

Aberdeen Liquidity Fund (Lux)

Interim Report and Accounts

For the period ended 30 September 2016

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Incorporation

Aberdeen Liquidity Fund (Lux) ("the Company") is a société anonyme, qualifying as an open-ended société d'investissement à capital variable (a "SICAV"). It is registered under number B167827 at the Register of Commerce at the District Court of Luxembourg.

As at 30 September 2016, the Company has issued shares in the following Funds:

Canadian Dollar Fund

Euro Fund

Sterling Fund

US Dollar Fund

Ultra Short Duration Sterling Fund

The full name of each Fund is constituted by the name of the Company, Aberdeen Liquidity Fund (Lux), 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 and the latest 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.

Net Asset Value History

Fund	Base Currency	Share Class	NAV	NAV	NAV	NAV	Ongoing Charges % [†]
			per Share 30.09.16	per Share 31.03.16	per Share 31.03.15	per Share 31.03.14	as at 30.09.16
Canadian Dollar Fund	CAD	A-2	2,243.7730	2,242.3481	2,239.1509	2,227.4444	0.51%
	CAD	I-2	1,135.7410	1,133.8142	1,129.8249	1,121.5623	0.30%
	CAD	K-1 ^E	–	1.0000	1.0000	1.0000	–
	CAD	L-1 ^D	1.0000	–	–	–	0.10%
Euro Fund	EUR	A-2	445.1187	445.8071	446.2141	445.8647	0.06%
	EUR	I-2	1,219.2342	1,221.0618	1,222.0546	1,220.9752	0.05%
	EUR	J-2	1,080.9524	1,082.5727	1,083.4527	1,082.4957	0.05%
	EUR	J-3 ^B	1.0000	1.0000	1.0000	1.0000	0.05%
	EUR	K-2 ^C	9.9837	9.9983	10.0064	–	0.05%
	EUR	Z-3 ^B	1,000.0000	1,000.0000	1,000.0000	1,000.0000	0.02%
Sterling Fund	GBP	A-2	4,778.1788	4,775.2046	4,770.1901	4,767.4607	0.45%
	GBP	I-2	1,146.0037	1,144.0718	1,140.4806	1,137.4360	0.24%
	GBP	J-3 ^F	1.0000	–	–	–	0.20%
	GBP	K-1	1.0000	1.0000	1.0000	1.0000	0.15%
	GBP	K-3 ^F	1.0000	–	–	–	0.15%
	GBP	L-1 ^A	1.0000	1.0000	1.0000	1.0000	0.10%
	GBP	L-3 ^F	1.0000	–	–	–	0.10%
	GBP	Z-1	1,000.0000	1,000.0000	1,000.0000	1,000.0000	0.04%
US Dollar Fund	USD	A-2	3,079.5150	3,071.5915	3,066.8448	3,065.5060	0.17%
	USD	I-2	1,232.0329	1,228.8022	1,226.7842	1,226.1329	0.16%
	USD	J-2	1,087.9893	1,085.1374	1,083.3554	1,082.7792	0.16%
	USD	K-1	1.0000	1.0000	1.0000	1.0000	0.15%
	USD	K-2 ^C	10.0584	10.0295	10.0080	–	0.11%
	USD	L-1 ^A	1.0000	1.0000	1.0000	1.0000	0.10%
	USD	Z-1	1,000.0000	1,000.0000	1,000.0000	1,000.0000	0.06%
	USD	Z-2	1,143.1637	1,139.5866	1,136.5807	1,134.8386	0.06%
Ultra Short Duration Sterling Fund	GBP	J-2 ^F	102.8738	–	–	–	0.22%
	GBP	K-2 ^F	126.4291	–	–	–	0.17%
	GBP	Z-2 ^F	130.7096	–	–	–	0.02%

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

^A Share class launched 15 April 2013.

^B Share class launched 17 December 2013.

^C Share class launched 25 June 2014.

^D Share class launched 11 May 2016.

^E Share class closed 26 May 2016.

^F Share class launched 15 July 2016.

The currency exchange rates against the USD as at the following dates were as follows:

Exchange Rates	30.09.16	31.03.16	31.03.15	31.03.14
USD - CAD	1.314250	1.293450	1.266500	1.103750
USD - EUR	0.889838	0.877539	0.931099	0.725558
USD - GBP	0.769823	0.695749	0.673627	0.599826

Summary of Historic Information

For the period ended 30 September 2016

Fund	Base Currency	Net Asset Value 30.09.16	Net Asset Value 31.03.16	Net Asset Value 31.03.15	Net Asset Value 31.03.14
		('000)	('000)	('000)	('000)
Canadian Dollar Fund	CAD	85,054	90,617	99,451	124,210
Euro Fund	EUR	934,576	732,708	624,608	671,527
Sterling Fund	GBP	13,825,419	393,698	533,726	373,478
US Dollar Fund	USD	1,744,987	1,576,305	1,525,757	1,926,030
Ultra Short Duration Sterling Fund ^A	GBP	4,929,100	–	–	–
Combined Total	USD	27,222,099	3,047,183	3,067,427	3,586,734

^A Fund launched 15 July 2016.

Performance History

For the period ended 30 September 2016

Fund	Base Currency	30.09.16 %	31.03.16 %	31.03.15 %	31.03.14 %
Canadian Dollar Fund - A Accumulation Shares	CAD	0.06	0.14	0.53	0.55
Benchmark: Bank Of Canada Overnight Lending Rate Index	CAD	0.25	0.57	0.96	0.99
Euro Fund - A Accumulation Shares	EUR	(0.15)	(0.09)	0.08	0.06
Benchmark: 7 Day EUR LIBID	EUR	(0.26)	(0.32)	(0.10)	(0.04)
Sterling Fund - A Accumulation Shares	GBP	0.06	0.11	0.06	0.05
Benchmark: 7 Day GBP LIBID	GBP	0.14	0.36	0.35	0.35
US Dollar Fund - A Accumulation Shares	USD	0.26	0.15	0.04	0.05
Benchmark: 7 Day USD LIBID	USD	0.15	0.10	0.00	0.02
Ultra Short Duration Sterling Fund - J Accumulation Shares ^A	GBP	0.27	–	–	–
Benchmark: 1 Month GBP LIBID ^A	GBP	0.04	–	–	–

^A Performance period commences from Fund launch date.

Performance is calculated at 31 March each year unless otherwise stated.

Fund performance relates to quoted share price movement in base currency at valuation point; Gross income reinvested and net of expenses.

Source: Aberdeen Asset Management, Lipper and BNP Paribas.

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.

Aberdeen Liquidity Fund (Lux) - Combined Statements

Combined Statement of Net Assets

As at 30 September 2016

	US\$'000
Assets	
Investments in securities at amortised cost (note 2.2)	22,475,747
Cash and cash equivalents	4,805,835
Dividend receivable	25
Interest receivable	40,319
Subscriptions receivable	5,832
Receivable on reverse repurchase agreements	65,117
Other assets	1,233
Total assets	27,394,108
Liabilities	
Payable for investments purchased	(161,551)
Taxes and expenses payable	(3,825)
Redemptions payable	(4)
Other liabilities	(6,629)
Total liabilities	(172,009)
Net assets at the end of the period	27,222,099

Combined Statement of Changes in Net Assets

For the period from 1 April 2016 to 30 September 2016

	US\$'000
Net assets at the beginning of the period	3,047,183
Exchange rate effect on opening net assets	(67,097)
Net gains from investment	34,264
Net realised gains	122
Net unrealised gains	7,317
Proceeds from shares issued ^A	49,873,726
Payments for shares redeemed	(25,653,569)
Net equalisation paid (note 10)	(518)
Dividends paid (note 5)	(19,329)
Net assets at the end of the period	27,222,099

^A Includes assets transferred from merger activity during the period, please see individual Funds' financial statements for further details.

Combined Statement of Operations

For the period from 1 April 2016 to 30 September 2016

	US\$'000
Income	
Investment income (note 2.3)	41,239
Dividend income	77
Bank interest	1,101
Reverse repurchase agreement income (note 2.7, 13)	23
Total income	42,440
Expenses	
Management fees (note 4.5)	(6,057)
Administration fees (note 4.1)	(416)
Depositary fees (note 4.2)	(354)
Domiciliary agent, registrar, paying and transfer agent fees (note 4.3)	(338)
Management Company fees (note 4.4)	(245)
Operational expenses (note 4.6)	(1,546)
Expense cap refunded by the Investment Manager (note 4.7)	1,016
Annual tax (note 4.8)	(236)
Total expenses	(8,176)
Net gains from investments	34,264
Realised gains on investments	122
Net realised gains	122
Increase in unrealised appreciation on investments	7,317
Net unrealised gains	7,317
Net increase in assets as a result of operations	41,703

Canadian Dollar Fund

For the period ended 30 September 2016

Performance

For the period ended 30 September 2016, the value of the Canadian Dollar Fund - A Accumulation shares increased by 0.06% compared to an increase of 0.25% for the benchmark, Bank of Canada Overnight Lending Rate Index.

Source: Aberdeen Asset Management, Lipper, BNP Paribas.

Basis: Total Return, published NAV to NAV, net of annual charges, gross income reinvested, CAD.

Market review

Canada's economy is still struggling to gain traction with gross domestic product contracting by 0.4% in the second quarter of 2016. This contraction came after three quarters of consecutive growth and reflects the impact of declining energy prices and the wildfires in the oil-sands area of Northern Alberta, which disrupted oil production. At the very end of the quarter, however, data showed that the economy had grown more strongly than expected in July, helped by a robust recovery in Alberta's oil industry. Export data has also improved, driven by energy. However, continued weakness in non-energy exports shows that the Canadian economy has not yet made the switch to export-driven growth that the Bank of Canada (BoC) has been anticipating.

The BoC left the overnight borrowing rate unchanged at 0.50% over the period. The BoC continues to believe that growth in the US economy will provide support to export-driven growth in the Canadian economy. This should be the case, but in recent years the link has proven less reliable than in the past. It is notable that the central bank has hinted at intensification of select downside risks to the Canadian outlook, which suggests that it may be leaving the door open for further policy easing. Should the US economy fail to deliver sustained growth, we would expect the BoC to consider a reduction in the overnight borrowing rate to weaken the Canadian dollar and give exporters an additional price advantage for exports.

Economic activity in commodity-related regions appears to be recovering. Nevertheless, the unemployment rate rose slightly to 7.0% in August, up from 6.9% in July. After turning positive in April, retail sales declined in subsequent months. Declining gasoline prices and weak auto sales have been the main factors in this.

Portfolio review

The overall weighted average maturity (WAM) of the Fund ended the period at 40 days, down from 53 at the outset. Similarly, the weighted average life (WAL) stands at 44 days, down from 56 days. The decision heading into the UK referendum was to reduce some volatility should there be a vote to leave, following the decision there has been some lengthening in the overall maturity profile. During the period the allocation to government bonds has virtually doubled which will improve the overall quality of the Fund as well as remove any adverse volatility. The yield has been relatively stable ending the period at 0.62%.

Outlook

The Canadian economy very much follows the fortunes of the US market. Given the concerns in global markets following the UK's Brexit vote and the uncertainties related to the US presidential election, the Canadian Federal government and central bank are ready to assist financial markets should the need arise. Like other central banks, the BoC has scope to adjust policy if further shocks arise. The markets have priced in a small chance of a further cut in the discount rate before the end of the year.

Aberdeen Fixed Income Team

October 2016

Canadian Dollar Fund

Statement of Net Assets

As at 30 September 2016

	C\$'000
Assets	
Investments in securities at amortised cost (note 2.2)	68,752
Cash and cash equivalents	16,160
Interest receivable	166
Other assets	33
Total assets	85,111
Liabilities	
Taxes and expenses payable	(56)
Other liabilities	(1)
Total liabilities	(57)
Net assets at the end of the period	85,054

Statement of Changes in Net Assets

For the period from 1 April 2016 to 30 September 2016

	C\$'000
Net assets at the beginning of the period	90,617
Net gains from investments	66
Proceeds from shares issued	17,652
Payments for shares redeemed	(23,272)
Net equalisation paid (note 10)	(5)
Dividends paid (note 5)	(4)
Net assets at the end of the period	85,054

Statement of Operations

For the period from 1 April 2016 to 30 September 2016

	C\$'000
Income	
Investment income (note 2.3)	259
Bank interest	23
Total income	282
Expenses	
Management fees (note 4.5)	(167)
Administration fees (note 4.1)	(5)
Depositary fees (note 4.2)	(3)
Domiciliary agent, registrar, paying and transfer agent fees (note 4.3)	(6)
Management Company fees (note 4.4)	(6)
Operational expenses (note 4.6)	(25)
Annual tax (note 4.8)	(4)
Total expenses	(216)
Net gains from investments	66
Net increase in assets as a result of operations	66

Share Transactions

For the period from 1 April 2016 to 30 September 2016

	A-2	I-2	K-1 ^A	L-1 ^B
Shares outstanding at the beginning of the period	36,575	7,523	72,639	–
Shares issued during the period	1,778	408	4,500,068	8,692,828
Shares redeemed during the period	(4,440)	(1,427)	(4,572,707)	(7,120,000)
Shares outstanding at the end of the period	33,913	6,504	–	1,572,828
Net asset value per share	2,243.7730	1,135.7410	–	1.0000

^A Share class closed 26 May 2016.

^B Share class launched 11 May 2016.

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

Canadian Dollar Fund

Portfolio Statement

As at 30 September 2016

Security	Coupon (%)	Maturity	Nominal	Market value C\$'000	Total net assets %
Transferable securities and money market instruments admitted to an official exchange listing or dealt on another regulated market					
Bonds - 62.03%					
Bank of Nova Scotia (DPNT)	2.7400	01/12/2016	3,000,000	3,009	3.54
Bank of Nova Scotia (DPNT)	2.5980	27/02/2017	1,000,000	1,006	1.18
Canadian Imperial Bank of Commerce	2.6500	08/11/2016	2,000,000	2,004	2.36
Canadian Imperial Bank of Commerce (DPNT)	FRN	10/02/2017	1,000,000	1,000	1.18
Canadian Imperial Bank of Commerce (DPNT)	FRN	08/06/2017	1,000,000	1,002	1.18
Canadian Treasury Bill	–	06/10/2016	4,000,000	4,000	4.70
Canadian Treasury Bill	–	17/11/2016	10,000,000	9,994	11.75
GE Capital Canada Funding (MTN)	3.3500	23/11/2016	2,000,000	2,007	2.36
Government of Canada	1.0000	01/11/2016	5,000,000	5,002	5.88
HSBC Canada (DPNT)	2.9010	13/01/2017	1,500,000	1,508	1.77
International Business Machines	2.2000	10/02/2017	178,000	179	0.21
Kommunalbanken	4.7500	17/03/2017	2,000,000	2,035	2.39
Manitoba Treasury Bill	–	09/11/2016	3,000,000	2,998	3.52
Ontario Treasury Bill	–	02/11/2016	4,000,000	3,998	4.70
Province of Saskatchewan Treasury Bill	–	12/10/2016	4,000,000	3,999	4.70
Quebec Treasury Bill	–	04/11/2016	4,000,000	3,998	4.70
Royal Bank of Canada (DPNT)	2.6800	08/12/2016	2,000,000	2,006	2.36
Royal Bank of Canada (DPNT)	2.5800	13/04/2017	1,000,000	1,008	1.19
Toronto-Dominion Bank (REGS)	1.8240	03/04/2017	2,000,000	2,008	2.36
				52,761	62.03
Money Market Instruments - 18.80%					
Banque Federative du Credit Mutuel	–	04/11/2016	4,000,000	3,997	4.70
BGL BNP Paribas	–	21/10/2016	4,000,000	3,998	4.70
DZ Privatbank	–	11/10/2016	4,000,000	3,999	4.70
OP Corporate Bank	–	14/11/2016	4,000,000	3,997	4.70
				15,991	18.80
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market				68,752	80.83
Total investments				68,752	80.83
Other net assets				16,302	19.17
Total				85,054	100.00

Euro Fund

For the period ended 30 September 2016

Corporate activity

On the effective merger date 15 July 2016, Aberdeen Euro Liquidity Fund (worth GBP 235 million) transferred its net assets through a merger by amalgamation into the Euro Fund. Shareholders involved in the transfer were given either J or Z shares in the Euro Fund, for every 1 share previously held in the Aberdeen Euro Liquidity Fund as follows:

Aberdeen Global Liquidity Funds plc (Merging Fund)	Share Class	Aberdeen Liquidity Fund (Lux) (Receiving Fund)	Share Class	Contribution in Kind ('000)	Transfer Ratio
Aberdeen Euro Liquidity Fund	Advisory F	Euro Fund	Z-3	€5,514	0.001000
Aberdeen Euro Liquidity Fund	Advisory G	Euro Fund	Z-3	€124,455	0.001000
Aberdeen Euro Liquidity Fund	Institutional C	Euro Fund	J-3	€104,877	1.000000

Performance

For the period ended 30 September 2016, the value of Euro Fund - A Accumulation shares declined by 0.15% compared with a fall of 0.26% in the benchmark, 100% 7 day EUR LIBID.

Source: Aberdeen Asset Management, Lipper, BNP Paribas.

Basis: Total Return, published NAV to NAV, net of annual charges, gross income reinvested, EUR.

Market review

Global financial markets were dominated by ongoing volatility particularly in the second quarter as the UK voted to leave the European Union (EU).

The main policy development over the period was the introduction by the European Central Bank (ECB) of its new Corporate Sector Purchase Programme (CSPP) at the end of June. The initial announcement in April took markets by surprise, with the programme coming into effect in June. The programme relates to investment grade bonds only (minimum rating of BBB-) for both the primary and secondary market, with maturities between six months and 30 years. Issuers established in the euro area are eligible for the programme, even if the ultimate parent company is not based in the euro area. There was no change to the deposit facility which remains at a low of -0.40%. It is expected that the ECB will announce a 6 month extension to the existing programme which is due to expire in March 2017.

The results of the European bank stress tests were announced early in the quarter with Italian bank Monte di Paschi predictably performing very poorly in the adverse scenario. There was no specific pass/fail threshold, so it was left up to investors to decide for themselves on the implications of the results. More recently Deutsche Bank saw its share price plummet to a 33 year low, highlighting the pressures of ultra-low interest rates on lenders across the region.

Tepid European economic data was closely scrutinised to discern the fallout from the UK's Brexit vote. The composite purchasing managers' index fell, lacklustre consumer prices continue to plague the region as Italy remained in deflation. In France, the headline inflation rate held steady, but the core figure, which strips out volatile components such as energy, fell to its lowest level in more than 15 months.

Portfolio review

The Fund has been running at or near the maximum weighted average maturity (WAM) of circa 57 days. This has been allowed to drift lower into end of the period as managing the Fund in a negative yielding environment is more about finding the best risk adjusted assets rather than concern ourselves with managing to a targeted maturity profile. Issuance is dictated by availability and banks willingness to issue paper. That aside, the WAM stood at 50 days into end September with a weighted average life (WAL) of 65 days – this was lower than end March as we favoured money market assets over floating rate and fixed rate bonds. The overall yield has migrated lower during the period as assets have run off and been reinvested at more deeply negative levels following the last deposit rate cut in the previous period, it currently stands on a gross basis at -0.29%, 0.11% lower during the period.

Outlook

The fundamental backdrop remains far from positive and political risks in the form of US elections and the forthcoming Italian referendum are approaching causing a degree of nervousness. Risks to the relatively benign market conditions have, however, increased over the summer months.

Eurozone inflation is likely to tick up, albeit slowly. The Eurozone is growing, but the rate at which it is doing so is a concern given the ECB's aggressive monetary policy over the last year and a half. Now that the ECB has all but exhausted the unconventional monetary policy measures available, it is perhaps time for governments to consider the role that fiscal policy can play.

Aberdeen Fixed Income Team

October 2016

Euro Fund

Statement of Net Assets

As at 30 September 2016

	€'000
Assets	
Investments in securities at amortised cost (note 2.2)	678,443
Cash and cash equivalents	267,010
Interest receivable	4,106
Other assets	142
Total assets	949,701
Liabilities	
Payable for investments purchased	(15,004)
Taxes and expenses payable	(121)
Total liabilities	(15,125)
Net assets at the end of the period	934,576

Statement of Changes in Net Assets

For the period from 1 April 2016 to 30 September 2016

	€'000
Net assets at the beginning of the period	732,708
Net losses from investment	(1,222)
Proceeds from shares issued ^A	708,502
Payments for shares redeemed	(505,674)
Dividends paid (note 5)	262
Net assets at the end of the period	934,576

^A Includes assets transferred from the merger of Aberdeen Euro Liquidity Fund on 15 July 2016 of €234,872,613.

Statement of Operations

For the period from 1 April 2016 to 30 September 2016

	€'000
Income	
Investment income (note 2.3)	1
Total income	1
Expenses	
Management fees (note 4.5)	(77)
Administration fees (note 4.1)	(47)
Depositary fees (note 4.2)	(24)
Domiciliary agent, registrar, paying and transfer agent fees (note 4.3)	(10)
Operational expenses (note 4.6)	(1,050)
Expense cap refunded by the Investment Manager (note 4.7)	5
Annual tax (note 4.8)	(20)
Total expenses	(1,223)
Net losses from investments	(1,222)
Net decrease in assets as a result of operations	(1,222)

Share Transactions

For the period from 1 April 2016 to 30 September 2016

	A-2	I-2	J-2	J-3	K-2	Z-3
Shares outstanding at the beginning of the period	1,060,833	177,529	4,749	77,458	10,500	37,683
Shares issued during the period	141,487	75,156	348	153,842,480	–	399,530
Shares redeemed during the period	(353,179)	(72,804)	–	(26,012,338)	(8,000)	(233,366)
Shares outstanding at the end of the period	849,141	179,881	5,097	127,907,600	2,500	203,847
Net asset value per share	445.1187	1,219.2342	1,080.9524	1.0000	9.9837	1,000.0000

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

Euro Fund

Portfolio Statement

As at 30 September 2016

Security	Coupon (%)	Maturity	Nominal	Market value €'000	Total net assets %
Transferable securities and money market instruments admitted to an official exchange listing or dealt on another regulated market					
Bonds - 34.06%					
Allianz (EMTN)	4.0000	23/11/2016	13,050,000	13,124	1.40
ANZ New Zealand International (EMTN)	3.0000	20/10/2016	10,000,000	10,015	1.07
ANZ New Zealand International (EMTN)	FRN	05/12/2016	2,460,000	2,462	0.26
Australia & New Zealand Banking Group (EMTN)	3.7500	10/03/2017	6,687,000	6,796	0.73
Bank of Montreal (EMTN)	FRN	04/11/2016	11,050,000	11,053	1.18
Banque Federative du Credit Mutuel (EMTN)	FRN	14/11/2016	4,000,000	4,002	0.43
Barclays Bank (EMTN)	2.2500	22/02/2017	11,000,000	11,106	1.19
BMW Finance (EMTN)	1.0000	24/10/2016	2,500,000	2,501	0.27
BMW Finance (EMTN)	3.8750	18/01/2017	7,470,000	7,556	0.81
BNP Paribas	FRN	19/01/2017	2,436,000	2,438	0.26
BPCE (EMTN)	FRN	10/03/2017	2,500,000	2,501	0.27
Canadian Imperial Bank of Commerce	FRN	08/09/2017	9,000,000	9,017	0.96
Coca-Cola	FRN	09/03/2017	15,260,000	15,271	1.63
Commonwealth Bank of Australia (EMTN)	FRN	21/10/2016	14,000,000	14,002	1.50
Credit Suisse (EMTN)	3.8750	25/01/2017	3,100,000	3,140	0.34
Deutsche Bahn Finance	4.2500	23/11/2016	3,518,000	3,540	0.38
DNB Boligkreditt (REGS)	2.3750	11/04/2017	2,000,000	2,029	0.22
GE Capital European Funding	FRN	15/06/2017	12,973,000	13,052	1.40
GE Capital European Funding (EMTN)	1.0000	02/05/2017	6,985,000	7,032	0.75
GE Capital European Funding (EMTN)	3.6250	15/06/2017	5,670,000	5,820	0.62
GE Capital European Funding (EMTN)	4.1250	27/10/2016	1,525,000	1,529	0.16
HSBC Bank (REGS)	3.7500	30/11/2016	1,000,000	1,007	0.11
HSBC France (EMTN)	FRN	25/09/2017	12,000,000	12,020	1.29
ING Bank	FRN	04/11/2016	9,300,000	9,301	0.99
ING Bank (EMTN)	4.2500	13/01/2017	3,000,000	3,037	0.32
KBC Bank (EMTN)	4.5000	27/03/2017	5,143,000	5,255	0.56
Linde Finance (EMTN)	4.7500	24/04/2017	3,408,000	3,500	0.37
Met Life Global Funding (EMTN)	4.6250	16/05/2017	2,800,000	2,884	0.31
National Australia Bank	3.7500	06/01/2017	2,000,000	2,020	0.22
Nationwide Building Society	3.1250	13/10/2016	18,930,000	18,947	2.03
Nationwide Building Society (EMTN)	3.1250	03/04/2017	1,246,000	1,266	0.14
Nordea Bank (EMTN)	FRN	25/11/2016	2,000,000	2,001	0.21
Pohjola Bank (EMTN)	FRN	03/03/2017	10,640,000	10,651	1.14
Rabobank Nederland (GMTN)	FRN	18/11/2016	15,000,000	15,005	1.61
Rabobank Nederland (REGS)	FRN	13/01/2017	3,800,000	3,803	0.41
Rabobank Nederland (EMTN)	4.2500	16/01/2017	1,300,000	1,317	0.14
Rabobank Nederland (GMTN)	FRN	19/01/2017	10,000,000	10,000	1.07
Santander UK (EMTN)	3.6250	14/10/2016	16,570,000	16,590	1.77
Siemens (EMTN)	5.1250	20/02/2017	6,558,000	6,689	0.72
Societe Generale (EMTN)	FRN	16/01/2017	1,800,000	1,801	0.19
Societe Generale (EMTN)	FRN	17/07/2017	5,000,000	5,005	0.54
Svenska Handelsbanken	3.7500	24/02/2017	4,200,000	4,262	0.46
Swedbank Hypotek (EMTN)	3.6250	05/10/2016	405,000	405	0.04

Euro Fund

Security	Coupon (%)	Maturity	Nominal	Market value €'000	Total net assets %
Telstra (EMTN)	4.7500	21/03/2017	8,450,000	8,642	0.92
Wells Fargo Bank	4.1250	03/11/2016	8,065,000	8,093	0.87
Westpac Banking (EMTN)	FRN	10/11/2016	9,143,000	9,145	0.98
Westpac Securities (EMTN)	FRN	10/03/2017	7,660,000	7,668	0.82
				318,300	34.06
Money Market Instruments - 38.53%					
Abu Dhabi Commercial Bank	–	14/06/2017	8,000,000	8,004	0.86
Banque Federative du Credit Mutuel	–	01/11/2016	5,000,000	5,001	0.53
Banque Federative du Credit Mutuel	–	07/12/2016	10,000,000	10,006	1.07
BNP Paribas	–	16/12/2016	11,000,000	11,002	1.18
Caterpillar International Finance	–	27/10/2016	16,000,000	16,004	1.71
Colgate Palmolive	–	27/10/2016	15,000,000	15,003	1.61
Danske Bank	–	21/11/2016	5,000,000	5,001	0.53
DekaBank Deutsche Girozentrale	–	11/10/2016	19,500,000	19,502	2.09
Dexia Credit Local	–	18/01/2017	17,500,000	17,516	1.87
KBC Bank	–	05/10/2016	20,000,000	20,000	2.14
La Banque Postale	–	26/10/2016	15,000,000	15,003	1.61
Landesbank Hessen Gz Frankfurt	–	06/10/2016	2,500,000	2,500	0.27
Landesbank Hessen Gz Frankfurt	–	07/11/2016	8,000,000	8,001	0.86
Landesbank Hessen Gz Frankfurt	–	06/03/2017	10,000,000	10,011	1.07
Linde Finance	–	11/10/2016	17,000,000	17,001	1.82
Linde Finance	–	24/10/2016	11,500,000	11,502	1.23
Metlife Short Term Funding	–	12/01/2017	10,000,000	10,010	1.07
Mizuho Corporate Bank	–	25/11/2016	18,000,000	18,009	1.93
National Bank of Abu Dhabi	–	02/11/2016	10,000,000	10,002	1.07
Pohjola Bank	–	01/12/2016	10,500,000	10,506	1.12
Procter and Gamble	–	21/10/2016	15,000,000	15,002	1.60
Procter and Gamble	–	22/11/2016	26,000,000	26,010	2.78
Qatar National Bank	–	14/12/2016	9,000,000	9,004	0.96
Qatar National Bank	–	09/01/2017	7,500,000	7,505	0.80
Qatar National Bank	–	31/03/2017	14,000,000	14,013	1.50
Qatar National Bank	–	29/09/2017	5,000,000	5,000	0.53
Svenska Handelsbanken	–	09/12/2016	20,000,000	20,010	2.14
Svenska Handelsbanken	–	14/12/2016	4,000,000	4,002	0.43
Svenska Handelsbanken	–	06/01/2017	5,000,000	5,004	0.54
Svenska Handelsbanken	–	10/02/2017	5,000,000	5,005	0.54
The Norinchukin Bank	–	04/11/2016	10,000,000	10,004	1.07
				360,143	38.53
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market				678,443	72.59
Total investments				678,443	72.59
Other net assets				256,133	27.41
Total				934,576	100.00

Sterling Fund

For the period ended 30 September 2016

Corporate activity

On the effective merger date 15 July 2016, Aberdeen Sterling Liquidity Fund (worth GBP 15 billion) transferred its net assets through a merger by amalgamation into the Sterling Fund. Shareholders involved in the transfer were given either J, K, L or Z shares in the Sterling Fund, for every 1 share previously held in the Aberdeen Sterling Liquidity Fund as follows:

Aberdeen Global Liquidity Funds plc (Merging Fund)	Share Class	Aberdeen Liquidity Fund (Lux) (Receiving Fund)	Share Class	Contribution in Kind ('000)	Transfer Ratio
Aberdeen Sterling Liquidity Fund	Advisory	Sterling Fund	J-3	£642,517	1.000000
Aberdeen Sterling Liquidity Fund	Institutional	Sterling Fund	K-3	£6,628,290	1.000000
		Sterling Fund	L-3	£5,957,296	1.000000
		Sterling Fund	Z-3	£1,565,912	0.001000

Performance

For the period ended 30 September 2016, the value of the Sterling Fund - A Accumulation shares increased by 0.06% compared to an increase of 0.14% for the benchmark, 100% 7 day GBP LIBID.

Source: Aberdeen Asset Management, Lipper, BNP Paribas.

Basis: Total Return, published NAV to NAV, net of annual charges, gross income reinvested, GBP.

Market review

Financial markets were highly volatile following the surprise result of the UK's vote to leave the European Union (EU) at the end of June. Britain voted to leave the EU by a majority of 51.9% to 48.1% on 23 June 2016. Sterling fell nearly 12% against the US dollar to a 30-year low of 1.322, while core government bond markets rallied aggressively. David Cameron stepped down as prime minister and was swiftly replaced by Theresa May. The smooth transition provided some reassurance to markets.

To combat the expected post-Brexit economic shock, Governor Mark Carney said that the Bank of England (BoE) would take whatever action is needed to support growth. Subsequently, the central bank announced a relatively comprehensive easing package at the August Quarterly Inflation Report, which on the whole exceeded already high market expectations. The Bank rate was cut by 25 basis points (bps) to 0.25%, a £100 billion term-lending scheme was announced to provide funding to banks close to Bank Rate, and there will be a further £60 billion of sovereign quantitative easing and up to £10 billion of corporate bond purchases.

Prior to the result, the BoE had voted unanimously for unchanged policy as data remained mixed. Purchasing managers' indices were consistent with Brexit-related uncertainty, with a contraction in manufacturing activity and below-consensus readings in services and construction. Data recovered surprisingly quickly thereafter in contrast to expectations.

Meanwhile, the sharp depreciation in sterling is likely to raise the price of imported goods and, subsequently, inflation. We now expect UK consumer price inflation to rise by around 2% by early-2017, which is earlier than in our previous forecast. Against this backdrop, the reaction of policymakers is crucial. The BoE must respond to the conflicting forces of a currency-driven rise in inflation and a worsening growth outlook. On balance, the BoE is likely to 'look through' currency-driven inflation for as long as inflation expectations remain low and may cut interest rates again later this year. An extension of quantitative easing is possible if some of the downside risks begin to crystallise.

Portfolio review

With the BoE in wait and see mode back in March with regard to rates, we took the opportunity to increase the overall weighted average maturity (WAM) and lengthen the weighted average life (WAL) through allocating more to floating rate notes. This would act as a hedge to higher yields should there be a dramatic change in outlook from the Monetary Policy Committee (MPC) as well as adding some 6 month money market paper. However, growing uncertainty crept into the market as the referendum approached and concerns over liquidity grew. We started to reposition the Fund shorter and increased the overall cash levels to reduce any unexpected volatility and meet any outflows. Exposure to UK banks was kept mainly in the overnight, although the BoE was prepared to provide as much liquidity to the banks as was required before and after the referendum. The BoE sought to ensure banking exposure was not overly concentrated across European banking names.

Following the result of the referendum in June, the excess liquidity was reinvested back into the market towards the longer end with the expectation that there was likely to be a cut in rates leading to further flattening of the yield curve which we wanted to take advantage of. We managed to achieve this through adding 6 month paper or longer in the better names. This saw the WAM move back towards 52 days. We also continued to add further floating rate note exposure both from new issuance and secondary paper. This ultimately pushed the WAL longer again to 66 days, which is where the Fund was positioned in March this year. The yield overall migrated lower to 0.49%, as would be expected following a 0.25% cut in rates. Maturing assets were reinvested at lower yield levels, which offers a relatively attractive return to market levels with 3 month money priced at end September at 0.38%.

Sterling Fund

Outlook

Economic data since the Brexit referendum has been better than expected, and this may reduce the need for further demand stimulus. However, the government appears to be shaping up for a relatively 'hard Brexit', which is likely to overshadow other economic news. Mark Carney has essentially ruled out the possibility of negative rates, saying he struggles to see a scenario where he would support a cut into negative territory. Carney also stated that confidence in the UK economy has improved due to the BoE's quick action after the Brexit vote. Consequently, the risk of recession has been much reduced, although growth is still expected to be well below potential. A further cut seems likely in the coming months, although the economy has generally performed better than expected. It will be interesting to see how Theresa May deals with Brexit discussions. She has now promised to trigger Article 50 of the EU treaty – the only legal route to exit – before the end of March 2017. Her negotiation skills will largely shape the outlook for the UK economy.

Aberdeen Fixed Income Team

October 2016

Sterling Fund

Statement of Net Assets

As at 30 September 2016

	£'000
Assets	
Investments in securities at amortised cost (note 2.2)	10,512,106
Cash and cash equivalents	3,358,542
Interest receivable	10,922
Other assets	488
Total assets	13,882,058
Liabilities	
Payable for investments purchased	(49,947)
Taxes and expenses payable	(1,958)
Other liabilities	(4,734)
Total liabilities	56,639
Net assets at the end of the period	13,825,419

Statement of Changes in Net Assets

For the period from 1 April 2016 to 30 September 2016

	£'000
Net assets at the beginning of the period	393,698
Net gains from investments	13,368
Proceeds from shares issued ^A	31,310,084
Payments for shares redeemed	(17,878,416)
Net equalisation paid (note 10)	3
Dividends paid (note 5)	(13,318)
Net assets at the end of the period	13,825,419

^A Includes assets transferred from the merger of Aberdeen Sterling Liquidity Fund on 15 July 2016 of £14,794,016,145.

Statement of Operations

For the period from 1 April 2016 to 30 September 2016

	£'000
Income	
Investment income (note 2.3)	16,555
Bank interest	680
Reverse repurchase agreement income (note 2.7, 13)	14
Total income	17,249
Expenses	
Management fees (note 4.5)	(3,720)
Administration fees (note 4.1)	(148)
Depositary fees (note 4.2)	(138)
Domiciliary agent, registrar, paying and transfer agent fees (note 4.3)	(125)
Management Company fees (note 4.4)	(101)
Operational expenses (note 4.6)	(119)
Expense cap refunded by the Investment Manager (note 4.7)	473
Annual tax (note 4.8)	(3)
Total expenses	(3,881)
Net gains from investments	13,368
Net increase in assets as a result of operations	13,368

Share Transactions

For the period from 1 April 2016 to 30 September 2016

	A-2	I-2	J-3 ^A	K-1	K-3 ^A
Shares outstanding at the beginning of the period	14,496	1,265	–	2,500,000	–
Shares issued during the period	5,029	5,955	1,516,656,222	135,150,000	12,919,373,843
Shares redeemed during the period	(5,442)	(1,326)	(827,038,011)	(110,800,000)	(6,362,826,360)
Shares outstanding at the end of the period	14,083	5,894	689,618,211	26,850,000	6,556,547,483
Net asset value per share	4,778.1788	1,146.0037	1.0000	1.0000	1.0000

	L-1	L-3 ^A	Z-1	Z-3 ^A
Shares outstanding at the beginning of the period	53,308,836	–	267,221	–
Shares issued during the period	173,484,769	11,752,146,065	1,249,792	3,532,655
Shares redeemed during the period	(132,378,365)	(7,077,688,657)	(968,042)	(2,372,138)
Shares outstanding at the end of the period	94,415,240	4,674,457,408	548,971	1,160,517
Net asset value per share	1.0000	1.0000	1,000.0000	1,000.0000

^A Share class launched 15 July 2016.

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

Sterling Fund

Portfolio Statement

As at 30 September 2016

Security	Coupon (%)	Maturity	Nominal	Market value £'000	Total net assets %
Transferable securities and money market instruments admitted to an official exchange listing or dealt on another regulated market					
Bonds - 15.32%					
Agence Francaise de Developpement (EMTN)	0.7500	31/03/2017	1,300,000	1,299	0.01
Bank of Montreal (EMTN)	FRN	24/10/2016	2,100,000	2,100	0.02
Bank of Montreal (REGS)	FRN	23/03/2017	50,000,000	49,998	0.36
Bank of Scotland (EMTN)	4.8750	08/11/2016	30,600,000	30,720	0.22
BNP Paribas (EMTN)	3.5000	07/12/2016	1,041,000	1,046	0.01
Canadian Imperial Bank of Commerce (EMTN)	FRN	15/12/2016	50,000,000	49,996	0.36
Commonwealth Bank of Australia (EMTN)	FRN	07/12/2016	58,000,000	57,998	0.42
Commonwealth Bank of Australia (REGS)	FRN	15/12/2016	100,000,000	99,992	0.72
Commonwealth Bank of Australia (REGS)	FRN	13/01/2017	50,000,000	49,997	0.36
Commonwealth Bank of Australia (EMTN)	FRN	18/04/2017	94,000,000	94,000	0.68
Commonwealth Bank of Australia (EMTN)	FRN	26/07/2017	53,400,000	53,397	0.39
Commonwealth Bank of Australia (EMTN)	FRN	23/08/2017	56,500,000	56,498	0.41
Commonwealth Bank of Australia (REGS)	FRN	08/09/2017	41,000,000	41,000	0.30
Council of Europe Development Bank (REGS)	1.7500	19/12/2016	4,451,000	4,460	0.03
European Investment Bank (EMTN)	3.2500	07/12/2016	6,568,000	6,597	0.05
European Investment Bank (EMTN)	FRN	22/02/2017	750,000	750	0.01
Export Development Canada (REGS)	0.8750	07/12/2016	2,388,000	2,388	0.02
FMS Wertmanagement (REGS)	1.1250	07/12/2016	5,200,000	5,203	0.04
Kommunalbanken (EMTN)	1.1250	15/12/2016	7,028,000	7,033	0.05
Lloyds Bank (EMTN)	FRN	16/01/2017	159,462,000	159,486	1.15
Lloyds Bank (REGS)	FRN	22/03/2017	150,000,000	151,015	1.09
National Australia Bank (EMTN)	FRN	14/11/2016	60,780,000	60,799	0.44
National Australia Bank (GMTN)	FRN	19/12/2016	67,000,000	66,996	0.48
National Australia Bank (REGS)	FRN	13/01/2017	100,000,000	99,997	0.72
National Australia Bank (EMTN)	FRN	19/05/2017	89,000,000	88,989	0.64
NRW Bank (EMTN)	FRN	11/11/2016	5,000,000	5,000	0.04
Oversea Chinese Banking (GMTN)	FRN	15/05/2017	6,200,000	6,203	0.04
Royal Bank of Canada (EMTN)	FRN	01/12/2016	123,000,000	123,000	0.89
Royal Bank of Canada (EMTN)	FRN	19/12/2016	55,000,000	55,000	0.40
Royal Bank of Canada (REGS)	FRN	13/01/2017	50,000,000	50,000	0.36
Santander UK (EMTN)	FRN	20/01/2017	57,530,000	57,545	0.42
Swedbank (GMTN)	FRN	04/07/2017	42,800,000	42,797	0.31
Swedish Exportkredit (EMTN)	1.1250	15/12/2016	4,243,000	4,245	0.03
Westpac Banking (REGS)	FRN	08/12/2016	100,000,000	99,996	0.72
Westpac Banking (REGS)	FRN	27/01/2017	50,000,000	49,999	0.36
Westpac Banking (EMTN)	FRN	24/03/2017	99,000,000	99,000	0.72
Westpac Banking (EMTN)	FRN	22/04/2017	100,000,000	99,995	0.72
Westpac Banking (EMTN)	FRN	11/05/2017	91,500,000	91,489	0.66
Westpac Banking (EMTN)	FRN	28/06/2017	92,500,000	92,498	0.67
				2,118,521	15.32

Sterling Fund

Security	Coupon (%)	Maturity	Nominal	Market value £'000	Total net assets %
Money Market Instruments - 60.71%					
ABN Amro Bank	0.3900	04/01/2017	100,000,000	99,898	0.72
Abu Dhabi Commercial Bank	–	14/10/2016	46,200,000	46,193	0.34
Abu Dhabi Commercial Bank	0.6280	06/01/2017	100,000,000	99,837	0.72
ANZ New Zealand International	0.6827	09/11/2016	100,000,000	99,929	0.72
Australia & New Zealand Banking Group	0.3449	10/11/2016	135,000,000	134,951	0.98
Bank of America	0.4000	12/12/2016	55,000,000	55,000	0.40
Bank of America	0.7100	20/12/2016	100,000,000	100,000	0.72
Bank of America	0.2200	16/03/2017	52,000,000	52,000	0.38
Banque Federative du Credit Mutuel	0.7174	14/11/2016	50,000,000	49,959	0.36
Banque Federative du Credit Mutuel	0.4200	15/11/2016	50,000,000	50,000	0.36
Banque Federative du Credit Mutuel	–	12/12/2016	5,000,000	4,995	0.04
Banque Federative du Credit Mutuel	–	06/01/2017	97,000,000	96,848	0.70
BNP Paribas	0.6200	06/10/2016	135,000,000	135,000	0.98
BNP Paribas	0.7100	07/10/2016	60,000,000	60,000	0.44
BNP Paribas	0.5500	21/11/2016	100,000,000	100,000	0.72
Credit Agricole	0.5500	24/10/2016	100,000,000	100,000	0.72
Credit Agricole	0.5600	08/11/2016	125,000,000	125,000	0.91
Credit Agricole	0.4000	20/12/2016	70,000,000	70,000	0.51
Credit Industriel et Commercial	0.5700	05/10/2016	7,500,000	7,500	0.06
Credit Industriel et Commercial	–	03/01/2017	75,000,000	74,907	0.54
Danske Bank	0.7500	18/10/2016	3,000,000	3,000	0.02
DekaBank Deutsche Girozentrale	–	03/10/2016	10,000,000	10,000	0.07
Dexia Credit Local	0.7869	07/10/2016	100,000,000	99,991	0.72
Dexia Credit Local	0.7968	17/10/2016	50,000,000	49,985	0.36
Dexia Credit Local	–	19/10/2016	100,000,000	99,967	0.72
Dexia Credit Local	0.7769	21/11/2016	93,000,000	92,903	0.67
Dexia Credit Local	–	14/12/2016	3,000,000	2,996	0.02
Dexia Credit Local	–	09/01/2017	75,000,000	74,881	0.54
Dexia Credit Local	–	11/01/2017	5,000,000	4,992	0.04
Dexia Credit Local	–	13/02/2017	80,000,000	79,849	0.58
Dexia Credit Local	0.7900	17/03/2017	1,000,000	998	0.01
DZ Bank Deutsche Zentral	0.5500	03/10/2016	150,000,000	150,000	1.09
DZ Bank Deutsche Zentral	0.5000	07/10/2016	150,000,000	150,000	1.09
DZ Bank Deutsche Zentral	0.4800	08/11/2016	100,000,000	100,000	0.72
DZ Bank Deutsche Zentral	0.4000	22/12/2016	50,000,000	50,000	0.36
DZ Bank Deutsche Zentral	0.5300	03/03/2017	125,000,000	125,000	0.91
Erste Abwicklungsanstalt	–	04/10/2016	150,000,000	149,998	1.09
Erste Abwicklungsanstalt	0.5689	14/10/2016	100,000,000	99,983	0.72
Erste Abwicklungsanstalt	0.5490	01/11/2016	150,000,000	149,935	1.09
Erste Abwicklungsanstalt	0.4869	13/01/2017	50,000,000	49,933	0.36
Erste Abwicklungsanstalt	0.3993	22/02/2017	50,000,000	49,922	0.36
HSBC Bank	–	16/02/2017	184,000,000	183,441	1.33
ING Bank	0.5200	20/10/2016	75,000,000	75,000	0.54
ING Bank	0.7300	14/11/2016	75,000,000	75,000	0.54
ING Bank	0.5500	21/11/2016	75,000,000	75,013	0.54
ING Bank	0.4000	01/12/2016	75,000,000	75,000	0.54
La Banque Postale	0.2735	26/10/2016	150,000,000	149,971	1.09

Sterling Fund

Security	Coupon (%)	Maturity	Nominal	Market value £'000	Total net assets %
Landesbank Hessen Thuringen	0.4900	04/10/2016	100,000,000	100,000	0.72
Metlife Short Term Funding	–	04/11/2016	61,600,000	61,583	0.45
Metlife Short Term Funding	–	12/01/2017	35,000,000	34,961	0.25
Mizuho Bank	0.4050	22/11/2016	100,000,000	100,000	0.72
Mizuho Bank	0.4100	07/12/2016	100,000,000	100,000	0.72
National Bank of Abu Dhabi	0.5500	21/11/2016	150,000,000	150,000	1.09
National Bank of Abu Dhabi	0.4700	01/12/2016	150,000,000	150,101	1.09
National Bank of Abu Dhabi	0.4500	26/01/2017	50,000,000	50,000	0.36
National Bank of Abu Dhabi	0.5000	15/02/2017	100,000,000	100,000	0.72
Nationwide Building Society	0.5000	20/10/2016	50,000,000	50,000	0.36
Nationwide Building Society	0.3800	18/11/2016	50,000,000	50,000	0.36
Nationwide Building Society	0.7400	07/12/2016	60,000,000	60,000	0.44
Natixis	0.1000	09/11/2016	100,000,000	100,000	0.72
Natixis	0.4200	16/11/2016	100,000,000	100,000	0.72
Natixis	0.4300	20/12/2016	93,000,000	93,000	0.67
Nordea Bank	–	17/10/2016	10,000,000	9,999	0.07
Nordea Bank	–	24/10/2016	100,000,000	99,966	0.72
Nordea Bank	0.6600	09/12/2016	100,000,000	100,000	0.72
Oversea Chinese Banking	–	27/10/2016	150,000,000	149,941	1.09
Oversea Chinese Banking	0.4440	13/01/2017	76,000,000	75,906	0.55
Pohjola Bank	0.5093	03/10/2016	50,000,000	50,000	0.36
Pohjola Bank	–	20/10/2016	10,000,000	9,997	0.07
Pohjola Bank	–	24/10/2016	31,500,000	31,488	0.23
Pohjola Bank	–	23/12/2016	16,100,000	16,086	0.12
Pohjola Bank	–	05/01/2017	50,000,000	49,947	0.36
Pohjola Bank	–	12/01/2017	34,000,000	33,954	0.25
Pohjola Bank	–	23/01/2017	37,500,000	37,430	0.27
Prudential	–	07/10/2016	10,000,000	9,999	0.07
Qatar National Bank	0.3353	07/11/2016	60,000,000	59,980	0.44
Qatar National Bank	–	18/11/2016	6,000,000	5,996	0.04
Qatar National Bank	–	12/12/2016	10,000,000	9,984	0.07
Qatar National Bank	–	15/12/2016	100,000,000	99,920	0.72
Qatar National Bank	0.5367	20/03/2017	100,000,000	99,748	0.72
Qatar National Bank	–	07/07/2017	100,000,000	99,383	0.72
Rabobank London	0.7700	01/12/2016	75,000,000	75,000	0.54
Rabobank London	0.6800	23/12/2016	100,000,000	100,000	0.72
Rabobank London	0.5000	01/03/2017	95,000,000	95,000	0.69
Rabobank London	0.5300	03/03/2017	100,000,000	100,000	0.72
Rabobank Nederland	0.6900	13/12/2016	6,000,000	6,000	0.05
Rabobank Nederland	–	15/12/2016	50,000,000	49,960	0.36
Societe Generale	0.9900	01/02/2017	3,000,000	3,000	0.02
Standard Chartered Bank	0.5300	18/10/2016	90,000,000	90,004	0.65
Standard Chartered Bank	0.7800	21/11/2016	85,000,000	85,000	0.62
Standard Chartered Bank	0.4300	05/01/2017	122,000,000	122,000	0.88
Standard Chartered Bank	0.6200	09/01/2017	50,000,000	50,000	0.36
Sumitomo Mitsui Trust & Banking	0.6700	03/10/2016	100,000,000	100,000	0.72
Sumitomo Mitsui Trust & Banking	0.5800	07/11/2016	50,000,000	50,000	0.36
Sumitomo Mitsui Trust & Banking	0.4300	10/11/2016	100,000,000	100,000	0.72

Sterling Fund

Security	Coupon (%)	Maturity	Nominal	Market value £'000	Total net assets %
Sumitomo Mitsui Trust & Banking	0.7700	21/11/2016	5,000,000	5,000	0.04
Sumitomo Mitsui Trust & Banking	0.5500	27/03/2017	125,000,000	125,000	0.91
Svenska Handelsbanken	0.4850	11/10/2016	47,000,000	47,000	0.34
Svenska Handelsbanken	0.5900	24/10/2016	150,000,000	150,000	1.09
Svenska Handelsbanken	0.6400	05/01/2017	155,000,000	155,000	1.12
Svenska Handelsbanken	0.6400	09/01/2017	112,000,000	112,021	0.81
Toronto-Dominion Bank	0.7500	07/11/2016	100,000,000	100,000	0.72
Toronto Dominion Bank	0.7800	06/01/2017	100,000,000	100,000	0.72
Toronto-Dominion Bank	0.8100	23/01/2017	75,000,000	75,000	0.54
Toronto-Dominion Bank	0.6900	22/05/2017	100,000,000	100,000	0.72
Toronto-Dominion Bank	0.5400	12/06/2017	100,000,000	100,000	0.72
Toyota Motor Finance	–	31/10/2016	8,000,000	7,997	0.06
Toyota Motor Finance	–	16/11/2016	50,000,000	49,959	0.36
UBS	0.5500	31/03/2017	100,000,000	100,000	0.72
Wells Fargo Bank	0.5000	07/10/2016	1,500,000	1,500	0.01
				8,393,585	60.71
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market				10,512,106	76.03
Total investments				10,512,106	76.03
Other net assets				3,313,313	23.97
Total				13,825,419	100.00

US Dollar Fund

For the period ended 30 September 2016

Performance

For the period ended 30 September 2016, the value of the US Dollar Fund - A Accumulation shares increased by 0.26% compared to an increase of 0.15% for the benchmark, 100% 7 day USD LIBID.

Source: Aberdeen Asset Management, Lipper, BNP Paribas.

Basis: Total Return, published NAV to NAV, net of annual charges, gross income reinvested, USD.

Market review

The US Federal Reserve (Fed) dithered in the earlier part of the year as to whether to raise interest rates. A June interest rate hike was looking more likely with strong employment data in the early part, however a weaker May print saw the Fed turn increasingly dovish into the end of June. The UK's decision end June to leave the EU was expected to have repercussions on US economic data going forward which would make any rate increases at the time unlikely.

Despite Fed chair Janet Yellen suggesting that two hikes were possible in 2016 at the August central bank gathering at Jackson Hole, by the September Fed meeting the market-implied chances of a hike were only around 20%. Given the Fed's aversion to shocking markets, there was very little chance of a surprise hike. What was expected was a "hawkish hold", in which the possibility of a December hike would be talked up. However, with the median dots (Fed officials forecast for future interest rates) in 2017 showing only two hikes next year and three dots showing no hikes this year, the general interpretation was that the Fed was more dovish than expected.

The decision to leave rates unchanged in September was made easier by another relatively disappointing employment report; non-farm payrolls increased by only 151,000 in August (vs 180,000 consensus). Still, the three-month average is 232,000, well above the Fed's breakeven rate. After dipping as low as 4.7% in May, the unemployment rate held steady at 4.9% while average hourly earnings finished the period at a below-consensus 2.4% year-on-year (y/y). The Consumer Price Index (CPI) surprised to the upside with a headline print of 1.1% y/y vs 1% consensus and the core measure at 2.3% y/y vs 2.2%, driven in part by a large jump in medical costs.

Political news was dominated by the race for the White House, which grew increasingly fractious as the period progressed. After the first US presidential debate in September, a CNN poll favoured Hillary Clinton at 62% vs 27% but further polls were more mixed. Throughout September it seemed support for Trump was waning. By the end of the period, the US election expert Nate Silver put the chance of Trump winning the presidency at just 25%.

Portfolio review

The US dollar Libor curve steadily increased over the period. Levels consolidated briefly during the first half of 2016 on the back of the Fed pricing a lower projection to the path of rates. The 3 month level has been adversely affected by money market fund reform, with counterparties finding it harder to borrow as reform took hold in October. Flows from prime money market funds moved into government only funds, leaving little room for issuance outside of government bonds. These firmer rates have been advantageous to the Fund.

Overall weighted average maturity (WAM) has been relatively stable at 41 days. The Fund is well-positioned should the Fed move on rates, with the overall weighted average life (WAL) at 54 days. During the period the yield increased from 0.60 to 0.75%, while firmer 3 month rates also benefitted the Fund overall.

Outlook

The Fed is expected to raise interest rates at its December policy meeting with the market pricing as such, however it is very unlikely the market will move to price a more substantial hiking cycle into 2017 and beyond. The outcome of November's election will be the main consideration for markets in the immediate future.

Aberdeen Fixed Income Team

October 2016

US Dollar Fund

Statement of Net Assets

As at 30 September 2016

	US\$'000
Assets	
Investments in securities at amortised cost (note 2.2)	1,563,284
Cash and cash equivalents	130,568
Interest receivable	514
Receivable on reverse repurchase agreements	65,117
Other assets	179
Total assets	1,759,662
Liabilities	
Payable for investments purchased	(13,559)
Taxes and expenses payable	(637)
Other liabilities	(479)
Total liabilities	14,675
Net assets at the end of the period	1,744,987

Statement of Changes in Net Assets

For the period from 1 April 2016 to 30 September 2016

	US\$'000
Net assets at the beginning of the period	1,576,305
Net gains from investments	4,897
Proceeds from shares issued	1,417,506
Payments for shares redeemed	(1,251,327)
Net equalisation paid (note 10)	(74)
Dividends paid (note 5)	(2,320)
Net assets at the end of the period	1,744,987

Statement of Operations

For the period from 1 April 2016 to 30 September 2016

	US\$'000
Income	
Investment income (note 2.3)	5,870
Bank interest	200
Reverse repurchase agreement income (note 2.7; 13)	5
Total income	6,075
Expenses	
Management fees (note 4.5)	(812)
Administration fees (note 4.1)	(109)
Depositary fees (note 4.2)	(51)
Domiciliary agent, registrar, paying and transfer agent fees (note 4.3)	(114)
Management Company fees (note 4.4)	(74)
Operational expenses (note 4.6)	(150)
Expense cap refunded by the Investment Manager (note 4.7)	175
Annual tax (note 4.8)	(43)
Total expenses	(1,178)
Net gains from investments	4,897
Net increase in assets as a result of operations	4,897

Share Transactions

For the period from 1 April 2016 to 30 September 2016

	A-2	I-2	J-2	K-1	K-2
Shares outstanding at the beginning of the period	294,326	29,677	63,678	70,597	3,902,286
Shares issued during the period	37,898	755	–	177	4,381,979
Shares redeemed during the period	(66,163)	(4,272)	(41,047)	–	(881,775)
Shares outstanding at the end of the period	266,061	26,160	22,631	70,774	7,402,490
Net asset value per share	3,079.5150	1,232.0329	1,087.9893	1.0000	10.0584

	L-1	Z-1	Z-2
Shares outstanding at the beginning of the period	419,390,593	105,997	1,836
Shares issued during the period	1,099,957,389	156,264	–
Shares redeemed during the period	(856,733,085)	(131,140)	(1,369)
Shares outstanding at the end of the period	662,614,897	131,121	467
Net asset value per share	1.0000	1,000.0000	1,143.1637

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

US Dollar Fund

Portfolio Statement

As at 30 September 2016

Security	Coupon (%)	Maturity	Nominal	Market value US\$'000	Total net assets %
Transferable securities and money market instruments admitted to an official exchange listing or dealt on another regulated market					
Bonds - 11.49%					
ABN Amro Bank (REGS)	FRN	28/10/2016	17,980,000	17,991	1.03
ABN Amro Bank	FRN	28/10/2016	500,000	500	0.03
Agence Francaise de Developpement	1.1250	03/10/2016	1,000,000	1,000	0.06
ANZ New Zealand International (REGS)	FRN	27/04/2017	2,100,000	2,102	0.12
Bank Nederlandse Gemeenten	FRN	14/07/2017	19,686,000	19,679	1.13
Bank Nederlandse Gemeenten (REGS)	FRN	14/07/2017	1,500,000	1,500	0.09
Banque Federative du Credit Mutuel (REGS)	FRN	20/01/2017	11,750,000	11,767	0.67
Banque Federative du Credit Mutuel	FRN	20/01/2017	8,709,000	8,726	0.50
BNP Paribas (MTN)	FRN	12/12/2016	8,610,000	8,614	0.49
Commonwealth Bank of Australia (REGS)	FRN	08/09/2017	9,345,000	9,343	0.54
Dexia Credit Local	FRN	11/01/2017	8,130,000	8,132	0.47
Eurofima	–	25/10/2016	20,000,000	19,992	1.15
Export Import Bank of Korea	4.0000	11/01/2017	5,000,000	5,038	0.29
Kommunalbanken (REGS)	FRN	31/10/2016	4,000,000	4,000	0.23
Kommunekredit (EMTN)	1.0000	17/01/2017	1,140,000	1,140	0.07
Macquarie Bank (REGS)	1.6500	24/03/2017	4,175,000	4,182	0.24
Metropolitan Life Global Funding	FRN	10/04/2017	10,525,000	10,536	0.60
Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden (EMTN)	FRN	12/06/2017	700,000	701	0.04
Nestle Finance International (REGS)	2.0000	28/11/2016	1,000,000	1,002	0.06
Nordea Bank Finland	FRN	14/11/2016	2,500,000	2,500	0.14
Rabobank Nederland	FRN	23/11/2016	5,500,000	5,501	0.31
Rabobank Nederland	FRN	28/04/2017	12,700,000	12,705	0.73
Swedish Export Credit	FRN	23/01/2017	10,000,000	10,007	0.57
Toyota Motor Credit (MTN)	FRN	14/10/2016	10,000,000	10,000	0.57
Wells Fargo Bank	FRN	07/09/2017	13,500,000	13,545	0.78
Westpac Banking	FRN	19/05/2017	10,193,000	10,192	0.58
				200,395	11.49
Money Market Instruments - 78.10%					
Agence Centrale des Organismes de Securite Sociale	–	26/10/2016	20,000,000	19,990	1.15
Agence Centrale des Organismes de Securite Sociale	–	06/12/2016	25,000,000	24,961	1.43
Allianz	–	07/10/2016	25,000,000	24,998	1.43
Allianz	–	26/01/2017	24,000,000	23,919	1.37
AMP Bank	–	12/10/2016	20,000,000	19,996	1.15
AMP Bank	–	22/11/2016	10,000,000	9,988	0.57
AMP Bank	–	28/11/2016	22,000,000	21,971	1.26
Bank of Tokyo - Mitsubishi	0.3600	03/10/2016	32,600,000	32,600	1.87
Banque et Caisse d'Epargne de l'Etat Luxembourg	–	12/10/2016	25,000,000	24,996	1.43
Banque et Caisse d'Epargne de l'Etat Luxembourg	–	14/11/2016	30,000,000	29,972	1.72
BGL BNP Paribas	–	21/11/2016	15,000,000	14,982	0.86

US Dollar Fund

Security	Coupon (%)	Maturity	Nominal	Market value US\$'000	Total net assets %
Canadian Imperial Bank of Commerce	0.9500	07/12/2016	10,000,000	10,000	0.57
Caterpillar International Finance	–	17/10/2016	15,000,000	14,996	0.86
Commonwealth Bank of Australia	–	25/08/2017	15,000,000	14,815	0.85
DBS Bank	–	20/10/2016	20,000,000	19,994	1.15
DBS Bank	–	25/11/2016	20,000,000	19,976	1.14
DBS Bank	–	26/01/2017	20,000,000	19,936	1.14
DZ Bank	0.3800	03/10/2016	72,850,000	72,850	4.17
DZ Bank Deutsche Zentral	0.8888	19/12/2016	15,000,000	14,970	0.86
DZ Privatbank	–	11/10/2016	20,000,000	19,996	1.15
DZ Privatbank	–	14/10/2016	15,000,000	14,996	0.86
DZ Privatbank	–	19/10/2016	15,000,000	14,995	0.86
Erste Abwicklungsanstalt	–	07/10/2016	18,000,000	17,999	1.03
Erste Abwicklungsanstalt	–	20/10/2016	25,000,000	24,993	1.43
Erste Abwicklungsanstalt	–	23/11/2016	15,000,000	14,983	0.86
Erste Abwicklungsanstalt	–	03/01/2017	27,000,000	26,933	1.54
Eurofima	–	11/10/2016	25,000,000	24,997	1.43
FMS Wertmanagement	0.6069	08/11/2016	25,000,000	24,984	1.43
HSBC Bank	0.8900	21/11/2016	10,000,000	10,000	0.57
KBC Bank	0.9555	12/12/2016	25,000,000	24,951	1.43
KFW	–	20/10/2016	27,000,000	26,993	1.55
Korea Development Bank	–	03/11/2016	24,000,000	23,985	1.37
Landeskreditbank Baden Wurt	–	14/10/2016	15,000,000	14,997	0.86
Mitsubishi UFJ Trust & Banking	–	29/12/2016	15,000,000	14,966	0.86
Mizuho Bank	0.8605	01/11/2016	14,500,000	14,489	0.83
Mizuho Bank	–	10/11/2016	20,000,000	19,980	1.15
Mizuho Corporate Bank	0.9082	08/11/2016	20,000,000	19,981	1.15
Mizuho Corporate Bank	0.9837	07/12/2016	3,500,000	3,494	0.20
Mizuho Corporate Bank	0.9955	16/12/2016	19,000,000	18,960	1.09
Nationwide Building Society	–	07/10/2016	10,000,000	9,999	0.57
Nationwide Building Society	0.9477	15/12/2016	25,000,000	24,952	1.43
Natixis	1.0100	03/01/2017	25,000,000	25,000	1.43
OP Corporate Bank	–	11/10/2016	5,000,000	4,999	0.29
OP Corporate Bank	–	14/10/2016	20,500,000	20,495	1.17
OP Corporate Bank	–	24/10/2016	23,000,000	22,989	1.32
OP Corporate Bank	–	31/10/2016	11,000,000	10,990	0.63
OP Corporate Bank	–	30/01/2017	12,000,000	11,952	0.68
OP Corporate Bank	–	01/02/2017	10,500,000	10,457	0.60
Paccar Financial Europe	–	07/10/2016	5,000,000	5,000	0.29
Prudential	–	11/10/2016	25,000,000	24,997	1.43
Qatar National Bank	–	11/10/2016	25,000,000	24,996	1.43
Qatar National Bank	0.6549	17/10/2016	25,000,000	24,993	1.43
Qatar National Bank	–	03/11/2016	10,000,000	9,993	0.57
Rabobank Nederland	–	19/12/2016	15,000,000	14,971	0.86
Societe Generale	–	09/11/2016	25,000,000	24,976	1.43

US Dollar Fund

Security	Coupon (%)	Maturity	Nominal	Market value US\$'000	Total net assets %
Standard Chartered Bank	–	14/11/2016	15,000,000	14,985	0.86
Sumitomo Mitsui Trust & Banking	0.7851	14/11/2016	25,000,000	24,977	1.43
Sumitomo Mitsui Trust & Banking	–	06/01/2017	20,000,000	19,950	1.14
Suncorp-Metway	–	02/03/2017	36,000,000	35,821	2.05
The Norinchukin Bank	0.8900	18/11/2016	15,000,000	14,983	0.86
Toronto-Dominion Bank	–	14/11/2016	25,000,000	24,979	1.43
Toronto-Dominion Bank	–	10/01/2017	20,500,000	20,449	1.17
Toyota Motor Finance	–	05/12/2016	28,000,000	27,955	1.60
Toyota Motor Finance Australia	–	11/10/2016	20,000,000	19,997	1.15
Toyota Motor Finance Australia	–	09/12/2016	13,500,000	13,478	0.77
Zurich Finance	–	07/10/2016	40,000,000	39,996	2.30
Zurich Finance	–	22/11/2016	20,000,000	19,978	1.15
				1,362,889	78.10
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market				1,563,284	89.59
Total investments				1,563,284	89.59
Other net assets				181,703	10.41
Total				1,744,987	100.00

Ultra Short Duration Sterling Fund

For the period from 15 July 2016 to 30 September 2016

Commencement of Fund

The CSSF approved the Fund for launch on 6 November 2015. The first net asset value (NAV) calculated for the Fund was on 18 July 2016.

Corporate activity

On the effective merger date 15 July 2016, Aberdeen Sterling Investment Cash Fund (worth GBP 5 billion) transferred its net assets through a merger by amalgamation into the Ultra Short Duration Sterling Fund. Shareholders involved in the transfer were given either J, K or Z shares in the Ultra Short Duration Sterling Fund, for every 1 share previously held in the Aberdeen Sterling Investment Cash Fund as follows:

Aberdeen Investment Cash OEIC plc (Merging Fund)	Share Class	Aberdeen Liquidity Fund (Lux) (Receiving Fund)	Share Class	Contribution in Kind ('000)	Transfer Ratio
Aberdeen Sterling Investment Cash Fund	A Acc	Ultra Short Duration Sterling Fund	J-2	£26,317	1.000000
Aberdeen Sterling Investment Cash Fund	B Acc	Ultra Short Duration Sterling Fund	K-2	£469,516	1.000000
Aberdeen Sterling Investment Cash Fund	X Acc	Ultra Short Duration Sterling Fund	Z-2	£4,761,230	1.000000

Performance

For the period from launch to 30 September 2016, the value of the Ultra Short Duration Sterling Fund - J Accumulation shares increased by 0.27% compared to an increase of 0.04% for the benchmark, 100% 1 month GBP LIBID.

Source: Aberdeen Asset Management, Lipper, BNP Paribas.

Basis: Total Return, published NAV to NAV, net of annual charges, gross income reinvested, GBP.

Market review

Financial markets were highly volatile following the surprise result of the UK's vote to leave the European Union (EU) at the end of June.

To combat the expected post-Brexit economic shock, Governor Mark Carney said that the Bank of England (BoE) would take whatever action is needed to support growth. Subsequently, the central bank announced a relatively comprehensive easing package at the August Quarterly Inflation Report, which on the whole exceeded already high market expectations. The Bank rate was cut by 25 basis points (bps) to 0.25%, a £100 billion term-lending scheme was announced to provide funding to banks close to Bank rate, and there will be a further £60 billion of sovereign quantitative easing and up to £10 billion of corporate bond purchases. Ten-year gilt yields ended the quarter at 0.76%.

Prior to the result, the BoE had voted unanimously for unchanged policy as data remained mixed. Purchasing managers' indices were consistent with Brexit-related uncertainty, with a contraction in manufacturing activity and below-consensus readings in services and construction. Data showed a recovery surprisingly quickly thereafter, however. Retail sales and employment were also strong.

Meanwhile, the sharp depreciation in sterling is likely to raise the price of imported goods and, subsequently, inflation. We now expect UK consumer price inflation to rise by around 2% by early-2017, which is earlier than in our previous forecast. Against this backdrop, the reaction of policymakers is crucial. The BoE must respond to the conflicting forces of a currency-driven rise in inflation and a worsening growth outlook. On balance, the BoE is likely to 'look through' currency-driven inflation for as long as inflation expectations remain low and may cut interest rates again later this year. An extension of quantitative easing is possible if some of the downside risks begin to crystallise.

Portfolio review

In line with the Sterling Fund, the Ultra Short Duration Sterling Fund was defensively positioned in the run up to the June referendum. Exposure to senior UK and EU names were in 2 year maturities and under. Longer exposure was in covered bonds only, with the Fund holding senior exposure to Australian and Canadian bank names.

We have since pushed the weighted average maturity (WAM) longer and continue to add floating rate notes (FRN's), although new issuance has been scarce.

There has been very little change to the overall asset allocation into September month end. We were anticipating a pick-up in new issuance which has been slow to materialise, particularly in 3 year floating rate notes which we would like to add to the Fund. In the meantime, we are looking at opportunities to switch shorter dated assets into longer dated. The Asset Backed Securities (ABS) market remains quiet, which means we will look to the secondary market to maintain Fund positions. In order to continue to keep the WAM as long as we are comfortable with, we will also target fixed rate bonds. The combination of the MPC's measures in August has helped the Fund's performance dramatically as credit spreads tightened and yield curves flattened. All sectors have outperformed, with the biggest contributor coming from the Fund's exposure to AAA ABS, covered floating rate notes and fixed rate bonds. During this period the Fund maintained its liquidity position around the 1% mark. Overall though, there has been very little change to the overall asset allocation into September month end.

Ultra Short Duration Sterling Fund

Outlook

Economic data since the Brexit referendum has been better than expected, and this may reduce the need for further demand stimulus. However, the government appears to be shaping up for a relatively 'hard Brexit', which is likely to overshadow other economic news. Mark Carney has essentially ruled out the possibility of negative rates, saying he struggles to see a scenario where he would support a cut into negative territory. Carney also stated that confidence in the UK economy has improved due to the BoE's quick action after the Brexit vote. Consequently, the risk of recession has been much reduced, although growth is still expected to be well below potential. A further cut seems likely in the coming months, although the economy has generally performed better than expected. It will be interesting to see how Theresa May deals with Brexit discussions. She has now promised to trigger Article 50 of the EU treaty – the only legal route to exit – before the end of March 2017. Her negotiation skills will largely shape the outlook for the UK economy.

Aberdeen Fixed Income Team

October 2016

Ultra Short Duration Sterling Fund

Statement of Net Assets

As at 30 September 2016

	£'000
Assets	
Investments in securities at amortised cost (note 2.2)	4,959,578
Cash and cash equivalents	123
Dividend receivable	19
Interest receivable	16,071
Subscriptions receivable	4,490
Other assets	182
Total assets	4,980,463
Liabilities	
Payable for investments purchased	(51,000)
Taxes and expenses payable	(360)
Redemptions payable	(3)
Total liabilities	(51,363)
Net assets at the end of the period	4,929,100

Statement of Changes in Net Assets

For the period from 15 July 2016 to 30 September 2016

	£'000
Net assets at the beginning of the period	-
Net gains from investments	10,257
Net realised gains	94
Net unrealised gains	5,633
Proceeds from shares issued ^A	5,369,345
Payments for shares redeemed	(455,887)
Net equalisation paid (note 10)	(342)
Net assets at the end of the period	4,929,100

^A Includes assets transferred from the merger of Aberdeen Sterling Investment Cash Fund on 15 July 2016 of £5,257,059,038.

Statement of Operations

For the period from 15 July 2016 to 30 September 2016

	£'000
Income	
Investment income (note 2.3)	10,520
Dividend income	59
Total income	10,579
Expenses	
Management fees (note 4.5)	(153)
Administration fees (note 4.1)	(45)
Depositary fees (note 4.2)	(73)
Domiciliary agent, registrar, paying and transfer agent fees (note 4.3)	(35)
Management Company fees (note 4.4)	(27)
Operational expenses (note 4.6)	(33)
Expense cap refunded by the Investment Manager (note 4.7)	170
Annual tax (note 4.8)	(126)
Total expenses	(322)
Net gains from investments	10,257
Realised gains on investments	94
Net realised gains	94
Increase in unrealised appreciation on investments	5,633
Net unrealised gains	5,633
Net increase in assets as a result of operations	15,984

Share Transactions

For the period from 15 July 2016 to 30 September 2016

	J-2 ^A	K-2 ^A	Z-2 ^A
Shares outstanding at the beginning of the period	-	-	-
Shares issued during the period	406,474	3,966,422	37,049,735
Shares redeemed during the period	(157,945)	(854,510)	(2,545,019)
Shares outstanding at the end of the period	248,529	3,111,912	34,504,716
Net asset value per share	102.8738	126.4291	130.7096

^A Share class launched 15 July 2016.

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

Ultra Short Duration Sterling Fund

Portfolio Statement

As at 30 September 2016

Security	Coupon (%)	Maturity	Nominal	Market value £'000	Total net assets %
Transferable securities and money market instruments admitted to an official exchange listing or dealt on another regulated market					
Bonds - 63.48%					
Arkle (REGS)	4.6810	17/02/2017	35,434,000	35,950	0.73
Arkle (REGS)	3.9860	17/08/2017	3,477,000	3,567	0.07
ASB Finance (EMTN)	FRN	13/03/2017	32,225,000	32,265	0.65
ASB Finance	FRN	01/05/2018	35,800,000	35,845	0.73
ASIF III (EMTN)	5.3750	14/10/2016	29,979,000	30,020	0.61
Australia & New Zealand Banking Group (EMTN)	FRN	11/02/2019	95,000,000	95,451	1.94
Bank of Montreal (EMTN)	FRN	24/10/2016	3,370,000	3,371	0.07
Bank of Montreal (REGS)	FRN	29/01/2018	50,000,000	50,016	1.01
Bank of Nova Scotia (REGS)	FRN	07/08/2018	48,000,000	48,027	0.97
Bank of Nova Scotia	FRN	14/01/2019	70,000,000	70,305	1.43
Bank of Scotland (EMTN)	4.8750	08/11/2016	19,993,000	20,080	0.41
Barclays Bank (EMTN)	FRN	15/09/2017	45,000,000	45,018	0.91
Barclays Bank (REGS)	FRN	12/02/2018	70,000,000	69,989	1.42
BMW US Capital (EMTN)	FRN	06/02/2017	23,200,000	23,197	0.47
BNP Paribas (EMTN)	3.5000	07/12/2016	14,830,000	14,905	0.30
BPCE (EMTN)	FRN	06/03/2017	58,600,000	58,711	1.19
Brass (REGS)	FRN	16/04/2051	9,605,646	9,640	0.20
Canadian Imperial Bank of Commerce (EMTN)	FRN	15/12/2016	21,500,000	21,502	0.44
Canadian Imperial Bank of Commerce (REGS)	FRN	15/01/2018	42,000,000	42,007	0.85
Commonwealth Bank of Australia (REGS)	FRN	24/01/2018	30,920,000	30,959	0.63
Commonwealth Bank of Australia (EMTN)	FRN	26/10/2018	160,000,000	160,748	3.26
Danske Bank (EMTN)	FRN	04/10/2018	51,000,000	51,000	1.03
Darowby (REGS)	FRN	20/02/2044	11,551,634	11,605	0.24
Delamare Cards (REGS)	FRN	19/05/2019	39,000,000	38,931	0.79
Delamare Cards (REGS)	FRN	19/04/2020	19,750,000	19,684	0.40
Dexia Credit Local (EMTN)	1.8750	17/07/2017	10,000,000	10,104	0.20
Driver UK Multi-Compartment (REGS)	FRN	25/01/2023	16,717,651	16,722	0.34
Driver UK Multi-Compartment	FRN	25/01/2024	11,708,330	11,719	0.24
Duncan Funding	FRN	17/04/2063	16,204,000	16,314	0.33
E-Carat (REGS)	FRN	18/10/2021	2,569,153	2,571	0.05
E-Carat (REGS)	FRN	18/03/2022	3,023,415	3,026	0.06
E-Carat (REGS)	FRN	18/04/2023	7,469,403	7,476	0.15
Fosse	4.6350	18/10/2054	51,762,000	52,420	1.06
Fosse (REGS)	FRN	18/10/2054	19,567,185	19,628	0.39
GE Capital UK Funding Unlimited (EMTN)	FRN	20/03/2017	41,500,000	41,475	0.84
GE Capital UK Funding Unlimited (EMTN)	FRN	16/01/2018	50,000,000	50,001	1.01
Gosforth Funding (REGS)	FRN	19/12/2047	5,714	6	0.00
Gosforth Funding (REGS)	FRN	16/06/2057	7,071,596	7,069	0.14
Gosforth Funding (REGS)	FRN	15/02/2058	14,774,418	14,813	0.30
Gosforth Funding	FRN	24/07/2058	13,975,000	14,058	0.28
Holmes (REGS)	FRN	15/10/2054	17,147,199	17,166	0.35

Ultra Short Duration Sterling Fund

Security	Coupon (%)	Maturity	Nominal	Market value £'000	Total net assets %
Holmes (REGS)	4.0090	15/10/2054	10,130,000	10,441	0.21
ING Bank (EMTN)	FRN	27/11/2017	33,120,000	33,123	0.67
Kenrick (REGS)	FRN	11/01/2043	18,765,159	18,924	0.38
Kenrick (REGS)	FRN	18/04/2049	13,528,842	13,565	0.27
Lanark (REGS)	FRN	22/12/2054	42,000,000	42,355	0.86
Lanark	FRN	22/12/2054	28,944,302	29,236	0.59
Leofric (REGS)	FRN	26/05/2050	6,448,558	6,463	0.13
Lloyds Bank (EMTN)	FRN	16/01/2017	90,000,000	90,034	1.83
Lloyds Bank (REGS)	FRN	22/03/2017	27,750,000	27,944	0.57
Lloyds Bank (REGS)	FRN	19/01/2018	50,000,000	50,013	1.01
Lloyds Bank (REGS)	FRN	14/01/2019	25,000,000	25,056	0.51
Motor (REGS)	FRN	25/08/2021	352,340	353	0.01
Motor (REGS)	FRN	25/06/2022	17,535,148	17,548	0.36
National Australia Bank (GMTN)	FRN	19/12/2016	28,000,000	28,005	0.57
National Australia Bank (GMTN)	FRN	01/03/2019	84,000,000	84,207	1.71
Nationwide Building Society	FRN	17/07/2017	53,000,000	53,028	1.08
Nationwide Building Society (EMTN)	FRN	27/04/2018	16,133,000	16,147	0.33
Nationwide Building Society	FRN	25/04/2019	47,460,000	47,714	0.97
New York Life Global Funding (GMTN)	FRN	28/09/2017	99,000,000	99,067	2.01
NRW Bank (REGS)	FRN	17/01/2017	15,000,000	15,010	0.30
Pohjola Bank (EMTN)	FRN	21/05/2018	71,167,000	71,155	1.44
Orbita Funding	FRN	14/07/2023	13,158,000	13,216	0.27
Oversea Chinese Banking (GMTN)	FRN	15/05/2017	84,500,000	84,560	1.72
Penarth (REGS)	FRN	18/10/2019	15,000,000	14,985	0.30
Permanent	4.8050	15/07/2042	35,760,000	36,179	0.73
Permanent (REGS)	FRN	15/07/2042	27,500,000	27,527	0.56
Rabobank Nederland (GMTN)	FRN	18/09/2017	89,000,000	89,065	1.81
Rabobank Nederland (EMTN)	3.2500	01/11/2017	28,141,000	28,916	0.59
Royal Bank of Canada (REGS)	FRN	13/01/2017	20,000,000	20,002	0.41
Royal Bank Of Canada (REGS)	FRN	20/07/2018	20,000,000	20,033	0.41
Royal Bank Of Canada (EMTN)	FRN	09/10/2018	10,100,000	10,168	0.21
Royal Bank Of Canada (REGS)	FRN	11/03/2019	50,000,000	50,295	1.02
Silverstone (REGS)	FRN	21/01/2055	47,950,000	48,255	0.98
Silverstone	5.0630	21/01/2055	26,232,000	26,334	0.53
Silverstone (REGS)	FRN	21/01/2070	15,625,000	15,634	0.32
Suncorp-Metway (EMTN)	FRN	06/10/2017	16,775,000	16,784	0.34
Svenska Handelsbanken (EMTN)	1.8750	29/08/2017	3,350,000	3,388	0.07
Swedbank (EMTN)	FRN	02/06/2017	103,400,000	103,443	2.10
Swedbank Hypotek (REGS)	FRN	02/04/2018	39,000,000	39,005	0.79
Swedbank Hypotek (EMTN)	FRN	29/10/2018	30,000,000	30,107	0.61
Swedish Exportkredit (EMTN)	1.1250	15/12/2016	16,322,000	16,358	0.33
Toronto-Dominion Bank (REGS)	FRN	19/01/2018	115,170,000	115,206	2.34
Turbo Finance (REGS)	FRN	20/08/2021	2,397,454	2,399	0.05
Westpac Banking	FRN	28/11/2017	90,000,000	90,018	1.83

Ultra Short Duration Sterling Fund

Security	Coupon (%)	Maturity	Nominal	Market value £'000	Total net assets %
Westpac Securities (EMTN)	FRN	23/06/2017	96,500,000	96,420	1.96
Westpac Securities (EMTN)	FRN	02/10/2017	44,100,000	44,146	0.90
				3,129,192	63.48
Money Market Instruments - 36.40%					
Abu Dhabi Commercial Bank	–	14/11/2016	28,000,000	27,992	0.57
Abu Dhabi Commercial Bank	–	01/08/2017	50,000,000	49,652	1.01
Bank of Tokyo - Mitsubishi	0.8000	04/07/2017	50,000,000	50,078	1.02
Banque Federative du Credit Mutuel	–	03/04/2017	49,000,000	48,859	0.99
Banque Federative du Credit Mutuel	–	10/06/2017	60,000,000	59,738	1.21
BNP Paribas	1.0000	16/12/2016	32,000,000	32,042	0.65
Cooperatieve Centrale Raiffeisen	0.6800	23/12/2016	20,000,000	20,011	0.41
Credit Agricole	0.9500	26/05/2017	70,000,000	70,181	1.42
Credit Suisse	1.0600	15/06/2017	54,000,000	54,184	1.10
Credit Suisse	0.8500	05/07/2017	49,000,000	49,098	1.00
Dexia Credit Local	–	24/10/2016	25,000,000	24,995	0.51
Goldman Sachs International Bank	0.9650	12/05/2017	48,000,000	48,121	0.98
Goldman Sachs International Bank	1.0100	31/05/2017	54,500,000	54,660	1.11
HSBC Bank	–	16/02/2017	50,000,000	49,901	1.01
Landesbank Hessen Thuringen	1.0500	06/01/2017	50,000,000	50,094	1.02
Landesbank Hessen Thuringen	0.9100	26/01/2017	59,000,000	59,103	1.20
Lloyds Bank	1.0000	16/03/2017	50,000,000	50,110	1.02
National Bank of Abu Dhabi	0.8800	25/10/2016	74,000,000	74,026	1.50
National Bank of Abu Dhabi	0.9700	03/02/2017	54,000,000	54,088	1.10
National Bank of Abu Dhabi	1.0300	28/04/2017	45,000,000	45,118	0.91
National Bank Of Abu Dhabi	0.8600	05/07/2017	45,000,000	45,093	0.91
Nationwide Building Society	0.9000	06/01/2017	50,000,000	50,058	1.01
Nationwide Building Society	0.9900	21/04/2017	60,000,000	60,149	1.22
Natixis	1.0000	10/03/2017	50,000,000	50,090	1.02
Qatar National Bank	–	06/04/2017	34,000,000	33,897	0.69
Qatar National Bank	–	13/04/2017	50,000,000	49,840	1.01
Qatar National Bank	–	11/05/2017	50,000,000	49,806	1.01
Qatar National Bank	–	03/07/2017	30,000,000	29,840	0.60
Societe Generale	0.9900	01/02/2017	60,000,000	60,114	1.22
Societe Generale	0.9600	19/05/2017	49,500,000	49,618	1.01
Standard Chartered Bank	1.0450	25/11/2016	59,500,000	59,561	1.21
Standard Chartered Bank	1.0700	15/03/2017	65,000,000	65,157	1.32
Standard Chartered Bank	1.0400	25/05/2017	44,000,000	44,124	0.89
Sumitomo Mitsui Trust & Banking	0.8500	24/02/2017	59,500,000	59,578	1.21
Toronto-Dominion Bank	0.9500	02/12/2016	65,000,000	65,086	1.32
UBS	0.7000	05/09/2017	50,000,000	50,025	1.01
				1,794,087	36.40

Ultra Short Duration Sterling Fund

Security	Coupon (%)	Maturity	Nominal	Market value £'000	Total net assets %
Open Ended Investment Funds - 0.74%					
Aberdeen Liquidity Fund (Lux) - Sterling Fund Z-3 [†]	–		36,299	36,299	0.74
				36,299	0.74
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market				4,959,578	100.62
Total investments				4,959,578	100.62
Other net assets				(30,478)	(0.62)
Total				4,929,100	100.00

[†] Managed by subsidiaries of Aberdeen Asset Management PLC.

Notes to the Financial Statements

1 PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 General

Aberdeen Liquidity Fund (Lux) ("the Company") is incorporated 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, as amended).

The Company comprises various classes of shares, each relating to a separate portfolio (a "Fund") consisting of securities, money market instruments, cash and other sundry assets and liabilities.

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

As at 30 September 2016, the Company comprises five separate active Funds. The Company aims to provide investors with a broad range of diversified actively-managed Funds which, through their specific investment objectives and individual portfolios, offer investors the opportunity of exposure to selected short-term investment and/or money market strategies. The assets of the Funds are invested in accordance with the principle of risk diversification in money market instruments and/or in debt and debt-related instruments and/or in deposits with credit institutions, including but not limited to, fixed-term deposits at financial institutions, certificates of deposit, commercial paper, medium-term notes, short-term treasury bills and call and notice accounts. Each Fund may at any time enter into repurchase agreements with highly rated financial institutions, provided that the collateral underlying such repurchase agreements also comply with applicable credit quality restrictions and Luxembourg regulation, although maturity constraints will not apply.

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 financial statements of the Company are expressed in US Dollars ("USD").

The financial statements have been prepared in accordance with the format prescribed by the Luxembourg authorities for Luxembourg investment companies.

As the financial statements include certain accounting entries relating to the period ended 30 September 2016, the Net Asset Values shown throughout the report may differ from those advertised on 30 September 2016 for dealing in these Funds.

The combined statements were calculated on the basis of aggregation of individual Fund statements with no elimination of cross-investments, if any. As at 30 September 2016, the value of cross-investments was GBP 36,299,000.

A new Fund was made available to investors during the period as shown in the table below. The opening dates shown in the financial statements reflect the effective merger date.

Fund	CSSF approval	First NAV calculation
Ultra Short Duration Sterling Fund	6 November 2015	18 July 2016

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 valuation price of an investment is progressively adjusted to the redemption price, based on the net acquisition price and keeping the resultant yield to maturity constant (linear amortised cost basis). Comparisons between the linear amortised cost and market prices are conducted on a daily basis. In the event of a significant change in market conditions, the basis for the valuation of different investments is adjusted based on the new market yields.

If a valuation in accordance with the above rules is rendered impossible or incorrect due to special or changed circumstances, the Board of Directors is entitled to use other generally recognised valuation principles in order to value the Fund's assets.

In respect of the Ultra Short Duration Sterling Fund, liquid assets and money market instruments may be valued at market value plus any accrued interest or on an amortised cost basis as determined by the Board of Directors. The method of valuation on a linear amortised cost basis may only be used for liquid assets and money market instruments that have a residual maturity date until the legal redemption date of less or equal to 397 days. All other assets, where practice allows, may be valued in the same manner.

2.2 Assets and portfolio securities valuation continued

Security acronyms:

DPNT — Deposit Note

GMTN — Global Medium Term Note

EMTN — Euro Medium Term Note

MPLE — Maple Bond

FRN — Floating Rate Note

MTN — Medium Term Note

REGS — not registered under the US Securities Act

Since September 2007 and in the context of the subprime crisis, daily comparisons were carried out between the linear amortised prices and last available market prices. Based on these comparisons, Credit Suisse Fund Management S.A., the former Management Company to the

Fund, decided to set up provisions within the respective Funds as protection against possible losses in the event of sale of investments as a result of shareholder redemptions. Since the conditions requiring the set up of such provisions ceased to exist, no further provisions were recorded since 2010 and they have been partially released since then.

During the period ended 30 September 2016 the remaining provision amount of EUR 1,033,043 on the Euro Fund was fully released against the payment of management fees that were waived during previous years. There is no remaining provisions on any Funds.

2.3 Investment 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, is spread over the life of the security.

Dividends are recognised on the date on which the shares concerned are quoted ex-dividend.

Dividend and interest income are stated net of irrecoverable withholding taxes, if any.

Expenses which do not relate to a particular Fund are allocated between Funds in proportion to the NAV's of the individual Funds.

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 30 September 2016.

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 or loss is the difference between the historical average cost of the investment and the sale proceeds.

Realised gains and losses are recorded under "Investment income" in the Statement of Operations.

In respect of the Ultra Short Duration Sterling Fund, due to the differing valuation method, realised and unrealised gains and losses are recorded separately.

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.

2.7 Repurchase Transactions and Reverse Repurchase Transactions

In respect of Repurchase Agreements and Reverse Repurchase Agreements, a service fee may be payable to a third party for agency services in the context of tri-party arrangements. Any revenue received by a Fund arising from repurchase agreements and reverse repurchase agreements as reduced by the service fee (if applicable) will be for the benefit of that Fund and be recognised in the Statement of Operations.

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' or a '3' are Distribution shares and Classes suffixed with a '2' are Accumulation shares.

3.2 Class A Shares

Class A shares are available to all investors. Class A shares are subject to a rate of Taxe d'Abonnement of 0.01% per annum.

3.3 Class I, J, K, L and Z Shares

Class I, J, K, L and Z shares are only available to Institutional Investors who enter into a suitable agreement with the Investment Manager or one of its Associates. During the period ended 30 September 2016 these shares benefited from an exemption to pay Taxe d'Abonnement.

3.4 Switches

Shares in one Fund may be exchanged or switched into shares of a different class in the same Fund, subject to the qualifications for investment being met, on any dealing day for the relevant Fund. Shares in the same class may not be switched between accumulation and income shares or between accumulation and flexible income shares. Shares in income share classes may be switched to flexible income shares within the same class, but flexible income shares may not be switched to income share classes. Investors may switch either a specific number of shares or shares of a specified value.

Investors in any Fund of the Company may not exchange their shares for shares of the same or another class in any other Fund of the Company.

Any exchange of shares is subject to meeting the relevant share class qualifications and to the limitations and charges described in the prospectus.

3.5 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 all shares classes.

Annually and within six months of the year end, the Investment 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).

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 30 September each year.

4 EXPENSES

4.1 Administration fees

The Administrative agent is entitled to a fee not exceeding 0.05% per annum (plus VAT, if any) of the net assets of the Company as determined on the last dealing day of the month.

The Administrator is also entitled to be reimbursed for any reasonable out-of-pocket expenses.

4.2 Depositary fees

The Depositary bank is entitled to a fee not exceeding 2% per annum (plus VAT, if any) of the net assets of the Company as determined on the last dealing day of the month.

The Depositary bank is also entitled to be reimbursed for any reasonable out-of-pocket expenses and for the transaction charges of any correspondent banks.

4.3 Domiciliary agent, registrar, paying and transfer agent fees

The Company paid Domiciliary, Registrar, and Transfer Agency fees which did not exceed 0.1% per annum (plus VAT, if any) of the net assets of the Company as determined on the last dealing day of the month.

The Company paid Paying Agent fees which did not exceed 0.01% per annum of the net assets of the Company as determined on the last dealing day of the month.

The following amounts were incurred during the period:

	Canadian Dollar Fund	Euro Fund	Sterling Fund	US Dollar Fund	Ultra Short Duration Sterling Fund
Currency	CAD	EUR	GBP	USD	GBP
Domiciliary	490	3,950	10,171	9,830	2,797
Paying Agent	775	6,311	18,767	15,568	5,389
Registrar & Transfer Agent	4,405	–	96,298	88,440	26,894
Total	5,670	10,261	125,236	113,838	35,080

The Transfer Agent, Aberdeen Global Services S.A., has elected to waive the Transfer Agency Fees on the Euro Fund from 16 March 2015 until further notice.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4.4 Management Company fees

The Management Company fees did not exceed 0.01% per annum of the net assets of the Company at each month end.

The Management Company, Aberdeen Global Services S.A., has elected to waive the Management Company fees on the Euro Fund from 16 March 2015 until further notice.

4.5 Management fees

The Investment Manager is entitled to receive management fees calculated on the Net Asset Value of the Funds, accrued daily.

Where a Fund invests in an open ended investment fund which is operated or managed by the Investment Manager or an associate of the Investment Manager, no additional annual management charge shall be incurred on the Fund on such an investment.

The following rates are applicable according to the prospectus.

Classes of shares (%)	A-2	I-2	J-2	J-3	K-1	K-2	K3	L-1	L3
Canadian Dollar Fund	0.50	0.30	0.20	0.20	0.15	0.15	0.15	0.10	0.10
Euro Fund	0.50	0.30	0.20	0.20	0.15	0.15	0.15	0.10	0.10
Sterling Fund	0.50	0.30	0.20	0.20	0.15	0.15	0.15	0.10	0.10
US Dollar Fund	0.50	0.30	0.20	0.20	0.15	0.15	0.15	0.10	0.10
Ultra Short Duration Sterling Fund	0.50	0.30	0.20	0.20	0.15	0.15	0.15	0.10	0.10

The following rates are applicable as at 30 September 2016, as a result of management fee waivers:

Classes of shares (%)	A-2	I-2	J-2	J-3	K-1	K-2	K-3	L-1	L-3
Canadian Dollar Fund	0.40	0.20	N/A	N/A	N/A	N/A	N/A	0.10	N/A
Euro Fund	0.02	0.02	0.02	0.05	N/A	0.02	N/A	N/A	N/A
Sterling Fund	0.40	0.20	N/A	0.20	0.15	N/A	0.15	0.10	0.10
US Dollar Fund	0.10	0.10	0.10	N/A	0.15	0.05	N/A	0.10	N/A
Ultra Short Duration Sterling Fund	N/A	N/A	0.20	N/A	N/A	0.15	N/A	N/A	N/A

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

Additional Management fees paid out of the release of provisions as detailed in section 2.2 above are excluded from the rates above.

During the period ended 30 September 2016 the remaining provision amount of EUR 1,033,043 on the Euro Fund was fully released against the payment of management fees that were waived during previous years.

4.6 Operational expenses

Operational expenses represent other amounts paid by the Company relating to the operation of the Funds. They include legal fees, audit fees, Directors' fees, cost of printing and distributing the prospectuses and annual and half yearly reports, fees in connection with obtaining or maintaining any registration or authorisation of the Company with any governmental agency or stock exchange as well as the cost of publication of share prices.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4.7 Expense Caps

Expense caps are determined on the basis of ongoing charges of the respective share classes as at 30 September 2016.

The expense caps are applicable until such time as the Board changes the caps, any changes resulting in an increase in expenses will be communicated to the shareholders as required by applicable legislation.

Amounts receivable resulting from the application of expense caps for the year will be paid following the completion of the annual audit and within six months after the year end.

Classes of shares (%)	Share Class	Expense Cap (%)
Canadian Dollard Fund	L-1	0.1000
Euro Fund	J-3	0.0500
Euro Fund	Z-3	0.0188
Sterling Fund	J-3	0.2019
Sterling Fund	K-1	0.1500
Sterling Fund	K-3	0.1519
Sterling Fund	L-1	0.1000
Sterling Fund	L-3	0.1019
Sterling Fund	Z-3	0.0019
US Dollar Fund	K-1	0.1500
US Dollar Fund	L-1	0.1000
Ultra Short Duration Sterling Fund	J-2	0.2159
Ultra Short Duration Sterling Fund	K-2	0.1659
Ultra Short Duration Sterling Fund	Z-2	0.0159

4.8 Annual taxation

The Company is liable in Luxembourg to a Taxe d'Abonnement of a rate of 0.01% per annum for each Class of Share. During the period ended 30 September 2016 Class I, Class J, Class K, Class L and Class Z Shares benefited from an exemption to pay Taxe d'Abonnement. This is accrued daily and payable quarterly on the basis of the value of the net assets of the Fund at the end of the relevant quarter.

5 DIVIDENDS

Class K-1, Class L-1, Class Z-1, Class J-3, Class K-3, Class L-3 and Class Z-3 shares declare dividends on a daily basis and distribute on or about the second Business Day of the following month. These shares of each Fund begin earning dividends on the Dealing Day on which they are issued. If an investor redeems its entire holding of these shares within a Fund, accrued but unpaid dividends are payable with the redemption proceeds. For partial redemptions of a holding, accrued but unpaid dividends are payable on the next pay date. Shares do not earn dividends on the Dealing Day on which their redemption is accepted.

Class A-2, Class I-2, Class J-2, Class K-2 and Class Z-2 shares accumulate investment income within the Share Price of this Class of Share on a daily basis.

Where the net investment income is negative, a specific mechanism is applied to Class J-3, Class K-3, Class L-3 and Class Z-3 shares in order to maintain a stable Net Asset Value per Share. An amount representing any shortfall due to a negative yield affecting a Fund's portfolio, together with usual applicable charges, is calculated and accrued daily as an amount due to the Fund and deducted by the second business day of the next following month from the holdings of each investor in the Class concerned by compulsory redeeming an appropriate (proportional portion) number of their Shares held.

6 DIRECTORS' INTERESTS

None of the Directors were materially interested in any contracts of significance subsisting with the Company either during the year to or as at 30 September 2016.

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 notes 4.3, 4.4, 4.5 and 4.6 have been entered into in the ordinary course of business and on normal commercial terms.

As at 30 September 2016 other Aberdeen Funds/Trust and mandates managed by Aberdeen Asset Management PLC held investments in the company valued at USD 15,742,883,013.

9 SOFT COMMISSION/COMMISSION SHARING

There are no soft commission arrangements for the Company.

10 EQUALISATION

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 TRANSACTION COSTS

For the period ended 30 September 2016 the Company incurred no transaction costs, which have been defined as commissions and taxes relating to purchase or sale of transferable securities, money market instruments, derivatives or other eligible assets.

12 CORPORATE GOVERNANCE

The Board has adopted the Principles of the ALFI Code of Conduct dated July 2014 ("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 financial period ended 30 September 2016.

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 Shareholder approval) and reviewing and monitoring the internal financial control systems and risk management systems on which the Company is reliant.

13 REVERSE REPURCHASE AGREEMENT

During the year, the Company has entered into two reverse repurchase agreements for the Sterling Fund and into one reverse repurchase agreement for the US Dollar Fund. The reverse repurchase agreements for the Sterling Fund were finalised on 22 August 2016 for the National Australia Bank reverse repurchase agreement, and on 18 August 2016 for the BNP Paribas reverse repurchase agreement.

As per the Repurchase Transaction Agency Agreement dated 5 February 2013, amended on 28 February 2014, the Company appointed Securities Finance Trust Company (the operating arm of eSec Lending) as agent. As remuneration, the agent receives a cash management fee in respect of the nominal amount of cash invested in reverse repurchase transactions of 0.03% annualized and payable monthly in arrears.

The list of authorised counterparties is disclosed in the Repurchase Transaction Agency Agreement. Each counterparty shall have, and shall maintain, a minimum credit rating by Standard and Poor's of A-1 at the time the relevant reverse repurchase transaction is entered into. The agent shall monitor compliance with this minimum credit rating requirement.

As per the Master Repurchase Agreement dated 25 July 2011, the Company appointed Aberdeen Asset Management Inc. as agent. The agent does not receive any remuneration for this function. The only authorised counterparty is State Street Bank and Securities Finance Trust Company.

In return for making cash available throughout the year, the Funds participating in those agreements entered into reverse repurchase transactions and received fees which are reflected in the Financial Statements of each participating Fund under the "Reverse repurchase agreement income" caption.

The aggregate value of securities at the period end and during the year subject to the agreement was fully secured by collateral of at least 102% of the value of stock subject to the reverse repurchase agreement.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 REVERSE REPURCHASE AGREEMENT CONTINUED

The collateralisation is in the form of:

Sterling Fund - UK Government gilts

US Dollar Fund - US Government and agency securities

Reverse repurchase transactions as at 30 September 2016 are detailed below.

Fund	Currency	Agreement amount	Counterparty	Collateral Value	Type of collateral
		'000		'000	
US Dollar Fund	USD	65,117	State Street Bank and Trust Company	66,424	US Government and Agency Securities

For the period ended 30 September 2016 revenues arising from the reverse repurchase transactions during the period are as follows:

Fund	Currency	Gross reverse repurchase agreement income	Gross reverse repurchase agreement expenses	Net reverse repurchase agreement income
Sterling Fund	GBP	13,575.34	1,607.70	11,967.64
US Dollar Fund	USD	4,621.46	0	4,621.46

14 SIGNIFICANT EVENTS DURING THE YEAR

The following changes to the Company have taken place during the period:

- With effect from 11 May 2016 Class L-1 was launched on the Canadian Dollar Fund;
- With effect from 26 May 2016 Class K-1 was closed on the Canadian Dollar Fund;
- With effect from 26 June 2016 the provision on the Euro Fund was removed as detailed in note 2.2 above;
- With effect from 15 July 2016 the following share classes were launched to accommodate the merger of the Aberdeen Global Liquidity Funds plc and the Aberdeen Investment Cash OEIC plc into the Company:

Fund	Share Class
Sterling Fund	J-3
Sterling Fund	K-3
Sterling Fund	L-3
Sterling Fund	Z-3
Ultra Short Duration Sterling Fund	J-2
Ultra Short Duration Sterling Fund	K-2
Ultra Short Duration Sterling Fund	Z-2

The merger by amalgamation was approved at the EGM of the merging fund's shareholders on 1 July 2016 and had an effective date of 15 July 2016.

Aberdeen Sterling Liquidity Fund, a sub-fund of Aberdeen Global Liquidity Funds plc, amalgamated into Aberdeen Liquidity Fund (Lux) - Sterling Fund.

Aberdeen Euro Liquidity Fund, a sub-fund of Aberdeen Global Liquidity Funds plc, amalgamated into Aberdeen Liquidity Fund (Lux) - Euro Fund.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 SIGNIFICANT EVENTS DURING THE YEAR CONTINUED

Aberdeen Sterling Investment Cash Fund, a sub-fund of Aberdeen Investment Cash OEIC plc, amalgamated into the newly launched Aberdeen Liquidity Fund (Lux) - Ultra Short Duration Sterling Fund.

- With effect from the 22 August 2016, following a vote of the shareholders at the AGM, the following Directors of the Board resigned and were appointed:
 - Lynn Birdsong (appointed)
 - Martin Gilbert (appointed)
 - Soraya Hashimzai (appointed)
 - Bob Hutcheson (appointed)
 - Christopher Little (appointed)
 - Ian MacDonald (appointed)
 - Gary Marshall (appointed)
 - Hugh Young (appointed)
 - Roger Barker (appointed)
 - Sandra Caignou (resigned)
 - Ralf Koehler (resigned)
 - Menno de Vreeze (resigned)

Management and Administration

Investment Advisers

Aberdeen Asset Managers Limited

10 Queen's Terrace

Aberdeen

AB10 1YG

United Kingdom

Authorised and regulated by the Financial Conduct Authority.

Aberdeen Asset Management Inc.

32nd Floor

1735 Market Street

Philadelphia

PA 19103

United States

Aberdeen Asset Managers Inc. is authorised by the Securities and Exchange Commission of the United States.

MANAGEMENT AND ADMINISTRATION CONTINUED

Directors

Lynn Birdsong (appointed 22 August 2016)
Aberdeen Liquidity Fund (Lux)
35a, avenue John F. Kennedy
L-1855

Luxembourg

Grand Duchy of Luxembourg

Martin J Gilbert (appointed 22 August 2016)

Aberdeen Asset Management PLC

10 Queen's Terrace

Aberdeen AB10 1YG

United Kingdom

Soraya Hashimzai (appointed 22 August 2016)

Aberdeen Global Services S.A.

35a, avenue John F. Kennedy

L-1855

Luxembourg

Grand Duchy of Luxembourg

Bob Hutcheson (appointed 22 August 2016)

Aberdeen Liquidity Fund (Lux)

35a, avenue John F. Kennedy

L-1855

Luxembourg

Grand Duchy of Luxembourg

Christopher Little (appointed 22 August 2016)

Aberdeen Liquidity Fund (Lux)

35a, avenue John F. Kennedy

L-1855

Luxembourg

Grand Duchy of Luxembourg

Ian Macdonald (appointed 22 August 2016)

Aberdeen Asset Management Asia Limited

21 Church Street, #01-01 Capital Square Two

Singapore 049480

Gary Marshall (appointed 22 August 2016)

Aberdeen Asset Management PLC

10 Queen's Terrace

Aberdeen AB10 1YG

United Kingdom

Hugh Young (appointed 22 August 2016)

Aberdeen Asset Management Asia Limited

21 Church Street, #01-01 Capital Square Two

Singapore 049480

Roger Barker (appointed 22 August 2016)

Aberdeen Liquidity Fund (Lux)

35a, avenue John F. Kennedy

L-1855

Luxembourg

Grand Duchy of Luxembourg

Sandra Caignou (resigned 22 August 2016)

Aberdeen Gestion

Washington Plaza

29 Rue de Berri

75408 Paris

France

Ralf Koehler (resigned 22 August 2016)

Aberdeen Asset Management Deutschland.

53-55 Bettinastrasse

D -60325

Frankfurt AM Main

Germany

Menno de Vreeze (resigned 22 August 2016)

Aberdeen Asset Management Inc.

712 5th Avenue

49th Floor

New York

NY 10019

Registered Office

Aberdeen Global Services S.A.

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, Depositary and Paying Agent

State Street Bank Luxembourg S.C.A., 49 avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Investment Manager & Global Distributor

Aberdeen International Fund Managers Limited, Suites 1601 and 1609-1610, Charter House, 8 Connaught Road Central, Hong Kong.

Sub-Distributor and Data Processing Agent

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

Auditor

KPMG Luxembourg, Société coopérative, 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.

Paying and Information Agent in Austria

Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna, Austria.

Financial and Centralising Correspondent Agent in France

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

Paying and Information Agent in Germany

Marcard, Stein & Co AG, Ballindamm 36, D-20095 Hamburg, Germany.

Paying Agent in Italy

BNP Paribas Security Services, Via Ansperto no. 5, 20123 Milano, Italy; State Street Bank GmbH, Italy Branch, Via Nizza 262/57, 10126 Torino, Via Ferranti Aporti 10 20125 Milano, Italy; and Banca Sella Holding S.P.A., Paizza Gaudenzio Sella, 1, 13900 Biella, Italy.

Paying and Information Agent in Sweden

Skandinaviska Enskilda Banken, Rissneleden 110, SE-106 40 Stockholm, Sweden.

Paying Agent and Representative in Switzerland

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

Paying Agent in the Principality of Liechtenstein

LGT Bank, Liechtenstein AG, Herrengasse 12, FL-9490 Vaduz, Liechtenstein.

General Information

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.

Applications for subscription, redemption and conversion of Shares should be sent to the Transfer Agent but may also be sent to the German Paying Agent for onward transmission to the Transfer 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 (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 State Street Bank.

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 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 Key Investor Information Documents ("KIIDs") conditions:

Representative in Switzerland and Paying Agent:

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

Place of distribution for relevant documents

The constitution documents, Prospectus, KIID's 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).
- 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).
- c. All Shareholder notices will be published on the electronic platform of fundinfo AG Zurich (www.fundinfo.com).

Further Information

Aberdeen Liquidity Fund (Lux)

Aberdeen Liquidity Fund (Lux) 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 Liquidity Fund (Lux) aims to preserve capital and stable value whilst maintaining high liquidity and achieving returns within individual Funds.

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."

**Aberdeen Asset Managers Limited
(UK Distributor)**

10 Queen's Terrace, Aberdeen, AB10 1YG
Authorised and regulated by The
Financial Conduct Authority in the
United Kingdom
Member of the Aberdeen Asset
Management Group of Companies

**Aberdeen International Fund
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Shareholder Service Centre

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C/O State Street Bank Luxembourg S.C.A.
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Grand Duchy of Luxembourg

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(UK Shareholders)
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