Standard Life Private Equity Trust plc

Providing access to a diversified portfolio of private equity investments

Annual Report
30 September 2020

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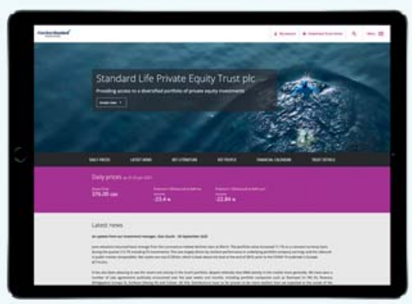


SCAN ME

The Company

Standard Life Private Equity Trust plc (the "Company" or "SLPET") is an investment trust with a premium listing on the London Stock Exchange.

The Company has appointed SL Capital Partners LLP ("SLCP"), a wholly owned subsidiary of Standard Life Aberdeen plc, as its alternative investment fund manager ("AIFM") and Manager (the "Manager"). Aberdeen Standard Investments ("ASI") is the brand of Standard Life Aberdeen plc.

Visit our Website

To find out more about Standard Life Private Equity Trust plc, please visit: **slpet.co.uk**

Contents

SLPET at a Glance

Performance

10.3% per annum

Annualised NAV total return since inception in 2001

Conviction

Top 10 investments represent **~50%** of NAV

17 core managers

Specialism

85% underlying portfolio companies with European Headquarters

Mid-market focus since 2001

Diversification

400+ underlying portfolio companies

Responsible Investment

ESG is fundamental to the investment philosophy & process

Increase in Direct Investments

5% of the portfolio in co-investments (2019: 1%*)

* Based on total unquoted portfolio by value as at 30 September 2019.

Company Overview

Standard Life Private Equity Trust plc

Standard Life Private Equity Trust plc provides investors with exposure to leading private equity funds and private companies, mainly in Europe. The Company invests through the primary and secondary funds markets, and co-investments. Its investment objective is to achieve long-term total returns for investors and its policy is to maintain a broadly diversified portfolio by country, industry sector, maturity and number of underlying investments.

Investment Strategy

The Company aims to achieve long-term total returns when compared with the FTSE All-Share Index, the Company's comparator index. The Company has delivered outperformance compared to the FTSE All-Share Index over 1, 3, 5 and 10 years. The key features of the Company's investment approach are:

- **Conviction** - Access to a carefully selected portfolio of top-performing private equity managers, built from years of strong relationships and independent research.
- **Specialism** - Core focus on the European mid-market since the Company's inception in 2001, providing deep market intelligence, a long-term track record of performance and exposure to a segment of the market that can be hard to access.
- **Diversification** - Portfolio of over 450 underlying private companies, well-balanced across different regions, sectors and vintages. Increasing focus on Technology and Healthcare sectors.
- **Responsible Investment** - Environmental, Social and Governance ("ESG") focus on every investment made. Exclusively partnering with private equity managers that are ESG leaders and/or culturally committed to ESG improvement.
- **Increasing in Direct Investments** - Deploying a larger share of the Company's capital via co-investments and secondaries, bringing further control over capital deployment, sector exposure and costs of investment.

Financial Highlights

Net Asset Value ("NAV") Total Return*+
Year ended 30 September 2020

11.7%

30 September 2019: 10.5%

Share Price Total Return*+
Year ended 30 September 2020

-4.6%

30 September 2019: 5.7%

FTSE All-Share Index Total Return
Year ended 30 September 2020

-16.6%

30 September 2019: 2.7%

Net Assets
As at 30 September 2020

£770.3m

30 September 2019: £710.1m

Share Price
As at 30 September 2020

320.0p

30 September 2019: 352.0p

Discount*+
As at 30 September 2020

36.1%

30 September 2019: 23.8%

* Considered to be an Alternative Performance Measure. See pages 87 and 88 for more information.
+ A Key Performance Indicator by which the performance of the Manager is measured by the Board.

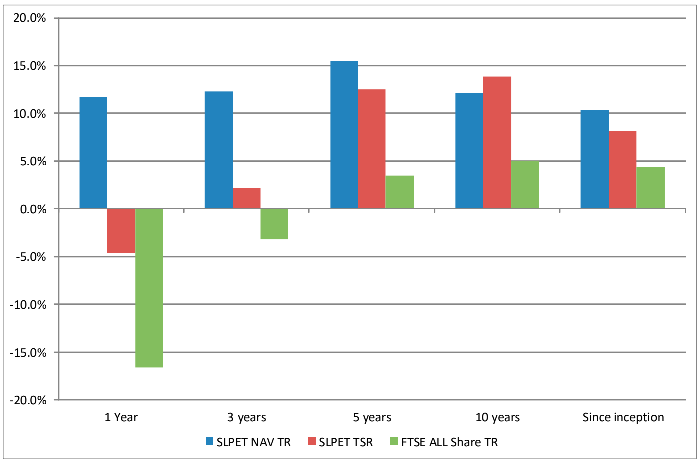
Performance Highlights

Performance Highlights to 30 September 2020

Strong NAV growth during a volatile year for capital markets

The Company's NAV total return*+ ("NAV TR") was 11.7% (2019: 10.5%) versus -16.6% (2019: 2.7%) for the FTSE All-Share Index ("FTSE All Share TR"). The share price total return ("TSR")*+ of -4.6% also outperformed the comparator index despite volatility arising from the market reaction to Covid-19.

The Company has delivered returns in excess of the wider UK market over all time frames (as shown in the chart on the right hand side).



Over-commitment ratio is at the lower end of the long-term target range

Total outstanding commitments of £471.4m (2019: £450.3m). The value of outstanding commitments in excess of liquid resources as a percentage of net assets was 28.9% (2019: 42.6%).

Resilient existing portfolio with low impact from Covid-19

The valuation of the underlying portfolio at 30 September 2020 increased 12.2% (excluding FX) compared to 30 September 2019. The Company's exposure to relatively resilient sectors (notably Technology, Healthcare and Consumer Staples) helped to underpin portfolio growth despite the global pandemic.

Discplined investment activity focused on non-cyclical strategies

The Company continued to selectively deploy capital into new investments during the global pandemic. In total, £140.0m (2019: £188.0m) was committed during the year to six primary fund commitments, two secondary transactions and two co-investments. Seven of the ten new investments have a Technology focus and so are expected to increase the Company's exposure to this sector over time.

Bumper year in terms of realisations, the second highest annual total in the Company's history

The portfolio continued to generate strong realisations during the year, with distributions of £140.7m (2019: £107.4m). This includes the realisation of the Company's position in 3i Eurofund V, which was its largest fund exposure at 30 September 2019. Distributions reflected a relatively quick return to private equity deal-making and exits once the initial impacts of Covid-19 were overcome.

Strengthened balance sheet providing additional investment firepower

The Company had cash and cash equivalents of £33.1m at 30 September 2020 (2019: £66.3m). In addition, it is due £15.3m (2019: £21.8m) of deferred consideration from investments sold in 2019. In September 2020, the Company increased the size of its syndicated revolving credit facility from £100m to £200m.

* Considered to be an Alternative Performance Measure. See pages 87 and 88 for more information.
+ A Key Performance Indicator by which the performance of the Manager is measured by the Board.

Ten Year Financial Record

Ten Year Financial Record

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Per share data										
NAV (diluted) (p)	225.9	224.9	243.4	257.4	281.6	346.4	389.6	430.2	461.9	501.0
Share price (p)	134	162.4	198	230	214	267.3	341.5	345.5	352.0	320.0
Discount*+ to diluted NAV per Share (%)	(40.7)	(27.8)	(18.6)	(10.6)	(24.0)	(22.8)	(12.3)	(19.7)	(23.8)	(36.1)
Dividend per Share (p)	1.30	2.00	5.00	5.00	5.25	5.40	12.00	12.40	12.80	13.20
Ongoing Charges Ratio*+ (%)	1.02	0.97	0.99	0.96	0.98	0.99	1.14[1]	1.10	1.09	1.10
Returns data										
NAV Total Return*+ (%)	17.0	0.1	9.1	7.7	11.9	24.8	14.9	13.3	10.5	11.7
Total Shareholder Return*+ (%)	18.0	22.4	23.4	19.1	(4.0)	27.9	31.9	5.8	5.7	(4.6)
Portfolio data										
Net Assets (£m)	369.4	369.7	401.2	409.1	438.7	532.6	599	661.4	710.1	770.3
Top 10 Managers as a % of net assets	89.1	80.2	68.4	65	65.2	65	58.9	63.6	67.9	67.8
Top 10 investments as a % net assets	69.0	63.5	51.7	52.9	48.6	45.9	47.7	48.4	53.9	48.3

Source: The Manager & Refinitiv

[1] The incentive fee arrangement ended on 30 September 2016. Following the end of the incentive fee period, a single management fee of 0.95% per annum of the NAV of the Company replaced the previous management and incentive fees.

* Considered to be an Alternative Performance Measure. See pages 87 and 88 for more information.

\+ A Key Performance Indicator by which the performance of the Manager is measured by the Board.

Strategic Report

Standard Life Private Equity Trust plc provides investors with diversified exposure to leading private equity funds and private companies, mainly in Europe.

Investment Strategy

Investment Objective
The Company's investment objective is to achieve long-term total returns through holding a diversified portfolio of private equity funds and direct investments into private companies alongside private equity managers ("co-investments"), a majority of which will have a European focus.

Investment Policy
The Company: (i) commits to private equity funds on a primary basis; (ii) acquires private equity fund interests in the secondary market; and (iii) makes direct investments into private companies via co-investments. Its policy is to maintain a broadly diversified portfolio by country, industry sector, maturity and number of underlying investments.

The objective is for the portfolio to comprise around 50 "active" private equity fund investments; this excludes funds that have recently been raised, but have not yet started investing, and funds that are close to or being wound up. The Company may also invest up to 20% of its assets in co-investments.

The Company may also hold direct private equity investments or quoted securities as a result of distributions in specie from its portfolio of fund investments. The Company's policy is normally to dispose of such assets where they are held on an unrestricted basis.

To maximise the proportion of invested assets, the Company follows an over-commitment strategy by making commitments which exceed its uninvested capital. In making such commitments, the Manager, together with the Board, will take into account the uninvested capital, the value and timing of expected and projected cashflows to and from the portfolio and, from time to time, may use borrowings to meet drawdowns. The Board has agreed that the over-commitment ratio should sit within the range of 30% to 75% over the long-term.

The Company's maximum borrowing capacity, defined in its articles of association, is an amount equal to the aggregate of the amount paid up on the issued share capital of the Company and the amount standing to the credit of the reserves of the Company. However, it is expected that borrowings would not normally exceed 30% of the Company's net assets at the time of drawdown.

The Company's non-sterling currency exposure is principally to the euro and US dollar. The Company does not seek to hedge this exposure into sterling, although any borrowings in euros and other currencies in which the Company is invested would have such a hedging effect.

Cash held pending investment is invested in short-dated government bonds, money-market instruments, bank deposits or other similar investments. Cash held pending investment may also be invested in other listed investment companies or trusts. The Company will not invest more than 15% of its total assets in such listed equities.

The investment limits described above are all measured at the time of investment.

Portfolio Construction Approach
Through its primary and secondary fund investments and co-investments, the Company is directly and indirectly invested in a diverse range of underlying companies. At 30 September 2020, the portfolio had exposure to 456 underlying companies.

Investments made by the Company are typically with or alongside private equity firms with whom the Manager has an established relationship of more than 10 years.

The Company predominantly invests in European mid-market companies. Over 80% of portfolio by value is invested in European domiciled operating companies and the Board expects this to remain the case over the longer term, with a weighting towards North-western Europe. This has been the geographic focus of the Company since its inception in 2001 and where it has a strong, long-term track record. However, the Company also selectively seeks exposure to North American mid-market companies, as a means to access emerging growth or investment trends that cannot be fully captured by investing in Europe alone.

The Company has a well-balanced portfolio in terms of non-cyclical and cyclical exposure. Currently no single sector represents more than 20% of the portfolio by value and it is expected that no single sector will be more than 30% of the portfolio over the longer term. Over time, the Manager anticipates a continuation of the recent shift toward sectors that are experiencing long-term growth (such as Technology and Healthcare) at the expense of more cyclical sectors, such as Industrial and Consumer Discretionary.

Environmental, Social and Governance ("ESG") is a strategic priority for the Board and the Manager. The Company aims to be an active, long-term responsible investor and ESG is a fundamental component of the Company's investment philosophy and process. Further details on the Company's ESG processes are set out on page 14.

Chair's Statement

Christina McComb, OBE, Chair

"In contrast with public markets, previous periods of economic strain have demonstrated the positive qualities of private companies to innovate and create new products and services relevant to changing circumstances and consumer needs and preferences. In that regard, we believe the Company is well positioned to take advantage of new investment opportunities going forward."

2020 has been dominated by the Covid-19 pandemic, and the impact has been and continues to be far reaching across global economies and societies. With the arrival of several vaccines, there is hope that the virus can be brought under control but the longer-term macroeconomic effects cannot yet be predicted with any confidence. Equity markets have evidenced degrees of recovery but there may be bumps in the road ahead.

Against this backdrop, the Company's portfolio has proven relatively resilient. In the Board's view, this demonstrates the value of long-term investing inherent in the private equity class. In the case of the Company's strategy, we have also observed the benefits of the diversification of the portfolio, its low exposure to industries badly impacted by Covid-19 (Travel, Leisure, Retail) and relative weighting to Technology and Consumer Staples businesses.

Performance

I am pleased to report that as at 30 September 2020, net assets amounted to £770.3m (2019: £710.1m), producing a NAV total return for the year of 11.7%. This compares to a return of -16.6% from the Company's comparator index, the FTSE All-Share Index. The total shareholder return was -4.6%, again ahead of the comparator. The Company has delivered returns in excess of the wider market in all years since inception.

A review of the Company's performance, market background and investment activity during the year under review, as well as the Manager's investment outlook, are provided in the Investment Manager's Review which begins on page 20.

Investments & Realisation Activity

In response to the pandemic during the second half of the year, the Board and Manager adopted a deliberately cautious approach to new investment commitments. Nevertheless, over the year, the Company made commitments totalling £140.0m (2019: £188.0m) into six new primary investments, two secondary investments and two co-investments. Outstanding commitments at the year end amounted to £471.4m (2019: £450.3m).

The Company received £140.7m of distributions in the year (2019: £107.4m). The realised return from the ongoing investment operations of the Company's core portfolio equated to 3.5 times cost. The return was enhanced by the proceeds from the realisation of 3i Eurofund V. Excluding 3i Eurofund V, the realised return was 2.3 times (2019: 2.2 times cost). Overall, the level of distributions from the portfolio given the economic circumstances has been encouraging, evidence of the maturity and diversification of the portfolio.

Liquidity and Bank Facility

During the year, the Company increased its syndicated multi-credit facility from £100m to £200m, with State Street Bank International being added alongside the existing lenders, Citi and Société Générale. There have been no changes to the financial covenants or expiry date of the Loan Facility, which remains as December 2024. The facility was undrawn at the year end (2019: £nil) but is expected to be drawn during 2021 in order to support investment opportunities that the Manager believes will be available in the post Covid-19 environment.

At the year end, the Company had cash and cash equivalents of £33.1m, not including a further £15.3m of deferred consideration from investments sold in 2019, which was received after the year end. The over-commitment ratio at year end, including the increased debt facility, was 28.9%, at the lower end of the Company's target range.

The Board believes that the extension of the bank facility and the underlying distribution flow from the portfolio position the Company well to take advantage of future investment opportunities.

Chair's Statement Continued

Dividends

The Company has paid three quarterly dividends of 3.3 pence per share and the Board has announced a fourth quarterly dividend of 3.3 pence per share. This will be paid on 29 January 2021 to shareholders on the register on 29 December 2020 and will make a total dividend for the year to 30 September 2020 of 13.2 pence per share. This represents an increase of 3.1% on the 12.8 pence per share paid for the year to 30 September 2019 and compares to the increase in the Retail Price Index ("RPI") of 1.1% in the year to September 2020.

Discount

The discount of the Company's share price to its NAV ranged between 7.4% to 56.7% during the year, and averaged 26.2%, which was in line with the close peer group.

The unprecedented level of volatility was in line with the dramatic stock market movements experienced during late February and mid March. Since the low point of 191.0 pence per share in March, the share price has recovered significantly, albeit at the end of the financial year the discount was still wider than it was in February 2020.

The Board does not have a stated discount control policy. However, the Board and Manager monitor the discount on a regular basis to ensure that the Company is not an outlier versus those of other investment companies with a similar investment approach. The Board has, in the past, bought back its own shares to manage the discount but the Board's policy is generally to preserve cash for investment purposes and did not conduct any share buy-backs during the year under review.

Environmental, Social & Governance ("ESG")

The Board fundamentally believes that integrating ESG best practice into the Company's strategy and investment processes will help to generate stronger, more sustainable returns for its investors over the long term. Accordingly, the Board monitors the Manager's commitment to ESG factors closely. The Board takes comfort from the Manager's policy to invest only with private equity managers who are ESG market leaders or have a strong cultural commitment to improve their ESG credentials.

While the Board is encouraged by the efforts of the Manager in this regard, the Board has challenged the Manager to continue to raise ESG standards across the industry and to publicise the work that it has done in this area.

Investment Manager

Each year, the Board, through the Management Engagement Committee, considers whether the continued appointment of the Manager is in the best interests of shareholders as a whole. Following review and the changes made last year to the team, the Board believes that the Manager has the right personnel and processes in place to deliver the Company's investment objective over the long term for shareholders. The Board also benefits from the broader resources within ASI, including marketing, investor relations and other specialist functions, including ESG specialists, to support the Company and its objectives.

Board

There have been no Board changes during the year. The Board has recently reviewed its succession plan and concluded that it has an appropriate mix of skills and experience, although this will continue to be kept under review.

AGM and Manager's Presentation

The Board intends to hold the Annual General Meeting ("AGM") of the Company at the offices of the Manager at, 6 St Andrew Square, Edinburgh EH2 2BD at 12:30 on 23 March 2021.

Given the likelihood that some measure of restriction on public gatherings and maintaining social distancing may remain in place in March 2021, the AGM will follow the minimum legal requirements.

It is unlikely that shareholders will be able to attend the AGM but the Board will keep the restrictions on public gatherings under review. Shareholders are encouraged to vote on the resolutions proposed in advance of the AGM and engage with the Board by emailing **SLPET.Board@aberdeenstandard.com**.

Proposed Changes to the Company's Articles of Association

At the AGM, one of the resolutions being proposed relates to a change to the Company's Articles of Association ("the Articles"). The change will enable the Company to hold virtual and hybrid general meetings (including annual general meetings) in the future. This is in response to the challenges posed by government restrictions on social interactions as a result of Covid-19.

Notwithstanding the proposed change, the Board is committed to ensuring that future general meetings (including AGMs) incorporate a physical meeting whenever law and regulation permits in order to fulfil its commitment to enable shareholders to meet with the Board face to face. The Board will only use virtual meetings in extreme operating circumstances where physical meetings are prohibited.

Outlook

As I noted in my introduction, it is clear that the Covid-19 pandemic will continue to have a profound impact during 2021. The introduction of effective vaccines allows hope for the eventual suppression of the virus. But most commentators agree that the challenges for governments globally to manage the economic and social impacts will stretch over several years.

As far as the Company is concerned, we enter 2021 with a strong balance sheet and portfolio. Moreover, the Board has confidence in the investment approach of the Manager to continue to seek out the best private equity managers and to maintain a well-diversified portfolio. In contrast with public markets, previous periods of economic strain have demonstrated the positive qualities of private companies to innovate and create new products and services relevant to changing circumstances and consumer needs and preferences. In that regard, we believe the Company is well positioned to take advantage of new investment opportunities going forward.

Christina McComb, OBE
Chair,
25 January 2021

Principal Risks & Uncertainties

The Board and Audit Committee carry out a regular and robust review of the risk environment in which the Company operates, changes to the environment and individual risks. The Board also identifies emerging risks which might affect the Company. During the year, the emergence of the Covid-19 virus has impacted dramatically on public health and mobility, but has also had a significant adverse influence on global financial markets and the future economic outlook.

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has in place a process to assess and monitor Company's principal and emerging risks and the operating and control environment risks of the Company.

The Board considers its risk appetite in relation to each principal risk and monitors this on an ongoing basis. Where a risk is approaching or is outside the tolerance level, the Board will consider taking action to manage the risk. Currently, the Board considers the risks to be managed within acceptable levels.

The principal risks faced by the Company relate to the Company's investment activities and these are set out below.

Risk	Definition	Tolerance	Update / Mitigation
Market	**a) Pricing risk** The Company is at risk of the economic cycle impacting listed financial markets and hence potentially affecting the pricing of underlying investments and timing of exits. **b) Currency risk** The Company has a material proportion of its investments and cash balances in currencies other than sterling and is therefore sensitive to movements in foreign exchange rates.	Medium	a) The Covid-19 pandemic impacted pricing risk in the year, with relatively large fluctuations in portfolio valuations during the second half of the financial year. This stabilised towards the end of the financial year but the Manager remains alert to potential instability moving forward. Periods of lockdown also resulted in disruptions to private equity M&A. This has pushed out the timing of some exits in the portfolio but, nevertheless, the Company has still experienced strong realisation activity in the year. The Company also has a strong balance sheet position to mitigate any further unanticipated delay in the timing of exits. Pricing risk is also mitigated by the Company having a diversified portfolio of fund investments and co-investments. b) The Manager monitors the Company's exposure to foreign currencies and reports to the Board on a regular basis. It is not the Company's policy to hedge foreign currency risk. The Company's non-sterling currency exposure is primarily to the euro and the US dollar. The Covid-19 pandemic has had an indirect impact on currencies, as countries respond with different monetary and fiscal policies. During the year ended 30 September 2020, sterling depreciated by 2.5% relative to the euro (2019: appreciated 0.7%) and appreciated by 4.9% relative to the US dollar (2019: depreciated 5.5%).

Risk	Definition	Tolerance	Update / Mitigation
Liquidity	The risk that the Company is unable to meet short-term financial demands.	Low	The Company manages its liquid investments to ensure that sufficient cash is available to meet contractual commitments and also seeks to have cash available to meet other short-term needs. Additional short-term flexibility is achieved through the use of the revolving multi-currency loan facility, which was extended to £200m and remains undrawn. As set out above, the Covid-19 pandemic has the potential to delay the timing of some exits within the portfolio and therefore the cash distributions received by the Company. However, to date, distributions have remained strong and there is a sufficient amount of liquidity available, particularly with a larger undrawn loan facility. Liquidity risk is monitored by the Manager on an ongoing basis and by the Board on a regular basis. The Company had cash and cash equivalents of £33.1m (2019: £66.3m) as at 30 September 2020. In addition, it is due £15.3m (2019: £21.8m) of deferred consideration during the year from investments sold in 2019.
Over-commitment	The risk that the Company is unable to settle outstanding commitments to fund investments.	Medium	The Company makes commitments to private equity funds and co-investments, which are typically drawn over three to five years. Hence the Company will tolerate a degree of over-commitment risk in order to deliver long-term investment performance. In order to mitigate this risk, the Manager ensures that the Company has appropriate levels of resources, whether through resources available for investment or the revolving credit facility, relative to the levels of over-commitment. The Manager will also forecast and assess the maturity of the underlying portfolio to determine likely levels of distributions in the near term. The Manager will also track the over-commitment ratio and ensure that it sits within the range, agreed with the Board, of 30% to 75% over the long term. The over-commitment ratio rose during the year due to a fall in the value of the portfolio, caused by the Covid-19 pandemic, which lead the Board and Manager to pause new primary investment activity. The Company also increased the size of the Company's loan facility, which provided ample outstanding commitment coverage. The value of portfolio recovered in June and September and the over-commitment ratio ended the year at the lower end of the target range. Currently the Company has £471.4m (2019: £450.3m) of outstanding commitments, with £67.6m (2019: £62.0m) expected not to be drawn and an over-commitment ratio of 28.9% (2019: 42.6%).

Principal Risks & Uncertainties Continued

Risk	Definition	Tolerance	Update / Mitigation
Credit	The exposure to loss from failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits.	Low	The Company places funds with authorised deposit takers from time to time and, therefore, is potentially at risk from the failure of such an institution. The Company's cash is held by BNP Paribas Securities Services S.A., which is rated 'A' by Standard and Poors. The Company's money-market funds are held in two Aberdeen Standard Investments (Lux) Liquidity funds, rated 'AAA' by Standard and Poors. The credit quality of the counterparties is kept under regular review. Should the credit quality or the financial position of these financial institutions deteriorate significantly, the Manager would move cash balances to other institutions.
Investment selection	The risk that the Manager makes decisions to invest in funds and/or co-investments that are not accretive to the Company's NAV over the long term.	Medium	The Manager undertakes detailed due diligence prior to investing in, or divesting, any fund or co-investment. It has an experienced team which monitors market activity closely. The Manager has long-established relationships with the third party fund managers in the Company's portfolio which have been built up over many years. ESG factors are integrated into the investment selection process and the Board and the Manager believes that will improve investment decision making and help to generate stronger, more sustainable returns. Please see pages 14 and 18 for more information on the Company's ESG Strategy and How We Invest.
Operational	The risk of loss or a missed opportunity resulting from a regulatory failure or a failure relating to people, processes or systems.	Low	The Company's operations have been tested during the Covid-19 pandemic. However, the increased use of online communication and out of office working has, to date, proved to be robust. The Board has continued to monitor the control environments and quality services provided by the Manager and its other third party services providers, with no service levels impacted by Covid-19.

The financial risk management objectives and policies of the Company are contained in note 19 to the financial statements which can be found on pages 80 to 84 of this Annual Report.

Review of performance

An outline of the performance, market background, investment activity and portfolio during the year under review and the performance over the longer term, as well as the investment outlook, are provided in the Highlights, Chair's Statement, and Investment Manager's Review. Details of the Company's investments can be found on page 35. The ten largest investments are shown on page 31 and the top 30 underlying private company investments are shown on page 37.

Stakeholder Engagement & Responsible Management

Section 172 Statement

The Board is required to describe how the Directors have discharged their duties and responsibilities over the course of the financial year following the guidelines set out in the UK under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This Statement on pages 13 and 14, provides an explanation of how the Directors have promoted the success of the Company for the benefit of its shareholders as a whole, taking into account the likely long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

Stakeholders

The Company is an investment trust and is externally managed, has no employees, and is overseen by an independent non-executive board of directors. The Board makes decisions to promote the success of the Company for the benefit of the shareholders as a whole, with the ultimate aim of delivering its investment objective to achieve long-term total returns.

The Directors set the Company's investment mandate, monitor the performance of all service providers (including the Manager) and are responsible for reviewing strategy on a regular basis. All this is done with the aim of preserving and enhancing shareholder value over the longer term.

The following section discusses how the actions taken by and on behalf of the Company by the Board work towards ensuring that that the interests of all stakeholders are appropriately considered. In line with the FRC Guidance, this statement focuses on stakeholders that are considered key to the Company's business and does not therefore cover every stakeholder in the Company.

Shareholders

The Board is committed to maintaining open channels of communication and to engaging with shareholders. The Board seeks shareholder feedback in order to ensure that decisions are taken with the views of shareholders in mind. These shareholder communications include:

Annual General Meeting

The AGM ordinarily provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. At the AGM there is typically a presentation on the Company's performance and the future outlook. To allow the Board to engage with as many shareholders as possible, the Board alternates the location of the AGM between Edinburgh and London. The next AGM will take place on 23 March 2021 in Edinburgh. However, in light of the challenges arising from Covid-19, which means that shareholders are likely to be restricted from attending the AGM, the Board encourages shareholders to lodge their vote by proxy on all the resolutions put forward.

Shareholder Meetings

Unlike trading companies, shareholders in investment companies often meet representatives of the Manager rather than members of the Board. Feedback from the Manager's meetings with shareholders is however provided to the Board at every meeting. The Chair, the Chair of the Audit Committee and other members of the Board are also available to meet with shareholders to understand their views. During the year, the Chair met with the Company's largest shareholder and fed back its views to the full Board.

Publications

The Company publishes a full annual report each year that contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format. The Company also produces a half-yearly report each year. The purpose of these reports is to provide shareholders with a clear understanding of the Company's activities, portfolio, financial position and performance. The Company also publishes a Monthly Factsheet, which includes commentary on portfolio and market performance, and a Monthly Net Asset Value Statement. The purpose of these publications is to keep shareholders abreast of the Company's developments.

Investor Relations & Website

The Company subscribes to the Manager's Investor Relations programme (further details are on page 46). The Company's website contains a range of information on the Company and includes a full monthly portfolio listing of the Company's investments as well as podcasts and presentations by the Manager. Details of financial results, the investment process and Manager together with Company announcements and contact details can be found at: **slpet.co.uk**.

Stakeholder Engagement & Responsible Management Continued

Keeping in Touch
The Board encourages shareholder feedback and invites shareholders to write to the Board at its registered office. The Board has also set up an email account to encourage shareholders to write directly to the Board. Shareholders are invited to email any feedback or questions to the Board at **SLPET.Board@aberdeenstandard.com**. Any questions received will be replied to by either the Manager or Board via the Company Secretary.

The Manager
The Manager's performance is critical for the Company to achieve its investment objective and the Board seeks to maintain a close and constructive working relationship with the Manager. The Board meets the Manager at formal Board meetings five times per year and more regularly as necessary. The Board Members also keep in touch with the Manager informally throughout the year and receive reports and updates as appropriate. During the year, the Management Engagement Committee, on behalf of the Board, reviewed the continued appointment of Manager, and the terms of the Management Agreement, and believes that its continued appointment is in the best interests of shareholders.

Suppliers
As an investment trust, the Company has outsourced its entire operations to third party suppliers. The Board is responsible for selecting the most appropriate outsourced service providers and monitors their services to ensure a constructive working relationship. The Board maintains regular contact with its key external providers, namely the Administrator, the Company Secretary, the Registrar, the Custodian, the Depositary and the Broker, and receives regular reporting from them. The Board, via the Management Engagement Committee, ensures that the arrangements with service providers are reviewed at least annually. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Manager, and other relevant stakeholders. The Audit Committee considers the internal controls at these service providers to ensure they are fit for purpose.

Debt Providers
On behalf of the Board, the Manager maintains a positive working relationship with Citi, Société Générale and State Street Bank International, the providers of the Company's multi-currency revolving credit facility, and provides regular updates on business activity and compliance with its loan covenants.

Investee Funds and Companies
Responsibility for actively monitoring the activities of investee funds and companies has been delegated by the Board to the Manager.

On behalf of the Board and its stakeholders, the Manager invests in a carefully selected range of private equity mangers, built from years of established relationships and proprietary research. The Manager assesses all investment opportunities and participates on the advisory boards of some investee entities.

The Board is responsible for overseeing the work of the Manager and this is not limited solely to the investment performance of the investee companies. The Board also has regard for environmental (including climate change), social and governance matters that subsist within the portfolio companies. Please see the Company's ESG Strategy below for more details.

An overview of the key decisions taken by the Board during the year, when the needs of stakeholders were formally considered, are set out in the Chair's Statement and Investment Manager's Review. These decisions include the increase in loan facility, the quantum of dividend and investment activity in light of Covid-19.

Responsible Management

ESG Strategy
The Company is committed to being an active, long-term responsible investor and ESG is a fundamental component of the Company's investment philosophy and process. The Manager commits the Company's capital with private equity managers who demonstrate strong adherence to ESG principles and processes or have a strong cultural commitment to improve their ESG credentials.

The Manager has been a signatory to the Principles for Responsible Investment ("PRI") for over 10 years and was awarded a PRI rating of A+ for Strategy & Governance in 2020. It has an ESG policy specific to private equity and has incorporated ESG considerations into the Company's investment activity over the last decade. Its Investment Committee is ultimately responsible for ensuring ESG is considered in investment decision making. The Manager also has a dedicated ESG Committee to help drive further progress through specific ESG initiatives. As part of its approach, every new investment made on behalf of the Company in 2020 was subject to specific ESG due diligence. Please see page 18 for more information on the Company's investment process in respect of ESG.

The Manager focuses on the holistic integration of ESG principles into the operations of the underlying private equity managers. Key facets include culture, governance with senior accountability, full integration into a manager's investment processes and appropriate disclosure to assist investors.

As the vast majority of the portfolio is held via private equity funds, ESG KPI aggregation and monitoring is complex. It is the intention of the Board and Manager to devise specific KPIs for monitoring the Company's underlying portfolio of companies, in order to further inform the Company's stakeholders of ESG progress and where further action needs to be taken.

The Manager has completed its sixth Annual Private Equity ESG Survey, which covers 22 of the Company's private equity managers. The headline results of this survey can be found in the Investment Manager's Review on page 30.

Overall, the Board and Manager fundamentally believe that integrating ESG into SLPET's strategy and investment processes improves the investment decision making and ultimately will help to generate stronger, more sustainable returns for its investors.

Board Diversity Policy

The Board recognises the importance of having a range of skilled, experienced individuals with appropriate knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. In view of its size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. The Board does not therefore consider it appropriate to set measurable objectives in relation to its diversity.

At 30 September 2020, there were three male and two female Directors on the Board.

Modern Slavery Act

Being a company that does not offer goods and services to customers and has no turnover, the Board considers that the Company is not within the scope of the Modern Slavery Act 2015. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Viability Statement

The Board has decided that five years is an appropriate period over which to consider its viability. The Board considers this to be an appropriate period for an investment trust company with a portfolio of private equity investments and the financial position of the Company.

In determining this time period the Directors considered the nature of the Company's commitments and the Company's associated cash flows. Generally the private equity funds and co-investments in which the Company invests call monies over a five year period, whilst they are making investments, and these drawdowns should be offset by the more mature funds and co-investments, which are realising their investments and distributing cash back to the Company. The Manager presents the Board with a comprehensive review of the Company's detailed cash flow model on a regular basis, including projections for up to five years ahead depending on the expected life of the commitments. This analysis takes account of the most up to date information provided by the underlying managers, together with the Manager's current expectations in terms of market activity and performance.

The directors have also carried out an assessment of the principal risks as noted on pages 10 to 12 and discussed in note 19 to the financial statements that are facing the Company over the period of the review. These include those that would threaten its business model, future performance, solvency or liquidity such as over-commitment, liquidity and market risks. When considering the risks, the Board reviewed the impact of stress testing on the portfolio, including the effects of any substantial future falls in investment values. By having a portfolio of fund investments, diversified by manager, vintage year, sector and geography; by assessing market and economic risks as decisions are made on new commitments; and by monitoring the Company's cash flows together with the Manager, the Directors believe the Company is able to withstand economic cycles. The Directors are also aware of the Company's indirect exposure to ongoing risks through underlying funds. These are continually assessed by the Manager monitoring the underlying managers themselves and by participation on a number of fund advisory boards.

Stakeholder Engagement & Responsible Management Continued

Although Covid-19 negatively impacted the Company's underlying performance during the financial year, portfolio companies are, generally, continuing to grow. In light of Covid-19's impact on the over-commitment ratio during the year, the Board and Manager responded by temporarily pausing new primary investment activity and increasing the Company's loan facility. The value of the portfolio experienced recoveries in June and September and, as a result, the over-commitment ratio ended the year at the lower end of the target range. The pandemic also delayed the timing of some exits within the portfolio and therefore the cash distributions received by the Company. However, distributions to date have remained strong and there is a sufficient amount of liquidity available, particularly within the loan facility remaining undrawn.

Based on the results of this analysis, and the ongoing ability to adjust the portfolio, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period following the date of this report.

Future Strategy

The Board intends to maintain the strategic policies set out in the Strategic Report for the year ending 30 September 2021 as it is believes that these are in the best interests of shareholders.

Long-Term Investment

The Manager's investment process seeks to outperform its comparator index over the longer term. The Board has in place the necessary procedures and processes to continue to promote the long-term success of the Company. The Board will continue to monitor, evaluate and seek to improve these processes as the Company continues to grow over time, to ensure that the investment proposition is delivered to shareholders and other stakeholders in line with their expectations.

On behalf of the Board
Christina McComb, OBE
Chair
25 January 2021

Investment Review

For the year ended 30 September 2020, the Company's NAV TR was 11.7% versus -16.6% for the FTSE All-Share Index, the Company's comparator index.

How We Invest

In order to achieve the investment objective, maintain a balanced portfolio and take advantage of opportunities as they arise, the Company invests in three types of private equity investment:

	Investment Rationale	Our ESG Approach	% of Portfolio[1]
Primary Investment	The Company commits to investing up to a predetermined amount in a new private equity fund. The committed capital will generally be drawn over a three to five year period as investments in underlying private companies are made. Proceeds are then returned to the Company when the underlying companies are sold, typically over a four to five year holding period. Primary investment has been the core focus of the Company's Investment Objective since its inception in 2001. Primary investments provide the Company with: (i) consistent exposure to the top-performing private equity managers; (ii) underlying portfolio diversification; (iii) a steady, predictable cashflow profile; and (iv) help drive the Company's dealflow in secondary and co-investments.	The ESG assessment of primary investments typically includes analysing private equity manager's ESG cultural buy-in, its ESG process, procedures and reporting, its engagement with underlying portfolio companies, its ESG Survey score and an Operational Due Diligence review of the manager and the fund.	83% (2019: 83%[2]) The Manager expects primary investments to remain the majority of the portfolio over the longer term.
Secondary investment	The Company agrees to purchase the beneficial ownership of a fund commitment from another investor, with the prior approval of the private equity manager of the fund. Typically this would occur at a point where the fund has already utilised most of its investment commitments. The price paid in this type of transaction will reflect the commitments being assumed by the new investor and the age profile and quality of the underlying portfolio. Secondary investments are opportunistic in nature. They allow the Manager to gain exposure to new managers and investments at a later stage in the investment cycle. Therefore they typically have a shorter investment duration than primary investment.	The ESG approach to secondary investments typically mirrors the primary investment and/or co-investment processes depending on the transaction characteristics. If the secondary is concentrated in a small number of underlying portfolio companies then it may follow the co-investment process. The primary investment ESG assessment of the private equity manager will likely be incorporated.	12% (2019: 17%[2]) The Manager expects secondary investments to remain between 10% and 20% over the longer term.

	Investment Rationale	Our ESG Approach	% of Portfolio[1]
Co-investment	The Company makes direct investments into private companies alongside other private equity managers. The Company's strategy is to invest alongside private equity managers with which the Company has made a primary investment or other private equity managers based on detailed due diligence by the Manager. Co-investment was introduced to the Investment Objective in 2019. An individual co-investment is of higher risk profile than a primary investment given that it relates to a single portfolio company and therefore does not benefit from the diversification of primary investment. The Manager is seeking to build a diversified portfolio of 15-20 co-investments in order to mitigate concentration risk.	The ESG assessment of co-investments normally includes a detailed review of the underlying company's ESG due diligence documents, sector and company analysis using the RepRisk database and leveraging expertise on specific ESG issues, be it via the Manager's central ESG & Stewardship team or a third party expert. For co-investment or underlying portfolio company ESG risks, the focus is on a broad range of topics, including but not limited to: · **Environmental** - Energy efficiency, CO2/climate change, water and waste; · **Social** - Health & Safety, diversity and inclusion, employee engagement and turnover, supply chain, product /service safety; and · **Governance** - Ethics, risk management and structures, compliance, cybersecurity.	5% (2019: 1%[2]) The Manager expects co-investments to increase up to 20% of portfolio by value over the longer term.

As it takes time for the primary commitments to be drawn down and invested into portfolio companies, the Manager employs an "over-commitment" strategy (see page 6 for more detail). This ensures the portfolio is as fully invested as possible, but requires careful management of the cash and loan facilities available to meet the obligations to fund outstanding commitments.

Secondary investment and co-investment have a complementary investment profile, helping the Company to deploy cash more quickly than primary investments and therefore allowing the Manager to have more control over liquidity management. They also typically exhibit shorter holding periods than primary investment, thereby reducing the overall average duration of the Company's portfolio and, in most cases, generating higher Internal Rates of Return. Co-investments sourced by the Manager also typically have no fees or carried interest payable, further enhancing the potential cash returns received by the Company. The Manager may also sell interests via the secondary market for relative value, portfolio construction or liquidity management reasons.

[1] Based on total portfolio by value as at 30 September 2020.
[2] Based on total unquoted portfolio by value as at 30 September 2019.

Investment Manager's Review

Alan Gauld,
Lead Portfolio Manager
SL Capital Partners LLP

Summary of the year

Covid-19 and its impact on the Company has been the main focus of our attention in 2020. The initial financial impact of the pandemic caused the portfolio valuation to fall by 12.5% on a constant currency basis during the three months to 31 March 2020. At that time, we took action by pausing new investment activity, focusing on stress testing the portfolio and ensuring the Company had sufficient liquidity to meet its obligations in the bleakest of scenarios.

Our base case scenario at the time assumed further pressure on portfolio valuations and a decline in NAV in the second half of the year. In reality that did not transpire, with the Company's high exposure to relatively resilient sectors, notably Technology, Healthcare and Consumer Staples, helping it to increase in value by 20.2% on a constant currency basis in the second half of the year.

Perhaps more surprisingly, we have also seen several notable success stories in underlying companies within more cyclical sectors, such as Industrials and Consumer Discretionary. Therefore, when we look at SLPET's largest 100 underlying companies in the portfolio by value, we estimate that only 2 companies (0.8% of NAV) have been materially disrupted by Covid-19, with the remaining underlying companies still expected to reach their respective investment cases, albeit with timing delays in some instances.

Whilst merger and acquisition activity was disrupted by lockdowns during the year, many private equity managers still found a way to work around the restrictions and continue finalising transactions. We saw a number of the Company's underlying companies being sold despite the Covid-19 pandemic, often at premium valuations. As such, distributions were ahead of the prior year, partly elevated by the £51.1m realisation of 3i Eurofund V.

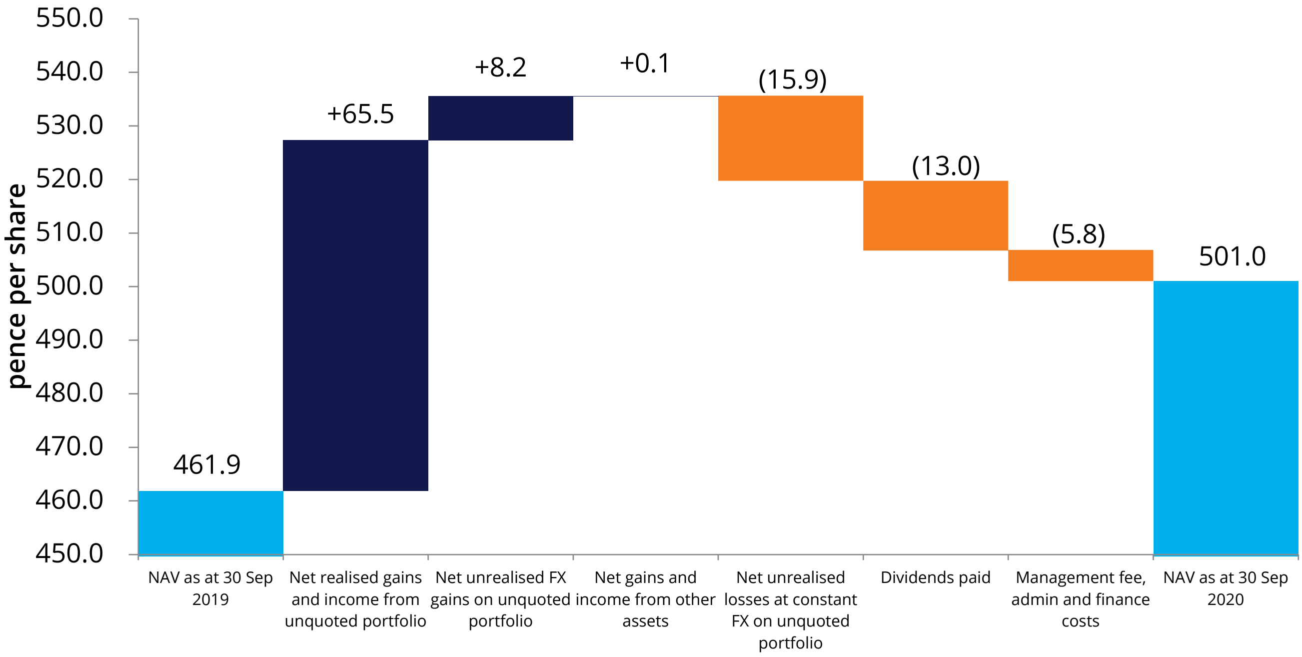
On the new investment side, we applied a higher bar than normal when assessing opportunities during the pandemic. That said, we have seen a number of interesting new companies in the portfolio during the year, mostly in more resilient, high growth sectors. The two new co-investments in Action (Consumer Staples) and Visma (Technology) are good examples of this. The Company also committed to six new primary funds and completed two secondary transactions during the year. Five of the six new primary funds have a Technology focus and so are expected to further increase the Company's exposure to this sector over time. All commitments in the year have been alongside private equity managers with whom the Manager has an established relationship of more than 10 years.

Lastly, it is worth highlighting that in September 2020 the Company extended its debt facility from £100m to £200m in size, despite the background of the pandemic. We are pleased with this outcome given that the terms of the facility are similar to the previous agreement and the increased size will provide the Company with additional investment firepower for the years ahead.

Performance

The Company's NAV TR for the year was 11.7% (2019: 10.5%) versus -16.6% (2019: 2.7%) for the FTSE All-Share Index. The valuation of the underlying portfolio at 30 September 2020 increased 12.2% on the prior year on a constant currency basis.

The portfolio's increase in value was 57.8 pence per share in the year. This was principally made up of realised gains and income of 65.5 pence, derived from full or partial sales of companies during the period, partially offset by unrealised losses at constant FX from the unquoted portfolio of 15.9 pence. The unrealised losses in the year are largely attributable to the financial impact of Covid-19 on the underlying portfolio. The biggest contributor to realised gains was 3i Eurofund V, as a result of the realisation of its underlying company Action. The Company paid dividends during the year of 13.0 pence giving a NAV per share at 30 September 2020 of 501.0 pence (2019: 461.9 pence).



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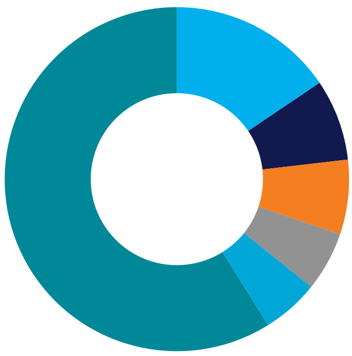
Drawdowns



Distributions

In managing both the current and future cash flows of the portfolio, as described in the investment policy on page 6, we are looking to make commitments to ensure that future draw downs and distributions are kept broadly in line, in order to maintain the levels of capital invested.

During the period £145.8m (2019: £81.6m) was invested into existing and new underlying companies. Drawdowns were made into a diverse set of predominantly European headquartered companies. The largest new investment was the £22.6m co-investment / re-investment into Action. Other notable new investments in the year included:

- Visma (Hg Saturn 2 / co-investment) - a European provider of mission-critical software to SMEs;
- ERT (Nordic Capital IX) - an international provider of data collection solutions for use in clinical drug development;
- All4labels (Triton V) - a European manufacturer of labels for the consumer industry;
- Recordati (CVC VII) - an international specialty pharmaceutical group;
- Froneri (PAI SPs) - an international ice cream manufacturer; and
- Litera (HgCapital 8) - a global provider of software to the legal and life sciences industries.

In addition, we estimate that the Company had £46.9m held on the credit facilities of its underlying fund investments at 30 September 2020 (2019: £48.0m). This amount relates to underlying portfolio investments made but where the capital has not yet been drawn from SLPET by the underlying funds. We expect that this amount will be fully drawn over the next 12 months.

£140.7m of distributions were received during the period (2019: £107.4m). Exit activity from the private equity funds was driven by strong market appetite for high quality private companies in the early part of 2020, both from trade / strategic buyers and financial buyers. The second half of the financial year saw relatively low M&A activity due to the global pandemic. However, distributions at the Company remained resilient, largely due to merger and acquisition activity among private equity firms.

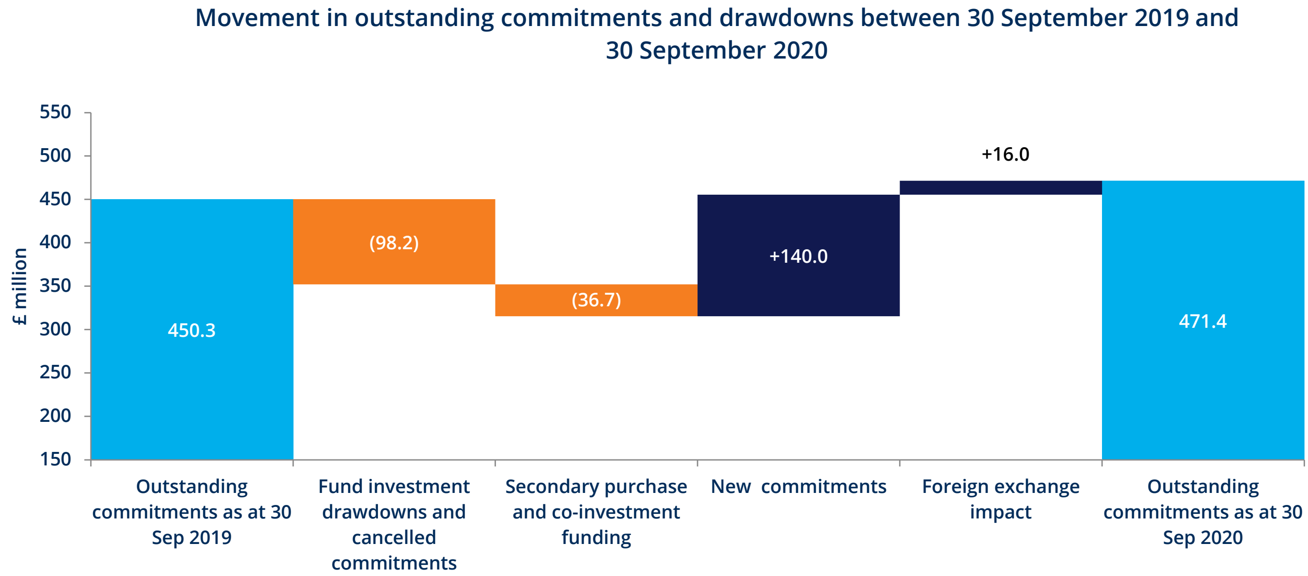
The headline realised return from the ongoing investment operations of the Company's core portfolio equated to 3.5 times cost (2019: 2.2 times cost).

3i Eurofund V was the most significant realisation in the period, with gross proceeds of £51.1m coming from the liquidity transaction facilitated by 3i Group plc ("3i"). The 3i Eurofund V holding largely related to the underlying company Action. The return was enhanced by this realisation. If this transaction is excluded, then the realised return was 2.3 times cost.

The Company reinvested £22.6m of the realised proceeds from 3i Eurofund V into a new co-investment into Action. Accounting for this co-investment, net cash proceeds to the Company from the overall 3i Eurofund V transaction were £28.5m.

Portfolio company realisations during the year were at a 22.3% premium to the valuation two quarters prior. This 20%+ premium paid at exit at the portfolio level has persisted since 2010.

Commitments



During the period, the Company completed six primary fund commitments, two secondary transactions and two co-investments. More details are provided in the Investment Activity Section on page 24. In total, new commitments in the period equated to £140.0m (2019: £188.0m). The total outstanding commitments at 30 September 2020 were £471.4m (2019: £450.3m).

The value of outstanding commitments in excess of liquid resources as a percentage of net assets decreased to 28.9% in the year (2019: 42.6%). This is largely due to the increase in the Company's revolving credit facility from £100m to £200m, which increases the available resources to cover commitments. This figure is slightly below our long-term target range of 30%-75%. We estimate that £67.6m of the reported outstanding commitments are unlikely to be drawn down, which is in line with historic experience.

Investment Manager's Review Continued

Investment Activity

Primary funds

£82.4m was committed to new private equity primary funds focused on Europe and £17.0m to a North American-based fund.

The new commitments were with four core private equity manager relationships (Hg, Nordic Capital, Vitruvian and Seidler Equity Partners), with whom Aberdeen Standard Investments has an established relationship for more than 10 years. Five of the six new primary funds have a Technology focus and so are expected to further increase the Company's exposure to this sector over time.

Investment	£m	Description	Rationale for investing
Hg Saturn 2	12.2	$4.9bn fund focused primarily on upper mid-market and large software companies headquartered in Europe and US.	The leading European software-specialist investor with strong sourcing and value creation capabilities that it can use to further scale its portfolio companies.
Hg Genesis 9	13.8	€4.4bn fund focused primarily on mid-market software and tech-enabled services companies based in Europe.	As above.
Hg Mercury 3	11.4	€1.3bn fund investing in lower mid-market software and tech-enabled services companies across Europe.	As above.
Nordic Capital X	22.7	€6.1bn fund investing primarily in mid-market businesses in Northern Europe.	Long-standing investor in the Nordics and DACH regions, with a strong track record in high growth sectors Healthcare and Technology (see case study on page 25).
Seidler Equity Partners VII	17.0	$800m fund focused primarily on lower mid-market North American companies.	Growth-oriented US investor with a strong track record of working discretely with founder-led businesses, helping them further professionalise and scale.
Vitruvian Investment Partnership IV	22.3	€4.0bn fund investing primarily in mid-market businesses in Northern Europe.	Strong track record in Europe of investing behind the latest industry trends and helping fast growing businesses to scale.

Primary Investment Case Study - Nordic Capital

As a leading European private equity investor, Nordic Capital helps to grow stronger sustainable companies. With deep sector knowledge and long experience, it aims to drive transformative growth in its portfolio companies.

Investment: Nordic Capital X
Commitment year: 2020
Fund size: €6.1bn
Company's commitment: €25m
Geographic focus: Northern Europe
Target company size: Upper mid-market
Sectors: Healthcare, Tech & Payments, Financial Services
Investment strategy: Buyout / Growth

Business overview

Nordic Capital is one of the longest established buyout managers in Europe. Over time it has developed deep expertise in sectors that are resilient and exhibiting high growth, such as a Healthcare, Tech & Payments and Financial Services.

Nordic Capital X focuses on businesses between €250m and €1bn in enterprise value, primarily in the Nordics, DACH and UK.

Previous / current investments

Trustly ERT AniCura

Why we committed to Nordic Capital X

- Leading European mid-market manager that we have closely tracked over 15 years.
- A specialised investment strategy, with deep focus in its core sectors providing differentiated dealflow.
- An active ownership model, with the aim to drive transformation of its portfolio companies through accelerating growth, both organically and inorganically.
- Well-resourced and experienced investment team with continuous improvement mindset.

Investment Manager's Review Continued

Secondary investments

During the period, the Company acquired £12.5m of secondary exposure through two separate transactions. The first transaction involved purchasing a position in the two remaining assets in PAI Fund V. Going forward the assets will be managed in a new vehicle called PAI Strategic Partnerships SCSp. The underlying companies are Froneri (international ice cream manufacturer) and Marcolin (Italian eyewear manufacturer). The second transaction was a purchase of a position in Vitruvian Investment Partnership III. The transaction provided the Company with exposure to a maturing and diversified portfolio of high quality companies focused on disruptive growth trends.

The market dislocation arising out of the Covid-19 pandemic resulted in a hiatus in secondary market activity during the year. Potential sellers were likely assessing the impact of the crisis on their own portfolios and were waiting until private equity valuations stabilised. Secondary activity tends to increase following a period of market dislocation, as investors in illiquid assets come under liquidity or allocation pressures and need to rebalance their portfolios by selling exposure to private equity assets. As such, we expect secondary activity to increase in 2021. The Manager has an established track record in secondaries and a team of 9 investment professionals dedicated to this area, and is well positioned to identify opportunities for the Company.

VITRUVIAN PARTNERS

Secondary Investment Case Study – Vitruvian Partners

Vitruvian III is a €2.4bn 2017 vintage mid-market fund that invests in high growth technology and tech-enabled businesses in Europe and globally.

Exposure acquired by the Company[1]: £5.5m
Deal closed: September 2020
Number of interests acquired: 1
Underlying companies: Mid-market
Geographic focus: Global
Underlying Sectors: Technology, Healthcare, Financial Services, Business Services, Consumer Services

[1] Exposure acquired equals purchase price plus any unfunded commitment.

Transaction overview

- ASI has a strong relationship with the GP, with SLPET completing a primary commitment to Vitruvian Investment Partnership IV in June 2020.
- The secondary interest was acquired in September 2020 through a broken auction process where ASI had previously bid on the interest in late 2019.

Underlying investments

- High quality, diversified technology and healthcare focused portfolio with over 20 businesses focused on attractive growth trends.
- Portfolio supported by disruptive trends in areas such as cyber security, modern payments, e-commerce, online marketplaces and increased efficiency driven by Artificial Intelligence expertise.
- Exclusively asset light, cash generative business models with robust capital structures.

Why we invested

- Opportunity to acquire a high growth portfolio, principally focused on technology and healthcare investments.
- Limited Covid-19 impact on the portfolio with investment inmodern payments, healthcare, e-commerce and cybersecurity seeing Covid-19 related tailwinds.
- Around 30% of the fund is still to be invested providing further upside opportunity.

Co-investments

During the period, the Company invested £28.0m into two co-investments. In January it made a £22.6m co-investment into Action alongside the latter's long-term private equity sponsor 3i Group plc ("3i"). The Company's co-investment has been made via the newly created 3i Venice Partnership SCSp vehicle.

In September the Company completed a £5.3m co-investment into Visma alongside the Hg Saturn 2 fund. Visma is the leading provider of business-critical software to private and public enterprises in the Nordic, Benelux and Baltic regions.

At 30 September 2020 there were three co-investments in the Company's portfolio, namely Action, Visma and Mademoiselle Desserts (a pan-European manufacturer of premium frozen pastry), equating to 5.3% of portfolio by value. All three businesses have thus far managed well through the Covid-19 pandemic with each of the investment cases remaining intact.

Co-investment Case Study - Visma

Visma is the leading supplier of mission critical ERP software and IT-related consultancy in the Nordics, and a leading provider in the Benelux region.

Lead Manager: Hg Capital
SLPET investment: £5.3m
Geographic focus: Europe
Investment year: 2020
Sector: Technology

Company overview

- Visma is the largest provider of cloud/SaaS services in the Nordics and one of the top 5 software companies in Europe, serving more than one million customers.
- Over the last 20 years Visma has grown revenue and EBITDA at a Compound Annual Growth Rate ("CAGR") of 21% and 28% respectively, and currently has over 75% recurring revenue.
- Visma's solutions provides millions of end-users in both the private and public sector with software that streamlines core processes that are often mandatory, regulated and specific to each geography.
- Visma's software automates a wide range of business processes including accounting, financial management, procurement, HR and payroll, e-government and school and welfare.

The opportunity

- As part of the transaction, Hg Saturn 2 (and new co-investors) acquired a stake in Visma from Hg Genesis 7, which first invested in Visma in 2014.
- Hg, across their funds, has been an investor in Visma for 14 years and each time the investment has surpassed the GP's investment case.
- ASI has also been invested in Visma through another client vehicle for 6 years and has had multiple interactions with Visma's management team.

Why we re-invested

- Backing a proven, incumbent private equity sponsor (Hg) who knows the business intimately and is well-aligned with a significant equity holding.
- Visma provides mission critical software to a strongly growing end-market and their market leadership position is well protected by strong barriers to entry.
- The continued transition to a SaaS business model will further strengthen the Group's financial profile making it a strong IPO candidate upon exit.
- Visma has one of the best management teams in the SaaS space in Europe who are well aligned.

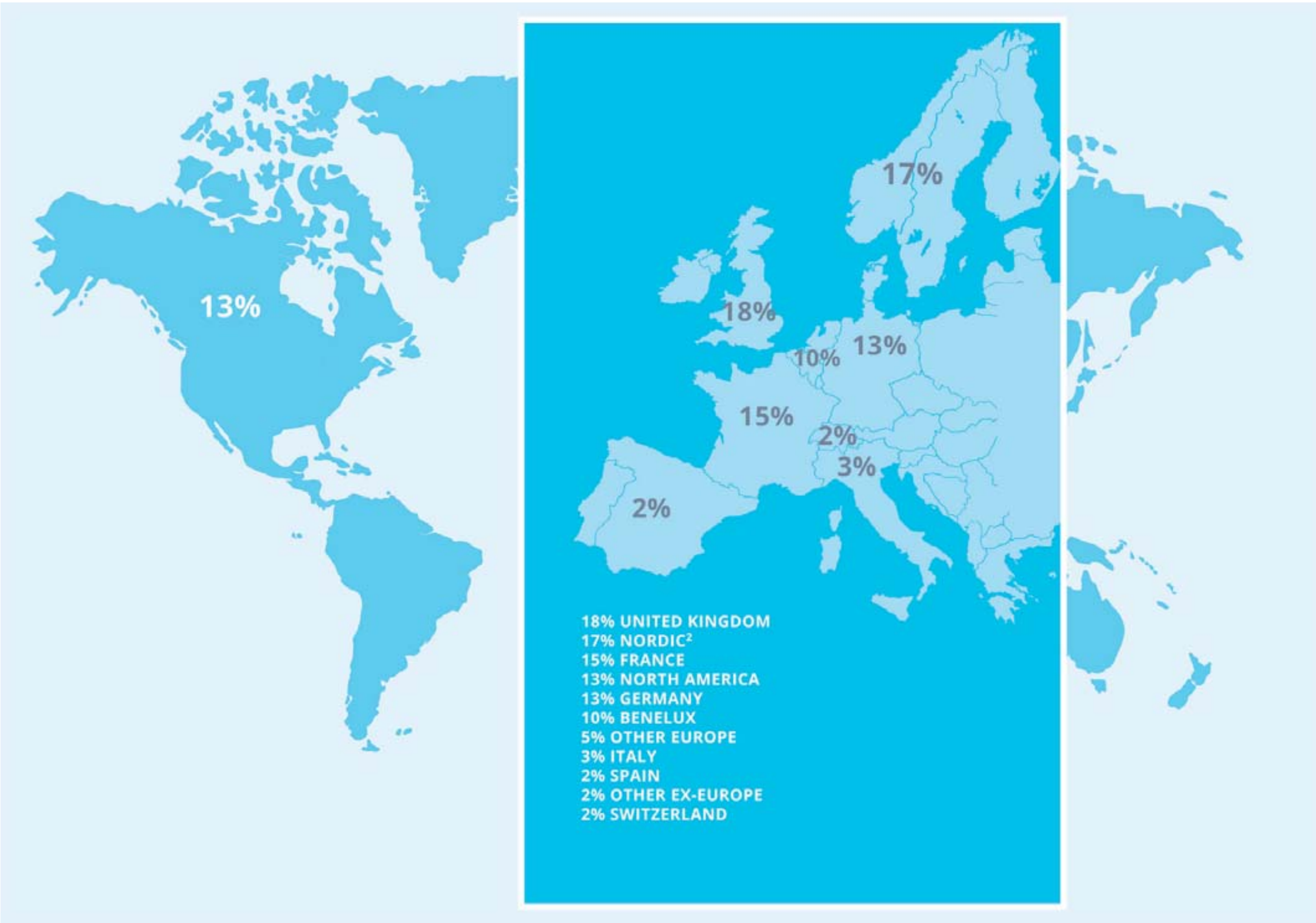
Investment Manager's Review Continued

Portfolio construction

The underlying portfolio consists of 456 private companies, largely within the European mid-market and spread across different countries, sectors and vintages. At 30 September 2020, only 13 companies equated to more than 1% of NAV, with the largest single underlying company exposure being 3.8% (Action).

Geographic exposure[1]

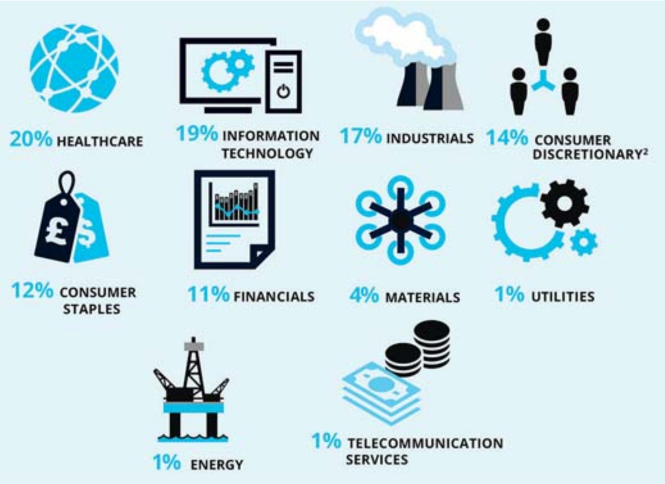
The Company's portfolio has a European focus and is diversified by country. With a bias to North Western Europe, given the investment opportunities available there, the Company's largest geographic exposure is to the UK, which represents 18% of the portfolio and the Nordics[2] which represents 17%. The Company's geographic exposure is split 85% in Europe, and 15% outside of Europe (with 13% invested in North America).



[1] Based on the latest available information from underlying managers.
[2] The Nordic region was previously disclosed as Scandinavian in the prior year. This has been updated in the current year and also includes all other Nordic countries which were previously disclosed under Other Europe.

Sector exposure[1]

Over recent years the Company's sector exposure has moved more towards high growth areas which have proved to be relatively stable and predictable in the current environment. This is due to investment selection by the Manager and a general shift from underlying private equity managers toward non-cyclical sectors. Technology and Healthcare represent a combined 39% of the portfolio (2019: 31%). When combined with Consumer Staples, these non-cyclical sectors equate to around 50% of the Company's portfolio (2019: 40%).

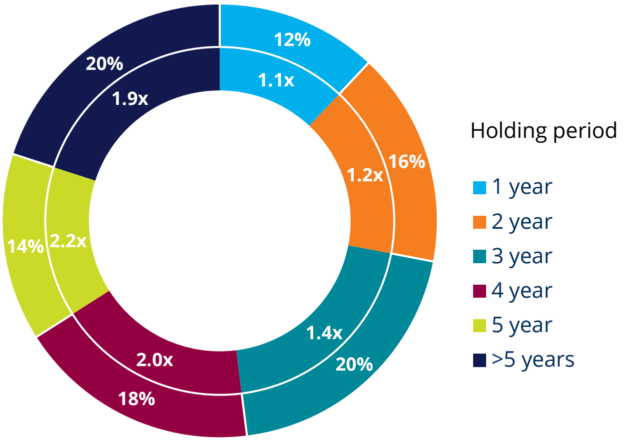


[1] Based on the latest available information from underlying managers.
[2] During the period, the Company's exposure to Action was reclassified from Consumer Discretionary to Consumer Staples to more accurately reflect the nature of its business.

The other half of the portfolio is exposed to more cyclical sectors. However, a large number of the underlying portfolio companies in these industries have been resilient through the Covid-19 pandemic. This is particularly the case where a business has a valuable product, essential service offering and/or a strong online sales component, as many of our portfolio companies do. Some examples within our top 20 companies by value include Photobox (online photograph printing), Dr. Martens (footwear brand with a strong online offering) and Benvic (PVC compounds).

Maturity analysis

The maturity profile of the portfolio is largely unchanged from last year. With 52% of the portfolio being in vintages of four years and older (2019: 50%), this should underpin consistent distribution activity moving forward.



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Investment Manager's Review Continued

ESG Performance

The Manager completed its sixth Annual Private Equity ESG Survey during the year. This exercise allows ASI to monitor ESG progress at each of its core private equity managers on a regular basis, providing proprietary data that is incorporated into new investment decisions and helps better assess and benchmark ESG performance. The survey allows the Manager to intervene when there is relative underperformance in relation to a private equity manager's ESG approach.

In total, 104 private equity firms took part from across the globe, including 22 of the Company's private equity managers (covering >95% of NAV). Ratings were assigned based on manager responses according to the following definitions:

- **Green**: criteria implemented and monitored at manager and / or portfolio company level.
- **Amber**: criteria partially implemented / being implemented and monitored at manager and / or portfolio company level.
- **Red:** no criteria implemented and monitored at manager and / or portfolio company level.

An overall ESG rating based on responses to all ten questions was assigned to each manager. On the back of the results, we have no significant concerns around the ESG focus of the Company's portfolio. The highlights included:

- **Overall ESG rating** - 14 (64%) underlying private equity managers rated Green, seven (32%) rated Amber and one (5%) rated Red.
- **ESG policy** - All managers in the Company's portfolio have an ESG policy.
- **ESG industry bodies** - 18 (82%) managers are a member of the PRI.
- **Climate change** - 13 (59%) managers measure climate-related risks at portfolio company level with another six (27%) indicating that they will also implement climate risk measurement in the near term.
- **Diversity** - 10 (45%) have clear diversity targets / KPIs for their portfolio companies with another nine (41%) indicating they are implementing them in the short term.
- **Job Preservation** - 17 (77%) managers were able to effectively demonstrate clear efforts to preserve jobs during the Covid-19 crisis.
- **Governance during the pandemic** - 21 (95%) managers introduced additional governance measures and/or could demonstrate effective existing governance to manage the effects of the Covid-19 pandemic in their portfolios.

ASI is generally encouraged by the ESG performance of the Company's portfolio of private equity managers, with almost two thirds rated Green overall. However, in order to influence further improvement, ASI will engage with the underlying managers which it considers to be falling behind their peers. Furthermore, survey results will be incorporated into the assessment of new investment opportunities for SLPET. Priority will only be given to those underlying managers that are best-in-class in terms of ESG or where there is a strong cultural commitment from the underlying manager to upgrade their ESG credentials.

Outlook

Covid-19 and its impact on the Company will continue to be the main focus of our attention as we move into 2021 and we retain a cautious outlook, despite the positive developments around the deployment of Covid-19 vaccines. We are under no illusions regarding the longer-term global economic fallout on the back of pandemic-related restrictions during 2020.

That said, there are factors that provide us with optimism when we look ahead. As previously mentioned, the Company's portfolio has shown resilience through the pandemic, which gives us confidence as we move into 2021. We see the Healthcare, Technology and Consumer Staples sectors continuing to grow in prominence in the portfolio at the expense of more cyclical sectors.

We also look positively upon prospects for private M&A, despite the practical issues posed by the pandemic. Much like in 2020, M&A activity in 2021 is likely to be hampered by restrictions on physical meetings until the world returns to some form of normality. However, even if physical restrictions remain in place, we expect private equity to continue transacting high quality assets in popular sectors.

Fundamentally we believe that private equity thrives on the opportunities that present themselves during periods of market dislocation and economic headwinds. The private equity industry currently has plenty of capital, with record levels of dry powder ready to deploy. Furthermore, we expect that secondary activity will increase as investors in illiquid assets come under liquidity or allocation pressures and need to rebalance their portfolios by selling exposure to private equity assets. By extending the Company's debt facility from £100m to £200m during the year, we believe that the Company is in a strong position to take advantage of the investment opportunities that will arise in 2021 and beyond.

Alan Gauld,
Lead Portfolio Manager
SL Capital Partners LLP
25 January 2021

Ten Largest Investments

As at 30 September 2020

1

7.5% of NAV

Advent International GLOBAL PRIVATE EQUITY

Fund Size: €13.0bn
Strategy: Mid to large buyouts
Enterprise Value of investments: $200m-$3bn
Geography: Global with a focus on Europe and North America
Website: www.adventinternational.com

Invests in attractive niches within business & financial services, healthcare, industrial, retail and technology sectors

Advent International Global Private Equity VIII	30/9/20	30/9/19
Value (£'000)	57,759	44,484
Cost (£'000)	37,682	34,431
Commitment (€'000)	45,000	45,000
Amount Funded	95.2%	87.2%
Income (£'000)	-	-

2

6.5% of NAV

IK Investment Partners

Fund Size: €1.9bn
Strategy: Mid-market buyouts
Enterprise Value of investments: €100m-€500m
Geography: Northern Europe
Website: www.ikinvest.com

Invests in growth strategies supporting business transformation. Unique Northern Continental European footprint

IK Fund VIII	30/9/20	30/9/19
Value (£'000)	49,948	41,165
Cost (£'000)	36,636	32,483
Commitment (€'000)	46,000	46,000
Amount Funded	94.8%	81.1%
Income (£'000)	-	61

3

5.4% of NAV

ALTOR FUNDS

Fund Size: €2.1bn
Strategy: Mid-market buyouts
Enterprise Value of investments: €50m-€500m
Geography: Northern Europe
Website: www.altor.com

Focuses on investing in and developing medium-sized companies with a Nordic origin that offer potential for value creation through revenue growth, margin expansion, improved capital management and strategic re-positioning

Altor Fund IV	30/9/20	30/9/19
Value (£'000)	41,819	33,453
Cost (£'000)	31,327	28,519
Commitment (€'000)	55,000	55,000
Amount Funded	69.3%	61.0%
Income (£'000)	67	111

4

5.0% of NAV

NORDIC CAPITAL

Fund size: €3.6bn
Strategy: Complex buyouts and Global Healthcare
Enterprise Value of investments: €150m–€800m
Geography: Northern Europe
Website: www.nordiccapital.com

Invests in and develops enduring companies that create long-term value focused on medium to large buyouts. Also invests in global healthcare companies

Nordic Capital VIII	30/9/20	30/9/19
Value (£'000)	38,202	37,745
Cost (£'000)	24,388	23,063
Commitment (€'000)	45,200	45,200
Amount Funded	30.8%[1]	38.9%
Income (£'000)	-	-

5

4.8% of NAV

PERMIRA

Fund size: €5.0bn
Strategy: Mid to large buyouts
Enterprise Value of investments: €500m–€3bn
Geography: Global
Website: www.permira.com

Focused on identifying investments in market leading businesses with strong growth potential. Sector approach transforming companies to become global leaders

Permira V	30/9/20	30/9/19
Value (£'000)	37,338	39,060
Cost (£'000)	15,463	18,144
Commitment (€'000)	30,000	30,000
Amount Funded	90.5%	90.5%
Income (£'000)	-	-

Ten Largest Investments Continued

6

4.3% of NAV

Exponent

Fund Size: £1.0bn
Strategy: Mid-market buyouts
Enterprise Value of investments: £75m-£350m
Geography: UK
Website: www.exponentpe.com

Targets businesses have strong market positions, evidence of historical constraints and are capable of transformation. Companies often have a significant international footprint

Exponent Private Equity Partners III, LP.	30/9/20	30/9/19
Value (£'000)	32,782	33,412
Cost (£'000)	26,104	26,128
Commitment (£'000)	28,000	28,000
Amount Funded	95.7%	93.3%
Income (£'000)	-	9

7

3.8% of NAV

Cinven

Fund Size: €7.0bn
Strategy: Mid to large buyouts
Enterprise Value of investments: €250m-€6bn
Geography: Europe and North America
Website: www.cinven.com

Targets companies that have the ability to deploy clearly identified sector strategies to accelerate growth in Europe or globally

Sixth Cinven Fund	30/9/20	30/9/19
Value (£'000)	29,322	16,412
Cost (£'000)	20,385	14,952
Commitment (€'000)	28,100	28,100
Amount Funded	82.1%	60.1%
Income (£'000)	-	-

8

3.8% of NAV

ACTION

Fund Size: €2.5bn
Sector: Consumer staples
Location: Netherlands
Year of Investment: 2020
Private Equity Manager: 3i Group plc
Investment: Co-investment
Website: www.action.nl

Since its establishment in 1993, Benelux-based Action has grown into the leading non-food discount retailer in the region with more than 1,500 stores and over 55,000 employees. The business generates sales of over €5.1bn per annum

3i Venice SCSp (Action)[2]	39/9/20	30/9/19[3]
Value (£'000)	29,103	N/A
Cost (£'000)	22,630	N/A
Commitment (€'000)	26,540	N/A
Amount Funded	100.0%	N/A
Income (£'000)	-	N/A

9

3.7% of NAV

Bridgepoint

Fund Size: €4.0bn
Strategy: Mid-market buyouts
Enterprise Value of investments: €200m-€1bn
Geography: Europe
Website: www.bridgepoint.eu

A leading mid -market focused private equity firm targeting buyout investments in European companies with strong market positions and earnings growth potential across six core sectors

Bridgepoint Europe V	30/9/20	30/9/19
Value (£'000)	28,691	31,515
Cost (£'000)	21,556	25,729
Commitment (€'000)	35,000	35,000
Amount Funded	94.2%	93.5%
Income (£'000)	341	357

10

3.5% of NAV

PAI PARTNERS

Fund Size: €3.3bn
Strategy: Upper Middle Market
Enterprise Value of investments: €300m–€1.2bn
Geography: Western Europe
Website: www.paipartners.com

Targets upper mid-market businesses in Western Europe, with a particular focus on continental Europe. Typically invests in market leaders across healthcare, business services, food & consumer goods, industrials and retail sectors

PAI Europe VI	30/9/20	30/9/19
Value (£'000)	27,318	25,022
Cost (£'000)	22,109	23,112
Commitment (€'000)	35,000	35,000
Amount Funded	96.6%	92.4%
Income (£'000)	-	-

[1] The amount funded for Nordic Capital VIII has declined compared to the prior year due to redrawable transactions.
[2] The Company's position in Action is held through 3i Venice SCSp, a special purpose vehicle managed by 3i as co-investment lead.
[3] 2020 investment, therefore no 2019 information available.
Note - Performance information has been prepared by SLPET and has not been approved by the General Partners of the funds or any of their Associates. Income figures are for the years ended 30 September 2020 and 30 September 2019 respectively.

Ten Largest Underlying Private Companies[1]

As at 30 September 2020[2,3]

1

3.8% of NAV

Sector: Consumer staples
Location: Netherlands
Year of Investment: 2020
Private Equity Manager: 3i Group plc
Investment: Co-investment (3i Venice SCSp)
Company website: www.action.nl

(Number 8 in the Company's Ten Largest Investments)

Since its establishment in 1993, Benelux-based Action has grown into the leading non-food discount retailer in the region with more than 1,500 stores and over 55,000 employees. The business generates sales of over €5.1bn per annum.

2

1.7% of NAV

Sector: Healthcare
Location: USA
Year of Investment: 2016
Private Equity Manager: TowerBrook Investors
Investment: TowerBrook Investors IV
Company website: www.r1cm.com

R1 RCM, headquartered in Chicago, provides outsourced revenue cycle management services that help healthcare providers to more efficiently and cost effectively manage their revenue cycles through people, processes and integrated technology and analytics solutions. The company offers a fully outsourced end-to-end-technology enabled solution, which spans the entire revenue cycle from patient registration to collection from patients and third-party payors.

3

1.5% of NAV

Sector: Information technology
Location: Germany
Year of Investment: 2014
Private Equity Manager: Permira
Investment: Permira V
Company website: www.teamviewer.com

Founded in 2005 and headquartered near Stuttgart, Germany, TeamViewer is a leading global provider of secure remote support software with a focus on the small and medium business market. The company offers an easy-to-install-and-use solution encompassing remote access administration, multi-user web-conferencing, desktop and file sharing.

4

1.3% of NAV

Sector: Healthcare
Location: France
Year of Investment: 2017
Private Equity Manager: IK Partners
Investment: IK Fund VIII
Company website: www.groupecolisee.com

Colisée Group is a leading European player with benchmark expertise in serving and caring for the elderly. It has a network of medical facilities and residences in countries globally including France, Belgium, Spain, Italy and China.

5

1.3% of NAV

Sector: Consumer discretionary
Location: United Kingdom
Year of Investment: 2016
Private Equity Manager: Exponent Private Equity LP
Investment: Exponent Private Equity Partners III, LP
Company website: www.photobox.co.uk, www.moonpig.com

Europe's leading digital consumer service brands for personalised greeting cards, products and gifts, which includes Moonpig and Photobox. Moonpig sells greeting cards, flowers and gifts to customers in the UK, the Netherlands, Australia and the US, while Photobox Group sells products such as photobooks, wall canvases and homeware to customers in the UK, France, Spain and Germany.

Ten Largest Underlying Private Companies Continued

6

1.2% of NAV

allegro

Sector: Information technology
Location: Poland
Year of Investment: 2017
Private Equity Manager: Cinven
Investment: Sixth Cinven Fund
Company website: www.allegro.pl

Allegro is the go-to commerce platform for Polish consumers. The Group operates the leading online marketplace in Poland, Allegro.pl, and the leading price comparison platform in Poland, Ceneo.pl Allegro.pl is the most recognized e-commerce brand in Poland.

Allegro.pl attracts visits from an average of 20 million internet users per month, which is equivalent to 63% of Polish residents ages 16 and above, and 76% of all internet users in Poland. Allegro.pl is one of the world's top ten e-commerce websites and among the top 100 websites in the world by visits per month. The IPO of Allegro on the Warsaw Stock Exchange was successfully completed in October 2020.

7

1.2% of NAV

Dr. Martens AirWair

Sector: Consumer discretionary
Location: United Kingdom
Year of Investment: 2014
Private Equity Manager: Permira
Investment: Permira V
Company website: www.drmartens.com

Dr. Martens is an iconic British footwear brand which was founded in 1947. The business has over 100 stores globally as well as growing worldwide e-commerce trade.

8

1.0% of NAV

Culligan

Sector: Industrials
Location: United States
Year of Investment: 2016
Private Equity Manager: Advent International
Investment: Advent International Global Private Equity VIII
Company website: www.culligan.com

Founded in 1936, Culligan is one of the best-known brands in water treatment globally. Culligan provides a complete line of water treatment solutions for consumer applications, in homes, offices, restaurants, hospitals and other commercial facilities around the world. Culligan sells its equipment through a direct sales force and over 800 exclusive dealers and franchisees in more than 90 countries.

9

1.0% of NAV

handicare

Sector: Healthcare
Location: Norway
Year of Investment: 2010
Private Equity Manager: Nordic Capital
Investment: Nordic Capital VII
Company website: www.handicare.com

Handicare was founded in 1986 and supplies technical aids for the elderly and physically disabled. Its products include homecare products (such as stairlifts), patient handling and bathroom safety products, and personal transfer and automobile adaptation solutions.

10

1.0% of NAV

ELITechGroup EMPOWERING IVD

Sector: Healthcare
Location: Italy
Year of Investment: 2017
Private Equity Manager: PAI Partners
Investment: PAI Europe VI
Company Website: www.elitechgroup.com

ELITechGroup is a privately held group of worldwide manufacturers and distributors of in vitro diagnostic equipment and reagents. By bringing together IVD specialty companies that offer innovative products and solutions, ELITechGroup has become a major contributor in advancing clinical diagnostics to laboratories in the proximity market, those operating closer to the patient.

[1] Represents the 10 largest private portfolio companies which are indirectly held through the Company's fund investments and/or co-investments.
[2] All % of NAV figures are based on gross valuations, before any carry provision.
[3] Based on latest available information.

Investment Portfolio

Vintage	Investment	Number of investments	Outstanding commitments £'000	Cost £'000	Valuation £'000[1]	Net multiple[2]	% of NAV
2016	Advent International Global Private Equity VIII	31	1,959	37,682	57,759	1.5x	7.5
2016	IK Fund VIII	15	2,222	36,636	49,948	1.4x	6.5
2014	Altor Fund IV	20	15,318	31,327	41,819	1.4x	5.4
2013	Nordic Capital VIII	13	28,373	24,388	38,202	1.5x	5.0
2014	Permira V	15	2,689	15,463	37,338	3.3x	4.8
2015	Exponent Private Equity Partners III, LP.	11	3,071	26,104	32,782	1.3x	4.3
2016	Sixth Cinven Fund	17	4,578	20,385	29,322	1.4x	3.8
2020	3i Venice SCSp (Action)[3]	1	–	22,630	29,103	1.3x	3.8
2015	Bridgepoint Europe V	13	1,408	21,556	28,691	1.5x	3.7
2014	PAI Europe VI	12	2,383	22,109	27,318	1.6x	3.5
2014	CVC VI	27	4,723	17,834	27,118	1.6x	3.5
2013	TowerBrook Investors IV	14	11,564	16,948	26,555	1.7x	3.4
2015	Equistone Partners Europe Fund V	22	2,295	21,902	24,407	1.1x	3.2
2018	Nordic Capital Fund IX	15	11,429	15,404	22,254	1.4x	2.9
2016	Astorg VI	10	4,169	14,564	20,124	1.3x	2.6
2012	IK Fund VII	9	1,813	16,350	19,401	1.9x	2.5
2015	Nordic Capital VII	9	2,040	22,367	19,331	1.4x	2.5
2018	Investindustrial Growth	6	6,597	15,748	18,649	1.2x	2.4
2017	CVC Capital Partners VII	24	15,903	14,988	16,828	1.1x	2.2
2017	HgCapital 8	8	12,356	9,656	15,237	1.4x	2.0
2012	Advent International Global Private Equity VII	20	1,270	8,658	13,708	2.1x	1.8
2018	Bridgepoint Europe VI	10	16,067	10,706	10,985	1.1x	1.4
2017	Onex Partners IV LP	11	987	11,541	10,659	1.2x	1.4
2012	Equistone Partners Europe Fund IV	10	811	11,500	10,095	2.2x	1.3
2019	Vitruvian I CF	5	9,207	9,461	9,765	1.0x	1.3
2019	Advent International Global Private Equity IX	14	14,674	7,801	9,344	1.2x	1.2
2018	Equistone VI	17	16,453	10,531	8,799	0.8x	1.1
2018	Triton Fund V	9	18,644	8,263	7,151	0.9x	0.9
2018	PAI Europe VII	7	19,452	7,552	6,564	0.9x	0.9
2019	PAI Strategic Partnerships SCSp	2	692	6,103	6,372	1.0x	0.8
2011	Montagu IV	4	2,112	5,145	5,794	1.9x	0.8
2020	Hg Vardos Co-invest L.P. (Visma)[3]	1	–	5,392	5,457	1.0x	0.7
2008	CVC V*	9	452	6,298	4,695	2.4x	0.6
2020	Vitruvian III	13	2,331	3,125	4,044	1.3x	0.5
2019	Alphaone International S.à.r.l. (Mademoiselle Desserts)[3]	1	1,798	3,522	3,531	1.0x	0.5
2020	Hg Saturn 2	2	9,622	2,433	2,980	1.2x	0.4
2018	MSouth Equity Partners IV	3	12,794	3,882	2,576	0.7x	0.3
2019	Cinven 7	1	20,176	2,449	2,231	0.9x	0.3
2013	Bridgepoint Europe IV	5	750	3,109	1,713	1.5x	0.2

Investment Portfolio Continued

Vintage	Investment	Number of investments	Outstanding commitments £'000	Cost £'000	Valuation £'000[1]	Net multiple[2]	% of NAV
2007	Terra Firma Capital Partners III	5	123	18,822	1,711	0.6x	0.2
2001	CVC III*	1	402	4,283	1,525	2.6x	0.2
2019	Gilde Buy-Out Fund IV	4	–	2,262	1,487	0.7x	0.2
2019	Steadfast Capital III	2	219	1,631	1,460	1.0x	0.2
2019	Great Hill Partners VII	5	9,282	25	1,413	57.7x	0.2
2019	Investindustrial VII	2	21,009	1,641	1,262	0.8x	0.2
2007	Equistone Partners Europe Fund III	1	1,479	6,909	1,171	1.7x	0.2
2006	3i Eurofund V	1	–	11,308	1,022	2.7x	0.1
2019	American Industrial Partners VII	1	14,651	858	766	0.9x	0.1
2019	Altor Fund V	4	31,206	544	417	0.8x	0.1
2006	HgCapital 5	1	213	6,578	414	1.6x	0.1
2007	Industri Kapital 2007 Fund	2	1,575	6,204	347	1.4x	–
2003	Industri Kapital 2004 Fund	–	–	–	6	2.4x	–
2019	IK IX	–	22,373	283	–	0.0x	–
2020	Hg Genesis 9	–	13,606	–	–	–	–
2020	Hg Mercury 3	–	11,248	–	–	–	–
2020	Nordic Capital X	–	22,677	–	–	–	–
2020	Seidler Equity Partners VII L.P.	–	15,470	–	–	–	–
2020	Vitruvian IV	–	22,677	–	–	–	–
	Total investments[4]	**465**	**471,392**	**612,860**	**721,650**		**93.7**
	Non-portfolio assets less liabilities				**48,643**		**6.3**
	Total shareholders' funds				**770,293**		**100.0**

[1] All funds are valued by the manager of the relevant fund or co-investment as at 30 September 2020, with the exception of those funds suffixed with an * which were valued as at 30 June 2020.
[2] The net multiple has been calculated by the Manager in sterling on the basis of the total realised and unrealised return for the interest held in each fund and co-investments. These figures have not been reviewed or approved by the relevant fund or its manager.
[3] Co-investment position. The name of the underlying co-investment which is indirectly held by the Company has been included within the bracketed text.
[4] The 465 underlying investments represent holdings in 456 separate companies.

Top 30 Underlying Private Company Investments

Entity	Description	Fund/Co-Investment[1]	Year of Investment[2]	% of NAV[3]
Action	Non-food discount retailer	3i Venice SCSp	2020[4]	3.8%
R1 RCM	Physician advisory provider	TowerBrook Investors IV	2016	1.7%
Teamviewer	Computer software	Permira V	2014	1.5%
Colisee	Elderly care	IK Fund VIII	2017	1.3%
Photobox	Online photo laboratory	Exponent Private Equity Partners III, LP.	2016	1.3%
Allegro	Online marketplace	Sixth Cinven Fund	2017	1.2%
Dr. Martens	Global footwear brand	Permira V	2014	1.2%
Culligan	Global provider of water softening and purification equipment and services	Advent International Global Private Equity VIII	2016	1.0%
Handicare	Mobility solutions for disabled and elderly	Nordic Capital VII	2010	1.0%
ELITech	In-vitro diagnostics	PAI Europe VI	2017	1.0%
Visma	Accounting software and services	Hg Vardos Co-invest L.P. / Hg Saturn 2	2020	1.0%
Froneri	Ice cream manufacturer for take home and private label segments	PAI Strategic Partnerships SCSp / PAI VII	2019	1.0%
Benvic	Developer and producer of PVC-based solutions	Investindustrial Growth	2018	1.0%
Mademoiselle Desserts	Dessert and confectionary producer	Alphaone International S.à.r.l. / IK VIII	2018	0.9%
CCCIS	Software provider to automotive collision repairers, parts suppliers and insurers	Advent International Global Private Equity VIII	2017	0.9%
Nordnet	Bank	Nordic Capital VIII	2016	0.9%
SALAD	Private label food franchise	IK Fund VII	2016	0.9%
Binding Site	Clinical laboratory diagnostics	Nordic Capital VII	2011	0.9%
Zentiva	Generics pharmaceutical company	Advent International Global Private Equity VIII	2018	0.9%
Trioplast	Manufacturer of polyethylene film	Altor Fund IV	2018	0.8%
Trustly	Online payment provider	Nordic Capital Fund IX	2018	0.8%
Itiviti	Provider of capital markets technology	Nordic Capital VII	2012	0.8%
Vizrt	Professional software for real-time media	Nordic Capital VIII	2015	0.8%
Questel	Intelligence software	IK Fund VIII	2018	0.8%
Informatica	Enterprise data integration	Permira V	2015	0.8%
EXXELIA	Manufacturer of customised electronic components	IK Fund VII	2014	0.8%
Transcom	Customer management specialist	Altor Fund IV	2015	0.8%
Access Group	Software solutions	HgCapital 8	2018	0.8%
InfoPro Digital	B2B professional information services	TowerBrook Investors IV	2016	0.7%
RL360	Specialist international life assurance provider	Vitruvian I CF LP	2019	0.7%

[1] The underlying private companies above are held through the Company's fund investments, apart from Mademoiselle Desserts and Visma, which are both held through fund investments as well as a co-investment.
[2] Year of investment is disclosed as the first year of investment by a portfolio investment.
[3] All % of NAV figures are based on gross valuations, before any carry provision.
[4] Following the realisation of 3i Eurofund V and the Company's exposure to Action through that vehicle, the Company made a new co-investment into Action alongside 3i in 2020.

Governance

The Board of Directors of the Company is a highly experienced group of individuals with substantial understanding of investment trusts, private equity and the financial services industry. The Board works closely with the Investment Manager to deliver shareholder value. The Board is responsible for stewardship, including overall strategy, investment policy, borrowings, dividends, corporate governance procedures and risk management.

Your Board of Directors

Christina McComb, OBE

Status:
Chair and Independent Non-Executive Director

Experience:
Christina has over 25 years' experience of investing in growth companies, having spent much of her career at leading private equity firm 3i Group plc. She is currently Chair of financial mutual OneFamily and is Senior Independent Director of Big Society Capital, the UK's leading social investment fund. She is also a Trustee of the 3i Pension Scheme and a Trustee of Nesta.

Length of service:
Appointed on 29 January 2013, and as Chair on 1 January 2019

Last re-elected to the board:
24 February 2020

Committee member:
Audit Committee, Management Engagement Committee (Chair), and Nomination Committee (Chair)

Contribution:
The Board has reviewed the contribution of Christina McComb in light of her proposed re-election at the AGM and has concluded that she has chaired the Company expertly, fostering a collaborative spirit between the Board and Investment Manager, whilst ensuring that meetings remain focused on the key areas of stakeholder relevance.

Jonathon Bond

Status:
Independent Non-Executive Director

Experience:
Jonathon has over 30 years' experience in the private equity industry with a particular focus on raising standards of governance and performance. He has extensive international and general management experience, having served on the board of several significant businesses. Jonathon is Senior Independent Director and member of the Audit and Risk, Remuneration and Nomination Committees of Jupiter Fund Management PLC, Chairman of Grosvenor Britain & Ireland Limited and is a Non-executive Director of Scottish Widows Limited and Camellia Plc.

Length of service:
Appointed on 15 June 2018

Last re-elected to the board:
24 February 2020

Committee member:
Audit Committee, Management Engagement Committee, and Nomination Committee

Contribution:
The Board has reviewed the contribution of Jonathon Bond in light of his proposed re-election at the AGM and has concluded that he continues to provide significant investment insight to the Board and knowledge of the private equity and investment management sector.

Your Board of Directors Continued

Alan Devine

Status:
Senior Independent Non-Executive Director

Experience:
Alan holds an MBA and is a Fellow of the Institute of Bankers in Scotland. He was formerly CEO of the Royal Bank of Scotland Shipping Group and has a wide background of knowledge and over 40 years' experience in both commercial and investment banking. Alan is a Non-Executive Director of Irish company Capitalflow Holdings DAC where he is Chairman of the Remuneration and Audit Committees. Alan is also Chairman of the private equity owned Irish based cash logistics company known as GSLS.

Length of service:
Appointed on 28 May 2014, and as Senior Independent Director on 1 January 2019

Last re-elected to the board:
24 February 2020

Committee member:
Audit Committee, Management Engagement Committee, and Nomination Committee

Contribution:
The Board has reviewed the contribution of Alan Devine in light of his proposed re-election at the AGM and has concluded that his contribution to the Board, from a funding, industry and corporate governance perspective, has been invaluable.

Diane Seymour-Williams

Status:
Independent Non-Executive Director

Experience:
Diane is a Non-executive Director of Mercia Asset Management PLC and PraxisIFM Group Limited, and is a Director of Acorn Capital Advisers Limited. Diane worked at Deutsche Asset Management Group (previously Morgan Grenfell) for 23 years where she held various senior positions, including CIO and CEO of Asia. More recently, she spent nine years at LGM Investments, a specialist global emerging and frontier markets equities manager, where she was Global Head of Relationship Management. She is a pro-bono member of the Investment Committees of Newnham College, Cambridge and the Canal & River Trust.

Length of service:
Appointed on 7 June 2017

Last re-elected to the board:
24 February 2020

Committee member:
Audit Committee, Management Engagement Committee, and Nomination Committee

Contribution:
The Board has reviewed the contribution of Diane Seymour-Williams in light of her proposed re-election at the AGM and has concluded that she continues to provide significant investment insight to the Board and knowledge of the investment management sector.

Calum Thomson

Status:
Independent Non-Executive Director and Chair of the Audit Committee

Experience:
Calum is a qualified chartered accountant and was an audit partner with Deloitte LLP for over 21 years. Calum is a Non-executive Director and the Audit Committee chair of the Diverse Income Trust plc, the AVI Global Trust plc and Baring Emerging EMEA Opportunities plc. He is also a Non-executive Director and Audit Committee chair of BLME Holdings Plc.

Length of service:
Appointed on 30 November 2017

Last re-elected to the board:
24 February 2020

Committee member:
Audit Committee (Chair), Management Engagement Committee, and Nomination Committee

Contribution:
The Board has reviewed the contribution of Calum Thomson in light of his proposed re-election at the AGM and has concluded that he has chaired the Audit Committee expertly and continues to provide significant financial and risk management insight to Board discussions.

Directors' Report

The Directors present their report and the audited financial statements of the Company for the year ended 30 September 2020.

Results and Dividends

The financial statements for the year ended 30 September 2020 are contained on pages 65 to 85. Interim dividends of 3.3 pence per Ordinary share were paid in April, July and October 2020. The Board has recommended that a fourth interim dividend for the year to 30 September 2020 of 3.3 pence per share is payable on 29 January 2021 to shareholders on the register on 29 December 2020.

Principal Activity and Status

The Company is registered as a public limited company in Scotland under company number SC216638, is an investment company within the meaning of Section 833 of the Companies Act 2006 and carries on business as an investment trust.

The Company has applied for and has been accepted as an investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999. This approval relates to accounting periods commencing on or after 1 October 2012. The Directors are of the opinion that the Company has conducted its affairs so as to be able to retain such approval.

The Company intends to manage its affairs so that its Ordinary shares continue to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account.

Capital Structure and Voting Rights

The Company's issued share capital at 30 September 2020 consisted of 153,746,294 (2019: 153,746,294) Ordinary shares of 0.2 pence each in issue.

Each ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every Ordinary share held.

Management Agreement

The Company has appointed SL Capital Partners LLP ("SLCP"), a wholly owned subsidiary of Standard Life Aberdeen plc, as its alternative investment fund manager ("AIFM") and Manager (the "Manager"). Aberdeen Standard Investments ("ASI") is the brand of Standard Life Aberdeen plc.

SLCP has been appointed to provide investment management, risk management, administration and company secretarial services, and promotional activities to the Company. In addition, SLCP has sub-delegated administrative and secretarial services to Aberdeen Asset Management PLC and promotional activities to Standard Life Investments Limited.

The management fee, payable quarterly, is calculated as 0.95% per annum of the Company's net asset value at the end of the relative quarter. No fee is payable on any investments in any investment trust, collective investment scheme or any other company or fund managed, operated or advised by the Manager or any other subsidiary of Standard Life Aberdeen plc where there is an entitlement to a fee on that investment.

Further details of the fees payable to the Manager are shown in notes 3 and 4 to the financial statements.

The management agreement is terminable on not less than twelve months' written notice.

External Agencies

The Board has contractually delegated depositary services (which include the custody and safeguarding of the Company's assets) to IQ EQ Depositary Company (UK) Limited and the share registration services to Equiniti Limited. These contracts were entered into after full and proper consideration by the Board of the quality and cost of services offered in so far as they relate to the affairs of the Company.

Substantial Interests

Information provided to the Company by major shareholders pursuant to the FCA's Disclosure, Guidance and Transparency Rules is published by the Company via a Regulatory Information Service.

The table below sets out the interests in 3% or more of the issued share capital of the Company, of which the Board was aware as at 30 September 2020.

Shareholder	Number of Ordinary shares	% held
Phoenix Group Holdings[1]	87,129,637	56.7
Quilter Cheviot Investment Management	6,619,806	4.3
LGT Capital Partners	5,130,000	3.3
Oxfordshire County Council Pension Fund	4,757,088	3.1

[1] The voting rights of these shares are retained by Aberdeen Standard Investments.

The Company has not been notified of any changes to these holdings as at the date of this Report.

Relationship Agreement with Standard Life Assurance Limited
The Company's largest shareholder, Phoenix Group Holdings, holds its shares through Standard Life Assurance Limited ("SLAL", which is 100% owned by Phoenix Group Holdings). SLAL has irrevocably undertaken to the Company that, at any time when SLAL and its Associates (meaning any company which is a member of the SLAL group) are entitled to exercise or control 30% or more of the rights to vote at general meetings of the Company, it will not (and will procure that none of its Associates will) seek to nominate directors to the Board of the Company who are not independent of SLAL and its Associates, enter into any transaction or arrangement with the Company which is not conducted at arm's length and on normal commercial terms, take any action that would have the effect of preventing the Company from carrying on an independent business as its main activity or from complying with its obligations under the Listing Rules or propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

Directors

Each of the Directors, whose biographies are shown on pages 39 to 41 are considered by the Board to be independent of the Company and the Manager and free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct.

The Directors attended scheduled Board and Committee meetings during the year ended 30 September 2020 as follows (with their eligibility to attend the relevant meetings in brackets):

	Board Meetings	Audit Committee Meetings	Management Engagement Committee Meetings	Nomination Committee Meetings
Jonathon Bond	5 (5)	2 (2)	1 (1)	1 (1)
Alan Devine	5 (5)	2 (2)	1 (1)	1 (1)
Christina McComb	5 (5)	2 (2)	1 (1)	1 (1)
Diane Seymour-Williams	5 (5)	2 (2)	1 (1)	1 (1)
Calum Thomson	5 (5)	2 (2)	1 (1)	1 (1)

The Board and Committees meet more frequently when business needs require. There are a number of matters reserved for the Board's approval which include overall strategy, investment policy, borrowings, dividend policy and Board composition.

All of the Directors will retire and, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Board believes that each Director has the requisite high level and range of business, investment and financial experience which enables the Board to provide clear and effective leadership and proper governance of the Company. Each Director remains independent and free from any relationship which could materially interfere with the exercise of their judgement on issues of strategy, performance, resources and standards of conduct. Following the Company's formal annual performance evaluation, the Board concluded that each Director's performance continues to be effective and each Director demonstrates commitment to the role, and their individual performances contribute to the long-term sustainable success of the Company. The Board therefore recommends the re-election of each of the Directors at the Annual General Meeting. The biographies on pages 39 to 41 set out their range of skills and experience as well as length of service and their contribution to the Board during the year.

Board's Policy on Tenure

In normal circumstances, it is the Board's expectation that Directors will not serve beyond the Annual General Meeting following the ninth anniversary of their appointment. However, the Board takes the view that independence of individual Directors is not necessarily compromised by length of tenure on the Board and that continuity and experience can add significantly to the Board's strength. The Board believes that recommendation for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned, but also taking into account the need for regular refreshment and diversity.

It is the Board's policy that the Chair of the Board will not normally serve as a Director beyond the Annual General Meeting following the ninth anniversary of his or her appointment to the Board. However, this may be extended in certain circumstances or to facilitate effective succession planning and the development of a diverse Board. In such a situation the reasons for the extension will be fully explained to shareholders and a timetable for the departure of the Chair clearly set out.

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Directors' Report Continued

The Role of the Chair and Senior Independent Director
Christina McComb is the Chair and Alan Devine is the Senior Independent Director.

The Chair is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chair facilitates the effective contribution and encourages active engagement by each Director. In conjunction with the Company Secretary, the Chair ensures that Directors receive accurate, timely and clear information to assist them with effective decision making. The Chair leads and acts upon the results of the formal and rigorous annual Board and Committee evaluation process by recognising strengths and addressing any weaknesses of the Board. She also ensures that the Board engages with major shareholders and that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chair and acts as an intermediary for other directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chair, and leads the annual appraisal of the Chair's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

Directors' and Officers' Liability Insurance
The Company maintains insurance in respect of directors' and officers' liabilities in relation to their acts on behalf of the Company. The Company's articles of association provide that any director or other officer of the Company is to be indemnified out of the assets of the Company against any liability incurred by him as a director or other officer of the Company to the extent permitted by law.

Management of Conflicts of Interest
The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, each Director discloses other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his or her connected persons. The Board considers each Director's situation and decides whether to approve any conflict or other external positions, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although all Directors are issued with letters of appointment. There were no contracts during, or at the end of the year, in which any Director was interested.

The Company has a policy of conducting its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and has procedures in place that are proportionate to the Company's circumstances to prevent them. The Manager also adopts a group-wide zero-tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. Copies of the Manager's anti-bribery and corruption policies are available on its website.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Corporate Governance
The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code as published in July 2018 (the "UK Code"), which is available on the Financial Reporting Council's (the "FRC") website: **frc.org.uk**.

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: **theaic.co.uk.**

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);

- the role and responsibility of the chief executive (provisions 9 and 14);
- previous experience of the chair of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The full text of the Company's Corporate Governance Statement can be found on its website.

Board Committees

The Board has appointed a number of Committees, as set out below. Copies of their terms of reference, which clearly define the responsibilities and duties of each Committee, are available on the Company's website, or upon request from the Company. The performance of the Committees and their terms of reference are reviewed by the Board on an ongoing basis and formally at least annually.

Audit Committee

The Audit Committee is chaired by Calum Thomson who is a Chartered Accountant and has recent and relevant financial experience. The Committee comprises all non-executive Directors. The Audit Committee and Board consider that Christina McComb was independent on appointment, and continues to be independent of the Manager. Given the size of the Board, and the continued independence of Christina McComb, the Board believes that it is appropriate for all the independent Directors, including the Chair, to constitute the Audit Committee. The Board is satisfied that the Committee as a whole has competence relevant to the investment trust sector.

The Audit Committee's Report is contained on pages 53 to 57.

Management Engagement Committee

The Management Engagement Committee comprises the full Board and is chaired by Christina McComb. The main responsibilities of the Committee include:

- monitoring and evaluating the performance of the Manager;
- reviewing at least annually the continued retention of the Manager;
- reviewing, at least annually, the terms of appointment of the Manager including, but not limited to, the level and method of remuneration and the notice period of the Manager; and
- reviewing the performance and remuneration of the other key service providers to the Company.

The Committee met once during the year to 30 September 2020 and, following a review of performance and the terms of appointment of the Manager, recommended to the Board that the continuing appointment of the Manager was in the best interests of the shareholders and the Company as a whole. In reaching this decision, the Committee considered the Company's long-term performance record and concluded that it remained satisfied with the capability of the Manager to deliver satisfactory investment performance, that its processes are thorough and robust and that it employs a well-resourced team of skilled and experienced fund managers. In addition, the Committee is satisfied that the Manager has the secretarial, administrative and promotional skills required for the effective operation and administration of the Company.

Nomination Committee

The Nomination Committee comprises the full Board and is chaired by Christina McComb. The main responsibilities of the Committee include:

- regularly reviewing the structure, size and composition (including the skills, knowledge, experience, diversity and gender) of the Board;
- undertaking succession planning, taking into account the challenges and opportunities facing the Company and identifying candidates to fill vacancies;
- recruiting new Directors, undertaking open advertising or engaging external advisers to facilitate the search, as appropriate, with a view to considering candidates from a wide range of backgrounds, on merit, and with due regard for the benefits of diversity on the Board, taking care to ensure that appointees have enough time available to devote to the position;
- ensuring that new appointees receive a formal letter of appointment and suitable induction and ongoing training;
- arranging for the annual Board and Committee performance evaluations and ensuring that Directors are able to commit the time required to properly discharge their duties;

Directors' Report Continued

- making recommendations to the Board as to the position of Chair, Senior Independent Director and Chair of the Nomination, Audit and Management Engagement Committees;
- assessing, on an annual basis, the independence of each Director; and
- approving the re-election of any Director, subject to the UK Code, the AIC Code, or the Articles of Association, at the Annual General Meeting, having due regard to their performance, ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board.

The Committee met once during the year to 30 September 2020 and believes that current Board composition is effective.

There is a procedure for Directors to take independent professional advice, if necessary, at the Company's expense.

Going Concern

The Board has considered its obligation to satisfy itself as to the appropriateness of the adoption of the going concern assumption as a basis for the preparation of the financial statements.

At 30 September 2020, the Company had a £200 million (2019: £80 million) committed, multi-currency syndicated revolving credit facility, under which £nil (2019: £nil) had been drawn down. The facility is provided by Citi, Société Générale and State Street Bank International (2019: Citi and Société Générale).

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report on pages 10 to 12, including the over-arching risk of Covid-19 and its impact on global markets, and they believe that the Company has adequate financial resources to continue its operational existence for a period of not less than 12 months from the date of approval of this Report. They have arrived at this conclusion having reviewed the Company's revolving credit facility, the future cash flow projections, the ongoing expenses forecasts for the coming year, and taking into account that the Company had net resources available for investment at the year end.

Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Accountability and Audit

The respective responsibilities of the Directors and the Independent Auditor in connection with the financial statements appear on pages 58 and 64.

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Independent Auditor was unaware, and that each Director has taken all the steps that they might reasonably be expected to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Independent Auditor was aware of that information.

Independent Auditor

Shareholders approved the re-appointment of BDO LLP as the Company's Independent Auditor at the AGM on 24 February 2020 and resolutions to approve its re-appointment for the year to 30 September 2021 and to authorise the Directors to determine its remuneration will be proposed at the AGM on 23 March 2021.

Relations with Shareholders

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. One of the benefits of being managed by ASI is the ability to subscribe to, and participate in, the promotional programme run by ASI on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by ASI. The Company also supports ASI's investor relations programme which involves regional roadshows, promotional and public relations campaigns. ASI's promotional and investor relations teams report to the Board on a quarterly basis giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

Shareholders and investors may obtain up to date information on the Company through its website and the Manager's Customer Services Department (see contact details on page 92).

The Board also communicates directly with shareholders and their representative bodies without the involvement of the management group (including the Company Secretary or the Manager) in situations where direct communication is required, and representatives from the Manager and Board meet with major shareholders on at least an annual basis in order to gauge their views, and report back to the Board on these meetings. In addition, the Company Secretary only acts on behalf of the Board, not the Manager, and there is no filtering of communication.

The Company's Annual General Meeting provides a forum for communication primarily with private shareholders and is attended by the Board. The Manager makes a presentation to the meeting and all shareholders have the opportunity to put questions to both the Board and the Manager at the meeting.

The notice of the Annual General Meeting is sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board and Manager at the meeting.

Additional Information

Where not provided elsewhere in the Directors' Report, the following provides the additional information required to be disclosed by Part 15 of the Companies Act 2006.

There are no restrictions on the transfer of Ordinary shares in the Company issued by the Company other than certain restrictions which may from time to time be imposed by law (for example, the Market Abuse Regulation). The Company is not aware of any agreements between shareholders that may result in a transfer of securities and/or voting rights.

The rules governing the appointment of Directors are set out in the Directors' Remuneration Report on page 50. The Company's Articles of Association may only be amended by a special resolution passed at a general meeting of shareholders.

Annual General Meeting

The Notice of the Annual General Meeting, which will be held at 12:30pm at the offices of Aberdeen Standard Investments, 6 St Andrew Square, Edinburgh EH2 2BD on Tuesday, 23 March 2021, and related notes, may be found on pages 97 to 104.

This year, due to the uncertainties caused by the Covid-19 pandemic and, in particular, the restrictions on public gatherings and requirements to socially distance, the Annual General Meeting will satisfy the minimum legal requirements.

Shareholders are encouraged vote on the resolutions proposed in advance of the AGM and submit questions to the Board and the Manager by emailing **SLPET.Board@aberdeenstandard.com**.

Resolutions including the following business will be proposed:

Dividend Policy

As a result of the timing of the payment of the Company's quarterly dividends, the Company's shareholders are unable to approve a final dividend each year. In line with good corporate governance, the Board therefore proposes to put the Company's dividend policy to shareholders for approval at the Annual General Meeting and on an annual basis thereafter.

The Company's dividend policy is that interim dividends on the Ordinary shares are payable quarterly in April, July, October and January. Resolution 3 will seek shareholder approval for the dividend policy.

Issue of Ordinary Shares

Resolution 11, which is an ordinary resolution, will, if passed, renew the Directors' authority to allot new Ordinary shares up to 10% of the issued share capital of the Company (excluding treasury shares) as at the date of the passing of the resolution.

Resolution 12, which is a special resolution, will, if passed, renew the Directors' existing authority to allot new Ordinary shares or sell treasury shares for cash without the new Ordinary shares first being offered to existing shareholders in proportion to their existing holdings. This will give the Directors authority to make limited allotments or sell shares from treasury of up to 10% of the total ordinary issued share capital, excluding treasury shares, as at the date of the passing of the resolution.

The authority to issue shares on a non pre-emptive basis includes shares held in treasury (if any) which the Company sells or transfers, including pursuant to the authority conferred by Resolution 11.

New Ordinary shares will only be issued at prices representing a premium to the last published net asset value per share.

The authorities being sought under resolutions 11 and 12 shall expire at the conclusion of the Company's next AGM in 2022 or, if earlier, on the expiry of 15 months from the date of the passing of the resolutions, unless such authorities are renewed prior to such time. The Directors have no current intention to exercise these authorities and will only do so if they believe it is advantageous and in the best interests of shareholders.

Directors' Report Continued

Purchase of the Company's Ordinary Shares
Resolution 13, which is a special resolution, seeks to renew the Board's authority to make market purchases of the Company's Ordinary shares in accordance with the provisions contained in the Companies Act 2006 and the FCA's Listing Rules. Accordingly, the Company will seek authority to purchase up to a maximum of 14.99% of the issued share capital (excluding treasury shares) at the date of passing of the resolution at a minimum price of 0.2 pence per share (being the nominal value). Under the Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of: (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the shares over the five business days immediately preceding the date of purchase; and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue on which the purchase is carried out.

The Board does not intend to use this authority to purchase the Company's Ordinary shares, unless to do so would result in an increase in the net asset value per Ordinary share and would be in the best interests of shareholders. Any Ordinary shares purchased shall either be cancelled or held in treasury. The authority being sought shall expire at the conclusion of the AGM in 2022 or, if earlier, on the expiry of 15 months from the date of the passing of the resolution unless such authority is renewed prior to such time.

Notice of Meeting
Under the Companies Act 2006, the notice period for the holding of general meetings of the Company is 21 clear days unless shareholders agree to a shorter notice period and certain other conditions are met. Resolution 14, which is a special resolution, will seek to authorise the Directors to call general meetings of the Company (other than Annual General Meetings) on not less than 14 clear days' notice, as permitted by the Companies Act 2006 amended by the Companies (Shareholders' Rights) Regulations 2009.

It is currently intended that this flexibility to call general meetings on shorter notice will only be used for non-routine business and where it is considered to be in the interests of all shareholders. If Resolution 14 is passed, the authority to convene general meetings on not less than 14 clear days' notice will remain effective until the conclusion of the AGM in 2022 or, if earlier, on the expiry of 15 months from the date of the passing of the resolution, unless renewed prior to such time.

Amendment to the Articles of Association
Resolution 15, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Existing Articles"). The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation and developments in market practice since the Existing Articles were adopted, and principally include:

i. provisions enabling the Company to hold virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings);
ii. amendments in response to the requirements of the Alternative Investment Fund Managers Directive (2011/61/EU);
iii. changes in response to the introduction of international tax regimes (notably FATCA and the Common Reporting Standard) requiring the exchange of information;
iv. giving the Directors the ability to allow for the Company's depositary to discharge itself of liability for loss of financial assets held in custody in circumstances prescribed under the AIFMD;
v. simplifying the untraced shareholders procedure by removing the requirement for the Company to publish newspaper advertisements;
vi. providing for the procedure to be followed where all of the Directors stand for re-election at an AGM and none of them are re-elected by shareholders; and
vii. updating the methods of settling cash dividends by allowing the Company to pay dividends exclusively through bank transfers or other electronic payment methods instead of by way of cheques with the further ability to retain cash payments where bank details are not provided by a shareholder.

A summary of the principal amendments being introduced in the New Articles is set out in the appendix to the AGM Notice (on pages 103 to 104 of this document). Other amendments, which are of a minor, technical or clarifying nature, have not been summarised in the appendix.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for hybrid or virtual-only meetings to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The full terms of the proposed amendments to the Company's articles of association would have been made available for inspection as required under LR 13.8.10R (2) but for the Government restrictions implemented in response to the Covid-19 outbreak. As an alternative, a copy of the New Articles, together with a copy showing all of the proposed changes to the Existing Articles, will be available for inspection on the Company's website: **slpet.co.uk** from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current Covid-19 related restrictions are lifted before the AGM, a hard copy of these documents will be available for inspection at Bow Bells House, 1 Bread Street, London EC4M 9HH until the close of the AGM.

Recommendation

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, the Board recommends that shareholders vote in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings, amounting to 77,228 Ordinary shares, representing 0.05% of the issued share capital.

By order of the Board
Aberdeen Asset Management PLC
Company Secretary
1 George Street
Edinburgh EH2 2LL
25 January 2021

Directors' Remuneration Report

This Directors' Remuneration Report comprises three parts:

1. a Remuneration Policy which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – most recently voted on at the Annual General Meeting on 24 February 2020;
2. an Implementation Report which is subject to an advisory vote on the level of remuneration paid during the year; and
3. an Annual Statement.

Company law requires the Company's Independent Auditor to audit certain of the disclosures provided in the Directors' Remuneration Report. Where disclosures have been audited, they are indicated as such. The Independent Auditor's report is included on pages 60 to 64.

As the Company has no employees, and the Board is comprised wholly of non-executive Directors, and given the size and nature of the Company, the Board has not established a separate Remuneration Committee. The Director's Remuneration Policy and level of Directors' remuneration are determined by the Nomination Committee, which is chaired by Christina McComb and comprises all of the Directors.

Remuneration Policy

The Directors' Remuneration Policy takes into consideration the principles of UK corporate governance and the AIC's recommendations regarding the application of those principles to investment companies.

No communication was received from shareholders during the year regarding Directors' remuneration.

The Company's policy is that the remuneration of the Directors, all of whom are non-executive, should reflect the experience of the Board as a whole and be fair and comparable to that of other investment trusts with a similar capital structure and similar investment objectives. Directors are remunerated exclusively in the form of fees, payable quarterly in arrears to the Director personally. The fees for the Directors are determined within the limits set out in this Remuneration Policy which limits the aggregate of the fees payable to the Directors to £350,000 per annum. It is intended that the fees payable to the Directors should reflect their duties, responsibilities, and the value and amount of time committed to the Company's affairs, and should also be sufficient to enable candidates of a high quality to be recruited and retained. There is no performance-related remuneration scheme and therefore the Directors do not receive bonuses, pension benefits, share options, long-term incentive schemes or other benefits, and the fees are not specifically related to the Directors' performance, either individually or collectively.

The levels of fees at the year end are set out in the table below. Fees are reviewed annually and, if considered appropriate, increased accordingly.

	30 September 2020 £	30 September 2019 £
Chair	62,500	61,000
Senior Independent Director	46,500	45,000
Chair of Audit Committee	46,500	45,000
Director	42,500	41,000

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive and are appointed under the terms of letters of appointment.
- The terms of appointment provide that Directors should retire and be subject to election at the first Annual General Meeting after their appointment. The Company's Articles of Association require all Directors to retire by rotation at least every three years. However, notwithstanding the Articles of Association, the Board has agreed that all Directors should retire annually and seek re-election at the AGM.
- Any Director newly appointed to the Board will receive the fee applicable to each of the other Directors at the time of appointment together with any other fee then currently payable in respect of a specific role which the new Director is to undertake for the Company.
- No incentive or introductory fees will be paid to encourage a person to become a Director.
- Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.
- Directors are not entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- There is no notice period and no provision for compensation upon early termination of appointment, save for any arrears of fees which may be due.
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

There were no changes to the Directors' Remuneration Policy during the year nor are there any proposals for changes in the foreseeable future. The Remuneration Policy is reviewed by the Nomination Committee on an annual basis and it is the Committee's intention that this Remuneration Policy will apply for the three year period ending 30 September 2022.

Statement of Voting on the Directors' Remuneration Policy at General Meeting

At the Annual General Meeting held on 24 February 2020, shareholders approved the Directors' Remuneration Policy. 99.98% of proxy votes were cast in favour of the resolution and 0.02% were cast against.

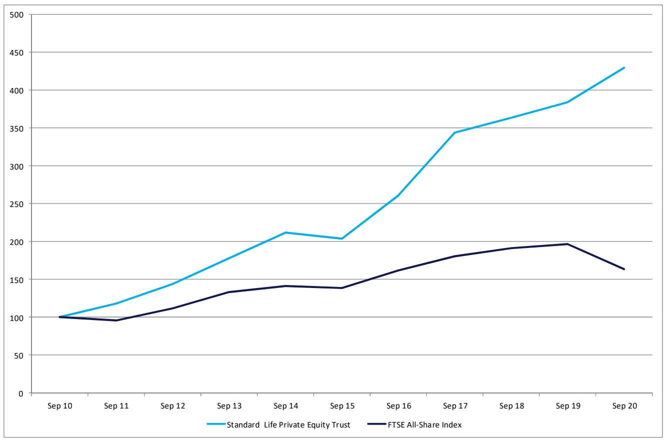
Implementation Report

Review of Directors' Fees

The Nomination Committee carried out a review of the level of Directors' fees during the year, which included consideration of fees paid by comparable investment trusts and the sector as a whole. Following this review, the Committee concluded that there would be no fee increases at the current time. The Nomination Committee was not provided with advice or services by any person in respect of its consideration of the Directors' remuneration.

Company Performance

The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total return from the FTSE All-Share Index for the ten year period to 30 September 2020 (rebased to 100 at 30 September 2010). This index was chosen for comparison purposes only.



Statement of Voting on the Directors' Remuneration Report at General Meeting

At the Annual General Meeting held on 24 February 2020, shareholders approved the Directors' Remuneration Report in respect of the year ended 30 September 2019. 99.98% of proxy votes were in favour of the resolution and 0.02% were against.

A resolution to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in respect of the year ended 30 September 2020 will be proposed at the Annual General Meeting.

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown overleaf.

Directors' Remuneration Report Continued

Audited Information
Directors' Remuneration

The Directors who served during the year received the following emoluments in the form of fees:

Director	Year ended 30 September 2020	Year ended 30 September 2019
Jonathon Bond	42,500	41,000
Alan Devine [A]	46,500	44,000
Christina McComb [B]	62,500	57,000
Diane Seymour-Williams	42,500	41,000
Calum Thomson	46,500	45,000
Edmond Warner [C]	-	15,250
Total	**240,500**	**243,250**

[A] Appointed as Senior Independent Director on 1 January 2019.
[B] Appointed as Chair on 1 January 2019.
[C] Retired from the Board on 31 December 2018.

The above amounts exclude any employers' national insurance contributions, if applicable. All fees are at a fixed rate and there is no variable remuneration. Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties included in the fees referred to in the table above. No other forms of remuneration were received by the Directors and none of the Directors has any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 30 September 2020 (2019: nil).

Annual Percentage Change in Directors' Remuneration

The table below sets out the annual percentage change in Directors' remuneration for the past year.

	Year ended 30 September 2020 Fees %
Jonathon Bond	3.66
Alan Devine [A]	5.68
Christina McComb [B]	9.65
Diane Seymour-Williams	3.66
Calum Thomson	3.33

[A] Appointed as Senior Independent Director on 1 January 2019.
[B] Appointed as Chair on 1 January 2019.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors (including their connected persons) at 30 September 2020 and 30 September 2019 had no interest in the share capital of the Company other than those interests, all of which are beneficial, shown in the following table.

	30 September 2020 Ordinary shares	30 September 2019 Ordinary shares
Jonathon Bond	11,870	11,870
Alan Devine	6,249	6,014
Christina McComb	13,909	11,679
Diane Seymour-Williams	31,500	31,500
Calum Thomson	13,700	13,700

Since the financial year end, Alan Devine has purchased an additional 64 Ordinary shares and Christina McComb has purchased an additional 63 Ordinary shares in the capital of the Company.

There have been no other changes to the Directors' interests in the share capital of the Company since the year end up to the date of approval of this Report.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, it is confirmed that the above Remuneration Report summarises, as applicable, for the year to 30 September 2020:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions have been taken.

Christina McComb, OBE
Chair of the Nomination Committee
25 January 2021

Audit Committee Report

The Audit Committee presents its Report for the year ended 30 September 2020.

Principal Objective of the Audit Committee

The principal objective of the Audit Committee is to assist the Board in relation to the reporting of financial information, the review of financial controls and the management of risk.

The Committee has defined terms of reference which are reviewed and re-assessed for their adequacy on at least an annual basis. Copies of the terms of reference are published on the Company's website and are available from the Company on request.

Main Functions of the Audit Committee

The Committee's main functions are:

- to review and monitor the internal control systems and risk management systems (including review of non-financial risks) on which the Company is reliant (the Directors' statement on the Company's internal controls and risk management is set out below);
- to consider whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the half-yearly and annual financial statements of the Company and any formal announcements relating to the Company's financial performance, by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, half-yearly financial reports, any formal announcements relating to the Company's financial performance;
- to review the content of the Annual Report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to review and challenge the assessment of going concern and viability statement;
- to meet with the Auditor to review the proposed audit programme of work and the findings of the Auditor. The Committee shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the Auditor to supply non-audit services. Non-audit fees paid to the Auditor during the year under review amounted to £nil (2019: £13,000 in relation to the review of the half-yearly financial statements to 31 March 2019). All non-audit services must be approved in advance by the Audit Committee and will be reviewed in the light of relevant guidance and statutory requirements regarding the provision of non-audit services by the external audit firm, and the need to maintain the Auditor's independence;
- to review a statement from ASI detailing the arrangements in place within the group whereby staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations to the Board in relation to the appointment of the Auditor and to approve the remuneration and terms of engagement of the Auditor; and
- to monitor and review the Auditor's independence, objectivity, effectiveness, resources and qualification, taking into consideration relevant UK professional and regulatory requirements.

Audit Committee Report Continued

Activities During the Year

The Audit Committee met twice during the financial year to 30 September 2020.

Meeting	Audit Committee Activity
December 2019	· Review of Annual Report · Review of Report from the Auditor · Review of the Auditor's performance · Review of Key Risks · Review of Control Environment and Internal Control Reports · Review of Going Concern and Viability · Review of Risk Appetite Statements · Review of Corporate Governance arrangements · Review of Capital: Review Split
June 2020	· Review of Half Yearly Report · Review of Audit Plan · Review of Key Risks · Review of Control Environment and Internal Control Reports · Review of the Dividend Strategy · Review of Capital: Review Split · Review of Service Provider Response to Covid-19 · Review of Board Response to Covid-19 · Review of s172 Compliance Statement

Representatives of ASI's internal audit, risk and compliance departments reported to the Committee at these meetings and the Company's Independent Auditor also attended the Meetings.

Viability Statement

The Audit Committee reviewed the assessment of viability and challenged the assumptions made. In additional the stress testing applied to the viability statement was challenged and reviewed.

Internal Controls and Risk Management

The Board, via the Audit Committee, confirms that there is an ongoing process for identifying, evaluating and managing the Company's significant business and operational risks, that has been in place for the year ended 30 September 2020 and up to the date of approval of the Annual Report, is regularly reviewed by the Board and accords with the FRC's guidance on internal controls.

The Board has overall responsibility for ensuring that there is a system of internal controls and risk management in place and a process for reviewing its effectiveness. Day-to-day measures have been delegated to the Manager with an effective process of reporting to the Board for supervision and control. The system of internal controls and risk management is designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the system of internal control and risk management is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and, by its nature, can only provide reasonable and not absolute assurance against material misstatement or loss.

The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management. The Board, via the Audit Committee, considers the potential cause and possible effect of the risk as well as reviewing the controls in place to mitigate them.

Clear lines of accountability have been established between the Board and the Manager. The Board and Audit Committee receive regular reports covering key performance and risk indicators and consider control and compliance issues brought to its attention. In carrying out its review, the Board has had regard to the activities of ASI, including its internal audit and compliance functions, and the Auditor.

The Board, via the Audit Committee, has reviewed the ASI process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed. The Board has also reviewed the effectiveness of ASI's system of internal control including its annual internal controls report prepared in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurances Engagements ("ISAE") 3402, "Assurance Reports on Controls at a Service Organisation".

Risks are identified and documented through a risk management framework by each function within the ASI's activities. Risk is considered in the context of the FRC's guidance on internal controls and includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The key components designed to provide effective internal control are outlined below:

- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board;
- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;
- as a matter of course ASI's internal audit and compliance departments continually review its operations; and
- bi-annually, the Audit Committee carries out an assessment of internal controls by considering documentation from ASI, including the internal audit and compliance functions and reports to the Board on its conclusions.

The Board, via the Audit Committee, has considered the need for an internal audit function. However, the Company has no employees and the day-to-day management of the Company's assets has been delegated to ASI which has its own compliance and internal control systems. The Board has therefore decided to place reliance on those systems and internal audit procedures and has concluded that it is not necessary for the Company to have its own internal audit function.

No significant weaknesses in the control environment were identified. The Committee, therefore, concluded that there were no significant issues which required to be reported to the Board.

Audit Committee Report Continued

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 30 September 2020, the Audit Committee considered the following significant issues, in particular those communicated by the Auditor during its planning and reporting of the year end audit:

Significant Issue	How the issue was addressed:
Valuation of unquoted investments	The Company's accounting policy for valuing unquoted investments is set out in note 1 (c) on page 69. The Audit Committee reviewed and challenged the valuations prepared by the Manager taking account of the latest available information about the Company's investments, the Manager's knowledge of the underlying investments through its participation on fund advisory boards and comparison to current market data where appropriate. The Audit Committee satisfied itself that the valuation of investments had been carried out consistently with prior periods and in accordance with published industry guidelines. The Audit Committee also considered and challenged the Independent Auditor's work and conclusions in this area. As an example, the Audit Committee challenged the Independent Auditor to explain the methodology adopted to audit valuations provided by underlying managers where no valuations had been provided at 30 September 2020.
Over-commitment risk	The Board considers and monitors commitments and the risk of over-commitment at all Board meetings. The Audit Committee reviewed how the Company's commitment risks and cash flow had been managed over the course of the financial year and expectations for the future and also reviewed the future cash flow projections prepared by the Manager. In particular, the Audit Committee considered and questioned the underlying assumptions as to outflows and inflows, based on the Manager's knowledge of developments at the underlying funds and historical accuracy of the model in projecting cash flow. The Audit Committee also considered the Independent Auditor's work and conclusions in this area. In particular, the Independent Auditors were requested to challenge the Manager's calculation of commitments.
Fair, balanced and understandable	The Audit Committee, when considering the draft Annual Report and financial statements for the year ended 30 September 2020, concluded that taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and financial statements would have a reasonable knowledge of the investment industry in general and of investments trusts in particular.

Review of Independent Auditor

The Audit Committee has reviewed the effectiveness of the independent Auditor, BDO LLP ("BDO"), including:

- Independence - the Auditor discusses with the Audit Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards.
- Quality of audit work - including the ability to resolve issues in a timely manner (identified issues are satisfactorily and promptly resolved), its communications/presentation of outputs (the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible), and working relationship with management (the Audit Committee believes that the Auditor has a constructive working relationship with the Manager).
- Quality of people and service - including continuity and succession plans (the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment trust sector and retention on rotation of the audit partner).
- Fees – including current and proposed fees for future years.

The Audit Committee has also reviewed the findings of the FRC from July 2020 relating to its annual review of BDO and has confirmed that no change of audit approach, relating to the Company, was necessary as a result of those findings.

The Independent Auditor's report is included on pages 60 to 64. Details of the amounts paid to BDO during the year for audit services are set out in note 4 to the financial statements.

Tenure of the Independent Auditor

BDO was initially appointed as the Company's independent Auditor on 24 August 2018. In accordance with present professional guidelines the audit partner is rotated after no more than five years and the year ended 30 September 2020 is the third year for which the present audit partner has served.

The next audit tender of the Company is due to take place by 2028 in compliance with the EU regulations and FRC Guidance on audit tenders.

The Audit Committee is satisfied that BDO is independent and therefore supports the recommendation to the Board that the re-appointment of BDO be put to shareholders for approval at the Annual General Meeting.

Calum Thomson
Chair of the Audit Committee
25 January 2021

Directors' Responsibility Statement

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' Report, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board
Christina McComb, OBE
Chair
25 January 2021

Financial Statements

The Company's NAV per share was 501.0 pence at 30 September 2020, an 8.5% increase from 461.9 pence at 30 September 2019.

Independent Auditor's Report to the Members of Standard Life Private Equity Trust plc

Opinion

We have audited the financial statements of Standard Life Private Equity Trust plc (the 'Company') for the year ended 30 September 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the directors' confirmation set out on pages 10 to 12 in the annual report that they have carried out a robust assessment of the Company's emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated;
- the directors' statement set out on page 46 in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out in the viability statement on page 15 in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How we addressed the matter in our audit
Valuation and ownership of investments: **(Note 1(c) page 69 and Note 9 on page 75):** There is a level of estimation uncertainty involved in the underlying general partner ("GP") valuations and as such, there is a significant risk over the valuation of investments. In addition, the Investment Manager's fee is based on the value of the net assets of the fund. As the Investment Manager is able to make adjustments to the underlying valuations, there is a potential risk of overstatement of investment valuations. As investments make up the majority of the statement of financial position, valid title to these investments is also part of the key audit matter.	We responded to this matter by testing the valuation of 100% of the portfolio of investments. We performed the following procedures: · Considered the appropriateness of the overall valuation policies undertaken by underlying private equity fund managers in line with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. · Discussed with the Investment Manager key judgements affecting the private equity fund valuations, such as the basis for the valuation and any adjustments made to the independent valuation produced by the underlying fund manager on the private equity funds. We attended the Investment Manager's valuation committee meeting held on 10 December 2020 to obtain evidence of good governance and challenges from investment managers on the inputs in the valuation preparation. · Compared the year end valuations to the independent valuations produced by the managers of the underlying funds. Where an up to date independent valuation was not available, we agreed the cash roll forward performed by the GP to direct confirmation from the GP. Where cash roll forward was performed by the investment manager, we tested the cash flows and adjustments between June and year end. Our work also included considering events which occurred subsequent to the year end up until the date of this report. · Considered the need for the Investment Manager to adjust the /underlying valuations for specific cases, such as carried interest, and agreed these adjustments to the underlying calculations and support; considering where hurdles are met or not based on performance. · Considered the accuracy of the underlying GPs' valuation process by comparing the Net Asset Value per the most recent audited financial statements to a sample of funds to the GP statement for the coterminous period in order to place reliance on year end GP reports. · Considered the appropriateness of the underlying valuation technique used by the GP for co-investments and confirmed that the inputs in the valuation are reasonable using up to date information. In respect of title and ownership of investments, we obtained direct confirmation from IQ EQ, the depositary, regarding all investments held at the balance sheet date. We observed IQ EQ retrieving GP statements from the various fund portals as well as emails, then witnessed IQ EQ sending these statements across to us. We also checked that financial statement disclosures in respect of investment valuations are in accordance with the requirements of applicable accounting standards and the Statement of Recommended Practice. **Key observations** Based on our procedures performed we did not identify any exceptions with regards to valuation or ownership of investments.

Independent Auditor's Report to the Members of Standard Life Private Equity Trust plc Continued

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements. The application of these key considerations gives rise to two levels of materiality, the quantum and purpose of which are tabulated below.

Materiality measure	Purpose	Key considerations and benchmarks	Quantum (£)
Financial statement materiality **1% of net assets (2019: 1% of net assets)**	Assessing whether the financial statements as a whole present a true and fair view.	· The value of net assets. · The level of judgement inherent in the valuation. · The range of reasonable alternative valuations.	£7,700,000 (2019: £7,100,000)
Performance materiality **75% of materiality (2019: 75% of materiality)**	Lower level of materiality applied in performance of the audit when determining the nature and extent of testing applied to individual balances and classes of transactions.	· Financial statement materiality. · Risk and control environment. · History of prior errors (if any).	£5,400,000 (2019: £5,300,000)

We have set a lower testing threshold for those items impacting revenue return of £274,000 (2019: £490,000), which is based on 10% of revenue return before tax (2019: 10%) of this respectively.

We agreed with the audit committee that we would report to them all audit differences in excess of £150,000 (2019: £140,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was developed by obtaining an understanding of the Company's activities and the overall control environment. Based on this understanding, we assessed those aspects of the Company's transactions and balances which were most likely to give rise to a material misstatement and focussed our audit effort on these areas.

Capability of the audit to detect irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, the UK Listing rules, the DTR rules, FRS 102 accounting standards, VAT and other taxes.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We considered compliance with this framework through discussions with the audit committee and performed audit procedures on these areas as considered necessary. Our procedures involved enquiry with the investment manager, administrator and the board, review of the reporting to the directors with respect to compliance with laws and regulation, review of board meeting minutes and review of legal correspondence.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report & Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 58** – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- **Audit committee reporting set out on pages 53 to 57** – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or

- **Directors' statement of compliance with the UK Corporate Governance Code set out on pages 44 to 45** – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Independent Auditor's Report to the Members of Standard Life Private Equity Trust plc Continued

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibility statement set out on page 61, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Directors on 24 August 2018 to audit the financial statements for the year ending 30 September 2018 and subsequent financial periods. For the year ended 30 September 2020 we were reappointed by the Members at the Annual General Meeting on 24 February 2020. The period of total uninterrupted engagement is three years, covering the years ended 30 September 2018 to 30 September 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
25 January 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Statement of Comprehensive Income

		For the year ended 30 September 2020			For the year ended 30 September 2019		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Total capital gains on investments	9	–	85,196	85,196	–	69,845	69,845
Currency gains	15	–	337	337	–	340	340
Income	2	4,662	–	4,662	6,686	–	6,686
Investment management fee	3	(682)	(6,137)	(6,819)	(646)	(5,817)	(6,463)
Administrative expenses	4	(1,038)	–	(1,038)	(997)	–	(997)
Profit before finance costs and taxation		**2,942**	**79,396**	**82,338**	**5,043**	**64,368**	**69,411**
Finance costs	5	(199)	(885)	(1,084)	(186)	(615)	(801)
Profit before taxation		**2,743**	**78,511**	**81,254**	**4,857**	**63,753**	**68,610**
Taxation	6	(1,516)	460	(1,056)	(651)	133	(518)
Profit after taxation		**1,227**	**78,971**	**80,198**	**4,206**	**63,886**	**68,092**
Earnings per share – basic and diluted	8	**0.80p**	**51.36p**	**52.16p**	**2.74p**	**41.55p**	**44.29p**

The Total column of this statement represents the profit and loss account of the Company.

There are no items of other comprehensive income, therefore this statement is the single statement of comprehensive income of the Company.

All revenue and capital items in the above statement are derived from continuing operations.

No operations were acquired or discontinued in the year.

The dividend which has been recommended based on this Statement of Comprehensive Income is 13.20p (2019: 12.80p) per ordinary share.

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

Statement of Financial Position

	Notes	As at 30 September 2020 £'000	As at 30 September 2020 £'000	As at 30 September 2019 £'000	As at 30 September 2019 £'000
Non-current assets					
Investments	9		721,650		638,733
Receivables falling due after one year	10		–		15,173
			721,650		**653,906**
Current assets					
Receivables	11	16,839		10,640	
Cash and cash equivalents		33,135		66,315	
		49,974		**76,955**	
Creditors: amounts falling due within one year					
Payables	12	(1,331)		(20,778)	
Net current assets			**48,643**		**56,177**
Total assets less current liabilities			**770,293**		**710,083**
Capital and reserves					
Called-up share capital	14		307		307
Share premium account	15		86,485		86,485
Special reserve	15		51,503		51,503
Capital redemption reserve	15		94		94
Capital reserves	15		631,904		571,694
Revenue reserve	15		–		–
Total shareholders' funds			**770,293**		**710,083**
Net asset value per equity share	16		**501.0p**		**461.9p**

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

The Financial Statements of Standard Life Private Equity Trust PLC, registered number SC216638 on pages 65 to 85 were approved and authorised for issue by the Board of Directors on 25 January 2021 and were signed on its behalf by Christina McComb, Chair.

Christina McComb, OBE

Chair

25 January 2021

Statement of Changes in Equity

For the year ended 30 September 2020

	Notes	Called-up share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2019		307	86,485	51,503	94	571,694	–	710,083
Profit after taxation		–	–	–	–	78,971	1,227	80,198
Dividends paid	7	–	–	–	–	(18,761)	(1,227)	(19,988)
Balance at 30 September 2020	14, 15	**307**	**86,485**	**51,503**	**94**	**631,904**	**–**	**770,293**

For the year ended 30 September 2019

	Notes	Called-up share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2018		307	86,485	51,503	94	522,974	–	661,363
Profit after taxation		–	–	–	–	63,886	4,206	68,092
Dividends paid	7	–	–	–	–	(15,166)	(4,206)	(19,372)
Balance at 30 September 2019	14, 15	**307**	**86,485**	**51,503**	**94**	**571,694**	**–**	**710,083**

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

Statement of Cash Flows

		For the year ended 30 September 2020		For the year ended 30 September 2019	
	Notes	£'000	£'000	£'000	£'000
Cashflows from operating activities					
Profit before taxation			**81,254**		**68,610**
Adjusted for:					
Finance costs	5		1,084		801
Gains on disposal of investments	9		(97,684)		(7,833)
Revaluation of investments	9		12,095		(62,012)
Currency gains			(688)		(340)
Decrease / (increase) in debtors			850		(251)
Increase in creditors			94		442
Tax deducted from non-UK income	6		(1,056)		(518)
Interest paid and arrangement fees			(2,358)		(712)
Net cash outflow from operating activities			**(6,409)**		**(1,813)**
Investing activities					
Purchase of investments		(165,359)		(111,431)	
Distributions of capital proceeds by funds		137,222		110,695	
Disposal of quoted investments		13,993		30,455	
Receipt of proceeds from disposal of unquoted investments		6,673		–	
Net cash (outflow) / inflow from investing activities			**(7,471)**		**29,719**
Financing activities					
Ordinary dividends paid	7	(19,988)		(19,372)	
Net cash outflow from financing activities			**(19,988)**		**(19,372)**
Net (decrease) / increase in cash and cash equivalents			**(33,868)**		**8,534**
Cash and cash equivalents at the beginning of the year			66,315		57,441
Currency gains			688		340
Cash and cash equivalents at the end of the year			**33,135**		**66,315**
Cash and cash equivalents consist of:					
Money-market funds			24,678		12,773
Cash			8,457		53,542
Cash and cash equivalents			**33,135**		**66,315**

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

Notes to the Financial Statements

1 **Accounting Policies**

(a) **Basis of accounting.** The financial statements have been prepared in accordance with the Companies Act 2006, Financial Reporting Standard 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts (the 'SORP'), issued in November 2014 and updated in February 2018 with consequential amendments. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis. The Directors believe that this is appropriate for the reasons outlined in the Directors' Report on page 46. The principal accounting policies adopted are set out below. These policies have been applied consistently throughout the current and prior year.

Rounding is applied to the disclosures in these financial statements, where considered relevant.

(b) **Revenue, expenses and finance costs.** Dividends from quoted investments are included in revenue by reference to the date on which the investment is quoted ex-dividend. Interest receivable is dealt with on an accruals basis. Dividends and income from unquoted investments are included when the right to receipt is established, which is the notice value date. Dividends are accounted for as revenue in the Statement of Comprehensive Income.

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account of the Statement of Comprehensive Income except as follows:

– transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Statement of Comprehensive Income;
– the Company charges 90% of investment management fees and finance costs to capital, in accordance with the Board's expected long-term split of returns between capital gains and income from the Company's investment portfolio. Bank interest expense has been charged wholly to revenue.

(c) Investments. Investments have been designated upon initial recognition as fair value through profit or loss. On the date of making a legal commitment to invest in a fund or co-investment, such commitment is recorded and disclosed. When funds are drawn in respect of these commitments, the resulting investment is recognised in the financial statements. The investment is removed when it is realised or when the investment is wound up. Subsequent to initial recognition, investments are valued at fair value as detailed below. Gains and losses arising from changes in fair value are included as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserves.

Unquoted investments are stated at the directors' estimate of fair value and follow the recommendations of the European Private Equity & Venture Capital Association ("EVCA") and the British Private Equity & Venture Capital Association ("BVCA"). The estimate of fair value is normally the latest valuation placed on an investment by its manager as at the Statement of Financial Position date. The valuation policies used by the manager in undertaking that valuation will generally be in line with the joint publication from the EVCA and the BVCA, 'International Private Equity and Venture Capital Valuation guidelines'. Where formal valuations are not completed as at the Statement of Financial Position date, the last available valuation from the manager is adjusted for any subsequent cash flows occurring between the valuation date and the Statement of Financial Position date. The Company's Manager may further adjust such valuations to reflect any changes in circumstances from the last manager's formal valuation date to arrive at the estimate of fair value.

For listed investments, which were actively traded on recognised stock exchanges, fair value is determined by reference to their quoted bid prices on the relevant exchange as at the close of business on the last trading day of the Company's financial year.

(d) Dividends payable. Interim dividends are recognised in the period in which they are paid.

Notes to the Financial Statements Continued

(e) Capital and reserves

Share premium – The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs.

Special reserve – Court approval was given on 27 September 2001 for 50% of the initial premium arising on the issue of the ordinary share capital to be cancelled and transferred to a special reserve. The reserve is a distributable reserve and may be applied in any manner as a distribution, other than by way of a dividend.

Capital redemption reserve – this reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital.

Capital reserves:

Capital reserve – gains/(losses) on disposal – Represents gains or losses on investments realised in the period that have been recognised in the Statement of Comprehensive Income, in addition to the transfer of any previously recognised unrealised gains or losses on investments within "Capital reserve – revaluation" upon disposal. This reserve also represents other accumulated capital related expenditure such as management fees and finance costs, as well as other currency gains/losses from non-investment activity.

Capital reserve – revaluation – Represents increases and decreases in the fair value of investments that have been recognised in the Statement of Comprehensive Income during the period.

Revenue reserve – The revenue reserve represents accumulated revenue profits retained by the Company that have not currently been distributed to shareholders as a dividend.

The revenue and capital reserves – gains/(losses) on disposal represent the amount of the Company's reserves distributable by way of dividend.

(f) Taxation

i) Current taxation – Provision for corporation tax is made at the current rate on the excess of taxable income net of any allowable deductions. In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital in the Statement of Comprehensive Income is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue column of the Statement of Comprehensive Income, then no tax relief is transferred to the capital column. Withholding tax suffered on income from overseas investments is taken to the revenue column of the Statement of Comprehensive Income.

ii) Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the Statement of Financial Position date, measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

Due to the Company's status as an investment trust company, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(g) Foreign currency translation, functional and presentation currency

Foreign currency translation – Transactions in foreign currencies are converted to sterling at the exchange rate ruling at the date of the transaction. Overseas assets and liabilities are translated at the exchange rate prevailing at the Company's Statement of Financial Position date. Gains or losses on translation of investments held at the year end are accounted for through the Statement of Comprehensive Income and transferred to capital reserves. Gains or losses on the translation of overseas currency balances held at the year end are also accounted for through the Statement of Comprehensive Income and transferred to capital reserves.

Functional and presentation currency – For the purposes of the financial statements, the results and financial position of the Company is expressed in sterling, which is the functional currency of the Company and the presentation currency of the Company.

Rates of exchange to sterling at 30 September were:

	2020	2019
Euro	1.1025	1.1304
US dollar	1.2928	1.2323
Canadian dollar	1.7269	1.6316

Transactions in overseas currency are translated at the exchange rate prevailing on the date of transaction.

The Company's investments are made in a number of currencies. However, the Board considers the Company's functional currency to be sterling. In arriving at this conclusion, the Board considers that the shares of the Company are listed on the London Stock Exchange. The Company is regulated in the United Kingdom, principally having its shareholder base in the United Kingdom, pays dividends as well as expenses in sterling.

(h) Cash and cash equivalents. Cash comprises bank balances and cash held by the Company. Cash equivalents comprise money-market funds which are used by the Company to provide additional short-term liquidity. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Debtors. Debtors are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, less the appropriate allowances for estimated irrecoverable amounts.

(j) Creditors. Creditors are recognised initially at fair value. They are subsequently stated at amortised cost using the effective interest method.

(k) Segmental reporting. The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

(l) Judgements and key sources of estimation uncertainty. The preparation of financial statements requires the Company to make estimates and assumptions and exercise judgements in applying the accounting policies that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses arising during the year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area where estimates and assumptions have the most significant effect on the amounts recognised in the financial statements is the determination of fair value of unquoted investments, as disclosed in note 1(c).

2 Income

	Year to 30 September 2020 £'000	Year to 30 September 2019 £'000
Income from fund investments	4,505	5,251
Interest from cash balances and money-market funds	157	629
Income from quoted investments	–	806
Total income	**4,662**	**6,686**

Notes to the Financial Statements Continued

3 Investment management fees

	Year to 30 September 2020			Year to 30 September 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	682	6,137	6,819	646	5,817	6,463

The Manager of the Company is SL Capital Partners LLP. In order to comply with the Alternative Investment Fund Managers Directive, the Company appointed SL Capital Partners LLP as its Alternative Investment Fund Manager from 1 July 2014.

The investment management fee payable to the Manager is 0.95% per annum of the NAV of the Company. The investment management fee is allocated 90% to the capital reserve – gains/(losses) on disposal and 10% to the revenue account. The management agreement between the Company and the Manager is terminable by either party on twelve months written notice.

Investment management fees due to the Manager as at 30 September 2020 amounted to £1,010,000 (30 September 2019: £799,000).

4 Administrative expenses

		Year to 30 September 2020 £'000	Year to 30 September 2019 £'000
Directors' fees		241	243
Employers' National Insurance		27	27
Secretarial and administration fees		222	202
Marketing/advertising		191	178
Fees and subscriptions		65	59
Depositary fees		52	84
Auditor's remuneration	– statutory audit	43	33
	– interim review	–	11
Professional and consultancy fees		36	37
Legal fees		17	8
Other expenses		144	115
Total		**1,038**	**997**

Irrecoverable VAT has been shown under the relevant expense line.

The administration fee payable to IQ EQ Administration Services (UK) Ltd is adjusted annually in line with the retail prices index. The administration agreement is terminable by the Company on three months' notice. The Company appointed IQ EQ Administration Services (UK) Ltd as their Administrator on 1 January 2019, replacing BNP Paribas Securities S.A. The prior year administration fee is therefore in respect of services provided by both IQ EQ Administration Services (UK) Ltd and BNP Paribas Securities S.A.

The secretarial fee payable to Aberdeen Asset Management PLC is adjusted annually in line with the retail price index. The secretarial agreement is terminable by the Company on six months' notice. The Company appointed Aberdeen Asset Management PLC as Company Secretary on 6 September 2019, when the secretarial agreement with Maven Capital Partners UK LLP was terminated. The prior year secretarial fee is therefore in respect of services provided by both Maven Capital Partners UK LLP and Aberdeen Asset Management PLC.

The emoluments paid to the directors during the year can be found in the Directors' Remuneration Report on page 52.

5 Finance costs

	Year to 30 September 2020			Year to 30 September 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Bank loan commitment fee	69	621	690	56	504	560
Bank interest expense	101	–	101	118	–	118
Bank loan arrangement fee	29	264	293	12	111	123
Total	**199**	**885**	**1,084**	**186**	**615**	**801**

6 Taxation

	Year to 30 September 2020 £'000	Year to 30 September 2019 £'000
(a) Analysis of the tax charge throughout the year		
Overseas withholding tax	**1,056**	**518**

	Year to 30 September 2020			Year to 30 September 2019		
(b) Factors affecting the total tax charge for the year	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return before taxation	**2,743**	**78,511**	**81,254**	**4,857**	**63,753**	**68,610**

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below.

Return multiplied by the effective rate of corporation tax in the UK – 19.0% (2019: 19.0%)	521	14,917	15,438	923	12,113	13,036
Non-taxable capital gains on investments[1]	–	(16,187)	(16,187)	–	(13,271)	(13,271)
Non-taxable currency gains	–	(64)	(64)	–	(65)	(65)
Non-taxable income	(61)	–	(61)	(790)	–	(790)
Overseas withholding tax	1,056	–	1,056	518	–	518
Surplus management expenses and loan relationship deficits not relieved/(relieved)	–	874	874	–	1,090	1,090
Total tax charge/(credit) for the year	**1,516**	**(460)**	**1,056**	**651**	**(133)**	**518**

[1] The Company carries on business as an investment trust company with respect to sections 1158-1159 of the Corporation Tax Act 2010. As such any capital gains are exempt from UK taxation.

(c) **Factors that may affect future tax charges** – At the year end there is a potential deferred tax asset of £3,157,000 (2019: £2,134,000) in relation to excess management expenses carried forward. The deferred tax asset is unrecognised at the year end in line with the Company's stated accounting policy.

Changes to the UK corporation tax rates were substantially enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. However, it was announced at Budget 2020 that the Corporation Tax main rate for the years 1 April 2020 and 2021 would remain at 19%. Deferred taxes at the Statement of Financial Position date have been measured at these enacted rates and reflected in these financial statements.

Notes to the Financial Statements Continued

7 Dividend on ordinary shares

	Year to 30 September 2020 £'000	Year to 30 September 2019 £'000
Amount recognised as a distribution to equity holders in the year:		
2019 third quarterly dividend of 3.20p (2018: 3.10p) per ordinary share paid on 25 October 2019 (2018: paid on 26 October 2018)	4,920	4,766
2019 fourth quarterly dividend of 3.20p per ordinary share (2018: 3.10p) paid on 24 January 2020 (2018: paid on 25 January 2019)	4,920	4,766
2020 first quarterly dividend of 3.30p (2019: 3.20p) per ordinary share paid on 24 April 2020 (2019: paid on 26 April 2019)	5,074	4,920
2020 second quarterly dividend of 3.30p (2019: 3.20p) per ordinary share paid on 31 July 2020 (2019: paid on 26 July 2019)	5,074	4,920
Total	**19,988**	**19,372**

Set out below are the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of sections 1158-1159 of the Corporation Tax Act 2010 are considered. The total revenue and capital profits available for distribution by way of a dividend for the year is £80,198,000 (2019: £68,092,000).

	Year to 30 September 2020 £'000	Year to 30 September 2019 £'000
2020 first quarterly dividend of 3.30p (2019: 3.20p) per ordinary share paid on 24 April 2020 (2019: paid on 26 April 2019)	5,074	4,920
2020 second quarterly dividend of 3.30p (2019: 3.20p) per ordinary share paid on 31 July 2020 (2019: paid on 26 July 2019)	5,074	4,920
2020 third quarterly dividend of 3.30p (2019: 3.20p) per ordinary share paid on 30 October 2020 (2019: paid on 25 October 2019)	5,074	4,920
Proposed 2020 fourth quarterly dividend of 3.30p per ordinary share (2019 final dividend: 3.20p per ordinary share) due to be paid on 29 January 2021 (2019 paid: 24 January 2020)	5,074	4,920
Total	**20,296**	**19,680**

8 Earnings per share – basic and diluted

	Year to 30 September 2020		Year to 30 September 2019	
	p	£'000	p	£'000
The net return per ordinary share is based on the following figures:				
Revenue net return	0.80	1,227	2.74	4,206
Capital net return	51.36	78,971	41.55	63,886
Total net return	**52.16**	**80,198**	**44.29**	**68,092**
Weighted average number of ordinary shares in issue:		**153,746,294**		**153,746,294**

There are no diluting elements to the earnings per share calculation in 2020 (2019: none).

9 Investments

	Year ended 30 September 2020			Year ended 30 September 2019		
	Quoted Investments £'000	Unquoted Investments £'000	Total £'000	Quoted Investments £'000	Unquoted Investments £'000	Total £'000
Fair value through profit or loss:						
Opening market value	11,435	627,298	638,733	29,020	574,689	603,709
Opening investment holding (gains) / losses	(316)	(120,569)	(120,885)	26	(58,899)	(58,873)
Opening book cost	**11,119**	**506,729**	**517,848**	**29,046**	**515,790**	**544,836**
Movements in the year:						
Additions at cost	–	137,150	137,150	13,352	81,568	94,920
Secondary purchases	–	8,657	8,657	–	36,063	36,063
Distribution of capital proceeds by funds	–	(137,222)	(137,222)	–	(132,541)	(132,541)
Disposal of quoted investments	(11,257)	–	(11,257)	(33,263)	–	(33,263)
	(138)	**515,314**	**515,176**	**9,135**	**500,880**	**510,015**
Gains on disposal of underlying investments	–	97,546	97,546	–	11,600	11,600
Gains on disposal of quoted investments	138	–	138	1,984	–	1,984
Losses on liquidation of fund investments[1]	–	–	–	–	(5,751)	(5,751)
Closing book cost	**–**	**612,860**	**612,860**	**11,119**	**506,729**	**517,848**
Closing investment holding gains	–	108,790	108,790	316	120,569	120,885
Closing market value	**–**	**721,650**	**721,650**	**11,435**	**627,298**	**638,733**

[1] Relates to the write off of investments which were previously already provided for.

Notes to the Financial Statements Continued

	30 September 2020			30 September 2019		
	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments held at fair value through profit or loss based on historical costs	138	97,546	97,684	1,984	5,849	7,833
(Gains) / losses recognised as unrealised in previous years in respect of distributed capital proceeds or disposal of investments	(316)	(65,156)	(65,472)	387	(7,612)	(7,225)
Gains / (losses) on distribution of capital proceeds or disposal of investments based on the carrying value at the previous year end date	(178)	32,390	32,212	2,371	(1,763)	608
Net movement in unrealised investment gains / (losses)	–	53,377	53,377	(45)	69,282	69,237
Total capital (losses) / gains on investments held at fair value through profit or loss	**(178)**	**85,767**	**85,589**	**2,326**	**67,519**	**69,845**

Transaction costs. During the year expenses were incurred in acquiring or disposing of investments. These have been expensed through capital and are included within capital gains on investments of £85,196,000 (2019: £69,845,000) in the Statement of Comprehensive Income. The total costs were as follows:

	30 September 2020 £'000	30 September 2019 £'000
Transaction costs	393	156

10 Receivables falling due after one year

	30 September 2020 £'000	30 September 2019 £'000
Amounts falling due after one year:		
Investments receivable	–	15,173
Total	**–**	**15,173**

11 Receivables

	30 September 2020 £'000	30 September 2019 £'000
Amounts falling due within one year:		
Investments receivable	15,292	9,550
Unamortised loan arrangement fees	1,433	154
Prepayments	114	55
Interest receivable	–	679
Corporation tax recoverable	–	202
Total	**16,839**	**10,640**

£15,292,000 (2019: £6,674,000) of the investments receivable falling due within one year and £Nil (2019: £15,173,000) of the investments receivable falling due after one year per note 10 relate to future proceeds which are due from the secondary sale of fund investments during the prior year.

12 Payables

	30 September 2020 £'000	30 September 2019 £'000
Amounts falling due within one year:		
Management fee	1,010	799
Accruals and deferred income	289	390
Secretarial and administration fee	28	26
Bank interest	4	11
Investments payable[1]	–	19,552
Total	**1,331**	**20,778**

[1] The investments payable balance relates to the future payment due for the secondary acquisition of fund investments during the year.

13 **Bank loans.** At 30 September 2020, the Company had a £200 million (30 September 2019: £80 million) committed, multi-currency syndicated revolving credit facility, for which £nil (30 September 2019: £nil) had been drawn down. The facility is provided by Citi, Société Générale and State Street Bank International (30 September 2019: Citi and Société Générale). The facility expires on 6 December 2024. The interest rate on this facility is LIBOR plus 1.625%, rising to 2.0% depending on utilisation and the commitment fee payable on non-utilisation is 0.7% per annum.

Notes to the Financial Statements Continued

14 Called-up share capital

	30 September 2020 £'000	30 September 2019 £'000
Issued and fully paid:		
Ordinary shares of 0.2p		
Opening balance of 153,746,294 (2019: 153,746,294) ordinary shares	307	307
Closing balance of 153,746,294 (2019: 153,746,294) ordinary shares	**307**	**307**

The Company may buy back its own shares where it is judged to be beneficial to shareholders, taking into account the discount between the Company's Net Asset Value and the share price, and the supply and demand for the Company's shares in the open market.

No shares were bought back during the year (2019: Nil).

15 Reserves

				Capital reserves		
	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Gains/ (losses) on disposal £'000	Revaluation £'000	Revenue reserve £'000
Opening balances at 1 October 2019	**86,485**	**51,503**	**94**	**450,809**	**120,885**	**–**
Gains on disposal of investments	–	–	–	97,684	–	–
Management fee charged to capital	–	–	–	(6,137)	–	–
Finance costs charged to capital	–	–	–	(885)	–	–
Transaction costs	–	–	–	(393)	–	–
Tax relief on management fee and finance costs above	–	–	–	460	–	–
Currency gains	–	–	–	337	–	–
Revaluation of investments	–	–	–	–	(12,095)	–
Revenue return after taxation	–	–	–	–	–	1,227
Dividends during the year	–	–	–	(18,761)	–	(1,227)
Closing balances at 30 September 2020	**86,485**	**51,503**	**94**	**523,114**	**108,790**	**–**

The revenue and capital reserve – gains / (losses) on disposal represent the amounts of the Company's reserve distributable by way of dividend.

16 Net asset value per equity share

	30 September 2020	30 September 2019
Basic and diluted:		
Ordinary shareholders' funds	£770,293,260	£710,082,563
Number of ordinary shares in issue	153,746,294	153,746,294
Net asset value per ordinary share	501.0p	461.9p

The net asset value per ordinary share and the ordinary shareholders' funds are calculated in accordance with the Company's articles of association.

There are no diluting elements to the net asset value per equity share calculation in 2020 (2019: none).

17 **Commitments and contingent liabilities**

	30 September 2020 £'000	30 September 2019 £'000
Outstanding calls on investments	471,392	450,272

This represents commitments made to fund and co-investment interests remaining undrawn.

18 **Parent undertaking and related party transactions.** The ultimate parent undertaking of the Company is Phoenix Group Holdings. The results for the year to 30 September 2020 are incorporated into the group financial statements of Phoenix Group Holdings, which will be available to download from the website www.thephoenixgroup.com.

Standard Life Assurance Limited ("SLAL", which is 100% owned by Phoenix Group Holdings), and the Company have entered into a relationship agreement which provides that, for so long as SLAL and its Associates exercise, or control the exercise, of 30% or more of the voting rights of the Company, SLAL and its Associates, will not seek to enter into any transaction or arrangement with the Company which is not conducted at arm's length and on normal commercial terms, take any action that would have the effect of preventing the Company from carrying on an independent business as its main activity or from complying with its obligations under the Listing Rules or propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. During the year ended 30 September 2020, SLAL received dividends from the Company totalling £11,195,000 (2019: £10,850,000).

As at 30 September 2020, the Company was invested in the Aberdeen Liquidity Funds, managed by Aberdeen Standard Investments (Lux), ("ASI Lux") who share the same ultimate parent as the Manager. As at 30 September 2020 the Company had invested £24,678,000 in the Aberdeen Liquidity Funds (30 September 2019: £600,000) which are included within cash and cash equivalents in the Statement of Financial Position. During the year, the Company received interest amounting to £32,000 (2019: £5,000) on sterling denominated positions. The Company incurred £nil (2019: £22,000) interest on euro denominated positions as a result of negative interest rates. As at 30 September 2020, interest of £1,000 was due to the Company on sterling denominated positions (30 September 2019: £nil). There was no interest payable on euro denominated positions (30 September 2019: £nil). No additional fees are payable to ASI (Lux) as a result of this investment.

During the year ended 30 September 2020 the Manager charged management fees totalling £6,716,000 (2019: £6,463,000) to the Company in the normal course of business. The balance of management fees outstanding at 30 September 2020 was £1,010,000 (30 September 2019: £799,000).

Standard Life Investments Limited, which shares the same ultimate parent as the Manager, received fees for the provision of promotional activities of £210,000 (2019: £90,000) during the year. As at 30 September 2020, a receivable of £60,000 was due to the Company (30 September 2019: payable of £90,000).

The Company Secretarial services for the Company are provided by Aberdeen Asset Management PLC, which shares the same ultimate parent as the Manager. During the year ended 30 September 2020 the Company incurred secretarial fees of £76,000 (2019: £nil), of which £18,000 (2019: £nil) are included within payables in the Statement of Financial Position.

No other related party transactions were undertaken during the year ended 30 September 2020.

Notes to the Financial Statements Continued

19 Risk management, financial assets and liabilities

Financial assets and liabilities. The Company's financial instruments comprise fund and other investments, money-market funds, cash balances, debtors and creditors that arise from its operations. The assets and liabilities are managed with the overall objective of achieving long-term total returns for shareholders.

Summary of financial assets and financial liabilities by category. The carrying amounts of the Company's financial assets and financial liabilities, as recognised at the Statement of Financial Position date of the reporting periods under review, are categorised as follows:

	30 September 2020 £'000	30 September 2019 £'000
Financial assets		
Financial assets measured at fair value through profit or loss:		
Fixed asset investments – designated as such on initial recognition	721,650	638,733
Financial assets measured at amortised cost:		
Receivables falling due after one year	–	15,173
Debtors (accrued income and other debtors)	16,839	10,640
Money-market funds, cash and short-term deposits	33,135	66,315
	771,624	**730,861**
Financial Liabilities		
Measured at amortised cost:		
Creditors: amounts falling due within one year:	–	19,552
Accruals	1,331	1,226
	1,331	**20,778**

Assets/liabilities measured at amortised cost. The carrying value of the current assets and liabilities is deemed to be fair value due to the short-term nature of the instruments and/or the instruments bearing interest at the market rates.

Risk management. The directors manage investment risk principally through setting an investment policy and by contracting management of the Company's investments to an investment manager under terms which incorporate appropriate duties and restrictions and by monitoring performance in relation to these. The Company's investments are in private equity funds, typically unquoted limited partnerships and co-investments. These are valued by their managers generally in line with the EVCA and the BVCA guidelines, which provide for a fair value basis of valuation. The funds may hold investments that have become quoted or the co-investment may become quoted and these will be valued at the appropriate listed price, subject to any discount for marketability restrictions.

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General

As explained in the Company's investment policy, risk is spread by investing across a range of countries and industrial sectors, thereby reducing excessive exposure to particular areas. The Manager's investment review and monitoring process is used to identify and, where possible, reduce risk of loss of value in the Company's investments.

The Company's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Company is exposed are market risk, overcommitment risk, liquidity risk, credit risk and interest rate risk.

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Company are discussed below.

Market risk

a) Price risk. The Company is at risk of the economic cycle impacting the listed financial markets and hence potentially affecting the pricing of new underlying investments, the valuation of existing underlying investments and the price and timing of exits. By having a diversified and rolling portfolio of fund investments the Company is well placed to take advantage of economic cycles.

100% of the Company's investments are held at fair value. The valuation methodology employed by the managers of the unquoted investments may include the application of EBITDA ratios derived from listed companies with similar characteristics. Therefore, the value of the Company's portfolio is indirectly affected by price movements on listed financial exchanges. A 10% increase in the valuation of investments at 30 September 2020 would have increased the net assets attributable to the Company's shareholders and the total return for the year by £72,165,000 (2019: £63,873,000); a 10% change in the opposite direction would have decreased the net assets attributable to the Company's shareholders and the total return for the year by an equivalent amount. Due to the private nature of the underlying companies in which the Company invests, it is not possible for the Company to pinpoint the effect to the Company's net assets of changes to the EBITDA ratios of listed markets any more accurately.

b) Currency risk. The Company makes fund and co-investment commitments in currencies other than sterling and, accordingly, a significant proportion of its investments and cash balances are in currencies other than sterling. In addition, the Company's syndicated revolving credit facility is a multi-currency facility. Therefore, the Company's NAV is sensitive to movements in foreign exchange rates.

The Company's syndicated revolving credit facility is a multi-currency facility. As at 30 September 2020, the facility is undrawn (2019: undrawn) and therefore there is no impact to the Company's NAV from foreign exchange rate movements. When the facility is drawn to fund investments, it is typically drawn in the currency of the investment and would therefore provide a notional hedging effect to the Company's foreign exchange exposure.

The Manager monitors the Company's exposure to foreign currencies and reports to the Board on a regular basis. It is not the Company's policy to hedge foreign currency risk. It is expected that the majority of the Company's commitments and investments will be denominated in euros. Accordingly, the majority of the Company's liquidity and any indebtedness is usually held in that currency. No currency swaps or forwards were used during the year.

Notes to the Financial Statements Continued

The table below sets out the Company's currency exposure.

	30 September 2020		30 September 2019	
	Local Currency '000	Sterling Equivalent £'000	Local Currency '000	Sterling Equivalent £'000
Fixed asset investments:				
Euro	684,939	621,288	617,067	545,908
Sterling	48,432	48,432	49,211	49,211
US dollar	67,136	51,930	52,035	42,226
Canadian dollar	–	–	2,265	1,388
Money-market funds, cash and short-term deposits:				
Euro	22,825	20,704	49,324	43,636
Sterling	9,190	9,190	4,711	4,711
US dollar	4,189	3,240	18,287	14,840
Canadian dollar	3	1	5,103	3,128
Investment receivable:				
Euro	13,128	11,908	13,128	11,614
Sterling	335	335	335	335
US dollar	3,942	3,049	3,973	3,224
Other debtors and creditors:				
Euro	(3)	(3)	(22,148)	(19,594)
Sterling	266	266	52	52
US dollar	(61)	(47)	8,218	6,669
Canadian dollar	–	–	4,462	2,735
Total		**770,293**		**710,083**
Outstanding commitments:				
Euro	420,009	380,978	430,257	380,641
Sterling	15,641	15,641	17,456	17,456
US dollar	96,667	74,773	64,295	52,175
Total		**471,392**		**450,272**

c) Currency sensitivity. During the year ended 30 September 2020 sterling depreciated by 2.5% relative to the euro (2019: appreciated 0.7%) and appreciated by 4.9% relative to the US dollar (2019: depreciated 5.5%).

To highlight the sensitivity to currency movements, if the value of sterling had weakened against both of the above currencies by 10% compared to the exchange rates at 30 September 2020, the capital gain for the year would have increased by £79,119,000 (2019: £71,845,000); a 10% change in the opposite direction would have decreased the capital gain for the year by £64,734,000 (2019: £58,783,000).

The calculations above are based on the portfolio valuation and cash and loan balances as at the respective Statement of Financial Position dates and are not necessarily representative of the year as a whole.

Based on similar assumptions, the amount of outstanding commitments would have increased by £50,639,000 at the year end (2019: £43,282,000), a 10% change in the opposite direction would have decreased the amount of outstanding commitments by £41,432,000 (2019: £39,347,000).

Liquidity risk. The Company has significant investments in unquoted investments which are relatively illiquid. As a result, the Company may not be able to quickly liquidate its investments at an amount close to their fair value in order to meet its liquidity requirements, including the need to meet outstanding undrawn commitments. The Company manages its liquid investments to ensure sufficient cash is available to meet contractual commitments and also seeks to have cash available to meet other short-term financial needs. Short-term flexibility is achieved, where necessary, through the use of the syndicated revolving multi-currency loan facility. Liquidity risk is monitored by the Manager on an ongoing basis and by the Board on a regular basis. Payables, as disclosed in note 12, all fall due within one year and the loan facility, as described in note 13, remains undrawn.

Credit risk. Credit risk is the exposure to loss from failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The Company places funds with authorised deposit takers from time to time and, therefore, is potentially at risk from the failure of any such institution. At the year end, the Company's financial assets exposed to credit risk amounted to the following:

	30 September 2020 £'000	30 September 2019 £'000
Money-market funds, cash and short-term deposits	33,135	66,315
Investment receivable	15,292	15,173
	48,428	**81,487**

The Company's cash is held by BNP Paribas Securities Services S.A., which is rated 'A' by Standard and Poors. The Company's money-market funds are held in two Aberdeen Standard Investments (Lux) Liquidity funds, rated 'AAA' by Standard and Poors. Should the credit quality or the financial position of either bank deteriorate significantly, the Manager would move the cash balances to another institution.

As at 30 September 2020, £15,292,000 (2019: £6,674,000) of the investments receivable falling due within one year per note 11 and £Nil (2019: £15,173,000) of the receivables falling due after one year per note 10 relate to future proceeds which are due from the secondary sale of fund investments during the prior year. Under the terms of the transaction, the proceeds of sale are to be received at an agreed future date.

The Manager considers the credit risk associated with these balances to be in line with those arising from the normal course of business. To date, the buyer has met the payment profile outlined and agreed in the contractually binding sales and purchase agreement. The Manager continues to monitor market developments which may affect this assessment.

Notes to the Financial Statements Continued

Interest rate risk. The Company will be affected by interest rate changes as it holds some interest bearing financial assets and liabilities which are shown in the table below, however, the majority of its financial assets are investments in private equity investments which are non-interest bearing. Interest rate movements may affect the level of income receivable on money-market funds and cash deposits and interest payable on the Company's variable rate borrowings. The possible effects on the cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions. Derivative contracts are not used to hedge against any exposure to interest rate risk.

Interest risk profile. The interest rate risk profile of the portfolio of financial assets and liabilities at the Statement of Financial Position date was as follows:

	30 September 2020		30 September 2019	
	Weighted average interest rate %	£'000	Weighted average interest rate %	£'000
Floating rate				
Financial assets: Money-market funds, cash and short-term deposits	(0.32)	33,135	0.04	66,315

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on the bank balances is based on the interest rate payable, weighted by the total value of the balances. The weighted average period for which interest rates are fixed on the bank balances is 31.0 days (2019: 31.0 days). The loan facility, as disclosed on note 13, remains undrawn.

Interest rate sensitivity.

An increase of 1% in interest rates would have increased the net assets attributable to the Company's shareholders and increased the total profit for the year ended 30 September 2020 by £1,000 (2019: £5,000). A decrease of 1% would have decreased the net assets attributable to the Company's shareholders and decreased the total profit for the year ended 30 September 2020 by an equivalent amount. The calculations are based on the interest paid and received during the year.

20 **Fair Value hierarchy.** FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following classifications:

– Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

– Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly.

– Level 3: Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

The Company's financial assets and liabilities, measured at fair value in the Statement of Financial Position, are grouped into the following fair value hierarchy at 30 September 2020:

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	–	–	721,650	721,650
Quoted investments	–	–	–	–
Net fair value	**–**	**–**	**721,650**	**721,650**

As at 30 September 2019

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	–	–	627,298	627,298
Quoted investments	11,435	–	–	11,435
Net fair value	**11,435**	**–**	**627,298**	**638,733**

Unquoted investments. Unquoted investments are stated at the directors' estimate of fair value and follow the recommendations of the EVCA and the BVCA. The estimate of fair value is normally the latest valuation placed on an investment by its manager as at the Statement of Financial Position date. The valuation policies used by the manager in undertaking that valuation will generally be in line with the joint publication from the EVCA and the BVCA, 'International Private Equity and Venture Capital Valuation guidelines'. Fair value can be calculated by the manager of the investment in a number of ways. In general, the managers with whom the Company invests adopt a valuation approach which applies an appropriate comparable listed company multiple to a private company's earnings or by reference to recent transactions. Where formal valuations are not completed as at the Statement of Financial Position date, the last available valuation from the manager is adjusted for any subsequent cash flows occurring between the valuation date and the Statement of Financial Position date. The Company's Manager may further adjust such valuations to reflect any changes in circumstances from the last manager's formal valuation date to arrive at the estimate of fair value.

Quoted investments. The Company's investments previously included shares which were actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the close of business on the last trading day of the Company's financial year. As at 30 September 2020, the Company held £nil (30 September 2019: £11,435,000) of quoted investments.

Corporate Information

Aberdeen Standard Investments assets under management and administration were £511.8 billion as at 30 June 2020, managed for a range of clients including 23 UK-listed closed end investment companies.

Alternative Performance Measures

Alternative Performance Measures

Alternative performance measures ("APMs") are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS 102 and the AIC SORP. The directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Discount

The amount by which the market price per share is lower than the net asset value per share of an investment trust. The discount is normally expressed as a percentage of the net asset value per share.

	As at 30 September 2020	As at 30 September 2019
Share price (p)	320.0	352.0
Net Asset Value per share (p)	501.0	461.9
Discount (%)	36.1	23.8

Dividend yield

The annual dividend per Ordinary share divided by the share price, expressed as a percentage, calculated at the year end.

	2020	2019
Dividend per share (p)	13.2	12.8
Share price (p)	320.0	352.0
Dividend yield (%)	4.1	3.6

NAV total return

NAV total return shows how the NAV has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. This involves reinvesting the net dividend into the NAV at the end of the quarter in which the shares go ex-dividend. Returns are calculated to each quarter end in the year and then the total return for the year is derived from the product of these individual returns.

	NAV per share (p)	Dividend per share (p)
30 September 2019	461.9	
19 December 2019	441.3	3.2
19 March 2020	444.6	3.3
25 June 2020	427.7	3.3
24 September 2020	459.9	3.3
30 September 2020	501.0	
NAV total return	11.7%	

Ongoing charges ratio

Management fees and all other recurring operating expenses that are payable by the Company excluding the costs of purchasing and selling investments, incentive fee, finance costs, taxation, non-recurring costs, and costs of share buy-back transactions, expressed as a percentage of the average NAV during the period. Ongoing charges and performance-related fees of the Company's underlying investments are excluded.

The ongoing charges ratio has been calculated in accordance with the applicable guidance issued by the Association of Investment Companies ("AIC"). The Board notes the updated guidance on Ongoing charges ratio released by the AIC in October 2020 . This will be considered further in the coming financial year.

	Year ended 30 September 2020 £'000	Year ended 30 September 2019 £'000
Investment management fee	6,819	6,463
Administrative expenses	1,038	997
Ongoing charges	7,857	7,460
Average net assets	715,155	685,723
Ongoing charges ratio	1.10%	1.09%

Alternative Performance Measures Continued

Over-commitment ratio

Outstanding commitments less resources available for investment and the value of undrawn loan facilities divided by net assets.

	As at 30 September 2020 £000s	As at 30 September 2019 £000s
Undrawn Commitments	471,392	450,272
Less undrawn loan facility	(200,000)	(80,000)
Less resources available for investment	(48,427)	(67,748)
Net outstanding commitments	222,966	302,524
Net assets	770,293	710,083
Over-commitment ratio	28.9%	42.6%

Share price total return

The theoretical return derived from reinvesting each dividend in additional shares in the Company on the day that the share price goes ex-dividend.

Date	Share price (p)	Dividend per share (p)
30 September 2019	352.0	
19 December 2019	339.0	3.2
19 March 2020	192.0	3.3
25 June 2020	292.0	3.3
24 September 2020	304.0	3.3
30 September 2020	320.0	
Total shareholder return	-4.6%	

Glossary of Terms

Buy-out fund
A fund which acquires controlling stakes in established private companies.

Close Peer Group
Similarly positioned private equity investment trusts.

Co-investment
An investment made directly into a private company alongside other private equity managers.

Commitment
The amount committed by the Company to an investment, whether or not such amount has been advanced in whole or in part by or repaid in whole or in part to the Company (see also Over-commitment).

Comparator Index
A market index against which the overall performance of the Company can be assessed. The manager does not manage the portfolio with direct reference to any index or its constituents.

Distribution
A return that an investor in a private equity fund receives. Within the Annual Report and Financial Statements, the terms "cash realisations" and "distributions" are used interchangeably, the figure being derived as follows: proceeds from disposal of underlying investments by funds, plus income from those fund investments less overseas withholding tax suffered.

Drawdown
A portion of a commitment which is called to pay for an investment.

Dry powder
Capital committed by investors to private equity funds that has yet to be invested.

EBITDA
Earnings before interest expense, taxes, depreciation and amortisation.

Enterprise value ("EV")
The value of the financial instruments representing ownership interests in a company plus the net financial debt of the company.

IPO
Initial Public Offering, the first sale of stock by a private company to the public market.

Net Asset Value ("NAV")
The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.

Outstanding commitments
The outstanding commitments represents the sum of the promises the Company has made to invest in particular funds at the launch of those funds, with the expectation that the underlying manager will call on the Company at different times in the future. The Manager works on the basis that these commitments, which may not be called upon for up to five years, will be funded by the distributions from existing funds in which the Company has been invested.

Over-commitment
Where the aggregate commitments to invest by the Company exceed the sum of its resources available for investment plus the value of any undrawn loan facilities.

Primary investment / primary funds
The managers of private equity funds look to raise fresh capital to invest, typically every five years, and the Company commits to investing in such funds. The capital committed to a fund will generally be drawn over a five year period as investments in private companies are made.

Resources available for investment
This corresponds to the Company's assets that are not invested in funds or co-investments. The amount includes cash and cash equivalents, quoted investments and short-term investment receivables and payables as follows:

	As at 30 September 2020 £000s	As at 30 September 2019 £000s
Cash and cash equivalents	33,135	66,315
Investment receivables	15,292	9,550
Quoted investments	-	11,435
Investment payables	-	(19,552)
Resources available for investment	48,427	67,748

Roll forward
The latest valuation calculated on a bottom-up valuation basis adjusted for any subsequent cash movements up to the reporting date and updated for exchange rates at the reporting date.

Glossary of Terms Continued

Secondary exposure
Secondary exposure acquired equals purchase price plus any unfunded commitment.

Secondary transaction / secondary funds
The purchase or sale of a commitment to a fund or collection of fund interests in the market. Once a private equity fund is raised, new investors are typically not permitted into the fund. However, an existing investor may exit by selling their interest to another investor. The Company can negotiate to acquire such an interest as a secondary buyer. Within this report, the terms "Secondary transaction" and "Secondary investment" are used interchangeably.

Share buy-back transaction
The repurchase by the Company of its own shares in order to reduce the number of shares on the market. This is often used by investment trusts to narrow the discount to NAV.

Vintage year
Refers to the year in which the first influx of investment capital is delivered to a fund.

Information about the Manager

SL Capital Partners LLP

The Company's Manager is SL Capital Partners LLP ("SL Capital Partners") which is a wholly-owned subsidiary of Standard Life Aberdeen plc. Aberdeen Standard Investments assets under management and administration were £511.8 billion as at 30 June 2020, managed for a range of clients including 23 UK-listed closed end investment companies.

Aberdeen Standard Investments ("ASI") is the brand of Standard Life Aberdeen plc.

The Investment Team Senior Managers

Alan Gauld
Lead Portfolio Manager

Alan is an Investment Director in the ASI Private Markets team. He is responsible for sourcing, evaluating and executing private equity investments, including primary fund investments, secondary investments and co-investments. Alan has a strong network and extensive experience with leading private equity funds and sits on a number of LP advisory committees across Europe. He joined ASI in 2014 as part of the Scottish Widows Investment Partnership ("SWIP") transaction. Prior to joining SWIP in 2013, Alan worked for Lloyds Banking Group in its private equity team. Alan holds a BSc (Hons) in Genetics from the University of Edinburgh and is a qualified chartered accountant.

Mark Nicolson
Head of Primaries

Mark is based in Edinburgh and joined ASI in 2007. He is responsible for making investments across the private equity spectrum (Primaries, Secondaries and Co-investments) as well as having overall responsibility for ASI's Primary Investment business. Mark is a member of ASI's Private Equity Operating Committee and Investment Committee. He also sits on the Advisory Boards of a number of leading private equity funds. Prior to the merger that created ASI in 2017, Mark was a Partner and Head of Primary Investments at SL Capital Partners where he joined in 2007. Before this, Mark spent seven years working as a lead adviser in the corporate finance teams of EY and KPMG, focusing principally on buyouts. Mark is a Chartered Accountant and has BA (Joint Honours) degrees in Accounting and Economics from the University of Strathclyde. Mark is also a Fellow of the Chartered Institute for Securities & Investment.

Patrick Knechtli
Head of Secondaries

Based in Edinburgh, Patrick heads up the secondaries team of ASI and is involved across the private markets activities of the firm. He joined predecessor firm SL Capital Partners in 2009, which then merged into ASI. Prior to joining SL Capital Partners, Patrick spent eight years at Coller Capital in London, where he worked on numerous secondary portfolio transactions. His early career consisted of seven years in investment banking, first at Baring Brothers and then at ABN Amro Corporate Finance. Patrick has a MA (Hons) in Modern Languages from the University of Exeter and is fluent in French and Spanish.

Simon Tysko
Portfolio Director

Simon is a Portfolio Director at Aberdeen Standard Investments. Simon joined Standard Life Investments in 2014 as an Investment Analyst in Private Equity and has subsequently held positions as an Investment Manager and his current role as Portfolio Director. He is responsible for the investment team's portfolio management function, implementation of new systems and technology and development of processes. He leads Aberdeen Standard Investments' Private Equity Research function. Prior to joining Standard Life Investments, Simon was employed by the Royal Bank of Scotland. Simon is a CFA Charterholder and has a First Class MEng (Honours) in Aeronautical Engineering from the University of Glasgow.

Investor Information

Registered Address

This Annual Report has been mailed to shareholders at the address shown on the Company's share register. Any change of address should be advised to the Registrars at the following address under the signature of the shareholder:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Registrars' shareholder helpline: 0371 384 2618
Registrars' broker helpline: 0906 559 6025*

* Calls cost £1.10 per minute plus your phone company's access charge.

If your shares are held via nominees you should contact them with any change of address.

If you hold your shares through the Aberdeen Standard Investment Plan for Children or Aberdeen Standard Investments Trust Share Plan or if you have any general questions about your Company, the Investment Manager or performance, please telephone the Aberdeen Standard Investments Customer Services Department, send an email to **inv.trusts@aberdeenstandard.com** or write to:

Aberdeen Standard Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Dividends

Ordinary dividends are expected to be paid in January, April, July and October each year. Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Mandates may be obtained from Equiniti at the address above. The Company operates the BACS system for the payment of dividends. Where dividends are paid directly to shareholders' bank accounts, dividend tax vouchers are sent to shareholders' registered addresses.

Dividend Reinvestment Plan

Shareholders who wish to use their dividends to purchase further shares in the Company by participating in the Company's Dividend Reinvestment Plan can complete a mandate form which may be obtained from Equiniti Limited at the above address.

Dividend Tax Allowance

The annual tax-free personal allowance for dividend income for UK investors is £2,000 for the 2020/21 tax year. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company provides registered shareholders with a confirmation of dividends paid and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

How to Invest

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through the Aberdeen Standard Investments Children's Plan, Investment Trust Share Plan or Investment Trust Individual Savings Account ("ISA").

Aberdeen Standard Investment Plan for Children

Aberdeen Standard Investments runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid- offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on all purchases. Selling costs are £10 + VAT. There is no restriction on how long an investor needs to invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Standard Investment Trust Share Plan
Aberdeen Standard Investments runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%). Selling costs are £10 + VAT. There is no restriction on how long an investor needs to invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Stocks and Shares ISA
An investment of up to £20,000 can be made in the tax year 2020/2021. The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Investors have full voting and other rights of share ownership. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer
You can choose to transfer previous tax year investments to us which can be invested in the Company while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000, subject to a minimum per trust of £250.

Nominee Accounts and Voting Rights
All investments in the Aberdeen Standard Investment Plan for Children and the Investment Trust Share Plan are held in nominee accounts and investors are provided with the equivalent of full voting and other rights of share ownership.

Keeping You Informed
Further information about the Company may be found on its dedicated website: **slpet.co.uk**. This provides access to information on the Company's share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest factsheet on the Company issued by the Manager.

Twitter:
twitter.com/AberdeenTrusts

LinkedIn:
linkedin.com/company/aberdeen-standard-investment-trusts

Alternatively, please call **0808 500 0040** (Freephone), email **inv.trusts@aberdeenstandard.com** or write to the address for Aberdeen Standard Investment Trusts stated above.

Details are also available at: **invtrusts.co.uk**.

Other Information
The Company is a member of The Association of Investment Companies (AIC). The AIC publishes a Monthly Information Service which contains a wide range of detailed information including statistical and performance data on all its members. A sample copy can be obtained free of charge from The AIC, 9th Floor, 24 Chiswell Street, London EC1Y 4YY (tel: 020 7282 5555) along with full details of other publications available from The AIC. Alternatively, visit their website: **theaic.co.uk**.

Packaged Retail and Insurance-based Products (PRIIPs) Regulation
The Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation requires a Key Information Document (KID) to be published for the Company. A copy of the Company's KID is available to view on the Company's website: **slpet.co.uk**.

It should be noted that the form and content of the KID is strictly prescribed and includes specific information on investment risks, performance and costs, which must be provided to all potential investors before they can purchase shares in the Company to enable them to compare the performance of different investment companies.

Literature Service Request
For literature and application forms for Aberdeen Standard Investment's investment trust products, please contact us through: invtrusts.co.uk. Or telephone: 0808 500 4000. Or write to: Aberdeen Standard Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

Terms and Conditions
Terms and conditions for Aberdeen Standard Investments managed savings products can also be found under the Literature section of our website at: **invtrusts.co.uk**.

Investor Information Continued

Suitable for Retail/NMPI Status

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that the securities issued by the Company can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream pooled investments ("NMPIs") and intends to continue to do so for the foreseeable future. The Company's securities are excluded from the Financial Conduct Authority's restrictions which apply to NMPIs because they are securities issued by an investment trust.

Online Dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms.

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management & Financial Advice Association at: **pimfa.co.uk**.

Independent Financial Advisers

To find an adviser who recommends on investment trusts, visit **unbiased.co.uk.**

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768 or at **register.fca.org.uk** or
email: **register@fca.org.uk**

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

Financial Calendar

Annual General Meeting (Edinburgh)	23 March 2021
Expected payment dates of future interim dividends for the financial year to 30 September 2021	23 April 2021 30 July 2021 29 October 2021 28 January 2022
Half year end	31March 2021
Expected announcement of results for the six months ending 31 March 2021	June 2021
Financial year end	30 September
Expected announcement of results for year ending 30 September 2021	January 2022

AIFMD Disclosures (Unaudited)

The Manager and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ("PIDD") which can be found on the Company's website.

There have been no material changes to the disclosures contained within the PIDD since its most recent update in January 2021.

The periodic disclosures as required under the AIFMD to investors are made below:

- information on the investment strategy, geographic and sector investment focus and principal stock exposures is included in the Strategic Report;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report, note 19 to the financial statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by the Manager; and
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy is available from the Company Secretary, Aberdeen Asset Management PLC, on request, and the remuneration disclosures in respect of the AIFM's reporting period for the year ended 31 December 2019 are available on the Company's website.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross Method	Commitment Method
Maximum level of leverage	250.0%	250.0%
Actual level at 30 September 2020	99.0%	99.0%

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There have been no changes to the circumstances in which the Company may be required to post assets as collateral and no guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which the Manager may employ on behalf of the Company, the right of use of collateral or any guarantee granted under any leveraging arrangement, or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on this page has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by the Manager which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

General

The twentieth Annual General Meeting of Standard Life Private Equity Trust plc will be held at the offices of Aberdeen Standard Investments, 6 St Andrew Square, Edinburgh EH2 2BD on Tuesday, 23 March 2021 at 12.30 p.m.

Given the likelihood that some measure of restriction on public gatherings and maintaining social distancing may remain in place in March 2021, the AGM will follow the minimum legal requirements. It is unlikely that shareholders will be able to attend the AGM but the Board will keep the restrictions on public gatherings under review. Shareholders are encouraged to vote on the resolutions proposed in advance of the AGM and engage with the Board by emailing SLPET.Board@aberdeenstandard.com.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN the twentieth Annual General Meeting of Standard Life Private Equity Trust plc (the "Company") will be held at the offices of Aberdeen Standard Investments, 6 St Andrew Square, Edinburgh EH2 2BD on Tuesday, 23 March 2021 at 12.30 p.m. for the following purposes:

Ordinary Business

As ordinary business, to consider and, if thought fit, pass the following resolutions, in the case of numbers 1 to 11 inclusive, as ordinary resolutions and, in the case of numbers 12 and 13 , as special resolutions:

1. That the Annual Report and Financial Statements for the year ended 30 September 2020, including the Directors' Report and the Independent Auditor's Report be received.
2. That the Directors' Remuneration Report for the year ended 30 September 2020 (excluding the Directors' Remuneration Policy) be approved.
3. That the Company's dividend policy to pay four interim dividends be approved.
4. That Mr Bond be re-elected as a Director.
5. That Mr Devine be re-elected as a Director.
6. That Ms McComb be re-elected as a Director.
7. That Ms Seymour-Williams be re-elected as a Director.
8. That Mr Thomson be re-elected as a Director.
9. That BDO LLP be re-appointed as Independent Auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
10. That the directors be authorised to fix the remuneration of the Independent Auditor for the year to 30 September 2021.
11. That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Securities") provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares up to 10% of the nominal value of the issued share capital (excluding treasury shares) of the Company, as at the date of the passing of this resolution, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended or renewed by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.
12. That, subject to the passing of resolution 11 set out above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered (i), pursuant to Section 570 of the Companies Act 2006 (the "Act"), to allot equity securities (as defined in Section 560 of the Act), including the grant of rights to subscribe for, or to convert securities into Ordinary shares for cash pursuant to the authority given by resolution 11 set out above and (ii), pursuant to Section 573 of the Act to sell equity securities for cash out of treasury as if Section 561(1) of the Act did not apply to any such allotment, or sale out of treasury, of equity securities, provided that this power:
    - (i) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, voted, extended or renewed by the Company in a general meeting save that the Company may, at any time prior to the expiry of this authority, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold out of treasury after such expiry and the Directors may allot or sell out of treasury equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and
    - (ii) shall be limited to the allotment, or sale out of treasury, of equity securities up to an aggregate nominal value of 10% of the nominal value of the issued share capital of the Company (excluding treasury shares), as at the date of the passing of this resolution.

Notice of Annual General Meeting Continued

13. That, in substitution for any existing authority, the Company be generally and unconditionally authorised, in accordance with section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary shares of 0.2 pence each ("Ordinary shares") in the share capital of the Company either for retention as treasury shares for future reissue, resale, transfer or cancellation, provided that:
    (i) the maximum number of Shares hereby authorised to be purchased shall be 14.99% of the Company's issued share capital at the date of the passing of this resolution (excluding treasury shares);
    (ii) the minimum price which may be paid for an Ordinary share shall be 0.2 pence;
    (iii) the maximum price (exclusive of expenses) which may be paid for a Share is the higher of (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the Shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue which the purchase is carried out; and
    (iv) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is earlier, unless previously revoked, varied, extended or renewed by the Company in a general meeting, save that the Company may, at any time prior to the expiry of this authority enter into a contract to purchase shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract.

Special Business

As special business, to consider and, if thought fit, pass resolutions 14 and 15 as special resolutions:

14. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.
15. That the Articles of Association produced to the meeting and signed by the Chair of the meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

By order of the Board
Aberdeen Asset Management PLC
Company Secretary
1 George Street,
Edinburgh, EH2 2LL
25 January 2021

NOTES:

1. **Attending the Annual General Meeting in person**

   Covid-19 restrictions permitting (see note 17 for more information), if you wish to attend the Annual General Meeting in person, you should arrive at the venue for the Annual General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity prior to being admitted to the Annual General Meeting.

2. **Appointment of proxies**

   Covid-19 restrictions permitting (see note 17 for more information), members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed, a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying Form of Proxy. If a member wishes a proxy to speak on their behalf at the meeting, the member will need to appoint their own choice of proxy (not the Chair of the Annual General Meeting) and give their instructions directly to them. Such an appointment can be made using the Form of Proxy accompanying this Notice of Annual General Meeting or through CREST.

   Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Company's registrar Equiniti Limited (the "Registrar") at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

   A member may instruct their proxy to abstain from voting on a particular resolution to be considered at the meeting by marking the "Vote withheld" option in relation to that particular resolution when appointing their proxy.

   It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the resolution.

   The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person if he or she wishes.

   A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 below.

3. **Appointment of a proxy using a Form of Proxy**

   A Form of Proxy for use in connection with the Annual General Meeting is enclosed. To be valid any Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA at least 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting.

   If you do not have a Form of Proxy and believe that you should have one, or you require additional Forms of Proxy, please contact the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

4. **Appointment of a proxy through CREST**

   CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: **euroclear.com**.

   CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

Notice of Annual General Meeting Continued

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA19) no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. **Appointment of proxy by joint holders**
In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

6. **Corporate representatives**
Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

7. **Entitlement to attend and vote**
To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.30 p.m. on Friday, 19 March 2021 (or, if the Annual General Meeting is adjourned, at 6.30 p.m. on the day two days (excluding non-working days) prior to the adjourned meeting). Changes to the Company's register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

8. **Nominated persons**
Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

9. **Website giving information regarding the Annual General Meeting**
Information regarding the Annual General Meeting, including information required by section 311A of the Act, and a copy of this Notice of Annual General Meeting is available from **slpet.co.uk.**

Overview
Strategic Report
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General

10. **Articles of Association**
A copy of the proposed new articles of association of the Company, together with a copy showing all of the proposed changes to the existing articles of association, will be available for inspection on the Company's website, **slpet.co.uk**, from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current Covid-19 related restrictions are lifted before the AGM, a hard copy of these documents will also be available for inspection at Bow Bells House, 1 Bread Street, London EC4M 9HH until the close of the AGM.

11. **Audit concerns**
Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which Annual Report and Financial Statements were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

12. **Voting rights**
As at 25 January 2021 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 153,746,294 Ordinary shares of 0.2 pence each. The Company held no shares in treasury. Only holders of Ordinary shares are entitled to attend and vote at the Annual General Meeting. Each Ordinary share carries one vote. Therefore, the total voting rights in the Company as at 25 January 2021 were 153,746,294 votes.

13. **Notification of shareholdings**
Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chair of the Annual General Meeting as his proxy will need to ensure that both he, and his proxy, comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

14. **Further questions and communication**
Under section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. Members may not use any electronic address provided in this notice or in any related documents (including the accompanying document, Form of Proxy or Letter of Direction to communicate with the Company for any purpose other than those expressly stated.

Under Sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting; and/or (ii) to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Annual General Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Notice of Annual General Meeting Continued

15. **Directors' letters of appointment**
    The Directors' letters of appointment will be available for inspection at the registered office of the Company and at the offices of Dickson Minto W.S. at Broadgate Tower, 20 Primrose Street, London EC2A 2EW during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at offices of Aberdeen Standard Investments, 1 George Street, Edinburgh, EH2 2LL from 12.15 p.m. until the conclusion of the Annual General Meeting.

16. **Customers of Aberdeen Standard Investments Savings Plan**
    Participants in the Aberdeen Standard Investments' Children's Plan, Share Plan or ISA are entitled to vote by completing the enclosed Letter of Direction and returning it in the accompanying envelope no later than 12:30pm on Tuesday, 16 March 2021.

17. **Given the risks posed by the spread of the Covid-19 virus and in accordance with the provisions of the Articles of Association and Government guidance, physical attendance at the Annual General Meeting may not be possible. If the law or Government guidance so requires at the time of the meeting, the Chair will limit, in his/her sole discretion, the number of individuals in attendance at the meeting. Should Government measures be relaxed by the time of the meeting, the Company may still impose entry restrictions, pursuant to its Articles of Association, on certain persons wishing to attend the Annual General Meeting in order to ensure the safety of those attending the meeting.**

Appendix

Summary of the principal amendments to the Company's articles of association

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if resolution 15 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments to the Existing Articles. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, www.slpet.co.uk, from the date of the AGM Notice until the close of the AGM.

Hybrid/virtual-only shareholder meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. This should make it easier for the Company's shareholders to attend shareholder meetings if the Board elects to conduct meetings using electronic means. Amendments have been made throughout the New Articles to facilitate the holding of hybrid or virtual-only shareholder meetings.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for a hybrid or virtual-only meeting to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The Alternative Investment Fund Managers Directive (2011/61/EU) ("AIFMD") and the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (the "AIFM Regulations")

The Board is proposing to take this opportunity to make amendments to the Existing Articles in response to the AIFMD and all applicable rules and regulations implementing that Directive. The proposed new provisions are as follows:

(i) The Existing Articles will be amended to provide that the net asset value per share of the Company shall be calculated at least annually and be disclosed to shareholders from time to time in such manner as may be determined by the Board. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

(ii) The AIFM Regulations require that prior to any new or existing investor making an investment in the Company, certain prescribed information is to be made available to them. Therefore, the New Articles will include language with the effect that such information shall be made available to prospective and existing shareholders in such manner as may be determined by the Board from time to time (including, in certain cases, on the Company's website or by electronic notice).

(iii) The New Articles stipulate that the valuation of the Company's assets will be performed in accordance with prevailing accounting standards, the AIFM Rules, or such other accounting standards, bases, policies and procedures as the Board may determine from time to time. This reflects best practice and has no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

International tax regimes requiring the exchange of information

The Board is proposing to include provisions in the New Articles to provide the Company with the ability to require shareholders to co-operate in respect of the exchange of information in order to comply with the Company's international tax reporting obligations, including, without limitation, under or in relation to FATCA, the Common Reporting Standard and the European Union's Directive on Administrative Cooperation ("**Tax Reporting Requirements**").

The Existing Articles are being amended to provide the Company with the ability to require shareholders to co-operate with it in ensuring that the Company is able to comply with its Tax Reporting Requirements. The Existing Articles will also be amended to provide that (i) where any member fails to supply the relevant information to the Company within the relevant time period, the member will be deemed to have forfeited their shares and (ii) the Company will not be liable for any monies that become subject to a deduction or withholding relating to FATCA, the Common Reporting Standard or any similar laws as such liability would be to the detriment of shareholders as a whole.

Notice of Annual General Meeting Continued

Minor amendments

The Board is also taking the opportunity to make some additional minor or technical amendments to the Existing Articles, including:

i. giving the Company additional powers to take steps in relation to uncertificated shares to assist with the sale of any such shares in a forfeiture, enforcement of lien, or untraced shareholder situation;

ii. simplifying the untraced shareholders procedure by removing the requirement for the Company to publish newspaper advertisements;

iii. simplifying the procedure in relation to the postponement of general meetings by removing the requirement for the Company to publish newspaper advertisements;

iv. modernising the wording in relation to the appointment of proxies (without changing the substance of the provisions};

v. providing for the procedure to be followed where all of the Directors stand for re-election at an AGM and none of them are re-elected by shareholders;

vi. giving the Directors the ability to allow for the Company's depositary to discharge itself of liability for loss of financial assets held in custody in circumstances prescribed under the AIFMD;

vii. updating the provisions relating to the giving of notice of Board meetings to directors and the manner by which the Board can hold Board meetings or pass written resolutions in order to reflect modern electronic communications;

viii. updating the methods of settling cash dividends by allowing the Company to pay dividends exclusively through bank transfers or other electronic payment methods instead of by way of cheques with the further ability to retain cash payments where bank details are not provided by a shareholder;

ix. modernising the wording in relation to the sending/supplying of notices and other documents to shareholders (without making material changes to the substance of the existing provisions}; and

x. deletion of Part 2 of the Existing Articles relating to the former founder and deferred share classes as these provisions are now redundant.

These changes generally reflect modern best practice and should assist in relieving certain administrative burdens on the Company.

Corporate Information

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