

# Aberdeen Global

Interim Report and Accounts

For the period ended 31 March 2010



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# Incorporation

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Aberdeen Global ("the Company" or "the Fund") was incorporated as a société anonyme, qualifying as a société d'investissement à capital variable on 25 February 1988 for an unlimited period and commenced operations on 26 April 1988. It is registered under number B27471 at the Register of Commerce at the District Court of Luxembourg.

As at 31 March 2010, the Company has issued shares in the following Funds:

American Equity  
Asia Pacific Equity  
Asian Bond  
Asian Smaller Companies  
Australasian Equity  
Chinese Equity  
Emerging Markets Bond  
Emerging Markets Equity  
Emerging Markets Smaller Companies  
European Equity  
Euro High Yield Bond  
European Equity (Ex UK)  
High Yield Bond  
Indian Equity  
Japanese Equity  
Japanese Smaller Companies  
Responsible World Equity  
Sterling Corporate Bond  
Sterling Financials Bond  
Technology  
UK Equity  
World Bond  
World Equity

The full name of each Fund is constituted by the name of the Company, Aberdeen Global, 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.

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

# Chairman's Statement

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## **Review of operations**

Aggregate funds under management for Aberdeen Global ("the Fund") increased from \$13.8 billion to \$18 billion during the period. The six month period has seen a sharp increase in risk appetite which has benefited the Aberdeen Global sub-funds, in increased allocations to equities.

During the period under review the sub-funds have benefited from good performance but this, of course, follows the particularly painful experience of 2008.

## **Fund developments**

Looking ahead, the prospects for increased Fund size are good with the acquisition of parts of the Credit Suisse Global Investors business by Aberdeen Asset Management PLC. It is proposed that assets acquired from Credit Suisse's Luxembourg domiciled funds will transfer into either existing sub-funds or new sub-funds of the Fund during the months of May and July. The resultant impact for shareholders will be six new sub-funds available for sale and a number of existing sub-funds within the range benefiting from significant contributions which, ultimately, should facilitate the delivery of unit cost savings. The new sub-funds to be launched in the coming months are Aberdeen Global - Asian Property Share Fund, Aberdeen Global - Infrastructure Fund, Aberdeen Global - Dividend Europe Fund, Aberdeen Global - Eastern European Equity Fund, Aberdeen Global - Latin American Equity Fund and Aberdeen Global - Russian Equity Fund. The sub-funds objectives can be found within the April 2010 Simplified Prospectus. In addition, Aberdeen Global – Emerging Markets Local Currency Bond Fund was launched on 6 April 2010 which provides dedicated exposure to local currency fixed income.

As part of the acquisition, the Aberdeen Group has expanded fund distribution capabilities, particularly with enhanced relationships with Credit Suisse Private Bank. More recently, the Aberdeen Group announced the acquisition of certain parts of the asset management business of Royal Bank of Scotland which brings with it a long established relationship with Coutts Private Banking and the possibility of future distribution through that partnership.

**CG Little**

Chairman

**1 May 2010**

# Investment Manager's Review

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## Investment review

World stock markets rose in the six months under review, building upon the rally that had started in March 2009. Sentiment swung between optimism over the global recovery and pessimism surrounding the stability of weaker economies, as well as the inevitable normalisation of monetary policy. Gold prices rose to record highs as central banks continued to operate weak currency policies. In contrast, the performance of global bonds was muted, with yields on 10 year US Treasuries rising from 3.3% to 3.8%, amid higher risk appetite.

At the start of the period, signs of tentative economic recovery brought cheer to investors. In the developed world, the US emerged from recession in the third quarter, while the Eurozone grew for the first time since early 2008. Emerging markets rebounded even more quickly, as several economies continued to grow through the crisis and attracted vast portfolio capital inflows. In November, policy makers in Taiwan and Indonesia hinted they might limit capital flows to prevent further exchange rate appreciation and Brazil introduced a 2% tax on foreign portfolio investments. Elsewhere, property prices surged in Singapore and Hong Kong, forcing authorities to implement cooling measures.

Even as most parts of the world showed signs of recovery, weaker economies struggled to stay afloat. In November, market jubilation was briefly doused by fears that state-owned Dubai World would default on its debt after it requested for a delay of repayments. More recently, the focus has shifted to Greece whose massive deficits and funding difficulties came to light following downgrades by rating agencies in December. Greek equities plunged by 32% over the reporting period, against the MSCI AC World Index's gain of 8%. Market jitters were not confined to Greece. By late January, the stock prices of European banks had declined and sovereign spreads widened in Portugal and Spain. The euro sank to a 10-month low against the US dollar in March.

Around the same time, authorities began unwinding emergency liquidity facilities, raising concerns over the impact on the nascent economic recovery. The US confirmed plans to end its purchase of mortgage-backed securities and the UK decided not to increase asset purchases beyond the £200 billion that had already been completed. India, Australia and Israel raised interest rates as inflationary pressures built but most central banks kept monetary policy accommodative.

From that point onwards, equities resumed their upward trajectory as fiscal stimulus was extended. The 2011 US budget proposed tax cuts and spending worth an extra 1.8% of GDP in the next two years and Japan approved a record ¥92.3 trillion budget. Markets largely ignored mounting government debt, the 2009 US budget deficit increased to a record 10% of GDP and Moody's warned the UK to rein in its budget deficit or risk losing its triple-A rating. The relief rally gathered momentum as Eurozone leaders finally agreed on a rescue package for Greece that included assistance from the International Monetary Fund.

As to be expected, markets in emerging Europe registered the sharpest losses, given Greece's debt woes, but Latin America outperformed, as China led demand for commodities and raw materials, while North America rallied following the passing of President Obama's health care reform initiative and a positive corporate results season.

## Outlook

Although an economic depression was averted, the global recovery remains uneven and shaky. The recession has exposed weaknesses in certain countries that might otherwise have remained hidden. Greece has become the first victim but Portugal, Spain and even Italy struggle with similar levels of public debt. Nor is the Eurozone's banking system, which holds €120 billion of exposure to Greece, safe from the fallout. In the US, the economy has rebounded at an astonishing rate, but this is largely due to restocking and has yet to be accompanied by a notable rise in employment.

These problems are compounded by the reluctance of stronger countries to help. China is under intense US pressure to revalue its currency but the mainland has fiercely insisted that it would not succumb to external pressure. Germany has the deepest pockets in Europe but (understandably so) is loath to bail out its profligate neighbours.

In emerging markets, asset bubbles, in particular, are a growing risk, thanks to the massive amount of liquidity in the financial system. Regulatory tightening has had scant effect on real estate markets as the cost of capital remains too low. Higher inflation will ensue. Fortunately, though, several central banks have started to raise interest rates independently of the West. Coupled with healthy fiscal positions and sound banks, the region is set to outperform the developed world as currencies appreciate and economies expand.

The MSCI World Equity Index has risen by 74% from its low in March. This trend is likely to persist in the short term, as monetary policy remains loose. Our strategy is, as usual, to ignore market noise and focus on company fundamentals. We pick and stick with the best corporations that are sensible with their cash and take an interest in minority shareholders. This strategy has served us well so far.

**Aberdeen International Fund Managers Limited**

**1 May 2010**

# Net Asset Value History

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

Fund	Share Class	NAV per Share 31.03.10	NAV per Share 30.09.09	NAV per Share 30.09.08	NAV per Share 30.09.07	Portfolio Turnover' As at 31.03.10	TER % <sup>†</sup> As at 31.03.10
<b>American Equity<sup>A</sup></b>	A-2	14.07	12.84	13.29	16.37	(39.86%)	1.73
	B-2	12.19	11.18	11.68	14.53	(39.86%)	2.73
	D-2 - GBP	9.28	8.03	7.38	8.06	(39.86%)	1.73
	I-2	12.79	11.65	8.75	-	(39.86%)	1.19
	Z-2	10.00	9.05	9.21	-	(39.86%)	0.19
<b>Asia Pacific Equity<sup>A</sup></b>	A-2	56.53	51.50	42.39	58.48	(69.06%)	1.99
	B-2	47.56	43.55	36.21	50.47	(69.06%)	2.99
	C-2	13.03	11.93	-	-	(69.06%)	2.99
	D-2 - GBP	37.33	32.26	23.59	28.85	(69.06%)	1.99
	I-2	58.46	53.05	43.30	59.29	(69.06%)	1.20
<b>Asian Bond<sup>A</sup></b>	A-1	4.11	3.98	3.76	4.00	(36.67%)	1.75
	A-2	6.22	5.93	5.51	5.74	(36.67%)	1.75
	B-1	4.08	3.95	3.73	3.98	(36.67%)	2.75
<b>Asia Pacific and Japan<sup>B</sup></b>	A-2	-	-	-	10.86	-	-
<b>Asian Smaller Companies</b>	A-2	27.58	23.74	18.47	24.53	(25.61%)	2.04
	D-2 - GBP	18.15	14.82	10.25	12.08	(25.61%)	2.04
	I-2	28.39	24.34	18.78	24.77	(25.61%)	1.25
	Z-2	12.03	10.27	7.84	-	(25.61%)	0.25
<b>Australasian Equity</b>	A-2 - AU\$	27.40	26.04	24.56	31.15	(87.73%)	1.83
	B-2 - AU\$	23.70	22.64	21.57	27.63	(87.73%)	2.83
<b>Chinese Equity<sup>A</sup></b>	A-2	19.94	18.23	14.92	22.89	(28.79%)	2.00
	D-2 - GBP	13.14	11.40	8.29	11.27	(28.79%)	2.00
	I-2	20.58	18.74	15.22	23.16	(28.79%)	1.21
	Z-2	11.16	10.11	8.13	-	(28.79%)	0.21
<b>Emerging Markets Bond<sup>C</sup></b>	A-1	17.14	16.13	15.16	17.28	132.38%	1.74
	A-2	29.69	27.19	23.58	25.25	132.38%	1.74
	B-1	17.17	16.15	15.19	17.31	132.38%	2.74
	B-2	27.41	25.23	22.10	23.91	132.38%	2.74
	I-1	17.33	16.31	15.34	17.47	132.38%	1.20
	I-2	12.00	10.96	9.46	-	132.38%	1.20
	Z-2	29.28	26.61	22.73	23.98	132.38%	0.20
<b>Emerging Markets Equity<sup>A</sup></b>	A-2	53.02	46.96	36.06	48.25	(71.79%)	1.99
	B-2	48.75	43.40	33.66	45.50	(71.79%)	2.99
	C-2	14.07	12.52	-	-	(71.79%)	2.99
	D-2 - GBP	35.10	29.49	20.12	23.84	(71.79%)	1.99
	I-2	54.45	48.04	36.61	48.72	(71.79%)	1.20
	Z-2	12.55	11.02	8.32	10.96	(71.79%)	0.20
<b>Emerging Markets Smaller Companies<sup>D</sup></b>	A-2	12.70	10.56	8.10	11.90	(53.22%)	2.13
	D-2 - GBP	8.35	6.59	4.49	5.84	(53.22%)	2.13
	I-2	13.02	10.79	8.21	11.99	(53.22%)	1.34
	Z-2	13.28	10.95	8.25	11.91	(53.22%)	0.34
<b>European Equity</b>	A-2 - EUR	30.76	27.75	28.35	44.47	14.03%	2.15
	B-2 - EUR	27.69	25.10	25.89	41.02	14.03%	3.15
	I-2 - EUR	-	-	-	44.65	-	-
	Z-2 - EUR	8.96	8.02	8.07	-	14.03%	0.61
<b>Euro High Yield Bond<sup>A</sup></b>	A-1 - EUR	6.71	6.22	6.00	8.73	(31.33%)	1.56
	A-2 - EUR	14.35	12.59	10.57	14.05	(31.33%)	1.56
	A-2 <sup>G</sup>	9.94	8.72	7.33	-	(31.33%)	1.56
	A-1 - GBP <sup>G</sup>	20.77	19.23	-	-	(31.33%)	1.56
	A-2 - GBP <sup>G</sup>	23.05	20.23	-	-	(31.33%)	1.56
	B-1 - EUR	6.69	6.21	5.98	8.69	(31.33%)	2.56
	B-2 - EUR	13.02	11.48	9.72	13.10	(31.33%)	2.56
	D-1 - GBP	6.13	5.74	4.81	6.07	(31.33%)	1.56
	D-2 - GBP	-	11.66	8.52	-	-	-
	I-2 - EUR	10.10	8.84	7.38	-	(31.33%)	1.02
	Z-2 - EUR	14.82	12.92	10.70	-	(31.33%)	0.27

Fund	Share Class	NAV per Share 31.03.10	NAV per Share 30.09.09	NAV per Share 30.09.08	NAV per Share 30.09.07	Portfolio Turnover <sup>1</sup> As at 31.03.10	TER % <sup>†</sup> As at 31.03.10
European Equity (Ex UK) <sup>A</sup>	A-2 - EUR	7.90	7.29	7.39	11.07	19.84%	2.13
	D-2 - GBP	7.04	6.65	5.88	7.74	19.84%	2.13
High Yield Bond	D-1 - GBP	1.0987	1.0014	0.8748	1.0944	21.81%	1.69
Indian Equity <sup>A</sup>	A-2	87.02	74.94	58.58	82.96	(20.33%)	2.14
	D-2 - GBP	57.43	46.91	32.58	40.85	(20.33%)	2.14
	I-2	89.81	77.04	59.74	83.85	(20.33%)	1.35
	Z-2	10.05	8.58	6.59	-	(20.33%)	0.35
Japanese Equity	A-2 - JPY	232.85	211.84	236.25	365	(44.79%)	1.80
	B-2 - JPY	196.01	179.21	201.89	315	(44.79%)	2.80
	D-2 - GBP	1.64	1.48	1.25	1.56	(44.79%)	1.80
Japanese Smaller Companies <sup>A E</sup>	A-2 - JPY	538.74	522.08	501.68	772	4.33%	1.89
	D-2 - GBP	3.80	3.65	2.65	3.30	4.33%	1.89
	I-2 - JPY	499.45	482.71	461.42	773	4.33%	1.35
Responsible World Equity <sup>F</sup>	A-2	8.22	7.74	7.55	-	(72.61%)	1.73
	I-2	8.20	7.70	7.45	-	(72.61%)	1.19
	Z-2	8.34	7.79	7.48	-	(72.61%)	0.19
Sterling Corporate Bond	D-1 - GBP	0.9309	0.8917	0.9186	1.0069	39.75%	1.58
Sterling Financials Bond	A-2 - GBP	1.8960	1.8519	1.7142	1.6925	85.92%	1.07
Technology	A-2	2.93	2.65	2.40	3.35	(108.22%)	2.10
	B-2	2.65	2.41	2.20	3.10	(108.22%)	3.10
	D-2 - GBP	1.93	1.66	1.34	1.65	(108.22%)	2.10
	I-2	10.28	9.27	8.34	-	(108.22%)	1.31
UK Equity <sup>A</sup>	A-2 - GBP	14.31	12.82	11.66	16.13	3.50%	1.79
	B-2 - GBP	12.32	11.10	10.19	14.24	3.50%	2.79
	D-1 - GBP	13.21	11.91	11.15	15.79	3.50%	1.79
World Bond	D-1 - GBP	1.6490	1.6285	1.3262	1.1405	352.00%	1.39
World Equity	A-2	13.04	12.24	11.78	15.11	(28.01%)	1.71
	B-2	11.79	11.13	10.82	14.01	(28.01%)	2.71
	C-2	10.88	10.27	-	-	(28.01%)	2.71
	D-2 - GBP	8.59	7.66	6.55	7.44	(28.01%)	1.71
	I-2	8.63	8.08	7.74	-	(28.01%)	1.17
	Z-2	13.61	12.68	12.02	15.18	(28.01%)	0.17

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

<sup>A</sup> Funds changed their names on 1 October 2008.

<sup>B</sup> Fund launched 17 April 2007 and then subsequently closed on 26 October 2007.

<sup>C</sup> The Fund changed its name from Sovereign High Yield Bond on 30 March 2007.

<sup>D</sup> Fund launched 26 March 2007.

<sup>E</sup> Fund launched 20 April 2007.

<sup>F</sup> Fund launched 1 November 2007.

<sup>G</sup> Hedged share class

<sup>H</sup>  $\frac{(\text{Purchases of securities and Sales of securities}) - (\text{Subscriptions of units and Redemptions of units})}{(\text{Average fund value over 12 months}) \times 100} = \text{Portfolio Turnover}$

Exchange Rates	31.03.10	30.09.09	30.09.08	30.09.07
£ - US\$	1.516900	1.599350	1.799900	2.031300
US\$ - AUD	1.089492	1.133309	1.240402	1.134003
£ - €	1.121050	1.094200	1.256150	1.431800
€ - US\$	1.353106	1.461661	1.432870	1.418704
US\$ - JPY	93.440009	89.534999	105.172510	115.207010

# Summary of Historic Information

For the period ended 31 March 2010

Fund	Base Currency	Net Asset Value	Net Asset Value	Net Asset Value	Net Asset Value
		31.03.10 ('000)	30.09.09 ('000)	30.09.08 ('000)	30.09.07 ('000)
American Equity <sup>A</sup>	US Dollars	295,514	246,572	58,934	77,160
Asia Pacific Equity <sup>A</sup>	US Dollars	5,537,704	4,741,409	3,889,186	7,472,634
Asian Bond <sup>A</sup>	US Dollars	5,374	4,172	3,374	6,063
Asia Pacific and Japan <sup>B</sup>	US Dollars	-	-	-	6,192
Asian Smaller Companies	US Dollars	856,317	616,628	420,471	489,709
Australasian Equity	Australian Dollars	86,230	75,063	74,230	82,620
Chinese Equity <sup>A</sup>	US Dollars	536,396	479,934	411,716	838,690
Emerging Markets Bond <sup>C</sup>	US Dollars	426,502	328,038	356,403	537,624
Emerging Markets Equity <sup>A</sup>	US Dollars	3,427,934	2,073,152	849,974	906,993
Emerging Markets Smaller Companies <sup>D</sup>	US Dollars	238,373	143,608	95,297	113,328
European Equity	Euro	41,930	39,541	39,884	116,918
Euro High Yield Bond <sup>A</sup>	Euro	225,610	235,365	225,705	375,234
European Equity (Ex UK) <sup>A</sup>	Euro	52,590	54,507	76,687	144,081
High Yield Bond	Sterling	31,038	29,849	28,060	43,762
Indian Equity <sup>A</sup>	US Dollars	3,559,801	2,774,070	1,963,482	2,779,282
Japanese Equity	Japanese Yen	8,121,617	7,347,930	10,323,778	16,487,626
Japanese Smaller Companies <sup>A,E</sup>	Japanese Yen	3,968,691	3,844,332	3,964,232	6,436,584
Responsible World Equity <sup>F</sup>	US Dollars	253,201	134,656	61,250	-
Sterling Corporate Bond	Sterling	13,571	13,469	12,357	13,740
Sterling Financials Bond	Sterling	32,684	32,504	33,891	36,749
Technology	US Dollars	89,984	70,126	67,173	77,257
UK Equity <sup>A</sup>	Sterling	38,336	35,038	36,490	56,046
World Bond	Sterling	20,068	19,974	37,595	34,368
World Equity	US Dollars	1,931,839	1,269,611	746,227	604,761
<b>Combined Total</b>	<b>US Dollars</b>	<b>18,006,483</b>	<b>13,763,969</b>	<b>9,876,716</b>	<b>15,459,269</b>

<sup>A</sup> Funds changed their names on 1 October 2008.

<sup>B</sup> Fund launched 17 April 2007 and then subsequently closed on 26 October 2007.

<sup>C</sup> The Fund changed its name from Sovereign High Yield Bond on 30 March 2007.

<sup>D</sup> Fund launched 26 March 2007.

<sup>E</sup> Fund launched 20 April 2007.

<sup>F</sup> Fund launched 1 November 2007.

# Aberdeen Global - Combined Statements

## Combined Statement of Net Assets

As at 31 March 2010

Assets	US\$'000
Investments in securities at market value (note 2.2)	17,368,252
Cash at bank	428,473
Interest and dividends receivable	74,402
Subscriptions receivable	259,332
Receivable for investments sold	29,888
Unrealised gains on forward currency exchange contracts (note 2.6)	1,380
Other assets	414
<b>Total assets</b>	<b>18,162,141</b>

## Liabilities

Bank overdrafts	467
Payable for investments purchased	65,731
Taxes and expenses payable	28,754
Redemptions payable	56,855
Unrealised losses on forward currency exchange contracts (note 2.6)	13
Other liabilities	3,838
<b>Total liabilities</b>	<b>155,658</b>

**Net assets at the end of the period**

**18,006,483**

## Combined Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	US\$'000
Net assets at the beginning of the period	13,763,969
Exchange rate effect on opening net assets	(49,124)
Net gains from investments	34,605
Net realised gains	83,864
Net unrealised gains	1,646,968
Proceeds from shares issued	5,648,489
Payments for shares redeemed	(3,113,722)
Net equalisation received (note 10)	695
Dividends paid (note 5)	(9,261)
<b>Net assets at the end of the period</b>	<b>18,006,483</b>

## Combined Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	US\$'000
Income from investments	148,802
Bank interest	848
Other income	2,308
<b>Total income</b>	<b>151,958</b>

## Expenses

Gross management fees	95,668
Less: management fee cross holdings	(241)
Net management fees (note 4.6)	95,427

Administration fees (note 4.1)	1,606
Custodian fees (note 4.2)	7,941
Distribution fees (note 4.3)	219
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	3,411
Management Company fees (note 4.5)	780
Operational expenses (note 4.7)	4,514
Expense cap refunded by Investment Manager (note 4.8)	(48)
Mauritius income tax (note 11)	334
Annual tax (note 4.9)	3,048
Bank interest	121
<b>Total expenses</b>	<b>117,353</b>

**Net gains from investments** **34,605**

Realised gains on investments	91,770
Realised currency exchange losses	(6,832)
Realised losses on forward currency exchange contracts	(1,074)
<b>Net realised gains</b>	<b>83,864</b>

Increase in unrealised appreciation on investments	1,643,657
Unrealised currency exchange gains	253
Decrease in unrealised depreciation on forward currency exchange contracts	3,058
<b>Net unrealised gains</b>	<b>1,646,968</b>
<b>Net increase in assets as a result of operations</b>	<b>1,765,437</b>

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

# American Equity

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the American Equity - A Accumulation shares increased by 9.63% compared to an increase of 11.75% in the benchmark, the S&P 500 Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

The equity market upturn that began in March 2009 persisted through most of the period under review. Stock prices benefited mainly from positive corporate earnings releases and broadly improving economic data. Fourth-quarter 2009 GDP rose by 5.6%, driven by the ongoing government economic stimulus plan enacted early last year which has provided incentives for automobile and home purchases, as well as capital for financial institutions. The unemployment rate fell slightly during the reporting period. An agreement by the Eurozone countries to provide a financial aid package to help resolve Greece's credit crisis, as well as the U.S. Federal Reserve's pledge to keep interest rates low also lifted investor sentiment late in the period, overriding concerns about monetary tightening policies in China. Towards the end of the period, U.S. Congress passed legislation aimed at improving access to healthcare services for the roughly 15% of the population which does not already have private or Government-aided health insurance. The estimated US\$938 billion cost of the plan over 10 years will be shared by taxpayers and by industry.

## Portfolio review

During the reporting period, performance was hindered mainly by our holdings in global business advisory firm FTI Consulting Inc, security software company, McAfee Inc, and State Street Boston Corp, a provider of products and services for institutional investors. FTI Consulting benefited during the economic downturn as its largest business is focused on corporate restructurings and bankruptcies. As the economy has shown broad signs of improvement, investors have questioned the sustainability of this business. We sold our shares given reservations over the company's long-term outlook. Shares of State Street declined early in the period after the company reduced its outlook for revenue due to continued low interest rates and lower volumes in certain transactional businesses. Earlier in the period, investors became impatient with McAfee as the conversion rate to payment among consumers was slower than anticipated because of economic pressures. However, the company posted strong results for the fourth quarter of 2009 with improved working capital benefiting cash flow. We maintain positions in both State Street and McAfee.

The primary individual stock contributors included multi-lines insurer MetLife, diversified global technology company Emerson Electric, and hotel chain operator Starwood Hotels & Resorts. MetLife agreed to purchase American Life Insurance Company (Alico) from AIG. The deal is anticipated to diversify revenues for the mostly U.S.-centric MetLife. Throughout the period, Emerson Electric's industrial businesses orders improved and the company revealed its longer-term expectations for strategic expansion into emerging markets. Shares of Starwood Hotels & Resorts rose as the company's business improved amid a recovery in business travel.

During the period, we added to existing positions in several companies as we became more comfortable with their outlooks. These included healthcare company Baxter International, industrial gas company Praxair and wireless telecommunications equipment manufacturer QUALCOMM. We sold our holding in offshore contract drilling company Ensco upon its reincorporation in the UK and subsequently purchased shares of Tidewater, an offshore marine service company. We added to our holdings in security software provider McAfee and diversified financial State Street Corporation. after periods of price weakness. Conversely, we trimmed several positions following their strong performance including software company Oracle and managed care provider Aetna.

## Outlook

Over the past several months, several broad trends have been evident from our meetings with companies. These include the restocking of inventories which previously had been unusually low as firms took steps to manage their working capital, as well as an increase in real demand from very low levels. The combination of these two trends has led to a more normalised environment and higher profit margins. While most company management teams maintain an overall positive outlook, their optimism is tempered somewhat by continued uncertainty regarding the sustainability and the degree of growth in demand. Importantly, we note that year-over-year corporate earnings comparisons are extremely favourable for the first two quarters of 2010 given the harsh downturn seen in early 2009. This alone is adding somewhat to the degree of optimism. Earnings results in the second half of 2010 are more likely to reflect a clearer picture of the level of demand. While the signs of growth are positive, the rebound in GDP has occurred off the low levels of economic activity seen in late 2008 and the first half of 2009 and has yet to be accompanied by a notable rise in employment.

The Fund's positioning reflects our anticipation of continued improvement within the economy which is driving corporate earnings to expand faster than their total revenues as a result of significant cost-cutting through 2009. Despite the sustained rise in equity valuations, we continue to find value in select companies. We are stock-pickers by nature and invest for the longer term through many types of market environments. Even as questions over Greece's ongoing credit problems resurrect the painful memory of the global credit crisis or, similarly, as markets digest healthcare reform or the potential for China to tighten its monetary policy, we remain comfortable with the quality of the fundamentals of the companies that we hold in our portfolios.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>US\$'000</b>
Investments in securities at market value (note 2.2)	284,358
Cash at bank	10,340
Interest and dividends receivable	377
Subscriptions receivable	7,497
<b>Total assets</b>	<b>302,572</b>
<b>Liabilities</b>	
Payable for investments purchased	6,546
Taxes and expenses payable	497
Redemptions payable	15
<b>Total liabilities</b>	<b>7,058</b>
<b>Net assets at the end of the period</b>	<b>295,514</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>US\$'000</b>
Net assets at the beginning of the period	246,572
Net losses from investments	(679)
Net realised gains	12,040
Net unrealised gains	12,623
Proceeds from shares issued	173,318
Payments for shares redeemed	(148,361)
Net equalisation received (note 10)	1
<b>Net assets at the end of the period</b>	<b>295,514</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>US\$'000</b>
Income from investments	1,368
Bank interest	36
Other income	1
<b>Total income</b>	<b>1,405</b>
<b>Expenses</b>	
Management fees (note 4.6)	1,800
Administration fees (note 4.1)	52
Custodian fees (note 4.2)	11
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	60
Management Company fees (note 4.5)	12
Operational expenses (note 4.7)	82
Annual tax (note 4.9)	67
<b>Total expenses</b>	<b>2,084</b>
<b>Net losses from investments</b>	<b>(679)</b>
Realised gains on investments	12,092
Realised currency exchange losses	(52)
<b>Net realised gains</b>	<b>12,040</b>
Increase in unrealised appreciation on investments	12,623
<b>Net unrealised gains</b>	<b>12,623</b>
<b>Net increase in assets as a result of operations</b>	<b>23,984</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>A-2</b>	<b>B-2</b>	<b>D-2(GBP)</b>	<b>I-2</b>	<b>Z-2</b>
Shares outstanding at the beginning of the period	12,127,123	8,087	2,095,427	5,376,378	134,573
Shares issued during the period	11,908,399	-	263,917	1,006,424	66,584
Shares redeemed during the period	(5,660,175)	-	(250,287)	(5,955,016)	(23,593)
<b>Shares outstanding at the end of the period</b>	<b>18,375,347</b>	<b>8,087</b>	<b>2,109,057</b>	<b>427,786</b>	<b>177,564</b>
<b>Net asset value per share</b>	<b>14.07</b>	<b>12.19</b>	<b>9.28</b>	<b>12.79</b>	<b>10.00</b>

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

# Portfolio Statement

As at 31 March 2010

Security	Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Consumer Discretionary - 5.79%</b>			
BorgWarner	60,250	2,301	0.78
Comcast	118,500	2,231	0.75
Staples Office	182,800	4,277	1.45
Starwood Hotels & Resorts	69,400	3,235	1.10
TJX Companies	66,411	2,825	0.96
Urban Outfitters	58,600	2,230	0.75
		<b>17,099</b>	<b>5.79</b>
<b>Consumer Staples - 13.67%</b>			
CVS Caremark	182,000	6,656	2.25
Kellogg	110,300	5,893	1.99
Kraft	246,350	7,451	2.53
PepsiCo	112,600	7,451	2.52
Philip Morris International	166,050	8,662	2.93
Procter & Gamble	67,680	4,282	1.45
		<b>40,395</b>	<b>13.67</b>
<b>Energy - 12.31%</b>			
Apache	92,400	9,380	3.18
EOG Resources	49,900	4,639	1.57
Exxon Mobil	86,332	5,784	1.96
Hess Corp	98,400	6,153	2.08
Schlumberger	92,300	5,857	1.98
Tidewater	96,400	4,558	1.54
		<b>36,371</b>	<b>12.31</b>
<b>Financials - 13.50%</b>			
Aflac	54,700	2,970	1.01
Capital One Financial	109,450	4,531	1.53
Goldman Sachs	16,300	2,780	0.94
JPMorgan Chase	144,750	6,480	2.19
Metlife	102,800	4,454	1.51
Royal Bank of Canada	90,195	5,277	1.79
Schwab (Charles)	194,600	3,637	1.23
State Street Corporation	132,800	6,000	2.03
Wells Fargo	121,050	3,765	1.27
		<b>39,894</b>	<b>13.50</b>
<b>Health Care - 14.00%</b>			
Aetna	179,100	6,287	2.13
Baxter International	151,500	8,818	2.98
Gilead Sciences	182,200	8,287	2.80
Johnson & Johnson	82,100	5,354	1.81
Quest Diagnostics	112,490	6,558	2.22
St Jude Medical	148,300	6,088	2.06
		<b>41,392</b>	<b>14.00</b>

Security	Quantity	Market Value US\$'000	Percentage of total net assets %			
<b>Industrials - 12.60%</b>						
3M	65,389	5,466	1.85			
Canadian National Railway	96,800	5,862	1.98			
Deere & Co	94,430	5,612	1.90			
Emerson Electric	116,900	5,884	1.99			
ITT Corp	68,150	3,652	1.24			
Paccar	81,200	3,520	1.19			
United Technologies	98,315	7,238	2.45			
		<b>37,234</b>	<b>12.60</b>			
<b>Information Technology - 20.27%</b>						
Alliance Data Systems	67,000	4,289	1.45			
Cisco Systems	243,000	6,326	2.14			
Cognizant Technology Solutions	85,850	4,377	1.48			
EMC	285,850	5,158	1.75			
Intel	324,150	7,219	2.44			
Marvell Technology	207,400	4,228	1.43			
McAfee	149,400	5,998	2.03			
Oracle	347,700	8,931	3.02			
QUALCOMM	213,600	8,968	3.03			
Yahoo	267,800	4,425	1.50			
		<b>59,919</b>	<b>20.27</b>			
<b>Materials - 3.05%</b>						
Monsanto	42,400	3,027	1.02			
Praxair	72,200	5,993	2.03			
		<b>9,020</b>	<b>3.05</b>			
<b>Telecommunication Services - 1.03%</b>						
Telus	81,350	3,034	1.03			
		<b>284,358</b>	<b>96.22</b>			
<b>Transferable securities</b>						
<b>Forward currency exchange contracts - nil</b>						
<b>Buy</b>	<b>Sell</b>	<b>Settlement</b>	<b>Buy Amount</b>	<b>Sell Amount</b>	<b>Unrealised Gains/(Losses) US\$'000</b>	<b>Percentage of total net assets %</b>
USD	CAD	05/04/10	292,935	288,437	-	-
<b>Unrealised gains on forward currency exchange contracts</b>					<b>-</b>	<b>-</b>
<b>Total investments</b>					<b>284,358</b>	<b>96.22</b>
<b>Other net assets</b>					<b>11,156</b>	<b>3.78</b>
<b>Total</b>					<b>295,514</b>	<b>100.00</b>

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There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

# Asia Pacific Equity

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the Asia Pacific Equity - A Accumulation shares increased by 9.45% compared to an increase of 8.34% in the benchmark, the MSCI AC Asia Pacific ex Japan Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

Asian equities rose during the half year under review, albeit at a more moderate pace than in the preceding six months. They outperformed global equities generally, notably European equities that performed very poorly in US dollar terms, thanks to the weak Euro. However, Asian stocks lagged their emerging markets and the US counterparts. Asian economies strengthened steadily over the half year, aided by low interest rates and extensive government stimulus that provided conditions conducive for the nascent recovery. Still-ample liquidity was also generally supportive of equity markets. Towards the period end, some jitters surfaced as investors looked for reasons to take profits but solid fourth-quarter GDP growth across most of the region backed by the export sector's sharp rebound, lifted sentiment subsequently.

## Portfolio review

The Fund did well relative its benchmark because of good stock selection. In addition, those countries in which the Fund was overweight because of our stock choices also outperformed the regional index.

At the stock level, Rio Tinto, ASM Pacific Technology and Samsung Electronics performed strongly. The Australian miner's shares gained sharply as global demand for resources proved resilient. With contract prices for iron-ore now set on a quarterly basis, Rio Tinto also expects better profits as prices continue to rise. For ASM Pacific Technology, upbeat results and hopes of a broader recovery in the technology sector lifted its share price, while Samsung Electronics' shares rose on the back of strong margin expansion as both the semiconductor and LCD segments recovered.

In contrast, disappointing full-year profits and poor near-term prospects hurt Australian insurer QBE Insurance Group's shares. Although BHP Billiton's share price was aided by resilient global demand, our underweight exposure detracted from performance.

Over the period, we sold Singapore Airport Terminal Services which we had received as an in specie distribution from our holding in Singapore Airlines along with Singapore-listed conglomerate Fraser & Neave Limited.

## Outlook

Much of the improvement in Asian economies has been due to restocking, government stimulus and easy money, but fixed capital formation has also been stronger than in the developed world suggesting the recovery here is on a sounder footing. While there is a need to normalise policy, governments know that tightening monetary policy would put pressure on exchange rates which might in turn jeopardise improving export performance. At the same time, Asian countries are finding new sources of demand within their own economies, thus lessening their reliance upon exports. It should be noted that most Asian economies are in better shape, fundamentally, than they were in the financial crisis of the late 1990s.

## Statement of Net Assets

As at 31 March 2010

Assets	US\$'000
Investments in securities at market value (note 2.2)	5,369,253
Cash at bank	96,301
Interest and dividends receivable	16,153
Subscriptions receivable	77,142
Receivable for investments sold	9,205
<b>Total assets</b>	<b>5,568,054</b>

## Liabilities

Payable for investments purchased	883
Taxes and expenses payable	10,509
Redemptions payable	18,958
<b>Total liabilities</b>	<b>30,350</b>

**Net assets at the end of the period** **5,537,704**

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	US\$'000
Net assets at the beginning of the period	4,741,409
Net losses from investments	(12,086)
Net realised gains	389
Net unrealised gains	498,083
Proceeds from shares issued	1,360,825
Payments for shares redeemed	(1,050,923)
Net equalisation received (note 10)	7
<b>Net assets at the end of the period</b>	<b>5,537,704</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	US\$'000
Income from investments	35,204
Bank interest	284
Other income	27
<b>Total income</b>	<b>35,515</b>

## Expenses

Gross management fees	41,474
Less: management fee cross holdings	73
Net management fees (note 4.6)	41,401
Administration fees (note 4.1)	310
Custodian fees (note 4.2)	2,160
Distribution fees (note 4.3)	104
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	1,045
Management Company fees (note 4.5)	252
Operational expenses (note 4.7)	1,202
Annual tax (note 4.9)	1,127
<b>Total expenses</b>	<b>47,601</b>

**Net losses from investments** **(12,086)**

Realised gains on investments	1,979
Realised currency exchange losses	(1,503)
Realised losses on forward currency exchange contracts	(87)
<b>Net realised gains</b>	<b>389</b>

Increase in unrealised appreciation on investments	497,994
Unrealised currency exchange gains	89

**Net unrealised gains** **498,083**

**Net increase in assets as a result of operations** **486,386**

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-2	B-2	C-2	D-2(GBP)	I-2
Shares outstanding at the beginning of the period	69,380,964	359,564	241,682	6,043,705	15,787,415
Shares issued during the period	22,223,968	-	369,464	581,197	2,528,408
Shares redeemed during the period	(14,677,534)	(37,142)	(55,852)	(724,410)	(4,077,943)
<b>Shares outstanding at the end of the period</b>	<b>76,927,398</b>	<b>322,422</b>	<b>555,294</b>	<b>5,900,492</b>	<b>14,237,880</b>
<b>Net asset value per share</b>	<b>56.53</b>	<b>47.56</b>	<b>13.03</b>	<b>37.33</b>	<b>58.46</b>

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

# Portfolio Statement

As at 31 March 2010

Security	Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Australia - 10.59%</b>			
QBE Insurance Group	9,330,000	178,466	3.22
BHP Billiton	3,680,000	126,158	2.28
Rio Tinto	4,225,750	250,312	4.52
Woolworths	1,229,000	31,574	0.57
		<b>586,510</b>	<b>10.59</b>
<b>China - 5.42%</b>			
China Mobile	15,800,221	151,955	2.74
PetroChina	127,000,810	148,433	2.68
		<b>300,388</b>	<b>5.42</b>
<b>Hong Kong - 20.40%</b>			
ASM Pacific Technology <sup>B</sup>	10,000,220	94,629	1.71
Dah Sing Banking	10,099,621	13,866	0.25
Dah Sing Financial	4,550,209	24,964	0.45
Dairy Farm International	12,810,263	83,715	1.51
Giordano International	22,000,573	8,798	0.16
Hang Lung Group	16,118,186	85,888	1.55
Hang Lung Properties	15,950,442	64,246	1.16
Jardine Strategic Holdings <sup>B</sup>	10,462,539	201,718	3.65
Standard Chartered	8,250,885	224,971	4.06
Sun Hung Kai Properties	6,350,426	95,608	1.73
Swire Pacific 'B'	80,508,092	177,301	3.20
Wing Hang Bank	5,873,239	53,856	0.97
		<b>1,129,560</b>	<b>20.40</b>
<b>India - 16.78%</b>			
Aberdeen Global - Indian Equity Fund Z-2 <sup>A</sup>	23,175,093	232,868	4.21
GAIL GDR	159,879	8,657	0.16
GlaxoSmithKline Pharmaceuticals	1,291,550	51,179	0.92
Grasim Industries	1,105,560	69,382	1.25
Hero Honda	2,145,500	93,139	1.68
Hindustan Unilever	11,000,000	58,381	1.05
Housing Development Finance Corporation	2,700,953	163,474	2.95
ICICI Bank	3,450,048	73,350	1.32
Infosys Technologies	2,800,600	163,119	2.95
New India Investment Trust <sup>A</sup>	4,780,000	15,897	0.29
		<b>929,446</b>	<b>16.78</b>
<b>Indonesia - 1.81%</b>			
Unilever Indonesia	74,721,536	99,976	1.81
<b>Malaysia - 4.12%</b>			
British American Tobacco Malaysia	3,125,020	42,018	0.76
CIMB Group	17,750,830	76,565	1.38
Public Bank (Alien)	30,650,714	109,561	1.98
		<b>228,144</b>	<b>4.12</b>
<b>Philippines - 2.05%</b>			
Ayala Land	209,337,322	60,800	1.10
Bank of the Philippine Islands	52,465,424	52,535	0.95
		<b>113,335</b>	<b>2.05</b>

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Singapore - 18.50%</b>			
City Developments	19,300,779	146,477	2.65
Oversea-Chinese Banking Corp	36,700,997	228,520	4.13
Singapore Airlines	7,125,600	77,726	1.40
Singapore Technologies Engineering	69,250,971	158,261	2.86
Singapore Telecommunications	76,850,862	174,530	3.15
United Overseas Bank	12,400,929	170,573	3.08
Venture Corporation	10,883,030	67,919	1.23
		<b>1,024,006</b>	<b>18.50</b>
<b>South Korea - 6.79%</b>			
Daegu Bank	2,924,490	38,965	0.70
Busan Bank	4,249,628	45,540	0.82
Samsung Electronics (Pref)	452,000	215,124	3.89
Shinsegae	161,000	76,199	1.38
		<b>375,828</b>	<b>6.79</b>
<b>Sri Lanka - 0.81%</b>			
Commercial Bank of Ceylon	3,554,187	6,295	0.11
DFCC Bank	6,108,073	9,654	0.17
Keells (John)	14,885,803	24,016	0.44
National Development Bank	2,857,725	5,212	0.09
		<b>45,177</b>	<b>0.81</b>
<b>Taiwan - 4.60%</b>			
Taiwan Mobile	50,800,975	95,818	1.73
TSMC	82,111,297	159,139	2.87
		<b>254,957</b>	<b>4.60</b>
<b>Thailand - 5.09%</b>			
PTT Exploration & Production (Alien)	33,250,245	152,961	2.76
Siam Cement (Alien)	16,100,636	128,965	2.33
		<b>281,926</b>	<b>5.09</b>
<b>Total investments</b>		<b>5,369,253</b>	<b>96.96</b>
<b>Other net assets</b>		<b>168,451</b>	<b>3.04</b>
<b>Total</b>		<b>5,537,704</b>	<b>100.00</b>

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All investments are in ordinary or common stocks and shares except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

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

<sup>B</sup> A portion of the stock is on loan at the period end.

# Asian Bond

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the Asian Bond - A Accumulation shares increased by 4.71% compared to an increase of 5.35% in the benchmark, the iBoxx Pan-Asia (ex China) Index.

Source: Lipper, Total Return, IBOXX, Gross Income Reinvested, US\$.

## Manager's review

Over the period local currency government bond markets generally saw yields moving higher and yield curves steepening as data continued to strengthen, often outpacing expectations, resulting in a pick up in inflation and policy rate expectations. Oil prices headed from about US\$70 per barrel at the start of the period to about US\$84 per barrel at the end, and a few central banks began to raise monetary policy rates, albeit hesitantly, while nearly all countries removed emergency liquidity measures.

It was a volatile period however with the main periods of bond market weakness being in October and December. Firmer sentiment in October pushed yields higher, which gave way to weaker sentiment in November as the debt crises in Greece and Dubai dented risk appetite. However by December risk trades were back in vogue as data releases supported evidence of a strong recovery taking shape in Asia, along with more evident developing inflationary pressures, and with a surge in oil prices yields spiked notably higher.

For the remainder of the period to the end of March, bond markets were generally more stable with market specific factors driving diverging performance between markets. Indonesia was the consistent and notable outperformer over the period with strong flows into emerging market debt space attracted to its significantly higher yield, also supported by its robust economic performance through the crisis, low fiscal debt levels, stable inflation and as Bank Indonesia indicated a willingness to keep policy rates on hold for an extended period of time. South Korean bonds also performed very well with the market earlier in 2009 having priced in aggressive tightening by the Bank of Korea, only to have to unwind this as the government influenced central bank evidently had a far more dovish approach to policy setting. In addition to this there has been persisting speculation over Korea's possible entry into the WGBI global bond index, expected to attract significant flows. This was also the driver for decent performance from Thai bonds in January as its weighting in the HSLI index was increased by 2%, resulting in strong flows into Thai bonds.

The short end of India's curve performed well again as a result of some unwinding of policy rate expectations, while the longer end underperformed driven by a surge in inflation almost to double-digit territory and from fairly heavy bond supply. The Philippines and Malaysia had fairly stable bond markets, in the latter case with yuan revaluation expectations attracting flows into its bond market. However the short end of Malaysia's curve sold off as BNM unexpectedly began to raise monetary policy rates. China, Malaysia and India led the start of the regional hiking cycle. Most other central banks, while tightening liquidity measures, remain on hold with some wariness over the sustainability of the recovery persisting.

Tracking weakness in US Treasuries, which saw 10 year yields rising 55 basis points over the period, Hong Kong and Singapore longer dated bonds underperformed the region. In the latter case Singapore also moved to tighten policy more aggressively than expected by both recentering the SGD NEER policy band and moving back to a gradual appreciation policy.

## Portfolio review

Fund activity and sources of positive contribution to performance came from the Fund's Hong Kong underweight exposure, though some of this was covered in January post the sharp sell off. Positive contributions also came from the underweight to Singapore bonds, a position which we would look to cover once 10-year yields shift above 3%. Overweight exposure to Philippines, Korean and Malaysian debt all yielded positive contributions particularly towards the end of the period. Negative contributions to performance came from cautious positioning in Indonesian debt in the middle of the period, given the momentum behind the rally, and from underweight exposure to Thai debt as heightened political risk put the tightening cycle on the back seat and increased risk aversion. Given the bullish economic backdrop, the outlook for higher inflation and a potential broadening in the tightening cycle across the region, overall portfolio duration remains short.

Asia's economic outperformance supported strong currency performance against the dollar led by the rupee, rupiah, ringgit, peso and won. The Fund's overweight exposure to these currencies contributed positively to performance, with the exception of some short exposure to the baht. The macro and policy outlook for the first half remain conducive to further appreciation against the US dollar.

## Outlook

Asia's superior fundamentals have been evident through the crisis and subsequent recovery supported by low household, corporate and government debt levels. The fiscal measures implemented during the crisis which among other things targeted investment spending in key areas will have helped to improve Asian economies' longer term potential growth and policymakers remain focussed on this. There is a general acceptance that concerns over growth need to rotate to tackling developing inflationary pressures and while the process is underway it has been rather hesitant. We expect Asian growth to continue to outperform and while this will result in some pressure on regional bond markets it bodes very well for the outlook for Asian currencies.

## Statement of Net Assets

As at 31 March 2010

Assets	US\$'000
Investments in securities at market value (note 2.2)	5,153
Cash at bank	172
Interest and dividends receivable	58
Subscriptions receivable	8
Other assets	48
<b>Total assets</b>	<b>5,439</b>

## Liabilities

Taxes and expenses payable	25
Redemptions payable	22
Unrealised losses on forward currency exchange contracts (note 2.6)	2
Other liabilities	16
<b>Total liabilities</b>	<b>65</b>

**Net assets at the end of the period** 5,374

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	US\$'000
Net assets at the beginning of the period	4,172
Net gains from investments	56
Net realised gains	76
Net unrealised gains	91
Proceeds from shares issued	3,352
Payments for shares redeemed	(2,354)
Net equalisation received (note 10)	4
Dividends paid (note 5)	(23)
<b>Net assets at the end of the period</b>	<b>5,374</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	US\$'000
Income from investments	92
Bank interest	3
<b>Total income</b>	<b>95</b>

## Expenses

Management fees (note 4.6)	28
Administration fees (note 4.1)	28
Custodian fees (note 4.2)	2
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	10
Operational expenses (note 4.7)	18
Expense cap refunded by Investment Manager (note 4.8)	(48)
Annual tax (note 4.9)	1
<b>Total expenses</b>	<b>39</b>

**Net gains from investments** **56**

Realised gains on investments	80
Realised currency exchange losses	(6)
Realised gains on forward currency exchange contracts	2
<b>Net realised gains</b>	<b>76</b>

Increase in unrealised appreciation on investments	96
Decrease in unrealised appreciation on forward currency exchange contracts	(5)
<b>Net unrealised gains</b>	<b>91</b>
<b>Net increase in assets as a result of operations</b>	<b>223</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-1	A-2	B-1
Shares outstanding at the beginning of the period	263,205	521,114	8,010
Shares issued during the period	500,910	219,844	-
Shares redeemed during the period	(90,299)	(328,116)	-
<b>Shares outstanding at the end of the period</b>	<b>673,816</b>	<b>412,842</b>	<b>8,010</b>
<b>Net asset value per share</b>	<b>4.11</b>	<b>6.22</b>	<b>4.08</b>

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

# Portfolio Statement

As at 31 March 2010

Security	Coupon (%)	Maturity	Nominal	Market Value US\$'000	Percentage of total net assets %
<b>Hong Kong - 15.72%</b>					
Hong Kong Government	1.6100	10/12/18	500,000	59	1.10
Hong Kong Government	1.6700	24/03/14	900,000	116	2.16
Hong Kong Government	1.6900	22/12/14	3,400,000	434	8.07
Hong Kong Government	4.1300	22/02/13	1,000,000	139	2.59
Hong Kong Government	4.5300	18/06/12	700,000	97	1.80
				<b>845</b>	<b>15.72</b>
<b>Indonesia - 12.69%</b>					
Indonesia Government	-	03/03/11	1,345,000,000	139	2.59
Indonesia Government	9.5000	15/06/15	2,100,000,000	244	4.54
Indonesia Government	10.0000	15/02/28	540,000,000	59	1.09
Indonesia Government	10.0000	15/10/11	600,000,000	69	1.28
Indonesia Government	10.5000	15/08/30	225,000,000	25	0.47
Indonesia Government	10.7500	15/05/16	1,200,000,000	146	2.72
				<b>682</b>	<b>12.69</b>
<b>South Korea - 21.47%</b>					
Korea Treasury Bond	4.5000	10/03/15	490,000,000	433	8.06
Korea Treasury Bond	4.7500	10/03/12	388,000,000	351	6.53
Korea Treasury Bond	5.5000	10/09/17	200,000,000	185	3.44
Korea Treasury Bond	5.0000	10/09/14	205,000,000	185	3.44
				<b>1,154</b>	<b>21.47</b>
<b>Malaysia - 17.57%</b>					
Malaysia Government	3.7410	27/02/15	795,000	243	4.52
Malaysia Government	3.7560	28/04/11	230,000	72	1.34
Malaysia Government	4.2620	15/09/16	120,000	38	0.71
Malaysia Government	4.3780	29/11/19	400,000	125	2.33
Malaysia Government	5.0940	30/04/14	1,440,000	466	8.67
				<b>944</b>	<b>17.57</b>
<b>Philippines - 10.07%</b>					
Philippine Government	7.0000	27/01/16	18,700,000	416	7.75
Philippine Government	7.1250	02/11/13	2,350,000	54	1.00
Philippine Government	8.7500	03/03/13	2,900,000	71	1.32
				<b>541</b>	<b>10.07</b>
<b>Singapore - 12.56%</b>					
Singapore Government	3.6250	01/07/14	450,000	354	6.59
Singapore Government	4.0000	01/09/18	405,000	321	5.97
				<b>675</b>	<b>12.56</b>
<b>Thailand - 5.81%</b>					
Thailand Government	3.6250	22/05/15	920,000	29	0.54
Thailand Government	5.2500	12/05/14	6,350,000	211	3.93
Thailand Government	5.8500	31/03/21	2,000,000	72	1.34
				<b>312</b>	<b>5.81</b>
<b>Transferable securities</b>				<b>5,153</b>	<b>95.89</b>

Forward currency exchange contracts - (0.04)%

Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised	Percentage of total
					Gains/(Losses) US\$'000	net assets %
INR	USD	09/04/10	1,436,230	31,000	1	0.02
MYR	USD	12/04/10	107,680	32,000	1	0.02
USD	THB	15/09/10	40,000	1,310,000	-	-
PHP	USD	23/09/10	1,972,840	43,000	-	-
USD	MYR	12/04/10	46,000	155,687	(2)	(0.04)
IDR	USD	28/04/10	581,574,000	61,000	3	0.06
SGD	USD	11/06/10	88,263	63,000	-	-
USD	MYR	12/04/10	64,000	219,584	(3)	(0.06)
IDR	USD	24/09/10	716,485,000	77,000	(1)	(0.02)
USD	IDR	28/04/10	85,000	796,960,000	(2)	(0.04)
KRW	USD	11/06/10	105,778,200	93,000	-	-
PHP	USD	28/04/10	4,461,200	95,000	3	0.06
TWD	USD	28/04/10	3,084,115	97,000	-	-
PHP	USD	10/06/10	4,753,450	103,000	1	0.02
THB	USD	15/09/10	3,561,800	110,000	-	-
USD	IDR	24/09/10	117,000	1,084,590,000	2	0.04
THB	USD	16/04/10	3,942,000	167,724	2	0.04
USD	SGD	12/04/10	120,000	120,000	-	-
USD	THB	16/04/10	123,000	4,065,150	(3)	(0.06)
SGD	USD	12/04/10	179,835	128,000	1	0.02
USD	PHP	23/09/10	129,000	5,865,630	2	0.04
USD	IDR	10/05/10	131,500	1,215,323,000	(1)	(0.02)
SGD	USD	12/04/10	186,222	133,000	-	-
USD	KRW	15/06/10	145,500	165,477,150	-	-
USD	PHP	28/04/10	155,000	7,300,345	(6)	(0.11)
USD	SGD	12/04/10	163,000	227,874	-	-
USD	HKD	12/04/10	177,000	1,374,741	-	-
CNY	USD	06/07/10	1,363,924	202,000	(2)	(0.04)
INR	USD	09/04/10	9,732,920	212,000	5	0.09
USD	MYR	12/04/10	222,000	760,084	(11)	(0.20)
MYR	USD	12/04/10	840,582	246,000	11	0.20
USD	HKD	12/04/10	260,000	2,015,260	-	-
SGD	USD	12/04/10	391,009	280,000	-	-
CNY	USD	06/07/10	2,029,200	300,000	(3)	(0.06)
USD	HKD	12/04/10	406,000	3,152,225	-	-
<b>Unrealised losses on forward currency exchange contracts</b>					<b>(2)</b>	<b>(0.04)</b>
<b>Total investments</b>					<b>5,151</b>	<b>95.85</b>
<b>Other net assets</b>					<b>223</b>	<b>4.15</b>
<b>Total</b>					<b>5,374</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in fixed interest securities and equity securities except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

# Asian Smaller Companies

For the period ended 31 March 2010

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## Distribution

The Fund has declared an additional distribution on its D-2 shares for the year ended 30 September 2009 of £0.049839 per share in order to obtain UK Distributor status for the year ended 30 September 2009.

## Performance

For the six-month period ended 31 March 2010, the value of the Asian Smaller Companies - A Accumulation shares increased by 15.94% compared to an increase of 15.07% in the benchmark, the MSCI AC Asia Pacific ex Japan Small Cap Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

Asian small caps outperformed both their large cap counterparts and their European peers during the period under review, but lagged those in emerging markets. Economies in the region strengthened steadily over the half year, aided by low interest rates and extensive government stimulus, which made conditions conducive for a recovery to take root. Still-ample liquidity was also generally supportive of Asian equity markets. Towards the period end, market jitters surfaced as investors looked for reasons to take profits but sentiment improved subsequently on the back of solid fourth-quarter GDP growth across most of the region, backed by a sharp rebound in the export sector.

## Portfolio review

The Fund did well because the countries in which the Fund was overweight as a result of our stock choices outperformed the regional index, even though stock selection was negative.

At the stock level, Chevron Lubricants Lanka, Holcim Indonesia and Giordano International contributed most to relative performance. Chevron Lubricants Lanka's share price rose in line with the non-benchmark Sri Lankan market, on hopes that the end of the 25-year long civil war would usher in a new era of stability, while strong quarterly profits also lifted sentiment. Holcim Indonesia's shares were aided by Indonesia's strong demand for cement which boosted the company's earnings outlook, while Giordano International's shares outperformed because of positive full-year results, which were helped by tight cost control, a better merchandise mix and improved retail sentiment in China and Hong Kong.

Conversely, Bukit Sembawang Estates was one of a number of Singapore property developers that were weighed down by the government's new measures to cool the local real estate market, while Mphasis Ltd's share price was depressed by concerns that the rupee's strength would hurt the operating margins of IT companies, which derive a major portion of revenue from abroad.

Over the period, we initiated positions in Iress Market Technology, Austereo Group, ARB Corp, Raffles Medical Group, Cabcharge Australia and Aeon Thana Sinsap in view of their attractive valuations after the recent market correction. We also introduced IDS Group because of its positive long-term prospects.

## Outlook

Looking ahead, Asian economies are likely to lead the global recovery assisted by their being on a better footing, fundamentally, than they were in the financial crisis of the late 1990s. At the same time, the region is finding new sources of demand within their own economies, thus lessening their reliance upon exports. However, it has to be noted that much of the improvement in the region has been due to restocking, government stimulus and easy money. While there is a need to normalise policy, governments know that tightening monetary policy would put pressure on exchange rates which might in turn jeopardise improving export performance.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>US\$'000</b>
Investments in securities at market value (note 2.2)	808,923
Cash at bank	47,299
Interest and dividends receivable	3,682
Subscriptions receivable	5,048
<b>Total assets</b>	<b>864,952</b>
<b>Liabilities</b>	
Payable for investments purchased	7,223
Taxes and expenses payable	1,302
Redemptions payable	110
<b>Total liabilities</b>	<b>8,635</b>
<b>Net assets at the end of the period</b>	<b>856,317</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>US\$'000</b>
Net assets at the beginning of the period	616,628
Net gains from investments	4,108
Net realised gains	2,573
Net unrealised gains	101,994
Proceeds from shares issued	197,803
Payments for shares redeemed	(66,982)
Net equalisation received (note 10)	193
<b>Net assets at the end of the period</b>	<b>856,317</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>US\$'000</b>
Income from investments	9,069
Bank interest	15
Other income	47
<b>Total income</b>	<b>9,131</b>
<b>Expenses</b>	
Management fees (note 4.6)	4,067
Administration fees (note 4.1)	89
Custodian fees (note 4.2)	333
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	151
Management Company fees (note 4.5)	34
Operational expenses (note 4.7)	209
Annual tax (note 4.9)	140
<b>Total expenses</b>	<b>5,023</b>
<b>Net gains from investments</b>	<b>4,108</b>
Realised gains on investments	2,727
Realised currency exchange losses	(163)
Realised gains on forward currency exchange contracts	9
<b>Net realised gains</b>	<b>2,573</b>
Increase in unrealised appreciation on investments	101,948
Unrealised currency exchange gains	46
<b>Net unrealised gains</b>	<b>101,994</b>
<b>Net increase in assets as a result of operations</b>	<b>108,675</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>A-2</b>	<b>D-2(GBP)</b>	<b>I-2</b>	<b>Z-2</b>
Shares outstanding at the beginning of the period	14,513,063	1,991,900	881,548	19,812,309
Shares issued during the period	5,928,904	64,602	1,530,039	186,420
Shares redeemed during the period	(1,694,770)	(268,488)	(558,393)	(272,001)
<b>Shares outstanding at the end of the period</b>	<b>18,747,197</b>	<b>1,788,014</b>	<b>1,853,194</b>	<b>19,726,728</b>
<b>Net asset value per share</b>	<b>27.58</b>	<b>18.15</b>	<b>28.39</b>	<b>12.03</b>

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

# Portfolio Statement

As at 31 March 2010

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Australia - 5.60%</b>			
ARB Corp	1,800,000	9,376	1.10
Austereo Group	6,069,928	9,527	1.11
Bunnings Warehouse Property	5,200,000	9,283	1.08
Cabcharge Australia <sup>A</sup>	1,922,000	10,152	1.19
Iress Market Technology <sup>A</sup>	1,300,000	9,564	1.12
		<b>47,902</b>	<b>5.60</b>
<b>Hong Kong - 15.67%</b>			
Aeon Credit Service	8,806,000	7,610	0.89
Aeon Stores	5,600,000	9,592	1.12
Asia Satellite Telecommunications	5,707,500	8,299	0.97
ASM International <sup>A</sup>	750,000	20,068	2.34
Café de Coral	3,000,000	7,063	0.82
Convenience Retail Asia	24,000,000	5,687	0.66
Giordano International	52,261,000	20,898	2.45
Hong Kong & Shanghai Hotels <sup>A</sup>	4,178,258	6,463	0.75
Hong Kong Aircraft Engineering <sup>A</sup>	320,400	4,053	0.47
Hung Hing Printing	14,682,000	4,453	0.52
IDS Group	5,000,000	8,983	1.05
Pacific Basin Shipping <sup>A</sup>	7,250,000	5,784	0.68
Public Financial Holdings	28,888,000	15,124	1.77
Texwinca	9,110,000	10,137	1.18
		<b>134,214</b>	<b>15.67</b>
<b>India - 12.15%</b>			
Aventis Pharma	316,751	12,731	1.49
Castrol	1,300,809	20,062	2.34
CMC	42,738	1,279	0.15
Godrej Consumer Products	3,149,196	18,240	2.13
Gujarat Gas	2,391,814	14,897	1.74
Jammu & Kashmir Bank	200,000	3,036	0.35
Kansai Nerolac Paints	514,523	15,816	1.85
Mphasis Ltd	1,300,000	17,980	2.10
		<b>104,041</b>	<b>12.15</b>
<b>Indonesia - 5.79%</b>			
Bank OCBC NISP	124,668,674	10,960	1.28
Bank Permata	79,506,500	10,791	1.26
Dynaplast	12,093,000	1,369	0.16
Holcim Indonesia	77,000,000	17,453	2.04
M.P. Evans	1,555,336	9,030	1.05
		<b>49,603</b>	<b>5.79</b>

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Malaysia - 16.24%</b>			
Aeon Co.	12,138,400	18,736	2.18
Fraser & Neave Holdings	2,654,200	8,658	1.01
Guinness Anchor	6,500,300	13,850	1.62
LPI Capital	2,500,900	10,511	1.23
Manulife Holdings	3,511,800	3,127	0.37
Oriental Holdings	6,830,000	12,835	1.50
Panasonic Manufacturing	898,100	4,033	0.47
POS Malaysia	12,274,100	8,410	0.98
Shangri-La Hotels	10,371,000	5,993	0.70
Star Publications	12,300,100	12,651	1.48
United Malacca	6,617,400	16,036	1.87
United Plantations	4,020,000	17,155	2.00
YNH Property	14,823,407	7,066	0.83
		<b>139,061</b>	<b>16.24</b>
<b>Philippines - 2.67%</b>			
Asian Terminals	73,248,000	6,686	0.78
Cebu Holdings	109,646,000	5,071	0.59
Ginebra San Miguel	5,600,000	2,897	0.34
Jollibee Foods	6,301,200	8,192	0.96
		<b>22,846</b>	<b>2.67</b>
<b>Singapore - 19.39%</b>			
Bukit Sembawang Estates	9,070,000	30,427	3.55
CDL Hospitality Trust	21,461,000	27,478	3.21
Eu Yan Sang	22,618,000	8,858	1.03
FJ Benjamin Holdings	16,972,000	3,369	0.39
Hong Leong Finance	8,000,000	17,424	2.03
Raffles Medical Group	9,813,000	11,195	1.31
SBS Transit	6,618,500	8,427	0.98
Sembcorp Marine <sup>A</sup>	1,880,000	5,628	0.66
Singapore Post	5,215,000	3,935	0.46
Venture Corporation <sup>A</sup>	1,200,000	7,489	0.87
WBL	6,200,000	21,708	2.55
WBL 2.5% 10/06/14 CNV	4,137,000	6,214	0.73
Wheelock Properties	10,256,000	13,902	1.62
		<b>166,054</b>	<b>19.39</b>
<b>South Korea - 0.61%</b>			
Daegu Bank	390,000	5,196	0.61
<b>Sri Lanka - 4.36%</b>			
Aitken Spence	645,000	7,776	0.91
Chevron Lubricants Lanka	7,369,200	10,984	1.28
Commercial Bank of Ceylon	4,026,500	7,132	0.83
Keells (John)	7,102,113	11,458	1.34
		<b>37,350</b>	<b>4.36</b>

## Portfolio Statement continued

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Thailand - 11.99%</b>			
Aeon Thana Sinsap (Alien)	7,392,300	7,173	0.84
Bumrungrad Hospital (Alien)	12,129,200	11,722	1.37
Central Pattana (Alien)	11,582,900	7,451	0.87
Hana Microelectronics (Alien)	25,547,900	17,224	2.01
Minor International (Alien)	33,001,020	11,278	1.32
Regional Container Line (Alien)	20,000,200	7,144	0.83
Siam City Cement (Alien)	690,000	4,951	0.58
Siam Makro (Alien)	5,206,200	15,477	1.81
Thai Reinsurance (Alien)	7,000,000	1,234	0.14
Tisco Financial Group (Alien)	22,863,000	19,002	2.22
		<b>102,656</b>	<b>11.99</b>
<b>Total investments</b>		<b>808,923</b>	<b>94.47</b>
<b>Other net assets</b>		<b>47,394</b>	<b>5.53</b>
<b>Total</b>		<b>856,317</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in ordinary or common stocks and shares except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> A portion of the stock is on loan at the period end.

# Australasian Equity

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the Australasian Equity - A Accumulation shares increased by 5.18% compared to an increase of 5.22% in the benchmark, the Australia All Ordinaries Index.

Source: Lipper, Total Return, Gross Income Reinvested, AUD.

## Manager's review

Australian equities rose over the period, on the back of firm commodity prices. Sentiment was also buoyed by merger and acquisition activity and a pick up in economic data, although the gains were pared by Dubai's debt woes, concerns over monetary tightening in China and sovereign risk. Macroeconomic data pointed to domestic resilience, fourth-quarter GDP expanded at the fastest pace in two years, house prices rose on the back of demand created by government grants and the number of full-time jobs grew sharply, helping to improve business confidence. The better-than-expected economic conditions and rising inflation prompted the Reserve Bank of Australia (RBA) to raise its benchmark interest rate four times over the period.

## Portfolio review

The Fund underperformed its benchmark. Stock selection was positive. However, those sectors in which the Fund was overweight because of our stock choices lagged the benchmark index. This hurt overall performance.

At the stock level, our holding in QBE Insurance Group and the lack of exposure to Wesfarmers were the main detractors from relative return. QBE Insurance Group's full-year profits fell short of estimates and investors have downgraded the insurer's outlook after it forecast difficult conditions for the current year. Meanwhile, Wesfarmers benefited from strong coal prices and improved performance from retailer Coles. Additionally, our consumer services holding, Metcash underperformed the sector as it lagged in the liquidity-fuelled rally that saw risk appetite increase and funds flow into more cyclical sectors.

Nevertheless, other holdings such as Rio Tinto and AXA Asia Pacific Holdings contributed positively to relative performance. Our position in Rio Tinto benefited the Fund the most; the Australian miner gained sharply as global demand for resources stayed resilient. Its agreement with BHP Billiton on the terms of the Pilbara iron ore joint venture is likely to result in substantial cost savings. With prices in iron-ore contracts now set on a quarterly basis, Rio Tinto can also expect better profits as prices continue to rise. AXA Asia Pacific Holdings was supported by separate bids from National Australia Bank and competitor AMP.

There were no major changes to the portfolio during the period.

## Outlook

Australian equities may continue their upward momentum as investors remain encouraged by positive economic data. Also, should the yuan be re-valued, the domestic economy stands to benefit from its exports of commodities and resources, which should see better demand given increased Chinese purchasing power. The improvement in the domestic and regional macroeconomic environment has led the RBA to upgrade its growth forecast for 2010 to 3.25%. It is also likely to continue its tightening bias, given increasing inflationary pressures.

### Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>AU\$'000</b>
Investments in securities at market value (note 2.2)	81,822
Cash at bank	3,807
Interest and dividends receivable	545
Subscriptions receivable	611
<b>Total assets</b>	<b>86,785</b>
<b>Liabilities</b>	
Taxes and expenses payable	176
Redemptions payable	379
<b>Total liabilities</b>	<b>555</b>
<b>Net assets at the end of the period</b>	<b>86,230</b>

### Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>AU\$'000</b>
Net assets at the beginning of the period	75,063
Net gains from investments	1,000
Net realised gains	1,048
Net unrealised gains	2,193
Proceeds from shares issued	25,015
Payments for shares redeemed	(18,102)
Net equalisation received (note 10)	13
<b>Net assets at the end of the period</b>	<b>86,230</b>

### Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>AU\$'000</b>
Income from investments	1,707
Bank interest	29
Other income	5
<b>Total income</b>	<b>1,741</b>
<b>Expenses</b>	
Net management fees (note 4.6)	599
Administration fees (note 4.1)	24
Custodian fees (note 4.2)	12
Distribution fees (note 4.3)	9
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	26
Management Company fees (note 4.5)	4
Operational expenses (note 4.7)	47
Annual tax (note 4.9)	20
<b>Total expenses</b>	<b>741</b>
<b>Net gains from investments</b>	<b>1,000</b>
Realised gains on investments	1,048
<b>Net realised gains</b>	<b>1,048</b>
Increase in unrealised appreciation on investments	2,193
<b>Net unrealised gains</b>	<b>2,193</b>
<b>Net increase in assets as a result of operations</b>	<b>4,241</b>

### Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>A-2</b>	<b>B-2</b>
Shares outstanding at the beginning of the period	2,812,688	79,929
Shares issued during the period	956,154	-
Shares redeemed during the period	(690,205)	(180)
<b>Shares outstanding at the end of the period</b>	<b>3,078,637</b>	<b>79,749</b>
<b>Net asset value per share</b>	<b>27.40</b>	<b>23.70</b>

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

# Portfolio Statement

As at 31 March 2010

<b>Security</b>	<b>Quantity</b>	<b>Market Value AU\$'000</b>	<b>Percentage of total net assets %</b>
<b>Consumer Discretionary - 5.76%</b>			
Billabong International <sup>A</sup>	109,000	1,232	1.43
Tabcorp Holdings	237,700	1,644	1.90
Tatts Group Ltd <sup>A</sup>	853,000	2,094	2.43
		<b>4,970</b>	<b>5.76</b>
<b>Consumer Staples - 9.29%</b>			
Goodman Fielder <sup>A</sup>	813,450	1,165	1.36
Metcash <sup>A</sup>	656,000	2,719	3.15
Woolworths	147,300	4,123	4.78
		<b>8,007</b>	<b>9.29</b>
<b>Energy - 4.34%</b>			
Woodside Petroleum <sup>A</sup>	79,675	<b>3,740</b>	<b>4.34</b>
<b>Financials - 34.78%</b>			
Australia & New Zealand Bank <sup>A</sup>	163,250	4,142	4.80
Australian Stock Exchange	95,600	3,246	3.76
AXA Asia Pacific Holdings <sup>A</sup>	321,000	2,034	2.36
Commonwealth Bank of Australia <sup>A</sup>	79,550	4,477	5.19
QBE Insurance Group	312,200	6,506	7.55
Westfield Group	270,600	3,267	3.79
Westpac Bank	227,000	6,323	7.33
		<b>29,995</b>	<b>34.78</b>
<b>Health Care - 4.00%</b>			
Ramsay Health Care	132,900	1,849	2.14
Sonic Healthcare	111,700	1,604	1.86
		<b>3,453</b>	<b>4.00</b>
<b>Industrials - 3.72%</b>			
Leighton Holdings <sup>A</sup>	45,500	1,773	2.06
Toll Holdings	192,800	1,431	1.66
		<b>3,204</b>	<b>3.72</b>
<b>Information Technology - 1.87%</b>			
Computershare <sup>A</sup>	128,650	<b>1,615</b>	<b>1.87</b>
<b>Materials - 22.22%</b>			
BHP Billiton <sup>A</sup>	191,700	8,372	9.71
Incitec Pivot	407,810	1,421	1.65
Orica	65,800	1,762	2.04
Rio Tinto <sup>A</sup>	97,018	7,606	8.82
		<b>19,161</b>	<b>22.22</b>
<b>Telecommunication Services - 3.61%</b>			
Singapore Telecommunications - CDI <sup>A</sup>	1,043,600	2,620	3.04
Telecom Corp of New Zealand	292,000	489	0.57
		<b>3,109</b>	<b>3.61</b>

## Portfolio Statement continued

<b>Security</b>	<b>Quantity</b>	<b>Market Value AU\$'000</b>	<b>Percentage of total net assets %</b>
<b>Utilities - 5.30%</b>			
AGL Energy <sup>A</sup>	220,250	3,310	3.84
SP Ausnet <sup>A</sup>	1,394,125	1,258	1.46
		<b>4,568</b>	<b>5.30</b>
<b>Total investments</b>		<b>81,822</b>	<b>94.89</b>
<b>Other net assets</b>		<b>4,408</b>	<b>5.11</b>
<b>Total</b>		<b>86,230</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

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There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> A portion of the stock is on loan at the period end.

# Chinese Equity

For the period ended 31 March 2010

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## Distribution

The Fund has declared an additional distribution on its D-2 shares for the year ended 30 September 2009 of £0.144188 per share in order to obtain UK Distributor status for the year ended 30 September 2009.

## Performance

For the six-month period ended 31 March 2010, the value of the Chinese Equity - A Accumulation shares increased by 9.43% compared to an increase of 7.26% in the benchmark, the MSCI Zhong Hua Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

China and Hong Kong stock markets rose in the six months under review, though their relatively subdued performances saw them lag global emerging markets generally. Equities had started the period promisingly, backed by sustained liquidity and the brighter economic outlook, along with encouraging corporate results. Sentiment stayed resilient, undeterred by the heavy supply of new shares and Dubai's debt crisis. From January, however, markets struggled to maintain positive momentum, as concerns about resurgent inflation, asset bubbles and worsening credit quality compelled the mainland's central bank to hike lenders' reserve requirements and press several banks to halt lending temporarily. Beijing also stepped up measures to check escalating property prices. Unease that policy action could dent China's vigorous growth persisted until the end of the period, while anxiety over Greece's strained finances also hindered gains.

## Portfolio review

The Fund did well relative to its benchmark because of good stock selection. In addition, those sectors in which the Fund was overweight because of our stock choices also outperformed the index. This helped overall performance.

At the stock level, ASM Pacific Technology was the best performer, boosted by hopes of a broader recovery in the technology sector. Its full-year results also surpassed expectations, driven by record sales and profit growth as demand revived. Texwinca was another notable outperformer, as optimism over a rebound in exports lifted the company's share price. Likewise, holding Giordano International proved rewarding. The retailer impressed with good results, which were helped by tight cost control and a better merchandise mix. Improved retail sentiment in China and Hong Kong also supported its share price.

On the downside, our investments in Yanlord Land, Swire Pacific and Wing Hang Bank disappointed. Yanlord was hurt by worries over the Chinese Government's measures to stem fast-rising housing prices, though the property developer posted healthy full-year profits and is well positioned to take advantage of any market consolidation. Swire Pacific's share price fell after it disclosed plans to list its property division separately, which will see its role diminish to that of a holding company. The potential listing, however, will provide capital for its property development needs and free up financing capacity for its other businesses. Wing Hang Bank fared poorly amid concerns over its interest margins in the low interest rate environment, while anaemic loan growth also pressured its share price. But the conservative lender remains well capitalised and should benefit from the economic upswing.

During the period, we established a holding in China Resources Enterprise. The company, whose core businesses encompass retail, beverage, and food processing and distribution, has an effective management team and healthy financials. In addition, we subscribed to the initial public offering of department store operator PCD Stores, which we subsequently sold following a strong run-up in its share price.

## Outlook

Looking ahead, we expect growth in China and Hong Kong to remain steady in the near term. However, the sustainability of the upturn is still an open question, particularly when the boost from government spending fades and demand from the developed world stays subdued. Another key worry for China is bad loans, after last year's large-scale state-directed lending. The build-up in local government debt could further burden the banking system. Excess liquidity has also resulted in overcapacity in certain sectors as well as rising asset prices.

This backdrop will keep investors focused on policy decisions and could increase market volatility. Still, any consolidation, which may realign valuations with fundamentals is healthy and will present buying opportunities. Longer term, China and Hong Kong's growth prospects remain excellent.

## Statement of Net Assets

As at 31 March 2010

Assets	US\$'000
Investments in securities at market value (note 2.2)	526,786
Cash at bank	9,218
Interest and dividends receivable	1,503
Subscriptions receivable	1,164
Unrealised gains on forward currency exchange contracts (note 2.6)	1
<b>Total assets</b>	<b>538,672</b>
<b>Liabilities</b>	
Payable for investments purchased	564
Taxes and expenses payable	918
Redemptions payable	794
<b>Total liabilities</b>	<b>2,276</b>
<b>Net assets at the end of the period</b>	<b>536,396</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	US\$'000
Net assets at the beginning of the period	479,934
Net losses from investments	(794)
Net realised gains	8,101
Net unrealised gains	39,025
Proceeds from shares issued	69,785
Payments for shares redeemed	(59,671)
Net equalisation received (note 10)	16
<b>Net assets at the end of the period</b>	<b>536,396</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	US\$'000
Income from investments	3,189
Other income	157
<b>Total income</b>	<b>3,346</b>
<b>Expenses</b>	
Management fees (note 4.6)	3,478
Administration fees (note 4.1)	68
Custodian fees (note 4.2)	163
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	111
Management Company fees (note 4.5)	25
Operational expenses (note 4.7)	139
Annual tax (note 4.9)	107
Bank interest	49
<b>Total expenses</b>	<b>4,140</b>
<b>Net losses from investments</b>	<b>(794)</b>
Realised gains on investments	8,134
Realised currency exchange losses	(30)
Realised losses on forward currency exchange contracts	(3)
<b>Net realised gains</b>	<b>8,101</b>
Increase in unrealised appreciation on investments	39,021
Unrealised currency exchange gains	3
Increase in unrealised appreciation on forward currency exchange contracts	1
<b>Net unrealised gains</b>	<b>39,025</b>
<b>Net increase in assets as a result of operations</b>	<b>46,332</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-2	D-2(GBP)	I-2	Z-2
Shares outstanding at the beginning of the period	18,557,008	2,323,708	251,946	9,356,566
Shares issued during the period	2,724,673	128,831	210,514	1,062,112
Shares redeemed during the period	(2,749,885)	(193,654)	(7,373)	(344,824)
<b>Shares outstanding at the end of the period</b>	<b>18,531,796</b>	<b>2,258,885</b>	<b>455,087</b>	<b>10,073,854</b>
<b>Net asset value per share</b>	<b>19.94</b>	<b>13.14</b>	<b>20.58</b>	<b>11.16</b>

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

# Portfolio Statement

As at 31 March 2010

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>China - 23.28%</b>			
China Merchants Bank <sup>A</sup>	4,407,000	11,905	2.22
China Mobile	3,185,000	30,631	5.72
China Resources Enterprise	2,100,000	7,776	1.45
CNOOC	12,668,000	20,769	3.87
Huaxin Cement	1,413,949	3,311	0.61
Li Ning Co Ltd <sup>A</sup>	1,980,000	7,185	1.34
PetroChina	19,648,000	22,964	4.28
Xiniao Gas Holdings	3,812,000	9,760	1.82
Yanlord Land <sup>A</sup>	7,880,000	10,568	1.97
		<b>124,869</b>	<b>23.28</b>
<b>Hong Kong - 74.93%</b>			
Aeon Credit Service	11,160,000	9,644	1.80
Aeon Stores	10,175,000	17,429	3.25
Asia Satellite Telecommunications	6,032,000	8,771	1.64
ASM Pacific Technology <sup>A</sup>	2,391,100	22,626	4.22
Café de Coral	3,772,000	8,880	1.66
City E-Solutions	13,000,000	1,498	0.28
CLP Holdings	570,500	4,081	0.76
Convenience Retail Asia	24,066,000	5,703	1.06
Dah Sing Banking	4,012,800	5,509	1.03
Dah Sing Financial	1,610,000	8,833	1.65
Dairy Farm International	1,646,700	10,761	2.01
Giordano International	29,965,000	11,983	2.23
Hang Lung Group	4,060,000	21,634	4.03
Hong Kong & Shanghai Hotels	14,402,709	22,277	4.15
Hong Kong Aircraft Engineering	1,282,000	16,217	3.02
Hung Hing Printing	16,278,000	4,937	0.92
IDS Group	6,802,000	12,220	2.28
Jardine Strategic Holdings	2,326,981	44,864	8.36
Kingmaker Footwear	23,674,000	3,217	0.60
MTR	5,131,250	19,429	3.62
Pacific Basin Shipping <sup>A</sup>	7,400,000	5,904	1.10
Public Financial Holdings	14,260,000	7,465	1.39
Standard Chartered	1,130,834	30,409	5.66
Sun Hung Kai Properties	1,370,000	20,626	3.85
Swire Pacific 'B'	19,827,000	43,665	8.14
Texwinca	14,164,000	15,761	2.94
Wing Hang Bank	1,916,500	17,574	3.28
		<b>401,917</b>	<b>74.93</b>
<b>Transferable securities</b>		<b>526,786</b>	<b>98.21</b>

## Portfolio Statement continued

### Forward currency exchange contracts - nil

<b>Buy</b>	<b>Sell</b>	<b>Settlement</b>	<b>Buy Amount</b>	<b>Sell Amount</b>	<b>Unrealised Gains/(Losses) US\$'000</b>	<b>Percentage of total net assets %</b>
GBP	USD	01/04/10	20,000	29,816	1	-
GBP	USD	07/04/10	23,408	35,275	-	-
<b>Unrealised gains on forward currency exchange contracts</b>					<b>1</b>	<b>-</b>
<b>Total investments</b>					<b>526,787</b>	<b>98.21</b>
<b>Other net assets</b>					<b>9,609</b>	<b>1.79</b>
<b>Total</b>					<b>536,396</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

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There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> A portion of the stock is on loan at the period end.

# Emerging Markets Bond

For the period ended 31 March 2010

## Performance

For the six-month period ended 31 March 2010, the value of the Emerging Markets Bond - A Accumulation shares increased by 9.35% compared to an increase of 5.95% in the benchmark, the JP Morgan EMBIGD USD Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

Emerging market debt continued to gain ground during the six month period, with the JP Morgan EMBI Global Diversified Index returning 5.95% while the spread narrowed 82bp to +256 over US Treasuries. Higher yielding sovereigns such as Jamaica and Ukraine were the top performers in hard currency debt. Jamaica's decision to restructure its domestic debt prompted a big rally on the external debt, reflecting easing default concerns. While Ukraine benefited from the support of the IMF, allowing them to lower foreign exchange reserves in order to pay Russia for its contracted gas shipments. Lithuania, Argentina, Kazakhstan, Ghana, Croatia and Pakistan were other notable contributors to performance.

Emerging market local currency debt outperformed hard currency debt during the period, despite headwinds from Greece weighing on the asset class in December and January. Overall, the JP Morgan GBI-EM Global Diversified gained 8.43%. The performance from the local rate component was subdued, reflecting the growing uncertainty about the pace and timing of monetary policy normalization in 2010. The lacklustre performance in local rates was, however, offset by a general strengthening trend in EMFX, which was briefly interrupted when the USD reversed its weakening trend against the euro and yen.

Ukraine Eurobonds hit a rough patch towards the end of 2009, after the IMF confirmed that the next USD3.8bln loan tranche would be delayed following President Yushchenko's decision to sign into law increases in pensions and the minimum wage. While the consensus view was that the IMF would be unlikely to disburse any money to Ukraine ahead of the January-February presidential elections and the formation of at least an interim post-election government, the Fund extended an olive branch to Ukraine at the end of the year by dropping the level on net international reserves by USD 2 bln. The move allowed Ukraine to meet the gas shipment payment to Russia, alleviating concerns about a repeat of the dispute between the two countries that halted gas supplies to Western Europe in early 2009. In 2010 the political landscape changed, with PM Tymoshenko ousted in a no-confidence vote and replaced by an ally of President-elect Yanukovich. Meanwhile, discussions with the IMF on renewed financial support resumed, with the fiscal deficit and the 2010 budget the key areas of contention. Ukrainian Eurobonds posted strong gains during the first quarter, reflecting an improved political outlook. The political backdrop also prompted S&P to upgrade the sovereign rating to B- from CCC+, with a positive outlook.

Argentina continued to make progress on the restructuring of some \$20 billion untendered debt, with Economy Minister Boudou receiving approval from Congress in October to change the legislation allowing the reopening of the 2005 debt exchange. A successful exchange is likely to result in Argentina regaining access to the international bond market, which in turn should have a

positive impact on the sovereign risk premium. Boudou also stated that Argentina plans to re-establish a relationship with the IMF and to cure its arrears of around \$7bln with the Paris Club. The IMF remains a politically touchy subject with Argentina, and while a new lending arrangement is unlikely under a Kirchner-led government, an Article IV consultation would certainly be viewed very positively by the market, leading to a further spread tightening.

Venezuelan bonds were big underperformers in Q409, as the market struggled to absorb the new USD6bln sovereign bonds issued in early October, and braced for more supply from state-owned Pdvsa. The banking sector also came under the spotlight in early December following the initial closure of four small banks, which was followed by the closure of three more banks. While the intervened banks did not pose systemic risk, a veiled threat by President Chavez to nationalize the entire system did little to ease concerns. Some banks were also heard to be selling some USD sovereign bonds, adding further pressure on spreads. As concerns about the health of the banking sector eased, and Pdvsa signalled they would not be coming to the market in Dec, Venezuelan bonds staged a healthy rally into year-end.

After a lengthy debate in Congress, Mexico finally passed what was largely viewed as a watered down fiscal reform package, calling for a 1% VAT increase on selected goods. The measure allowed safe passage of the 2010 budget, but it did not prevent sovereign rating downgrades by Fitch and S&P cutting Mexico's rating to BBB. Both agencies cited similar concerns, noting that the new measures failed to broaden the tax base, and that they were insufficient to address the weakening of the fiscal accounts. S&P added that notwithstanding recent signals from Congress and the government about willingness to implement additional fiscal reforms to boost non-oil tax revenues, they believe this would be unlikely until the next administration takes office in 2012, as support from the opposition party (PRI) may be insufficient to approve a bolder reform. The market response was, however, fairly muted, as the focus shifted to an improving domestic and US growth outlook, which are supportive for the credit.

## Portfolio review

The Fund outperformed during the period. The bulk of the outperformance came from an overweight position on Argentina, with the untendered debt posting a strong gain on renewed prospects for a reopening of the 2005 debt exchange. The Fund's holdings of Argentine-law USD bonds due in 2011 also outperformed the NY-law bonds in the index. Croatia was another significant contributor, reflecting the relative attractiveness of the \$1.5bln 10-year Eurobond that came to the market in late October. Our holdings in Indonesia, Mexico, and Uruguay local currency debt also performed well.

## Outlook

The positive tone in emerging market debt is likely to continue heading into the second quarter of 2010, although we would caution that a backup in US Treasuries, and rising inflation in developing countries may at times prompt some profit-taking.

## Statement of Net Assets

As at 31 March 2010

Assets	US\$'000
Investments in securities at market value (note 2.2)	395,976
Cash at bank	25,364
Interest and dividends receivable	6,935
Subscriptions receivable	8,005
Receivable for investments sold	6,000
Unrealised gains on forward currency exchange contracts (note 2.6)	600
<b>Total assets</b>	<b>442,880</b>
<b>Liabilities</b>	
Payable for investments purchased	10,791
Taxes and expenses payable	674
Redemptions payable	4,624
Other liabilities	289
<b>Total liabilities</b>	<b>16,378</b>
<b>Net assets at the end of the period</b>	<b>426,502</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	US\$'000
Net assets at the beginning of the period	328,038
Net gains from investments	9,873
Net realised gains	12,886
Net unrealised gains	9,645
Proceeds from shares issued	165,657
Payments for shares redeemed	(98,520)
Net equalisation received (note 10)	135
Dividends paid (note 5)	(1,212)
<b>Net assets at the end of the period</b>	<b>426,502</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	US\$'000
Income from investments	12,696
Bank interest	18
Other income	(26)
<b>Total income</b>	<b>12,688</b>
<b>Expenses</b>	
Management fees (note 4.6)	2,383
Administration fees (note 4.1)	62
Custodian fees (note 4.2)	56
Distribution fees (note 4.3)	13
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	81
Management Company fees (note 4.5)	19
Operational expenses (note 4.7)	118
Annual tax (note 4.9)	83
<b>Total expenses</b>	<b>2,815</b>
<b>Net gains from investments</b>	<b>9,873</b>
Realised gains on investments	14,488
Realised currency exchange losses	(820)
Realised losses on forward currency exchange contracts	(782)
<b>Net realised gains</b>	<b>12,886</b>
Increase in unrealised appreciation on investments	7,885
Unrealised currency exchange losses	(2)
Decrease in unrealised depreciation on forward currency exchange contracts	1,762
<b>Net unrealised gains</b>	<b>9,645</b>
<b>Net increase in assets as a result of operations</b>	<b>32,404</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-1	A-2	B-1	B-2	I-1	I-2	Z-2
Shares outstanding at the beginning of the period	966,159	9,435,651	123,812	26,875	475,307	1,420,602	1,122,938
Shares issued during the period	1,534,833	3,719,547	10,338	-	954,295	1,621,004	-
Shares redeemed during the period	(149,882)	(2,960,078)	(9,953)	(10,286)	(14,783)	(774,915)	(126,376)
<b>Shares outstanding at the end of the period</b>	<b>2,351,110</b>	<b>10,195,120</b>	<b>124,197</b>	<b>16,589</b>	<b>1,414,819</b>	<b>2,266,691</b>	<b>996,562</b>
<b>Net asset value per share</b>	<b>17.14</b>	<b>29.69</b>	<b>17.17</b>	<b>27.41</b>	<b>17.33</b>	<b>12.00</b>	<b>29.28</b>

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

# Portfolio Statement

As at 31 March 2010

Security	Coupon (%)	Maturity	Nominal	Market Value US\$'000	Percentage of total net assets %
<b>Argentina - 5.32%</b>					
Argentina	7.0000	18/03/04	750,000	223	0.05
Argentina	7.0000	28/03/11	1,240,000	1,224	0.29
Argentina	8.0000	26/02/08	6,000,000	3,613	0.85
Argentina	8.5000	01/07/04	570,000	337	0.08
Argentina	9.0000	24/05/05	1,040,000	619	0.14
Argentina	9.0000	26/05/09	698,000	415	0.10
Argentina	9.2500	21/10/02	2,500,000	1,454	0.34
Argentina	9.7500	26/11/03	1,850,000	1,064	0.25
Argentina	10.0000	07/12/04	1,000,000	575	0.13
Argentina	11.0000	04/12/05	5,400,000	2,646	0.62
Argentina	11.0000	09/10/06	55,000	27	0.01
Argentina	11.2500	10/04/49	2,525,000	769	0.18
Argentina	11.3750	31/12/49	3,500,000	1,715	0.40
Argentina	11.7500	07/04/49	4,780,000	2,342	0.55
Argentina	11.7500	15/06/15	8,580,000	4,204	0.99
Argentina Perp	8.3750	20/12/49	3,000,000	1,440	0.34
				<b>22,667</b>	<b>5.32</b>
<b>Bosnia &amp; Herzegovina - 0.45%</b>					
Bosnia & Herzegovina FRN	-	11/12/17	1,805,331	<b>1,908</b>	<b>0.45</b>
<b>Brazil - 8.72%</b>					
Brazil	5.6250	07/01/41	3,980,000	3,731	0.88
Brazil	7.1250	20/01/37	6,970,000	7,911	1.85
Brazil	7.8750	07/03/15	650,000	768	0.18
Brazil	8.2500	20/01/34	1,060,000	1,354	0.32
Brazil	10.0000	01/01/17	16,420,000	8,268	1.94
Brazil I/L	6.0000	15/05/45	160,000	169	0.04
Brazil I/L	6.0000	15/05/15	3,450,000	3,670	0.86
Dasa Finance Corp	8.7500	29/05/18	272,000	294	0.07
Odebrecht Finance	7.0000	21/04/20	3,920,000	4,096	0.96
Petrobras	7.8750	15/03/19	2,430,000	2,836	0.66
Rearden G Holdings Eins	7.8750	30/03/20	4,000,000	4,074	0.96
				<b>37,171</b>	<b>8.72</b>
<b>China - 0.96%</b>					
Agile Property	10.0000	14/11/16	2,400,000	2,578	0.60
Parkson Retail Group	7.1250	30/05/12	200,000	208	0.05
Parkson Retail Group	7.8750	14/11/11	1,246,000	1,307	0.31
				<b>4,093</b>	<b>0.96</b>
<b>Colombia - 4.94%</b>					
Colombia	6.1250	18/01/41	9,116,000	8,731	2.04
Colombia	7.3750	18/09/37	250,000	280	0.07
Colombia	7.3750	27/01/17	2,400,000	2,772	0.65
Colombia	7.3750	18/03/19	1,620,000	1,864	0.44
Ecopetrol	7.6250	23/07/19	6,650,000	7,415	1.74
				<b>21,062</b>	<b>4.94</b>

# Portfolio Statement continued

<b>Security</b>	<b>Coupon (%)</b>	<b>Maturity</b>	<b>Nominal</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Croatia - 0.81%</b>					
Croatia	6.7500	05/11/19	3,120,000	<b>3,439</b>	<b>0.81</b>
<b>Dominican Republic - 0.58%</b>					
Cerveceria Nacional Dominica	16.0000	27/03/12	2,250,000	1,946	0.46
Dominican Republic	8.6250	20/04/27	480,000	514	0.12
				<b>2,460</b>	<b>0.58</b>
<b>El Salvador - 1.29%</b>					
El Salvador	7.6500	15/06/35	550,000	582	0.14
El Salvador	8.2500	10/04/32	4,440,000	4,928	1.15
				<b>5,510</b>	<b>1.29</b>
<b>Hungary - 3.43%</b>					
Hungary	6.2500	29/01/20	8,500,000	9,031	2.12
Hungary	6.5000	24/06/19	257,000,000	1,275	0.30
Hungary	7.5000	12/11/20	808,040,000	4,325	1.01
				<b>14,631</b>	<b>3.43</b>
<b>Indonesia - 8.29%</b>					
Indo Integrated Energy II	9.7500	05/11/16	1,660,000	1,774	0.41
Indonesia	6.8750	09/03/17	2,430,000	2,725	0.64
Indonesia	8.5000	12/10/35	2,210,000	2,773	0.65
Indonesia	9.0000	15/09/18	38,350,000,000	4,251	1.00
Indonesia	10.3750	04/05/14	2,900,000	3,618	0.85
Indonesia	10.7500	15/05/16	30,700,000,000	3,735	0.88
Indonesia	11.6250	04/03/19	1,150,000	1,656	0.39
Majapahit	7.2500	28/06/17	5,220,000	5,566	1.30
Majapahit	7.7500	17/10/16	1,870,000	2,040	0.48
PT Adaro Indonesia	7.6250	22/10/19	2,850,000	2,967	0.70
Star Energy Geothermal	11.5000	12/02/15	4,000,000	4,236	0.99
				<b>35,341</b>	<b>8.29</b>
<b>Iraq - 0.87%</b>					
Iraq <sup>A</sup>	5.8000	15/01/28	4,560,000	<b>3,694</b>	<b>0.87</b>
<b>Ivory Coast - 1.24%</b>					
Ivory Coast	3.0000	30/03/18	3,327,850	2,013	0.47
Ivory Coast	4.0000	31/03/18	5,030,000	3,295	0.77
				<b>5,308</b>	<b>1.24</b>
<b>Kazakhstan - 2.51%</b>					
Kazmunaigaz	8.3750	02/07/13	2,020,000	2,293	0.54
Kazmunaigaz	9.1250	02/07/18	3,760,000	4,559	1.07
Turnalem Finance	7.8750	02/06/10	2,120,000	912	0.21
Turnalem Finance	7.7500	25/04/13	1,790,000	781	0.18
Turnalem Finance	8.2500	22/01/37	4,900,000	2,180	0.51
				<b>10,725</b>	<b>2.51</b>
<b>Lithuania - 3.67%</b>					
Lithuania	6.7500	15/01/15	6,580,000	7,189	1.69
Lithuania	7.3750	11/02/20	7,720,000	8,451	1.98
				<b>15,640</b>	<b>3.67</b>

<b>Security</b>	<b>Coupon (%)</b>	<b>Maturity</b>	<b>Nominal</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Malaysia - 3.24%</b>					
Petronas Capital	5.2500	12/08/19	9,465,000	9,603	2.25
Petronas Capital	7.8750	22/05/22	3,460,000	4,223	0.99
				<b>13,826</b>	<b>3.24</b>
<b>Mexico - 12.14%</b>					
Corporacion Geo	8.8750	25/09/14	2,230,000	2,386	0.56
Corporativo Javer	13.0000	04/08/14	3,000,000	3,450	0.81
Corporativo Javer	13.0000	04/08/14	750,000	865	0.20
Desarrolladora Homex	7.5000	28/09/15	4,294,000	4,380	1.03
Grupo Posados	9.2500	15/01/15	3,550,000	3,723	0.87
Mexico	-	03/06/10	24,350,000	1,958	0.46
Mexico	5.9500	19/03/19	590,000	638	0.15
Mexico	6.0500	11/01/40	4,760,000	4,740	1.11
Mexico	7.2500	15/12/16	66,980,000	5,444	1.28
Mexico	8.0000	11/06/20	76,200,000	6,361	1.48
Mexico	10.0000	20/11/36	23,360,000	2,276	0.53
Pemex Project Master Funding Trust	5.7500	01/03/18	1,700,000	1,758	0.41
Pemex Project Master Funding Trust	6.6250	15/06/38	8,340,000	8,127	1.91
Pemex Project Master Funding Trust	6.6250	15/06/35	2,280,000	2,249	0.53
Petroleos Mexicanos	4.8750	15/03/15	3,350,000	3,451	0.81
				<b>51,806</b>	<b>12.14</b>
<b>Pakistan - 0.92%</b>					
Pakistan	6.8750	01/06/17	1,770,000	1,628	0.38
Pakistan	7.1250	31/03/16	400,000	384	0.09
Pakistan	7.8750	31/03/36	2,370,000	1,920	0.45
				<b>3,932</b>	<b>0.92</b>
<b>Panama - 0.80%</b>					
Panama	7.2500	15/03/15	3,000,000	<b>3,427</b>	<b>0.80</b>
<b>Peru - 1.41%</b>					
Peru	8.2000	12/08/26	14,600,000	<b>6,018</b>	<b>1.41</b>
<b>Philippines - 3.55%</b>					
Philippines	6.3750	23/10/34	7,680,000	7,575	1.78
Philippines	7.7500	14/01/31	6,490,000	7,463	1.74
Philippines	8.3750	17/06/19	90,000	110	0.03
				<b>15,148</b>	<b>3.55</b>
<b>Qatar - 2.29%</b>					
Qatar	5.2500	20/01/20	6,460,000	6,704	1.57
Qatar	6.4000	20/01/40	2,930,000	3,070	0.72
				<b>9,774</b>	<b>2.29</b>
<b>Russia - 9.93%</b>					
Bom Capital (Bank Moscow)	6.6990	11/03/15	3,880,000	3,929	0.92
Gaz Capital	9.2500	23/04/19	6,800,000	8,078	1.89
Lukoil International	7.2500	05/11/19	4,000,000	4,205	0.99
Red Arrow Intl Leasing	8.3750	30/06/12	50,742,648	1,781	0.42
RSHB Capital	7.5000	25/03/13	121,400,000	4,130	0.97
Russia	7.5000	31/03/30	13,841,400	15,952	3.74
Russian Railways EMTN	5.7390	03/04/17	4,250,000	4,280	1.00
				<b>42,355</b>	<b>9.93</b>

# Portfolio Statement continued

<b>Security</b>	<b>Coupon (%)</b>	<b>Maturity</b>	<b>Nominal</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>	
<b>South Africa - 2.37%</b>						
South Africa	5.5000	09/03/20	10,000,000	<b>10,113</b>	<b>2.37</b>	
<b>Ukraine - 2.57%</b>						
Naftogaz Ukraine	9.5000	30/09/14	2,320,000	2,419	0.57	
Ukraine	6.3850	26/06/12	2,050,000	2,045	0.48	
Ukraine	6.8750	04/03/11	570,000	575	0.13	
Ukraine (CSFB)	7.6500	07/09/11	4,330,000	4,319	1.01	
Ukraine (UBS) CLN	9.1250	21/06/10	3,200,000	1,614	0.38	
				<b>10,972</b>	<b>2.57</b>	
<b>Uruguay - 5.50%</b>						
Uruguay	5.0000	14/09/18	126,450,000	8,733	2.04	
Uruguay	7.6250	21/03/36	2,890,000	3,284	0.77	
Uruguay	7.8750	15/01/33	7,295,500	8,481	1.99	
Uruguay	8.0000	18/11/22	2,490,000	2,976	0.70	
				<b>23,474</b>	<b>5.50</b>	
<b>Venezuela - 5.04%</b>						
Petroleos de Venezuela <sup>A</sup>	5.2500	12/04/17	4,170,000	2,594	0.61	
Venezuela	5.7500	26/02/16	4,370,000	3,184	0.74	
Venezuela	7.0000	01/12/18	2,950,000	2,124	0.50	
Venezuela	7.7500	13/10/19	13,170,000	9,515	2.23	
Venezuela	8.5000	08/10/14	3,560,000	3,102	0.73	
Venezuela	9.0000	07/05/23	1,300,000	963	0.23	
				<b>21,482</b>	<b>5.04</b>	
<b>Transferable securities</b>				<b>395,976</b>	<b>92.84</b>	
<b>Forward currency exchange contracts - 0.14%</b>						
<b>Buy</b>	<b>Sell</b>	<b>Settlement</b>	<b>Buy Amount</b>	<b>Sell Amount</b>	<b>Unrealised Gains/ (Losses) US\$'000</b>	<b>Percentage of total net assets %</b>
HUF	USD	22/04/10	369,595,000	8,447,000	(62)	(0.01)
TRY	USD	22/04/10	4,256,000	5,326,000	13	-
USD	HUF	22/04/10	6,758,482	1,014,000	3	-
USD	EUR	22/04/10	5,687,468	6,136,000	1	-
USD	TRY	22/04/10	2,885,527	3,958,000	332	0.08
USD	HUF	22/04/10	522,913	2,850,000	(37)	(0.01)
USD	EUR	22/04/10	3,819,570	1,274,151,000	287	0.07
USD	BRL	09/06/10	4,582,045	105,652,000	(14)	-
USD	BRL	09/06/10	2,898,503	14,797,000	1	-
USD	RUB	09/06/10	1,049,291	31,770,000	(23)	(0.01)
USD	BRL	09/06/10	563,021	4,256,000	99	0.02
USD	BRL	09/06/10	3,389,119	1,856,994	-	-
USD	PEN	09/06/10	5,201,054	2,731,357	-	-
<b>Unrealised gains on forward currency exchange contracts</b>					<b>600</b>	<b>0.14</b>
<b>Total investments</b>				<b>396,576</b>	<b>92.98</b>	
<b>Other net assets</b>				<b>29,926</b>	<b>7.02</b>	
<b>Total</b>				<b>426,502</b>	<b>100.00</b>	

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All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in fixed interest securities and equity securities except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> Unlisted transferable security.

# Emerging Markets Equity

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the Emerging Markets Equity - A Accumulation shares increased by 12.82% compared to an increase of 11.24% in the benchmark, the MSCI Emerging Markets Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

Positive corporate earnings results and economic news as well as firmer commodity prices boosted emerging markets during the half year under review. Sentiment was not always upbeat. Early in the period, debt problems in Dubai and fears over tighter capital controls elsewhere curbed risk appetite. In the second half, the Federal Reserve's decision to raise its discount rate and concerns over debt contagion in Europe marred the uptrend. However, loose monetary conditions ensured the asset class stayed buoyant overall. Steadily improving GDP numbers in emerging economies and the subsequent pledge by the US to keep interest rates low added to the positive mood. Inflationary pressures began to build, especially in parts of Asia, as economic activity rebounded, prompting some central banks to raise interest rates towards the period-end. Emerging markets outpaced most developed markets during the review period.

## Portfolio review

The Fund did well relative to its benchmark because of good stock selection. In addition, those countries in which the Fund was overweight because of our stock choices also outperformed the regional index. This helped overall performance.

At the stock level, our holding in South Africa's Massmart contributed most to relative return. The general merchandise retailer rebounded on indications that the domestic trading environment was strengthening at last after a prolonged period of weakness. This was followed by our holding in Mexican lender, Grupo Financiero Banorte which outperformed the domestic market benchmark on signs of a recovery in consumer demand after a dismal 2009. Indonesian conglomerate Astra International also added to relative return as it continued to show top-line improvement across its core businesses in the fourth quarter. Stock selection in Brazil contributed positively as well, with retailer Lojas Renner outpacing the domestic market on both an improving economic outlook and its inclusion in the MSCI Emerging Markets Index.

Conversely, the biggest detractor to the Fund's relative performance was our holding in India's Bharti Airtel, whose share price fell sharply as it continued to suffer from intense competition and after its failed bid to acquire South Africa's MTN. China Mobile also cost the Fund as the telco's full-year profit growth slowed because of intensifying domestic competition. Meanwhile, our holding in Swire Pacific proved negative after the Hong Kong conglomerate disclosed plans to list its property division separately which will see its role diminish to that of a holding company.

In portfolio activity, we initiated positions in Poland's Bank Pekao and Brazilian mall operator Multiplan Empreendimentos because of their strong management, good growth prospects and decent valuations.

## Outlook

Attention will likely be trained on policy action in the near term both in the developing and developed economies. It is possible more central banks, particularly those in Asia, will begin raising interest rates in what would be a normalisation of monetary conditions as economies recover. Separately, China is under growing pressure to revalue the renminbi. Developed countries face a quandary of their own, end demand remains weak, but enormous deficits are increasing pressure for the reversal of unprecedented stimulus measures.

Market uncertainty is therefore likely to continue, although we would view any weakness as a buying opportunity as the long-term outlook for emerging markets remains attractive, supported by a strong financial footing in many of the major countries.

## Statement of Net Assets

As at 31 March 2010

Assets	US\$'000
Investments in securities at market value (note 2.2)	3,262,631
Cash at bank	100,001
Interest and dividends receivable	8,109
Subscriptions receivable	111,181
Other assets	28
<b>Total assets</b>	<b>3,481,950</b>

## Liabilities

Payable for investments purchased	29,209
Taxes and expenses payable	4,920
Redemptions payable	19,887
<b>Total liabilities</b>	<b>54,016</b>

**Net assets at the end of the period** **3,427,934**

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	US\$'000
Net assets at the beginning of the period	2,073,152
Net gains from investments	1,946
Net realised gains	1,553
Net unrealised gains	333,905
Proceeds from shares issued	1,576,875
Payments for shares redeemed	(559,823)
Net equalisation received (note 10)	326
<b>Net assets at the end of the period</b>	<b>3,427,934</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	US\$'000
Income from investments	21,082
Bank interest	202
Other income	4
<b>Total income</b>	<b>21,288</b>

## Expenses

Gross management fees	16,083
Less: management fee cross holdings	(154)
Net management fees (note 4.6)	15,929
Administration fees (note 4.1)	203
Custodian fees (note 4.2)	1,340
Distribution fees (note 4.3)	48
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	576
Management Company fees (note 4.5)	136
Operational expenses (note 4.7)	595
Annual tax (note 4.9)	515
<b>Total expenses</b>	<b>19,342</b>

**Net gains from investments** **1,946**

Realised gains on investments	3,606
Realised currency exchange losses	(2,053)
<b>Net realised gains</b>	<b>1,553</b>

Increase in unrealised appreciation on investments	333,743
Unrealised currency exchange gains	162
<b>Net unrealised gains</b>	<b>333,905</b>
<b>Net increase in assets as a result of operations</b>	<b>337,404</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-2	B-2	C-2	D-2(GBP)	I-2	Z-2
Shares outstanding at the beginning of the period	15,784,848	21,508	269,360	7,561,176	7,799,146	54,104,066
Shares issued during the period	21,503,988	137	865,846	1,416,700	6,001,922	9,957,283
Shares redeemed during the period	(7,893,076)	(2,456)	(15,277)	(959,325)	(2,098,992)	(1,241,672)
<b>Shares outstanding at the end of the period</b>	<b>29,395,760</b>	<b>19,189</b>	<b>1,119,929</b>	<b>8,018,551</b>	<b>11,702,076</b>	<b>62,819,677</b>
<b>Net asset value per share</b>	<b>53.02</b>	<b>48.75</b>	<b>14.07</b>	<b>35.10</b>	<b>54.45</b>	<b>12.55</b>

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

# Portfolio Statement

As at 31 March 2010

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Argentina - 1.83%</b>			
Tenaris ADR	1,464,000	62,820	1.83
<b>Brazil - 17.13%</b>			
Banco Bradesco (Pref) ADR	6,026,100	111,121	3.24
Lojas Renner	2,261,000	51,664	1.51
Multiplan Empreendimentos	1,953,273	32,265	0.94
Petroleo Brasileiro (Pref) ADR	3,191,000	126,411	3.69
Souza Cruz	1,440,000	50,118	1.46
Ultrapar (Pref)	1,626,200	77,679	2.27
Vale (Pref) ADR	4,967,000	137,958	4.02
		<b>587,216</b>	<b>17.13</b>
<b>Chile - 1.61%</b>			
Banco Santander - Chile ADR	811,000	55,330	1.61
<b>China - 6.72%</b>			
China Mobile <sup>C</sup>	13,630,500	131,088	3.83
PetroChina <sup>C</sup>	84,820,575	99,134	2.89
		<b>230,222</b>	<b>6.72</b>
<b>Hong Kong - 7.01%</b>			
Hang Lung Group	15,001,000	79,935	2.33
Standard Chartered	2,720,461	74,177	2.16
Swire Pacific 'A' <sup>C</sup>	4,890,500	58,953	1.72
Swire Pacific 'B'	12,384,000	27,273	0.80
		<b>240,338</b>	<b>7.01</b>
<b>Hungary - 2.95%</b>			
Danubius Hotel and Spa	45,785	857	0.03
Gedeon Richter	310,000	67,085	1.95
Gedeon Richter GDR	155,000	33,348	0.97
		<b>101,290</b>	<b>2.95</b>
<b>India - 11.96%</b>			
Aberdeen Global - Indian Equity Fund D-2 <sup>B</sup>	330,685	28,808	0.84
Bharti Airtel	5,230,000	36,559	1.07
GlaxoSmithKline Pharmaceuticals	950,000	37,644	1.10
Grasim Industries GDR	196,900	12,336	0.36
Grasim Industries	670,853	42,101	1.23
Hero Honda	909,459	39,481	1.15
Hindustan Unilever	5,689,599	30,197	0.88
Housing Development Finance Corporation	1,222,557	73,995	2.16
ICICI Bank	1,630,000	34,655	1.01
Infosys Technologies	1,275,000	74,261	2.16
		<b>410,037</b>	<b>11.96</b>
<b>Indonesia - 2.36%</b>			
P.T Astra International	17,500,000	81,062	2.36
<b>Israel - 3.38%</b>			
Check Point Software	1,393,000	48,818	1.42
Teva Pharmaceuticals ADR	1,064,000	67,138	1.96
		<b>115,956</b>	<b>3.38</b>

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Malaysia - 2.87%</b>			
CIMB Group	11,540,500	49,778	1.45
Public Bank (Alien)	13,640,200	48,757	1.42
		<b>98,535</b>	<b>2.87</b>
<b>Mexico - 7.54%</b>			
Consorcio ARA	12,887,000	8,699	0.25
FEMSA ADR	1,782,000	84,663	2.48
Grupo ASUR ADS	707,482	36,849	1.07
Grupo Financiero Banorte	19,075,922	84,443	2.47
Organizacion Soriana	14,617,980	43,699	1.27
		<b>258,353</b>	<b>7.54</b>
<b>Philippines - 2.14%</b>			
Ayala Land	135,369,300	39,317	1.15
Bank of the Philippine Islands	33,855,112	33,900	0.99
		<b>73,217</b>	<b>2.14</b>
<b>Poland - 0.95%</b>			
Bank Pekao	557,000	<b>32,495</b>	<b>0.95</b>
<b>Russia - 2.60%</b>			
Lukoil ADR	1,571,000	<b>88,997</b>	<b>2.60</b>
<b>South Africa - 5.25%</b>			
Massmart	7,227,000	106,875	3.12
Truworths International	10,251,441	72,936	2.13
		<b>179,811</b>	<b>5.25</b>
<b>South Korea - 5.77%</b>			
Busan Bank	803,983	8,616	0.25
Daegu Bank	570,000	7,594	0.22
Samsung Electronics (Pref)	284,219	135,271	3.95
Shinsegae	98,050	46,406	1.35
		<b>197,887</b>	<b>5.77</b>
<b>Sri Lanka - 0.17%</b>			
Aitken Spence	287,400	3,465	0.10
Commercial Bank of Ceylon	102,000	181	0.01
DFCC Bank	278,750	440	0.01
Keells (John)	1,019,430	1,645	0.05
		<b>5,731</b>	<b>0.17</b>
<b>Taiwan - 4.25%</b>			
Taiwan Mobile	23,203,235	43,765	1.28
TSMC	52,486,559	101,724	2.97
		<b>145,489</b>	<b>4.25</b>
<b>Thailand - 4.44%</b>			
PTT Exploration & Production (Alien)	14,260,600	65,603	1.91
Siam Cement (Alien)	10,794,000	86,459	2.53
		<b>152,062</b>	<b>4.44</b>

## Portfolio Statement continued

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Turkey - 4.25%</b>			
Akbank <sup>C</sup>	14,942,612	96,691	2.82
BIM Birlesik Magaz	939,974	49,092	1.43
Medya <sup>A</sup>	86,400	-	-
		<b>145,783</b>	<b>4.25</b>
<b>Total investments</b>		<b>3,262,631</b>	<b>95.18</b>
<b>Other net assets</b>		<b>165,303</b>	<b>4.82</b>
<b>Total</b>		<b>3,427,934</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in ordinary or common stocks and shares except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> Unlisted transferable security.

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

<sup>C</sup> A portion of the stock is on loan at the period end.

# Emerging Markets Smaller Companies

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the Emerging Markets Smaller Companies - A Accumulation shares increased by 19.83% compared to an increase of 18.05% in the benchmark, the MSCI Emerging Markets Small Cap Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

Smaller companies in emerging markets performed well during the half year under review, buttressed by positive corporate earnings results and economic news. However, early in the period, debt problems in Dubai and fears over tighter capital controls elsewhere curbed risk appetite. In the second half, the Federal Reserve's decision to raise its discount rate and concerns over debt contagion among the more indebted nations in Europe marred the uptrend. Nevertheless, loose monetary conditions ensured markets stayed buoyant overall. Steadily improving GDP numbers in emerging economies together with the subsequent pledge by the US to keep interest rates low boosted confidence. Inflationary pressures however began to build, notably in certain Asian countries as economic activity rebounded, prompting central banks to tighten monetary policy to varying degrees. Smaller companies significantly outpaced the broader emerging markets asset class during the half year.

## Portfolio review

The Fund did well relative to its benchmark because of good stock selection. In addition, those countries in which the Fund was overweight because of our stock choices also outperformed the regional index. This helped overall performance.

At the stock level, Brazilian dental insurer Odontoprev was the biggest contributor to relative return. The announcement of its merger with Bradesco's dental insurance business was well received by markets and boosted its share price early in the review period. Our holding in India's Kansai Nerolac Paints also aided the Fund as benign raw material costs lifted the company's profits in the December quarter. This was followed by our exposure to Mexican consumer company Grupo Continental which significantly outpaced the local market benchmark on the back of an improving economic outlook and expectations of a demand recovery in Mexico.

Conversely, our holding in Brazil's American Banknote was the biggest detractor to the Fund's return. The commercial banking services provider's fourth-quarter results showed weaker sales of telephone cards and continued operational challenges in its printing division. South Africa's City Lodge Hotels also hurt the Fund as weak demand weighed on the business hotel operator's performance.

In portfolio activity, we introduced Wilson Sons, a diversified Brazilian port and shipping operator, on attractive valuations. We also increased our exposure to Bank Muscat, which has a strong franchise in Oman.

## Outlook

Focus is likely to fall on policy action in the near term. Across Asia, interest rates are likely to rise, in what would be a normalisation of monetary conditions as economies recover. Separately, China is under growing pressure from the West to revalue the renminbi. Developed countries face a quandary of their own, end demand remains weak, but enormous deficits are increasing pressure for the reversal of unprecedented stimulus measures. As such, market volatility is expected to continue.

For small caps, exposure to the domestic economy and hence shelter from unpredictable external demand are attractive attributes during these volatile times. As well, we believe that our holdings in this asset class are well managed with the potential to grow into larger companies.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>US\$'000</b>
Investments in securities at market value (note 2.2)	231,579
Interest and dividends receivable	1,092
Subscriptions receivable	4,364
Receivable for investments sold	2,511
<b>Total assets</b>	<b>239,546</b>
<b>Liabilities</b>	
Bank overdrafts	467
Taxes and expenses payable	488
Redemptions payable	213
Unrealised losses on forward currency exchange contracts (note 2.6)	5
<b>Total liabilities</b>	<b>1,173</b>
<b>Net assets at the end of the period</b>	<b>238,373</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>US\$'000</b>
Net assets at the beginning of the period	143,608
Net gains from investments	1,412
Net realised gains	2,527
Net unrealised gains	32,431
Proceeds from shares issued	113,170
Payments for shares redeemed	(54,674)
Net equalisation paid (note 10)	(101)
<b>Net assets at the end of the period</b>	<b>238,373</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>US\$'000</b>
Income from investments	2,990
Other income	38
<b>Total income</b>	<b>3,028</b>
<b>Expenses</b>	
Management fees (note 4.6)	1,244
Administration fees (note 4.1)	49
Custodian fees (note 4.2)	153
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	50
Management Company fees (note 4.5)	10
Operational expenses (note 4.7)	66
Annual tax (note 4.9)	43
Bank interest	1
<b>Total expenses</b>	<b>1,616</b>
<b>Net gains from investments</b>	<b>1,412</b>
Realised gains on investments	2,876
Realised currency exchange losses	(349)
<b>Net realised gains</b>	<b>2,527</b>
Increase in unrealised appreciation on investments	32,406
Unrealised currency exchange gains	30
Increase in unrealised depreciation on forward currency exchange contracts	(5)
<b>Net unrealised gains</b>	<b>32,431</b>
<b>Net increase in assets as a result of operations</b>	<b>36,370</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>A-2</b>	<b>D-2(GBP)</b>	<b>I-2</b>	<b>Z-2</b>
Shares outstanding at the beginning of the period	3,982,041	3,088,823	956,617	5,359,365
Shares issued during the period	8,268,426	262,002	1,144,994	-
Shares redeemed during the period	(2,454,428)	(37,066)	(14,186)	(1,982,016)
<b>Shares outstanding at the end of the period</b>	<b>9,796,039</b>	<b>3,313,759</b>	<b>2,087,425</b>	<b>3,377,349</b>
<b>Net asset value per share</b>	<b>12.70</b>	<b>8.35</b>	<b>13.02</b>	<b>13.28</b>

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

# Portfolio Statement

As at 31 March 2010

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Brazil - 15.82%</b>			
American Banknote	539,000	5,045	2.12
Cremer	491,700	4,677	1.96
Localiza Rent a Car	375,100	3,945	1.65
Lojas Renner	257,097	5,875	2.46
Multiplan Empreendimentos	277,981	4,592	1.93
Odontoprev	165,000	5,721	2.40
Saraiva Livreiros (Pref)	274,000	5,403	2.27
Wilson Sons	189,000	2,455	1.03
		<b>37,713</b>	<b>15.82</b>
<b>Egypt - 2.49%</b>			
National Societe General Bank	982,849	5,929	2.49
<b>Hong Kong - 11.10%</b>			
Aeon Stores	921,000	1,578	0.66
ASM Pacific Technology <sup>A</sup>	120,000	1,136	0.48
Café de Coral	1,200,000	2,825	1.19
Dah Sing Banking	2,700,000	3,707	1.56
Giordano International	7,168,000	2,866	1.20
Hong Kong Aircraft Engineering <sup>A</sup>	180,000	2,277	0.96
Hong Kong & Shanghai Hotels	3,000,000	4,640	1.94
Pacific Basin Shipping <sup>A</sup>	5,000,000	3,989	1.67
Public Financial Holdings	6,560,000	3,434	1.44
		<b>26,452</b>	<b>11.10</b>
<b>India - 8.99%</b>			
Castrol	250,143	3,858	1.62
GlaxoSmithKline Pharmaceuticals	52,000	2,061	0.86
Godrej Consumer Products	1,003,694	5,813	2.44
Kansai Nerolac Paints	115,163	3,540	1.49
Mphasis Ltd	240,352	3,324	1.39
Piramal Healthcare	300,000	2,830	1.19
		<b>21,426</b>	<b>8.99</b>
<b>Indonesia - 3.91%</b>			
Bank OCBC NISP	23,749,000	2,088	0.88
Bank Permata	15,468,000	2,099	0.88
Holcim Indonesia	14,221,500	3,223	1.35
Petra Foods	2,110,000	1,902	0.80
		<b>9,312</b>	<b>3.91</b>
<b>Jordan - 1.09%</b>			
Hikma Pharmaceuticals	272,000	2,608	1.09
<b>Malaysia - 10.10%</b>			
Aeon Co.	3,900,000	6,020	2.53
Fraser & Neave Holdings	900,000	2,936	1.23
Guinness Anchor	1,340,000	2,855	1.20
Oriental Holdings	1,700,000	3,195	1.34
POS Malaysia	2,875,000	1,970	0.83
SP Setia	1,900,000	2,417	1.01
United Plantations	1,100,000	4,694	1.96
		<b>24,087</b>	<b>10.10</b>

# Portfolio Statement continued

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Mexico - 5.02%</b>			
Consorcio ARA	700,000	473	0.20
Grupo Aeroportuario ADR	468,391	7,045	2.95
Grupo Continental	1,475,000	4,446	1.87
		<b>11,964</b>	<b>5.02</b>
<b>Oman - 1.45%</b>			
Bank Muscat	1,585,250	3,465	1.45
<b>Philippines - 3.44%</b>			
Ayala Land	8,500,000	2,469	1.04
Jollibee Foods	4,400,000	5,720	2.40
		<b>8,189</b>	<b>3.44</b>
<b>Qatar - 1.42%</b>			
Qatar Insurance	193,000	3,386	1.42
<b>South Africa - 9.00%</b>			
African Oxygen <sup>A</sup>	1,901,000	5,583	2.34
City Lodge Hotels	368,450	3,894	1.63
Massmart	575,000	8,503	3.57
Truworths International	489,000	3,479	1.46
		<b>21,459</b>	<b>9.00</b>
<b>South Korea - 2.07%</b>			
Busan Bank	230,016	2,465	1.04
Daegu Bank	185,000	2,465	1.03
		<b>4,930</b>	<b>2.07</b>
<b>Sri Lanka - 2.18%</b>			
Commercial Bank of Ceylon	1,457,400	2,581	1.08
Keells (John)	1,625,383	2,622	1.10
		<b>5,203</b>	<b>2.18</b>
<b>Thailand - 10.80%</b>			
Aeon Thana Sinsap (Alien)	2,188,600	2,124	0.89
Bumrungrad Hospital (Alien)	2,470,000	2,387	1.00
Electricity Generating (Alien)	917,300	2,269	0.95
Hana Microelectronics (Alien)	4,500,000	3,034	1.27
Regional Container Line (Alien)	7,000,000	2,500	1.05
Siam City Cement (Alien)	500,000	3,587	1.50
Siam Makro (Alien)	2,200,000	6,540	2.75
Thai Stanley Electric (Alien)	820,000	3,303	1.39
		<b>25,744</b>	<b>10.80</b>
<b>Turkey - 8.27%</b>			
Aksigorta <sup>A</sup>	2,753,203	3,843	1.61
BIM Birlesik Magaz	69,349	3,622	1.52
Cimsa Cimento	675,000	3,780	1.59
Haci Omer Sabanci	768,425	3,256	1.37
Turk Ekonomi Bankasi <sup>A</sup>	3,086,327	5,211	2.18
		<b>19,712</b>	<b>8.27</b>
<b>Transferable securities</b>		<b>231,579</b>	<b>97.15</b>

Forward currency exchange contracts - nil

<b>Buy</b>	<b>Sell</b>	<b>Settlement</b>	<b>Buy Amount</b>	<b>Sell Amount</b>	<b>Unrealised Gains/ (Losses) US\$'000</b>	<b>Percentage of total net assets %</b>
USD	ZAR	06/04/10	1,017,239	7,515,088	(5)	-
<b>Unrealised losses on forward currency exchange contracts</b>					<b>(5)</b>	<b>-</b>
<b>Total investments</b>					<b>231,574</b>	<b>97.15</b>
<b>Other net assets</b>					<b>6,799</b>	<b>2.85</b>
<b>Total</b>					<b>238,373</b>	<b>100.00</b>

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There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> A portion of the stock is on loan at the period end.

# European Equity

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the European Equity - A Accumulation shares increased by 10.37% compared to an increase of 9.56% in the benchmark, the FTSE World Europe Index.

Source: Lipper, Total Return, Gross Income Reinvested, EUR.

## Manager's review

European equities rose during the six months under review, although they underperformed their counterparts in US and Japan, largely due to the weak Euro. Stocks had initially risen on optimism over the global recovery and policymakers' commitment to maintain stimulus measures but market enthusiasm was soon dampened by US proposals to limit bank risk-taking and Chinese moves to cool lending. The region's lackluster economic activity, coupled with worries over sovereign debt contagion which led to credit downgrades in Greece, Spain and Portugal, and the UK being warned about taming its growing deficit or risk losing its triple-A rating, compounded investor anxiety. Risk appetite, though, returned towards the end of the reporting period, boosted by positive US economic data and hopes for a European-IMF rescue plan for Greece.

## Portfolio review

The Fund outperformed the benchmark during the period, driven primarily by stock selection, particularly in the UK, Germany and the Netherlands.

Among the period's best performers were Philips Electronics, Rolls Royce Group and asset management company Schroders. Philips Electronics rose on better-than-expected earnings as it successfully implemented fixed cost reductions. UK-based Rolls Royce Group also did well, as it released robust results with a solid performance from the marine division, along with contract wins over the quarter. Another notable contributor to relative return was Schroders, which was bolstered by rising markets, strong investment performance and record net inflows.

In contrast, Spanish bank BBVA hurt relative performance, as its share price fell on broader concerns over the country's sovereign debt, although it reported resilient full-year results. Insurer Mapfre was similarly affected despite the company posting good revenue and premium growth as its international operations offset a tougher domestic trading environment. Italcementi underperformed as sustained weakness in the European construction industry has led to continued weak cement demand, however the Italian company is expecting demand to pick up in the latter part of 2010 and its results should benefit from the cost reductions it has been implementing.

In portfolio activity, we initiated positions in Denmark based Novo-Nordisk which has more promising long-term prospects, given its focus on diabetes treatment and Holcim, a high-quality building materials company. We view the Swiss cement producer as having superior long term prospects and a strong management team. Conversely, we sold pharmaceutical company AstraZeneca and Austrian airport operator Flughafen Wien, in view of better opportunities elsewhere.

## Outlook

A self-sustaining recovery remains elusive, given that exports have been the region's main growth driver and other components of aggregate demand have yet to turn a corner. Weak labour markets continue to depress consumption, while spare capacity has constrained capital spending. To reduce burgeoning budget deficits, governments must cut spending and raise taxes, which would have a contractionary effect on economies. Rising social tension could test the political will to enforce austerity measures necessary for fiscal health, particularly at a time when several economies appear to have regressed. In the UK, an impending election at the time of writing and the possibility of a hung parliament is also creating uncertainty. Hence, we are cautious even as loose monetary conditions provide short-term support for equity markets. Sentiment is likely to remain volatile until there is clearer evidence of a sustainable economic rebound.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>€'000</b>
Investments in securities at market value (note 2.2)	41,008
Cash at bank	929
Interest and dividends receivable	167
Subscriptions receivable	5
Other assets	52
<b>Total assets</b>	<b>42,161</b>
<b>Liabilities</b>	
Taxes and expenses payable	68
Redemptions payable	163
<b>Total liabilities</b>	<b>231</b>
<b>Net assets at the end of the period</b>	<b>41,930</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>€'000</b>
Net assets at the beginning of the period	39,541
Net gains from investments	53
Net realised losses	(1,094)
Net unrealised gains	5,287
Proceeds from shares issued	1,549
Payments for shares redeemed	(3,402)
Net equalisation paid (note 10)	(4)
<b>Net assets at the end of the period</b>	<b>41,930</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>€'000</b>
Income from investments	363
Bank interest	1
Other income	47
<b>Total income</b>	<b>411</b>
<b>Expenses</b>	
Management fees (note 4.6)	228
Administration fees (note 4.1)	17
Custodian fees (note 4.2)	9
Distribution fees (note 4.3)	1
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	15
Management Company fees (note 4.5)	2
Operational expenses (note 4.7)	78
Annual tax (note 4.9)	8
<b>Total expenses</b>	<b>358</b>
<b>Net gains from investments</b>	<b>53</b>
Realised losses on investments	(1,095)
Realised currency exchange gains	1
<b>Net realised losses</b>	<b>(1,094)</b>
Decrease in unrealised depreciation on investments	5,289
Unrealised currency exchange losses	(2)
<b>Net unrealised gains</b>	<b>5,287</b>
<b>Net increase in assets as a result of operations</b>	<b>4,246</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>A-2</b>	<b>B-2</b>	<b>Z-2</b>
Shares outstanding at the beginning of the period	1,051,787	8,840	1,262,808
Shares issued during the period	43,199	-	36,293
Shares redeemed during the period	(53,715)	(1,193)	(218,433)
<b>Shares outstanding at the end of the period</b>	<b>1,041,271</b>	<b>7,647</b>	<b>1,080,668</b>
<b>Net asset value per share</b>	<b>30.76</b>	<b>27.69</b>	<b>8.96</b>

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

# Portfolio Statement

As at 31 March 2010

<b>Security</b>	<b>Quantity</b>	<b>Market Value €'000</b>	<b>Percentage of total net assets %</b>
<b>Austria - 2.11%</b>			
OMV	32,000	883	2.11
<b>Denmark - 2.06%</b>			
Novo-Nordisk	15,000	862	2.06
<b>France - 13.52%</b>			
BNP Paribas	18,500	1,052	2.51
Casino	18,210	1,141	2.72
Compagnie de Saint-Gobain	12,000	427	1.02
GDF Suez	39,000	1,115	2.66
Schneider Electric	14,922	1,296	3.08
Total	14,880	640	1.53
		<b>5,671</b>	<b>13.52</b>
<b>Germany - 15.91%</b>			
Adidas <sup>C</sup>	16,000	631	1.50
BMW <sup>C</sup>	15,000	511	1.22
BMW (non voting)	14,860	384	0.92
Deutsche Post	32,000	409	0.98
Linde	14,000	1,233	2.94
MAN <sup>C</sup>	15,830	977	2.33
Metro <sup>C</sup>	14,000	613	1.46
ThyssenKrupp	34,000	861	2.05
Wincor Nixdorf	21,000	1,053	2.51
		<b>6,672</b>	<b>15.91</b>
<b>Italy - 5.90%</b>			
ENI	57,980	1,004	2.39
Intesa Sanpaolo	337,340	929	2.22
Italcementi	112,000	540	1.29
		<b>2,473</b>	<b>5.90</b>
<b>Netherlands - 3.88%</b>			
Philips Electronics	37,000	878	2.09
TNT	35,372	751	1.79
		<b>1,629</b>	<b>3.88</b>
<b>Portugal - 1.53%</b>			
Portugal Telecom	78,000	643	1.53
<b>Spain - 5.18%</b>			
BBVA	102,000	1,034	2.47
Mapfre	418,419	1,136	2.70
Valenciana de Cementos Portland	305	4	0.01
		<b>2,174</b>	<b>5.18</b>
<b>Sweden - 4.05%</b>			
Ericsson	72,000	562	1.34
Nordea <sup>C</sup>	155,000	1,135	2.71
		<b>1,697</b>	<b>4.05</b>

<b>Security</b>	<b>Quantity</b>	<b>Market Value €'000</b>	<b>Percentage of total net assets %</b>
<b>Switzerland - 12.15%</b>			
Holcim <sup>C</sup>	16,000	883	2.11
Nestle <sup>C</sup>	41,000	1,554	3.70
Roche Holdings	11,000	1,320	3.15
Zurich Financial Services <sup>C</sup>	7,040	1,336	3.19
		<b>5,093</b>	<b>12.15</b>
<b>United Kingdom - 31.51%</b>			
Aberdeen European Smaller Companies Fund <sup>AB</sup>	238,000	2,129	5.08
AMEC	95,000	851	2.03
Associated British Foods	83,000	910	2.17
Aviva	157,970	682	1.63
BHP Billiton	26,000	659	1.57
British American Tobacco	56,000	1,426	3.40
Centrica	406,000	1,338	3.19
Daily Mail & General Trust	75,000	418	1.00
GlaxoSmithKline	41,000	582	1.39
Millennium & Copthorne	112,000	609	1.45
Mothercare	70,000	471	1.12
Rolls Royce Group	156,000	1,041	2.48
Schroders (non voting)	72,000	926	2.21
Standard Chartered	58,000	1,169	2.79
		<b>13,211</b>	<b>31.51</b>
<b>Total investments</b>		<b>41,008</b>	<b>97.80</b>
<b>Other net assets</b>		<b>922</b>	<b>2.20</b>
<b>Total</b>		<b>41,930</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in ordinary or common stocks and shares except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> Unlisted transferable security.

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

<sup>C</sup> A portion of the stock is on loan at the period end.

# Euro High Yield Bond

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the Euro High Yield Bond - A Accumulation shares increased by 14.47% compared to an increase of 13.55% in the benchmark, the JP Morgan Euro High Yield Bond Index.

Source: Lipper, Total Return, Bloomberg, Gross Income Reinvested, EUR.

## Manager's review

After the dramatic events of the previous year, markets were much less volatile and the high yield market in particular made strong further progress. Companies continued to post better results and markets were oblivious to problems in Dubai real estate in November 2009 and only paused temporarily when Mediterranean countries and in particular, Greece, began to struggle with the necessary discipline to fund budget deficits.

Over the period, US and UK government bonds have been weak as markets coped with a large volume of new stock. By way of contrast, German government bonds strengthened, however, the weaker members of the EMU had to concede much higher spreads as their appetite for fiscal restraint came into question. Investment grade corporate bonds made progress and spreads narrowed following good company results and a demand for better yields. The high yield market was again the best performer as demand for risk assets led to the market readily absorbing record quantities of new issues and spreads in the important Euro market fell from 828 basis points to 584 basis points.

The Euro has come under pressure in currency markets as investors reacted to the Southern Europe problems and Sterling has gained nearly 3% despite its own fiscal problems and election uncertainty. Against a strong US dollar, Sterling has lost 5%.

## Portfolio review

The substantial new issue activity in the period (42 new issues) gave rise to some interesting opportunities and we have retained these for Heidelberg Cement, Campofrio Food Group, FCE Bank, Smurfit Kappa Funding, Magyar Telecom, Kerling and Abengoa. We have also added, more notably, to our holdings in Corral Petroleum and Lloyds Banking Group.

Besides receiving the proceeds from Johnson Diversey and Ineos Vinyls were the companies called the issues we trimmed a number of holdings to make room for the new holdings. More substantial sales were from Wind Acquisition, Beverages Packaging Holdings, Ardagh Glass Finance, Lecta and New Reclamation Group.

## Outlook

High yield markets have now recovered to spread levels last seen in early 2008. Progress now will be more company specific however, given the robustness of many company results and very low default rate forecast by the ratings agencies, there are still likely to be interesting opportunities both in the new issue and secondary markets. High yield still has relative attraction when compared to other bond alternatives.

## Statement of Net Assets

As at 31 March 2010

Assets	€'000
Investments in securities at market value (note 2.2)	208,835
Cash at bank	5,106
Interest and dividends receivable	11,314
Subscriptions receivable	2,595
Unrealised gains on forward currency exchange contracts (note 2.6)	575
<b>Total assets</b>	<b>228,425</b>
<b>Liabilities</b>	
Payable for investments purchased	550
Taxes and expenses payable	361
Redemptions payable	751
Other liabilities	1,153
<b>Total liabilities</b>	<b>2,815</b>
<b>Net assets at the end of the period</b>	<b>225,610</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	€'000
Net assets at the beginning of the period	235,365
Net gains from investments	14,376
Net realised losses	(5,043)
Net unrealised gains	18,388
Proceeds from shares issued	107,755
Payments for shares redeemed	(141,645)
Net equalisation paid (note 10)	(164)
Dividends paid (note 5)	(3,422)
<b>Net assets at the end of the period</b>	<b>225,610</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-1	A-2	A-1 <sup>A</sup> (GBP)	A-2 <sup>A</sup> (GBP)	A-2 <sup>A</sup> (USD)	B-1
Shares outstanding at the beginning of the period	5,530,327	8,748,161	500,120	73,920	1,561,355	754,270
Shares issued during the period	2,741,988	3,227,624	649,183	1,051,130	23,760	-
Shares redeemed during the period	(2,474,288)	(5,306,915)	(13,138)	(48,927)	(56,686)	(39,313)
<b>Shares outstanding at the end of the period</b>	<b>5,798,027</b>	<b>6,668,870</b>	<b>1,136,165</b>	<b>1,076,123</b>	<b>1,528,429</b>	<b>714,957</b>
<b>Net asset value per share</b>	<b>6.71</b>	<b>14.35</b>	<b>20.77</b>	<b>23.05</b>	<b>9.94</b>	<b>6.69</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	B-2	D-1 (GBP)	D-2 (GBP)	I-2	Z-2
Shares outstanding at the beginning of the period	99,617	362,708	2,761,794	345,921	1,770,493
Shares issued during the period	-	29,287	6,084	727,720	214
Shares redeemed during the period	(17,531)	(330,239)	(2,767,878)	(975,529)	(542,615)
<b>Shares outstanding at the end of the period</b>	<b>82,086</b>	<b>61,756</b>	<b>-</b>	<b>98,112</b>	<b>1,228,092</b>
<b>Net asset value per share</b>	<b>13.02</b>	<b>6.13</b>	<b>-</b>	<b>10.10</b>	<b>14.82</b>

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

<sup>A</sup> Hedged share class

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	€'000
Income from investments	15,933
Bank interest	3
Other income	89
<b>Total income</b>	<b>16,025</b>
<b>Expenses</b>	
Management fees (note 4.6)	1,277
Administration fees (note 4.1)	62
Custodian fees (note 4.2)	20
Distribution fees (note 4.3)	29
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	52
Management Company fees (note 4.5)	11
Operational expenses (note 4.7)	148
Annual tax (note 4.9)	50
<b>Total expenses</b>	<b>1,649</b>

**Net gains from investments** **14,376**

Realised losses on investments	(5,354)
Realised currency exchange gains	311
<b>Net realised losses</b>	<b>(5,043)</b>
Decrease in unrealised depreciation on investments	17,442
Decrease in unrealised depreciation on forward currency exchange contracts	946
<b>Net unrealised gains</b>	<b>18,388</b>
<b>Net increase in assets as a result of operations</b>	<b>27,721</b>

# Portfolio Statement

As at 31 March 2010

Security	Coupon (%)	Maturity	Nominal	Market Value €'000	Percentage of total net assets %
<b>Argentina - 0.23%</b>					
Argentina	-	15/12/35	1,541,231	92	0.04
Argentina	7.8200	31/12/33	650,459	420	0.19
				<b>512</b>	<b>0.23</b>
<b>Australia - 2.50%</b>					
FMG Finance	9.7500	01/09/13	5,216,000	<b>5,640</b>	<b>2.50</b>
<b>Czech Republic - 2.41%</b>					
Sazka STEP	9.0000	12/07/21	7,617,209	<b>5,446</b>	<b>2.41</b>
<b>Denmark - 2.78%</b>					
ISS Holding <sup>B</sup>	8.8750	15/05/16	1,000,000	1,040	0.46
ISS Financing	11.0000	15/06/14	2,500,000	2,803	1.25
Signum PIK FRN EMTN	5.0100	18/06/15	4,500,000	2,419	1.07
				<b>6,262</b>	<b>2.78</b>
<b>France - 5.20%</b>					
Calcipar FRN	-	01/07/14	1,950,000	1,541	0.68
Europcar <sup>B</sup>	8.1250	15/05/14	4,100,000	4,039	1.79
Europcar FRN	-	15/05/13	4,750,000	4,339	1.92
Hollandwide Parent EMTN	-	01/08/14	7,900,000	79	0.03
Korreden EMTN	11.0000	01/08/14	3,500,000	1,750	0.78
				<b>11,748</b>	<b>5.20</b>
<b>Germany - 6.64%</b>					
Cognis <sup>B</sup>	9.5000	15/05/14	1,500,000	1,556	0.69
Heidelberg Cement	8.0000	31/01/17	1,750,000	1,826	0.81
Heidelberg Cement	8.5000	31/10/19	2,100,000	2,193	0.97
Signum PIK EMTN <sup>AB</sup>	-	15/01/15	5,125,000	6,554	2.90
UPC Germany	9.6250	01/12/19	1,000,000	1,057	0.47
VAC	9.2500	15/04/16	3,400,000	1,802	0.80
				<b>14,988</b>	<b>6.64</b>
<b>Greece - 1.70%</b>					
Hellas II FRN	-	15/01/15	12,000,000	660	0.29
Hellas Telecom <sup>B</sup>	8.5000	15/10/13	2,700,000	868	0.39
Hellas Telecom FRN <sup>B</sup>	-	15/10/12	3,200,000	2,295	1.02
				<b>3,823</b>	<b>1.70</b>
<b>Hungary - 0.42%</b>					
Magyar Telecom	9.5000	15/12/16	500,000	516	0.23
Magyar Telecom FRN	-	01/02/13	450,000	422	0.19
				<b>938</b>	<b>0.42</b>

<b>Security</b>	<b>Coupon (%)</b>	<b>Maturity</b>	<b>Nominal</b>	<b>Market Value €'000</b>	<b>Percentage of total net assets %</b>
<b>Ireland - 9.52%</b>					
Allied Irish Banks	12.5000	25/06/19	1,700,000	1,996	0.89
Anglo Irish Bank FRN EMTN	-	25/06/14	792,000	380	0.17
Ardagh Glass Finance	8.7500	01/02/20	750,000	798	0.35
Ardagh Glass Finance EMTN <sup>B</sup>	9.2500	01/07/16	1,500,000	1,703	0.75
Ardagh Glass Group <sup>B</sup>	10.7500	01/03/15	8,075,280	7,954	3.53
ERC Ireland Finance FRN <sup>B</sup>	-	15/08/16	3,150,000	2,300	1.02
ERC Ireland PIK FRN Pref <sup>B</sup>	-	15/02/17	10,737,935	4,778	2.12
SM Investment Corp	7.2500	15/11/17	500,000	517	0.23
Smurfit Kappa Funding	7.7500	15/11/19	1,000,000	1,043	0.46
				<b>21,469</b>	<b>9.52</b>
<b>Luxembourg - 0.40%</b>					
Diversified European Credit EMTN	3.1000	24/07/13	1,500,000	<b>893</b>	<b>0.40</b>
<b>Malta - 0.05%</b>					
Global Capital	5.6000	02/06/16	150,000	<b>124</b>	<b>0.05</b>
<b>Netherlands - 3.40%</b>					
Carlson Wagonlit FRN	-	01/05/15	3,500,000	3,220	1.43
Impress Holdings <sup>B</sup>	9.2500	15/09/14	500,000	531	0.23
Stitching Participatie (Impress) PERP <sup>B</sup>	17.0000	29/09/49	868,000	968	0.43
UPC holdings <sup>B</sup>	8.0000	01/11/16	1,000,000	1,000	0.44
UPC Holding <sup>B</sup>	9.7500	15/04/18	1,850,000	1,960	0.87
				<b>7,679</b>	<b>3.40</b>
<b>South Africa - 13.47%</b>					
Consol Glass EMTN	7.6250	15/04/14	4,000,000	4,030	1.79
Edcon Proprietary FRN <sup>B</sup>	-	15/06/15	8,000,000	5,335	2.36
Edcon Proprietary FRN	-	15/06/14	7,000,000	5,381	2.38
Foodcorp <sup>B</sup>	8.8750	15/06/12	5,750,000	5,894	2.61
New Reclamation Group <sup>B</sup>	8.1250	01/02/13	3,328,610	1,997	0.89
Peermont Global <sup>B</sup>	7.7500	30/04/14	4,000,000	3,850	1.71
Savcio Holdings	8.0000	15/02/13	3,850,000	3,908	1.73
				<b>30,395</b>	<b>13.47</b>
<b>Spain - 13.79%</b>					
Abengoa EMTN	8.5000	31/03/16	1,750,000	1,772	0.79
Campofrio Food Group	8.2500	31/10/16	3,500,000	3,614	1.60
Cirsa Capital	7.8750	15/07/12	4,100,000	4,233	1.88
Cirsa Finance	8.7500	15/05/14	4,400,000	4,494	1.99
Codere (Boats) PIK FRN EMTN	-	15/12/15	8,300,000	4,743	2.10
Codere Finance	8.2500	15/06/15	4,500,000	4,455	1.98
Lecta Regs FRN EMTN <sup>B</sup>	-	15/02/14	4,350,000	3,551	1.57
Lecta FRN EMTN <sup>B</sup>	-	15/02/14	5,500,000	4,235	1.88
				<b>31,097</b>	<b>13.79</b>
<b>Sweden- 5.24%</b>					
Corral Petroleum PIK FRN	-	15/04/10	14,405,426	<b>11,812</b>	<b>5.24</b>

# Portfolio Statement continued

Security	Coupon (%)	Maturity	Nominal	Market Value €'000	Percentage of total net assets %	
<b>Switzerland - 3.27%</b>						
Beverage Packaging Holdings	8.0000	15/12/16	2,000,000	2,055	0.91	
Beverage Packaging Holdings	9.5000	15/06/17	5,000,000	5,325	2.36	
				<b>7,380</b>	<b>3.27</b>	
<b>United Kingdom - 18.28%</b>						
Cammell Laird	12.0000	15/10/10	240,000	-	-	
Ceva Group <sup>B</sup>	12.0000	01/09/14	5,000,000	5,075	2.25	
Ceva Group <sup>B</sup>	8.5000	01/12/14	4,916,000	4,621	2.05	
EB Holdings (Boats) PIK EMTN <sup>A</sup>	11.0000	31/03/17	15,500,000	11,491	5.10	
ECO-Bat Finance EMTN	10.1250	31/01/13	350,000	361	0.16	
FCE Bank EMTN	7.1250	16/01/12	1,000,000	1,024	0.45	
FCE Bank EMTN	7.1250	15/01/13	2,200,000	2,252	1.00	
FCE Bank EMTN	9.3750	17/01/14	1,000,000	1,090	0.48	
Ineos Group Holdings <sup>B</sup>	7.8750	15/02/16	7,000,000	5,425	2.40	
Kerling <sup>B</sup>	10.6250	28/01/17	2,300,000	2,429	1.08	
LBG Capital	15.0000	21/12/19	4,000,000	5,010	2.22	
Lloyds Banking Group	7.8750	-	500,000	335	0.15	
Rexam VAR	6.7500	29/06/67	2,250,000	2,119	0.94	
				<b>41,232</b>	<b>18.28</b>	
<b>United States - 3.28%</b>						
Avery Weightronics <sup>A</sup>	-	-	42,700	63	0.03	
Avery Weightronics Wts <sup>A</sup>	-	-	12,484	-	-	
Dura Operating	9.0000	01/05/10	2,250,000	11	-	
GMAC Perp Pref Regs <sup>B</sup>	7.0000	-	192	108	0.05	
LBI Escrow Corp	8.0000	01/11/17	550,000	572	0.25	
Sensata	9.0000	01/05/16	2,300,000	2,323	1.03	
Travelport FRN	-	01/09/14	4,500,000	4,320	1.92	
				<b>7,397</b>	<b>3.28</b>	
<b>Transferable securities</b>				<b>208,835</b>	<b>92.58</b>	
<b>Forward currency exchange contracts - 0.24%</b>						
Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/ (Losses) €'000	Percentage of total net assets %
EUR	GBP	06/04/10	177,849	160,000	(2)	-
EUR	GBP	08/04/10	154,414	137,601	-	-
EUR	USD	07/04/10	87,940	118,517	-	-
EUR	USD	09/04/10	65,000	87,036	1	-
EUR	USD	16/04/10	41,000	56,005	-	-
EUR	USD	16/04/10	98,000	134,945	(2)	-
USD	EUR	09/04/10	1,226,000	898,998	7	-
USD	EUR	09/04/10	1,226,000	898,864	7	-
USD	EUR	09/04/10	1,225,000	898,075	7	-
USD	EUR	09/04/10	256,170	192,000	(3)	-
USD	EUR	16/04/10	1,179,000	868,783	2	-
USD	EUR	16/04/10	196,774	145,000	-	-
USD	EUR	16/04/10	1,179,000	868,719	2	-
USD	EUR	16/04/10	1,180,000	869,392	3	-
USD	EUR	16/04/10	94,944	69,000	1	-
USD	EUR	16/04/10	56,000	40,712	1	-



# European Equity (Ex UK)

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the European Equity (Ex UK) - A Accumulation shares increased by 8.47% compared to an increase of 7.15% in the benchmark, the FTSE World Europe ex UK Index.

Source: Lipper, Total Return, Gross Income Reinvested, EUR.

## Manager's review

Continental European equities rose during the six months under review, although they underperformed their counterparts in the UK and US, largely due to the weak Euro. Stocks had initially risen on optimism over the global recovery and policymakers' commitment to maintain stimulus measures but market enthusiasm was soon dampened by US proposals to limit bank risk-taking and Chinese moves to cool lending. The region's lackluster economic activity, coupled with worries over sovereign debt contagion which led to credit downgrades in Greece, Spain and Portugal, compounded investor anxiety. Risk appetite, though, returned towards the end of the reporting period, boosted by positive US economic data and hopes for a European-IMF rescue plan for Greece.

## Portfolio review

The Fund outperformed the benchmark during the period, driven primarily by stock selection, particularly our holdings in Germany, France and the Netherlands.

Among the period's best performers were MTU Aero Engines and Philips Electronics. MTU Aero Engines performed well, on signs of a recovery in global air traffic, the aircraft engine manufacturer also benefited from robust earnings, helped by improved profitability in its commercial maintenance division. Philips Electronics rose on better-than-expected earnings as it successfully implemented fixed cost reductions. Our exposure to the Aberdeen European Smaller Companies Fund also benefited relative performance as several of the Fund's holdings, such as Wincor Nixdorf, outperformed the index.

In contrast, Spanish insurer Mapfre hurt relative performance as its share price fell on broader concerns over the country's sovereign debt despite the company posting good revenue and premium growth as its international operations offset a tougher domestic trading environment. Spanish bank BBVA was similarly affected, although it reported resilient full-year results. Italcementi underperformed as sustained weakness in the European construction industry has led to continued weak cement demand, however the Italian company is expecting demand to pick up in the latter part of 2010 and its results should benefit from the cost reductions it has been implementing.

In portfolio activity, we introduced Swiss lift-maker Schindler, a global leader in an industry with few participants. The company has good long-term prospects, supported by a robust balance sheet. We also initiated a position in Vienna Insurance Group, a domestic market leader with solid exposure to Eastern European growth markets. Conversely, we sold Flughafen Wien in view of better opportunities elsewhere; AstraZeneca and Belgacom, owing to their challenging revenue outlooks and Skand Enskilda Banken, given loan book risks.

## Outlook

A self-sustaining recovery remains elusive, given that exports have been the region's main growth driver and other components of aggregate demand have yet to turn a corner. Weak labour markets continue to depress consumption, while spare capacity has constrained capital spending. To reduce burgeoning budget deficits, governments must cut spending and raise taxes, which would have a contractionary effect on economies. Rising social tension could test the political will to enforce austerity measures necessary for fiscal health, particularly at a time when several economies appear to have regressed. Hence, we are cautious even as loose monetary conditions provide short-term support for equity markets. Sentiment is likely to remain volatile until there is clearer evidence of a sustainable economic rebound.

## Statement of Net Assets

As at 31 March 2010

Assets	€'000
Investments in securities at market value (note 2.2)	51,056
Cash at bank	1,595
Interest and dividends receivable	81
Other assets	119
<b>Total assets</b>	<b>52,851</b>

## Liabilities

Payable for investments purchased	97
Taxes and expenses payable	114
Redemptions payable	50
<b>Total liabilities</b>	<b>261</b>

**Net assets at the end of the period** **52,590**

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	€'000
Net assets at the beginning of the period	54,507
Net losses from investments	(144)
Net realised losses	(3,799)
Net unrealised gains	8,352
Proceeds from shares issued	756
Payments for shares redeemed	(7,082)
<b>Net assets at the end of the period</b>	<b>52,590</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	€'000
Income from investments	339
Bank interest	8
Other income	79
<b>Total income</b>	<b>426</b>

## Expenses

Management fees (note 4.6)	402
Administration fees (note 4.1)	17
Custodian fees (note 4.2)	11
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	17
Management Company fees (note 4.5)	3
Operational expenses (note 4.7)	107
Annual tax (note 4.9)	13
<b>Total expenses</b>	<b>570</b>

**Net losses from investments** **(144)**

Realised losses on investments	(3,788)
Realised currency exchange losses	(11)
<b>Net realised losses</b>	<b>(3,799)</b>

Decrease in unrealised depreciation on investments	8,357
Unrealised currency exchange losses	(5)
<b>Net unrealised gains</b>	<b>8,352</b>

**Net increase in assets as a result of operations** **4,409**

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-2	D-2(GBP)
Shares outstanding at the beginning of the period	13,363	7,478,939
Shares issued during the period	5,707	94,922
Shares redeemed during the period	(6,681)	(921,920)
<b>Shares outstanding at the end of the period</b>	<b>12,389</b>	<b>6,651,941</b>
<b>Net asset value per share</b>	<b>7.90</b>	<b>7.04</b>

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

# Portfolio Statement

As at 31 March 2010

<b>Security</b>	<b>Quantity</b>	<b>Market Value €'000</b>	<b>Percentage of total net assets %</b>
<b>Austria - 3.81%</b>			
OMV	43,000	1,186	2.25
Vienna Insurance Group <sup>c</sup>	21,000	819	1.56
		<b>2,005</b>	<b>3.81</b>
<b>Denmark - 2.07%</b>			
Novo-Nordisk	19,000	1,091	2.07
<b>European Composite - 5.07%</b>			
Aberdeen European Smaller Companies Fund <sup>AB</sup>	298,000	2,666	5.07
<b>France - 20.40%</b>			
Air Liquide	12,000	1,066	2.03
BNP Paribas	32,000	1,819	3.46
Casino <sup>c</sup>	26,000	1,629	3.10
Compagnie de Saint-Gobain <sup>c</sup>	29,000	1,032	1.96
GDF Suez	52,000	1,487	2.83
L'Oreal	10,000	778	1.48
Schneider Electric	19,000	1,650	3.13
Total	29,500	1,268	2.41
		<b>10,729</b>	<b>20.40</b>
<b>Germany - 23.73%</b>			
Adidas	26,000	1,025	1.95
BMW	31,000	1,057	2.01
BMW (non voting)	3,700	96	0.18
Deutsche Lufthansa	64,000	783	1.49
Deutsche Post	50,000	639	1.22
E.ON	40,000	1,090	2.07
Linde	18,000	1,585	3.02
MAN <sup>c</sup>	21,500	1,327	2.52
Metro	24,000	1,052	2.00
MTU Aero Engines	31,500	1,357	2.58
ThyssenKrupp	42,000	1,064	2.02
Wincor Nixdorf	28,000	1,404	2.67
		<b>12,479</b>	<b>23.73</b>
<b>Italy - 8.19%</b>			
ENI	88,000	1,524	2.90
Hera <sup>c</sup>	420,000	730	1.39
Intesa Sanpaolo	507,000	1,397	2.65
Italcementi	136,000	656	1.25
		<b>4,307</b>	<b>8.19</b>
<b>Netherlands - 6.14%</b>			
Philips Electronics <sup>c</sup>	43,000	1,021	1.94
TNT	49,000	1,040	1.98
Unilever	52,000	1,165	2.22
		<b>3,226</b>	<b>6.14</b>
<b>Portugal - 1.47%</b>			
Portugal Telecom	94,000	775	1.47

<b>Security</b>	<b>Quantity</b>	<b>Market Value €'000</b>	<b>Percentage of total net assets %</b>			
<b>Spain - 5.57%</b>						
BBVA	155,000	1,571	2.99			
Mapfre	500,888	1,360	2.58			
		<b>2,931</b>	<b>5.57</b>			
<b>Sweden - 4.99%</b>						
Ericsson <sup>C</sup>	110,000	859	1.64			
Nordea <sup>C</sup>	241,000	1,764	3.35			
		<b>2,623</b>	<b>4.99</b>			
<b>Switzerland - 15.64%</b>						
Holcim <sup>C</sup>	28,500	1,572	2.99			
Nestle	51,000	1,933	3.68			
Novartis	25,000	999	1.90			
Roche Holdings <sup>C</sup>	14,000	1,680	3.19			
Schindler	6,641	427	0.81			
Zurich Financial Services <sup>C</sup>	8,500	1,613	3.07			
		<b>8,224</b>	<b>15.64</b>			
<b>United States - nil</b>						
Verigen <sup>A</sup>	8,334	-	-			
<b>Transferable securities</b>		<b>51,056</b>	<b>97.08</b>			
<b>Forward currency exchange contracts - nil</b>						
<b>Buy</b>	<b>Sell</b>	<b>Settlement</b>	<b>Buy Amount</b>	<b>Sell Amount</b>	<b>Unrealised Gains/ (Losses) €'000</b>	<b>Percentage of total net assets %</b>
CHF	EUR	06/04/10	39,282	27,499	-	-
GBP	EUR	01/04/10	15,821	17,564	-	-
GBP	EUR	06/04/10	24,825	27,920	-	-
<b>Unrealised gains on forward currency exchange contracts</b>					<b>-</b>	<b>-</b>
<b>Total investments</b>					<b>51,056</b>	<b>97.08</b>
<b>Other net assets</b>					<b>1,534</b>	<b>2.92</b>
<b>Total</b>					<b>52,590</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in ordinary or common stocks and shares except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> Unlisted transferable security.

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

<sup>C</sup> A portion of the stock is on loan at the period end.

# High Yield Bond

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the High Yield Bond – D Income shares increased by 10.92% compared to an increase of 15.58% in the benchmark, a composite index made up of 30% Merrill Lynch Sterling High Yield Index and 70% of the Merrill Lynch Euro High Yield Constrained Index.

Source: Lipper, Factset, AAM, Total Return, Gross Income Reinvested, GBP.

## Manager's review

After the dramatic events of the previous year, markets were much less volatile and the high yield market in particular made strong further progress. Companies continued to post better results and markets were oblivious to problems in Dubai real estate in November 2009 and only paused temporarily when Mediterranean countries and in particular, Greece, began to struggle with the necessary discipline to fund budget deficits.

Over the period, US and UK government bonds have been weak as markets coped with a large volume of new stock. By way of contrast, German government bonds strengthened, however, the weaker members of the EMU had to concede much higher spreads as their appetite for fiscal restraint came into question. Investment grade corporate bonds made progress and spreads narrowed following good company results and a demand for better yields. The high yield market was again the best performer as demand for risk assets led to the market readily absorbing record quantities of new issues and spreads in the important Euro market fell from 828 basis points to 584 basis points.

The Euro has come under pressure in currency markets as investors reacted to the Southern Europe problems and Sterling has gained nearly 3% despite its own fiscal problems and election uncertainty. Against a strong US dollar, Sterling has lost 5%.

## Portfolio review

The substantial new issue activity in the period (49 issues) gave rise to some interesting opportunities and we have retained those for Heidelberg Cement, Campofrio Food Group, FCE Bank, Magyar Telecom, Infinis, Kerling and Abengoa. We also added more notably to holdings in Ardagh Glass Group (subordinated issue), Corral Petroleum, Consol Glass, Lloyds TSB Bank and Provident Financial.

Besides the proceeds from the called issue of Ineos Vinyls, we trimmed a number of holdings to make room for new issues. More substantial sales were from Cognis, Ardagh Glass Group, Beverage Packaging Holdings, Wind Acquisition, Ceva Group, Cirsa, ISS Financing, Carmeuse, GMAC and New Reclamation Group.

## Outlook

High yield markets have now recovered to spread levels last seen in early 2008. Progress now will be more company specific however, given the robustness of many company results and very low default rate forecast by the ratings agencies, there are still likely to be interesting opportunities both in the new issue and secondary markets. High yield still has relative attraction when compared to other bond alternatives.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>£'000</b>
Investments in securities at market value (note 2.2)	30,048
Cash at bank	116
Interest and dividends receivable	1,835
Subscriptions receivable	152
Receivable for investments sold	298
<b>Total assets</b>	<b>32,449</b>
<b>Liabilities</b>	
Payable for investments purchased	89
Taxes and expenses payable	61
Redemptions payable	228
Other liabilities	1,033
<b>Total liabilities</b>	<b>1,411</b>
<b>Net assets at the end of the period</b>	<b>31,038</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>£'000</b>
Net assets at the beginning of the period	29,849
Net gains from investments	2,255
Net realised gains	885
Net unrealised gains	829
Proceeds from shares issued	25,934
Payments for shares redeemed	(26,805)
Net equalisation paid (note 10)	(133)
Dividends paid (note 5)	(1,776)
<b>Net assets at the end of the period</b>	<b>31,038</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>£'000</b>
Income from investments	2,527
Other income	37
<b>Total income</b>	<b>2,564</b>
<b>Expenses</b>	
Management fees (note 4.6)	243
Administration fees (note 4.1)	15
Custodian fees (note 4.2)	4
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	13
Management Company fees (note 4.5)	2
Operational expenses (note 4.7)	20
Annual tax (note 4.9)	8
Bank interest	4
<b>Total expenses</b>	<b>309</b>

## Net gains from investments

Realised gains on investments	903
Realised currency exchange losses	(18)
<b>Net realised gains</b>	<b>885</b>
Decrease in unrealised depreciation on investments	829
<b>Net unrealised gains</b>	<b>829</b>
<b>Net increase in assets as a result of operations</b>	<b>3,969</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>D-1</b>
Shares outstanding at the beginning of the period	29,807,523
Shares issued during the period	24,301,266
Shares redeemed during the period	(25,859,499)
<b>Shares outstanding at the end of the period</b>	<b>28,249,290</b>
<b>Net asset value per share</b>	<b>1.0987</b>

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

# Portfolio Statement

As at 31 March 2010

Security	Coupon (%)	Maturity	Nominal	Market Value £'000	Percentage of total net assets %
<b>Argentina - 1.67%</b>					
Argentina	-	15/12/35	3,297,507	176	0.57
Inversora De Electrica	-	-	109,463	13	0.04
Inversora De Electrica	6.5000	26/12/17	1,104,411	330	1.06
Provincia De Misiones <sup>A</sup>	-	01/08/06	125,000	-	-
Provincia De Misiones	6.0000	01/08/06	125,000	-	-
				<b>519</b>	<b>1.67</b>
<b>Australia - 1.71%</b>					
FMG Finance	9.7500	01/09/13	550,000	<b>530</b>	<b>1.71</b>
<b>Czech Republic - 2.36%</b>					
Sazka STEP	9.0000	12/07/21	1,149,767	<b>733</b>	<b>2.36</b>
<b>Denmark - 1.13%</b>					
ISS Financing	11.0000	15/06/14	350,000	<b>350</b>	<b>1.13</b>
<b>France - 4.38%</b>					
Calcipar FRN	-	01/07/14	300,000	211	0.68
Europcar <sup>B</sup>	8.1250	15/05/14	600,000	527	1.70
Europcar FRN	-	15/05/13	550,000	448	1.44
Hollandwide Parent EMTN	-	01/08/14	682,000	6	0.02
Korreden EMTN	11.0000	01/08/14	373,333	166	0.54
				<b>1,358</b>	<b>4.38</b>
<b>Germany - 5.64%</b>					
Cognis	9.5000	15/05/14	350,000	324	1.04
Heidelberg Cement	8.5000	31/10/19	150,000	140	0.45
Signum PIK EMTN <sup>A</sup>	-	15/01/15	750,000	629	2.02
UPC Germany	9.6250	01/12/19	550,000	519	1.67
VAC	9.2500	15/04/16	301,000	142	0.46
				<b>1,754</b>	<b>5.64</b>
<b>Greece - 0.25%</b>					
Hellas II FRN	-	15/01/15	1,600,000	<b>78</b>	<b>0.25</b>
<b>Hungary - 0.74%</b>					
Magyar Telecom	9.5000	15/12/16	250,000	<b>230</b>	<b>0.74</b>
<b>Ireland - 6.94%</b>					
Allied Irish Banks	12.5000	25/06/19	250,000	262	0.84
Anglo Irish Bank	5.2500	05/10/49	300,000	91	0.30
Ardagh Glass Group <sup>B</sup>	10.7500	01/03/15	1,240,130	1,090	3.50
ERC Ireland Finance FRN	-	15/08/16	250,000	163	0.53
ERC Ireland PIK FRN Pref	-	15/02/17	1,380,791	548	1.77
				<b>2,154</b>	<b>6.94</b>
<b>Italy - nil</b>					
Parmalat Capital Finance <sup>A</sup>	9.3750	02/12/17	1,350,000	-	-

<b>Security</b>	<b>Coupon (%)</b>	<b>Maturity</b>	<b>Nominal</b>	<b>Market Value £'000</b>	<b>Percentage of total net assets %</b>
<b>Netherlands - 2.34%</b>					
Carlson Wagonlit FRN	-	01/05/15	350,000	287	0.92
Stitching Participatie (Impress) PERP <sup>B</sup>	17.0000	29/09/49	108,500	108	0.35
UPC Holding	9.7500	15/04/18	350,000	331	1.07
				<b>726</b>	<b>2.34</b>
<b>South Africa - 12.03%</b>					
Consol Glass EMTN	7.6250	15/04/14	400,000	359	1.16
Edcon Proprietary FRN	-	15/06/14	1,100,000	754	2.43
Edcon Proprietary FRN <sup>B</sup>	-	15/06/15	1,000,000	595	1.92
Foodcorp	8.8750	15/06/12	550,000	503	1.62
New Reclamation Group	8.1250	01/02/13	535,638	287	0.92
Peermont Global	7.7500	30/04/14	700,000	601	1.94
Savcio Holdings	8.0000	15/02/13	700,000	634	2.04
				<b>3,733</b>	<b>12.03</b>
<b>Spain - 12.11%</b>					
Abengoa EMTN	8.5000	31/03/16	250,000	226	0.73
Cirsa Capital	7.8750	15/07/12	500,000	461	1.50
Cirsa Finance	8.7500	15/05/14	750,000	683	2.19
Codere (Boats) PIK FRN EMTN	-	15/12/15	1,200,000	585	1.88
Codere Finance	8.2500	15/06/15	650,000	574	1.85
Campofrio Food Group	8.2500	31/10/16	500,000	461	1.49
Lecta Regs FRN EMTN <sup>B</sup>	-	15/02/14	300,000	218	0.70
Lecta FRN EMTN <sup>B</sup>	-	15/02/14	800,000	550	1.77
				<b>3,758</b>	<b>12.11</b>
<b>Sweden - 5.63%</b>					
Corral Petroleum PIK FRN	-	15/04/10	2,389,535	<b>1,748</b>	<b>5.63</b>
<b>Switzerland - 2.30%</b>					
Beverage Packaging Holdings	9.5000	15/06/17	750,000	<b>713</b>	<b>2.30</b>
<b>United Kingdom - 30.24%</b>					
British Airways	7.2500	23/08/16	350,000	344	1.11
Cammell Laird	12.0000	15/10/10	840,000	-	-
Ceva Group	12.0000	01/09/14	763,000	691	2.22
Corporate Services	10.0000	29/04/11	327,330	205	0.66
EB Holdings (Boats) PIK EMTN <sup>A</sup>	11.0000	31/03/17	2,750,000	1,731	5.57
Energis / Chelys <sup>A</sup>	9.1250	15/03/10	6,250,000	-	-
Energis / Chelys <sup>A</sup>	9.5000	15/06/06	1,975,000	-	-
FCE Bank EMTN	7.8750	15/02/11	150,000	154	0.50
FCE Bank EMTN	9.3750	17/01/14	250,000	243	0.78
Greycoat <sup>A</sup>	9.5000	30/09/03	1,500,000	-	-
Heating Finance	7.8750	31/03/14	495,000	485	1.56
Ineos Group Holdings	7.8750	15/02/16	1,000,000	691	2.24
Infinis	9.1250	15/12/14	500,000	519	1.67
Impellam Group Plc	-	-	27,589	19	0.06
Kerling	10.6250	28/01/17	375,000	353	1.14
LBG Capital	11.0400	19/03/20	500,000	535	1.72
LBG Capital	15.0000	21/12/19	600,000	670	2.16
LBG Capital	10.5000	29/09/23	250,000	248	0.80
LBG Capital	15.0000	21/12/19	250,000	313	1.01

# Portfolio Statement continued

<b>Security</b>	<b>Coupon (%)</b>	<b>Maturity</b>	<b>Nominal</b>	<b>Market Value £'000</b>	<b>Percentage of total net assets %</b>
Lloyds TSB Bank EMTN	13.0000	29/01/49	300,000	344	1.11
Matalan Finance	9.6250	31/03/17	100,000	104	0.34
Mutual Securitisation	7.3916	30/09/12	299,622	283	0.91
Northern Rock EMTN	5.6250	13/01/15	100,000	72	0.23
Peel Holdings	9.8750	30/04/11	26,000	27	0.09
Pipe Holdings	9.7500	01/11/13	250,000	228	0.73
Provident Financial	8.0000	23/10/19	400,000	419	1.35
REA Finance	9.5000	31/12/17	350,000	347	1.12
Real Estate Opportunities	7.5000	31/05/11	500,000	108	0.35
Rexam VAR	6.7500	29/06/67	300,000	252	0.81
Scotia Holdings CNV <sup>A</sup>	8.5000	26/03/02	995,000	-	-
				<b>9,385</b>	<b>30.24</b>
<b>United States - 7.34%</b>					
AES	8.3750	01/03/11	50,000	51	0.16
Avery Weightronics <sup>A</sup>	-	-	120,750	159	0.51
Avery Weightronics Wts <sup>A</sup>	-	-	31,212	-	-
Castle Holdco A	-	-	89,752	303	0.98
Castle Holdco B	-	-	89,752	1	-
Castle Holdco 4	10.0000	05/08/18	331,000	338	1.09
Dura Operating	9.0000	01/05/10	1,000,000	4	0.01
GMAC Perp Pref Regs	7.0000	-	122	61	0.20
Iron Mountain	7.2500	15/04/14	150,000	154	0.50
LBI Escrow Corp	8.0000	01/11/17	100,000	93	0.30
Sensata	9.0000	01/05/16	250,000	225	0.72
Travelport FRN	-	01/09/14	600,000	514	1.66
Viatel	-	-	6	-	-
Warner Music	8.1250	15/04/14	400,000	376	1.21
				<b>2,279</b>	<b>7.34</b>
<b>Total investments</b>				<b>30,048</b>	<b>96.81</b>
<b>Other net assets</b>				<b>990</b>	<b>3.19</b>
<b>Total</b>				<b>31,038</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in fixed interest securities and equity securities except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> Unlisted transferable security.

<sup>B</sup> A portion of the stock is on loan at the period end.

# Indian Equity

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the India Equity - A Accumulation shares increased by 15.09% compared to an increase of 12.93% in the benchmark, the MSCI India Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

Local equities maintained their uptrend during the review period, outpacing the broader emerging market index. Earlier, fears over monetary tightening and withdrawal of stimulus measures briefly weighed on share prices but they rebounded swiftly, lifted by sustained liquidity and upbeat economic data. The Government's pro-growth budget, which sought to focus spending on priority areas such as infrastructure and the rural sector, while redoubling efforts to reducing the deficit, further boosted sentiment. Towards the end of the reporting period, the rupee rose to a 19-month high against the US dollar, backed by the continuous flow of foreign funds into the domestic stock markets. At the same time, the persistent rise in inflation prompted the Reserve Bank of India to hike, in addition to earlier reserve requirement rate increases both its short-term lending and borrowing rates by 0.25 percentage points in March (and again at the time of writing, by a similar amount.)

## Portfolio review

The Fund did well relative to its benchmark because of good stock selection. In addition, those sectors in which the Fund was overweight because of our stock choices also outperformed the regional index. This helped overall performance.

At the stock level, the lack of exposure to Reliance Industries and Reliance Communications proved beneficial, as they underperformed the broader market. Another key contributor was the Fund's holding of Asian Paints which continued to report healthy quarterly results, owing to steady demand conditions for paints and lower costs of raw materials. Gujarat Gas also did well, helped by an increase in quarterly sales and earnings.

On the other hand, Bharti Airtel disappointed. The mobile phone operator initially suffered from intense domestic competition and concerns over its acquisition of Kuwait's Zain telecom's African assets but its share price rebounded after it registered for the forthcoming auction of 3G spectrum which will create new revenue streams for telcos. Not holding Sesa Goa also proved costly, as the iron ore exporter rallied on the back of firmer commodity prices and strong full-year profits. Mphasis Ltd also detracted from relative performance. Its share price was dragged down by concerns that the rupee's strength would hurt the operating margins of IT companies which derive a major portion of revenue from abroad.

Apart from several top-ups to our existing holdings on relative price weakness, there was minimal portfolio activity during the review period.

## Outlook

Looking ahead, economic growth is expected to benefit from increased manufacturing activity and private consumption. GDP growth is projected to rise by more than 8% for the fiscal year ending March 2011 but intensifying inflationary pressures may cloud immediate prospects. That the RBI raised rates twice in a row underscores the urgency in keeping a lid on politically-sensitive inflation. Other headwinds such as a withdrawal of financial subsidies, an appreciating rupee and the prospect of higher interest rates could also dim the outlook. The tricky task ahead is for the central bank to continue managing inflation and removing subsidies without dampening growth or market enthusiasm.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>US\$'000</b>
Investments in securities at market value (note 2.2)	3,465,552
Cash at bank	78,759
Interest and dividends receivable	3,974
Subscriptions receivable	29,942
Receivable for investments sold	738
<b>Total assets</b>	<b>3,578,965</b>

## Liabilities

Payable for investments purchased	7,152
Taxes and expenses payable	5,181
Redemptions payable	6,831
<b>Total liabilities</b>	<b>19,164</b>

**Net assets at the end of the period**

**3,559,801**

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>US\$'000</b>
Net assets at the beginning of the period	2,774,070
Net losses from investments	(5,089)
Net realised gains	41,942
Net unrealised gains	452,538
Proceeds from shares issued	505,424
Payments for shares redeemed	(209,085)
Net equalisation received (note 10)	1
<b>Net assets at the end of the period</b>	<b>3,559,801</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>US\$'000</b>
Income from investments	11,855
<b>Total income</b>	<b>11,855</b>

## Expenses

Management fees (note 4.6)	10,880
Administration fees (note 4.1)	214
Custodian fees (note 4.2)	3,373
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	649
Management Company fees (note 4.5)	155
Operational expenses (note 4.7)	862
Mauritius income tax (note 11)	334
Annual tax (note 4.9)	434
Bank interest	43
<b>Total expenses</b>	<b>16,944</b>

**Net losses from investments**

**(5,089)**

Realised gains on investments	45,485
Realised currency exchange losses	(3,346)
Realised losses on forward currency exchange contracts	(197)
<b>Net realised gains</b>	<b>41,942</b>

Increase in unrealised appreciation on investments	452,635
Unrealised currency exchange losses	(97)
<b>Net unrealised gains</b>	<b>452,538</b>

<b>Net increase in assets as a result of operations</b>	<b>489,391</b>
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## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>A-2</b>	<b>D-2(GBP)</b>	<b>I-2</b>	<b>Z-2</b>
Shares outstanding at the beginning of the period	9,873,128	5,078,381	200,712	190,955,382
Shares issued during the period	1,950,463	398,848	44,850	33,954,227
Shares redeemed during the period	(828,576)	(212,836)	(30,062)	(13,425,194)
<b>Shares outstanding at the end of the period</b>	<b>10,995,015</b>	<b>5,264,393</b>	<b>215,500</b>	<b>211,484,415</b>
<b>Net asset value per share</b>	<b>87.02</b>	<b>57.43</b>	<b>89.81</b>	<b>10.05</b>

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

# Portfolio Statement

As at 31 March 2010

	Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Security</b>			
<b>Consumer Discretionary - 7.40%</b>			
Bosch Ltd	965,000	103,603	2.91
Hero Honda	3,680,000	159,753	4.49
		<b>263,356</b>	<b>7.40</b>
<b>Consumer Staples - 9.37%</b>			
Godrej Consumer Products	16,700,000	96,724	2.72
Hindustan Unilever	22,000,000	116,762	3.28
ITC Ltd	20,450,000	120,129	3.37
		<b>333,615</b>	<b>9.37</b>
<b>Financials - 23.24%</b>			
Bank of Baroda	1,340,000	19,123	0.54
HDFC Bank	2,960,000	127,413	3.58
Housing Development Finance Corporation	5,720,000	346,200	9.73
ICICI Bank	13,100,000	278,515	7.82
ING Vysya Bank	4,847,199	29,821	0.84
Jammu & Kashmir Bank	1,718,000	26,079	0.73
		<b>827,151</b>	<b>23.24</b>
<b>Health Care - 9.73%</b>			
Aventis Pharma	1,044,883	41,998	1.18
GlaxoSmithKline Pharmaceuticals	3,000,000	118,877	3.34
Piramal Healthcare	11,200,000	105,632	2.97
Sun Pharmaceutical	2,000,000	79,875	2.24
		<b>346,382</b>	<b>9.73</b>
<b>Industrials - 6.69%</b>			
ABB India	7,514,198	138,940	3.90
Container Corporation of India	3,416,629	99,335	2.79
		<b>238,275</b>	<b>6.69</b>
<b>Information Technology - 18.67%</b>			
CMC	960,000	28,723	0.80
Infosys Technologies	5,400,000	314,519	8.84
Mphasis Ltd	8,375,000	115,831	3.25
Tata Consultancy Services	11,860,000	205,717	5.78
		<b>664,790</b>	<b>18.67</b>
<b>Materials - 12.13%</b>			
Asian Paints	1,866,110	84,795	2.38
Castrol	2,198,690	33,910	0.95
Grasim Industries	2,805,226	176,049	4.95
Ambuja Cements	45,400,000	121,021	3.40
ICI India	1,076,000	14,407	0.40
Paper Products	1,284,626	1,650	0.05
		<b>431,832</b>	<b>12.13</b>
<b>Telecommunication Services - 2.89%</b>			
Bharti Airtel	14,715,000	102,861	2.89

## Portfolio Statement continued

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Utilities - 7.23%</b>			
GAIL	10,300,000	93,903	2.64
GAIL GDR	103,650	5,613	0.16
Gujarat Gas	12,256,000	76,336	2.14
Tata Power	2,660,000	81,438	2.29
		<b>257,290</b>	<b>7.23</b>
<b>Total investments</b>		<b>3,465,552</b>	<b>97.35</b>
<b>Other net assets</b>		<b>94,249</b>	<b>2.65</b>
<b>Total</b>		<b>3,559,801</b>	<b>100.00</b>

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There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

# Japanese Equity

For the period ended 31 March 2010

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## Distribution

The Fund has declared an additional distribution on its D-2 shares for the year ended 30 September 2009 of £0.005656 per share in order to obtain UK Distributor status for the year ended 30 September 2009.

## Performance

For the six-month period ended 31 March 2010, the value of the Japanese Equity - A Accumulation shares increased by 9.93% compared to an increase of 8.51% in the benchmark, the Topix Index.

Source: Lipper, Total Return, Gross Income Reinvested, JPY.

## Manager's review

Japanese equities posted reasonable returns over the six months under review, outperforming their European peers but lagging both UK and US equities. Stocks fell initially because of anxiety over Dubai's debt crisis, while fundraising activity in the domestic banking sector led to concerns about shareholder dilution. The yen, which hit a 14-year high against the US dollar in November also held the market back. Still, equities rebounded sharply in December, helped by the new ¥7.2 trillion stimulus package but they failed to build on those gains as rising disquiet about China's monetary tightening, together with worries over European sovereign debt and proposed banking reforms in the US, upset sentiment once more. The losses, however, were reversed towards the period end, as investors reacted positively to the weaker yen as well as the Bank of Japan's decision to expand its lending programme and keep interest rates low.

## Portfolio review

The Fund did well relative to its benchmark because of good stock selection. In addition, those sectors in which the Fund was overweight because of our stock choices also outperformed the country index. This helped overall performance.

Our holding in Amada Co served us particularly well, thanks to a recovery in demand and the yen's fall in the latter half of the period. Monthly orders have been improving since last December and the machinery manufacturer has forecast a further pick-up in demand. Also benefiting from the global economic upturn and the weaker currency were motorcycle maker Yamaha Motor and robotics firm Fanuc. We took the opportunity to divest Yamaha Motor as its share price rallied, in light of more attractive alternatives elsewhere.

On the other hand, Astellas Pharma Co trailed the broader market, weighed down by the decline in its nine-month profits. The drug maker also cut its earnings outlook because of higher research and development costs but its strong balance sheet and decent payout policy remain appealing. Parco was another lacklustre performer. The company posted sluggish sales and announced store closures amid the challenging retail environment. However, working in Parco's favour is its wide geographical reach within Japan and its relatively resilient revenue and profit generation compared with other domestic rivals. Seven Bank did not fare any better. The lender downgraded its earnings outlook owing to deteriorating fee income from ATM transactions, though its operational performance exhibited year-on-year growth.

During the period, two new stocks were introduced: East Japan Railway, given its stable core business, prudent management and property assets in prime locations, and Chugai Pharmaceutical, in view of its strong product pipeline and ability to tap its parent Roche's product line-up for the local market.

## Outlook

Japan's economic turnaround has been largely engendered by pump-priming at home and abroad but growth could come under renewed pressure as the effect of stimulus efforts ebbs and domestic private demand proves unable to drive a self-sustaining recovery. Other significant restraints include deep-seated deflation and a weak labour market holding back consumer spending. Lawmakers recently passed a record ¥92.3 trillion budget to spur growth but this will add to an already sizeable public debt, which cannot continue indefinitely. In view of the current outlook, we remain cautious and will stick to our steadfast process of investing in strong companies with simple, identifiable competitive advantages.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>JP¥'000</b>
Investments in securities at market value (note 2.2)	7,898,912
Cash at bank	171,410
Interest and dividends receivable	63,062
Subscriptions receivable	547
Receivable for investments sold	3,653
<b>Total assets</b>	<b>8,137,584</b>
<b>Liabilities</b>	
Taxes and expenses payable	15,501
Redemptions payable	466
<b>Total liabilities</b>	<b>15,967</b>
<b>Net assets at the end of the period</b>	<b>8,121,617</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>JP¥'000</b>
Net assets at the beginning of the period	7,347,930
Net losses from investments	(1,699)
Net realised losses	(742,880)
Net unrealised gains	1,506,165
Proceeds from shares issued	1,928,623
Payments for shares redeemed	(1,916,522)
<b>Net assets at the end of the period</b>	<b>8,121,617</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>JP¥'000</b>
Income from investments	64,053
Bank interest	26
Other income	371
<b>Total income</b>	<b>64,450</b>
<b>Expenses</b>	
Management fees (note 4.6)	54,981
Administration fees (note 4.1)	2,288
Custodian fees (note 4.2)	715
Distribution fees (note 4.3)	23
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	2,249
Management Company fees (note 4.5)	364
Operational expenses (note 4.7)	3,595
Annual tax (note 4.9)	1,934
<b>Total expenses</b>	<b>66,149</b>
<b>Net losses from investments</b>	<b>(1,699)</b>
Realised losses on investments	(737,577)
Realised currency exchange losses	(5,303)
<b>Net realised losses</b>	<b>(742,880)</b>
Decrease in unrealised depreciation on investments	1,505,649
Unrealised currency exchange gains	516
<b>Net unrealised gains</b>	<b>1,506,165</b>
<b>Net increase in assets as a result of operations</b>	<b>761,586</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>A-2</b>	<b>B-2</b>	<b>D-2(GBP)</b>
Shares outstanding at the beginning of the period	1,590,297	25,320	33,097,013
Shares issued during the period	4,188,058	-	4,858,080
Shares redeemed during the period	(3,855,976)	-	(4,998,189)
<b>Shares outstanding at the end of the period</b>	<b>1,922,379</b>	<b>25,320</b>	<b>32,956,904</b>
<b>Net asset value per share</b>	<b>232.85</b>	<b>196.01</b>	<b>1.64</b>

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

# Portfolio Statement

As at 31 March 2010

<b>Security</b>	<b>Quantity</b>	<b>Market Value JP¥'000</b>	<b>Percentage of total net assets %</b>
<b>Banks - 8.54%</b>			
Bank of Kyoto	198,000	170,577	2.10
Bank of Yokohama	805,000	368,287	4.54
Seven Bank <sup>A</sup>	822	154,413	1.90
		<b>693,277</b>	<b>8.54</b>
<b>Chemicals - 13.41%</b>			
Mandom Corp <sup>A</sup>	108,400	276,799	3.41
Shin-Etsu Chemical Co	89,000	483,715	5.95
Unicharm Corp	36,400	328,510	4.05
		<b>1,089,024</b>	<b>13.41</b>
<b>Construction - 6.17%</b>			
Daito Trust Construction <sup>A</sup>	51,000	229,755	2.82
Sekisui House	291,000	271,503	3.35
		<b>501,258</b>	<b>6.17</b>
<b>Electrical Appliances - 20.17%</b>			
Canon <sup>A</sup>	117,500	508,187	6.26
FANUC	42,600	423,018	5.20
Keyence Corp	17,880	399,797	4.92
Omron Corp	65,200	140,995	1.74
Ricoh Co	114,000	166,326	2.05
		<b>1,638,323</b>	<b>20.17</b>
<b>Land Transportation - 2.66%</b>			
East Japan Railway	33,300	216,284	2.66
<b>Machinery - 7.16%</b>			
Amada Co <sup>A</sup>	362,000	283,446	3.49
Nabtesco <sup>A</sup>	239,000	298,153	3.67
		<b>581,599</b>	<b>7.16</b>
<b>Other Products - 2.14%</b>			
ASICS Corp	190,000	173,755	2.14
<b>Pharmaceuticals - 11.03%</b>			
Astellas Pharma Co	105,300	356,704	4.39
Chugai Pharmaceutical	89,500	157,341	1.94
Takeda Pharmaceutical Co	92,600	381,512	4.70
		<b>895,557</b>	<b>11.03</b>
<b>Real Estate - 4.86%</b>			
Mitsubishi Estate	258,000	394,611	4.86
<b>Retail Trade - 6.94%</b>			
Parco <sup>A</sup>	371,100	292,612	3.60
Seven & I Holdings	120,120	271,111	3.34
		<b>563,723</b>	<b>6.94</b>

## Portfolio Statement continued

<b>Security</b>	<b>Quantity</b>	<b>Market Value JP¥'000</b>	<b>Percentage of total net assets %</b>
<b>Transportation Equipment - 14.18%</b>			
Aisin Seiki Co <sup>A</sup>	59,700	167,011	2.06
FCC Co	147,400	273,648	3.37
Honda Motor Co <sup>A</sup>	107,400	354,420	4.36
Toyota Motor Corp	95,300	356,422	4.39
		<b>1,151,501</b>	<b>14.18</b>
<b>Total investments</b>		<b>7,898,912</b>	<b>97.26</b>
<b>Other net assets</b>		<b>222,705</b>	<b>2.74</b>
<b>Total</b>		<b>8,121,617</b>	<b>100.00</b>

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<sup>A</sup> A portion of the stock is on loan at the period end.

# Japanese Smaller Companies

For the period ended 31 March 2010

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## Distribution

The Fund has declared an additional distribution on its D-2 shares for the year ended 30 September 2009 of £0.003811 per share in order to obtain UK Distributor status for the year ended 30 September 2009.

## Performance

For the six-month period ended 31 March 2010, the value of the Japanese Smaller Companies - D Accumulation shares increased by 5.25% compared to an increase of 5.58% in the benchmark, the Russell Nomura Small Cap Index.

Source: Lipper, Total Return, Factset, Gross Income Reinvested, JPY.

## Manager's review

Japanese small caps registered positive returns over the six months under review but fared less favourably compared with their large cap counterparts and other regional peers. Stocks fell initially against a weak domestic economic backdrop. Third-quarter GDP growth was revised sharply lower amid persistent deflation and an appreciating yen. Still, equities rebounded in December, helped by the new ¥7.2 trillion stimulus package but they failed to build on those gains as rising disquiet about China's monetary tightening, together with worries over European sovereign debt and proposed banking reforms in the US, upset sentiment once more. The losses, however, were reversed towards the period-end, as investors reacted positively to the weaker yen as well as the Bank of Japan's decision to expand its lending programme and keep interest rates low. Also boosting share prices was broadly positive economic news at home.

## Portfolio review

At the stock level, noteworthy outperformers included medical equipment manufacturer Sysmex Corp and Roland DG Corp, a maker of industrial printers and peripherals. Sysmex Corp gained on better-than-expected first-half results which were driven by resilient global demand for blood testing equipment. The yen's fall in the latter half of the period also supported the company's share price. Roland DG Corp was helped by rising demand for UV ink-based printing, while orders from its main European market appear to be bottoming out. In addition, hydraulic equipment maker Nabtesco turned in a solid performance, thanks to a quicker-than-expected recovery in equipment investment. Robust Chinese demand for its excavator equipment also buoyed the company's nine-month results.

Conversely, sluggish consumer spending hurt retailers Maxvalu Tokai and Parco. Both posted weak sales amid the challenging retail environment and Parco announced store closures. However, Maxvalu Tokai's cash flow and balance sheet have remained strong, while working in Parco's favour is its wide geographical reach within Japan and its relatively resilient revenue and profit generation compared with other domestic rivals. Another disappointment was Heian Ceremony Service Co which provides wedding and funeral services. Depressed consumer spending and declining prices for funerals on the back of increased competition dented the company's share price. Nonetheless, we believe that Heian Ceremony Service Co's new low-cost funeral homes should enhance its competitive advantage.

During the period, we introduced medical device manufacturer Asahi Intecc in view of its solid financials and demand for its products. Conversely, we divested Seino Holdings owing to deteriorating corporate governance and potential share dilution. We also pared medical equipment maker Sysmex Corp following its good relative performance.

## Outlook

Japan's economic turnaround has been largely engendered by pump-priming at home and abroad but growth could come under renewed pressure as the effect of stimulus efforts ebbs and domestic private demand proves unable to drive a self-sustaining recovery. Other significant restraints include deep-seated deflation and a weak labour market holding back consumer spending. Lawmakers recently passed a record ¥92.3 trillion budget to spur growth but this will add to an already sizeable public debt which cannot continue indefinitely. In view of the current outlook, we remain cautious and will stick to our steadfast process of investing in strong companies with simple identifiable competitive advantages.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>JP¥'000</b>
Investments in securities at market value (note 2.2)	3,845,924
Cash at bank	96,708
Interest and dividends receivable	36,072
Subscriptions receivable	2,333
Unrealised gains on forward currency exchange contracts (note 2.6)	30
<b>Total assets</b>	<b>3,981,067</b>
<b>Liabilities</b>	
Taxes and expenses payable	7,850
Redemptions payable	4,526
<b>Total liabilities</b>	<b>12,376</b>
<b>Net assets at the end of the period</b>	<b>3,968,691</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>JP¥'000</b>
Net assets at the beginning of the period	3,844,332
Net gains from investments	5,279
Net realised losses	(14,347)
Net unrealised gains	135,200
Proceeds from shares issued	342,786
Payments for shares redeemed	(344,563)
Net equalisation received (note 10)	4
<b>Net assets at the end of the period</b>	<b>3,968,691</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>JP¥'000</b>
Income from investments	38,553
Other income	327
<b>Total income</b>	<b>38,880</b>
<b>Expenses</b>	
Management fees (note 4.6)	26,419
Administration fees (note 4.1)	1,997
Custodian fees (note 4.2)	359
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	1,527
Management Company fees (note 4.5)	183
Operational expenses (note 4.7)	2,245
Annual tax (note 4.9)	850
Bank interest	21
<b>Total expenses</b>	<b>33,601</b>
<b>Net gains from investments</b>	<b>5,279</b>
Realised losses on investments	(13,074)
Realised currency exchange losses	(1,272)
Realised losses on forward currency exchange contracts	(1)
<b>Net realised losses</b>	<b>(14,347)</b>
Decrease in unrealised depreciation on investments	135,216
Unrealised currency exchange losses	(46)
Increase in unrealised appreciation on forward currency exchange contracts	30
<b>Net unrealised gains</b>	<b>135,200</b>
<b>Net increase in assets as a result of operations</b>	<b>126,132</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>A-2</b>	<b>D-2(GBP)</b>	<b>I-2</b>
Shares outstanding at the beginning of the period	173,954	6,288,794	975,003
Shares issued during the period	328,888	226,130	138,924
Shares redeemed during the period	(314,841)	(352,922)	(16,483)
<b>Shares outstanding at the end of the period</b>	<b>188,001</b>	<b>6,162,002</b>	<b>1,097,444</b>
<b>Net asset value per share</b>	<b>538.74</b>	<b>3.80</b>	<b>499.45</b>

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

# Portfolio Statement

As at 31 March 2010

	Quantity	Market Value JP¥'000	Percentage of total net assets %
<b>Security</b>			
<b>Banks - 4.96%</b>			
Awa Bank	248,000	138,136	3.48
Musashino Bank	21,800	58,598	1.48
		<b>196,734</b>	<b>4.96</b>
<b>Chemicals - 10.46%</b>			
Dr Ci:Labo	485	106,482	2.68
Japan Pure Chemical Co	181	54,933	1.38
Kureha Corp	240,000	108,600	2.74
Mandom Corp	56,900	145,294	3.66
		<b>415,309</b>	<b>10.46</b>
<b>Construction - 0.67%</b>			
Okumura Corp	81,000	26,528	0.67
<b>Electrical Appliances - 8.92%</b>			
Optex Co	63,700	71,439	1.80
Roland DG Corp	75,200	125,208	3.15
Sysmex Corp	28,800	157,680	3.97
		<b>354,327</b>	<b>8.92</b>
<b>Electric Power &amp; Gas - 2.43%</b>			
Shizuoka Gas Co	180,000	96,480	2.43
<b>Fishery, Agriculture &amp; Forestry - 2.35%</b>			
Hokuto Corp	48,600	93,288	2.35
<b>Information &amp; Communication - 5.46%</b>			
Intage	26,400	42,425	1.07
Macromill	583	79,113	1.99
Okinawa Cellular Telephone Co	545	95,130	2.40
		<b>216,668</b>	<b>5.46</b>
<b>Machinery - 9.11%</b>			
Amada Co	135,000	105,705	2.66
Nabtesco	160,000	199,600	5.03
Yushin Precision Equipment	40,000	56,220	1.42
		<b>361,525</b>	<b>9.11</b>
<b>Other Products - 3.60%</b>			
ASICS Corp	156,000	142,662	3.60
<b>Precision Instrument - 5.84%</b>			
Ashai Intecc	40,000	59,000	1.49
Mani	46,800	172,692	4.35
		<b>231,692</b>	<b>5.84</b>
<b>Real Estate - 5.08%</b>			
Sankei Building	345,800	201,601	5.08

# Portfolio Statement continued

<b>Security</b>	<b>Quantity</b>	<b>Market Value JP¥'000</b>	<b>Percentage of total net assets %</b>			
<b>Retail Trade - 11.02%</b>						
Maxvalu Tokai	124,400	128,754	3.24			
Parco	169,800	133,887	3.37			
San-A Co	49,500	174,859	4.41			
		<b>437,500</b>	<b>11.02</b>			
<b>Services - 17.89%</b>						
Aeon Delight Co	70,500	92,637	2.33			
Heian Ceremony Service Co	370,500	153,202	3.86			
Nissin Healthcare Food Service Co	91,300	109,560	2.76			
Resorttrust	96,320	132,103	3.33			
USS Co	21,950	139,163	3.51			
Yomiuri Land Co	268,000	83,348	2.10			
		<b>710,013</b>	<b>17.89</b>			
<b>Transport Equipment - 9.12%</b>						
FCC Co	86,700	160,959	4.06			
Musashi Seimitsu Industry Co	41,900	83,339	2.10			
Showa Aircraft Industry	182,000	117,299	2.96			
		<b>361,597</b>	<b>9.12</b>			
<b>Transferable securities</b>		<b>3,845,924</b>	<b>96.91</b>			
<b>Forward currency exchange contracts - nil</b>						
<b>Buy</b>	<b>Sell</b>	<b>Settlement</b>	<b>Buy Amount</b>	<b>Sell Amount</b>	<b>Unrealised Gains/ (Losses) JP¥'000</b>	<b>Percentage of total net assets %</b>
GBP	JPY	01/04/10	11,484	1,597,152	30	-
<b>Unrealised gains on forward currency exchange contracts</b>					<b>30</b>	<b>-</b>
<b>Total investments</b>					<b>3,845,954</b>	<b>96.91</b>
<b>Other net assets</b>					<b>122,737</b>	<b>3.09</b>
<b>Total</b>					<b>3,968,691</b>	<b>100.00</b>

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There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

# Responsible World Equity

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the Responsible World Equity - A Accumulation shares increased by 5.92% compared to an increase of 7.67% in the benchmark, the MSCI World Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

World stock markets extended their gains in the six months to 31 March 2010, boosted by a stream of positive economic news and supportive central bank policies. The global economy expanded in the third and fourth quarters, thanks largely to inventory restocking and government stimulus efforts. Developed countries held interest rates steady and continued to extend fiscal policies while certain developing countries, particularly in Asia, began to raise rates. Most companies reported decent earnings results, banks in particular, chalked up record profits as the trading environment normalised. Even so, market confidence remained fragile. In November, state-owned Dubai World shocked bondholders by requesting for a delay of repayments on billions of dollars of debt causing equities to sell off briefly. Following this, stock markets fell in January, as China tightened bank lending standards, Greece's debt woes threatened to spread to Europe's core economies, and the US proposed to limit the size of financial institutions.

Global equities outperformed government bonds over the period, on continued appetite for risk.

## Portfolio review

The Fund underperformed relative to its benchmark. Stock selection was good. However, those countries in which the Fund was overweight because of our stock choices lagged the regional index. This hurt overall performance.

The stocks that contributed the most to relative return were UK-listed miner Rio Tinto, Dutch electronics company Philips Electronics and Italian steel-pipe maker Tenaris. Rio Tinto's performance was helped by expectation of higher iron ore prices, amid rising steel demand in China and the shift to quarterly pricing linked to the spot market for iron ore. Philips Electronics rose on hopes that the imminent ban of incandescent light bulbs in many countries would boost demand for LED technology. Meanwhile, Tenaris was buoyed by higher oil prices and strong third-quarter cashflow.

In contrast, holding E.ON hurt the Fund, as the German utility is facing falling gas prices and oversupply amid growing competition, it has since renegotiated supply contracts to take account of the spot price. Spanish insurer Mapfre lagged as it reported weak corporate results showing a rapid contraction of non-life margins, however, we like the fact that the company has rebuilt its balance sheet following the credit crisis and looks set to benefit from long-term growth opportunities, especially in emerging markets. Oil and gas producer Eni underperformed because of trying operating conditions.

During the period under review, we bought Brazilian lender Banco Bradesco, a dominant player in the market, Swiss drug maker Novartis and telecommunications company China Mobile, on attractive valuations, as well as US pharmacy group CVS Caremark, as the company continued to improve its margins.

Against this, we sold pharmaceutical company AstraZeneca and postal operator Deutsche Post, on concerns over their long-term prospects. Other disposals included Belgian incumbent telecom operator Belgacom, owing to its lacklustre business prospects and US food distribution company Sysco.

## Outlook

The process of rebalancing has begun, but the global recovery is likely to be sluggish. Governments in the West will have to struggle with bulging deficits for a long time, while a rise in commodities-led inflation may hamper Asia's growth trajectory. So far, these uncertainties are not reflected in stock markets, as loose monetary conditions provide short-term support. We do not rule out further increases but these gains are likely to be smaller given the big rebound last year. Regardless, our investment strategy remains consistent, we are vigilant over our holdings and look only to buy the best companies at attractive valuations.

## Statement of Net Assets

As at 31 March 2010

Assets	US\$'000
Investments in securities at market value (note 2.2)	241,257
Cash at bank	10,273
Interest and dividends receivable	827
Receivable for investments sold	966
Other assets	36
<b>Total assets</b>	<b>253,359</b>

## Liabilities

Taxes and expenses payable	158
<b>Total liabilities</b>	<b>158</b>

**Net assets at the end of the period** 253,201

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	US\$'000
Net assets at the beginning of the period	134,656
Net gains from investments	1,894
Net realised gains	4,073
Net unrealised gains	10,066
Proceeds from shares issued	227,173
Payments for shares redeemed	(124,617)
Net equalisation paid (note 10)	(44)
<b>Net assets at the end of the period</b>	<b>253,201</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	US\$'000
Income from investments	2,122
Other income	207
<b>Total income</b>	<b>2,329</b>

## Expenses

Management fees (note 4.6)	220
Administration fees (note 4.1)	48
Custodian fees (note 4.2)	23
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	56
Management Company fees (note 4.5)	11
Operational expenses (note 4.7)	57
Annual tax (note 4.9)	18
Bank interest	2
<b>Total expenses</b>	<b>435</b>

**Net gains from investments** **1,894**

Realised gains on investments	4,053
Realised currency exchange gains	20
<b>Net realised gains</b>	<b>4,073</b>

Increase in unrealised appreciation on investments	10,060
Unrealised currency exchange gains	6
<b>Net unrealised gains</b>	<b>10,066</b>

**Net increase in assets as a result of operations** 16,033

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-2	I-2	Z-2
Shares outstanding at the beginning of the period	1,768,121	1,942,364	13,609,262
Shares issued during the period	3,611,824	174,139	25,491,512
Shares redeemed during the period	(131,350)	(65,600)	(15,930,778)
<b>Shares outstanding at the end of the period</b>	<b>5,248,595</b>	<b>2,050,903</b>	<b>23,169,996</b>
<b>Net asset value per share</b>	<b>8.22</b>	<b>8.20</b>	<b>8.34</b>

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

# Portfolio Statement

As at 31 March 2010

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Australia - 3.50%</b>			
QBE Insurance Group	463,800	8,872	3.50
<b>Brazil - 3.44%</b>			
Banco Bradesco (Pref) ADR	139,600	2,574	1.02
Petroleo Brasileiro (Pref) ADR	154,900	6,136	2.42
		<b>8,710</b>	<b>3.44</b>
<b>Canada - 1.63%</b>			
Canadian National Railway	41,100	2,493	0.99
Canadian National Railway	26,900	1,629	0.64
		<b>4,122</b>	<b>1.63</b>
<b>China - 2.41%</b>			
China Mobile	241,000	2,318	0.92
PetroChina	3,246,600	3,795	1.49
		<b>6,113</b>	<b>2.41</b>
<b>France - 2.59%</b>			
Schneider Electric	55,800	6,556	2.59
<b>Germany - 5.47%</b>			
Adidas	121,300	6,469	2.55
E.ON	200,500	7,392	2.92
		<b>13,861</b>	<b>5.47</b>
<b>Hong Kong - 2.55%</b>			
Swire Pacific 'A'	534,500	6,443	2.55
<b>Italy - 7.66%</b>			
ENI	417,100	9,775	3.86
Intesa Sanpaolo	681,800	2,542	1.00
Tenaris ADR	165,400	7,097	2.80
		<b>19,414</b>	<b>7.66</b>
<b>Japan - 11.45%</b>			
Amada Co	314,000	2,631	1.04
Canon	140,900	6,522	2.57
Daito Trust Construction	74,900	3,611	1.43
FANUC	60,600	6,440	2.54
Shin-Etsu Chemical Co	65,800	3,827	1.51
Takeda Pharmaceutical Co	135,400	5,970	2.36
		<b>29,001</b>	<b>11.45</b>
<b>Netherlands - 2.05%</b>			
Philips Electronics <sup>A</sup>	161,800	5,197	2.05
<b>Singapore - 2.34%</b>			
City Developments	459,500	3,487	1.38
Oversea-Chinese Banking Corp	389,927	2,428	0.96
		<b>5,915</b>	<b>2.34</b>
<b>South Korea - 3.21%</b>			
Samsung Electronics GDR	33,581	8,127	3.21

# Portfolio Statement continued

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Spain - 1.91%</b>			
Mapfre <sup>A</sup>	1,313,615	4,826	1.91
<b>Sweden - 3.87%</b>			
Ericsson	486,600	5,144	2.03
Nordea <sup>A</sup>	469,000	4,646	1.84
		<b>9,790</b>	<b>3.87</b>
<b>Switzerland - 8.83%</b>			
Novartis	90,900	4,916	1.94
Roche Holdings <sup>A</sup>	43,300	7,032	2.78
Zurich Financial Services <sup>A</sup>	40,500	10,398	4.11
		<b>22,346</b>	<b>8.83</b>
<b>Taiwan - 3.02%</b>			
TSMC ADS	728,035	7,637	3.02
<b>United Kingdom - 12.95%</b>			
Centrica	867,400	3,867	1.53
Rio Tinto	137,400	8,139	3.21
Royal Dutch Shell	135,900	3,743	1.48
Standard Chartered	251,400	6,855	2.71
Vodafone	4,420,600	10,193	4.02
		<b>32,797</b>	<b>12.95</b>
<b>United States - 16.40%</b>			
CVS Caremark	140,600	5,142	2.03
EOG Resources	39,900	3,709	1.46
Intel	351,700	7,832	3.09
Johnson & Johnson	134,900	8,798	3.48
Kraft	123,100	3,723	1.47
Procter & Gamble	77,500	4,904	1.94
Quest Diagnostics	63,200	3,684	1.45
Schlumberger	58,900	3,738	1.48
		<b>41,530</b>	<b>16.40</b>
<b>Total investments</b>		<b>241,257</b>	<b>95.28</b>
<b>Other net assets</b>		<b>11,944</b>	<b>4.72</b>
<b>Total</b>		<b>253,201</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in ordinary or common stocks and shares except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> A portion of the stock is on loan at the period end.

# Sterling Corporate Bond

For the period ended 31 March 2010

## Performance

For the six-month period ended 31 March 2010, the value of the Sterling Corporate Bond – D Income shares increased by 3.83% compared to an increase of 4.44% in the benchmark, the iBoxx Sterling Non-Gilts (all maturities) Index.

Source: Lipper, Total Return, IBOXX, Gross Income Reinvested, GBP.

## Manager's review

Risk assets have continued to perform since the start of the rally at the end of March 2009, with investors opting to continue to support the corporate sector, particularly in light of growing concerns over sovereign indebtedness. The near collapse of Dubai World towards the end of 2009, served to remind investors that all was still not right, although the markets took the news in its stride. It has, however, been the level of indebtedness of Greece, a sovereign, which has had a deeper effect on markets creating volatility for investors and the banking sector. Markets seemingly have recovered the fallout earlier in the year, following International Monetary Fund (IMF) and European Central Bank (ECB) funding options. It remains to be seen though whether the options available are appropriate or sufficient. This has prompted major concerns about the overall indebtedness of sovereigns and has been upper most in investor's minds, who have favoured investment in corporate debt over Sovereign debt.

From an economic perspective economies have begun to recover, particularly in the US, with Europe showing good signs of moving ahead, the UK though is still experiencing a bumpier road to recovery, although for now the economy seems to be stabilising in some sectors. The fear of a double dip for the UK was floated following poor growth figures for the fourth quarter of 2009, however, these have receded as subsequent revisions to the data has been more positive. There are a number of factors affecting the path of recovery in the UK, one of which is the doggedly high level of inflation, although falling to 3.0% in February has risen again to 3.4% in March, as well as an imminent general election, the results of which are far from clear and could even mean a hung parliament. The effect of no clear winner will result in the much needed deficit reductions, to secure a brighter future, being prolonged further as the parties agree on a way forward. One certainty for the consumer is that they will be faced with further fiscal strains on household budgets, in a climate of already rising costs and high unemployment.

Interest rates have remained at very low levels since central banks cut rates in early 2009. There was some suggestion late last year that central banks may look to raise rates during the first half of 2010, there has been no such indication from the central banks – if anything the parlous state of recovery suggests rates will be on hold for most of the year. Although recent market noise is suggesting that the Federal Reserve may now move sooner as the recovery there takes hold. There has been nothing out of the Federal Reserve to suggest that may be the case although they are keen to remove the emergency measures that were put in place. Similarly, the ECB is likely to keep rates at 1% for longer, having not cut to the ultra low levels in the US and UK, the need to raise rates is not as pressing. In the UK, although inflation worries persist, more importantly for the Monetary Policy Committee is ensuring a solid recovery is under way providing further support should there be signs of it stalling with additional Quantitative Easing, whereas the Federal Reserve and ECB have already started withdrawing support.

Government bond markets have underperformed driven by the continued strong performance from risk assets. Gilt yields have risen across the curve, initiated by the rise in US bond yields during October and December, since then yields have been volatile but within a tight range. The bulk of the move has been from 5 year out where yields are circa 45 basis points (bps) higher, the short end underpinned by continuing low levels of interest rates, the long end driven by continued supply and higher inflation expectations. Ten year yields ended the period at 3.94%, having started the period at 3.49%, and has been as high as 4.06%, the thirty year ended at 4.53% up 42bps and off of its high of 4.69%.

Ongoing risk appetite has seen corporate bond spreads contract by 55bps to yield on average 1.4% above gilts. In non financials, spreads have retraced nearly all of the widening during the crisis, whereas, financials spreads still have some way to go.

Company results have been at or above expectations; deterioration in asset quality in financials has not been as extensive as the market feared. In non financials the picture has been more mixed with margins continuing to improve but mostly on continuing cost cutting. The outlook here is not so good with the increasing costs of raw materials likely to see a number of companies come under pressure. New issuance has been met with healthy demand with even the lowest rated issuers have been able to raise capital ahead of requirements.

## Portfolio review

With short rates remaining low and the expectation they will remain so, the focus has been to increase the yield in the Fund. As corporate bond spreads continued to tighten purchases of secured debt on attractive yields were made, in the first half of the period. Against this, sales of corporate bonds were made, which had already outperformed in the credit rally.

With the increase long gilts and the steepening in the gilt yield curve, the duration of the Fund was increased in the 1st quarter of 2010. This was achieved by selling short dated corporate bond and reinvesting in high quality, higher yielding, longer dated bonds including supra-nationals.

The Fund benefited from the recovery in the pub sector and subordinate financial bond prices, plus its underweight position towards supra-nationals.

## Outlook

Recovery remains key and it is unlikely the MPC or other central banks will be looking to raise rates until later in the year. The outlook for the government market will be volatile faced with concerns over the fiscal state and a forthcoming general election.

Corporate debt markets are also likely to be volatile as central banks continue to withdraw support, as well as the outlook for weaker sovereigns continuing to be a major cause of concern. However, corporate fundamentals are showing good signs of improvement but will remain susceptible to macro issues. A big risk for the Banks is the intention of international regulators to redefine bank capital requirements, which the market awaits further details on.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>£'000</b>
Investments in securities at market value (note 2.2)	13,255
Cash at bank	152
Interest and dividends receivable	256
Subscriptions receivable	1
<b>Total assets</b>	<b>13,664</b>
<b>Liabilities</b>	
Taxes and expenses payable	38
Redemptions payable	7
Other liabilities	48
<b>Total liabilities</b>	<b>93</b>
<b>Net assets at the end of the period</b>	<b>13,571</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>£'000</b>
Net assets at the beginning of the period	13,469
Net gains from investments	241
Net realised gains	6
Net unrealised gains	574
Proceeds from shares issued	1,026
Payments for shares redeemed	(1,501)
Net equalisation paid (note 10)	(1)
Dividends paid (note 5)	(243)
<b>Net assets at the end of the period</b>	<b>13,571</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>£'000</b>
Income from investments	352
<b>Total income</b>	<b>352</b>
<b>Expenses</b>	
Management fees (note 4.6)	68
Administration fees (note 4.1)	13
Custodian fees (note 4.2)	1
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	9
Management Company fees (note 4.5)	1
Operational expenses (note 4.7)	13
Annual tax (note 4.9)	3
Bank interest	3
<b>Total expenses</b>	<b>111</b>
<b>Net gains from investments</b>	<b>241</b>
Realised gains on investments	6
<b>Net realised gains</b>	<b>6</b>
Decrease in unrealised depreciation on investments	574
<b>Net unrealised gains</b>	<b>574</b>
<b>Net increase in assets as a result of operations</b>	<b>821</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>D-1</b>
Shares outstanding at the beginning of the period	15,105,918
Shares issued during the period	1,128,028
Shares redeemed during the period	(1,655,783)
<b>Shares outstanding at the end of the period</b>	<b>14,578,163</b>
<b>Net asset value per share</b>	<b>0.9309</b>

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

# Portfolio Statement

As at 31 March 2010

Security	Coupon (%)	Maturity	Nominal	Market Value £'000	Percentage of total net assets %
<b>UK Treasury Stock - 4.62%</b>					
UK Treasury	4.2500	07/06/32	225,000	218	1.61
UK Treasury	4.5000	07/12/42	200,000	201	1.48
UK Treasury	4.7500	07/12/38	200,000	208	1.53
				<b>627</b>	<b>4.62</b>
<b>STERLING DENOMINATED BONDS - 93.05%</b>					
<b>Austria - 2.90%</b>					
Oesterreich Postsparkasse BAWAG P.SK. EMTN	6.1250	20/10/14	244,000	269	1.98
Oesterreich Postsparkasse BAWAG P.SK. EMTN	6.1250	07/12/28	120,000	125	0.92
				<b>394</b>	<b>2.90</b>
<b>Australia - 1.99%</b>					
QBE Insurance Group EMTN	6.1250	28/09/15	250,000	<b>270</b>	<b>1.99</b>
<b>Germany - 2.12%</b>					
KFW EMTN	5.7500	07/06/32	250,000	<b>287</b>	<b>2.12</b>
<b>Ireland - 3.92%</b>					
Kilroot Electric	9.5000	31/12/10	155,707	164	1.21
Mutual Securitisation	7.3916	30/09/12	389,509	368	2.71
				<b>532</b>	<b>3.92</b>
<b>Italy - 2.09%</b>					
Assicurazioni Generali Perp	6.2690	16/06/49	200,000	172	1.27
Parmalat Capital Finance <sup>A</sup>	9.3750	02/12/17	14,664	-	-
Telecom Italia EMTN	7.3750	15/12/17	100,000	112	0.82
				<b>284</b>	<b>2.09</b>
<b>Luxembourg- 2.09%</b>					
European Investment Bank	5.6250	07/06/32	250,000	<b>284</b>	<b>2.09</b>
<b>Netherlands - 2.85%</b>					
Bank Voor Nederlandsche Gemeenten EMTN	5.7500	18/01/19	300,000	334	2.46
Neder Landse Waterschapsbank EMTN	5.3750	07/06/32	50,000	53	0.39
				<b>387</b>	<b>2.85</b>
<b>Spain - 1.10%</b>					
Telefonica Emisiones EMTN	5.3750	02/02/26	150,000	<b>149</b>	<b>1.10</b>
<b>Switzerland - 0.66%</b>					
Credit Suisse Group Financial	6.8750	07/06/49	88,000	<b>90</b>	<b>0.66</b>
<b>United Kingdom - 66.45%</b>					
Anglian Water Service EMTN	5.5000	10/10/40	109,000	105	0.77
Anglian Water Service EMTN	6.7500	11/06/24	100,000	106	0.78
Annington Finance FRN	-	10/01/23	75,328	72	0.53
Aviva	6.1250	29/09/49	140,000	120	0.89
BAA Funding FRN EMTN	-	27/11/15	218,000	230	1.69
BAA Lynton	10.2500	31/07/17	50,000	61	0.45
Barclays EMTN	6.7500	16/01/23	100,000	105	0.77
Barclays	12.0000	15/07/10	127,050	127	0.94
BLD Property Holdings	6.1250	30/09/14	190,587	198	1.46
British Land	6.7500	31/03/20	300,000	313	2.31

# Portfolio Statement continued

Security	Coupon (%)	Maturity	Nominal	Market Value £'000	Percentage of total net assets %
Co-Operative Bank EMTN	5.7500	02/12/24	211,000	180	1.33
Co-Operative Bank EMTN	5.8750	28/03/33	50,000	41	0.30
British Sugar	10.7500	02/07/13	10,000	12	0.09
Broadgate FRN	-	05/10/23	96,875	75	0.55
Centrica EMTN	6.3750	10/03/22	250,000	273	2.01
Coventry Building Society EMTN	5.2500	08/11/15	100,000	77	0.57
Derbyshire Building Society EMTN	5.8750	17/12/15	153,000	153	1.13
Development Securities	11.0000	06/01/16	188,000	183	1.35
Dignity Finance	6.3100	31/12/23	89,838	99	0.73
Dudley Metropolitan Borough Council	7.0000	01/02/19	34,000	39	0.29
Dunedin Income Growth <sup>B</sup>	7.8750	30/04/19	114,487	132	0.97
Edinburgh Investment Trust	7.7500	30/09/22	130,000	156	1.15
Edinburgh Investment Trust	11.5000	30/06/14	200,000	253	1.86
Egg Banking EMTN	7.5000	29/05/49	150,000	132	0.97
Enterprise Inns	6.0000	03/02/14	258,000	232	1.71
Eskmuir Properties	7.8750	24/02/20	200,000	177	1.30
Fuller Smith & Turner	6.7850	30/04/28	350,000	366	2.70
Greycoat <sup>A</sup>	9.5000	30/09/03	140,000	-	-
HSBC Capital Funding	5.8440	31/12/49	214,000	187	1.38
Imperial Tobacco Finance EMTN	5.5000	22/11/16	200,000	210	1.55
Land Securities EMTN	4.6250	03/02/13	150,000	152	1.12
LCR Finance	4.5000	07/12/28	250,000	245	1.81
Leicester (City of)	7.0000	25/01/19	21,505	25	0.18
Lloyds TSB EMTN	6.3750	15/04/14	130,000	138	1.02
Local Authority Bond Investments	7.1250	18/02/19	100,000	111	0.82
South East Water	10.0000	30/06/17	200,000	237	1.75
Mitchells & Butlers FRN	-	15/12/30	250,000	198	1.46
MMO2 EMTN	7.6250	25/01/12	88,000	96	0.71
Monks IT	11.0000	01/06/12	225,000	262	1.93
Mobility Operations EMTN	5.2500	28/09/16	200,000	211	1.55
Nationwide Building Society PERP	5.7690	28/02/49	50,000	38	0.28
Nationwide Building Society PERP	6.0000	15/12/49	230,000	186	1.37
Network Rail Infrastructure Finance EMTN	4.7500	22/01/49	300,000	303	2.23
Peel Holdings	9.8750	30/04/11	318,945	335	2.47
Peel South East	11.6250	30/04/18	31,760	38	0.28
Punch Taverns Finance	7.2740	15/04/22	220,000	243	1.79
Punch Taverns Finance FRN	-	30/06/35	209,000	116	0.85
Royal Bank of Scotland EMTN	6.3750	29/04/14	100,000	106	0.78
Salford (City of)	7.0000	25/01/19	42,355	49	0.36
Scottish Investment Trust	5.7500	17/04/30	129,000	122	0.90
Skipton Building Society EMTN	10.0000	12/12/18	293,000	259	1.91
Spirit Issuer FRN	-	28/12/31	109,000	81	0.60
Sutton Bridge Financing	8.6250	30/06/22	66,804	74	0.55
Guoman Hotels	7.8750	20/06/22	131,980	126	0.93
Trustco Finance	11.5000	22/12/16	150,000	203	1.49
United Utilities Water EMTN	5.7500	25/03/22	100,000	103	0.76
Wales & West Utilities Finance	6.7500	17/12/18	150,000	151	1.11
Wereldhave Property Corp	9.5000	15/10/15	100,000	117	0.86
West Bromwich Building Society	6.1500	05/04/49	268,000	54	0.40
Marstons Issuer SINK	5.1576	15/10/27	241,000	224	1.65
				<b>9,017</b>	<b>66.45</b>

<b>Security</b>	<b>Coupon (%)</b>	<b>Maturity</b>	<b>Nominal</b>	<b>Market Value £'000</b>	<b>Percentage of total net assets %</b>
<b>United States - 6.88%</b>					
ASIF II EMTN	5.6250	01/02/12	317,000	320	2.36
JP Morgan Fleming American Investment Trust	6.7850	08/06/18	100,000	111	0.82
MetLife of Connecticut Institute EMTN	6.1250	23/02/11	117,000	121	0.89
New York Global Funding EMTN	4.5000	17/01/13	150,000	157	1.15
Pacific Life Funding EMTN	5.1250	20/01/15	218,000	225	1.66
				<b>934</b>	<b>6.88</b>
<b>Total Sterling Denominated Bonds</b>				<b>12,628</b>	<b>93.05</b>
<b>Total investments</b>				<b>13,255</b>	<b>97.67</b>
<b>Other net assets</b>				<b>316</b>	<b>2.33</b>
<b>Total</b>				<b>13,571</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in fixed interest securities and equity securities except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> Unlisted transferable security.

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

# Sterling Financials Bond

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the Sterling Financials Bond - A Accumulation shares increased by 2.38% compared to an increase of 6.32% in the benchmark, the iBoxx Sterling Corporate Financials 1 - 5 years Index.

Source: Lipper, Total Return, IBOXX, Gross Income Reinvested, GBP.

## Manager's review

Risk assets have continued to perform since the start of the rally at the end of March 2009, with investors opting to continue to support the corporate sector, particularly in light of growing concerns over sovereign indebtedness. The near collapse of Dubai World towards the end of 2009, served to remind investors that all was still not right, although the markets took the news in its stride. It has, however, been the level of indebtedness of Greece, a sovereign, which has had a deeper effect on markets creating volatility for investors and the banking sector. Markets seemingly have recovered the fallout earlier in the year, following International Monetary Fund (IMF) and European Central Bank (ECB) funding options. It remains to be seen though whether the options available are appropriate or sufficient. This has prompted major concerns about the overall indebtedness of sovereigns and has been upper most in investor's minds, who have favoured investment in corporate debt over Sovereign debt.

From an economic perspective economies have begun to recover, particularly in the US, with Europe showing good signs of moving ahead, the UK though is still experiencing a bumpier road to recovery, although for now the economy seems to be stabilising in some sectors. The fear of a double dip for the UK was floated following poor growth figures for the fourth quarter of 2009, however, these have receded as subsequent revisions to the data has been more positive. There are a number of factors affecting the path of recovery in the UK, one of which is the doggedly high level of inflation, although falling to 3.0% in February has risen again to 3.4% in March, as well as an imminent general election, the results of which are far from clear and could even mean a hung parliament. The effect of no clear winner will result in the much needed deficit reductions, to secure a brighter future, being prolonged further as the parties agree on a way forward. One certainty for the consumer is that they will be faced with further fiscal strains on household budgets, in a climate of already rising costs and high unemployment.

Interest rates have remained at very low levels since central banks cut rates in early 2009. There was some suggestion late last year that central banks may look to raise rates during the first half of 2010, there has been no such indication from the central banks – if anything the parlous state of recovery suggests rates will be on hold for most of the year. Although recent market noise is suggesting that the Federal Reserve may now move sooner as the recovery there takes hold. There has been nothing out of the Federal Reserve to suggest that may be the case although they are keen to remove the emergency measures that were put in place. Similarly, the ECB is likely to keep rates at 1% for longer, having not cut to the ultra low levels in the US and UK, the need to raise rates is not as pressing. In the UK, although inflation worries persist, more importantly for the Monetary Policy Committee (MPC) is ensuring a solid recovery is under way providing further support should there be signs of it stalling with additional Quantitative Easing, whereas the Federal Reserve and ECB have already started withdrawing support.

Government bond markets have underperformed driven by the continued strong performance from risk assets. Gilt yields have risen across the curve, initiated by the rise in US bond yields during October and December, since then yields have been volatile but within a tight range. The bulk of the move has been from 5 year out where yields are circa 45 basis points (bps) higher, the short end underpinned by continuing low levels of interest rates, the long end driven by continued supply and higher inflation expectations. Ten year yields ended the period at 3.94%, having started the period at 3.49%, and has been as high as 4.06%, the thirty year ended at 4.53% up 42bps and off of its high of 4.69%.

Ongoing risk appetite has seen corporate bond spreads contract by 55bps to yield on average 1.4% above gilts. In non financials, spreads have retraced nearly all of the widening during the crisis, whereas, financials spreads still have some way to go.

Company results have been at or above expectations; deterioration in asset quality in financials has not been as extensive as the market feared. In non financials the picture has been more mixed with margins continuing to improve but mostly on continuing cost cutting. The outlook here is not so good with the increasing costs of raw materials likely to see a number of companies come under pressure. New issuance has been met with healthy demand with even the lowest rated issuers have been able to raise capital ahead of requirements.

## Portfolio review

With short rates remaining low and the expectation they will remain so, the focus has been to increase the yield in the Fund. This has been achieved primarily by reinvesting the proceeds of maturing financial bonds into higher yielding longer maturities, out to 5 years.

Asset allocation has remained quiet static over the period with regard to holding in UK gilts and floating rate notes (FRN), with a slight increase in AAA rated supra-nationals following the redemption of an AAA covered bond. The average rating on the fund remains at AA.

The Fund benefited from the recovery in the price of Anglo Irish senior FRN, the part government owned bank.

## Outlook

Recovery remains key and it is unlikely the MPC or other central banks will be looking to raise rates until later in the year. The outlook for the government market will be volatile faced with concerns over the fiscal state and a forthcoming general election.

Corporate debt markets are also likely to be volatile as central banks continue to withdraw support, as well as the outlook for weaker sovereigns continuing to be a major cause of concern. However, corporate fundamentals are showing good signs of improvement but will remain susceptible to macro issues. A big risk for the Banks is the intention of international regulators to redefine bank capital requirements, which the market awaits further details on.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>£'000</b>
Investments in securities at market value (note 2.2)	31,760
Cash at bank	497
Interest and dividends receivable	528
<b>Total assets</b>	<b>32,785</b>
<b>Liabilities</b>	
Taxes and expenses payable	43
Redemptions payable	58
<b>Total liabilities</b>	<b>101</b>
<b>Net assets at the end of the period</b>	<b>32,684</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>£'000</b>
Net assets at the beginning of the period	32,504
Net gains from investments	452
Net realised losses	(8)
Net unrealised gains	310
Proceeds from shares issued	1,191
Payments for shares redeemed	(1,760)
Net equalisation paid (note 10)	(5)
<b>Net assets at the end of the period</b>	<b>32,684</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

<b>Income</b>	<b>£'000</b>
Income from investments	628
<b>Total income</b>	<b>628</b>
<b>Expenses</b>	
Management fees (note 4.6)	122
Administration fees (note 4.1)	13
Custodian fees (note 4.2)	3
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	12
Management Company fees (note 4.5)	2
Operational expenses (note 4.7)	14
Annual tax (note 4.9)	8
Bank interest	2
<b>Total expenses</b>	<b>176</b>
<b>Net gains from investments</b>	<b>452</b>
Realised losses on investments	(8)
<b>Net realised losses</b>	<b>(8)</b>
Increase in unrealised appreciation on investments	310
<b>Net unrealised gains</b>	<b>310</b>
<b>Net increase in assets as a result of operations</b>	<b>754</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>A-2</b>
Shares outstanding at the beginning of the period	17,551,596
Shares issued during the period	634,614
Shares redeemed during the period	(947,332)
<b>Shares outstanding at the end of the period</b>	<b>17,238,878</b>
<b>Net asset value per share</b>	<b>1.8960</b>

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

# Portfolio Statement

As at 31 March 2010

Security	Coupon (%)	Maturity	Nominal	Market Value £'000	Percentage of total net assets %
<b>STERLING DENOMINATED BONDS - 84.45%</b>					
<b>Australia - 8.75%</b>					
National Australia Bank EMTN	5.3750	08/12/14	1,208,000	1,309	4.00
Westpac Bank EMTN	4.8750	13/04/11	1,500,000	1,552	4.75
				<b>2,861</b>	<b>8.75</b>
<b>Canada - 4.70%</b>					
Royal Bank of Canada EMTN	4.6250	07/12/10	1,500,000	1,534	4.70
<b>Germany - 11.02%</b>					
KFW EMTN	4.8750	15/01/13	1,000,000	1,079	3.30
Kreditanstalt Fur Weideraufbau FRN	-	15/02/13	1,000,000	1,000	3.06
NRW Bank EMTN	2.6250	07/12/12	1,500,000	1,524	4.66
				<b>3,603</b>	<b>11.02</b>
<b>Ireland - 4.22%</b>					
Anglo Irish Bank FRN EMTN	-	28/06/12	1,500,000	1,380	4.22
<b>Luxembourg - 3.93%</b>					
European Investment Bank EMTN	4.7500	06/06/12	1,200,000	1,284	3.93
<b>Netherlands - 6.86%</b>					
Bank Nederlandse Gemeenten EMTN	2.6250	10/12/13	1,500,000	1,516	4.64
Rabobank Nederland EMTN	5.0000	11/04/11	700,000	726	2.22
				<b>2,242</b>	<b>6.86</b>
<b>Spain - 3.20%</b>					
Institut Credito EMTN	4.5000	07/12/11	1,000,000	1,046	3.20
<b>Sweden - 5.05%</b>					
Skandinaviska Enskilda EMTN	6.6250	09/07/14	1,500,000	1,650	5.05
<b>Switzerland - 1.04%</b>					
Eurofima	6.1250	14/10/14	300,000	341	1.04
<b>United Arab Emirates - 2.36%</b>					
Abu Dhabi Commercial Bank EMTN	5.6250	16/11/11	750,000	770	2.36
<b>United Kingdom - 20.79%</b>					
Abbey National Treasury Services EMTN	7.1250	20/06/11	1,500,000	1,591	4.87
Coventry Building Society EMTN	2.0000	05/04/12	1,500,000	1,514	4.63
GE Capital UK Funding EMTN	6.0000	11/04/13	1,000,000	1,086	3.32
Lloyds TSB EMTN	6.3750	15/04/14	1,000,000	1,063	3.25
Prudential EMTN	3.3750	28/01/13	1,000,000	1,012	3.10
Royal Bank of Scotland EMTN	6.3750	29/04/14	500,000	529	1.62
				<b>6,795</b>	<b>20.79</b>
<b>United States - 12.53%</b>					
Bank of America FRN EMTN	-	02/02/11	1,500,000	1,490	4.56
Metlife Global Funding EMTN	5.2500	09/01/14	1,000,000	1,054	3.22
Pacific Life Funding EMTN	6.2500	08/02/11	1,500,000	1,552	4.75
				<b>4,096</b>	<b>12.53</b>
<b>Total Sterling Denominated Bonds</b>				<b>27,602</b>	<b>84.45</b>

<b>Security</b>	<b>Coupon (%)</b>	<b>Maturity</b>	<b>Nominal</b>	<b>Market Value £'000</b>	<b>Percentage of total net assets %</b>
<b>STERLING GOVERNMENT BONDS - 12.72%</b>					
<b>United Kingdom - 12.72%</b>					
UK Treasury	2.2500	07/03/14	2,000,000	1,998	6.12
UK Treasury	2.7500	22/01/15	500,000	501	1.53
UK Treasury	5.0000	07/09/14	1,500,000	1,659	5.07
				<b>4,158</b>	<b>12.72</b>
<b>Total investments</b>				<b>31,760</b>	<b>97.17</b>
<b>Other net assets</b>				<b>924</b>	<b>2.83</b>
<b>Total</b>				<b>32,684</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in fixed interest securities and equity securities except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

# Technology

For the period ended 31 March 2010

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## Distribution

The Fund has declared an additional distribution on its D-2 shares for the year ended 30 September 2009 of £0.001201 per share in order to obtain UK Distributor status for the year ended 30 September 2009.

## Performance

For the six-month period ended 31 March 2010, the value of the Technology - A Accumulation shares increased by 10.57% compared to an increase of 11.16% in the benchmark, the Bank of America Merrill Lynch Technology 100 Index.

Source: Lipper, Bloomberg, Total Return, Gross Income Reinvested, US\$.

## Manager's review

Technology stocks rallied over the period, outperforming the broader MSCI World Index. Despite nervousness in January and early February, investors were encouraged by buoyant US consumer demand, as well as the Eurozone's rescue package for Greece and the country's successful multi-billion-euro bond issue. The US Federal Reserve's move to hold interest rates at the end of the period also supported sentiment. As well, economic data bolstered confidence that the global recovery was on track. China's economy expanded by 10.7% year-on-year in the fourth quarter while US GDP also grew sharply, fuelled by slower inventory depletion. For the whole of 2009, the benchmark index rose more than 60% in US dollar terms. Earnings within the sector continued to show a positive trend with industry leaders Apple and Microsoft reporting numbers ahead of market expectations. In particular, Apple unveiled its iPad tablet that led to increased investor interest. The sector also saw global handset sales rise in the fourth quarter, while the price of the benchmark 1-gigabit DRAM chip recovered sharply after tumbling to an all-time low in 2008. Although semiconductor sales worldwide fell in 2009, the three biggest players, including our holdings in Intel and Samsung gained market share.

## Portfolio review

The Fund underperformed its benchmark. Stock selection was positive. However, those sub-sectors in which the Fund was overweight because of our stock choices lagged the benchmark index. This hurt overall performance.

At the stock level, Taiwan Semiconductor (TSMC) and Qualcomm were the main detractors from relative return. TSMC's share price was hurt by concerns over the impact of increased competition on its earnings. Nevertheless, we remain positive about its prospects because of its strong core foundry business, with healthy cash flow supported by its technological edge. Qualcomm, the world's largest maker of mobile phone chips, fell sharply after it lowered its 2010 sales outlook and second-quarter profit forecasts missed analysts' estimates. However, it is worth noting that the company is consistently conservative in its guidance. Not holding Sandisk also cost the Fund, as the world's largest maker of flash-memory cards soared on M&A speculation and solid first-quarter sales guidance.

On the plus side, companies such as ASM Pacific Technology, Oracle and Fanuc all contributed positively to relative performance. ASM Pacific Technology, the world's biggest maker of semiconductor wiring machines reported record fourth-quarter profits. The company has been a key beneficiary of the dramatic rebound in the sector since the middle of 2009, given its position as a market leader. Software maker Oracle was supported by higher-than-expected profits and a five-year, US\$42 billion acquisition spree which has boosted demand. Japanese industrial robot maker Fanuc garnered increased investor interest following a large upward revision to its profit forecasts due to a surge in new orders.

Not holding Alcatel and Netease.com also benefited the Fund. Alcatel weakened after it pared its profit margin targets for this year. The company is struggling to cope with increased competition from rivals and falling demand as the economic slump forces carriers to slash spending. Netease.com has been embroiled in a bureaucratic conflict with Chinese regulators over approval for its flagship 'World of Warcraft' game, depressing its share price over the reporting period as a result.

During the period, we added to several holdings, including TSMC which boasts good cashflow and well-supported dividends, as well as to telecommunications companies Telus in Canada and Vodafone in the UK. Conversely, we trimmed Hong Kong's ASM Pacific Technology.

## Outlook

Technology companies have generally given upbeat earnings forecasts, in particular, global demand for mobile applications is set to grow significantly with the total value of the market expected to exceed US\$17 billion by 2012. As such, technology stocks may maintain their upward momentum aided by low interest rates and abundant liquidity. However, the continued rise in global equity markets makes us increasingly cautious about valuations. As long-term investors, we remain committed to our careful, bottom-up investment approach. In the event of market volatility our buy-and-hold approach allows us to ignore short-term market fluctuations and focus on identifying companies with solid balance sheets and established franchises likely to reward investors with steady returns.

## Statement of Net Assets

As at 31 March 2010

Assets	US\$'000
Investments in securities at market value (note 2.2)	89,447
Cash at bank	814
Interest and dividends receivable	119
Subscriptions receivable	604
Receivable for investments sold	1,076
Unrealised gains on forward currency exchange contracts (note 2.6)	1
Other assets	4
<b>Total assets</b>	<b>92,065</b>
<b>Liabilities</b>	
Taxes and expenses payable	189
Redemptions payable	1,892
<b>Total liabilities</b>	<b>2,081</b>
<b>Net assets at the end of the period</b>	<b>89,984</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	US\$'000
Net assets at the beginning of the period	70,126
Net losses from investments	(336)
Net realised gains	1,163
Net unrealised gains	8,205
Proceeds from shares issued	50,092
Payments for shares redeemed	(39,266)
<b>Net assets at the end of the period</b>	<b>89,984</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	US\$'000
Income from investments	498
Other income	47
<b>Total income</b>	<b>545</b>
<b>Expenses</b>	
Management fees (note 4.6)	714
Administration fees (note 4.1)	29
Custodian fees (note 4.2)	14
Distribution fees (note 4.3)	1
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	27
Management Company fees (note 4.5)	4
Operational expenses (note 4.7)	60
Annual tax (note 4.9)	19
Bank interest	13
<b>Total expenses</b>	<b>881</b>
<b>Net losses from investments</b>	<b>(336)</b>
Realised gains on investments	1,232
Realised currency exchange losses	(76)
Realised gains on forward currency exchange contracts	7
<b>Net realised gains</b>	<b>1,163</b>
Increase in unrealised appreciation on investments	8,201
Unrealised currency exchange gains	3
Increase in unrealised appreciation on forward currency exchange contracts	1
<b>Net unrealised gains</b>	<b>8,205</b>
<b>Net increase in assets as a result of operations</b>	<b>9,032</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-2	B-2	D-2(GBP)	I-2
Shares outstanding at the beginning of the period	18,266,703	94,866	4,392,912	1,057,575
Shares issued during the period	16,008,861	-	120,104	749,794
Shares redeemed during the period	(12,319,025)	(10,434)	(283,578)	(531,948)
<b>Shares outstanding at the end of the period</b>	<b>21,956,539</b>	<b>84,432</b>	<b>4,229,438</b>	<b>1,275,421</b>
<b>Net asset value per share</b>	<b>2.93</b>	<b>2.65</b>	<b>1.93</b>	<b>10.28</b>

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

# Portfolio Statement

As at 31 March 2010

	Quantity	Market Value US\$'000	Percentage of total net assets %
<b>Security</b>			
<b>Canada - 3.62%</b>			
Telus	87,400	3,260	3.62
<b>Germany - 3.57%</b>			
Wincor Nixdorf	47,400	3,216	3.57
<b>Hong Kong - 4.90%</b>			
ASM Pacific Technology	465,700	4,407	4.90
<b>India - 5.39%</b>			
Infosys Technologies	83,300	4,852	5.39
<b>Israel - 4.19%</b>			
Check Point Software	107,500	3,767	4.19
<b>Japan - 12.04%</b>			
Canon <sup>A</sup>	89,100	4,124	4.58
FANUC	46,500	4,942	5.50
Omron Corp	76,400	1,768	1.96
		<b>10,834</b>	<b>12.04</b>
<b>Singapore - 2.06%</b>			
Venture Corporation	297,000	1,854	2.06
<b>South Korea - 5.41%</b>			
Samsung Electronics GDR	20,100	4,865	5.41
<b>Sweden - 4.70%</b>			
Ericsson <sup>A</sup>	400,100	4,229	4.70
<b>Taiwan - 7.09%</b>			
Taiwan Mobile	1,199,000	2,261	2.51
TSMC ADS	392,893	4,121	4.58
		<b>6,382</b>	<b>7.09</b>
<b>United Kingdom - 5.84%</b>			
Vodafone	2,278,900	5,254	5.84
<b>United States - 40.59%</b>			
Adobe Systems	111,200	3,934	4.37
Cisco Systems	154,100	4,012	4.46
Dell	128,500	1,929	2.14
EMC	236,500	4,268	4.75
IBM	20,900	2,681	2.98
Intel	181,600	4,044	4.49
Microsoft	131,900	3,860	4.29
Oracle	158,900	4,081	4.53
QUALCOMM	88,700	3,724	4.14
Texas Instruments	163,200	3,994	4.44
		<b>36,527</b>	<b>40.59</b>
<b>Transferable securities</b>		<b>89,447</b>	<b>99.40</b>

Forward currency exchange contracts - nil

<b>Buy</b>	<b>Sell</b>	<b>Settlement</b>	<b>Buy Amount</b>	<b>Sell Amount</b>	<b>Unrealised Gains/ (Losses) US\$'000</b>	<b>Percentage of total net assets %</b>
GBP	USD	01/04/10	15,000	22,362	1	-
GBP	USD	06/04/10	37,967	57,209	-	-
<b>Unrealised gains on forward currency exchange contracts</b>					<b>1</b>	<b>-</b>
<b>Total investments</b>					<b>89,448</b>	<b>99.40</b>
<b>Other net assets</b>					<b>536</b>	<b>0.60</b>
<b>Total</b>					<b>89,984</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in ordinary or common stocks and shares except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> A portion of the stock is on loan at the period end.

# UK Equity

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the UK Equity - A Accumulation shares increased by 11.10% compared to an increase of 12.24% in the benchmark, the FTSE All-Share Index.

Source: Lipper, Total Return, Gross Income Reinvested, GBP.

## Manager's review

UK equities rose on the back of a late rally in the period under review. Resilient third-quarter results and improving domestic economic data boosted sentiment initially despite the country's deteriorating fiscal health. Monetary conditions remained supportive as the Bank of England kept interest rates unchanged at a record low of 0.5% and increased its asset buying scheme by a further £25 billion to £200 billion. In January, US proposals to limit risk-taking by banks and Chinese moves to cool lending led to a sell-off. This was exacerbated by concerns over Greece's sovereign debt crisis despite the UK economy emerging from recession in the fourth quarter. Subsequently, however, UK stocks rose sharply in response to encouraging US data, upbeat banking-sector updates and a rescue package for Greece. The Budget, meanwhile, included modest cuts to public spending, tax breaks for homebuyers and a £2.5 billion growth package. Overall, UK equities outperformed their European peers but lagged US counterparts.

## Portfolio review

The Fund underperformed relative to its benchmark. Stock selection was good. However, the mining sector where the Fund was underweight because of our stock choices outperformed the broader index. This hurt overall performance.

At the stock level, our underweight to HSBC contributed most to relative return, as the bank posted lower-than-expected full-year earnings. We remain positive about HSBC's prospects, given its deposit and capital base as well as international operations. Another key contributor was transport operator Arriva which outperformed because of a potential takeover battle between French state rail company SNCF and German rival Deutsche Bahn for the company. The Fund also benefited from holding engineering product manufacturer Weir Group. A recovery in project investment raised Weir's earnings expectations, given its exposure to the mining and commodity sectors.

Conversely, insurer Aviva detracted most from performance after it reported disappointing 2009 earnings. Our underweight to Rio Tinto and lack of exposure to Anglo American also cost the Fund, as global demand for resources stayed resilient. Anglo American was also boosted by robust first-quarter sales for diamond producer De Beers, in which it holds a 45% stake.

In portfolio activity, we introduced business software supplier Sage Group which has good recurring revenues and a diversified customer base, as well as oil services company John Wood Group and aerospace and defence engineering group Cobham, given their market positions, long-term prospects and balance sheets.

Against this, we sold Marks & Spencer and Tomkins in view of better opportunities elsewhere.

## Outlook

The UK economy appears to have stabilised but a self-sustaining recovery has yet to take root. While manufacturing has rebounded, weak wage growth and higher taxes are hurting consumption. As banks rebuild capital bases, credit has tightened for companies, hampering investments. The Government also needs to curtail spending, given rating agencies' warnings of a downgrade unless decisive action is taken to cut the massive budget deficit. An election is due on 6 May and the possibility of a hung parliament is adding to uncertainty.

That said, unlike weaker Eurozone members that have been constrained by a common currency, the UK has regained some competitiveness because of weak sterling. This has boosted exports and raised hopes that the manufacturing-led rebound will broaden out, aided by inventory rebuilding.

In the meantime, loose monetary conditions should continue to provide short-term support for equities.

## Statement of Net Assets

As at 31 March 2010

Assets	£'000
Investments in securities at market value (note 2.2)	37,033
Cash at bank	1,241
Interest and dividends receivable	217
Subscriptions receivable	142
Receivable for investments sold	354
<b>Total assets</b>	<b>38,987</b>

## Liabilities

Payable for investments purchased	331
Taxes and expenses payable	74
Redemptions payable	146
Other liabilities	100
<b>Total liabilities</b>	<b>651</b>

## Net assets at the end of the period

**38,336**

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	£'000
Net assets at the beginning of the period	35,038
Net gains from investments	214
Net realised losses	(138)
Net unrealised gains	3,952
Proceeds from shares issued	2,626
Payments for shares redeemed	(3,255)
Net equalisation paid (note 10)	(1)
Dividends paid (note 5)	(100)
<b>Net assets at the end of the period</b>	<b>38,336</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	£'000
Income from investments	530
Bank interest	3
Other income	5
<b>Total income</b>	<b>538</b>

## Expenses

Gross management fees	270
Less: management fee cross holdings	(9)
<b>Net management fees (note 4.6)</b>	<b>261</b>
Administration fees (note 4.1)	15
Custodian fees (note 4.2)	1
Distribution fees (note 4.3)	2
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	13
Management Company fees (note 4.5)	2
Operational expenses (note 4.7)	21
Annual tax (note 4.9)	9
<b>Total expenses</b>	<b>324</b>

## Net gains from investments

Realised losses on investments	(138)
<b>Net realised losses</b>	<b>(138)</b>

## Net unrealised gains

Decrease in unrealised depreciation on investments	3,952
<b>Net unrealised gains</b>	<b>3,952</b>

## Net increase in assets as a result of operations

**4,028**

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-2	B-2	D-1
Shares outstanding at the beginning of the period	1,510,481	41,013	1,277,891
Shares issued during the period	54,084	-	156,142
Shares redeemed during the period	(121,993)	(12,737)	(120,484)
<b>Shares outstanding at the end of the period</b>	<b>1,442,572</b>	<b>28,276</b>	<b>1,313,549</b>
<b>Net asset value per share</b>	<b>14.31</b>	<b>12.32</b>	<b>13.21</b>

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

# Portfolio Statement

As at 31 March 2010

	Quantity	Market Value £'000	Percentage of total net assets %
<b>Security</b>			
<b>BASIC MATERIALS - 4.18%</b>			
<b>Mining - 4.18%</b>			
BHP Billiton	42,000	949	2.47
Rio Tinto	16,775	655	1.71
		<b>1,604</b>	<b>4.18</b>
<b>CONSUMER GOODS - 14.68%</b>			
<b>Automobiles &amp; Parts - 2.00%</b>			
GKN <sup>c</sup>	555,000	766	2.00
<b>Food Producers - 5.24%</b>			
Associated British Foods <sup>c</sup>	128,000	1,253	3.27
Unilever	39,000	755	1.97
		<b>2,008</b>	<b>5.24</b>
<b>Household Goods - 3.11%</b>			
McBride	195,000	445	1.16
Persimmon	160,000	745	1.95
		<b>1,190</b>	<b>3.11</b>
<b>Tobacco - 4.33%</b>			
British American Tobacco	73,000	1,658	4.33
<b>CONSUMER SERVICES - 16.11%</b>			
<b>Food &amp; Drug Retailers - 5.13%</b>			
Morrison (W)	267,000	784	2.04
Tesco	272,000	1,184	3.09
		<b>1,968</b>	<b>5.13</b>
<b>General Retailers - 1.28%</b>			
Mothercare	82,000	492	1.28
<b>Media - 3.42%</b>			
Daily Mail & General Trust <sup>c</sup>	118,000	587	1.53
Pearson	70,000	725	1.89
		<b>1,312</b>	<b>3.42</b>
<b>Travel &amp; Leisure - 6.28%</b>			
Arriva <sup>c</sup>	121,294	889	2.32
Millennium & Copthorne	140,000	679	1.77
SFI Holdings Litigation Entitlements <sup>A</sup>	46,000	-	-
Whitbread <sup>c</sup>	57,000	840	2.19
		<b>2,408</b>	<b>6.28</b>
<b>FINANCIALS - 27.88%</b>			
<b>Banks - 6.96%</b>			
HSBC	214,000	1,430	3.73
Standard Chartered	69,000	1,240	3.23
		<b>2,670</b>	<b>6.96</b>
<b>Collective Investment Schemes - 7.46%</b>			
Aberdeen UK Smaller Companies Fund <sup>AB</sup>	961,000	1,497	3.90
Aberdeen UK Mid-Cap Fund <sup>AB</sup>	1,415,000	1,363	3.56
		<b>2,860</b>	<b>7.46</b>

	Quantity	Market Value £'000	Percentage of total net assets %
<b>Security</b>			
<b>Financial Services - 4.53%</b>			
Close Brothers Group <sup>c</sup>	94,000	729	1.90
Schroders (non voting)	88,000	1,009	2.63
		<b>1,738</b>	<b>4.53</b>
<b>Life Insurance/Assurance - 5.86%</b>			
Aviva	257,000	990	2.58
Prudential	170,000	931	2.43
Resolution	396,000	325	0.85
		<b>2,246</b>	<b>5.86</b>
<b>Real Estate Investment Trusts - 3.07%</b>			
Hammerson	144,000	566	1.48
Land Securities	90,000	610	1.59
		<b>1,176</b>	<b>3.07</b>
<b>HEALTH CARE - 4.69%</b>			
<b>Pharmaceuticals &amp; Biotechnology - 4.69%</b>			
AstraZeneca	31,000	911	2.38
GlaxoSmithKline	70,000	886	2.31
		<b>1,797</b>	<b>4.69</b>
<b>INDUSTRIALS - 6.39%</b>			
<b>Aerospace &amp; Defense - 4.49%</b>			
Cobham	229,000	589	1.54
Rolls Royce Group <sup>c</sup>	190,000	1,131	2.95
		<b>1,720</b>	<b>4.49</b>
<b>General Industrials - nil</b>			
Greengro Technologies <sup>a</sup>	280	-	-
<b>Industrial Engineering - 1.90%</b>			
Weir Group <sup>c</sup>	78,000	729	1.90
<b>OIL &amp; GAS - 11.41%</b>			
<b>Oil &amp; Gas Producers - 7.16%</b>			
BP	137,000	854	2.23
BG Group	67,000	764	1.99
Royal Dutch Shell	62,000	1,126	2.94
		<b>2,744</b>	<b>7.16</b>
<b>Oil Equipment &amp; Services - 4.25%</b>			
John Wood Group	185,000	672	1.75
AMEC	120,000	959	2.50
		<b>1,631</b>	<b>4.25</b>
<b>TECHNOLOGY - 0.98%</b>			
<b>Software &amp; Computer Services - 0.98%</b>			
Sage Group	157,000	375	0.98
<b>TELECOMMUNICATIONS - 3.18%</b>			
<b>Mobile Telecommunications - 3.18%</b>			
Vodafone	801,000	1,218	3.18

## Portfolio Statement continued

<b>Security</b>	<b>Quantity</b>	<b>Market Value £'000</b>	<b>Percentage of total net assets %</b>
<b>UTILITIES - 7.10%</b>			
<b>Gas, Water &amp; Multiutilities - 7.10%</b>			
Centrica	599,000	1,761	4.59
National Grid	150,000	962	2.51
		<b>2,723</b>	<b>7.10</b>
<b>Total investments</b>		<b>37,033</b>	<b>96.60</b>
<b>Other net assets</b>		<b>1,303</b>	<b>3.40</b>
<b>Total</b>		<b>38,336</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in ordinary or common stocks and shares except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> Unlisted transferable security.

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

<sup>C</sup> A portion of the stock is on loan at the period end.

# World Bond

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the World Bond – D Income shares increased by 1.89% compared to an increase of 2.03% in the benchmark, the Citigroup WGBI Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

The fourth quarter of 2009 was characterised by a move out of deep recession into recovery. Interest rate cuts, central bank liquidity injections and government-backed rescue packages started to feed through to the real economy as business confidence surveys and forward looking indicators began to turn upward.

Reduced stress in the financial system and positive growth influences from developing economies helped to maintain strong risk appetite among investors and spreads on corporate bonds tightened relative to governments. However concern shifted to focus on the high level of debt taken onto government balance sheets. In particular Greece came under the spotlight as it emerged that the fiscal deficit was not only much higher than had previously been reported but was well above of the permitted ratio allowed by the EU. This had a contagion effect on other bond markets particularly Portugal, Ireland, Italy and Spain which all saw a rise in risk premium. As 2010 got underway the market began to focus on the potential timing and scale of the removal of monetary and fiscal stimulus across the global economy. The significant hurdles of high unemployment and weak housing in the US meant growth expectations globally started to recede.

Most central banks kept official interest rates at low levels which anchored the front end of yield curves. However, government bond yields generally rose at the longer end of the yield curve. In particular, longer dated US Treasury yields rose and the yield curve steepened, as the market began to price in the effect of the extent of fiscal stimulus announced by the US Government on the future levels of bond supply. The core European bond markets outperformed the US, UK and Japan, in part due to the lesser fiscal action taken by European governments.

In the currency markets, the improvement in sentiment and the performance of the US economy; and the apparent worsening situation in peripheral European economies; helped the US dollar appreciate against developed countries, but it's appreciation was held back as other investors used the US dollar as a funding currency for investments in higher yielding currencies and asset classes.

## Portfolio review

Within interest rates, our underweight positions in the European peripheral government bond markets, particularly Spain and Portugal, added the most value.

Within currencies, our underweight position in the euro versus the US dollar and sterling performed well, as did an underweight position in the Australian dollar versus the US dollar.

Our holdings in Euroyen bonds, rather than Japanese Government Bonds (JGBs) which attract withholding tax, also performed well as spreads narrowed. The Fund was not exposed to corporate credit.

## Outlook

The government bond markets will continue to be subject to the competing influences of high fiscal deficits and low core inflation and we anticipate a range-bound market reflecting these factors.

In the US, we believe that any meaningful recovery in the housing market is unlikely until at least 2011 and we expect core inflation to fall to uncomfortably low levels this year. We do not anticipate the Federal Reserve will hike interest rates much before year end, though we note that it is keen to begin removing emergency measures as growth continues and the financial system continues to improve.

In the Eurozone, growth will be much more modest than in the US, reflecting the need for fiscal retrenchment and a much more sluggish labour market. This will constrain consumption quite markedly. We expect the European Central Bank to continue to distinguish between liquidity provision and monetary policy.

In Japan, the Bank of Japan feels that the economy is improving, but that deflation remains the biggest threat to growth. As a consequence, monetary policy accommodation is likely to remain in place for some time.

In the UK, the sustainability of any recovery remains uncertain given the substantial headwinds that face the economy. We expect the Monetary Policy Committee to keep base rates on hold at 0.5% for much of this year.

## Statement of Net Assets

As at 31 March 2010

<b>Assets</b>	<b>£'000</b>
Investments in securities at market value (note 2.2)	18,884
Cash at bank	742
Interest and dividends receivable	177
Subscriptions receivable	64
Receivable for investments sold	1,599
<b>Total assets</b>	<b>21,466</b>
<b>Liabilities</b>	
Payable for investments purchased	1,220
Taxes and expenses payable	37
Redemptions payable	18
Unrealised losses on forward currency exchange contracts (note 2.6)	4
Other liabilities	119
<b>Total liabilities</b>	<b>1,398</b>
<b>Net assets at the end of the period</b>	<b>20,068</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	<b>£'000</b>
Net assets at the beginning of the period	19,974
Net gains from investments	117
Net realised gains	924
Net unrealised losses	(659)
Proceeds from shares issued	2,017
Payments for shares redeemed	(2,184)
Net equalisation paid (note 10)	(2)
Dividends paid (note 5)	(119)
<b>Net assets at the end of the period</b>	<b>20,068</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

	<b>£'000</b>
<b>Income</b>	
Income from investments	254
Bank interest	1
<b>Total income</b>	<b>255</b>
<b>Expenses</b>	
Management fees (note 4.6)	89
Administration fees (note 4.1)	20
Custodian fees (note 4.2)	2
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	10
Management Company fees (note 4.5)	1
Operational expenses (note 4.7)	11
Annual tax (note 4.9)	5
<b>Total expenses</b>	<b>138</b>
<b>Net gains from investments</b>	<b>117</b>
Realised gains on investments	852
Realised currency exchange gains	39
Realised gains on forward currency exchange contracts	33
<b>Net realised gains</b>	<b>924</b>
Decrease in unrealised appreciation on investments	(657)
Unrealised currency exchange losses	(18)
Decrease in unrealised depreciation on forward currency exchange contracts	16
<b>Net unrealised losses</b>	<b>(659)</b>
<b>Net increase in assets as a result of operations</b>	<b>382</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	<b>D-1</b>
Shares outstanding at the beginning of the period	12,265,166
Shares issued during the period	1,251,183
Shares redeemed during the period	(1,346,263)
<b>Shares outstanding at the end of the period</b>	<b>12,170,086</b>
<b>Net asset value per share</b>	<b>1.6490</b>

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

# Portfolio Statement

As at 31 March 2010

Security	Coupon (%)	Maturity	Nominal	Market Value £'000	Percentage of total net assets %
<b>UK Treasury Stock - 5.35%</b>					
UK Treasury	3.7500	07/09/19	420,000	414	2.06
UK Treasury	4.2500	07/03/36	330,000	317	1.58
UK Treasury	4.5000	07/03/13	220,000	237	1.18
UK Treasury	4.2500	07/12/49	110,000	106	0.53
				<b>1,074</b>	<b>5.35</b>
<b>AUSTRALIAN DOLLAR DENOMINATED - 0.37%</b>					
<b>Australia - 0.37%</b>					
Australia	6.0000	15/02/17	120,000	74	0.37
<b>CANADIAN DOLLAR DENOMINATED - 1.61%</b>					
<b>Canada - 1.61%</b>					
Canada	4.2500	01/06/18	90,000	62	0.31
Canada	5.7500	01/06/29	160,000	127	0.63
Canada	5.0000	01/06/14	190,000	135	0.67
				<b>324</b>	<b>1.61</b>
<b>EURO DENOMINATED - 34.44%</b>					
<b>Austria - 0.80%</b>					
Austria	6.2500	15/07/27	140,000	161	0.80
<b>Belgium - 2.48%</b>					
Belgium	3.5000	28/03/15	530,000	498	2.48
<b>Denmark - 0.14%</b>					
Denmark	4.5000	15/11/39	200,000	27	0.14
<b>Finland - 1.47%</b>					
Finland	3.1250	15/09/14	120,000	112	0.56
Finland	4.0000	04/07/25	200,000	183	0.91
				<b>295</b>	<b>1.47</b>
<b>France - 1.93%</b>					
France	4.0000	25/10/14	220,000	212	1.06
France	4.2500	25/10/23	185,000	174	0.87
				<b>386</b>	<b>1.93</b>
<b>Germany - 10.19%</b>					
Germany	3.5000	04/01/16	750,000	709	3.54
Germany	3.7500	04/01/19	180,000	170	0.85
Germany	4.0000	13/04/12	640,000	606	3.02
Germany	4.2500	04/07/14	330,000	322	1.60
Germany	5.5000	04/01/31	127,500	141	0.70
Germany	6.5000	04/07/27	80,000	97	0.48
				<b>2,045</b>	<b>10.19</b>
<b>Greece - 4.55%</b>					
Greece	4.3000	20/03/12	590,000	519	2.58
Greece	4.5000	20/09/37	130,000	86	0.43
Greece	6.1000	20/08/15	210,000	187	0.93
Greece	6.2500	19/06/20	140,000	122	0.61
				<b>914</b>	<b>4.55</b>

# Portfolio Statement continued

<b>Security</b>	<b>Coupon (%)</b>	<b>Maturity</b>	<b>Nominal</b>	<b>Market Value £'000</b>	<b>Percentage of total net assets %</b>
<b>Ireland - 0.53%</b>					
Ireland	5.9000	18/10/19	107,000	<b>106</b>	<b>0.53</b>
<b>Italy - 7.06%</b>					
Italy	4.0000	15/04/12	670,000	628	3.13
Italy	4.2500	01/09/19	330,000	307	1.53
Italy	5.0000	01/09/40	520,000	482	2.40
				<b>1,417</b>	<b>7.06</b>
<b>Netherlands - 3.36%</b>					
Netherlands	2.7500	15/01/15	300,000	274	1.36
Netherlands	3.5000	15/07/20	232,000	210	1.05
Netherlands	4.0000	15/01/37	80,000	72	0.36
Netherlands	4.5000	15/07/17	120,000	119	0.59
				<b>675</b>	<b>3.36</b>
<b>Poland - 0.52%</b>					
Poland	5.5000	25/04/15	440,000	<b>103</b>	<b>0.52</b>
<b>Portugal - 0.70%</b>					
Portugal	4.7500	14/06/19	150,000	<b>141</b>	<b>0.70</b>
<b>Spain - 0.71%</b>					
Spain	4.2000	31/01/37	170,000	<b>142</b>	<b>0.71</b>
<b>Total Euro Denominated</b>				<b>6,910</b>	<b>34.44</b>
<b>JAPANESE YEN DENOMINATED - 28.16%</b>					
<b>Japan - 28.16%</b>					
DEPFA ACS Bank	1.6500	20/12/16	240,000,000	1,481	7.38
Japan	0.8000	20/03/14	140,000,000	1,003	5.00
Japan	0.8000	20/06/23	150,000,000	940	4.68
Japan	0.9000	20/12/12	132,000,000	948	4.72
Japan	1.0000	20/03/23	13,000,000	84	0.42
Japan	1.3000	20/03/19	32,500,000	230	1.15
Japan	1.4000	20/12/15	60,000,000	440	2.20
Japan	1.5000	20/12/17	7,300,000	53	0.26
Japan	2.0000	20/12/24	4,500,000	32	0.16
Japan	2.0000	20/12/33	20,400,000	137	0.68
KFW	2.6000	20/06/37	42,000,000	303	1.51
				<b>5,651</b>	<b>28.16</b>

Security	Coupon (%)	Maturity	Nominal	Market Value £'000	Percentage of total net assets %	
<b>UNITED STATES DOLLAR DENOMINATED - 24.17%</b>						
<b>United States - 24.17%</b>						
US Treasury	1.5000	31/12/13	1,580,000	1,023	5.10	
US Treasury	1.7500	15/11/11	1,880,000	1,258	6.27	
US Treasury	4.0000	15/02/15	40,000	28	0.14	
US Treasury	4.2500	15/05/39	75,000	46	0.23	
US Treasury	4.5000	15/08/39	140,000	89	0.44	
US Treasury	6.0000	15/02/26	470,000	366	1.82	
US Treasury	6.2500	15/05/30	370,400	299	1.49	
US Treasury	7.2500	15/05/16	720,000	589	2.94	
US Treasury	8.1250	15/08/19	1,300,000	1,153	5.74	
				<b>4,851</b>	<b>24.17</b>	
<b>Transferable securities</b>				<b>18,884</b>	<b>94.10</b>	
<b>Forward currency exchange contracts - (0.02)%</b>						
Buy	Sell	Settlement	Buy Amount	Sell Amount	Unrealised Gains/ (Losses) £'000	Percentage of total net assets %
CAD	GBP	11/06/10	126,000	81,933	-	-
CHF	GBP	11/06/10	148,000	91,769	1	-
EUR	GBP	11/06/10	193,000	175,466	(3)	(0.01)
EUR	GBP	11/06/10	65,000	58,129	-	-
EUR	GBP	11/06/10	309,000	277,433	(2)	(0.01)
EUR	GBP	11/06/10	309,000	278,056	(2)	(0.01)
EUR	USD	11/06/10	342,000	460,236	2	0.01
GBP	USD	11/06/10	73,010	110,000	-	-
GBP	JPY	11/06/10	102,332	13,940,000	4	0.02
GBP	USD	11/06/10	237,550	356,000	3	0.01
GBP	JPY	11/06/10	81,112	10,923,000	4	0.02
GBP	EUR	11/06/10	317,163	350,000	5	0.02
GBP	AUD	11/06/10	43,387	72,000	-	-
GBP	EUR	11/06/10	278,056	309,000	2	0.01
JPY	GBP	11/06/10	54,661,000	403,587	(18)	(0.09)
MYR	USD	09/06/10	444,000	130,804	3	0.01
NOK	GBP	11/06/10	538,000	60,434	(1)	-
PLN	GBP	11/06/10	111,000	25,817	-	-
SEK	GBP	11/06/10	308,000	28,711	-	-
SGD	GBP	11/06/10	115,000	54,868	(1)	-
USD	EUR	11/06/10	462,487	339,000	2	0.01
USD	GBP	11/06/10	463,570	309,000	(3)	(0.01)
USD	EUR	11/06/10	153,959	114,000	-	-
USD	GBP	11/06/10	92,342	61,000	-	-
USD	JPY	11/06/10	122,213	11,370,000	-	-
<b>Unrealised losses on forward currency exchange contracts</b>					<b>(4)</b>	<b>(0.02)</b>
<b>Total investments</b>				<b>18,880</b>	<b>94.08</b>	
<b>Other net assets</b>				<b>1,188</b>	<b>5.92</b>	
<b>Total</b>				<b>20,068</b>	<b>100.00</b>	

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in fixed interest securities and equity securities except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

# World Equity

For the period ended 31 March 2010

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## Performance

For the six-month period ended 31 March 2010, the value of the World Equity - A Accumulation shares increased by 5.93% compared to an increase of 7.67% in the benchmark, the MSCI World Index.

Source: Lipper, Total Return, Gross Income Reinvested, US\$.

## Manager's review

World stock markets extended their gains in the six months to 31 March 2010, boosted by a stream of positive economic news and supportive central bank policies. The global economy expanded in the third and fourth quarters thanks largely to inventory restocking and government stimulus efforts. Developed countries held interest rates steady and continued to extend fiscal policies while certain developing countries, particularly in Asia, began to raise rates. Most companies reported decent earnings results, banks, in particular, chalked up record profits as the trading environment normalised. Even so, market confidence remained fragile. In November, state-owned Dubai World shocked bondholders by requesting for a delay of repayments on billions of dollars of debt, causing equities to sell off briefly. Following this, stock markets fell in January, as China tightened bank lending standards, Greece's debt woes threatened to spread to Europe's core economies and the US proposed to limit the size of financial institutions.

Global equities outperformed government bonds over the period on continued appetite for risk.

## Portfolio review

The Fund underperformed relative to its benchmark. Stock selection was good. However, those countries in which the Fund was overweight because of our stock choices lagged the regional index. This hurt overall performance.

The stocks that contributed the most to relative return were UK listed miner Rio Tinto, Dutch electronics company Philips Electronics and Italian steel-pipe maker Tenaris. Rio Tinto's performance was helped by expectation of higher iron ore prices, amid rising steel demand in China and the shift to quarterly pricing linked to the spot market for iron ore. Philips Electronics rose on hopes that the imminent ban of incandescent light bulbs in many countries would boost demand for LED technology. Meanwhile, Tenaris was buoyed by higher oil prices and strong third-quarter cashflow.

In contrast, holding E.On hurt the Fund, as the German utility is facing falling gas prices and oversupply amid growing competition, it has since renegotiated supply contracts to take account of the spot price. Spanish insurer Mapfre lagged as it reported weak corporate results showing a rapid contraction of non-life margins, however, we like the fact that the company has rebuilt its balance sheet following the credit crisis and looks set to benefit from long-term growth opportunities especially in emerging markets. Intesa Sanpaolo was hurt by fears that persistently low interest rates would dampen net interest income.

During the period under review, we bought Brazilian lender Banco Bradesco, a dominant player in the market, Swiss drugmaker Novartis and telecommunications company China Mobile on attractive valuations, as well as US pharmacy group CVS Caremark, as the company continued to improve its margins.

Against this, we sold pharmaceutical company AstraZeneca and postal operator Deutsche Post on concerns over their long-term prospects. Other disposals included Belgian incumbent telecom operator Belgacom, owing to its lacklustre business prospects and oil company Exxon Mobil.

## Outlook

The process of rebalancing has begun but the global recovery is likely to be sluggish. Governments in the West will have to struggle with bulging deficits for a long time, while a rise in commodities-led inflation may hamper Asia's growth trajectory. So far, these uncertainties are not reflected in stock markets, as loose monetary conditions provide short-term support. We do not rule out further increases but these gains are likely to be smaller given the big rebound last year. Regardless, our investment strategy remains consistent, we are vigilant over our holdings and look only to buy the best companies at attractive valuations.

## Statement of Net Assets

As at 31 March 2010

Assets	US\$'000
Investments in securities at market value (note 2.2)	1,880,711
Cash at bank	29,077
Interest and dividends receivable	9,797
Subscriptions receivable	9,724
Receivable for investments sold	5,938
Other assets	67
<b>Total assets</b>	<b>1,935,314</b>
<b>Liabilities</b>	
Taxes and expenses payable	2,364
Redemptions payable	1,111
<b>Total liabilities</b>	<b>3,475</b>
<b>Net assets at the end of the period</b>	<b>1,931,839</b>

## Statement of Changes in Net Assets

For the period from 1 October 2009 to 31 March 2010

	US\$'000
Net assets at the beginning of the period	1,269,611
Net gains from investments	9,041
Net realised gains	14,596
Net unrealised gains	77,853
Proceeds from shares issued	959,078
Payments for shares redeemed	(398,927)
Net equalisation received (note 10)	587
<b>Net assets at the end of the period</b>	<b>1,931,839</b>

## Statement of Operations

For the period from 1 October 2009 to 31 March 2010

Income	US\$'000
Income from investments	16,953
Bank interest	240
Other income	1,441
<b>Total income</b>	<b>18,634</b>
<b>Expenses</b>	
Management fees (note 4.6)	8,092
Administration fees (note 4.1)	141
Custodian fees (note 4.2)	221
Distribution fees (note 4.3)	2
Domiciliary agent, registrar, paying and transfer agent fees (note 4.4)	331
Management Company fees (note 4.5)	78
Operational expenses (note 4.7)	430
Annual tax (note 4.9)	298
<b>Total expenses</b>	<b>9,593</b>
<b>Net gains from investments</b>	<b>9,041</b>
Realised gains on investments	13,491
Realised currency exchange gains	1,178
Realised losses on forward currency exchange contracts	(73)
<b>Net realised gains</b>	<b>14,596</b>
Increase in unrealised appreciation on investments	77,808
Unrealised currency exchange gains	45
<b>Net unrealised gains</b>	<b>77,853</b>
<b>Net increase in assets as a result of operations</b>	<b>101,490</b>

## Share Transactions

For the period from 1 October 2009 to 31 March 2010

	A-2	B-2	C-2	D-2(GBP)	I-2	Z-2
Shares outstanding at the beginning of the period	36,142,874	10,307	11,365	16,224,978	22,988,233	34,875,305
Shares issued during the period	37,867,449	-	19,828	1,505,301	13,538,234	26,887,628
Shares redeemed during the period	(3,587,162)	(4,409)	-	(1,220,727)	(5,806,098)	(22,582,328)
<b>Shares outstanding at the end of the period</b>	<b>70,423,161</b>	<b>5,898</b>	<b>31,193</b>	<b>16,509,552</b>	<b>30,720,369</b>	<b>39,180,605</b>
<b>Net asset value per share</b>	<b>13.04</b>	<b>11.79</b>	<b>10.88</b>	<b>8.59</b>	<b>8.63</b>	<b>13.61</b>

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

# Portfolio Statement

As at 31 March 2010

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Australia - 3.00%</b>			
QBE Insurance Group <sup>A</sup>	3,025,100	57,865	3.00
<b>Brazil - 3.48%</b>			
Banco Bradesco (Pref) ADR	1,130,500	20,846	1.07
Petroleo Brasileiro (Pref) ADR	1,175,900	46,583	2.41
		<b>67,429</b>	<b>3.48</b>
<b>Canada - 1.70%</b>			
Canadian National Railway	542,700	32,921	1.70
<b>China - 2.12%</b>			
China Mobile	2,115,500	20,345	1.05
PetroChina	17,677,400	20,661	1.07
		<b>41,006</b>	<b>2.12</b>
<b>France - 2.69%</b>			
Schneider Electric <sup>A</sup>	441,925	51,925	2.69
<b>Germany - 5.81%</b>			
Adidas	988,800	52,732	2.73
E.ON	1,613,900	59,503	3.08
		<b>112,235</b>	<b>5.81</b>
<b>Hong Kong - 2.51%</b>			
Swire Pacific 'A'	3,022,500	36,435	1.89
Swire Pacific 'B'	5,497,642	12,107	0.62
		<b>48,542</b>	<b>2.51</b>
<b>Italy - 7.31%</b>			
ENI	2,733,100	64,052	3.32
Intesa Sanpaolo	5,154,300	19,214	0.99
Tenaris ADR	1,346,300	57,770	3.00
		<b>141,036</b>	<b>7.31</b>
<b>Japan - 10.50%</b>			
Canon	1,107,001	51,239	2.65
Daito Trust Construction	606,103	29,222	1.51
FANUC	399,500	42,455	2.20
Shin-Etsu Chemical Co	552,300	32,125	1.67
Takeda Pharmaceutical Co	1,083,700	47,783	2.47
		<b>202,824</b>	<b>10.50</b>
<b>Netherlands - 1.61%</b>			
Philips Electronics <sup>A</sup>	967,500	31,076	1.61
<b>Singapore - 1.24%</b>			
City Developments <sup>A</sup>	3,146,500	23,879	1.24
<b>South Korea - 3.38%</b>			
Samsung Electronics GDR <sup>A</sup>	155,213	37,562	1.95
Samsung Electronics (Pref)	58,193	27,696	1.43
		<b>65,258</b>	<b>3.38</b>

<b>Security</b>	<b>Quantity</b>	<b>Market Value US\$'000</b>	<b>Percentage of total net assets %</b>
<b>Spain - 2.07%</b>			
Mapfre	10,899,522	40,041	2.07
<b>Sweden - 4.01%</b>			
Ericsson <sup>A</sup>	3,842,200	40,614	2.10
Nordea <sup>A</sup>	3,718,200	36,836	1.91
		<b>77,450</b>	<b>4.01</b>
<b>Switzerland - 7.91%</b>			
Novartis	540,000	29,204	1.51
Roche Holdings	339,700	55,171	2.85
Zurich Financial Services <sup>A</sup>	266,900	68,527	3.55
		<b>152,902</b>	<b>7.91</b>
<b>Taiwan - 2.98%</b>			
TSMC	25,773,638	49,952	2.59
TSMC ADS	719,772	7,550	0.39
		<b>57,502</b>	<b>2.98</b>
<b>United Kingdom - 14.66%</b>			
British American Tobacco	1,426,800	49,162	2.55
Centrica	6,865,100	30,606	1.58
Rio Tinto	882,300	52,263	2.71
Royal Dutch Shell	1,110,500	30,582	1.58
Standard Chartered <sup>A</sup>	1,817,100	49,546	2.56
Vodafone	30,821,200	71,064	3.68
		<b>283,223</b>	<b>14.66</b>
<b>United States - 20.37%</b>			
CVS Caremark	864,000	31,596	1.64
EOG Resources	212,300	19,735	1.02
Intel	2,693,200	59,978	3.10
Johnson & Johnson	877,300	57,213	2.96
Kraft	1,035,400	31,316	1.62
Philip Morris International	987,900	51,534	2.67
Procter & Gamble	613,300	38,807	2.01
Quest Diagnostics	537,200	31,316	1.62
Schlumberger	474,600	30,118	1.56
United Technologies	570,279	41,984	2.17
		<b>393,597</b>	<b>20.37</b>
<b>Total investments</b>		<b>1,880,711</b>	<b>97.35</b>
<b>Other net assets</b>		<b>51,128</b>	<b>2.65</b>
<b>Total</b>		<b>1,931,839</b>	<b>100.00</b>

All securities held at the period end are transferable except where otherwise stated.

All securities are listed on an official exchange except where otherwise stated.

All investments are in ordinary or common stocks and shares except where otherwise stated.

There are no transferable securities and money market instruments dealt in another regulated market except as otherwise stated.

<sup>A</sup> A portion of the stock is on loan at the period end.

# Notes to the Financial Statements

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## 1 PRESENTATION OF THE FINANCIAL STATEMENTS

### 1.1 General

Aberdeen Global ("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 85/611/EEC of 20 December 1985, as amended). The Company comprises various classes of shares, each relating to a separate portfolio (a "Fund") consisting of securities, cash and other sundry assets and liabilities.

The Company was incorporated under the laws of the Grand Duchy of Luxembourg on 25 February 1988.

The Company is authorised as an undertaking for collective investment in transferable securities under part I of the law dated 20 December 2002 on undertakings for collective investment, as amended (the "Law of 2002").

At 31 March 2010, the Company comprises twenty three separate active funds, providing shareholders with opportunities for investment in a wide variety of markets, securities and currencies.

### 1.2 Aberdeen Global Indian Equity Fund (Mauritius) Limited ("The Mauritian Subsidiary")

Mauritius is a widely used jurisdiction for investing on a collective basis into India. Hence it has developed an infrastructure to support such vehicles encompassing the full range of administration services. The Mauritian Subsidiary was established to benefit from such infrastructure in a time zone which is in between that of India and Luxembourg. Further, it is expected that the Mauritian Subsidiary should be governed by the provisions of the India - Mauritius Double Tax Avoidance Treaty. The Aberdeen Global - Indian Equity Fund makes almost all of its investments in India through a wholly owned subsidiary, Aberdeen Global Indian Equity Fund (Mauritius) Limited, a company incorporated in Mauritius. Transactions involving both the Company and its subsidiary are accounted for in accordance with their economic substance and accordingly these financial statements reflect the activities of the Aberdeen Global - Indian Equity Fund and of its subsidiary as if all the activities had been undertaken by the Aberdeen Global - Indian Equity Fund.

### 1.3 Presentation of financial statements

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

As the financial statements are produced at a different valuation point to the daily dealing NAV on 31 March 2010 and include dividend declarations, effective for the distribution period ended 31 March 2010 and certain accounting adjustments relating to the period ended 31 March 2010, the Net Asset Values (NAV's) on pages 4 and 5 and those shown throughout the report may differ from those advertised on 31 March 2010 for dealing in these Funds.

## 2 ACCOUNTING POLICIES

### 2.1 Accounting convention

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

### 2.2 Assets and portfolio securities valuation

The market value of investments has been calculated using the close of business prices on 31 March 2010 quoted on stock exchanges or over-the-counter market or any other organised market on which these investments are traded or admitted for trading.

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

Security Acronyms:

SINK	Sinking Bond
EMTN	Euro Medium Term Note
FRN	Floating Rate Note
VAR	Variable Rate Note
I/L	Index Linked
PERP	Perpetual
CLN	Credit Linked Note
PIK	Payment In Kind
CNV	Convertible

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## **2.3 Income and expenses**

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

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

Securities lending commission is accounted for on an accruals basis.

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 Funds' 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 determined using rates of exchange ruling at 31 March 2010.

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.

## **2.6 Forward currency exchange contracts**

Unsettled forward currency 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.

# **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 A-1, B-1, C-1, D-1, E-1, I-1 and Z-1 are Distribution shares and Classes A-2, B-2, C-2, D-2, E-2, I-2 and Z-2 are Accumulation shares.

The Company has issued either Class A-1, A-2, B-1, B-2, C-1, C-2, D-1, D-2, I-1, I-2, Z-1 and/or Z-2 shares to investors as detailed in the Interim Report and Accounts. They are offered for sale at a price based on NAV adjusted to reflect any applicable dealing charges plus an initial charge. Class A, Class C, Class I and Class Z shares may also be made available in Euro, Japanese Yen, Sterling or US Dollar hedged versions, or such other currencies as the Directors of the Company may determine from time to time.

The Investment Manager will generally undertake currency hedging to reduce the hedged versions of Class A, Class C, Class I and Class Z Shares' exposure to the fluctuations of the base currency of the relevant Fund against the currency of hedging but in any event such hedging will not exceed 105% of the Net Asset Value of the relevant Share Class. The Investment Manager will seek to achieve this hedging by using financial swaps, futures, forward currency exchange contracts, options and other similar derivative transactions deemed appropriate in its discretion but which are within the limits laid down by the CSSF. If, due to market movements, a Class is more than 105% hedged a reduction to such exposure will be sought within an appropriate time scale, subject to market conditions and the best interests of the shareholders of that Class.

## **3.2 A share class**

Class A shares are available to all investors.

## **3.3 B share class**

Class B shares are subject to a Contingent Deferred Sales Charge as well as an additional annual Distributor Fee of 1%. Class B Shares were first offered from 19 April 1993 and were closed to new subscriptions from 1 March 2006.

## **3.4 C share class**

Class C shares are only available to investors whose investment is covered by a suitable agreement with the Investment Manager or one of its Associates and are subject to a Contingent Deferred Sales Charge as well as an additional annual Distributor Fee of 1%.

## **3.5 D share class**

Class D shares are available to all investors.

# Notes to the Financial Statements continued

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Class D shares are expressed in British Pounds ("GBP") and were first offered from 24 March 2006 and it is the intention of the Board of Directors to apply annually for UK Distributor Status for such shares. The UK taxation authorities have approved the UK Distributor Status application that the Company made for the year ended 30 September 2009.

UK Distributor Status is granted retrospectively by the UK taxation authorities. The Board of Directors intend to apply to the UK taxation authorities for UK Distributor Status for the year ended 30 September 2010 and for subsequent periods if the Board of Directors deem it appropriate to do so.

Distributions on the D share class are subject to equalisation.

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

### **3.6 I share class**

Class I shares are intended for Institutional Investors (as defined in the Prospectus) with an initial minimum investment limit of US\$ 1 million and a subsequent minimum limit of US\$ 10,000. They are subject to a reduced rate of Taxe d'Abonnement of 0.01% per annum.

### **3.7 Z share class**

Class Z shares are intended for Institutional Investors (as defined in the Prospectus) with an initial minimum investment limit of US\$ 1 million and a subsequent minimum limit of US\$ 10,000. They are not subject to a management fee or an initial charge.

### **3.8 Switches**

Shares in one Fund may be exchanged or switched into Shares of the same or a different Class in another Fund or of a different Class in the same Fund, subject to the qualifications for investment being met, on any Dealing Day for the relevant Funds. Shares in the same Class may be switched between Accumulation and Distribution shares within the same Class. Investors may switch either a specific number of Shares or Shares of a specified value. Any requests for a switch that are received by the Global Distributor, UK Distributor or the Transfer Agent before 13:00 hours Luxembourg time on a Dealing Day will be redeemed at the Share Price for the relevant Fund calculated on that Dealing Day, subject to any applicable charges (and subject to those shares being available to switch as is explained below). Any requests for a switch received after 13:00 hours Luxembourg time will be redeemed on the next Dealing Day.

Class A, Class D and Class E Shareholders may switch between those Classes in the same Fund or another Fund. Class A, Class D and Class E Shareholders may only switch into Class C, Class I Shares or Class Z Shares of the same Fund or another Fund with the prior consent of the Global Distributor and provided (where appropriate) they qualify as Institutional Investors and they comply with the minimum investment requirements. Class I and Class Z Shareholders may switch in Class A, Class D or Class E Shares but Class C Shareholders may only switch into Class C Shares in another Fund. Shareholders may not switch Class A, Class C, Class D, Class E, Class I or Class Z Shares into Class B Shares of the same Fund or another Fund, or vice versa. However, existing Class B Shareholders may switch into Class B Shares in a Fund which historically issued Class B Shares. The conditions for exchange or switching of the hedged versions of Class A, Class C, Class I and Class Z Shares are the same as the underlying Share Class. A charge payable to the Global Distributor of up to 1% of the Net Asset Value of the Shares being switched may be made.

## **4 EXPENSES**

### **4.1 Administration fees**

Administration fees will not exceed 0.05% per annum (plus VAT, if any) of the NAV of the Company as determined on the last dealing day of each month with a minimum amount payable of £32,500 per annum.

### **4.2 Custodian fees**

The Custodian Bank receives a safekeeping fee based on the market value of the stock involved and where it is registered, which will not exceed 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 custodian also receives transaction fees based on the number of transactions made by each Fund and reasonable out of pocket expenses.

The Listing Agent is entitled to receive a fee calculated in accordance with normal banking practice in Luxembourg and payable out of the assets of the Funds. The Listing Agent's fee will not exceed 0.01% per annum (plus VAT, if any) of the net assets of the Company as determined on the last Dealing Day of the month.

### **4.3 Distribution fees**

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

#### 4.4 Domiciliary agent, registrar, paying and transfer agent fees

The Company will pay Domiciliary agent, registrar and transfer agency fees not exceeding 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 will pay Paying Agent fees not exceeding 0.1% per annum of the net assets of the Company as determined on the last Dealing Day of the month.

#### 4.5 Management Company fees

The Management Company receives a fee which will not exceed 0.01% per annum of the net assets of each Fund.

#### 4.6 Management fees

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

To the extent that any of the net assets are separately managed by subsidiaries of Aberdeen Asset Management PLC then the investment management fee is rebated to the value of the subsidiaries' management fee charge made to the underlying holding.

The following management fee rates were applicable as at 31 March 2010:

Fund	Classes of shares (%)				
	A	B	C	D	I
American Equity	1.50	1.50	1.50	1.50	1.00
Asia Pacific Equity	1.75	1.75	1.75	1.75	1.00
Asian Bond	1.25	1.25	1.25	1.25	0.75
Asian Smaller Companies	1.75	n/a	1.75	1.75	1.00
Australasian Equity	1.50	1.50	1.50	1.50	1.00
Chinese Equity	1.75	n/a	1.75	1.75	1.00
Emerging Markets Bond	1.50	1.50	1.50	1.50	1.00
Emerging Markets Equity	1.75	1.75	1.75	1.75	1.00
Emerging Markets Smaller Companies	1.75	n/a	1.75	1.75	1.00
European Equity	1.50	1.50	1.50	1.50	1.00
Euro High Yield Bond	1.25	1.25	1.25	1.25	0.75
European Equity (Ex UK)	1.50	n/a	1.50	1.50	1.00
High Yield Bond	1.35	n/a	1.35	1.35	0.85
Indian Equity	1.75	n/a	1.75	1.75	1.00
Japanese Equity	1.50	1.50	1.50	1.50	1.00
Japanese Smaller Companies	1.50	n/a	1.50	1.50	1.00
Responsible World Equity	1.50	n/a	1.50	1.50	1.00
Sterling Corporate Bond	1.00	n/a	1.00	1.00	0.50
Sterling Financials Bond	0.75	n/a	0.75	0.75	0.50
Technology	1.75	1.75	1.75	1.75	1.00
UK Equity	1.50	1.50	1.50	1.50	1.00
World Bond	0.90	n/a	0.90	0.90	0.40
World Equity	1.50	1.50	1.50	1.50	1.00

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

#### 4.7 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 financial statements, 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.

#### 4.8 Expense caps

On 30 June 2007, the expense cap of 2.75% for each Fund was removed. The Manager now considers the competitive position of each individual fund relative to comparable funds in similar sectors.

# Notes to the Financial Statements continued

It should be noted that a cap remains in place for Japanese Equity of 2.25% on the A and D shares and 3.25% on the B shares and for Asian Bond has a cap of 1.75% on the A shares and 2.75% on the B shares calculated on the average of total net assets. This will remain in place until Shareholders are advised otherwise.

## 4.9 Annual taxation

The Company is liable in Luxembourg to a Taxe d'Abonnement of 0.05% per annum for the Class A, B, C, D and E shares and 0.01% per annum for Class I and Z shares. Cross holdings within any Luxembourg registered Fund are exempt when calculating Taxe d'Abonnement. This is accrued daily and payable quarterly on the basis of the value of the net assets of the Company at the end of the relevant quarter.

## 5 DIVIDENDS (DISTRIBUTION CLASS AND UK DISTRIBUTOR CLASS ONLY)

For the Class D-1 and Class D-2 shares the distributions have been split into Group 1 and Group 2 distributions. Group 1 shares are shares owned prior to the start of the distribution period and Group 2 shares are shares purchased during the distribution period.

Distributions on the Class D shares are also subject to equalisation.

### Asian Bond (expressed in USD)

The Directors declared quarterly dividends for the Fund as listed below, for the period 1 October 2009 to 31 March 2010 to all shareholders on record on the last day of the relevant quarter.

Date	Class A-1	Class B-1
December 2009	0.028137	0.017790
March 2010	0.023070	0.014565

### Asian Smaller Companies (expressed in GBP)

The Directors declared an additional dividend for the Fund as listed below, for the period 1 October 2008 to 30 September 2009 to all shareholders on record on the last day of September 2009.

Date		Class D-2 Net		Distribution
		Income	Equalisation	Payable
September 2009	Group 1	0.049839	-	0.049839
	Group 2	0.049839	-	0.049839

### Chinese Equity (expressed in GBP)

The Directors declared an additional dividend for the Fund as listed below, for the period 1 October 2008 to 30 September 2009 to all shareholders on record on the last day of September 2009.

Date		Class D-2 Net		Distribution
		Income	Equalisation	Payable
September 2009	Group 1	0.144188	-	0.144188
	Group 2	0.144188	-	0.144188

### Emerging Markets Bond (expressed in USD)

The Directors declared monthly dividends for the Fund as listed below, for the period 1 October 2009 to 31 March 2010 to all shareholders on record on the last day of the relevant month.

Date	Class A-1	Class B-1	Class I-1
October 2009	0.073785	0.060246	0.081981
November 2009	0.074360	0.060548	0.082369
December 2009	0.084789	0.070858	0.093408
January 2010	0.068074	0.054819	0.076328
February 2010	0.076143	0.063579	0.083968
March 2010	0.071463	0.056249	0.080850

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**Euro High Yield Bond (expressed in EUR or as otherwise stated)**

The Directors declared monthly dividends for the Fund as listed below, for the period 1 October 2009 to 31 March 2010 to all shareholders on record on the last day of the relevant month.

<b>Date</b>	<b>Class A-1</b>	<b>Class A-1 (GBP)</b>	<b>Class B-1</b>
October 2009	0.049950	0.151024	0.044559
November 2009	0.055900	0.161056	0.050395
December 2009	0.051919	0.158805	0.046358
January 2010	0.041829	0.127067	0.036460
February 2010	0.047299	0.149117	0.042137
March 2010	0.110599	0.337434	0.103716

<b>Date</b>		<b>Class D-1 Net Income GBP</b>	<b>Equalisation GBP</b>	<b>Distribution Paid/Payable GBP</b>
October 2009	Group 1	0.045156	-	0.045156
	Group 2	0.006106	0.039050	0.045156
November 2009	Group 1	0.064081	-	0.064081
	Group 2	0.035589	0.028492	0.064081
December 2009	Group 1	0.070840	-	0.070840
	Group 2	0.005603	0.065237	0.070840
January 2010	Group 1	0.037036	-	0.037036
	Group 2	0.022247	0.014789	0.037036
February 2010	Group 1	0.043202	-	0.043202
	Group 2	0.025478	0.017724	0.043202
March 2010	Group 1	0.100165	-	0.100165
	Group 2	0.065713	0.034452	0.100165

<b>Date</b>		<b>Class D-2 Net Income GBP</b>	<b>Equalisation GBP</b>	<b>Distribution Paid/Payable GBP</b>
October 2009	Group 1	0.091774	-	0.091774
	Group 2	0.075564	0.016210	0.091774
November 2009	Group 1	0.131273	-	0.131273
	Group 2	0.072801	0.058472	0.131273
December 2009	Group 1	0.146708	-	0.146708
	Group 2	0.146708	-	0.146708

## Notes to the Financial Statements continued

### High Yield Bond (expressed in GBP)

The Directors declared quarterly dividends for the Fund as listed below, for the period 1 October 2009 to 31 March 2010 to all shareholders on record on the last day of the relevant quarter.

Date		Class D-1 Net		Distribution
		Income	Equalisation	Paid/Payable
December 2009	Group 1	0.022696	-	0.022696
	Group 2	0.014220	0.008476	0.022696
March 2010	Group 1	0.036563	-	0.036563
	Group 2	0.024549	0.012014	0.036563

### Japan Smaller Companies (expressed in GBP)

The Directors declared an additional dividend for the Fund as listed below, for the period 1 October 2008 to 30 September 2009 to all shareholders on record on the last day of September 2009.

Date		Class D-2 Net		Distribution
		Income	Equalisation	Paid/Payable
September 2009	Group 1	0.003811	-	0.003811
	Group 2	0.003811	-	0.003811

### Japanese Equity (expressed in GBP)

The Directors declared an additional dividend for the Fund as listed below, for the period 1 October 2008 to 30 September 2009 to all shareholders on record on the last day of September 2009.

Date		Class D-2 Net		Distribution
		Income	Equalisation	Paid/Payable
September 2009	Group 1	0.005656	-	0.005656
	Group 2	0.005656	-	0.005656

### Sterling Corporate Bond (expressed in GBP)

The Directors declared monthly dividends for the Fund as listed below, for the period 1 October 2009 to 31 March 2010 to all shareholders on record on the last day of the relevant month.

Date		Class D-1 Net		Distribution
		Income	Equalisation	Paid/Payable
October 2009	Group 1	0.002036	-	0.002036
	Group 2	0.001017	0.001019	0.002036
November 2009	Group 1	0.001844	-	0.001844
	Group 2	0.000036	0.001808	0.001844
December 2009	Group 1	0.003460	-	0.003460
	Group 2	0.001265	0.002195	0.003460
January 2010	Group 1	0.002778	-	0.002778
	Group 2	0.000972	0.001806	0.002778
February 2010	Group 1	0.002968	-	0.002968
	Group 2	0.001758	0.001210	0.002968
March 2010	Group 1	0.003274	-	0.003274
	Group 2	0.001096	0.002178	0.003274

### Technology (expressed in GBP)

The Directors declared an additional dividend for the Fund as listed below, for the period 1 October 2008 to 30 September 2009 to all shareholders on record on the last day of September 2009.

Date		Class D-2 Net		Distribution
		Income	Equalisation	Paid/Payable
September 2009	Group 1	0.001201	-	0.001201
	Group 2	0.001201	-	0.001201

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### UK Equity (expressed in GBP)

The Directors declared a six-monthly dividend for the Fund as listed below, for the period 1 October 2009 to 31 March 2010 to all shareholders on record on the last day of March 2010.

Date		Class D-1 Net		Distribution
		Income	Equalisation	Paid/Payable
March 2010	Group 1	0.076102	-	0.076102
	Group 2	0.051453	0.024649	0.076102

### World Bond (expressed in GBP)

The Directors declared a six-monthly dividend for the Fund as listed below, for the period 1 October 2009 to 31 March 2010 to all shareholders on record on the last day of March 2010.

Date		Class D-1 Net		Distribution
		Income	Equalisation	Paid/Payable
March 2010	Group 1	0.009798	-	0.009798
	Group 2	0.004946	0.004852	0.009798

## 6 DIRECTORS' INTERESTS

None of the Directors were materially interested in any contracts of significance subsisting with the Company either during the period or at 31 March 2010.

None of the Directors have service contracts with the Company.

## 7 CHANGES IN INVESTMENT PORTFOLIO

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

## 8 TRANSACTIONS WITH CONNECTED PERSONS

Transactions with connected persons outlined in the previous notes (4.3, 4.5 and 4.6) have been entered into in the ordinary course of business and on normal commercial terms.

## 9 SOFT COMMISSION/COMMISSION SHARING

The Investment Manager has entered into soft commission/commission sharing arrangements with brokers in respect of which certain goods and services used to support investment decision making were received. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Company and commission is paid on these transactions. The goods and services utilised for the Fund include research and advisory services; economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis data and quotation services; computer hardware and software incidental to the above goods and services and investment related publications.

## 10 EQUALISATION ON THE ISSUE AND REDEMPTION OF SHARES

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

## 11 ABERDEEN GLOBAL INDIAN EQUITY FUND (MAURITIUS) LIMITED

Aberdeen Global Indian Equity Fund (Mauritius) Limited, as a Mauritian company, is subject to Mauritian Income Tax which is disclosed on page 70.

## 12 OVERDRAFT FACILITY

The Company has a US\$75 million overdraft facility with Bank of America to finance short-term timing differences arising from subscriptions and redemptions. Any liability arising on this account will be recoverable from subscribers to the Company and is therefore not reflected in the financial statements of the Company.

## Notes to the Financial Statements continued

### 13 SECURITIES LENDING

The Company has entered into a securities lending program for a number of equity and fixed income Funds. In return for making securities available for loan throughout the period, the Funds participating in the programs received fees which are reflected in the Financial Statements of each participating Fund under the "other income" caption. The Company has appointed eSec Lending as agent for the equity and fixed income lending program. As remuneration for this agency role, eSec Lending receives 20% of the fees from the Securities Lending program. The Company receives 60% and the Investment Manager receives the remaining 20% of the fees from the Securities Lending program. All security loans are fully collateralised with government bonds.

The amount of securities on loan and collateral value at 31 March 2010 are:

<b>Fund</b>	<b>Amount on Loan</b>	<b>Counterparty</b>	<b>Collateral Value</b>
Asia Pacific Equity	\$24,972,759	Fortis Bank (Nederland) N.V. Scotia Capital (Europe) Ltd Deutsche Bank AG	\$26,342,416
Asian Smaller Companies	\$39,002,849	BNP Paribas Arbitrage	\$41,001,075
Australasian Equity	\$27,328,102	Fortis Bank (Nederland) N.V.	\$28,787,884
Chinese Equity	\$40,434,593	Barclays Capital Securities Ltd	\$44,694,500
Emerging Markets Equity	\$36,231,544	Fortis Bank (Nederland) N.V.	\$38,638,366
Emerging Markets Smaller Companies	\$9,100,622	Fortis Bank (Nederland) N.V.	\$9,772,999
European Equity	\$6,831,359	Scotia Capital (Europe) Ltd	\$7,174,961
Euro High Yield Bond	\$62,638,992	Credit Suisse Securities (Europe) Ltd	\$65,804,924
European Equity (Ex UK)	\$16,230,024	Deutsche Bank AG	\$17,048,762
High Yield Bond	\$4,285,473	Credit Suisse Securities (Europe) Ltd	\$4,501,728
Japanese Equity	\$18,332,347	BNP Paribas Arbitrage	\$19,251,663
Responsible World Equity	\$30,318,067	Deutsche Bank AG	\$31,842,785
Technology	\$8,137,031	BNP Paribas Arbitrage	\$8,544,688
UK Equity	\$8,455,051	BNP Paribas Arbitrage	\$8,886,949
World Equity	\$193,837,548	Deutsche Bank AG	\$203,613,791

# Management and Administration

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## Fund Managers

### **Aberdeen Asset Managers Limited**

**Bow Bells House, 1 Bread Street, London, EC4M 9HH, UK.**

**Authorised and regulated by the Financial Services Authority.**

Aberdeen Global - American Equity Fund

Aberdeen Global - Emerging Markets Bond Fund

Aberdeen Global - Emerging Markets Equity Fund (excluding Asian assets)

Aberdeen Global - Emerging Markets Smaller Companies Fund (excluding Asian assets)

Aberdeen Global - European Equity Fund

Aberdeen Global - Euro High Yield Bond Fund

Aberdeen Global - European Equity (Ex UK) Fund

Aberdeen Global - High Yield Bond Fund

Aberdeen Global - Responsible World Equity Fund

Aberdeen Global - Sterling Corporate Bond Fund

Aberdeen Global - Sterling Financials Bond Fund

Aberdeen Global - Technology Fund

Aberdeen Global - UK Equity Fund

Aberdeen Global - World Bond Fund

Aberdeen Global - World Equity Fund

### **Aberdeen Asset Management Asia Limited,**

**21 Church Street, #01-01 Capital Square Two, Singapore 049480**

**Regulated by the Monetary Authority of Singapore.**

Aberdeen Global - Asia Pacific Equity Fund

Aberdeen Global - Asian Bond Fund

Aberdeen Global - Asian Smaller Companies Fund

Aberdeen Global - Australasian Equity Fund

Aberdeen Global - Chinese Equity Fund

Aberdeen Global - Emerging Markets Equity Fund (Asian assets only)

Aberdeen Global - Emerging Markets Smaller Companies Fund (Asian assets only)

Aberdeen Global - Indian Equity Fund

Aberdeen Global - Japanese Smaller Companies Fund

Aberdeen Global - Japanese Equity Fund

### **Aberdeen Asset Management Inc.,**

**1735 Market Street, 32nd Floor, Philadelphia, PA1903**

**Regulated by the Securities and Exchange Commission.**

Aberdeen Global - American Equity Fund

## **Cross Trade**

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

# Management and Administration continued

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

**DIRECTORS** Hugh Young  
Aberdeen Asset Management Asia  
Limited  
21 Church Street,  
#01-01 Capital Square Two,  
Singapore 049480

Nigel Storer  
Aberdeen Asset Management Inc  
1735 Market Street – 32nd Floor  
Philadelphia, PA 19103

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Aberdeen AB10 1YG  
United Kingdom

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Grand Duchy of Luxembourg

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L-1246 Luxembourg  
Grand Duchy of Luxembourg

Bob Hutcheson  
Aberdeen Global  
2b Rue Albert Borschette  
L-1246 Luxembourg  
Grand Duchy of Luxembourg

Victoria Brown  
Aberdeen Global Services S.A.  
2b Rue Albert Borschette  
L-1246 Luxembourg  
Grand Duchy of Luxembourg

**Registered Office**  
Aberdeen Global, 2b Rue Albert Borschette,  
L-1246 Luxembourg Grand Duchy of Luxembourg

**Management Company also acting as Domiciliary, Registrar & Transfer Agent**  
Aberdeen Global Services S.A.  
2b Rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

**Custodian Bank, Administrator and Listing Agent**  
BNP Paribas Fund Services, Luxembourg Branch, 33 rue de Gasperich, Howald -  
Hesperange, L-2085 Luxembourg, Grand Duchy of Luxembourg

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

**Investment Manager & Global Distributor**  
Aberdeen International Fund Managers Limited, Rooms 26-05-06,  
26th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong

**Auditor**  
KPMG Audit S.à r. l., 9 Allée Scheffer, L-2520 Luxembourg,  
Grand Duchy of Luxembourg

**Legal Advisors to the Company**  
Elvinger Hoss & Prussen, 2 Place Winston Churchill,  
L-1340, Luxembourg, Grand Duchy of Luxembourg

**Italian Paying Agents**  
Intesa Sanpaolo S.p.A, Piazza San Carlo 156, Torino

BNP Paribas Securities Services, Via Ansperto no. 5, Milano  
Allfunds Bank S.A., Milan branch, Via Santa Margherita, 7, 20121 – Milano

**German Paying Agent**  
Marcard, Stein & Co AG, Ballindamm 36, 20095 Hamburg, Germany

**Dutch Representative**  
Fastnet Netherlands N.V., Herengracht 548, 1000 AG Amsterdam,  
The Netherlands

**Austrian Paying and Information Agent and Tax Representative**  
Raiffeisen Zentralbank Osterreich Aktiengesellschaft (RZB AG), Am  
Stadtspark 9, 1030 Vienna, Austria

**Swiss Representative**  
Fortis Foreign Fund Services AG, Rennweg 57,  
Postfach CH 8021 Zürich, Switzerland

**Swiss Paying Agent**  
Fortis Bank (Switzerland) SA, Niederlassung Zurich, Rennweg 57,  
Postfach CH 8021 Zürich, Switzerland

**Irish Facilities Agent**  
Aberdeen Fund Management Ireland Limited, Guild House, Guild Street,  
IFSC, Dublin 1, Ireland

**Belgian Paying Agent**  
Fastnet Belgium s.a/n.v Avenue du Port, Havenlaan 86c b, 320 B-1000  
Brussels, Belgium

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

**Swedish Paying Agent**  
SKANDINAVISKA ENSKILDA BANKEN AB (publ) through its entity Custody  
Services, SEB Merchant Banking with its principal offices at Rissneleden 110,  
SE-106 40 Stockholm, Sweden

# General Information

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Further Information on Aberdeen Global can be obtained from:

## **Aberdeen Asset Managers Limited**

(UK Distributor)  
Bow Bells House,  
1 Bread Street  
London EC4M 9HH  
Telephone: +44 20 7463 6000  
[www.aberdeen-asset.com](http://www.aberdeen-asset.com)

## **Aberdeen International Fund Managers Limited**

(Global Distributor and Investment Manager)  
Rooms 26-05-06,  
26th Floor, Alexandra House  
18 Chater Road  
Central, Hong Kong  
Telephone: +852 2103 4700  
Fax: +852 2827 8908

## **Additional information for investors in Germany**

Applications for the return and replacement of a Fund's shares can be submitted to the German paying agent.

All payments intended for a shareholder, including the proceeds of withdrawal and any dividends, can be routed, at the shareholder's request, via the German paying agent and/or paid out in cash from the German paying agent.

The full and simplified Prospectus and the Constitution of Aberdeen Global and the audited end-of-year reports, the non-audited half-yearly reports and the issue withdrawal prices can be obtained free of charge from the information agent. The issue with call price and the interim profit are published in the stock exchange periodical and in the Handelsblatt commercial journal. Any messages to shareholders are published in the stock exchange periodical.

The Schedule of Changes in the investment portfolio is also available from the Paying Agent.

Furthermore, the other documents which can be examined free of charge at the registered office of Aberdeen Global can also be examined free of charge at the information agent.

The payment and information centre for Aberdeen Global in Germany is:

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

## **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 full and simplified Prospectus conditions:

Representative in Switzerland:  
Fortis Foreign Fund Services AG  
Rennweg 57  
Postfach  
CH 8021 Zürich  
Switzerland

Swiss Paying Agent:  
Fortis Bank (Switzerland) SA  
Niederlassung Zurich  
Rennweg 57  
Postfach  
CH 8021 Zürich  
Switzerland

## **Place of fulfilment and jurisdiction**

For shares marketed in Switzerland, the place of fulfilment and jurisdiction are established at the head office of the representative, in Zürich.

## **Reference sources for fund publications**

The constitution documents, full and simplified Prospectus, 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 Zürich branch.

## **Channels of publication**

Notices for the Fund in Switzerland are published in the Swiss Handelsamtblatt official commercial journal and in the Neue Zürcher Zeitung.

Rate publications in Switzerland are announced each day in the Neue Zürcher Zeitung.

## General Information continued

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### European Savings Directive

From 1 July 2005 distributions and proceeds on redemption from UCITS may be reportable or subject to withholding tax in accordance with Council Directive 2003/48/EC, the EU Savings Directive ("the Directive"). Aberdeen Global is a UCITS for the purposes of the Directive. Only savings income payments are reportable or subject to withholding tax. Distributions are savings income payments if a fund holds more than 15% of its assets in "eligible money debts" and proceeds on redemption are savings income payments if a fund holds more than 40% of its assets in eligible money debts.

For the purposes of the Directive below we show the percentages of each of the Funds' assets which were invested in 'eligible money debts' as defined in Luxembourg.

American Equity	2.93%
Asia Pacific Equity	2.22%
Asia Bond	100.00%
Asian Smaller Companies	4.52%
Australasian Equity	4.00%
Chinese Equity	1.97%
Emerging Markets Bond	91.00%
Emerging Markets Equity	3.05%
Emerging Markets Smaller Companies	2.98%
European Equity	1.80%
Euro High Yield Bond	100.00%
European Equity (Ex UK)	1.19%
High Yield Bond	96.17%
Indian Equity	1.69%
Japanese Equity	1.57%
Japanese Smaller Companies	2.15%
Responsible World Equity	0.63%
Sterling Corporate Bond	55.70%
Sterling Financials Bond	92.77%
Technology	3.14%
UK Equity	4.58%
World Bond	90.57%
World Equity	0.00%

It should be noted that this is for information purposes only. Responsibility for compliance with the Directive remains that of the 'paying agent' as defined by the Directive. The calculation is based on the Luxembourg interpretation of the rules.

## Further Information

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### **Aberdeen Global**

Aberdeen Global 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 85/611/EEC of 20 December 1985 as amended).

Aberdeen Global aims to provide investors with a broad international range of diversified actively-managed Funds. There are 23 active subfunds in total, each with its own specific investment objectives and individual portfolios, offering investors the opportunity of exposure to selected areas or to conveniently build a diversified global stock and bond portfolio to meet specific investment goals. The overall strategy of Aberdeen Global and the separate Funds is to seek diversification through investment primarily in transferable securities.

### **Aberdeen Asset Management PLC**

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

Over two 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 decisionmaking, 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 Managers Limited**

(UK Distributor)

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Regulated by The Securities and Futures Commission of Hong Kong

**Shareholder Service Centre**

Aberdeen Global Services S.A.,

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Grand Duchy of Luxembourg

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Tel +352 46 40 10 820 (Outside UK)

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