%. However, this masked a fair degree of intra-period volatility. From the start of July to the end of September, Gilts benefited both from accommodative monetary policy and a continued atmosphere of geopolitical uncertainty. That drove yields as low as 1.76% by 30 September.

As the review period wore on, the Greek crisis was supplanted in the minds of investors by anxiety over Chinese economic growth and its implications for emerging markets (EMs) and for commodity prices. On top of that, there was uncertainty over the timing of a first US interest rate increase.

During September, the Bank of England's (BOE) monetary policy committee (MPC) voted by a majority 8-1 to keep UK interest rates unchanged. Indeed, from then until the end of 2015, the MPC was consistently split along the same proportions. However, market pricing for the first rate hike has been far from steady. Between September and December 2015, market expectations for the timing of the first rise were brought forward from March 2017 to November 2016. Gilt yield levels rose too, all but retracing the fall of the previous three months. Further upward pressure on yields was driven by the ECB under delivery on its latest round of monetary stimulus at the start of December.

Corporate bonds experienced a large measure of volatility in the first three months of the review period. At first the focus was on events in Greece, but switched to concerns over China and the impact of its slowing economic growth on global gross domestic product and commodity prices. The prospect of rising US interest rates also kept market participants wary. Latterly, there was a rising incidence of company-specific risks such as Glencore and Volkswagen. Over the quarter as a whole, corporate bonds underperformed government bonds as yield spreads widened.

However, from October onwards there was a somewhat better market tone for European investment grade credit, partially reversing the widening of spreads seen in August and September. This stemmed largely from a moderation in concerns over the Chinese slowdown, together with the potential for further policy easing from the European Central Bank (ECB). Concerns over both Volkswagen and Glencore also subsided a little, helping the market tone. November was another positive month for credit, with markets grinding tighter ahead of the important upcoming central bank meetings in both Europe and the US. A modest widening in credit spreads during December, two basis points for the Sterling Aggregate Corporate index, provided a lacklustre finish to a disappointing period for investment grade credit spreads.

## Portfolio review

Asset allocation was neutral between government and corporate bond assets until November, when we moved underweight UK investment grade credit as the momentum of economic growth faded. We were overweight European inflation linked bonds, which were expected to outperform as the ECB maintained its accommodative monetary policy stance. The government assets were invested long of duration compared to the benchmark and with a bias to longer maturity stocks. This was on the basis of cheap valuations and strong demand from liability driven investment investors. The credit assets were invested long of the market. Latterly, the Fund was overweight in an opportunistic emerging market debt fund, which should be able to take advantage of significant differentiation within emerging market debt.

## Outlook

Market expectations for interest rate hikes in the UK remain subdued. The Bank of England's Monetary Policy Committee continues to take a dovish tone. "Brexit" concerns are likely to increase in 2016 ahead of the referendum on whether to leave the European Union.

Turning to economics, UK data continue to show divergence between domestic strength and external weakness. Consumers should continue to enjoy improved spending power, with gradually strengthening wage growth and a modest pick-up in inflation helping to offset some of the headwinds from fiscal tightening. Business investment looks set to remain strong, with rates of return and firms' cash holdings close to previous peaks.

The outlook for corporate bonds remains in the balance. The ECB will continue its quantitative easing programme in 2016, and this is likely to support risk assets. In contrast, US interest rate rises could lead to outflows from the asset class. Weakness in emerging markets and commodities is weighing on corporate earnings, but this should not signal a sharp decline in investment grade credit quality.

## Aberdeen UK Fixed Income Team

January 2016

**Statement of Net Assets**

As at 31 December 2015

	£'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	233,967
Cash at bank	734
Interest receivable	2,565
Receivable for investments sold	706
<b>Total assets</b>	<b>237,972</b>
<b>Liabilities</b>	
Taxes and expenses payable	99
Redemptions payable	283
Unrealised losses on forward currency exchange contracts (note 2.6)	857
Other liabilities	1,188
<b>Total liabilities</b>	<b>2,427</b>
<b>Net assets at the end of the period</b>	<b>235,545</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	£'000
Net assets at the beginning of the period	277,749
Net gains from investments	2,660
Net realised gains	1,202
Net unrealised losses	(243)
Proceeds from shares issued	54,257
Payments for shares redeemed	(98,549)
Net equalisation paid (note 10)	(343)
Dividends paid (note 5)	(1,188)
<b>Net assets at the end of the period</b>	<b>235,545</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	£'000
<b>Income</b>	
Investment income	3,225
Bank interest	2
<b>Total income</b>	<b>3,227</b>
<b>Expenses</b>	
Management fees (note 4.2)	299
Operating, administrative and servicing fees (note 4.3)	268
<b>Total expenses</b>	<b>567</b>
<b>Net gains from investments</b>	<b>2,660</b>
Realised gains on investments	925
Realised gains on forward currency exchange contracts	375
Realised currency exchange losses	(98)
<b>Net realised gains</b>	<b>1,202</b>
Increase in unrealised appreciation on investments in securities	1,040
Decrease in unrealised appreciation on forward currency exchange contracts	(1,288)
Unrealised currency exchange gains	5
<b>Net unrealised losses</b>	<b>(243)</b>
<b>Net increase in assets as a result of operations</b>	<b>3,619</b>

The accompanying notes form an integral part of these financial statements.

## Share Transactions

For the period from 1 July 2015 to 31 December 2015

	A -1	A -2	I -2	J -2
Shares outstanding at the beginning of the period	13,220	7,921	10,542,020	2,351,550
Shares issued during the period	549	5,453	21,807,133	43,555
Shares redeemed during the period	(1,683)	(5,631)	(28,078,374)	(120,775)
<b>Shares outstanding at the end of the period</b>	<b>12,086</b>	<b>7,743</b>	<b>4,270,779</b>	<b>2,274,330</b>
<b>Net asset value per share</b>	<b>647.9591</b>	<b>2,328.7641</b>	<b>1.8145</b>	<b>17.4887</b>

	K -2	X -2	Z -1	Z -2
Shares outstanding at the beginning of the period	1,540,287	21,834	113,237,234	3,603,812
Shares issued during the period	24,967	8,980	316,183	2,632
Shares redeemed during the period	(183,885)	-	(19,938,070)	(486,554)
<b>Shares outstanding at the end of the period</b>	<b>1,381,369</b>	<b>30,814</b>	<b>93,615,347</b>	<b>3,119,890</b>
<b>Net asset value per share</b>	<b>1.9879</b>	<b>10.8099</b>	<b>1.1114</b>	<b>17.6416</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					95.11%
<b>Bonds 95.11%</b>					
<b>Corporate Bonds 26.37%</b>					
<b>Australia 0.59%</b>					
APT Pipelines	3.5000	22/03/30	700,000	646	0.28
National Australia Bank (EMTN)	5.1250	09/12/21	400,000	454	0.19
Scentre Group Trust 1 Trust 2 (EMTN)	2.3750	08/04/22	300,000	294	0.12
				<b>1,394</b>	<b>0.59</b>
<b>Belgium 0.70%</b>					
Anheuser-Busch Inbev (EMTN)	6.5000	23/06/17	1,550,000	1,660	0.70
<b>France 1.71%</b>					
AXA (EMTN) (PERP)	VAR	29/11/49	850,000	853	0.36
BPCE	5.2500	16/04/29	300,000	314	0.13
Electricite de France (EMTN)	6.1250	02/06/34	900,000	1,094	0.46
Electricite de France (EMTN) (PERP)	VAR	22/07/49	800,000	745	0.32
France Telecom (EMTN)	5.6250	23/01/34	870,000	1,033	0.44
				<b>4,039</b>	<b>1.71</b>
<b>Germany 0.70%</b>					
E.ON International Finance (EMTN)	6.3750	07/06/32	350,000	419	0.18
E.ON International Finance (EMTN)	6.7500	27/01/39	200,000	251	0.11
E.ON International Finance (EMTN)	5.8750	30/10/37	200,000	228	0.10
RWE Finance (EMTN)	5.5000	06/07/22	200,000	219	0.09
Volkswagen Financial Services (EMTN)	2.6250	22/07/19	540,000	534	0.22
				<b>1,651</b>	<b>0.70</b>
<b>Italy 0.37%</b>					
Enel	VAR	15/09/76	100,000	104	0.04
Enel (EMTN)	5.7500	22/06/37	300,000	355	0.15
Enel Finance International (EMTN)	5.6250	14/08/24	350,000	410	0.18
				<b>869</b>	<b>0.37</b>
<b>Mexico 0.35%</b>					
America Movil SAB	VAR	06/09/73	790,000	813	0.35
<b>Netherlands 1.25%</b>					
ABN AMRO Bank (EMTN)	2.2500	11/09/17	2,500,000	2,532	1.08
Rabobank Nederland (EMTN)	4.6250	23/05/29	400,000	406	0.17
				<b>2,938</b>	<b>1.25</b>
<b>New Zealand 0.19%</b>					
Chorus (EMTN)	6.7500	06/04/20	400,000	457	0.19
<b>Norway 0.21%</b>					
Statoil (EMTN)	6.8750	11/03/31	350,000	486	0.21

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
<b>Spain 0.09%</b>					
Telefonica Emisiones (EMTN)	5.2890	09/12/22	200,000	221	0.09
<b>Sweden 0.18%</b>					
Svenska Handelsbanken (EMTN)	4.0000	18/01/19	400,000	426	0.18
<b>Switzerland 0.47%</b>					
Glencore Finance (EMTN)	6.5000	27/02/19	600,000	559	0.24
Holcim GB Finance (EMTN)	8.7500	24/04/17	500,000	545	0.23
				<b>1,104</b>	<b>0.47</b>
<b>United Kingdom 16.76%</b>					
Abbey National Treasury Services (EMTN)	3.8750	15/10/29	350,000	369	0.16
Amlin	FRN	19/12/26	450,000	461	0.20
Aspire Defence Finance	4.6740	31/03/40	1,025,525	1,146	0.49
Aviva (EMTN)	FRN	03/06/41	600,000	652	0.28
Aviva (EMTN)	VAR	04/06/50	450,000	426	0.18
Aviva (EMTN)	FRN	20/05/58	300,000	335	0.14
Barclays Bank (EMTN)	10.0000	21/05/21	900,000	1,163	0.49
BG Energy Capital	VAR	30/11/72	1,200,000	1,272	0.54
BP Capital Markets (EMTN)	4.3250	10/12/18	900,000	964	0.41
BUPA Finance	3.3750	17/06/21	1,080,000	1,106	0.47
Canary Wharf Finance II	6.4550	22/10/33	151,110	200	0.08
Centrica	VAR	10/04/75	300,000	288	0.12
Centrica (EMTN)	4.2500	12/09/44	300,000	295	0.13
Circle Anglia Social Housing	7.2500	12/11/38	150,000	223	0.09
Circle Anglia Social Housing (EMTN)	5.2000	02/03/44	500,000	599	0.25
Control Section 1 Finance	5.2340	02/05/35	1,707,857	2,034	0.85
CRH Finance UK (EMTN)	4.1250	02/12/29	200,000	201	0.09
Dŵr Cymru Finance	6.9070	31/03/21	900,000	1,091	0.46
Eastern Power Networks (EMTN)	6.2500	12/11/36	440,000	583	0.25
EE Finance (EMTN)	4.3750	28/03/19	1,400,000	1,490	0.63
Firstgroup	8.7500	08/04/21	200,000	248	0.11
Gatwick Funding (EMTN)	6.5000	02/03/41	400,000	545	0.23
Great Rolling Stock (EMTN)	6.5000	05/04/31	364,800	459	0.19
Heathrow Funding (EMTN)	4.6250	31/10/46	550,000	602	0.26
HSBC (EMTN)	6.5000	20/05/24	550,000	679	0.29
HSBC (EMTN)	7.0000	07/04/38	400,000	520	0.22
HSBC (EMTN)	5.7500	20/12/27	250,000	279	0.12
Imperial Tobacco Finance (EMTN)	5.5000	28/09/26	600,000	700	0.30
Imperial Tobacco Finance (EMTN)	4.8750	07/06/32	445,000	482	0.20
InterContinental Hotels (EMTN)	3.7500	14/08/25	300,000	299	0.13
LCR Finance	4.5000	07/12/28	815,000	987	0.42
Lloyds TSB (EMTN)	7.6250	22/04/25	241,000	309	0.13
Motability Operations (EMTN)	4.3750	08/02/27	400,000	447	0.19
National Grid Gas (EMTN)	6.3750	03/03/20	350,000	412	0.17
Nats En Route	5.2500	31/03/26	725,994	825	0.35
Orbit Capital	3.5000	24/03/45	300,000	270	0.11

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
Paragon Treasury	3.6250	21/01/47	600,000	554	0.24
PGH Capital	5.7500	07/07/21	200,000	215	0.09
Prudential (EMTN)	VAR	20/07/55	600,000	560	0.24
RI Finance Bonds No 3	6.1250	13/11/28	200,000	203	0.09
RMPA Services	5.3370	30/09/38	290,948	334	0.14
Royal Bank of Scotland (EMTN)	6.8750	17/05/25	500,000	651	0.28
RSA Insurance	VAR	10/10/45	400,000	388	0.16
Scotland Gas Network	4.7500	21/02/17	650,000	674	0.29
Scottish Widows	5.5000	16/06/23	600,000	627	0.27
Society of Lloyd's	4.7500	30/10/24	904,000	934	0.40
Southern Gas Network (EMTN)	5.1250	02/11/18	1,820,000	1,979	0.84
Southern Gas Networks (EMTN)	2.5000	03/02/25	200,000	191	0.08
Southern Water Services Finance (EMTN)	5.0000	31/03/21	800,000	890	0.38
Southern Water Services Finance (EMTN)	6.1250	31/03/19	244,000	274	0.12
SSE (PERP)	VAR	29/12/49	600,000	577	0.25
Stagecoach	4.0000	29/09/25	160,000	161	0.07
Standard Chartered Bank (EMTN)	4.3750	18/01/38	375,000	362	0.15
Tesco (EMTN)	5.5000	13/01/33	600,000	552	0.23
THFC Funding No 3 (EMTN)	5.2000	11/10/43	470,000	565	0.24
Transport for London (EMTN)	4.5000	31/03/31	500,000	570	0.24
Transport for London (EMTN)	3.8750	23/07/42	300,000	328	0.14
UPP (EMTN)	4.9023	28/02/40	1,028,501	1,143	0.49
Wessex Water Services Finance (EMTN)	4.0000	24/09/21	700,000	751	0.32
Western Power Distribution South West	5.7500	23/03/40	350,000	442	0.19
Western Power Distribution South West	5.8750	25/03/27	200,000	244	0.10
Western Power Distribution West Midlands (EMTN)	3.8750	17/10/24	330,000	347	0.15
Whitbread	3.3750	16/10/25	107,000	106	0.04
White City Property Finance	5.1202	17/04/35	521,731	604	0.26
Yorkshire Water Services Bradford	6.3750	19/08/39	550,000	750	0.32
3i (EMTN)	6.8750	09/03/23	430,000	518	0.22
				<b>39,455</b>	<b>16.76</b>
<b>United States 2.80%</b>					
Apple	3.6000	31/07/42	540,000	532	0.23
AT&T	4.8750	01/06/44	470,000	478	0.20
AT&T	4.2500	01/06/43	300,000	278	0.12
Citigroup (EMTN)	7.6250	03/04/18	207,000	233	0.10
GE Capital UK Funding (EMTN)	4.3750	31/07/19	1,300,000	1,400	0.58
Goldman Sachs (EMTN)	4.2500	29/01/26	300,000	320	0.14
Health Care REIT	4.8000	20/11/28	1,170,000	1,236	0.52
HJ Heinz	4.1250	01/07/27	200,000	204	0.09
Mondelez International	3.8750	06/03/45	152,000	134	0.06
Northern Powergrid Yorks	4.3750	05/07/32	350,000	379	0.16
Pfizer	6.5000	03/06/38	250,000	345	0.15
Verizon Communications (EMTN)	4.7500	17/02/34	500,000	531	0.23
Wal-Mart Stores	4.8750	19/01/39	450,000	529	0.22
				<b>6,599</b>	<b>2.80</b>



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
<b>Total Corporate Bonds</b>				<b>62,112</b>	<b>26.37</b>
<b>Government Bonds 68.74%</b>					
<b>Germany 3.42%</b>					
Germany (Republic of) (INDX)	0.1000	15/04/23	6,478,000	5,190	2.20
Germany (Republic of) (INDX)	0.5000	15/04/30	3,502,000	2,866	1.22
				<b>8,056</b>	<b>3.42</b>
<b>Italy 1.58%</b>					
Italy (Republic of)	2.0000	01/12/25	4,866,000	<b>3,721</b>	<b>1.58</b>
<b>Spain 1.59%</b>					
Spain (Kingdom of)	2.1500	31/10/25	4,946,000	<b>3,754</b>	<b>1.59</b>
<b>United Kingdom 62.15%</b>					
UK Treasury	1.7500	22/07/19	17,902,000	18,279	7.75
UK Treasury	4.0000	07/09/16	17,551,000	17,992	7.64
UK Treasury	4.2500	07/06/32	12,585,000	15,750	6.69
UK Treasury	1.2500	22/07/18	11,367,000	11,475	4.87
UK Treasury	3.5000	22/01/45	9,778,000	11,422	4.85
UK Treasury	4.5000	07/09/34	5,748,000	7,461	3.17
UK Treasury	4.2500	07/12/40	5,202,000	6,728	2.86
UK Treasury	3.7500	22/07/52	5,127,000	6,569	2.79
UK Treasury	4.2500	07/12/49	4,587,000	6,314	2.68
UK Treasury	4.5000	07/12/42	4,031,000	5,472	2.32
UK Treasury	4.7500	07/12/38	3,937,000	5,388	2.29
UK Treasury	3.7500	07/09/19	4,734,000	5,186	2.20
UK Treasury	3.7500	07/09/20	4,352,000	4,840	2.05
UK Treasury	4.5000	07/03/19	4,091,000	4,545	1.93
UK Treasury	4.0000	22/01/60	3,143,000	4,385	1.86
UK Treasury	3.5000	22/07/68	2,532,000	3,253	1.38
UK Treasury	4.2500	07/03/36	1,835,000	2,320	0.99
UK Treasury	3.2500	22/01/44	1,903,000	2,121	0.90
UK Treasury	2.0000	22/07/20	2,032,000	2,091	0.89
UK Treasury	4.2500	07/12/46	1,105,000	1,485	0.63
UK Treasury	4.2500	07/09/39	860,000	1,104	0.47
UK Treasury	1.0000	07/09/17	723,000	727	0.31
UK Treasury	3.7500	07/09/21	633,000	712	0.30
UK Treasury	1.7500	22/01/17	483,000	490	0.21
UK Treasury	8.0000	07/06/21	214,000	288	0.12
				<b>146,397</b>	<b>62.15</b>
<b>Total Government Bonds</b>				<b>161,928</b>	<b>68.74</b>
<b>Total Bonds</b>				<b>224,040</b>	<b>95.11</b>

						Percentage of total net assets	
Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	%		
Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market				224,040	95.11		
Other transferable securities and money market instruments 0.40%							
Bonds 0.40%							
Asset Backed Bonds / Mortgage Backed Bonds 0.03%							
United Kingdom 0.03%							
Gemgarto 2015-1	FRN	16/02/47	80,991	81	0.03		
Total Asset Backed Bonds / Mortgage Backed Bonds				81	0.03		
Corporate Bonds 0.37%							
United Kingdom 0.37%							
Porterbrook Rail Finance (EMTN)	4.6250	04/04/29	780,000	855	0.37		
Total Corporate Bonds				855	0.37		
Total Bonds				936	0.40		
Total Other transferable securities and money market instruments				936	0.40		
Investment Funds 3.82%							
Aberdeen Global II - Global Sovereign Opportunities Bond Fund Z-2†			858,323	8,979	3.81		
Aberdeen Liquidity Fund (Lux) Sterling Z-1†			12	12	0.01		
				8,991	3.82		
Total Investment Funds				8,991	3.82		
Derivatives (0.36%)							
Forward currency exchange contracts (0.36%)							
Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) £'000	Percentage of total net assets %
Citigroup	EUR	GBP	07/03/16	689,000	496,236	12	0.01
Goldman Sachs	GBP	USD	07/03/16	9,698,384	14,587,000	(197)	(0.08)
Goldman Sachs	USD	GBP	07/03/16	558,000	371,942	7	-
HSBC	GBP	EUR	07/03/16	7,021,110	9,941,000	(317)	(0.13)
JPM Chase	USD	GBP	07/03/16	1,041,000	702,371	4	-
Royal Bank of Canada	EUR	GBP	07/03/16	276,000	203,735	-	-
UBS	GBP	EUR	07/03/16	8,174,794	11,569,000	(366)	(0.16)
Unrealised losses on forward currency exchange contracts						(857)	(0.36)
Unrealised losses on derivatives						(857)	(0.36)
Total investments						233,110	98.97
Other net assets						2,435	1.03
Total						235,545	100.00

<sup>†</sup> Managed by subsidiaries of Aberdeen Asset Management PLC.

# Sterling Credit Bond

For the period ended 31 December 2015

## Performance

For the period to 31 December 2015, the value of Sterling Credit Bond – Z Accumulation shares increased by 1.67% compared to an increase of 1.49% in the benchmark, Bank of America Merrill Lynch Sterling Non-Gilts Index.

Source: Aberdeen Asset Management and BNP Paribas.

Basis: Total return, Special Month End Price NAV to NAV, gross of fees, GBP.

## Market review

Corporate bonds experienced a large measure of volatility in the first three months of the review period. At first the focus was on events in Greece, but switched to concerns over China and the impact of its slowing economic growth on global gross domestic product and commodity prices. The prospect of rising US interest rates also kept market participants wary. Latterly, there was a rising incidence of company-specific risks. Over the quarter as a whole, corporate bonds underperformed government bonds as yield spreads widened.

However, from October onwards there was a somewhat better market tone for European investment grade credit, partially reversing the widening of spreads seen in August and September. This stemmed largely from a moderation in concerns over the Chinese slowdown, together with the potential for further policy easing from the European Central Bank (ECB). Concerns over high-profile poor performers such as Volkswagen and Glencore also subsided a little, helping the market tone. November was another positive month for credit, with markets grinding tighter ahead of the important upcoming central bank meetings in both Europe and the US. A modest widening in credit spreads during December meant corporate bonds underperformed their government bond counterparts, providing a lacklustre finish to a disappointing period.

## Portfolio review

The Fund struggled early on as corporate bonds performed poorly relative to government bonds. That said, overall returns remained positive due to the fall in government bond yields. An overweight position in bonds issued by insurers harmed performance while underweight positions in some of the more defensive sectors, such as supranationals and quasi-sovereigns, also detracted from returns. On a more positive note, a long position in asset-backed securities and a short exposure to the utilities sector both had positive impacts on performance.

Latterly, performance improved, boosted by an absence of poorly-performing agency and quasi-government issuers from the portfolio, as well as overweight positions relative to benchmark in senior bank, subordinated insurance and telecom bonds. Over the review period as a whole, the Fund outperformed its benchmark.

The German utility RWE, a significant underweight position in the Fund given ongoing pressures on its industry, performed poorly over the period. This resulted in a positive impact on the Fund relative to benchmark. Exposure to UK government bonds was also beneficial for performance. Latterly, the Fund experienced relatively low turnover. Bonds from CRH and Chorus were purchased in the primary market. In turn, housing association bonds were reduced. The Fund did not have exposure to bonds issued by either Glencore or Volkswagen.

A neutral duration position relative to the benchmark was maintained throughout the review period.

## Outlook

The outlook for corporate bonds remains in the balance. The ECB will continue its quantitative easing programme in 2016, and this is likely to support risk assets. In contrast, US interest rate rises could lead to outflows from the asset class. Weakness in emerging markets and commodities is weighing on corporate earnings, but this should not signal a sharp decline in investment grade credit quality.

Slow positive growth in the Eurozone is a supportive environment for investment grade credit. However, these conditions could result in an acceleration of credit-negative mergers and acquisition activity due to increased management confidence in the Eurozone economy. There could also be an increase in the targeting of European companies from overseas. Net issuance in Eurozone markets is likely to accelerate in 2016, driven by an increase in supply from the banking sector and continued overseas issuance into European markets.

## Aberdeen UK Fixed Income Team

January 2016

**Statement of Net Assets**

As at 31 December 2015

	£'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	162,019
Cash at bank	3,290
Amounts held at futures clearing houses and brokers	115
Interest receivable	3,106
Unrealised gains on forward currency exchange contracts (note 2.6)	52
Unrealised gains on swap contracts (note 2.8)	5
<b>Total assets</b>	<b>168,587</b>
<b>Liabilities</b>	
Taxes and expenses payable	41
Redemptions payable	1,010
Unrealised losses on future contracts (note 2.7)	9
Other liabilities	172
<b>Total liabilities</b>	<b>1,232</b>
<b>Net assets at the end of the period</b>	<b>167,355</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	£'000
Net assets at the beginning of the period	169,786
Net gains from investments	2,899
Net realised gains	777
Net unrealised losses	(1,328)
Proceeds from shares issued	18,365
Payments for shares redeemed	(22,918)
Net equalisation paid (note 10)	(54)
Dividends paid (note 5)	(172)
<b>Net assets at the end of the period</b>	<b>167,355</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	£'000
<b>Income</b>	
Investment income	3,073
Bank interest	2
<b>Total income</b>	<b>3,075</b>
<b>Expenses</b>	
Management fees (note 4.2)	6
Operating, administrative and servicing fees (note 4.3)	170
<b>Total expenses</b>	<b>176</b>
<b>Net gains from investments</b>	<b>2,899</b>
Realised gains on investments	427
Realised gains on future contracts	86
Realised gains on swap contracts	54
Realised gains on forward currency exchange contracts	207
Realised currency exchange gains	3
<b>Net realised gains</b>	<b>777</b>
Decrease in unrealised appreciation on investments	(1,365)
Increase in unrealised depreciation on future contracts	(1)
Decrease in unrealised appreciation on swap contracts	(14)
Increase in unrealised appreciation on forward currency exchange contracts	50
Unrealised currency exchange gains	2
<b>Net unrealised losses</b>	<b>(1,328)</b>
<b>Net increase in assets as a result of operations</b>	<b>2,348</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	I-1	I-2	K-1	Z-1	Z-2
Shares outstanding at the beginning of the period	62,235	290,708	51,501	1,189,803	79,299,699
Shares issued during the period	-	6,439,432	-	9,574	2,272,852
Shares redeemed during the period	(50,468)	(553,309)	(1)	(242,716)	(9,772,839)
<b>Shares outstanding at the end of the period</b>	<b>11,767</b>	<b>6,176,831</b>	<b>51,500</b>	<b>956,661</b>	<b>71,799,712</b>
<b>Net asset value per share</b>	<b>1.0805</b>	<b>2.1473</b>	<b>1.2170</b>	<b>10.2447</b>	<b>2.0086</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					91.25%
<b>Bonds 91.25%</b>					
<b>Corporate Bonds 78.69%</b>					
<b>Australia 1.60%</b>					
APT Pipelines	3.5000	22/03/30	1,050,000	970	0.58
BHP Billiton Finance (EMTN)	3.2500	25/09/24	1,047,000	1,020	0.61
Scentre Group Trust 1 Trust 2 (EMTN)	2.3750	08/04/22	700,000	685	0.41
				<b>2,675</b>	<b>1.60</b>
<b>Belgium 0.90%</b>					
Anheuser-Busch Inbev (EMTN)	6.5000	23/06/17	1,406,000	1,506	0.90
<b>Cayman Islands 0.72%</b>					
Lunar Funding I (EMTN)	5.7500	18/10/33	966,000	1,206	0.72
<b>France 8.77%</b>					
AXA (EMTN)	VAR	16/01/54	500,000	501	0.30
AXA (EMTN) (PERP)	VAR	29/11/49	1,200,000	1,205	0.72
BPCE	5.2500	16/04/29	700,000	732	0.44
Electricite de France (EMTN)	6.1250	02/06/34	1,150,000	1,397	0.83
Electricite de France (EMTN)	5.1250	22/09/50	1,100,000	1,202	0.72
Electricite de France (EMTN)	6.2500	30/05/28	500,000	616	0.37
Electricite de France (EMTN)	5.5000	27/03/37	500,000	569	0.34
Electricite de France (EMTN) (PERP)	VAR	22/07/49	1,300,000	1,210	0.72
France Telecom (EMTN)	5.6250	23/01/34	1,138,000	1,352	0.81
France Telecom (EMTN)	5.3750	22/11/50	500,000	587	0.35
Natixis (EMTN)	5.8750	24/02/20	1,369,000	1,569	0.94
Orange (EMTN) (PERP)	VAR	29/10/49	2,055,000	2,036	1.21
Total Capital International (EMTN)	2.2500	17/12/20	1,685,000	1,705	1.02
				<b>14,681</b>	<b>8.77</b>
<b>Germany 2.21%</b>					
E.ON International Finance (EMTN)	6.3750	07/06/32	900,000	1,078	0.64
E.ON International Finance (EMTN)	5.8750	30/10/37	400,000	456	0.27
E.ON International Finance (EMTN)	6.7500	27/01/39	300,000	377	0.23
RWE Finance (EMTN)	5.5000	06/07/22	500,000	547	0.33
Siemens Financieringsmaatschappij (EMTN)	3.7500	10/09/42	100,000	100	0.06
Volkswagen Financial Services (EMTN)	2.6250	22/07/19	1,156,000	1,142	0.68
				<b>3,700</b>	<b>2.21</b>
<b>Italy 1.17%</b>					
Enel	VAR	15/09/76	100,000	104	0.06
Enel (EMTN)	5.7500	22/06/37	200,000	236	0.14
Enel Finance International (EMTN)	5.6250	14/08/24	994,000	1,165	0.70
Enel Finance International (EMTN)	5.7500	14/09/40	382,000	452	0.27
				<b>1,957</b>	<b>1.17</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
<b>Jersey 0.59%</b>					
ASIF III Jersey (EMTN)	5.0000	18/12/18	901,000	982	0.59
<b>Netherlands 1.86%</b>					
ABN AMRO Bank (EMTN)	2.2500	11/09/17	2,183,000	2,211	1.32
Aegon	6.6250	16/12/39	200,000	282	0.17
Rabobank Nederland (EMTN)	4.6250	23/05/29	604,000	613	0.37
				<b>3,106</b>	<b>1.86</b>
<b>New Zealand 0.61%</b>					
Chorus (EMTN)	6.7500	06/04/20	900,000	1,028	0.61
<b>Norway 0.39%</b>					
Statoil (EMTN)	4.2500	10/04/41	485,000	513	0.30
Statoil (EMTN)	6.8750	11/03/31	103,000	143	0.09
				<b>656</b>	<b>0.39</b>
<b>Spain 0.46%</b>					
Telefonica Emisiones (EMTN)	5.5970	12/03/20	700,000	772	0.46
<b>Sweden 0.08%</b>					
Svenska Handelsbanken (EMTN)	4.0000	18/01/19	119,000	127	0.08
<b>Switzerland 0.92%</b>					
Glencore Finance (EMTN)	6.5000	27/02/19	1,150,000	1,071	0.64
Holcim GB Finance (EMTN)	8.7500	24/04/17	424,000	462	0.28
				<b>1,533</b>	<b>0.92</b>
<b>United Kingdom 47.50%</b>					
Abbey National Treasury Services (EMTN)	3.8750	15/10/29	2,400,000	2,532	1.50
Abbey National Treasury Services (EMTN)	1.8750	17/02/20	880,000	869	0.52
Amlin	FRN	19/12/26	356,000	364	0.22
Anglian Water Services Financing (EMTN)	4.5000	05/10/27	530,000	592	0.35
Annington Finance No 1	8.0000	02/10/21	811,851	947	0.57
Aspire Defence Finance	4.6740	31/03/40	1,863,525	2,082	1.24
Aspire Defence Finance	4.6740	31/03/40	333,051	372	0.22
Aviva (EMTN)	FRN	03/06/41	712,000	774	0.46
Aviva (EMTN)	FRN	20/05/58	606,000	677	0.40
Aviva (EMTN)	VAR	04/06/50	650,000	615	0.37
Barclays Bank (EMTN)	10.0000	21/05/21	1,456,000	1,881	1.12
Barclays Bank (EMTN)	4.2500	12/01/22	703,000	780	0.47
Barclays Bank (PERP)	VAR	29/12/49	600,000	601	0.36
BG Energy Capital	VAR	30/11/72	1,685,000	1,785	1.07
BG Energy Capital (EMTN)	5.0000	04/11/36	510,000	598	0.36
British American Tobacco (EMTN)	5.5000	15/09/16	1,231,000	1,268	0.76
British Telecom (EMTN)	6.3750	23/06/37	801,000	1,047	0.63
BUPA Finance	3.3750	17/06/21	860,000	881	0.53
Canary Wharf Finance II	6.4550	22/10/33	250,019	330	0.20

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
Centrica	VAR	10/04/75	700,000	673	0.40
Circle Anglia Social Housing (EMTN)	5.2000	02/03/44	1,098,000	1,315	0.79
Community Finance Co 1 (EMTN)	5.0170	31/07/34	1,788,000	2,198	1.31
CRH Finance UK (EMTN)	4.1250	02/12/29	370,000	371	0.22
Dŵr Cymru Finance	6.9070	31/03/21	1,358,000	1,646	0.98
Dŵr Cymru Finance	6.0150	31/03/28	214,000	273	0.16
Eastern Power Networks (EMTN)	6.2500	12/11/36	775,000	1,027	0.61
EE Finance (EMTN)	4.3750	28/03/19	1,700,000	1,809	1.08
FCE Bank (EMTN)	2.7590	13/11/19	2,700,000	2,721	1.62
Firstgroup	8.7500	08/04/21	550,000	681	0.41
Gatwick Funding (EMTN)	5.7500	23/01/37	1,348,000	1,668	1.00
GlaxoSmithKline Capital (EMTN)	6.3750	09/03/39	678,000	940	0.56
GlaxoSmithKline Capital (EMTN)	4.2500	18/12/45	340,000	364	0.22
GlaxoSmithKline Capital (EMTN)	3.3750	20/12/27	122,000	123	0.07
Great Rolling Stock (EMTN)	6.5000	05/04/31	768,000	966	0.58
Heathrow Funding (EMTN)	4.6250	31/10/46	991,000	1,084	0.65
HSBC (EMTN)	5.7500	20/12/27	2,027,000	2,258	1.35
HSBC (EMTN)	6.5000	20/05/24	773,000	955	0.57
HSBC (EMTN)	7.0000	07/04/38	350,000	455	0.27
Imperial Tobacco Finance (EMTN)	4.8750	07/06/32	1,105,000	1,198	0.72
Imperial Tobacco Finance (EMTN)	7.7500	24/06/19	804,000	949	0.57
Imperial Tobacco Finance (EMTN)	8.1250	15/03/24	50,000	66	0.04
InterContinental Hotels (EMTN)	3.7500	14/08/25	600,000	598	0.36
LCR Finance	4.5000	07/12/28	1,337,000	1,620	0.97
Lloyds TSB (EMTN)	7.6250	22/04/25	489,000	627	0.37
Lloyds TSB (EMTN)	6.5000	17/09/40	427,000	605	0.36
London Power Networks (EMTN)	6.1250	07/06/27	585,000	729	0.44
Motability Operations (EMTN)	4.3750	08/02/27	579,000	648	0.39
Motability Operations (EMTN)	5.2500	28/09/16	102,000	105	0.06
National Grid Electricity Transmission	5.8750	02/02/24	365,000	448	0.27
National Grid Electricity Transmission (EMTN)	4.0000	08/06/27	100,000	109	0.06
National Grid Gas (EMTN)	6.3750	03/03/20	50,000	59	0.04
Nats En Route	5.2500	31/03/26	44,366	50	0.03
Northern Gas Networks	4.8750	30/06/27	1,468,000	1,667	1.00
Orbit Capital	3.5000	24/03/45	600,000	540	0.32
Paragon Treasury	3.6250	21/01/47	600,000	554	0.33
Permanent Master Issuer	4.8050	15/07/42	815,000	843	0.50
PGH Capital	5.7500	07/07/21	300,000	322	0.19
Porterbrook Rail Finance (EMTN)	5.5000	20/04/19	794,000	872	0.52
Prudential (EMTN)	VAR	20/07/55	1,100,000	1,027	0.61
RI Finance Bonds No 3	6.1250	13/11/28	400,000	407	0.24
RMPA Services	5.3370	30/09/38	367,426	421	0.25
Royal Bank of Scotland (EMTN)	6.8750	17/05/25	1,164,000	1,515	0.91
Sanctuary Capital (EMTN)	5.0000	26/04/47	150,000	180	0.11
Scotland Gas Network	4.7500	21/02/17	1,035,000	1,073	0.64
Scottish Widows	5.5000	16/06/23	869,000	909	0.54
Segro	6.7500	23/11/21	611,000	739	0.44
Society of Lloyd's	4.7500	30/10/24	1,595,000	1,648	0.98
Southern Gas Networks (EMTN)	2.5000	03/02/25	300,000	286	0.17

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
Southern Water Services Finance (EMTN)	5.0000	31/03/21	1,917,000	2,132	1.27
SSE (PERP)	VAR	29/12/49	1,300,000	1,251	0.75
Stagecoach	4.0000	29/09/25	436,000	438	0.26
Tesco (EMTN)	6.1250	24/02/22	1,000,000	1,047	0.63
Thames Water Utilities Financial (EMTN)	5.1250	28/09/37	1,037,000	1,217	0.73
THFC Funding No 1	5.1250	21/12/37	137,000	160	0.10
THFC Funding No 3 (EMTN)	5.2000	11/10/43	370,000	445	0.27
Transport for London (EMTN)	4.5000	31/03/31	1,182,000	1,347	0.80
Transport for London (EMTN)	3.8750	23/07/42	912,000	998	0.60
UPP (EMTN)	4.9023	28/02/40	1,562,342	1,736	1.04
Wales & West Utility Finance	5.7500	29/03/30	786,000	971	0.58
Wales & West Utility Finance	5.1250	02/12/16	871,000	902	0.54
Wessex Water Services Finance (EMTN)	4.0000	24/09/21	535,000	574	0.34
Western Power Distribution East Midlands (EMTN)	5.2500	17/01/23	700,000	796	0.48
Western Power Distribution South West	5.8750	25/03/27	1,250,000	1,526	0.91
Western Power Distribution South West	5.7500	23/03/40	500,000	631	0.38
Western Power Distribution West Midlands (EMTN)	3.8750	17/10/24	690,000	726	0.43
White City Property Finance	5.1202	17/04/35	716,194	830	0.50
Yorkshire Water Services Bradford	6.3750	19/08/39	76,000	104	0.06
3i (EMTN)	6.8750	09/03/23	278,000	335	0.20
				<b>79,502</b>	<b>47.50</b>
<b>United States 10.91%</b>					
Apple	3.6000	31/07/42	1,170,000	1,154	0.69
AT&T	5.8750	28/04/17	1,350,000	1,427	0.85
AT&T	4.8750	01/06/44	818,000	832	0.50
AT&T	4.2500	01/06/43	620,000	575	0.34
Bank of America (EMTN)	7.0000	31/07/28	1,200,000	1,612	0.96
Citigroup (EMTN)	7.6250	03/04/18	1,246,000	1,402	0.84
GE Capital UK Funding (EMTN)	4.3750	31/07/19	910,000	981	0.59
GE Capital UK Funding (EMTN)	5.8750	04/11/20	636,000	741	0.44
Goldman Sachs (EMTN)	4.2500	29/01/26	1,431,000	1,523	0.91
Health Care REIT	4.8000	20/11/28	923,000	976	0.58
HJ Heinz	4.1250	01/07/27	300,000	306	0.18
Metropolitan Life Global Funding I	2.8750	11/01/23	786,000	795	0.48
Mondelez International	3.8750	06/03/45	304,000	268	0.16
Northern Powergrid Yorks	4.3750	05/07/32	659,000	714	0.43
Pfizer	6.5000	03/06/38	500,000	689	0.41
Verizon Communications (EMTN)	4.7500	17/02/34	1,070,000	1,137	0.68
Wal-Mart Stores	4.8750	19/01/39	1,395,000	1,639	0.98
Wells Fargo	4.6250	02/11/35	1,321,000	1,490	0.89
				<b>18,261</b>	<b>10.91</b>
<b>Total Corporate Bonds</b>				<b>131,692</b>	<b>78.69</b>
<b>Government Bonds 12.56%</b>					
<b>Guernsey 0.85%</b>					
States of Guernsey	3.3750	12/12/46	1,460,000	1,430	0.85



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
<b>Mexico 0.17%</b>					
Mexico (Government of) (EMTN)	5.6250	19/03/14	300,000	278	0.17
<b>United Kingdom 11.54%</b>					
UK Treasury	2.0000	07/09/25	7,325,000	7,352	4.38
UK Treasury	1.2500	22/07/18	5,000,000	5,048	3.02
UK Treasury	5.0000	07/03/25	3,700,000	4,685	2.80
UK Treasury	3.2500	22/01/44	1,621,000	1,807	1.08
UK Treasury	4.5000	07/12/42	315,000	428	0.26
				<b>19,320</b>	<b>11.54</b>
<b>Total Government Bonds</b>				<b>21,028</b>	<b>12.56</b>
<b>Total Bonds</b>				<b>152,720</b>	<b>91.25</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>152,720</b>	<b>91.25</b>
<b>Other transferable securities and money market instruments 0.89%</b>					
<b>Bonds 0.89%</b>					
<b>Asset Backed Bonds / Mortgage Backed Bonds 0.18%</b>					
<b>United Kingdom 0.18%</b>					
Gemgarto 2015-1	FRN	16/02/47	301,287	300	0.18
<b>Total Asset Backed Bonds / Mortgage Backed Bonds</b>				<b>300</b>	<b>0.18</b>
<b>Corporate Bonds 0.71%</b>					
<b>United Kingdom 0.71%</b>					
Porterbrook Rail Finance (EMTN)	4.6250	04/04/29	1,082,000	1,187	0.71
<b>Total Corporate Bonds</b>				<b>1,187</b>	<b>0.71</b>
<b>Total Bonds</b>				<b>1,487</b>	<b>0.89</b>
<b>Total Other transferable securities and money market instruments</b>				<b>1,487</b>	<b>0.89</b>
<b>Investment Funds 4.67%</b>					
Aberdeen Liquidity Fund (Lux) Sterling Z-1 <sup>†</sup>			7,812	7,812	4.67
<b>Total Investment Funds</b>				<b>7,812</b>	<b>4.67</b>

Derivatives 0.03%

Futures (0.01%)

Future	Maturity	Notional	Unrealised Gains/(Losses) £'000	Percentage of total net assets %
EUX Euro Bund	08/03/16	15	(13)	(0.01)
ICE Long Gilt	29/03/16	(17)	4	-
Unrealised losses on future contracts			(9)	(0.01)

Forward currency exchange contracts 0.04%

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) £'000	Percentage of total net assets %
Barclays Capital	USD	GBP	07/03/16	576,000	383,904	7	-
Citigroup	GBP	USD	07/03/16	1,701,775	2,543,000	(23)	(0.01)
Deutsche Bank	GBP	USD	07/03/16	1,661,514	2,493,000	(30)	(0.02)
Deutsche Bank	GBP	USD	07/03/16	1,661,514	2,493,000	(30)	(0.02)
Deutsche Bank	USD	GBP	07/03/16	9,440,000	6,273,705	130	0.09
HSBC	EUR	GBP	07/03/16	153,000	108,061	5	-
HSBC	GBP	EUR	07/03/16	161,738	229,000	(7)	-
Unrealised gains on forward currency exchange contracts						52	0.04

Swaps nil

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Unrealised Gains/(Losses) £'000	Percentage of total net assets %
Barclays Capital	EUR	17/09/23	11,460,000	6 Month EUR Eibor	1.6844	23	0.01
Barclays Capital	GBP	15/09/23	9,160,000	2.3825	6 Month GBP Libor	6	-
Citigroup	EUR	07/10/17	44,860,000	0.1720	1 Day EUR Eonia	(31)	(0.01)
Citigroup	EUR	08/10/19	20,800,000	6 Month EUR Eibor	0.5150	2	-
Citigroup	EUR	08/10/19	22,640,000	6 Month EUR Eibor	0.5150	2	-
Citigroup	EUR	16/03/16	153,900,000	0.2185	1 Day EUR Eonia	8	0.01
Citigroup	EUR	21/03/17	155,000,000	1 Day EUR Eonia	0.2500	10	0.01
Credit Suisse	GBP	02/11/17	16,930,000	6 Month GBP Libor	1.1950	(11)	(0.01)
Credit Suisse	GBP	02/11/18	17,060,000	1.5775	6 Month GBP Libor	17	0.01
Goldman Sachs	EUR	29/10/22	2,660,000	1.0820	EUR CPI EX TOBACCO	(10)	(0.01)
Goldman Sachs	EUR	29/10/22	2,770,000	6 Month EUR Eibor	0.4835	(16)	(0.01)
Goldman Sachs	GBP	08/09/25	2,620,000	1.9080	6 Month GBP Libor	18	0.01
Goldman Sachs	GBP	08/09/45	1,020,000	6 Month GBP Libor	2.1030	(13)	(0.01)
Unrealised gains on swap contracts						5	-
Unrealised gains on derivatives						48	0.03
Total investments						162,067	96.84
Other net assets						5,288	3.16
Total						167,355	100.00

<sup>†</sup> Managed by subsidiaries of Aberdeen Asset Management PLC.

# Sterling Government Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Sterling Government Bond - Z Accumulation shares increased by 2.41% compared to an increase of 2.45% in the benchmark, FTSE-A British Government Fixed > 5 Years Index.

Source: Aberdeen Asset Management and BNP Paribas.

Basis: Total return, Special Month End Price NAV to NAV, gross of fees, GBP.

## Market review

UK government bond yields moved marginally lower and prices higher, with the yield on the benchmark 10 year Gilt moving from 2.03% to 1.96%. However, this masked a fair degree of intra-period volatility. From the start of July to the end of September, Gilts benefited both from accommodative monetary policy and a continued atmosphere of geopolitical uncertainty. That drove yields as low as 1.76% by 30 September.

As the review period wore on, the Greek crisis was supplanted in the minds of investors by anxiety over Chinese economic growth and its implications for Emerging Markets and for commodity prices.

On top of that, there was uncertainty over the timing of a first US interest rate increase.

During September, the Bank of England's monetary policy committee (MPC) voted by a majority 8-1 to keep UK interest rates unchanged. Indeed, from then until the end of 2015, the MPC was consistently split along the same proportions. However, market pricing for the first rate has been far from steady. Between September and December 2015, market expectations for the timing of the first rise were brought forward from March 2017 to November 2016. Gilt yield levels rose too, all but retracing the fall of the previous three months. Further upward pressure on yields was driven by European Central Bank (ECB) under delivery on its latest round of monetary stimulus at the start of December.

The speculation over a European Union (EU) referendum continued, with David Cameron outlining his demands for UK to remain within the EU. Meanwhile, polls remain finely balanced, with the immigration situation intensifying the EU membership debate. The Chancellor's Autumn statement had a fairly muted impact on the Gilt market, with only an estimated extra £2.5 billion per year of increased supply (which is likely to be executed via Treasury Bills). Although the oil price continued its slide, base effects caused the November consumer price inflation figure to grind higher to 0.1% year-on-year. The moves in oil also caused the Bank of England (BoE) to lower its 2016 inflation forecasts in their quarterly inflation report, which was taken as a dovish signal by the market.

## Portfolio review

A long duration position held in the early part of the review period, expressed via an overweight position in German Bunds, added to performance. This position was removed before the mid-September meeting of the US Federal Open Markets Committee, but was reinstated after Bund yields climbed again.

Early on, we initiated a view in the portfolio that the difference in yields between 10 and 30 year bonds would fall (i.e. a yield curve flattener). This reflected, among other things, the constructive supply outlook, seasonal demand for long dated Gilts in August and the anticipated increase in demand from liability driven investors LDI over the coming months.

This position has generally had an adverse effect on performance as the yield curve steepened. However, we remain positive on the prospects for the long end of the Gilt yield curve, given both the aforementioned LDI demand and the fact that BoE buybacks (which predominantly propped up medium-term bonds) have come to an end. Accordingly, we maintain our curve flattener position.

During the final three months of the review period, the main driver of outperformance was our cross market positions out of Gilts and into long Australian and German government bonds. We subsequently took profits on these trades.

## Outlook

During December, the US Federal Reserve finally raised interest rates, increasing the target range by 0.25%. This small hike was both well communicated and well received by the market. Conversely, the ECB underwhelmed the market by only cutting rates 0.10% and extending quantitative easing by just six months.

Meanwhile, market expectations for interest rate hikes in the UK remain subdued. The BoE's Monetary Policy Committee continues to take a dovish tone. "Brexit" concerns are likely to increase in 2016 ahead of the referendum on whether to leave the European Union.

Turning to economics, UK data continue to show divergence between domestic strength and external weakness. Consumers should continue to enjoy improved spending power, with gradually strengthening wage growth and a modest pick-up in inflation helping to offset some of the headwinds from fiscal tightening. Business investment looks set to remain strong, with rates of return and firms' cash holdings close to previous peaks.

## Aberdeen UK Fixed Income Team

January 2015

**Statement of Net Assets**

As at 31 December 2015

	£'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	26,623
Cash at bank	128
Interest receivable	211
Receivable for investments sold	779
<b>Total assets</b>	<b>27,741</b>
<b>Liabilities</b>	
Taxes and expenses payable	15
Redemptions payable	875
Unrealised losses on forward currency exchange contracts (note 2.6)	59
Other liabilities	114
<b>Total liabilities</b>	<b>1,063</b>
<b>Net assets at the end of the period</b>	<b>26,678</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	£'000
Net assets at the beginning of the period	42,375
Net gains from investments	303
Net realised gains	231
Net unrealised gains	417
Proceeds from shares issued	9,558
Payments for shares redeemed	(26,036)
Net equalisation paid (note 10)	(56)
Dividends paid (note 5)	(114)
<b>Net assets at the end of the period</b>	<b>26,678</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	£'000
<b>Income</b>	
Investment income	376
<b>Total income</b>	<b>376</b>
<b>Expenses</b>	
Management fees (note 4.2)	21
Operating, administrative and servicing fees (note 4.3)	52
<b>Total expenses</b>	<b>73</b>
<b>Net gains from investments</b>	<b>303</b>
Realised gains on investments	138
Realised gains on forward currency exchange contracts	82
Realised currency exchange gains	11
<b>Net realised gains</b>	<b>231</b>
Increase in unrealised appreciation on investments	558
Decrease in unrealised appreciation on forward currency exchange contracts	(141)
<b>Net unrealised gains</b>	<b>417</b>
<b>Net increase in assets as a result of operations</b>	<b>951</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	D-1	D-2	J-2	R-1	R-2
Shares outstanding at the beginning of the period	2,197,379	818,034	573,572	17,620	2,789
Shares issued during the period	233,210	37,636	17,562	1,525	-
Shares redeemed during the period	(734,933)	(191,259)	(11,350)	(3,336)	(962)
<b>Shares outstanding at the end of the period</b>	<b>1,695,656</b>	<b>664,411</b>	<b>579,784</b>	<b>15,809</b>	<b>1,827</b>
<b>Net asset value per share</b>	<b>1.1752</b>	<b>1.6146</b>	<b>3.0534</b>	<b>10.2262</b>	<b>10.8983</b>

  

	Z-1	Z-2
Shares outstanding at the beginning of the period	7,147,308	11,853,436
Shares issued during the period	3,981,498	1,541,917
Shares redeemed during the period	(3,706,804)	(8,468,562)
<b>Shares outstanding at the end of the period</b>	<b>7,422,002</b>	<b>4,926,791</b>
<b>Net asset value per share</b>	<b>1.3784</b>	<b>2.3199</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market 99.79%					
Bonds 99.79%					
Government Bonds 99.79%					
Italy 2.58%					
Italy (Republic of)	2.0000	01/12/25	899,000	687	2.58
Spain 2.62%					
Spain (Kingdom of)	2.1500	31/10/25	921,000	699	2.62
United Kingdom 94.59%					
UK Treasury	4.0000	07/09/16	3,310,000	3,393	12.71
UK Treasury	4.2500	07/06/32	2,676,000	3,349	12.54
UK Treasury	3.5000	22/01/45	2,135,000	2,494	9.35
UK Treasury	3.7500	07/09/21	2,069,000	2,328	8.73
UK Treasury	3.7500	22/07/52	1,438,000	1,843	6.91
UK Treasury	4.2500	07/12/49	1,139,000	1,568	5.88
UK Treasury	4.7500	07/12/38	1,140,000	1,560	5.85
UK Treasury	4.2500	07/12/40	1,204,000	1,557	5.84
UK Treasury	3.2500	22/01/44	1,003,000	1,118	4.19
UK Treasury	4.0000	22/01/60	763,000	1,065	3.99
UK Treasury	4.7500	07/12/30	808,000	1,059	3.97
UK Treasury	4.5000	07/09/34	672,000	872	3.27
UK Treasury	3.5000	22/07/68	605,000	777	2.91
UK Treasury	4.5000	07/12/42	571,000	775	2.91
UK Treasury	4.2500	07/09/39	541,000	694	2.60
UK Treasury	4.2500	07/03/36	351,000	444	1.66
UK Treasury	8.0000	07/06/21	210,000	282	1.06
UK Treasury	6.0000	07/12/28	22,000	32	0.12
UK Treasury	4.2500	07/12/27	22,000	27	0.10
				25,237	94.59
Total Government Bonds				26,623	99.79
Total Bonds				26,623	99.79
Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market				26,623	99.79

Derivatives (0.22%)

Forward currency exchange contracts (0.22%)

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) £'000	Percentage of total net assets %
HSBC	GBP	EUR	07/03/16	1,296,020	1,835,000	(59)	(0.22)
Unrealised losses on forward currency exchange contracts						(59)	(0.22)
Unrealised losses on derivatives						(59)	(0.22)
Total investments						26,564	99.57
Other net assets						114	0.43
Total						26,678	100.00

# Sterling Index Linked Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Sterling Index Linked Bond - Z Accumulation shares decreased by 0.95% compared to an decrease of 1.09% in the benchmark, FTSE-A British Government Index Linked > 5 Years Index.

Source: Aberdeen Asset Management and BNP Paribas.

Basis: Total return, Special Month End Price NAV to NAV, gross of fees, GBP.

## Market review

UK government bond yields moved marginally lower and prices higher, with the yield on the benchmark 10 year Gilt moving from 2.03% to 1.96%. However, this masked a fair degree of intra-period volatility. From the start of July to the end of September, Gilts benefited both from accommodative monetary policy and a continued atmosphere of geopolitical uncertainty. That drove yields as low as 1.76% by 30 September.

As the review period wore on, the Greek crisis was supplanted in the minds of investors by anxiety over Chinese economic growth and its implications for emerging markets and for commodity prices. On top of that, there was uncertainty over the timing of a first US interest rate increase.

During September, the Bank of England's monetary policy committee (MPC) voted by a majority 8-1 to keep UK interest rates unchanged. Indeed, from then until the end of 2015, the MPC was consistently split along the same proportions. However, market pricing for the first rate hike has been far from steady. Between September and December 2015, market expectations for the timing of the first rise were brought forward from March 2017 to November 2016. Gilt yield levels rose too, all but retracing the fall of the previous three months. Further upward pressure on yields was driven by European Central Bank under delivery on its latest round of monetary stimulus at the start of December.

The speculation over a European Union (EU) referendum continued, with David Cameron outlining his demands for UK to remain within the EU. Meanwhile, polls remain finely balanced, with the immigration situation intensifying the EU membership debate. The Chancellor's Autumn statement had a fairly muted impact on the Gilt market, with only an estimated extra £2.5 billion per year of increased supply (which is likely to be executed via Treasury Bills). Although the oil price continued its slide, base effects caused the November consumer price inflation figure to grind higher to 0.1% year-on-year. The moves in oil also caused the Bank of England to lower its 2016 inflation forecasts in their quarterly inflation report, which was taken as a dovish signal by the market.

## Portfolio review

Over the first three months of the review period, the Sterling Index Linked Bond was able to deliver above-benchmark performance. Despite the prevailing environment of market volatility and low risk tolerance, we judged real yields to be fairly valued; accordingly, we adopted a neutral duration position. A slight overweight on ultra-long-dated bonds, which were strong, boosted performance.

In contrast, the Fund underperformed as the review period wore on, with our index-linked credit positions detracting from performance. Our short 30-year breakeven position was beneficial. Latterly we sold our 7% index linked credit holdings, based on our view that credit spreads would continue to widen.

## Outlook

During December, the US Federal Reserve finally raised interest rates, increasing the target range by 0.25%. This small hike was both well communicated and well received by the market. Conversely, the European Central Bank underwhelmed the market by only cutting rates 0.10% and extending quantitative easing by just six months.

Meanwhile, market expectations for interest rate hikes in the UK remain subdued. The Bank of England's Monetary Policy Committee continues to take a dovish tone "Brexit" concerns are likely to increase in 2016 ahead of the referendum on whether to leave the European Union.

Turning to economics, UK data continue to show divergence between domestic strength and external weakness. Consumers should continue to enjoy improved spending power, with gradually strengthening wage growth and a modest pick-up in inflation helping to offset some of the headwinds from fiscal tightening. Business investment looks set to remain strong, with rates of return and firms' cash holdings close to previous peaks.

## Aberdeen UK Fixed Income Team

January 2016

**Statement of Net Assets**

As at 31 December 2015

	£'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	108,406
Cash at bank	542
Interest receivable	189
Subscriptions receivable	20
<b>Total assets</b>	<b>109,157</b>
<b>Liabilities</b>	
Taxes and expenses payable	35
<b>Total liabilities</b>	<b>35</b>
<b>Net assets at the end of the period</b>	<b>109,122</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	£'000
Net assets at the beginning of the period	114,423
Net gains from investments	611
Net realised gains	2,049
Net unrealised losses	(4,286)
Proceeds from shares issued	27,450
Payments for shares redeemed	(31,075)
Net equalisation paid (note 10)	(50)
<b>Net assets at the end of the period</b>	<b>109,122</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	£'000
<b>Income</b>	
Investment income	807
Bank interest	1
<b>Total income</b>	<b>808</b>
<b>Expenses</b>	
Management fees (note 4.2)	59
Operating, administrative and servicing fees (note 4.3)	138
<b>Total expenses</b>	<b>197</b>
<b>Net gains from investments</b>	<b>611</b>
Realised gains on investments	2,049
<b>Net realised gains</b>	<b>2,049</b>
Increase in unrealised depreciation on investments	(4,286)
<b>Net unrealised losses</b>	<b>(4,286)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(1,626)</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	I-2	J-2	K-2	Z-2
Shares outstanding at the beginning of the period	1,425,246	1,666,777	5,203,990	25,504,054
Shares issued during the period	10,113,766	-	134,368	124,673
Shares redeemed during the period	(11,026,435)	(25,351)	(100,303)	(623,609)
<b>Shares outstanding at the end of the period</b>	<b>512,577</b>	<b>1,641,426</b>	<b>5,238,055</b>	<b>25,005,118</b>
<b>Net asset value per share</b>	<b>2.4972</b>	<b>3.7470</b>	<b>2.5864</b>	<b>3.5250</b>

The accompanying notes form an integral part of these financial statements.



# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					99.34%
<b>Bonds 99.34%</b>					
<b>Government Bonds 99.34%</b>					
<b>United Kingdom 99.34%</b>					
UK Treasury (INDX)	1.2500	22/11/27	8,865,000	14,532	13.32
UK Treasury (INDX)	0.6250	22/03/40	5,694,000	9,107	8.35
UK Treasury (INDX)	2.0000	26/01/35	3,907,000	8,789	8.05
UK Treasury (INDX)	0.1250	22/03/24	7,388,000	8,391	7.69
UK Treasury (INDX)	0.3750	22/03/62	4,620,000	8,371	7.67
UK Treasury (INDX)	1.2500	22/11/55	2,911,000	7,566	6.93
UK Treasury (INDX)	0.6250	22/11/42	4,161,000	7,025	6.44
UK Treasury (INDX)	2.5000	17/07/24	1,977,000	6,576	6.03
UK Treasury (INDX)	0.1250	22/03/68	3,474,000	5,781	5.30
UK Treasury (INDX)	1.2500	22/11/32	3,621,000	5,774	5.29
UK Treasury (INDX)	0.7500	22/11/47	3,032,000	5,724	5.25
UK Treasury (INDX)	0.2500	22/03/52	3,363,000	5,036	4.61
UK Treasury (INDX)	0.1250	22/03/44	3,718,600	4,933	4.52
UK Treasury (INDX)	0.1250	22/03/58	2,397,000	3,479	3.19
UK Treasury (INDX)	1.1250	22/11/37	1,144,000	2,080	1.91
UK Treasury (INDX)	0.1250	22/03/29	1,215,000	1,455	1.33
UK Treasury (INDX)	0.7500	22/03/34	996,000	1,401	1.28
UK Treasury (INDX)	2.5000	26/07/16	408,000	1,313	1.20
UK Treasury (INDX)	0.1250	22/03/46	660,000	834	0.76
UK Treasury (INDX)	0.5000	22/03/50	134,000	239	0.22
				<b>108,406</b>	<b>99.34</b>
<b>Total Government Bonds</b>				<b>108,406</b>	<b>99.34</b>
<b>Total Bonds</b>				<b>108,406</b>	<b>99.34</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>108,406</b>	<b>99.34</b>
<b>Total investments</b>				<b>108,406</b>	<b>99.34</b>
<b>Other net assets</b>				<b>716</b>	<b>0.66</b>
<b>Total</b>				<b>109,122</b>	<b>100.00</b>

# Sterling Long Dated Credit Bond

For the period ended 31 December 2015

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## Performance

For the period ended 31 December 2015, the value of Sterling Long Dated Credit Bond - Z Accumulation shares increased by 2.08% compared to an increase of 1.83% in the benchmark, Bank of America Merrill Lynch Sterling Non-Gilts > 10 Years Index.

Source: Aberdeen Asset Management and BNP Paribas.  
Basis: Total return, Special Month End Price NAV to NAV, gross of fees, GBP.

## Market review

Corporate bonds experienced a large measure of volatility in the first three months of the review period. At first the focus was on events in Greece, but switched to concerns over China and the impact of its slowing economic growth on global gross domestic product and commodity prices. The prospect of rising US interest rates also kept market participants wary. Latterly, there was a rising incidence of company-specific risks such as Glencore and Volkswagen. Over the quarter as a whole, corporate bonds underperformed government bonds as yield spreads widened.

However, from October onwards there was a somewhat better market tone for European investment grade credit, partially reversing the widening of spreads seen in August and September. This stemmed largely from a moderation in concerns over the Chinese slowdown, together with the potential for further policy easing from the European Central Bank (ECB). Concerns over both Volkswagen and Glencore also subsided a little, helping the market tone. November was another positive month for credit, with markets grinding tighter ahead of the important upcoming central bank meetings in both Europe and the US. A modest widening in credit spreads during December, two basis points for the Sterling Aggregate Corporate index, provided a lacklustre finish to a disappointing period for investment grade credit spreads.

## Portfolio review

In the first three months of the review period the Fund underperformed its benchmark. A lack of exposure to poorly performing Glencore and Volkswagen was beneficial. However, this was more than countered by our preference for some more volatile areas of the market such as the senior bank, subordinated insurance and telecom sectors, all of which suffered more as corporate bonds underperformed their government counterparts.

In contrast, all three of the aforementioned sectors delivered strong performance in the final three months of 2015, resulting in a strong performance against the Fund's benchmark. The Fund also benefited from an absence of poorly performing agency and quasi-government issuers from the portfolio. Bonds from Mondelez, a snack company, and BAT were purchased in the primary market. A neutral duration position relative to the benchmark was maintained throughout the period.

## Outlook

The outlook for corporate bonds remains in the balance. The ECB will continue its quantitative easing programme in 2016, and this is likely to support risk assets. In contrast, US interest rate rises could lead to outflows from the asset class. Weakness in emerging markets and commodities is weighing on corporate earnings, but this should not signal a sharp decline in investment grade credit quality.

Slow positive growth in the Eurozone is a supportive environment for investment grade credit. However, these conditions could result in an acceleration of credit-negative mergers and acquisition activity due to increased management confidence in the Eurozone economy. There could also be an increase in the targeting of European companies from overseas. Net issuance in Eurozone markets is likely to accelerate in 2016, driven by an increase in supply from the banking sector and continued overseas issuance into European markets.

**Aberdeen UK Fixed Income Team**  
January 2016

**Statement of Net Assets**

As at 31 December 2015

	£'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	19,086
Cash at bank	385
Amounts held at futures clearing houses and brokers	22
Interest receivable	350
Unrealised gains on forward currency exchange contracts (note 2.6)	7
Unrealised gains on swap contracts (note 2.8)	1
<b>Total assets</b>	<b>19,851</b>
<b>Liabilities</b>	
Taxes and expenses payable	10
Unrealised losses on future contracts (note 2.7)	1
<b>Total liabilities</b>	<b>11</b>
<b>Net assets at the end of the period</b>	<b>19,840</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	£'000
Net assets at the beginning of the period	21,240
Net gains from investments	386
Net realised gains	206
Net unrealised losses	(198)
Proceeds from shares issued	303
Payments for shares redeemed	(2,079)
Net equalisation paid (note 10)	(18)
<b>Net assets at the end of the period</b>	<b>19,840</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	£'000
<b>Income</b>	
Investment income	437
<b>Total income</b>	<b>437</b>
<b>Expenses</b>	
Management fees (note 4.2)	9
Operating, administrative and servicing fees (note 4.3)	42
<b>Total expenses</b>	<b>51</b>
<b>Net gains from investments</b>	<b>386</b>
Realised gains on investments	166
Realised gains on future contracts	9
Realised gains on swap contracts	7
Realised gains on forward currency exchange contracts	24
<b>Net realised gains</b>	<b>206</b>
Increase in unrealised depreciation on investments	(204)
Decrease in unrealised appreciation on swap contracts	(2)
Decrease in unrealised depreciation on forward currency exchange contracts	8
<b>Net unrealised losses</b>	<b>(198)</b>
<b>Net increase in assets as a result of operations</b>	<b>394</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	K-2	Z-2
Shares outstanding at the beginning of the period	1,875,713	7,406,245
Shares issued during the period	18,443	114,768
Shares redeemed during the period	-	(929,627)
<b>Shares outstanding at the end of the period</b>	<b>1,894,156</b>	<b>6,591,386</b>
<b>Net asset value per share</b>	<b>2.6213</b>	<b>2.2568</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					95.49%
<b>Bonds 95.49%</b>					
<b>Corporate Bonds 92.79%</b>					
<b>Australia 2.45%</b>					
APT Pipelines	3.5000	22/03/30	200,000	185	0.93
BHP Billiton Finance (EMTN)	3.2500	25/09/24	213,000	207	1.05
BHP Billiton Finance (EMTN)	4.3000	25/09/42	100,000	94	0.47
				<b>486</b>	<b>2.45</b>
<b>Cayman Islands 0.89%</b>					
Lunar Funding I (EMTN)	5.7500	18/10/33	142,000	177	0.89
<b>France 7.55%</b>					
AXA (EMTN) (PERP)	FRN	29/07/49	59,000	65	0.33
BPCE	5.2500	16/04/29	100,000	105	0.53
Electricite de France (EMTN)	6.1250	02/06/34	300,000	364	1.83
Electricite de France (EMTN)	5.1250	22/09/50	300,000	328	1.65
Electricite de France (EMTN)	6.2500	30/05/28	150,000	185	0.93
Electricite de France (EMTN) (PERP)	VAR	22/07/49	100,000	93	0.47
France Telecom (EMTN)	5.6250	23/01/34	153,000	182	0.92
France Telecom (EMTN)	5.3750	22/11/50	150,000	176	0.89
				<b>1,498</b>	<b>7.55</b>
<b>Germany 4.90%</b>					
Allianz Finance II	4.5000	13/03/43	100,000	113	0.57
Deutsche Telekom International Finance	8.8750	27/11/28	208,000	317	1.61
Deutsche Telekom International Finance	VAR	15/06/30	100,000	142	0.72
E.ON International Finance (EMTN)	6.7500	27/01/39	100,000	126	0.63
E.ON International Finance (EMTN)	5.8750	30/10/37	100,000	114	0.57
E.ON International Finance (EMTN)	6.3750	07/06/32	50,000	60	0.30
Siemens Financieringsmaatschappij (EMTN)	3.7500	10/09/42	100,000	100	0.50
				<b>972</b>	<b>4.90</b>
<b>Ireland 0.12%</b>					
Freshwater Finance	5.1820	20/04/35	20,000	24	0.12
<b>Italy 1.51%</b>					
Enel Finance International (EMTN)	5.7500	14/09/40	139,000	164	0.83
Enel Finance International (EMTN)	5.6250	14/08/24	115,000	135	0.68
				<b>299</b>	<b>1.51</b>
<b>Mexico 0.50%</b>					
America Movil SAB	4.3750	07/08/41	100,000	99	0.50
<b>Netherlands 2.59%</b>					
Aegon	6.6250	16/12/39	50,000	71	0.36
Bank Nederlandse Gemeenten (EMTN)	5.2000	07/12/28	200,000	251	1.26
Rabobank Nederland (EMTN)	4.6250	23/05/29	189,000	192	0.97
				<b>514</b>	<b>2.59</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
<b>Norway 0.90%</b>					
Statoil (EMTN)	6.8750	11/03/31	129,000	179	0.90
<b>United Kingdom 56.67%</b>					
Abbey National Treasury Services (EMTN)	3.8750	15/10/29	300,000	316	1.59
Anglian Water Services Financing (EMTN)	4.5000	05/10/27	126,000	141	0.71
Aspire Defence Finance	4.6740	31/03/40	354,538	397	2.00
Aviva	FRN	14/11/36	210,000	223	1.13
Aviva (EMTN)	VAR	04/06/50	100,000	95	0.48
Aviva (EMTN)	FRN	20/05/58	50,000	56	0.28
BAT International Finance (EMTN)	4.0000	23/11/55	100,000	97	0.49
BAT International Finance (EMTN)	6.0000	24/11/34	72,000	91	0.46
BAT International Finance (EMTN)	5.7500	05/07/40	54,000	67	0.34
BG Energy Capital (EMTN)	5.0000	04/11/36	100,000	117	0.59
British Telecom (EMTN)	6.3750	23/06/37	108,000	141	0.71
Canary Wharf Finance II	5.9520	22/01/35	150,000	183	0.92
Centrica	VAR	10/04/75	100,000	96	0.48
Centrica (EMTN)	4.3750	13/03/29	243,000	258	1.30
Centrica (EMTN)	4.2500	12/09/44	100,000	98	0.50
Circle Anglia Social Housing	7.2500	12/11/38	60,000	89	0.45
Circle Anglia Social Housing (EMTN)	5.2000	02/03/44	139,000	166	0.84
Community Finance Co 1 (EMTN)	5.0170	31/07/34	291,000	358	1.80
Control Section 1 Finance	5.2340	02/05/35	203,225	242	1.22
Dŵr Cymru Finance	6.0150	31/03/28	47,000	60	0.30
Gatwick Funding (EMTN)	5.7500	23/01/37	300,000	372	1.88
GlaxoSmithKline Capital (EMTN)	4.2500	18/12/45	151,000	162	0.81
Great Rolling Stock (EMTN)	6.5000	05/04/31	172,800	217	1.10
Great Rolling Stock (EMTN)	6.8750	27/07/35	159,477	201	1.01
Heathrow Funding (EMTN)	4.6250	31/10/46	108,000	118	0.60
HSBC (EMTN)	5.7500	20/12/27	437,000	488	2.46
HSBC (EMTN)	7.0000	07/04/38	150,000	195	0.98
Imperial Tobacco Finance (EMTN)	4.8750	07/06/32	200,000	217	1.09
Land Securities	FRN	07/02/36	111,000	133	0.67
LCR Finance	4.5000	07/12/28	369,000	448	2.26
Legal & General (EMTN)	VAR	27/06/64	160,000	152	0.77
Lloyds TSB (EMTN)	6.5000	17/09/40	200,000	283	1.43
Lloyds TSB (EMTN)	7.6250	22/04/25	129,000	165	0.83
London & Quadrant Housing (EMTN)	4.6250	05/12/33	174,000	199	1.00
London Power Networks (EMTN)	6.1250	07/06/27	100,000	125	0.63
Motability Operations (EMTN)	4.3750	08/02/27	257,000	287	1.45
National Grid Electricity Transmission (EMTN)	4.0000	08/06/27	220,000	239	1.20
National Grid Gas (EMTN)	6.0000	13/05/38	155,000	209	1.05
Network Rail Infrastructure Finance (EMTN)	4.7500	29/11/35	50,000	64	0.32
Northern Electric Finance	5.1250	04/05/35	174,000	205	1.03
Northern Gas Networks	4.8750	30/06/27	137,000	156	0.78
Northumbrian Water Finance	5.1250	23/01/42	148,000	175	0.88
Orbit Capital	3.5000	24/03/45	100,000	90	0.45
Paragon Treasury	3.6250	21/01/47	100,000	92	0.47

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
Prudential (EMTN)	VAR	20/07/55	200,000	187	0.94
Prudential (EMTN)	VAR	19/12/63	150,000	151	0.76
RI Finance Bonds No 3	6.1250	13/11/28	100,000	102	0.51
RMPA Services	5.3370	30/09/38	119,704	137	0.69
Royal Bank of Scotland (EMTN)	6.8750	17/05/25	192,000	250	1.26
RSA Insurance	VAR	10/10/45	100,000	97	0.49
Scottish Widows	7.0000	16/06/43	100,000	117	0.59
Severn Trent Water Utilities (EMTN)	4.8750	24/01/42	112,000	128	0.64
Society of Lloyd's	4.7500	30/10/24	129,000	133	0.67
Southern Gas Network (EMTN)	6.3750	15/05/40	50,000	68	0.34
Standard Chartered Bank (EMTN)	4.3750	18/01/38	108,000	104	0.53
Thames Water Utilities Financial (EMTN)	5.1250	28/09/37	221,000	259	1.31
THFC Funding No 1	5.1250	21/12/37	51,000	60	0.30
Transport for London (EMTN)	4.5000	31/03/31	116,000	132	0.67
Transport for London (EMTN)	3.8750	23/07/42	112,000	123	0.62
UPP (EMTN)	4.9023	28/02/40	173,376	193	0.97
Wales & West Utility Finance	5.7500	29/03/30	57,000	70	0.35
Wellcome	4.0000	09/05/59	100,000	123	0.62
Western Power Distribution South West	5.8750	25/03/27	114,000	139	0.70
Western Power Distribution South West	5.7500	23/03/40	100,000	126	0.64
Western Power Distribution West Midlands (EMTN)	3.8750	17/10/24	100,000	105	0.53
White City Property Finance	5.1202	17/04/35	136,599	158	0.80
				<b>11,245</b>	<b>56.67</b>
<b>United States 14.71%</b>					
Apple	3.6000	31/07/42	180,000	178	0.89
AT&T	4.8750	01/06/44	144,000	146	0.74
AT&T	4.2500	01/06/43	100,000	93	0.47
AT&T (EMTN)	7.0000	30/04/40	100,000	132	0.66
Bank of America (EMTN)	7.0000	31/07/28	200,000	269	1.35
GE Capital UK Funding (EMTN)	5.8750	18/01/33	241,000	318	1.61
Goldman Sachs (EMTN)	4.2500	29/01/26	219,000	233	1.18
Health Care REIT	4.8000	20/11/28	100,000	106	0.53
HJ Heinz	4.1250	01/07/27	100,000	102	0.51
McDonald's	4.1250	11/06/54	200,000	190	0.96
Mondelez International	4.5000	03/12/35	100,000	101	0.51
Pfizer	6.5000	03/06/38	100,000	138	0.69
Time Warner Cable	5.2500	15/07/42	100,000	89	0.45
Verizon Communications (EMTN)	4.7500	17/02/34	228,000	242	1.22
Wal-Mart Stores	4.8750	19/01/39	323,000	379	1.92
Wells Fargo	4.6250	02/11/35	180,000	203	1.02
				<b>2,919</b>	<b>14.71</b>
<b>Total Corporate Bonds</b>				<b>18,412</b>	<b>92.79</b>
<b>Government Bonds 2.70%</b>					
<b>Guernsey 1.72%</b>					
States of Guernsey	3.3750	12/12/46	350,000	343	1.72

						Percentage of total net assets	
Security				Nominal/ Quantity	Market Value £'000	%	
Mexico 0.47%							
Mexico (Government of) (EMTN)	5.6250			19/03/14	100,000	93	0.47
United Kingdom 0.51%							
UK Treasury	2.0000			07/09/25	100,000	100	0.51
Total Government Bonds						536	2.70
Total Bonds						18,948	95.49
Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market						18,948	95.49
Other transferable securities and money market instruments 0.70%							
Bonds 0.70%							
Corporate Bonds 0.70%							
United Kingdom 0.70%							
Porterbrook Rail Finance (EMTN)	4.6250			04/04/29	126,000	138	0.70
Total Corporate Bonds						138	0.70
Total Bonds						138	0.70
Total Other transferable securities and money market instruments						138	0.70
Derivatives 0.04%							
Futures (0.01%)							
					Unrealised Gains/(Losses)	Percentage of	
Future				Maturity	Notional	£'000	total net assets
EUX Euro Bund				08/03/16	2	(2)	(0.01)
ICE Long Gilt				29/03/16	(2)	1	-
Unrealised losses on future contracts						(1)	(0.01)
Forward currency exchange contracts 0.05%							
					Unrealised Gains/(Losses)	Percentage of	
Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	£'000	total net assets
							%
Citigroup	GBP	USD	07/03/16	206,114	308,000	(3)	(0.01)
Deutsche Bank	GBP	USD	07/03/16	134,247	202,000	(3)	(0.01)
Deutsche Bank	GBP	USD	07/03/16	203,274	305,000	(4)	(0.02)
Deutsche Bank	GBP	USD	07/03/16	203,274	305,000	(4)	(0.02)
Deutsche Bank	USD	GBP	07/03/16	1,425,000	947,037	21	0.11
HSBC	EUR	GBP	07/03/16	63,000	44,496	2	0.01
HSBC	GBP	EUR	07/03/16	36,726	52,000	(2)	(0.01)
JPM Chase	GBP	EUR	07/03/16	5,060	7,000	-	-
UBS	EUR	GBP	07/03/16	13,000	9,151	-	-
UBS	GBP	EUR	07/03/16	2,890	4,000	-	-
Unrealised gains on forward currency exchange contracts						7	0.05

Swaps nil

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Unrealised Gains/(Losses) £'000	Percentage of total net assets %
Barclays	EUR	17/09/23	1,410,000	6 Month EUR Eibor	1.6844	3	0.01
Barclays	GBP	15/09/23	1,130,000	2.3825	6 Month GBP Libor	1	-
Citigroup	EUR	07/10/17	5,520,000	0.1720	1 Day EUR Eonia	(3)	(0.01)
Citigroup	EUR	08/10/19	2,800,000	6 Month EUR Eibor	0.5150	-	-
Citigroup	EUR	08/10/19	2,790,000	6 Month EUR Eibor	0.5150	-	-
Citigroup	EUR	16/03/16	18,300,000	0.2185	1 Day EUR Eonia	1	0.01
Citigroup	EUR	21/03/17	18,430,000	1 Day EUR Eonia	0.2500	1	0.01
Credit Suisse	GBP	02/11/17	2,020,000	6 Month GBP Libor	1.1950	(1)	(0.01)
Credit Suisse	GBP	02/11/18	2,030,000	1.5775	6 Month GBP Libor	2	0.01
Goldman Sachs	EUR	29/10/22	320,000	1.0820	EUR CPI EX TOBACCO	(1)	(0.01)
Goldman Sachs	EUR	29/10/22	330,000	6 Month EUR Eibor	0.4835	(2)	(0.01)
Goldman Sachs	GBP	08/09/25	320,000	1.9080	6 Month GBP Libor	2	0.01
Goldman Sachs	GBP	08/09/45	120,000	6 Month GBP Libor	2.1030	(2)	(0.01)
Unrealised gains on swap contracts						1	-
Unrealised gains on derivatives						7	0.04
Total investments						19,093	96.23
Other net assets						747	3.77
Total						19,840	100.00



# Sterling Long Dated Government Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of Sterling Long Dated Government Bond – Z Accumulation shares increased by 2.84% compared to an increase of 2.60% in the benchmark, FTSE-A British Government >15 Years Index.

Source: Aberdeen Asset Management and BNP Paribas.  
Basis: Total return, Special Month End Price NAV to NAV, gross of fees, GBP.

## Market review

UK government bond yields moved marginally lower and prices higher, with the yield on the benchmark 10 year Gilt moving from 2.03% to 1.96%. However, this masked a fair degree of intra period volatility. From the start of July to the end of September, Gilts benefited both from accommodative monetary policy and a continued atmosphere of geopolitical uncertainty. That drove yields as low as 1.76% by 30 September.

As the review period wore on, the Greek crisis was supplanted in the minds of investors by anxiety over Chinese economic growth and its implications for emerging markets (EMs) and for commodity prices. On top of that, there was uncertainty over the timing of a first US interest rate increase.

During September, the Bank of England's monetary policy committee (MPC) voted by a majority 8-1 to keep UK interest rates unchanged. Indeed, from then until the end of 2015, the MPC was consistently split along the same proportions. However, market pricing for the first rate has been far from steady. Between September and December 2015, market expectations for the timing of the first rise were brought forward from March 2017 to November 2016. Gilt yield levels rose too, all but retracing the fall of the previous three months. Further upward pressure on yields was driven by European Central Bank (ECB) under delivery on its latest round of monetary stimulus at the start of December.

The speculation over a European Union (EU) referendum continued, with David Cameron outlining his demands for UK to remain within the EU. Meanwhile, polls remain finely balanced, with the immigration situation intensifying the EU membership debate. The Chancellor's Autumn statement had a fairly muted impact on the Gilt market, with only an estimated extra £2.5 billion per year of increased supply (which is likely to be executed via Treasury Bills). Although the oil price continued its slide, base effects caused the November consumer price inflation figure to grind higher to 0.1% year-on-year. The moves in oil also caused the Bank of England (BoE) to lower its 2016 inflation forecasts in their quarterly inflation report, which was taken as a dovish signal by the market.

## Portfolio review

A long duration position held in the early part of the review period, expressed via an overweight position in German Bunds, added to performance. This position was removed before the mid-September meeting of the US Federal Open Markets Committee, but was reinstated after Bund yields climbed again.

Early on, we initiated a view in the portfolio that the difference in yields between 10 and 30 year bonds would fall (i.e. a yield curve flattener). This reflected, among other things, the constructive supply outlook, seasonal demand for long-dated Gilts in August and the anticipated increase in demand from liability driven investors (LDI) over the coming months.

This position has generally had an adverse effect on performance as the yield curve steepened. However, we remain positive on the prospects for the long end of the Gilt yield curve, given both the aforementioned LDI demand and the fact that Bank of England buybacks (which predominantly propped up medium term bonds) have come to an end. Accordingly, we maintain our curve flattener position.

During the final three months of the review period, the main driver of outperformance was our cross market positions out of Gilts and into long Australian and German government bonds. We subsequently took profits on these trades.

## Outlook

During December, the US Federal Reserve finally raised interest rates, increasing the target range by 0.25%. This small hike was both well communicated and well received by the market. Conversely, the European Central Bank (ECB) underwhelmed the market by only cutting rates 0.10% and extending quantitative easing by just six months.

Meanwhile, market expectations for interest rate hikes in the UK remain subdued. The Bank of England's Monetary Policy Committee continues to take a dovish tone. "Brexit" concerns are likely to increase in 2016 ahead of the referendum on whether to leave the European Union.

Turning to economics, UK data continue to show divergence between domestic strength and external weakness. Consumers should continue to enjoy improved spending power, with gradually strengthening wage growth and a modest pick-up in inflation helping to offset some of the headwinds from fiscal tightening. Business investment looks set to remain strong, with rates of return and firms' cash holdings close to previous peaks.

**Aberdeen UK Fixed Income Team**  
January 2016

**Statement of Net Assets**

As at 31 December 2015

	£'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	44,238
Cash at bank	80
Interest receivable	347
Receivable for investments sold	1,242
<b>Total assets</b>	<b>45,907</b>
<b>Liabilities</b>	
Taxes and expenses payable	18
Redemptions payable	1,224
<b>Total liabilities</b>	<b>1,242</b>
<b>Net assets at the end of the period</b>	<b>44,665</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	£'000
Net assets at the beginning of the period	41,850
Net gains from investments	495
Net realised gains	230
Net unrealised gains	257
Proceeds from shares issued	18,443
Payments for shares redeemed	(16,595)
Net equalisation received (note 10)	(15)
<b>Net assets at the end of the period</b>	<b>44,665</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	£'000
<b>Income</b>	
Investment income	592
<b>Total income</b>	<b>592</b>
<b>Expenses</b>	
Management fees (note 4.2)	17
Operating, administrative and servicing fees (note 4.3)	80
<b>Total expenses</b>	<b>97</b>
<b>Net gains from investments</b>	<b>495</b>
Realised gains on investments	157
Realised gains on forward currency exchange contracts	61
Realised currency exchange gains	12
<b>Net realised gains</b>	<b>230</b>
Increase in unrealised appreciation on investments	332
Decrease in unrealised appreciation on forward currency exchange contracts	(75)
<b>Net unrealised gains</b>	<b>257</b>
<b>Net increase in assets as a result of operations</b>	<b>982</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	I-2	K-2	Z-2
Shares outstanding at the beginning of the period	745,637	655,373	20,485,838
Shares issued during the period	7,278,243	-	382,004
Shares redeemed during the period	(6,039,179)	(35,888)	(1,008,413)
<b>Shares outstanding at the end of the period</b>	<b>1,984,701</b>	<b>619,485</b>	<b>19,859,429</b>
<b>Net asset value per share</b>	<b>2.4068</b>	<b>2.4555</b>	<b>1.9320</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value £'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					99.04%
Bonds 99.04%					
Government Bonds 99.04%					
United Kingdom 99.04%					
UK Treasury	3.7500	22/07/52	4,516,000	5,787	12.94
UK Treasury	4.5000	07/12/42	3,618,000	4,911	11.00
UK Treasury	4.2500	07/12/40	3,116,000	4,030	9.02
UK Treasury	4.5000	07/09/34	3,102,000	4,027	9.02
UK Treasury	4.2500	07/06/32	2,950,000	3,692	8.27
UK Treasury	3.2500	22/01/44	3,202,000	3,569	7.99
UK Treasury	4.2500	07/03/36	2,600,000	3,288	7.36
UK Treasury	4.0000	22/01/60	2,199,000	3,068	6.87
UK Treasury	4.7500	07/12/38	1,929,000	2,640	5.91
UK Treasury	3.5000	22/01/45	2,212,000	2,584	5.78
UK Treasury	3.5000	22/07/68	1,863,000	2,393	5.36
UK Treasury	4.2500	07/12/49	1,729,000	2,380	5.33
UK Treasury	4.2500	07/12/46	984,000	1,322	2.96
UK Treasury	4.2500	07/12/55	381,000	547	1.23
				44,238	99.04
Total Government Bonds				44,238	99.04
Total Bonds				44,238	99.04
Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market				44,238	99.04
Total investments				44,238	99.04
Other net assets				427	0.96
Total				44,665	100.00

# US Dollar Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of US Dollar Bond - A Accumulation shares decreased by 0.46% compared to an increase of 1.00% in the benchmark, JP Morgan Government Bond Index Traded USD.

Source: Aberdeen Asset Management and Lipper.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, USD.

## Market review

The second half of 2015 started promisingly which led to the US Federal Reserve (Fed) finally raising interest rates at the end of the period. Elsewhere in market news, a deal was reached between the European authorities and the embattled Greek government. Market stability was brief, however, as Chinese stock market ructions, negative economic data, unexpected currency depreciations and other emerging market concerns hit global risk assets and commodities hard. Volatility spiked to levels not seen since the financial eurozone crises, while declining oil and metal prices would remain a theme for the rest of the year.

In September, focus turned to policy responses – the Fed stood flat on rates, as expected. In October, the European Central Bank voiced its preparedness to act positively, boosting risk assets. November was relatively stable, before concerns around China and commodities resurfaced in December. The “risk-off” tone was exacerbated by the European Central Banks’ (ECB) underwhelming additional policy stimulus, whereas the Fed’s first rate hike passed off smoothly.

Volatility was evident for most of the period as divergent central bank policy and a slowing global economy took centre stage. The rout in commodities continues to hit the headlines and suffered for much of the year, with oil prices continuing to plummet to levels not seen in a decade.

During the summer months, the US yield curve steepened as a more dovish than-expected Fed helped keep shorter dated maturities well supported. The US dollar broadly weakened, although economic data was generally positive over the middle section of the period. Volatility in global asset markets ensued as China’s surprise FX devaluation helped crystallise global growth and deflation concerns, causing some doubt over whether the Fed would hike in this environment. Core markets initially rallied reflecting the “risk-off” tone but then sold off towards the end of August, perhaps reflecting liquidation of Chinese FX reserves in a bid to support the yuan.

The September Federal Open Market Committee (FOMC) meeting represented the first genuinely “live” meeting in several years when there was a high level of uncertainty over the outcome. Prior to the meeting, the Fed Funds futures market was pricing a 30% chance of a raise, down from around 50% in mid-August.

Strong US labour market data in the fourth quarter, combined with a hawkish Fed rhetoric, began to heighten expectations of a first interest rate rise in December. In contrast, European Central Bank policy makers continued to express concerns over the inflationary outlook of the Eurozone.

US economic data was deemed strong enough to raise interest rates for the first time since 2006 as the Fed hiked at their December meeting. The most important question now turns to the pace and quantum of future hikes. Given FOMC projections and current market pricing, the risks seem to be skewed in a hawkish direction.

## Portfolio review

The performance of the portfolio has been very volatile and suffered relative to its benchmark over the period, as unpredictability continued unabated. Corporate bond yield spreads continued to widen over the period, particularly in energy related securities, negatively impacting the portfolio due to our overweight bias to corporate credit names.

Additionally, our underweight to US Treasuries detracted value. Securitised sectors, Asset-Backed Securities, Commercial Mortgage Securities and Mortgage Backed Securities, have performed well and added value over the period, although the small position size relative to corporates could do little to offset the underperformance from corporate sectors. We believe our focus on security selection and high quality assets will benefit the portfolio going forward.

## Outlook

The US economy is fundamentally in good shape, despite a tail off towards the end of 2015. Manufacturing figures suggest the sector is feeling the pinch from enduring excess capacity and weakening external demand, but strength is persistent elsewhere with the labour market in reasonable shape. The US consumer is active and there is evidence of wage growth building.

Following concerns by the FOMC as to the downside inflation risks highlighted in the minutes of the December meeting and underlying macroeconomic developments occurring abroad, it is likely that the pace of rate increases in 2016 will be gradual. Further declines in the oil price and a close call by the committee to begin raising rates at the December meeting suggests that the FOMC dot-plot chart of rate expectations is slightly aggressive in the current climate. Expectations for another rate rise are being discussed for March, although further recent declines in oil may raise questions on the timing of another move.

**Aberdeen North American Fixed Income Team**  
January 2016

### Statement of Net Assets

As at 31 December 2015

	US\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	60,009
Cash at bank	593
Amounts held at futures clearing houses and brokers	66
Interest receivable	335
Subscriptions receivable	11
Receivable for investments sold	150
<b>Total assets</b>	<b>61,164</b>
<b>Liabilities</b>	
Payable for investments purchased	135
Taxes and expenses payable	69
Redemptions payable	311
Unrealised losses on future contracts (note 2.7)	8
Other liabilities	83
<b>Total liabilities</b>	<b>606</b>
<b>Net assets at the end of the period</b>	<b>60,558</b>

### Statement of Operations

For the period from 1 July 2015 to 31 December 2015

	US\$'000
<b>Income</b>	
Investment income	801
<b>Total income</b>	<b>801</b>
<b>Expenses</b>	
Management fees (note 4.2)	294
Operating, administrative and servicing fees (note 4.3)	109
<b>Total expenses</b>	<b>403</b>
<b>Net gains from investments</b>	<b>398</b>
Realised losses on investments	(367)
Realised losses on future contracts	(19)
<b>Net realised losses</b>	<b>(386)</b>
Decrease in unrealised appreciation on investments	(63)
Decrease in unrealised appreciation on future contracts	(18)
<b>Net unrealised losses</b>	<b>(81)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(69)</b>

### Statement of Changes in Net Assets

For the period from 1 July 2015 to 31 December 2015

	US\$'000
Net assets at the beginning of the period	70,832
Net gains from investments	398
Net realised losses	(386)
Net unrealised losses	(81)
Proceeds from shares issued	2,776
Payments for shares redeemed	(12,869)
Net equalisation paid (note 10)	(29)
Dividends paid (note 5)	(83)
<b>Net assets at the end of the period</b>	<b>60,558</b>

### Share Transactions

For the period from 1 July 2015 to 31 December 2015

	A-1	A-2	J-2	X-2
Shares outstanding at the beginning of the period	11,389	14,791	868	49,506
Shares issued during the period	1,581	155	-	9,939
Shares redeemed during the period	(2,598)	(2,557)	-	(12,410)
<b>Shares outstanding at the end of the period</b>	<b>10,372</b>	<b>12,389</b>	<b>868</b>	<b>47,035</b>
<b>Net asset value per share</b>	<b>1,330.5629</b>	<b>3,605.8847</b>	<b>1,848.8148</b>	<b>10.1775</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					98.43%
<b>Bonds 98.43%</b>					
<b>Asset Backed Bonds / Mortgage Backed Bonds 17.89%</b>					
<b>United Kingdom 0.29%</b>					
Holmes Master Issuer	FRN	15/10/54	170,000	176	0.29
<b>United States 17.60%</b>					
American Homes 4 Rent 2014-SFR1	FRN	17/06/31	399,021	392	0.65
Bank of America Merrill Lynch Commercial Mortgage Securities Trust 2015-200P	VAR	14/04/33	200,000	196	0.32
Bank of America Merrill Lynch Commercial Mortgage Securities Trust 2015-200P	VAR	14/04/33	160,000	159	0.26
Barclays Capital 2009-RR4 Trust	FRN	26/07/36	37,888	38	0.06
Citigroup Commercial Mortgage Trust 2007-C6	VAR	10/12/49	220,706	229	0.38
Citigroup Mortgage Loan Trust 2009-6	FRN	25/04/37	145,948	147	0.24
Citigroup Mortgage Loan Trust 2014-A	VAR	25/01/35	177,364	184	0.30
COMM 2006-C7 Mortgage Trust	VAR	10/06/46	240,000	243	0.40
COMM 2007-C9 Mortgage Trust	FRN	10/12/49	260,000	257	0.42
COMM 2014-LC17 Mortgage Trust	3.6870	10/10/47	100,000	79	0.13
COMM 2015-PC1 Mortgage Trust	3.9020	10/07/50	230,000	238	0.39
Commercial Mortgage Trust 2006-GG7	FRN	10/07/38	255,000	258	0.43
Credit Suisse Motrgage Trust Series 2009-8R	FRN	26/05/37	173,326	177	0.29
Extended Stay America Trust 2013-ESH7	FRN	05/12/19	460,000	461	0.76
Fannie Mae REMICS	4.0000	25/03/33	631,092	672	1.12
Fannie Mae REMICS	3.0000	25/06/44	362,013	371	0.61
Fannie Mae REMICS	3.5000	25/06/33	340,269	356	0.59
Fannie Mae REMICS	2.0000	25/12/39	284,230	279	0.46
Fannie Mae REMICS	3.5000	25/08/42	244,892	256	0.42
Credit Floorplan Master Owner Trust 2013-1	1.1200	15/01/18	675,000	674	1.12
Freddie Mac REMICS	2.5000	15/09/39	361,165	366	0.60
Freddie Mac REMICS	5.5000	15/03/37	90,790	99	0.16
FREMF 2011-K11 Mortgage Trust	VAR	25/12/48	260,000	273	0.45
FREMF 2011-K14 Mortgage Trust	VAR	25/02/47	170,000	183	0.30
GE Capital Credit Card Master Note Trust 2012-2	2.2200	15/01/22	500,000	501	0.84
Government National Mortgage Association	3.0000	20/05/43	297,422	305	0.50
GS Mortgage Securities Trust 2015-GC30	3.7770	10/05/50	175,000	176	0.29
GS Mortgage Securities Trust 2013-NYC5	3.7700	10/01/30	410,000	408	0.67
JP Morgan Mortgage Trust 2014-IVR3	FRN	25/09/44	259,078	263	0.43
JP Morgan Resecuritization Trust Series 2009-5	FRN	26/01/37	121,059	121	0.20
JPMBB Commercial Mortgage Securities Trust 2015-C31	3.8014	15/08/48	223,000	229	0.38
Morgan Stanley Bank of America Merrill Lynch Trust 2015-C24	VAR	15/05/48	153,000	156	0.26
SBA Tower Trust	2.9330	15/12/17	45,000	46	0.08
SFAVE Commercial Mortgage Securities Trust 2015-5AVE	VAR	05/01/35	212,000	182	0.30
Structured Asset Securities Corporation 2003-34A	FRN	25/11/33	240,078	244	0.40
Wachovia Bank Commercial Mortgage Trust Series 2006-C29	5.3390	15/11/48	450,000	459	0.76
Wachovia Bank Commercial Mortgage Trust Series 2007-C32	5.7030	15/06/49	300,000	313	0.52

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
WaMu Mortgage Pass-Through Certificates Series 2004-AR3 Trust	FRN	25/06/34	244,312	248	0.41
World Financial Network Credit Card Master Trust 2013 - A	1.6100	15/12/21	425,000	423	0.70
				<b>10,661</b>	<b>17.60</b>
<b>Total Asset Backed Bonds / Mortgage Backed Bonds</b>				<b>10,837</b>	<b>17.89</b>
<b>Corporate Bonds 25.61%</b>					
<b>United Kingdom 0.52%</b>					
BP Capital Markets	2.7500	10/05/23	335,000	315	0.52
<b>United States 25.09%</b>					
AT&T	3.0000	30/06/22	390,000	381	0.63
AutoNation	3.3500	15/01/21	151,000	151	0.25
AutoNation	4.5000	01/10/25	135,000	137	0.23
Bank of America (MTN)	4.0000	22/01/25	230,000	226	0.37
Baxalta	5.2500	23/06/45	120,000	121	0.20
Bay Area California Toll Authority	6.7930	01/04/30	325,000	400	0.66
Buckeye Partners	4.3500	15/10/24	252,000	212	0.35
Burlington Northern Santa Fe	5.1500	01/09/43	180,000	191	0.31
Citigroup	4.4500	29/09/27	230,000	229	0.38
Citizens Bank (MTN)	2.3000	03/12/18	250,000	250	0.41
Crown Castle Towers	6.1130	15/01/20	290,000	317	0.52
CVS Health	4.8750	20/07/35	93,000	96	0.16
Discover Bank	3.2000	09/08/21	500,000	497	0.83
Dominion Gas	4.6000	15/12/44	175,000	163	0.27
Energy Transfer Partners	4.0500	15/03/25	268,000	221	0.36
Entergy Arkansas	4.9500	15/12/44	147,000	145	0.24
Entergy Louisiana investment Recovery	2.0400	01/06/21	680,419	677	1.13
Entergy Texas	5.1500	01/06/45	174,000	171	0.28
Essex Portfolio	3.5000	01/04/25	257,000	248	0.41
Exelon	5.6250	15/06/35	170,000	182	0.30
Express Scripts	6.1250	15/11/41	195,000	222	0.37
First Tennessee Bank	2.9500	01/12/19	385,000	382	0.63
General Motors	6.2500	02/10/43	45,000	48	0.08
General Motors Financial	3.4500	10/04/22	270,000	259	0.43
General Motors Financial	3.7000	24/11/20	249,000	250	0.41
Georgia-Pacific	3.6000	01/03/25	257,000	254	0.42
Gilead Sciences	2.5500	01/09/20	205,000	205	0.34
Gilead Sciences	4.7500	01/03/46	110,000	112	0.18
Goldman Sachs	5.7500	24/01/22	235,000	268	0.44
Goldman Sachs	4.2500	21/10/25	93,000	92	0.15
Halliburton	3.8000	15/11/25	152,000	148	0.24
Harley-Davidson	4.6250	28/07/45	100,000	98	0.16
HSBC Finance	6.6760	15/01/21	410,000	471	0.79
International Paper	5.1500	15/05/46	165,000	158	0.26
ITC	5.3000	01/07/43	125,000	128	0.21
JPMorgan Chase	3.9000	15/07/25	210,000	217	0.36



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Keysight Technologies	4.5500	30/10/24	241,000	232	0.38
Kinder Morgan Energy Partners	5.3000	15/09/20	79,000	78	0.13
Laboratory of America	4.7000	01/02/45	127,000	116	0.19
Legg Mason	5.6250	15/01/44	103,000	103	0.17
Mead Johnson Nutrition	3.0000	15/11/20	165,000	165	0.27
Medtronic	4.6250	15/03/45	137,000	142	0.23
Medtronic	4.6250	15/03/44	10,000	10	0.02
Morgan Stanley	5.7500	25/01/21	135,000	152	0.25
NBC Universal Media	4.4500	15/01/43	170,000	167	0.28
Occidental Petroleum	4.6250	15/06/45	105,000	102	0.17
Penske Truck Leasing Finance	3.3750	01/02/22	435,000	423	0.70
Pentair Finance	3.6250	15/09/20	325,000	325	0.54
Perrigo	5.3000	15/11/43	400,000	387	0.64
PG&E	2.4000	01/03/19	195,000	195	0.32
Phillips 66	4.8750	15/11/44	270,000	242	0.40
Plains All American Pipeline Finance	4.6500	15/10/25	215,000	188	0.31
Port Authority New York & New Jersey	6.0400	01/12/29	315,000	382	0.63
Prudential Financial	VAR	15/05/45	175,000	175	0.29
Public Services Company of New Mexico	7.9500	15/05/18	305,000	341	0.56
QUALCOMM	4.8000	20/05/45	56,000	50	0.08
Quest Diagnostics	4.7000	30/03/45	170,000	153	0.25
Qwest	6.8750	15/09/33	319,000	307	0.51
San Diego Gas & Electric	1.9140	01/02/22	95,643	94	0.16
Scripps Networks Interactive	2.8000	15/06/20	220,000	215	0.35
Seagate HDD Cayman	4.7500	01/01/25	270,000	225	0.37
South Western Electric Power	6.2000	15/03/40	125,000	149	0.25
Southern Power	4.1500	01/12/25	170,000	170	0.28
Southwestern Electric Power	3.9000	01/04/45	130,000	114	0.19
Toledo Hospital	4.9820	15/11/45	52,000	55	0.09
Verizon Communications	5.1500	15/09/23	215,000	237	0.39
Verizon Communications	5.0120	21/08/54	171,000	157	0.26
Wal-Mart Stores	4.3000	22/04/44	130,000	133	0.22
Walt Disney (MTN)	7.5500	15/07/93	370,000	463	0.76
Wells Fargo	4.9000	17/11/45	86,000	87	0.14
Westpac Banking	2.6000	23/11/20	333,000	335	0.55
				15,196	25.09
<b>Total Corporate Bonds</b>				15,511	25.61
<b>Government Bonds 53.29%</b>					
<b>United States 53.29%</b>					
US Treasury	0.6250	15/10/16	10,940,000	10,932	18.05
US Treasury	1.7500	30/09/22	5,707,000	5,594	9.24
US Treasury	2.5000	15/02/45	5,357,400	4,808	7.94
US Treasury	1.3750	30/09/20	3,524,000	3,463	5.72
US Treasury	1.2500	15/12/18	2,710,000	2,704	4.47
US Treasury	0.6250	31/08/17	2,575,000	2,559	4.23
US Treasury	2.0000	15/08/25	2,262,400	2,206	3.64
				32,266	53.29



Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Total Government Bonds				32,266	53.29
Municipal Bonds 1.64%					
United States 1.64%					
Chicago Illinois Transit Authority	6.8990	01/12/40	405,000	472	0.78
Municipal Electric Authority of Georgia	6.6370	01/04/57	370,000	444	0.73
New Jersey St	4.2520	01/01/16	80,000	80	0.13
				996	1.64
Total Municipal Bonds				996	1.64
Total Bonds				59,610	98.43
Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market				59,610	98.43
Other transferable securities and money market instruments 0.66%					
Bonds 0.66%					
Asset Backed Bonds / Mortgage Backed Bonds 0.66%					
United States 0.66%					
COMM 2014-SAVA Mortgage Trust	FRN	15/06/34	400,000	399	0.66
Total Asset Backed Bonds / Mortgage Backed Bonds				399	0.66
Total Bonds				399	0.66
Total Other transferable securities and money market instruments				399	0.66
Derivatives (0.01%)					
Futures (0.01%)					
Future		Maturity	Notional	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
CBT US Long Bond		21/03/16	4	1	-
CBT US 10 Year Note		21/03/16	(3)	1	-
CBT US 2 Year Note		31/03/16	2	-	-
CBT US 5 Year Note		31/03/16	29	(10)	(0.01)
Unrealised losses on future contracts				(8)	(0.01)
Unrealised losses on derivatives				(8)	(0.01)
Total investments				60,001	99.08
Other net assets				557	0.92
Total				60,558	100.00

# US Dollar High Yield Bond

For the period ended 31 December 2015

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## Performance

For the period ended 31 December 2015, the value of US Dollar High Yield Bond - I Accumulation shares decreased by 7.84% compared to a decrease of 6.96% in the benchmark Bank of America Merrill Lynch US High Yield Master II Index.

Source: Aberdeen Asset Management and BNP Paribas

Basis: Total return, Special Month End Price NAV to NAV, gross of fees, USD.

## Market review

The US high yield market, as measured by the BofA ML U.S. High Yield Master II Index, lost ground over the reporting period, experiencing several bouts of volatility. Investor sentiment in the asset class was dampened by the ongoing downturn in global energy and commodity prices, along with concerns regarding global economic growth. Not surprisingly, lower rated CCC bonds recorded the greatest losses for the period, underperforming their B and BB rated counterparts. Energy was the weakest performing sector within the benchmark Bank of America Merrill Lynch (BofA ML) U.S. High Yield Master II Index amid the falling oil prices, while the materials sector also significantly lagged the overall market. Conversely, the consumer goods sector recorded a modest positive return and was the strongest performer.

US high yield issuance totalled US\$112.5 billion over the six-month period. The par and issuer weighted default rates rose 141 and 133 basis points, respectively, ending the reporting period at corresponding levels of 3.50% and 3.38%.

## Portfolio review

The Fund underperformed the benchmark over the reporting period. Our overall positioning in the coal related sectors was the most notable detractor from performance, as the market punished issuers with exposure to declining commodity prices. It is important to note, however, that we have exited all of our coal positions. On the positive side, Fund performance was bolstered primarily by the overall positioning in the energy sector.

## Outlook

As we enter 2016, we observe a "yieldy" high yield market that remains decisively bifurcated with a valuation gap between "clean" companies and those deemed as having more risk. We believe that this dynamic presents active managers with an opportunity to construct portfolios by sifting through the "rubble" and selecting securities sometimes characterized by extreme price inefficiencies. In our view, however, the trade du jour has been to play defence and avoid the land mines as the "haves" distance themselves from the "have-nots."

We think that compensation relative to default risk currently looks attractive, but until the global market slump ends, high yield bonds may be caught up in the downward momentum. With these risks in mind, we are maintaining a defensive posture in our high-yield portfolios and, as always, have an eye towards capital preservation and loss avoidance.

**Aberdeen US High Yield Team**

January 2016

**Statement of Net Assets**

As at 31 December 2015

	US\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	62,623
Cash at bank	2,898
Interest receivable	1,106
Subscriptions receivable	2
Unrealised gains on forward currency exchange contracts (note 2.6)	2
Unrealised gains on swap contracts (note 2.8)	158
<b>Total assets</b>	<b>66,789</b>
<b>Liabilities</b>	
Taxes and expenses payable	69
Redemptions payable	2,011
Other liabilities	83
<b>Total liabilities</b>	<b>2,163</b>
<b>Net assets at the end of the period</b>	<b>64,626</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
Net assets at the beginning of the period	220,321
Net gains from investments	3,531
Net realised losses	(13,904)
Net unrealised losses	(129)
Proceeds from shares issued	17,912
Payments for shares redeemed	(161,904)
Net equalisation paid (note 10)	(1,000)
Dividends paid (note 5)	(201)
<b>Net assets at the end of the period</b>	<b>64,626</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
<b>Income</b>	
Investment income	4,080
Bank interest	3
<b>Total income</b>	<b>4,083</b>
<b>Expenses</b>	
Management fees (note 4.2)	461
Operating, administrative and servicing fees (note 4.3)	91
<b>Total expenses</b>	<b>552</b>
<b>Net gains from investments</b>	<b>3,531</b>
Realised losses on investments	(15,773)
Realised gains on swap contracts	1,662
Realised gains on forward currency exchange contracts	58
Realised currency exchange gains	149
<b>Net realised losses</b>	<b>(13,904)</b>
Decrease in unrealised depreciation on investments	674
Decrease in unrealised appreciation on swap contracts	(727)
Decrease in unrealised appreciation on forward currency exchange contracts	(42)
Unrealised currency exchange losses	(34)
<b>Net unrealised losses</b>	<b>(129)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(10,502)</b>

The accompanying notes form an integral part of these financial statements.

## Share Transactions

For the period from 1 July 2015 to 31 December 2015

	A-1	A-2	A(EUR)-2^	I-1
Shares outstanding at the beginning of the period	384,394	645,143	1,823,685	462,163
Shares issued during the period	14,506	956,024	8,647	55,001
Shares redeemed during the period	(112,377)	(996,729)	(1,815,578)	(241,156)
<b>Shares outstanding at the end of the period</b>	<b>286,523</b>	<b>604,438</b>	<b>16,754</b>	<b>276,008</b>
<b>Net asset value per share</b>	<b>8.5162</b>	<b>8.6357</b>	<b>8.9430</b>	<b>8.2189</b>

	I-2	I(EUR)-2^	X-1	Z-2
Shares outstanding at the beginning of the period	4,213,774	2,101,424	138,302	-
Shares issued during the period	37,566	5,064	179	743,888
Shares redeemed during the period	(2,634,430)	(1,885,639)	(18,294)	(800)
<b>Shares outstanding at the end of the period</b>	<b>1,616,910</b>	<b>220,849</b>	<b>120,187</b>	<b>743,088</b>
<b>Net asset value per share</b>	<b>24.4519</b>	<b>28.4940</b>	<b>8.0247</b>	<b>9.6868</b>

^ Base currency exposure share class.

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					96.90%
<b>Bonds 96.90%</b>					
<b>Corporate Bonds 96.90%</b>					
<b>Canada 3.77%</b>					
Air Canada	6.7500	01/10/19	285,000	297	0.46
First Quantum Minerals	6.7500	15/02/20	530,000	345	0.53
Kissner Milling	7.2500	01/06/19	670,000	631	0.98
MEG Energy	6.3750	30/01/23	749,000	517	0.80
Teine Energy	6.8750	30/09/22	795,000	643	1.00
				<b>2,433</b>	<b>3.77</b>
<b>Ireland 0.74%</b>					
Fly Leasing	6.3750	15/10/21	480,000	479	0.74
<b>Luxembourg 2.98%</b>					
ArcelorMittal	10.8500	01/06/19	565,000	533	0.82
Coveris	7.8750	01/11/19	816,000	716	1.11
Intelsat Jackson	5.5000	01/08/23	855,000	675	1.05
				<b>1,924</b>	<b>2.98</b>
<b>Netherlands 0.63%</b>					
Sensata Technologies	5.0000	01/10/25	415,000	407	0.63
<b>South Africa 1.31%</b>					
Sappi Papier	7.5000	15/06/32	915,000	844	1.31
<b>United Kingdom 1.34%</b>					
Inmarsat Finance	4.8750	15/05/22	495,000	484	0.75
Rexam	FRN	29/06/67	350,000	384	0.59
				<b>868</b>	<b>1.34</b>
<b>United States 86.13%</b>					
ABC Supply	5.7500	15/12/23	107,000	108	0.17
Ally Financial	5.7500	20/11/25	286,000	290	0.45
Ally Financial	5.1250	30/09/24	200,000	206	0.32
Aruba Investments	8.7500	15/02/23	400,000	388	0.60
Axiall	4.8750	15/05/23	610,000	551	0.85
Ball	4.3750	15/12/20	595,000	605	0.94
Bank of America (PERP)	VAR	29/12/49	730,000	741	1.15
Beacon Roofing Supply	6.3750	01/10/23	385,000	394	0.61
Belden	5.2500	15/07/24	730,000	675	1.04
Blue Racer Finance	6.1250	15/11/22	708,000	492	0.76
Boyd Gaming	6.8750	15/05/23	495,000	511	0.79
Building Materials of America	5.3750	15/11/24	732,000	734	1.14
Cable One	5.7500	15/06/22	605,000	603	0.93
Cablevision Systems	5.8750	15/09/22	792,000	675	1.04
California Resources	8.0000	15/12/22	414,000	219	0.34
California Resources	6.0000	15/11/24	155,000	48	0.07
Calpine	5.7500	15/01/25	620,000	549	0.85
Carrizo Oil & Gas	7.5000	15/09/20	395,000	347	0.54
Carrizo Oil & Gas	6.2500	15/04/23	225,000	183	0.28
CCO Safari	5.7500	15/02/26	725,000	729	1.13

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
CenturyLink	6.7500	01/12/23	535,000	504	0.78
Chaparral Energy	9.8750	01/10/20	555,000	142	0.22
Cogent Communications	5.3750	01/03/22	670,000	655	1.01
Community Health Systems	6.8750	01/02/22	770,000	734	1.14
Compass Minerals International	4.8750	15/07/24	690,000	661	1.02
Constellation Brands	4.7500	01/12/25	272,000	278	0.43
Constellis Finance	9.7500	15/05/20	475,000	391	0.61
Constellium	5.7500	15/05/24	605,000	414	0.64
Corrections of America	4.6250	01/05/23	660,000	640	0.99
Crown Castle International	5.2500	15/01/23	439,000	463	0.72
Dana	6.0000	15/09/23	650,000	655	1.01
DPL	6.7500	01/10/19	690,000	693	1.07
Dynegy	7.6250	01/11/24	790,000	679	1.05
Endo Finance	6.0000	15/07/23	559,000	559	0.86
Energy Future Intermediate	11.7500	01/03/22	567,300	606	0.94
Equinix	5.8750	15/01/26	430,000	444	0.69
First Data	5.0000	15/01/24	775,000	773	1.20
Forbes Energy Services	9.0000	15/06/19	613,000	297	0.46
Frontier Communications	10.5000	15/09/22	422,000	421	0.65
General Electric Capital (PERP)	VAR	29/12/49	666,000	667	1.03
GenOn Energy	9.8750	15/10/20	585,000	436	0.67
Goodyear Tire & Rubber	5.1250	15/11/23	487,000	502	0.78
Hardwoods Acquisition	7.5000	01/08/21	640,000	531	0.82
HCA	5.8750	15/02/26	1,055,000	1,063	1.65
Hilcorp Energy Finance	5.7500	01/10/25	108,000	95	0.15
Hornbeck Offshore Services	5.0000	01/03/21	940,000	644	1.00
Hornbeck Offshore Services	5.8750	01/04/20	115,000	80	0.12
Huntington Ingalls Industries	5.0000	15/11/25	79,000	80	0.12
International Lease Finance	8.6250	15/01/22	610,000	740	1.15
Jones Energy Finance	6.7500	01/04/22	596,000	337	0.52
KB Home	7.0000	15/12/21	620,000	615	0.95
Kindred Healthcare	8.7500	15/01/23	380,000	351	0.54
Kratos Defense & Security Solutions	7.0000	15/05/19	607,000	417	0.64
Landry's	9.3750	01/05/20	625,000	661	1.02
Lennar	4.8750	15/12/23	439,000	439	0.68
Level 3 Financing	5.3750	01/05/25	630,000	629	0.97
LKQ	4.7500	15/05/23	730,000	688	1.06
Masco	6.5000	15/08/32	645,000	653	1.01
Mediacom Broadband	6.3750	01/04/23	740,000	727	1.13
MEDNAX	5.2500	01/12/23	64,000	64	0.10
Meritage Homes	7.0000	01/04/22	620,000	653	1.01
MGM Resorts International	6.6250	15/12/21	325,000	334	0.52
MHGE Parent Finance	8.5000	01/08/19	590,000	586	0.91
Micron Technology	5.2500	15/01/24	495,000	437	0.68
Momentive Performance	3.8800	24/10/21	890,000	619	0.96
Multi-Color	6.1250	01/12/22	540,000	537	0.83
Mustang Merger	8.5000	15/08/21	654,000	682	1.05
Nationstar Mortgage	6.5000	01/06/22	814,000	707	1.09
Neiman Marcus	8.7500	15/10/21	770,000	481	0.74
NewStar Financial	7.2500	01/05/20	595,000	579	0.90
NRG Energy	6.2500	01/05/24	680,000	575	0.89

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Oasis Petroleum	6.8750	15/03/22	953,000	615	0.95
OneMain Financial	7.2500	15/12/21	625,000	628	0.97
Owens-Brockway Glass Container	5.3750	15/01/25	540,000	530	0.82
Owens-Brockway Glass Container	5.0000	15/01/22	264,000	259	0.40
PaperWorks Industries	9.5000	15/08/19	535,000	492	0.76
PBF Finance	7.0000	15/11/23	643,000	628	0.97
PBF Logistics Finance	6.8750	15/05/23	250,000	229	0.35
Penn National Gaming	5.8750	01/11/21	500,000	488	0.75
Petco	8.5000	15/10/17	395,000	402	0.62
Post	7.3750	15/02/22	562,000	588	0.91
Qwest	6.8750	15/09/33	726,000	698	1.08
Regency Energy Partners	4.5000	01/11/23	695,000	602	0.93
Renaissance Acquisition	6.8750	15/08/21	675,000	520	0.80
Rex Energy	8.8750	01/12/20	875,000	197	0.30
Sabine Pass Liquefaction	5.6250	15/04/23	580,000	512	0.79
Sanchez Energy	6.1250	15/01/23	170,000	93	0.14
Scientific Games International	7.0000	01/01/22	605,000	581	0.90
Scotts Miracle-Gro	6.0000	15/10/23	266,000	279	0.43
Sinclair Television	5.6250	01/08/24	325,000	317	0.49
Spectrum Brands	5.7500	15/07/25	575,000	592	0.92
Springs Industries	6.2500	01/06/21	585,000	582	0.90
Sprint Communication	11.5000	15/11/21	1,654,000	1,531	2.38
Standard Pacific	5.8750	15/11/24	385,000	404	0.63
Steel Dynamics	5.5000	01/10/24	570,000	522	0.81
Sun Products	7.7500	15/03/21	560,000	489	0.76
Sunoco Finance	6.3750	01/04/23	415,000	392	0.61
Tenet Healthcare	8.1250	01/04/22	748,000	750	1.16
T-Mobile	6.5000	15/01/26	698,000	706	1.09
TransDigm	6.5000	15/07/24	730,000	730	1.13
Triumph	5.2500	01/06/22	820,000	664	1.03
Tronox Finance	6.3750	15/08/20	355,000	215	0.33
United Rentals	6.1250	15/06/23	490,000	503	0.78
Valeant Pharmaceuticals	5.8750	15/05/23	809,000	726	1.12
Valeant Pharmaceuticals	7.5000	15/07/21	380,000	381	0.59
WideOpenWest Finance	13.3750	15/10/19	1,105,000	1,039	1.62
WR Grace & Co-Conn	5.1250	01/10/21	500,000	506	0.78
XPO Logistics	7.8750	01/09/19	600,000	612	0.95
				<b>55,668</b>	<b>86.13</b>
<b>Total Corporate Bonds</b>				<b>62,623</b>	<b>96.90</b>
<b>Total Bonds</b>				<b>62,623</b>	<b>96.90</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market</b>				<b>62,623</b>	<b>96.90</b>

Derivatives 0.25%

Forward currency exchange contracts nil

Counterparty	Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
BNP Paribas	EUR	USD	05/01/16	90,253	99,012	(1)	-
BNP Paribas	EUR	USD	07/01/16	560,182	610,178	(2)	-
BNP Paribas	EUR	USD	15/03/16	7,725,308	8,414,637	(6)	-
BNP Paribas	EUR	USD	15/03/16	153,909	167,642	-	-
BNP Paribas	EUR	USD	15/03/16	70,161	76,914	(1)	-
BNP Paribas	EUR	USD	15/03/16	37,262	40,627	-	-
BNP Paribas	EUR	USD	15/03/16	3,064	3,355	-	-
BNP Paribas	EUR	USD	15/03/16	2,072	2,267	-	-
BNP Paribas	USD	EUR	15/03/16	611,170	560,182	1	-
BNP Paribas	USD	EUR	15/03/16	415,330	379,267	3	-
BNP Paribas	USD	EUR	15/03/16	165,233	149,717	2	-
BNP Paribas	USD	EUR	15/03/16	129,865	118,614	1	-
BNP Paribas	USD	EUR	15/03/16	110,368	99,722	2	-
BNP Paribas	USD	EUR	15/03/16	99,173	90,253	1	-
BNP Paribas	USD	EUR	15/03/16	67,200	61,601	-	-
BNP Paribas	USD	EUR	15/03/16	45,520	41,355	1	-
BNP Paribas	USD	EUR	15/03/16	30,650	28,199	-	-
BNP Paribas	USD	EUR	15/03/16	15,562	14,295	-	-
BNP Paribas	USD	EUR	15/03/16	9,267	8,534	-	-
BNP Paribas	USD	EUR	15/03/16	5,995	5,510	-	-
BNP Paribas	USD	EUR	15/03/16	3,207	2,929	-	-
BNP Paribas	USD	EUR	15/03/16	2,600	2,374	-	-
BNP Paribas	USD	EUR	15/03/16	2,514	2,284	-	-
BNP Paribas	USD	EUR	15/03/16	2,217	2,003	-	-
Royal Bank of Canada	USD	EUR	14/01/16	407,619	374,000	1	-
Unrealised gains on forward currency exchange contracts						2	-

Swaps 0.25%

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
Citigroup	USD	20/12/20	1,500,000	North America High Yield Index Series 25	5.00%	16	0.02
Goldman Sachs	USD	20/03/20	185,000	5.00%	Transocean Inc	48	0.07
JPM Chase	USD	20/12/20	475,000	5.00%	Bombardier Inc	94	0.16
Unrealised gains on swap contracts						158	0.25
Unrealised gains on derivatives						160	0.25
Total investments						62,783	97.15
Other net assets						1,843	2.85
Total						64,626	100.00



# US Dollar Short Term Bond

For the period ended 31 December 2015

## Performance

For the period ended 31 December 2015, the value of US Dollar Short Term Bond - A Accumulation shares decreased by 0.19% compared to a decrease of 0.14% in the benchmark, Citigroup US World Government Bond Index 1-3 Years Index.

Source: Aberdeen Asset Management and Lipper.

Basis: Total return, Published NAV to NAV, net of annual charges, gross income reinvested, USD.

## Market review

Global bond and FX markets had an eventful start to 2015 with the European Central Banks (ECB) quantitative easing (QE) decision, Greek election and surprise policy moves from various central banks driving volatility across markets. The key focus over much of the year, however, was on the US Federal Reserve and whether or not they would begin the path to normalising monetary policy.

Volatility was the name of the game for most of the period as divergent central bank policy and a slowing global economy took centre stage. The rout in commodities continued to hit the headlines for much of the year, with oil prices plummeting to levels not seen in a decade.

During the summer months, the US yield curve steepened as a more dovish than expected Fed helped keep shorter dated maturities well supported. Economic data was generally positive over the middle section of the period. However, volatility in global asset markets ensued as China's surprise FX devaluation helped crystallise global growth and deflation concerns, causing some doubt over whether the Fed would hike in this environment. Core markets initially rallied reflecting the "risk-off" tone but then sold off towards the end of August, perhaps reflecting liquidation of Chinese FX reserves in a bid to support the yuan.

The September Federal Open Market Committee (FOMC) meeting represented the first genuinely "live" meeting in several years where there was a high level of uncertainty over the outcome. Prior to the meeting, the Fed Funds futures market was pricing a 30% chance of a raise, down from around 50% in mid August. That aside the market was disappointed when the FOMC decided not to raise rates as global concerns escalated.

Strong US labour market data in the fourth quarter, combined with a more hawkish Fed rhetoric, saw heightened expectations of a first interest rate rise in December. In contrast, European Central Bank policy makers continued to express concerns over the inflationary outlook of the Eurozone resulting in further divergence in rates as the ECB cut rates further.

US economic data was deemed strong enough to raise rates for the first time since 2006 as the Fed hiked the target range for the Federal Funds rate by 25 basis points. The most important question now turns to the pace and quantum of future hikes. Given FOMC projections and current market pricing, as well as continuing turbulence in the global markets they may well delay a second hike.

## Portfolio review

The Fund at the outset was marginally short duration 0.1 years overall with a small overweight position in 2-3 year maturities and long the 3-5 year area in credit. We have subsequently reduced the 2-3 year position and increased the Funds overall short duration position to 0.4 years short on the basis that despite the Federal Reserve deciding not to hike rates in September expectations were for a December move which has subsequently occurred. Corporate bonds outperformed treasuries during the period, which saw the Funds allocation to corporate bonds, in particular financial bonds and floating rate notes, provide positive outperformance both on an absolute and relative basis. The yield carry has been relatively attractive following the spread widening during the summer months, and as such we have continued to target decent new issuance particularly in floating rate debt to provide some protection to a higher interest rate environment.

## Outlook

Following concerns by the FOMC as to the downside inflation risks highlighted in the minutes of the December meeting and underlying macroeconomic developments occurring abroad, it is likely that the pace of rate increases in 2016 will be gradual. Further declines in the oil price and a close call by the committee to actually begin raising rates at the December meeting suggests that the FOMC dot-plot chart of rate expectations is slightly aggressive in the current climate. Expectations for another rate rise are being discussed for March, although further recent declines in oil may raise questions on the timing of another move.

## Aberdeen Fixed Income Team

January 2016

**Statement of Net Assets**

As at 31 December 2015

	US\$'000
<b>Assets</b>	
Investments in securities at market value (note 2.2)	109,610
Cash at bank	657
Amounts held at futures clearing houses and brokers	68
Interest receivable	358
Subscriptions receivable	1,538
<b>Total assets</b>	<b>112,231</b>
<b>Liabilities</b>	
Taxes and expenses payable	77
Redemptions payable	546
Unrealised losses on future contracts (note 2.7)	21
Other liabilities	17
<b>Total liabilities</b>	<b>661</b>
<b>Net assets at the end of the period</b>	<b>111,570</b>

**Statement of Changes in Net Assets**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
Net assets at the beginning of the period	115,476
Net gains from investments	270
Net realised gains	118
Net unrealised losses	(612)
Proceeds from shares issued	20,093
Payments for shares redeemed	(23,754)
Net equalisation paid (note 10)	(4)
Dividends paid (note 5)	(17)
<b>Net assets at the end of the period</b>	<b>111,570</b>

**Statement of Operations**

For the period from 1 July 2015 to 31 December 2015

	US\$'000
<b>Income</b>	
Investment income	693
<b>Total income</b>	<b>693</b>
<b>Expenses</b>	
Management fees (note 4.2)	286
Operating, administrative and servicing fees (note 4.3)	137
<b>Total expenses</b>	<b>423</b>
<b>Net gains from investments</b>	<b>270</b>
Realised gains on investments	117
Realised gains on future contracts	1
<b>Net realised gains</b>	<b>118</b>
Decrease in unrealised appreciation on investments	(563)
Decrease in unrealised appreciation on future contracts	(49)
<b>Net unrealised losses</b>	<b>(612)</b>
<b>Net decrease in assets as a result of operations</b>	<b>(224)</b>

**Share Transactions**

For the period from 1 July 2015 to 31 December 2015

	A-1	A-2
Shares outstanding at the beginning of the period	141,753	328,745
Shares issued during the period	603	65,449
Shares redeemed during the period	(73,463)	(52,816)
<b>Shares outstanding at the end of the period</b>	<b>68,893</b>	<b>341,378</b>
<b>Net asset value per share</b>	<b>103.1145</b>	<b>306.0121</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2015

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
Transferable securities and money market instruments admitted to an official exchange listing / dealt in on another regulated market					95.61%
<b>Bonds 95.61%</b>					
<b>Asset Backed Bonds / Mortgage Backed Bonds 3.33%</b>					
<b>United Kingdom 3.33%</b>					
Aire Valley Mortgages 2006-1X	FRN	20/09/66	3,883,038	3,715	3.33
<b>Total Asset Backed Bonds/ Mortgage Backed Bonds</b>				<b>3,715</b>	<b>3.33</b>
<b>Corporate Bonds 83.90%</b>					
<b>Australia 8.66%</b>					
Australia & New Zealand Banking (EMTN)	FRN	16/11/18	1,500,000	1,504	1.35
Commonwealth Bank of Australia	FRN	13/03/17	1,000,000	999	0.90
Commonwealth Bank of Australia	1.7500	02/11/18	1,000,000	993	0.89
Macquarie Bank (EMTN)	1.6000	27/10/17	1,500,000	1,490	1.34
Suncorp Metway	FRN	28/03/17	1,700,000	1,701	1.51
Westpac Banking	FRN	25/05/18	1,500,000	1,491	1.34
Westpac Banking	1.5500	25/05/18	1,500,000	1,489	1.33
				<b>9,667</b>	<b>8.66</b>
<b>Canada 1.79%</b>					
Royal Bank Of Canada	1.2000	23/01/17	2,000,000	2,000	1.79
<b>Denmark 1.36%</b>					
Danske Bank	3.8750	14/04/16	1,500,000	1,512	1.36
<b>France 6.41%</b>					
Banque Federative du Credit Mutuel	1.7000	20/01/17	1,500,000	1,503	1.35
BPCE (MTN)	FRN	10/02/17	1,500,000	1,503	1.35
Credit Agricole London	1.6250	15/04/16	655,000	656	0.59
Electricite de France	FRN	20/01/17	2,000,000	1,999	1.78
GDF Suez	1.6250	10/10/17	1,500,000	1,493	1.34
				<b>7,154</b>	<b>6.41</b>
<b>Germany 3.98%</b>					
Bayer US Finance	1.5000	06/10/17	667,000	667	0.60
Daimler Finance North America	1.6000	03/08/17	750,000	746	0.67
Daimler Finance North America	1.4500	01/08/16	330,000	330	0.30
VW Credit (EMTN)	1.8750	13/10/16	2,700,000	2,698	2.41
				<b>4,441</b>	<b>3.98</b>
<b>Hong Kong 0.89%</b>					
Hutchison Whampoa International 14	1.6250	31/10/17	1,000,000	992	0.89

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Japan 7.02%</b>					
Bank of Tokyo-Mitsubishi UFJ	1.2000	10/03/17	1,500,000	1,491	1.34
Bank of Tokyo-Mitsubishi UFJ	1.4500	08/09/17	1,500,000	1,491	1.34
Bank of Tokyo-Mitsubishi UFJ	1.5500	09/09/16	1,250,000	1,253	1.12
Mitsubishi UFJ Trust & Banking	1.6000	16/10/17	1,250,000	1,242	1.11
Sumitomo Mitsui Banking Corp	2.4500	16/01/20	367,000	365	0.33
Sumitomo Mitsui Banking Corp	FRN	23/07/18	1,000,000	998	0.89
Sumitomo Mitsui Banking Corp	FRN	16/01/18	1,000,000	997	0.89
				<b>7,837</b>	<b>7.02</b>
<b>Netherlands 6.26%</b>					
Bank Nederlandse Gemeenten	0.6250	15/09/16	2,500,000	2,495	2.23
Neder Financierings-Maat (EMTN)	FRN	12/06/17	2,000,000	2,000	1.79
Shell International Finance	0.9000	15/11/16	1,500,000	1,496	1.34
Shell International Finance	FRN	10/11/18	1,000,000	999	0.90
				<b>6,990</b>	<b>6.26</b>
<b>New Zealand 2.77%</b>					
ANZ New Zealand International	FRN	27/04/17	2,100,000	2,099	1.88
BNZ International Funding	2.3500	04/03/19	1,000,000	995	0.89
				<b>3,094</b>	<b>2.77</b>
<b>Norway 0.89%</b>					
Statoil (EMTN)	FRN	09/11/17	1,000,000	995	0.89
<b>South Korea 0.88%</b>					
Korea Expressway	1.6250	28/04/17	985,000	982	0.88
<b>Supranational 0.22%</b>					
Inter-American Development Bank	0.6250	12/09/16	250,000	250	0.22
<b>Sweden 3.49%</b>					
Nordea Bank (EMTN)	1.8750	17/09/18	1,500,000	1,491	1.34
Svenska Handelsbanken	FRN	04/04/17	900,000	900	0.81
Svenska Handelsbanken	FRN	23/09/16	1,500,000	1,500	1.34
				<b>3,891</b>	<b>3.49</b>
<b>Switzerland 7.60%</b>					
Nestle (EMTN)	1.2500	16/01/18	4,000,000	3,979	3.57
Nestle (EMTN)	2.0000	28/11/16	1,000,000	1,008	0.90
UBS (MTN)	1.3750	01/06/17	1,000,000	995	0.89
UBS (MTN)	2.3750	14/08/19	2,500,000	2,498	2.24
				<b>8,480</b>	<b>7.60</b>

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
<b>United Kingdom 9.76%</b>					
Barclays Bank	FRN	17/02/17	900,000	900	0.81
BP Capital Markets	1.3750	06/11/17	3,500,000	3,481	3.12
HSBC	1.5000	15/05/18	3,550,000	3,513	3.16
Standard Chartered Bank	FRN	08/09/17	2,000,000	1,976	1.77
Standard Chartered Bank	3.2000	12/05/16	1,000,000	1,007	0.90
				<b>10,877</b>	<b>9.76</b>
<b>United States 21.92%</b>					
Apple	1.0000	03/05/18	3,000,000	2,978	2.68
Apple	0.9000	12/05/17	1,000,000	997	0.89
Caterpillar International Finance (MTN)	1.0000	25/11/16	1,000,000	1,000	0.90
GE Capital International Funding (EMTN)	0.9640	15/04/16	1,034,000	1,035	0.93
HJ Heinz	1.6000	30/06/17	1,000,000	997	0.89
HSBC Finance	5.5000	19/01/16	359,000	360	0.32
IBM	FRN	12/02/19	1,500,000	1,494	1.34
International Business Machines	1.1250	06/02/18	1,500,000	1,490	1.34
John Deere Capital (MTN)	1.0500	15/12/16	857,000	857	0.77
JPMorgan Chase	FRN	15/02/17	2,000,000	1,999	1.79
Microsoft	1.8500	12/02/20	1,000,000	1,003	0.90
Microsoft	0.8750	15/11/17	700,000	698	0.63
New York Life Global Funding	1.1250	01/03/17	1,000,000	1,000	0.90
New York Life Global Funding	1.4500	15/12/17	1,000,000	998	0.89
Oracle	1.2000	15/10/17	2,750,000	2,752	2.47
Rockwell Collins	FRN	15/12/16	1,100,000	1,098	0.98
Schlumberger	1.9000	21/12/17	1,000,000	997	0.89
Toyota Motor Credit	1.5500	13/07/18	1,000,000	998	0.89
Verizon Communications	FRN	15/09/16	1,500,000	1,509	1.35
Xcel Energy	1.2000	01/06/17	188,000	187	0.17
				<b>24,447</b>	<b>21.92</b>
<b>Total Corporate Bonds</b>				<b>93,609</b>	<b>83.90</b>
<b>Government Bonds 8.38%</b>					
<b>Denmark 1.92%</b>					
Kommunekredit (EMTN)	1.0000	17/01/17	2,140,000	2,141	1.92
<b>France 4.14%</b>					
Agence Francaise Development	1.6250	04/10/17	2,500,000	2,515	2.25
Agence Francaise Development	1.1250	03/10/16	1,500,000	1,501	1.35
Caisse des Depots et Consignations	1.0000	13/03/17	600,000	599	0.54
				<b>4,615</b>	<b>4.14</b>
<b>Germany 1.34%</b>					
State of North Rhine-Westphalia (EMTN)	FRN	17/09/18	1,500,000	1,496	1.34

Security	Coupon (%)	Maturity	Nominal/ Quantity	Market Value US\$'000	Percentage of total net assets %
United Kingdom 0.98%					
Bank of England (Euro Note)	0.8750	17/03/17	1,100,000	1,099	0.98
Total Government Bonds				9,351	8.38
Total Bonds				106,675	95.61
Transferable securities and money market instruments admitted to an official exchange listing/ dealt in on another regulated market				106,675	95.61
Other transferable securities and money market instruments 2.63%					
Bonds 2.63%					
Corporate Bonds 2.63%					
Australia 0.88%					
Suncorp Metway	2.3500	27/04/20	1,000,000	983	0.88
Germany 1.75%					
Volkswagen America Finance	1.2500	23/05/17	2,000,000	1,952	1.75
Total Corporate Bonds				2,935	2.63
Total Bonds				2,935	2.63
Total Other transferable securities and money market instruments				2,935	2.63
Derivatives (0.02)%					
Futures (0.02)%					
Future		Maturity	Notional	Unrealised Gains/(Losses) US\$'000	Percentage of total net assets %
CBT US 2 Year Note		31/03/16	61	(24)	(0.02)
CBT US 5 Year Note		31/03/16	(9)	3	-
Unrealised losses on future contracts				(21)	(0.02)
Unrealised losses on derivatives				(21)	(0.02)
Total investments				109,589	98.22
Other net assets				1,981	1.78
Total				111,570	100.00

# Notes to the Financial Statements

## 1 PRESENTATION OF THE FINANCIAL STATEMENTS

### 1.1 General

Aberdeen Global II ("the Company") was incorporated on 18 February 2008 as a société anonyme under the laws of the Grand Duchy of Luxembourg and qualifies as an open-ended société d'investissement à capital variable (a "SICAV") with UCITS status (an Undertaking for Collective Investment in Transferable Securities as defined in the European Union Directive 2009/65/EC of 13 July 2009). The Company comprises various classes of shares, each relating to a separate portfolio (a "Fund") consisting of securities, derivatives, cash and other sundry assets and liabilities.

The Company is authorised as an UCITS under part I of the law of 17 December 2010 on undertakings for collective investments, as amended.

At 31 December 2015, the Company comprises twenty four separate active Funds, providing shareholders with opportunities for investment in a wide variety of markets, securities and currencies.

### 1.2 Presentation of financial statements

The accompanying financial statements present the assets and liabilities of the individual Funds and of the Company taken as a whole. The financial statements of each individual Fund are expressed in the currency designated in the Prospectus for that particular Fund and the combined financial statements of the Company are expressed in United States Dollars ("US\$"). The financial statements have been prepared in accordance with the format prescribed by the Luxembourg authorities for Luxembourg investment companies.

As the financial statements are produced at a valuation point that is different to the daily Net Asset Values (NAV) on 31 December 2015 and include dividend declarations, effective for the distribution period ended 31 December 2015 and certain accounting adjustments relating to the period ended 31 December 2015, the NAVs shown throughout the report may differ from those advertised on 31 December 2015 for dealing in these Funds.

The combined statements were calculated on the basis of aggregation of individual Funds statements with no elimination of cross-investments. As of 31 December 2015, the cross-investments within the Fund represent US\$13,233,627.

## 2 ACCOUNTING POLICIES

### 2.1 Accounting convention

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments.

### 2.2 Assets and portfolio securities valuation

The market value of investments has been calculated using the last available prices at close of business on 31 December 2015 quoted on stock exchanges or over-the-counter market or any other organised market on which these investments are traded or admitted for trading.

If such prices are not representative of their fair value, all such securities and all other permitted assets are valued at their fair value at which it is expected they may be resold as determined in good faith by or under the direction of the Directors.

Mortgage and other asset backed securities are independently priced using appropriate models (FT-IDC evaluated prices) and certain corporate bonds are priced using indicative broker quotes.

#### Security Acronyms

CLN	Credit Linked Note	PERP	Perpetual
DIP	Default In Possession	PIK	Payment In Kind
EMTN	Euro Medium Term Note	PREF	Preference Bond
FRN	Floating Rate Note	VAR	Variable Rate Note
GMTN	Global Medium Term Note	SINK	Sinking Bond
INDX	Index Linked		

### 2.3 Income and expenses

Interest is accrued on a day-to-day basis. In the case of debt securities issued at discount or premium to maturity value, the total income arising on such securities, taking into account the amortisation of such discount or premium on an effective interest rate basis, is spread over the life of the security.

Interest income on bonds may be received either in cash or as a Payment in Kind ("PIK"). Where a PIK bond settles physically (either because it matures or it pays interest) the interest income is recognised as the lower of the market value and the nominal value of the settlement. In the event where there is no physical settlement, the factor change on that holding is recognised as interest income in the Statement of Operations at the point when the factor change occurs.

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Dividends are accounted for on an ex-dividend basis. Interest and dividend income are stated net of irrecoverable withholding taxes, if any.

Net interest received / paid on swap contracts are reflected in investment income in the statement of operations.

## **2.4 Foreign exchange**

The cost of investments, income and expenses in currencies other than the Fund's relevant reporting currency have been recorded at the rate of exchange ruling at the time of the transaction. The market value of the investments and other assets and liabilities in currencies other than the relevant reporting currency has been converted at the rates of exchange ruling at 31 December 2015.

Realised and unrealised exchange differences on the revaluation of foreign currencies are taken to the Statement of Operations.

## **2.5 Realised gains and losses on investments**

A realised investment gain and loss is the difference between the historical average cost of the investment and the sale proceeds.

## **2.6 Forward currency exchange contracts**

Unsettled forward currency exchange contracts are valued using forward rates of exchange applicable at the balance sheet date for the remaining period until maturity. All unrealised gains and losses are recognised in the Statement of Operations. Currently forward positions are not collateralised.

## **2.7 Futures contracts**

Futures contracts are valued at the exchange quoted price at close of business on 31 December 2015. Initial margin deposits are made in cash upon entering into futures contracts. During the period the future contract is open, changes in the value of the contract are recognised as unrealised gains and losses by marking to market on a daily basis to reflect the market value of the contract at the end of each day's trading.

Variation margin payments are made or received, depending upon whether unrealised losses or gains are incurred. Variation margin payments are recorded in the futures margin account in the Statement of Net Assets and related movements on unrealised results are recorded in the Statement of Operations. When the contract is closed, the Fund records a realised gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the opening transaction.

## **2.8 Swap contracts**

Funds may enter into swaps agreements such as credit default swaps, interest rate swaps, swaptions, overnight index swaps and inflation-linked swaps. Gains or losses resulting from swap contracts are recognised in the Statement of Operations and Statement of Changes in Net Assets. Swaps are valued at fair value determined at close of business on 31 December 2015 using external independent third party supplied prices as determined in good faith, pursuant to procedures established by the Board of Directors.

## **2.9 Option contracts**

Funds may enter into the purchase of call and put Options. Gains or losses resulting from option contracts are recognised in the Statement of Operations and Statement of Changes in Net Assets. Options are valued at the exchange quoted price at close of business 31 December 2015.

# **3 SHARE CLASS INFORMATION**

## **3.1 General**

Within each Fund, the Company is entitled to create different share classes. These are distinguished by their distribution policy or by any other criteria stipulated by the Directors. Classes suffixed with a '1' are Distribution shares and classes suffixed with a '2' are Accumulation shares. Base currency exposure share classes may be available. Please refer to the Prospectus for further details. For a list of current live share classes please visit [aberdeen-asset.com](http://aberdeen-asset.com).

The Funds are valued at 13:00 hours Luxembourg time on each Dealing Day.

## **3.2 UK Reporting Fund Regime**

UK Reporting Fund Regime Status is granted prospectively by the UK taxation authorities. It is the intention of the Board of Directors to continue to comply with the requirements of the Reporting Fund Regime for D, I, J, K, R, and Z shares.

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of Group 2 shares.

Annually and within six months of the year end, 31 December, the Manager will publish the UK Reporting Regime Report to investors for all share classes granted reporting fund status on its website ([aberdeen-asset.co.uk](http://aberdeen-asset.co.uk)).

The UK Reporting Regime Report to investors for each share class can also be requested in writing by contacting Aberdeen Global Services S.A. at the Shareholder Service Centre as detailed on the back cover of this report by 31 December each year.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 3.3 Switches

The following information applies to all Funds. Shares in one Fund may be exchanged or switched into Shares of the same or a different Class in another Fund or of a different Class in the same Fund, subject to the qualifications for investment being met, on any Dealing Day for the relevant Funds. Shares in the same Class may be switched between Accumulation and Distribution shares within the same Class. Investors may switch either a specific number of Shares or Shares of a specific value.

For full details on switching contact the Global Distributor, UK Distributor, Transfer agent, or email [aberdeen.globalII@aberdeen-asset.com](mailto:aberdeen.globalII@aberdeen-asset.com)

### 3.4 Dilution adjustment

Frequent subscriptions and redemptions can potentially have a dilutive effect on the Fund's NAV per share and be detrimental to the long term investors as a result of the transaction costs that are incurred by the Fund in relation to the trades undertaken by the investment manager.

The Board of Directors' current policy through delegation to the Investment Managers' Investor Protection Committee (IPC) is normally to impose a dilution adjustment to the NAV of each Class of Shares. A dilution rate is applied whenever net subscriptions or net redemptions exceed a certain threshold determined by the Board of Directors (having considered prevailing market conditions).

The dilution adjustment will be recorded in the relevant Fund and becomes part of the relevant Fund's NAV.

The dilution adjustment is a percentage adjustment applied to each share class in a Fund on a dealing day determined on the basis of estimates of any dealing charges (including commission and/ or other costs) and/ or any bid/ offer spread that the Board of Directors believes are appropriate to take into account in respect of that Fund. Such dealing charges will reflect costs and liabilities not included in the calculation of the NAV of the relevant share class.

The net asset values as at 31 December 2015 disclosed in the report do not include any dilution adjustments.

## 4 EXPENSES

### 4.1 Distribution fees

Class W shares are subject to an annual distributor fee of 1% in lieu of an initial sales charge. These fees are accrued daily and are paid monthly in arrears.

### 4.2 Management fees

Aberdeen International Fund Managers Limited (the "Investment Manager") is entitled to receive investment management fees calculated on the Net Asset Value of the Funds, accrued daily.

Where the Fund invests in an open-ended collective investment scheme which is operated or managed by the ACD/the Manager or an associate of the ACD/the Manager, no additional annual management charge will be incurred by the Fund on such an investment.

As at 31 December 2015 the following management fees were applicable;

Fund	Classes of shares (%)			
	A, C, D, E, and W	I, R, X, and Y	J	K
Asia Pacific Multi Asset	1.50	0.75	0.75	0.50
Asian Bond	1.20	0.70	0.50	0.35
Australian Dollar Bond	0.90	0.50	0.50	0.35
Canadian Dollar Bond	0.90	0.50	0.50	0.35
Emerging Europe Bond	1.20	0.70	0.50	0.35
Euro Absolute Return Bond	1.00	0.50	0.50	0.50
Euro Bond	0.90	0.50	0.50	0.35
Euro Corporate Bond	0.90	0.50	0.50	0.35
Euro Government Bond	0.90	0.50	0.50	0.35
Euro High Yield Bond	1.20	0.70	0.60	0.50
Euro Short Term Bond	0.50	0.25	0.25	0.25
European Convertibles Bond	1.20	0.70	0.50	0.35
Global Bond	0.90	0.50	0.50	0.35
Global Government Bond	0.90	0.50	0.50	0.35

Fund	Classes of shares (%)			
	A, C, D, E, and W	I, R, X, and Y	J	K
Global High Yield Bond <sup>^</sup>	1.00	0.50	0.50	0.50
Global Sovereign Opportunities Bond	1.50	1.00	0.75	0.50
Sterling Bond	0.90	0.50	0.50	0.35
Sterling Credit Bond	0.90	0.50	0.50	0.35
Sterling Government Bond	0.90	0.50	0.50	0.35
Sterling Index Linked Bond	0.90	0.50	0.50	0.35
Sterling Long Dated Credit Bond	0.90	0.50	0.50	0.35
Sterling Long Dated Government Bond	0.90	0.50	0.50	0.35
US Dollar Bond	0.90	0.50	0.50	0.35
US Dollar High Yield Bond	1.25	0.70	0.65	0.50
US Dollar Short Term Bond	0.50	0.25	0.25	0.25

<sup>^</sup> Effective 1 October 2015.

Class Z shares are not subject to any management fee charge.

#### 4.3 Operating, Administrative and Servicing Expenses

Ordinary operating expenses incurred by the Company will generally be paid out of the assets of the relevant Fund. To seek to protect the Shareholders from fluctuations in these expenses, the yearly total amount of these expenses to be borne by each Share Class (the "Operating, Administrative and Servicing Expenses"), is fixed at a maximum level of 0.60% of the Net Asset Value in respect of all Share Classes except Base Currency Exposure Share Classes in respect of which a fee of up to 0.10% may be charged in addition by the Investment Manager for providing currency exposure services). The level of effective Operating, Administrative and Servicing Expenses below these maximum levels may vary at the Board of Directors' discretion, as agreed with the Management Company, and different rates may apply across the Funds and Share Classes.

The Board of Directors may amend the maximum fixed level of the Operating, Administrative and Servicing Expenses applicable to each Share Class at any time at their discretion upon prior notice to relevant Shareholders.

In order to pass on economies of scales achieved by those Funds reaching significant levels of assets, the following discounts to the Operating, Administrative and Servicing Expenses will be applied:

In respect of all Share Classes of a Fund reaching a level of assets of at least (USD or the equivalent in another currency):	Discount to be applied to the Operating, Administrative and Servicing Expenses (per annum):
Below 2,000,000,000	0.00%
2,000,000,000	0.01%
4,000,000,000	0.02%
6,000,000,000	0.03%
8,000,000,000	0.04%
10,000,000,000	0.05%

Provided the relevant level of asset value is reached by a Fund on the last Business Day of each month, the relevant discount will apply and be paid to that Fund in relation to that month.

Full details can be found in the Prospectus.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 5 DIVIDENDS (DISTRIBUTION CLASS)

The Directors declared quarterly dividends for the Funds as listed below, for the period 1 July to 31 December 2015 to all shareholders on record on the last day of the relevant quarter (expressed in USD unless otherwise stated).

#### Asia Pacific Multi Asset

Date	A-1	W-1
September 2015	0.051859	0.001151
December 2015	0.028562	0.006797

#### Asian Bond

Date	A-1
September 2015	0.867871
December 2015	0.870929

#### Australian Dollar Bond

Date	A(AUD)-1	X(AUD)-1
September 2015	4.427410	0.046458
December 2015	5.012684	0.051382

#### Global High Yield Bond

Date	A-1	A(EUR)-1	E(EUR)-1	I-1
September 2015	0.116751	0.101858	0.136112	0.131031
December 2015	0.112988	0.101720	0.135387	0.126020

#### Global Sovereign Opportunities Bond

Date	I-1	Z-1
September 2015	0.013568	0.097671
December 2015	0.018062	0.121668

#### US Dollar High Yield Bond

Date	A-1	I-1	X-1
September 2015	0.127328	0.138406	0.132421
December 2015	0.116466	0.127259	0.121574

The Directors declared six monthly dividends for the Funds as listed below, for period 1 July to 31 December 2015 to all shareholders on record on the last day of the December 2015 (expressed in USD unless otherwise stated).

#### Canadian Dollar Bond

Date	A(CAD)-1	X(CAD)-1
December 2015	7.002432	0.072650

#### Euro Corporate Bond

Date	A(EUR)-1
December 2015	0.035275

#### Euro Government Bond

Date	A(EUR)-1	X(EUR)-1
December 2015	0.000000	0.003366

#### Euro Short Term Bond

Date	A(EUR)-1	X(EUR)-1
December 2015	0.000000	0.008011

#### European Convertibles Bond

Date	I(EUR)-1
December 2015	0.063263

**Global Government Bond**

Date	D(GBP)-1
December 2015	0.001204

**Sterling Bond**

Date	A(GBP)-1	Z (GBP)-1
December 2015	3.976286	0.012175

**Sterling Credit Bond**

Date	I(GBP)-1	K(GBP)-1	Z(GBP)-1
December 2015	0.016164	0.019073	0.179028

**Sterling Government Bond**

Date	D(GBP)-1	R(GBP)-1	Z(GBP)-1
December 2015	0.006118	0.074198	0.013811

**US Dollar Bond**

Date	A-1
December 2015	8.042129

**US Dollar Short Term Bond**

Date	A-1
December 2015	0.246571

**6 DIRECTORS' INTERESTS**

None of the Directors were materially interested in any contracts of significance subsisting with the Company either during the period or at 31 December 2015.

None of the Directors have service contracts with the Company.

**7 CHANGES IN INVESTMENT PORTFOLIO**

The schedule of changes in the investment portfolio is available on request from the Registered Office in Luxembourg and from the local agents listed under Management and Administration and in the Prospectus.

**8 TRANSACTIONS WITH CONNECTED PERSONS**

Transactions with connected persons outlined in the previous notes (4.2 and 4.3) have been entered into in the ordinary course of business and on normal commercial terms.

As at 31 December 2015, other Aberdeen Funds/Trust and mandates managed by Aberdeen Asset Management PLC held investments in the company valued at US\$1,251,349,483.

**9 SOFT COMMISSION/COMMISSION SHARING**

There are no soft commission arrangements for the Company.

**10 EQUALISATION ON THE ISSUE AND REDEMPTION OF SHARES**

Equalisation is operated in connection with the issue and redemption of shares. It represents the income element included in the price for the issue and redemption of shares.

**11 OVERDRAFT FACILITY**

The Company has a US\$20 million intra-day uncommitted and unsecured credit line facility with Bank of America to finance short-term timing differences arising from subscriptions and redemptions. Any liability arising on this account will be recoverable from subscribers to the Company and is therefore not reflected in the financial statements of the Company.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 12 PROVISIONS FOR CHINESE TAXES

There is currently uncertainty as to whether the PRC (People's Republic of China) tax authorities will impose a capital gains tax on realised gains from dealing in fixed income securities as well as domestic shares. In light of this uncertainty and in line with current market practice, the Fund provides for a 10% contingency on realised gains from disposing or holding fixed income securities as well as domestic shares such securities for the period 17 November 2009, and 16 November 2014 as the Fund may be subject to withholding and other taxes imposed in the PRC (People's Republic of China). The PRC tax authorities have clarified whether income tax and other tax categories are payable on capital gains arising from securities trading of QFIs on or after 17 November 2014. Any unclaimed provisions or over provision made on realised gains may later be released to form part of the relevant Fund's assets.

Any changes to the market practice or interpretation or clarification of PRC tax rules may impact this provision and may result in this provision being higher or lower than required, or deemed not to be required. The Board of Directors therefore reserves the right to amend its practice in this regard and/or this policy without prior notice at any time. The following provisions have been recorded in the other liabilities caption of the financial statements:

Fund Name	Currency	Provision for Realised Gain on CNY holdings
Asia Pacific Multi Asset	USD	4,303
Asian Bond	USD	11,826

### 13 PROVISIONS FOR KOREAN TAXES

Korea Treasury bond and monetary stabilization bond sale transactions settling on or after January 1, 2011 are subject to a statutory tax rate of 22% of the capital gain. The following provisions have been recorded in the other liabilities caption of the financial statements:

Fund Name	Currency	Provision for Unrealised Gain on KRW holdings
Asia Pacific Multi Asset	USD	57,699
Asian Bond	USD	78,980

### 14 PROVISION FOR INDONESIAN TAXES

Indonesian Corporate and Government bonds issued in the domestic market, and Indonesian Corporate bonds issued in foreign markets, are subject to Tax at 20% of capital gains. The following provisions have been recorded in the other liabilities caption of the financial statements:

Fund Name	Currency	Provision For Unrealised Gain on Indonesian Holdings
Asia Pacific Multi Asset	USD	5,419
Asian Bond	USD	4,215
Global Bond	USD	230

## 15 TRANSACTION CHARGES

For the period ended 31 December 2015, the Funds incurred transaction costs which have been defined as commissions and tax relating to purchase or sale of transferable securities, money market instruments, derivatives or other eligible assets as follows:

Fund	Currency	Commissions '000	Taxes '000	Total '000
Asia Pacific Multi Asset	USD	1	2	3
Asian Bond	USD	1	-	1
Australian Dollar Bond	AUD	-	-	-
Canadian Dollar Bond	CAD	-	-	-
Emerging Europe Bond	EUR	-	-	-
Euro Absolute Return Bond	EUR	-	-	-
Euro Corporate Bond	EUR	-	-	-
Euro Government Bond	EUR	6	-	6
Euro High Yield Bond	EUR	-	-	-
Euro Short Term Bond	EUR	1	-	1
European Convertibles Bond	EUR	-	-	-
Global Bond	USD	14	-	14
Global Government Bond	USD	1	-	1
Global High Yield Bond	USD	-	-	-
Global Sovereign Opportunities Bond	USD	-	-	-
Sterling Bond	GBP	-	-	-
Sterling Credit Bond	GBP	1	-	1
Sterling Government Bond	GBP	-	-	-
Sterling Index Linked Bond	GBP	-	-	-
Sterling Long Dated Credit Bond	GBP	-	-	-
Sterling Long Dated Government Bond	GBP	-	-	-
US Dollar Bond	USD	-	-	-
US Dollar High Yield Bond	USD	-	-	-
US Dollar Short Term Bond	USD	-	-	-

## 16 WITHHOLDING TAX RECLAIMS

Withholding tax reclaims have been filed in respect of the withholding tax applied on dividends received during the recent years.

The decision for claiming is taken by the Board of Directors based on the analysis of costs to be borne and maximum potential amount refunded. The costs for pursuing the reclaims are borne only by the Funds potentially entitled to the refunds and recorded under Operational Expenses.

Currently it is not possible to assess the likelihood of success of these reclaiming actions. Consequently no receivables with respect to the potential refunded amounts have been booked in the Financial Statements.

Any proceeds received from these reclaiming actions will be booked in the respective Fund's net asset values.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 17 FUTURE EXPOSURE

The following Funds have open future contracts with total commitments as follows:

Fund	Currency	Fund Exposure '000
Asian Bond	US\$	11,771
Asia Pacific Multi Asset	US\$	9,882
Euro Absolute Return Bond	EUR	1,201
Euro Government Bond	EUR	21,193
Euro Short Term Bond	EUR	23,915
Global Bond	USD	16,324
Global Government Bond	USD	1,161
Sterling Credit Bond	GBP	239
Sterling Long Dated Credit Bond	GBP	1
US Dollar Bond	USD	4,103
US Dollar Short Term Bond	USD	12,186

### 18 UNDERLYING EXPOSURE OBTAINED THROUGH OTC FINANCIAL DERIVATIVE TRANSACTIONS

Several Funds entered in OTC financial derivatives transactions as part of the investment management process.

The underlying exposure obtained through these OTC financial derivative transactions, and through which the Funds gain an exposure to an asset, is detailed hereafter, together with the identity of the counterparties:

#### Euro Absolute Return Bond

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Instruments	Exposure US\$'000
Barclays	USD	20/12/2020	2,250,000	1.00%	North America Investment Grade Series 25	Credit Default Swap	2,082
Citigroup	EUR	20/12/2020	1,170,000	5.00%	Itraxx Europe Crossover Series 24	Credit Default Swap	1,264
Citigroup	EUR	20/12/2020	820,000	1.00%	Itraxx Europe Series 23	Credit Default Swap	820
Citigroup	USD	20/12/2020	1,000,000	5.00%	North America High Yield Series 25	Credit Default Swap	930
JPM Chase	EUR	20/06/2020	490,000	5.00%	Itraxx Europe Crossover Series 23	Credit Default Swap	575

#### Global High Yield Bond

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Instruments	Exposure US\$'000
Citigroup	USD	20/06/2020	500,000		North America High Yield Series 24	5.00% Credit Default Swap	500

#### Global Sovereign Opportunities Bond Fund

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Instruments	Exposure US\$'000
Barclays	USD	20/12/2019	2,950,000	1.00%	Hungary Government International Bond	Credit Default Swap	2,950
Barclays	USD	20/12/2019	2,900,000	1.00%	Colombia Government International Bond	Credit Default Swap	4,009

#### US Dollar High Yield Bond

Counterparty	Ccy	Termination	Notional	Fund Pays	Fund Receives	Instruments	Exposure US\$'000
Citigroup	USD	20/12/2020	1,500,000		North America High Yield Series 25	5.00% Credit Default Swap	1,500
Goldman Sachs	USD	20/03/2020	185,000	5.00%	Transocean Inc	Credit Default Swap	166
JPM Chase	USD	20/12/2020	475,000	5.00%	Bombardier Inc	Credit Default Swap	326

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The Company received cash collateral from the counterparties to the above OTC financial derivative instruments in order to reduce the counterparty exposure, as detailed below:

### Euro Absolute Return Bond

Counterparty	€'000
Barclays	(10)
Citigroup	110
Goldman Sachs	50
JPM Chase	30

### Global High Yield Bond

Counterparty	US\$'000
Citigroup	(20)

### Global Sovereign Opportunities Bond

Counterparty	US\$'000
Deutsche Bank	(100)

### US Dollar High Yield Bond

Counterparty	US\$'000
Goldman Sachs	(190)

## 19 CORPORATE GOVERNANCE

The Board has adopted the Principles of the ALFI Code of Conduct dated June 2013 ("the Code"), which sets out a framework of high level principles and best practice recommendations for the governance of Luxembourg investment funds.

The Board considers that it has been in compliance with the principles of the Code in all material respects for the period ended 31 December 2015.

The Board meets regularly to consider the activities of the Company and receives reports on various activities, including compliance controls and risk management.

The Board of Directors has established an Audit Committee which is charged with reviewing the annual accounts and the external audit process (including the appointment and remuneration of the external Auditor, subject to Shareholders approval), and reviewing and monitoring the internal financial control systems and risk management systems on which the Fund is reliant.

The collective remuneration of the Board of Directors charged to the Fund amounts to US\$114,062 for the period ended 31 December 2015.



# Management and Administration

## Investment Advisers

**Aberdeen Asset Managers Limited (AAM Limited)**  
10 Queen's Terrace, Aberdeen, AB10 1YG, United Kingdom.  
Authorised and regulated by the Financial Conduct Authority.

**Aberdeen Asset Management Asia Limited, (AAM Asia)**  
21 Church Street, #01-01 Capital Square Two, Singapore 049480  
Regulated by the Monetary Authority of Singapore.

**Aberdeen Asset Management Inc., (AAM Inc)**  
1735 Market Street, 32nd Floor, Philadelphia, PA19103  
Authorised by the Securities and Exchange Commission of the United States of America.

**Aberdeen Asset Management Canada Limited**  
44 th Floor. 161 Bay Street, TD Canada Trust Tower,  
Toronto, Ontario, M5J 2S1.  
Authorised and regulated by the Ontario Securities Commission.

**Aberdeen Asset Management (AAM Aus) Limited,**  
Level 6  
201 Kent Street  
Sydney  
NSW 2000  
Authorised and regulated by the Australian Securities and Investments Commission.

Fund	Managed by:
Asia Pacific Multi Asset	AAM Asia and AAM Inc
Asian Bond	AAM Asia and AAM Inc
Australian Dollar Bond	AAM Limited, AAM Inc, and AAM Asia
Canadian Dollar Bond	AAM Limited and AAM Inc
Emerging Europe Bond	AAM Limited and AAM Inc
Euro Absolute Return Bond	AAM Limited and AAM Inc
Euro Corporate Bond	AAM Limited and AAM Inc
Euro Government Bond	AAM Limited and AAM Inc
Euro High Yield Bond	AAM Limited and AAM Inc
Euro Short Term Bond	AAM Limited and AAM Inc
European Convertibles Bond	AAM Limited and AAM Inc
Global Bond	AAM Limited and AAM Inc
Global Government Bond	AAM Limited and AAM Inc
Global High Yield Bond	AAM Inc and AAM Limited
Global Sovereign Opportunities Bond	AAM Limited and AAM Inc
Sterling Bond	AAM Limited and AAM Inc
Sterling Credit Bond	AAM Limited and AAM Inc
Sterling Government Bond	AAM Limited and AAM Inc
Sterling Index Linked Bond	AAM Limited and AAM Inc
Sterling Long Dated Credit Bond	AAM Limited and AAM Inc
Sterling Long Dated Government Bond	AAM Limited and AAM Inc
US Dollar Bond	AAM Inc and AAM Limited
US Dollar High Yield Bond	AAM Inc and AAM Limited
US Dollar Short Term	AAM Inc and AAM Limited

## Cross Trade

The Manager / Investment Advisor may, as appropriate, make sales and purchases of assets of the Portfolio to or from its Associates or other clients in the same manner as if the other party were at arm's length with the Client or Manager / Investment Advisor.

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**Chairman**

**Christopher G Little**  
Aberdeen Global II  
2b Rue Albert Borschette  
L-1246  
Luxembourg  
Grand Duchy of Luxembourg

**Directors**

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Aberdeen Asset Management Asia Limited  
21 Church Street, #01–01 Capital Square Two  
Singapore 049480

**Martin J Gilbert**  
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**Ronaldo Augusto Da Frota Nogueira**  
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Edinburgh  
EH2 2BY

**Ian Macdonald (from 23 November 2015)**  
Aberdeen Asset Management Asia Limited  
21 Church Street, #01–01 Capital Square Two  
Singapore 049480

**Registered Office**

Aberdeen Global II, 35a, Avenue John F Kennedy, L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Management Company also acting as Domiciliary, Registrar, Transfer Agent and Listing Agent.**

Aberdeen Global Services S.A.,  
35a, Avenue John F Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Administrator and Custodian Bank.**

BNP Paribas Securities Services Luxembourg Branch, 60, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Paying Agent**

State Street Bank Luxembourg S.A.,  
49 Avenue JF Kennedy, L-1855 Luxembourg,  
Grand Duchy of Luxembourg

**Investment Manager & Global Distributor**

Aberdeen International Fund Managers Limited, Suites 1601, 16/F Chater House,  
8 Connaught Road Central,  
Hong Kong

**UK Distributor**

Aberdeen Asset Managers Limited,  
10 Queen's Terrace, Aberdeen, AB10 1YG,  
United Kingdom

**Auditor**

KPMG Luxembourg Societe Cooperative,  
39, Avenue John F. Kennedy, L-1855  
Luxembourg, Grand Duchy of Luxembourg

**Legal Advisors to the Company**

Elvinger Hoss & Prussen, 2 Place Winston Churchill, L-1340, Luxembourg, Grand Duchy of Luxembourg

**German Paying Agent**

Marcard, Stein & Co AG, Ballindamm 36,  
20095 Hamburg, Germany

**Austrian Paying and Information Agent**

Raiffeisen Bank International, Am Stadtpark 9,  
1030 Vienna, Austria

**Swedish Paying Agent**

SKANDINAVISKA ENSKILDA BANKEN AB (publ) Custody Services, SEB Merchant Banking, Rissneleden 110, SE-106 40 Stockholm, Sweden

**Irish Facilities Agent**

Aberdeen Fund Management Ireland Limited,  
78 Sir John Rogerson's Quay, Dublin 2,  
Ireland

**Swiss Paying Agent and Representative**

BNP Paribas Securities Services,  
succursale de Zurich, Selnaustrasse 16,  
CH-8002 Zurich, Switzerland

**Financial and Centralising Correspondent Agent in France**

BNP Paribas Securities Services, 3 rue d'Antin ,  
75002 Paris, France

**Spanish Distributor**

Allfunds Bank SA, Calle Estafeta 6, Complejo  
Plaza de la Fuente, Edificio 3 (La Moraleja),  
C.P. 28109, Alcobendas, Madrid, Spain

**Italian Paying Agents**

BNP Paribas Securities Services, Via Ansperto  
no. 5, 20123, Milano, Italy

State Street Bank S.p.A, Via Ferrante  
Aporti 10, 20125 Milan, Italy

Allfunds Bank S.A., Italian Branch, Via Santa  
Margherita 7, 20121 Milan

Société Générale Securities Services S.p.A  
Via Benigno Crespi 19A - MAC 2 20159  
Milano, Italy

Banca Sella Holding S.P.A  
Piazza Gaudenzio Sella, 1  
13900 Biella

**Liechtenstein Paying Agent**

LGT Bank in Liechtenstein AG, Herrengass 12,  
FL-9490 Vaduz, Liechtenstein

**Financial agent in Belgium**

BNP Paribas Securities Services acting from its  
Brussels branch at Avenue Louise 489, 1050  
Brussels

**Danish Paying Agent**

Nordea Bank Danmark A/S,  
Strandgade 3, DK-0900 Copenhagen C,  
Denmark

# General Information

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Further Information on Aberdeen Global II can be obtained from:

**Aberdeen Asset Managers Limited**

(UK Distributor)  
10 Queens Terrace  
Aberdeen  
AB10 1YG  
United Kingdom  
[aberdeen-asset.com](http://aberdeen-asset.com)

**Aberdeen International Fund Managers Limited**

(Global Distributor and Investment Manager)  
Suites 1601, 16/F Chater House  
8 Connaught Road  
Central, Hong Kong  
Telephone: **+852 2103 4700**  
Fax: **+852 2103-4788**

**Additional information for investors in Germany**

Marcard Stein & Co AG, Ballindamm 36, D-20095 Hamburg, has undertaken the function of Paying and Information Agent for the Company in the Federal Republic of Germany (the "German Paying and Information Agent").

Applications for the subscriptions, redemptions, and conversion of shares may be sent to the German Paying and Information Agent.

All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through the German Paying and Information Agent.

The full prospectus, Key Investor Information Documents ("KIIDs"), the Articles of Incorporation of the Company and the annual and semi-annual reports may be obtained, free of charge, at the office of the German Paying and Information Agent during normal opening hours. The statement of changes in the composition of the investment portfolio is also free of charge upon request at the office of the German Paying and Information Agent available.

Issue, redemption and conversion prices of the shares, and any other information to the shareholders, are also available from the German Paying and Information Agent.

The issue and redemption prices will be published in "Börsen-Zeitung". Any other information to the shareholders will be published in Germany in the electronic version Federal Gazette ([www.eBundesanzeiger](http://www.eBundesanzeiger)).

In March 2013, the German government agreed new legislation that required the calculation of daily Aktiengewinn II (AGII) figures for corporate investors in addition to the Aktiengewinn I (AGI) figures that are currently produced. These have been produced daily from the 1st July 2013 for each shareclass and are released as part of the daily price file distributed by the Funds administrator BNP Paribas Luxembourg.

For the period 1 March to 28 June 2013, the German tax authorities have confirmed that the AGII figures may be retrospectively calculated due to the short-time period allowed to the Fund Industry to develop and implement the new AGII calculations. The AGII figures for this period have been calculated and can be found on the Managers website at the following address: [aberdeen-asset.de](http://aberdeen-asset.de)

**Supplementary information for investors in Switzerland**

Conditions for shares marketed in Switzerland or from a base in Switzerland.

For shares marketed in Switzerland or from a base in Switzerland, the following is applicable in addition to the Prospectus and the Key Investor Information Documents ("KIIDs"), conditions:

**Swiss Representative and Paying Agent:**

BNP Paribas Securities Services,  
Paris, Succursale de Zurich  
Selnaustrasse 16  
CH-8002 Zurich  
Switzerland

**Place of distribution for relevant documents**

The constitution documents, Prospectus, KIIDs, articles of association, the annual and half-yearly reports and a schedule of purchases and sales for the Fund can be obtained free of charge from the representative's Zurich branch.

**Publications**

- a. Required publications concerning foreign collective investments are published by the Swiss representative in the Swiss Official Gazette and on the electronic platform of fundinfo AG Zurich ([www.fundinfo.com](http://www.fundinfo.com)).
- b. The Share issue price together with the redemption price and the Net Asset Value with indication of "commissions not included" are published when subscriptions and redemptions occur. Prices are published every working day on the electronic platform of fundinfo AG Zurich ([www.fundinfo.com](http://www.fundinfo.com)).
- c. All Shareholder notices will be published on the electronic platform of fundinfo AG Zurich ([www.fundinfo.com](http://www.fundinfo.com)).

# Further Information

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## **Aberdeen Global II**

Aberdeen Global II is an open-ended investment company incorporated with limited liability under the laws of the Grand Duchy of Luxembourg and organised as a société d'investissement à capital variable (a "SICAV") with UCITS status (an Undertaking for Collective Investment in Transferable Securities as defined in the European Union Directive 2009/65/EC of 13 July 2009.)

Aberdeen Global II aims to provide investors with a broad international range of diversified actively-managed Funds. There are twenty four active Funds in total, each with its own specific investment objectives and individual portfolios, offering investors the opportunity of exposure to selected areas or to conveniently build a diversified global bond portfolio to meet specific investment goals. The overall strategy of Aberdeen Global II and the separate Funds is to seek diversification through investment primarily in transferable securities.

## **Aberdeen Asset Management PLC**

Aberdeen Asset Management PLC is an international investment management group, managing assets for both institutions and private investors from offices around the world. Our goal is to deliver superior fund performance across diverse asset classes in which we believe we have a sustainable competitive edge. Listed on the London Stock Exchange, we manage fixed income and equities (quoted and private) in segregated, closed and open-ended pooled structures.

Over three decades we have expanded through a combination of organic growth and acquisition, first in the UK, then by seeking selectively to manage and (or) market funds in countries in which we already invest. We operate flat management structures to facilitate local decision-making, underpinned by clear lines of control and central reporting.

Our investment style is driven by fundamental analysis, with an emphasis on active management and team decision-making supported by strong process disciplines.

Aberdeen Asset Manager PLC is a pure asset manager, without the distractions of other financial services activities, we are able to concentrate all our resources on our core business. We believe this is key to our performance. Assets are only managed for third parties, not our own balance sheet, which helps reduce conflicts of interest.

We dislike unnecessary obscurity and complexity so our investment processes strive to be simple and clear. We aim to seek out investments that display those qualities too. Finally, we focus on taking a long-term view of our investments.

Our business is predominantly the active management of financial assets, using first-hand research to make our investment decisions. Active investment spans equities, fixed income securities and property, sharing resources and a common investment approach. We have also developed a solutions business that can blend our abilities across different asset classes to provide tailored investment outcomes to meet specific client needs. This can incorporate skills in both quantitative equities and alternatives.

Our investment expertise is delivered through both segregated and pooled products – allowing us to serve a range of clients from institutions to private investors.

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**Shareholder Service Centre**  
Aberdeen Global Services S.A,  
C/O State Street Bank Luxembourg S.A  
49, Avenue J. F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

For more information on Aberdeen  
Global II, please contact:  
Tel **+44 1224 425255**  
(UK Shareholders)  
Tel **+352 46 40 10 820** (Outside UK)  
Fax **+352 245 29 056**

**Aberdeen Asset Managers Limited  
(UK Distributor)**  
10 Queens Terrace, Aberdeen  
AB10 1YG  
Authorised and regulated by The  
Financial Conduct Authority  
Member of the Aberdeen Asset  
Management Group of Companies

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Managers Limited (Global Distributor  
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