Quarterly investment report

Aberdeen Canada - Socially Responsible Global Fund

TO 30 SEPTEMBER 2012

Contents

Summary

Quarter 3 2012

Objective

To achieve a high rate of return through investment in equity securities issued and traded globally

Benchmark

MSCI AC World

Value of portfolio

CAD 68,983,932
CAD 65,918,996 (as of June 30, 2012)

Main changes & influences for Q3 2012

- A number of prominent central banks redoubled efforts to revive their slowing economies. From the ECB in Europe to the Federal Reserve in the United States, non-conventional monetary policies were reintroduced. In the case of the United States, they went even further than the two previous incarnations, introducing the notion of potentially being 'unlimited'. The accompanying message from the ECB was that they would do 'whatever it takes'.
- The correlated nature of the on-going slowdown does not appear to have left any country behind. From so called 'developed countries' through to their more heralded 'developing country' peers, growth rates have slowed throughout the quarter. Even China's guidance of 7.5% growth for this year, which was thought of as prudent guidance when issued at the start of the year, is now verging on ambitious.
- Despite this on-going economic weakness, asset values in equity markets have generally pushed higher through the quarter. This can be attributed in no small measure to the anticipation and subsequent announcements of ever more ambitious measures by a number of central banks. The strongest performance was registered by the European equity market, which took heart from the most recent policy rhetoric.

Performance summary

	Q3 12 %	1 year %	*Since inception p.a. %
Portfolio (gross)	3.48	12.60	0.13
Benchmark	3.24	14.89	-0.41
Difference (gross)	0.24	-2.29	0.54

*31 Jul 06

Summary attribution

	Asset Allocation %	Stock Selection %	Total %
Portfolio (gross)	0.12	-0.05	0.06

All commentary and portfolio data including attribution and performance from this point forward is based on Aberdeen's internal record-keeping systems. Our records can and do differ from the unit price performance from the Fund's Administrator. These differences may be due to cash flow accounting, securities valuation sources and valuation timing, among other factors.

Economic and market review

Quarter 3 2012

It is with no degree of satisfaction that we are seeing the global economies slide in unison to a softer place. For some time, we have felt that this weakening trend would unfold. Indeed, the extent to which the confident talk of recovery towards the end of the year has been replaced by messages of required action to overturn the stubborn slowness particularly noticeable through this quarter. The most recent stimulus has been largely verbal in the form of intent and desire to do 'whatever it takes'. The most surprising aspects for us are that markets continue to give a high level of credibility to many of these central figures and the extent to which they still trust that 'everything will be alright'.

It is difficult to predict how long the deleveraging process will take. What is clear is that the levels of economic activity across the world will be slower over the next ten years than has been the case over the past decade. As we are more interested in the companies that we are investing in on your behalf, the most important focus is the impact on earnings expectations. In general, over the past decade or so, with top line growth having grown healthily, it should not be a surprise that earnings have improved relative to expectations. Analysts always underestimate the impact that decent top line growth has in filtering down to better than expected 'bottom line' growth. That game becomes more difficult the shallower the slope of top line improvement becomes. In the case of some cyclical companies, we are seeing the top line declining. In this case, analysts are always behind the curve with regards to the extent that earnings expectations fall. The better top line growth story would appear to be behind us, especially as nominal growth rates come down.

Despite the looming election, the Federal Reserve has been quick to admit that its plans A and B, in the forms of QE1 and QE2, have not worked. They have therefore decided to add more gunpowder in the form of an open-ended commitment for QE3. Despite the firepower that they have so far deployed, the unemployment rate continues to stand stubbornly above 8%. This is despite the fact that the participation rate in the labour force is down at multi-year lows. Non-farm job additions have been struggling to get much above 100,000 over the past two quarters, a rate that barely keeps up with the growth in the employment pool. Such a backdrop would be tough for an incumbent leader to get re-elected, but at the time of writing, that would appear to be the most likely outcome. It may well be the desire that with the next round of unconventional monetary policy the Chairman of the Federal Reserve hopes that the mighty US dollar will weaken against its major trading partners. There has been some success here this quarter, although that is probably more a function of the strength of the euro. But no country wants a strong currency by default, so rounds of competitive devaluations on a consistent basis would appear to be unlikely.

The United Kingdom could do with a competitive devaluation, but instead has seen its currency appreciate against the dollar this quarter. This probably speaks to the implied aggressiveness of the US quantitative easing programme compared to that of the UK's. The ruling coalition appears to lurch from one issue to the next, with the Olympics coming as a welcome, but fleeting, distraction. The industrial side of the economy has been in contraction for over a year now and the unemployment rate also remains above the 8% level. The 'rubber has yet to hit the road' in the context of the announced cutbacks, where the implementation phase has yet to reach a peak. It would appear, through the increasing voices calling for a dilution of the austerity programme, that there will continue to be pressure for the Chancellor, George Osborne, to look for a plan B. As yet, he has shown no desire or inclination to sway from his path. Although this is commendable in terms of his conviction, it is not exactly vote-winning without there being some light at the end of the fiscal austerity tunnel.

Investors in Europe believe that they have seen a chink of light this past quarter, as the European Central Bank does its utmost to continue to underpin market confidence in the euro and that the currency project is still on the road. There has certainly been a stronger intent on behalf of the European Central Bank to try to implement measures to address the funding costs for a number of the peripheral countries through this quarter. The process is inevitably complicated by the multi structured nature of the Eurozone. Mario Draghi has yet to pass his first year anniversary in his role as President of the Central Bank, but would appear to have been more active in this short time than his predecessor in all of his time in office. His latest measure this quarter has been to introduce Outright Monetary Transactions (OMT), a new bond buying plan for a number of the peripheral countries' debt. The only issue is that these countries must first request help. The help will also come with conditions attached, a measure that may well hinder the desire for such aid. The markets have been relieved that the ECB is trying to get ahead of the curve, but all the while economic activity across the region continues to weaken, making the thought of further austerity measures less and less politically appealing.

The Japanese economy does not have its problems to seek. The good news is that Prime Minister Yoshihiko Noda managed to get the Japanese parliament to pass the contentious bill to double the country's sales tax by 2015. The bad news, for him, is that the support of the opposition came on the condition that Mr Noda set an election date. This comes with less than a year having elapsed since Mr Noda took up his post. The backdrop is an economy that has singularly failed to get any traction. Prices have moved back into a deflationary trend this quarter. The industrial economy is contracting as it passes the anniversary of the tsunami.

Economic and market review (continued)

Quarter 3 2012

QE8 was announced this quarter with a bigger than ever target of buying a further 10 trillion yen, which would take its target in total to 80 trillion yen in its battle against deflation, or 20% of Japanese GDP. Unfortunately, this looks like the cost of maintaining the level of its currency, rather than its intended hope of currency depreciation.

The biggest surprise for many investors and commentators has been the apparent extent of the slowdown in the Chinese economy this quarter. It is never an easy matter to try to determine the true rate of growth in China, given the level of data released. At the same time there is political distraction from the imminent 10 year leadership changeover. India, which has been struggling from a degree of political paralysis, appeared to make some headway by announcing bills to open up certain parts of the economy to foreign competition, whilst also increasing fuel prices, moving them closer to true market levels. These are the first such positive steps for some time, although they are likely to be highly contested by many sections of the population. The backdrop in India however is of an economy that is registering growth more typical of 'developed markets' alongside inflation more typical of 'emerging markets'. The rest of the region has seen growth rates come down recently and, at the margin, their currencies have appreciated a little. For some countries, this may be problematic if sustained, but for India, currency appreciation may well help to contain the imported inflationary pressures.

It should be no surprise that as the correlated global slowdown hits all parts that Latin America should be included. Some of the more notable indicators are the trends in some of the basic raw materials. The iron-ore price has fallen by 23% through the quarter, and by just under 40% over the past year. The pace of the global slowdown is amplified through the iron ore price, but other commodities have experienced the same trends from a directional point of view. Inevitably, therefore, the Brazilian economy has experienced a pretty sharp slowdown. Industrial production has been contracting through the quarter. GDP growth in Brazil looks like it is trending towards zero, having averaged about 6% over the past decade or so. This has not been lost on the Brazilians, where they took the targeted SELIC interest rate down to 7.5% this quarter, an all-time low. The good news is that they still have more scope to cut rates, especially relative to many other countries, but it might come at a cost. They would appear to have been very active in managing their currency rate through the quarter, with the rate against the dollar being maintained at a remarkably steady level. The bad news may be that their ability to continue to do so may be more limited the smaller the interest rate differential becomes between the Brazilian real and other major trading nations' currencies.

Outlook

The trend of slowing economic growth appears to be well set. We are now past the third anniversary of the start of the efforts by central banks and governments to stimulate their economies in the aftermath of the global financial crisis. The report card, which had looked fair to middling over the past three years, is probably going to see its rating lowered as we move through the remainder of this year and into next. There have been admirable attempts by, in particular, Europe and the United States to try to stimulate their economies. The result may well be that whatever liquidity is generated by their measures will have a more meaningful effect on other countries, such as the inflationary pressures that were driven through the emerging markets in 2010 and 2011. This will be the new 'beggar thy neighbour' policy, where the unintended consequence of endeavours to inflate economies will be seen, as a re-run of 2010 and 2011, with higher levels of inflation in the supposedly faster growing economies, pushing downward pressure on these economies non-inflationary growth rates.

Investors should be careful what they wish for, but we believe that the softer tone to economic data is in all probability going to lead to pressure on the top line growth aspirations of companies and, as a consequence, their ability to meet current market expectations. In this environment, it can be expected that cyclical companies will have more downside risk from an earnings point of view. As ever, what is important is how much of this is already reflected in current valuations. We have, at the margin, been taking advantage of the market starting to anticipate such an environment. New holdings that we have initiated over the past year all have a more cyclical tone. If we do see volatility in the markets, we are hopeful that we will get the opportunity to build further some of these positions.

Portfolio review

Quarter 3 2012

Asset allocation

- There were no major changes to asset allocation during the quarter.
- North America remains the most significant underweight position as the portfolio is more diversified geographically in an absolute sense than the benchmark. There is also a marginal underweight to Japan and to Africa & Middle East.
- The fund is overweight to Europe ex UK, the UK, Asia ex Japan and Latin America.

	Q3 12	Benchmark	Diff	Q2 12	Q1 12	Q4 11
Total	**100.0**	**100.0**	**0.0**	**100.0**	**100.0**	**100.0**
Equities	**96.0**	**100.0**	**-4.0**	**97.4**	**95.8**	**95.4**
Africa & Middle East	**-**	**1.3**	**-1.3**	**-**	**-**	**-**
Egypt	-	0.0	0.0	-	-	-
Israel	-	0.2	-0.2	-	-	-
Morocco	-	0.0	0.0	-	-	-
South Africa	-	1.0	-1.0	-	-	-
Asia Pacific ex Japan	**20.1**	**12.7**	**7.4**	**20.1**	**21.2**	**20.6**
Australia	2.0	3.2	-1.2	2.2	2.3	3.2
China	1.7	2.2	-0.5	1.8	1.7	1.7
Hong Kong	2.5	1.1	1.4	2.6	2.6	1.8
India	-	0.9	-0.9	-	-	-
Indonesia	-	0.3	-0.3	-	-	-
Korea	2.6	2.0	0.6	2.6	3.2	2.9
Malaysia	-	0.5	-0.5	-	-	-

	Q3 12	Benchmark	Diff	Q2 12	Q1 12	Q4 11
New Zealand	-	0.0	0.0	-	-	-
Philippines	-	0.1	-0.1	-	-	-
Singapore	4.6	0.7	3.9	4.8	4.7	4.4
Taiwan	6.8	1.4	5.4	6.2	6.8	6.6
Thailand	-	0.3	-0.3	-	-	-
Europe	**40.6**	**24.6**	**16.0**	**41.8**	**39.9**	**40.4**
UK	**15.1**	**8.3**	**6.8**	**13.5**	**12.6**	**12.1**
Europe ex UK	**25.5**	**16.3**	**9.2**	**28.3**	**27.3**	**28.3**
Austria	-	0.1	-0.1	-	-	-
Belgium	-	0.4	-0.4	-	-	-
Czech Republic	-	0.0	0.0	-	-	-
Denmark	-	0.4	-0.4	-	-	-
Finland	-	0.3	-0.3	-	-	-
France	4.4	3.3	1.1	4.8	4.6	4.5
Germany	1.0	3.1	-2.1	1.0	1.1	1.0
Greece	-	0.0	0.0	-	-	-
Hungary	-	0.0	0.0	-	-	-
Ireland	-	0.1	-0.1	-	-	-
Italy	5.3	0.8	4.5	5.6	5.4	5.4
Netherlands	-	0.9	-0.9	-	-	-
Norway	-	0.4	-0.4	-	-	-
Poland	-	0.2	-0.2	-	-	-
Portugal	-	0.1	-0.1	-	-	-
Russia	-	0.8	-0.8	-	-	-
Spain	0.7	1.0	-0.3	-	-	-
Sweden	4.7	1.2	3.5	4.6	4.5	4.5
Switzerland	9.3	3.1	6.2	12.3	11.7	12.8

Portfolio review (continued)

Quarter 3 2012

Asset allocation - continued

	Q3 12	Benchmark	Diff	Q2 12	Q1 12	Q4 11
Turkey	-	0.2	-0.2	-	-	-
Japan	**7.0**	**7.2**	**-0.2**	**7.6**	**8.0**	**9.4**
Latin America	**5.0**	**2.7**	**2.3**	**4.7**	**5.0**	**5.1**
Brazil	5.0	1.6	3.4	4.7	5.0	5.1
Chile	-	0.2	-0.2	-	-	-
Colombia	-	0.2	-0.2	-	-	-
Mexico	-	0.6	-0.6	-	-	-
Peru	-	0.1	-0.1	-	-	-
North America	**23.3**	**51.6**	**-28.3**	**23.1**	**21.6**	**19.9**
Canada	5.2	4.4	0.8	4.9	4.2	3.4
United States	18.0	47.3	-29.3	18.2	17.4	16.5
Cash	**4.0**	**-**	**4.0**	**2.6**	**4.2**	**4.6**

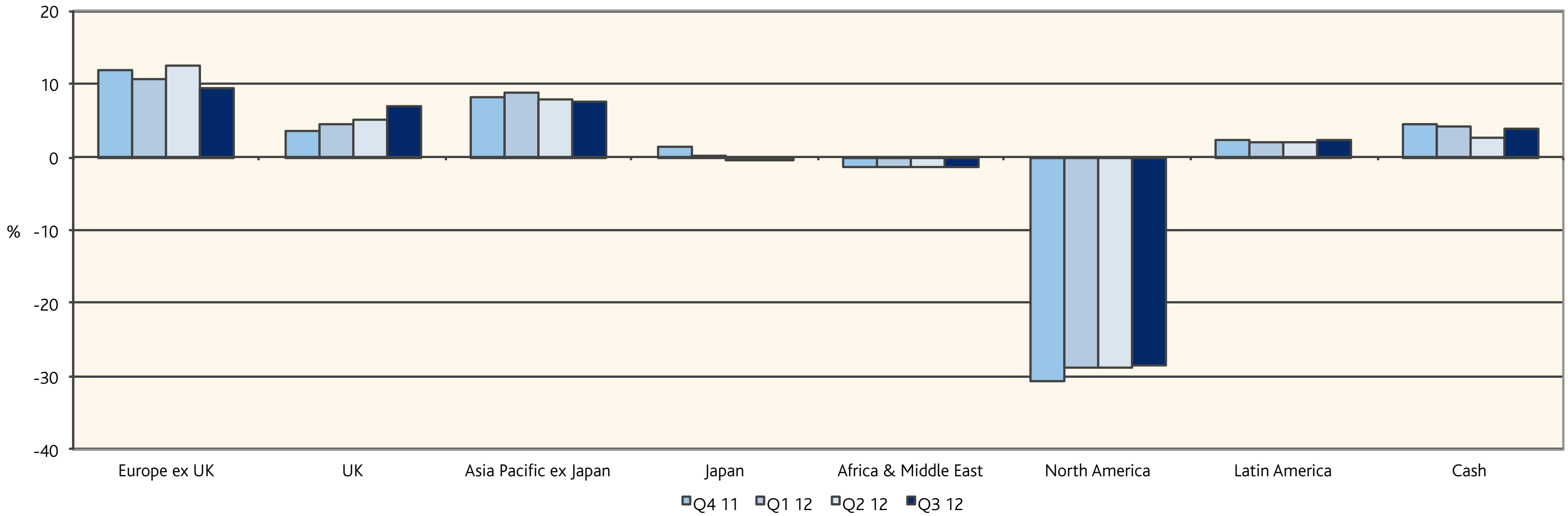
NB: Figures may appear not to add up due to rounding.

Portfolio review (continued)

Quarter 3 2012

Asset allocation trend

Position versus benchmark for the last four quarters (%)



Portfolio review (continued)

Quarter 3 2012

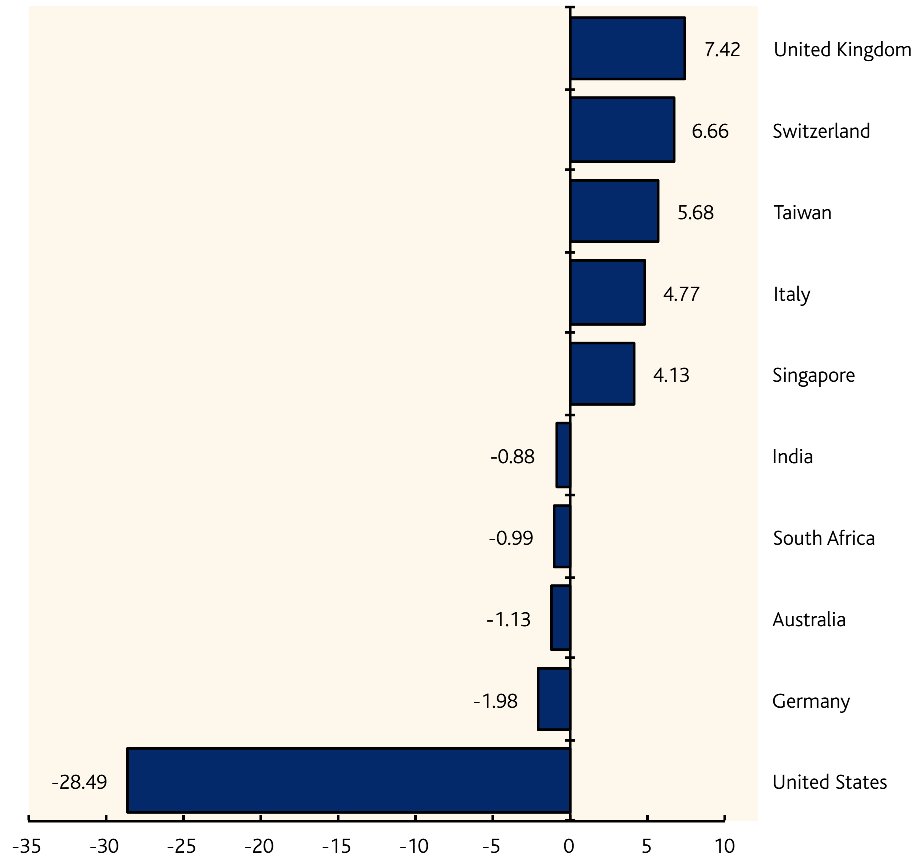
Largest country positions versus benchmark

Overweight

- **United Kingdom –** the fund has core holdings in a number of UK companies with globally diversified end market exposures, including Vodafone, HSBC and Standard Chartered. The exposure was increased following the purchases of oil services business Wood Group and steam and industrial fluid control company Spirax-Sarco.
- **Switzerland –** the fund's largest overweight position is the result of core holdings in the pharmaceutical companies Roche and Novartis, and Zurich Insurance.
- **Taiwan –** holdings comprise semiconductor foundry business Taiwan Semiconductor and telecommunications company Taiwan Mobile.

Underweight

- **United States –** the largest constituent of the benchmark is the portfolio's most significant underweight position as we find a diverse selection of other attractive investment opportunities across the globe.
- **Germany –** international industrial gases group Linde is the only holding within the German market at present.
- **Australia –** while the portfolio holds insurance company QBE Insurance, it remains underweight when compared to the benchmark.



N.B Cash is excluded from analysis.

Portfolio review (continued)

Quarter 3 2012

Largest MSCI sector positions versus benchmark

Overweight

- **Telecommunication Services** – the portfolio remains overweight the sector with holdings in Telus, China Mobile, Singapore Telecommunications, Taiwan Mobile and Vodafone.

- **Energy** – the portfolio has investments in Tenaris, the seamless steel pipe manufacturer and Schlumberger which is the largest oilfield services company in the world. The new addition of Wood Group, the UK based oil and gas services company maintains the overweight position to this sector.

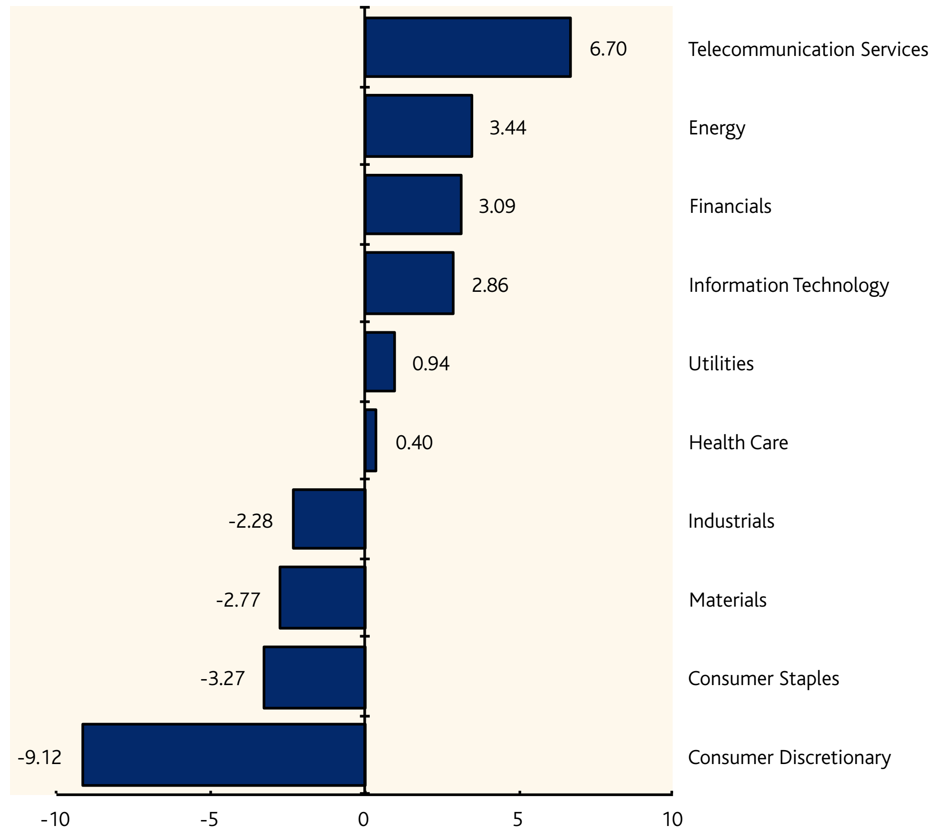
- **Financials** – the fund has exposure to this sector through diverse positions in three insurance groups, five banks and three real estate stocks.

Underweight

- **Consumer Discretionary** – we continue to avoid a number of the western hemisphere retail companies which dominate the index, due to the overleveraged positions of consumers.

- **Consumer Staples** – although the fund holds Kellogg and PepsiCo, it remains underweight when compared to the benchmark as a lot of the large tobacco companies fail the portfolio's ethical screens.

- **Materials** – the fund continues to hold Potash Corp of Saskatchewan, Shin-Etsu Chemical and Linde, but remains underweight relative to the benchmark.



N.B Cash is excluded from analysis.

Portfolio review (continued)

Quarter 3 2012

Largest stock positions versus benchmark

Overweight

- **Taiwan Semiconductor –** the world's largest semiconductor foundry. The company's competitive advantage is derived from its scale and technology leadership, which it protects through its willingness to invest through the economic cycle. A strong balance sheet is accompanied by a high dividend stream.

- **Roche –** the fund remains overweight this Swiss pharmaceutical company which has strong margins and an attractive product range.

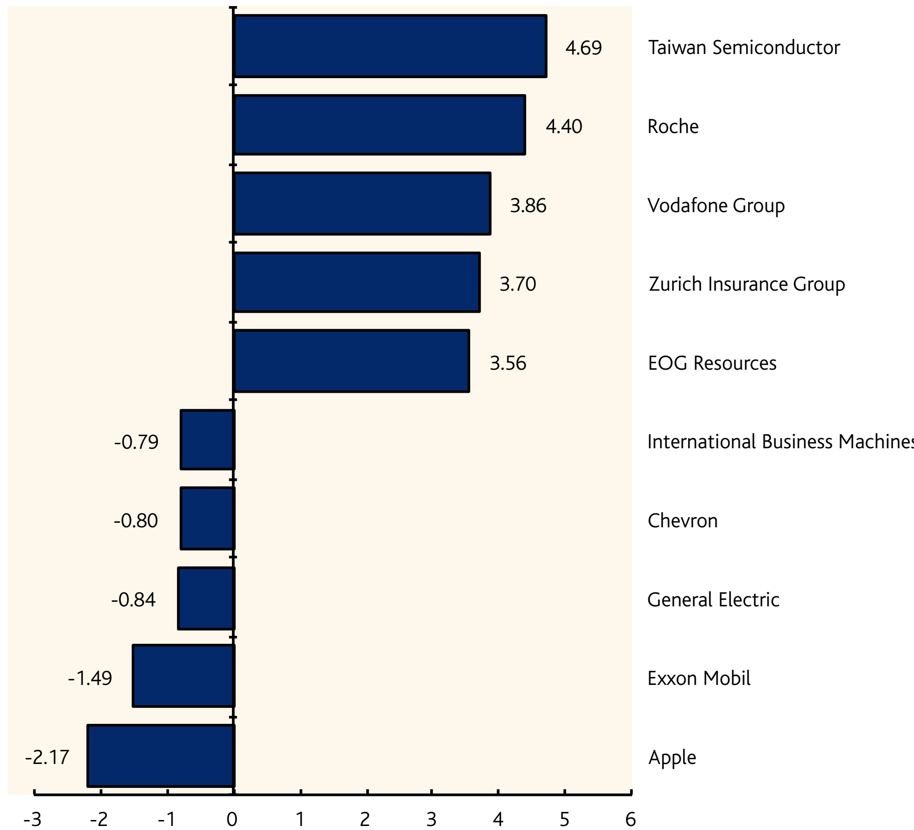
- **Vodafone Group –** the mobile telecommunications company is benefiting from strong cash flows and improving returns on its asset base following management's focus on core assets. Cash flow from Verizon Wireless helps further support the attractive cash generation and dividend growth profile.

Underweight

- **Apple –** we hold a diverse variety of technology companies within the portfolio in preference to Apple on account of its valuation and focus on consumer electronics.

- **Exxon Mobil –** we prefer other energy stocks on a valuation and production growth basis, such as EOG Resources and Petrobras.

- **General Electric –** we prefer companies with simpler business models when compared to this very large and very complex conglomerate.



N.B Cash is excluded from analysis.

Portfolio review (continued)

Quarter 3 2012

Performance attribution by country

- Over the quarter the portfolio performed broadly in line with the benchmark returning 3.30% against the MSCI AC World Index which returned 3.24%.
- Looking at the geographical split, the US was the most significant contributor to relative performance (77bps). Within the region oil exploration and production company EOG Resources was amongst the strongest performing stocks from a relative basis, while Cisco Systems benefitted from better than expected results. Returns from Latin America also contributed positively, as rising oil prices helped the performance of Brazilian energy company Petrobras.
- Within Asia Pacific ex Japan, a resilient performance from Taiwan Semiconductor was offset by weakness in QBE Insurance, resulting in the region contributing 15bps to relative performance.
- Stock selection in both Japan and the UK was negative, with Canon and Vodafone respectively being the main detractors.
- From a sector perspective, the strongest performing contributor from a relative perspective was Energy (91bps) . This sector benefitted from strong performances from EOG Resources, Petrobras and Tenaris. The most significant detractor from performance came from Telecommunications (-21bps), primarily as a result of Vodafone. The stock lagged on concerns about the dividend contribution from Verizon Wireless.

	Portfolio		Benchmark		Net Management Effects		
	Weight	Return	Weight	Return	Allocation	Selection	Total
Total	**100.0**	**3.30**	**100.0**	**3.24**	**0.12**	**-0.05**	**0.06**
Equities	**96.0**	**3.76**	**100.0**	**3.24**	**0.56**	**-0.05**	**0.51**
Africa & Middle East	**-**	**-**	**1.3**	**3.29**	**0.00**	**0.00**	**0.00**
Egypt	-	-	0.0	18.36	-0.01	0.00	-0.01
Israel	-	-	0.2	2.72	0.00	0.00	0.00
Morocco	-	-	0.0	-6.69	0.00	0.00	0.00
South Africa	-	-	1.0	2.91	0.00	0.00	0.00
Asia Pacific ex Japan	**20.1**	**5.69**	**12.7**	**5.89**	**0.38**	**-0.23**	**0.15**
Australia	2.0	-2.32	3.2	6.67	-0.03	-0.19	-0.22
China	1.7	-0.11	2.2	1.08	0.00	-0.01	-0.01
Hong Kong	2.5	1.41	1.1	8.62	0.08	-0.18	-0.10
India	-	-	0.9	11.41	-0.07	0.00	-0.07
Indonesia	-	-	0.3	3.74	0.00	0.00	0.00
Korea	2.6	4.28	2.0	6.05	0.01	-0.04	-0.02
Malaysia	-	-	0.5	1.66	0.01	0.00	0.01
New Zealand	-	-	0.0	11.78	0.00	0.00	0.00
Philippines	-	-	0.1	0.84	0.00	0.00	0.00
Singapore	4.6	3.21	0.7	6.75	0.14	-0.16	-0.01
Taiwan	6.8	13.71	1.4	7.90	0.25	0.35	0.60
Thailand	-	-	0.3	7.38	-0.01	0.00	-0.01
Europe	**40.6**	**3.61**	**24.6**	**5.01**	**-0.01**	**-0.27**	**-0.28**
UK	**15.1**	**1.50**	**8.3**	**3.33**	**0.00**	**-0.25**	**-0.26**
Europe ex UK	**25.5**	**4.61**	**16.3**	**5.90**	**-0.01**	**-0.01**	**-0.02**
Austria	-	-	0.1	3.51	0.00	0.00	0.00
Belgium	-	-	0.4	6.31	-0.01	0.00	-0.01

Portfolio review (continued)

Quarter 3 2012

Performance attribution by country - continued

	Portfolio		Benchmark		Net Management Effects		
	Weight	Return	Weight	Return	Allocation	Selection	Total
Czech Republic	-	-	0.0	6.57	0.00	0.00	0.00
Denmark	-	-	0.4	7.46	-0.02	0.00	-0.02
Finland	-	-	0.3	6.77	-0.01	0.00	-0.01
France	4.4	-2.20	3.3	3.63	0.00	-0.27	-0.27
Germany	1.0	6.91	3.1	9.97	-0.13	-0.03	-0.16
Greece	-	-	0.0	-3.17	0.00	0.00	0.00
Hungary	-	-	0.0	5.75	0.00	0.00	0.00
Ireland	-	-	0.1	-4.93	0.01	0.00	0.01
Italy	5.3	8.04	0.8	3.89	0.07	0.20	0.27
Netherlands	-	-	0.9	5.43	-0.02	0.00	-0.02
Norway	-	-	0.4	9.68	-0.02	0.00	-0.02
Poland	-	-	0.2	9.25	-0.01	0.00	-0.01
Portugal	-	-	0.1	9.13	0.00	0.00	0.00
Russia	-	-	0.8	5.59	-0.02	0.00	-0.02
Spain	0.7	-	1.0	7.63	-0.04	0.00	-0.04
Sweden	4.7	5.12	1.2	6.79	0.13	-0.08	0.05
Switzerland	9.3	5.29	3.1	4.03	0.07	0.15	0.23
Turkey	-	-	0.2	4.39	0.00	0.00	0.00
Japan	**7.0**	**-7.96**	**7.2**	**-4.22**	**0.04**	**-0.30**	**-0.26**
Latin America	**5.0**	**10.89**	**2.7**	**1.05**	**-0.04**	**0.46**	**0.42**
Brazil	5.0	10.89	1.6	1.12	-0.07	0.46	0.39
Chile	-	-	0.2	-2.28	0.01	0.00	0.01
Colombia	-	-	0.2	-1.27	0.01	0.00	0.01
Mexico	-	-	0.6	3.04	0.00	0.00	0.00
Peru	-	-	0.1	-0.71	0.00	0.00	0.00

	Portfolio		Benchmark		Net Management Effects		
	Weight	Return	Weight	Return	Allocation	Selection	Total
North America	**23.3**	**4.83**	**51.6**	**3.01**	**0.19**	**0.28**	**0.47**
Canada	5.2	0.17	4.4	6.78	0.02	-0.32	-0.30
United States	18.0	6.13	47.3	2.68	0.17	0.61	0.77
Cash	**4.0**	**-8.21**	**-**	**-**	**-0.44**	**0.00**	**-0.44**

Benchmark: MSCI AC World
Benchmark is constructed from country level and as such the top line figure may differ slightly from the official benchmark return

Portfolio review (continued)

Quarter 3 2012

Performance attribution by sector

	Portfolio		Benchmark		Net Management Effects		
	Weight	Return	Weight	Return	Allocation	Selection	Total
Total	**100.0**	**3.30**	**100.0**	**3.24**	**-0.61**	**0.67**	**0.06**
Energy	14.0	12.56	11.1	5.52	0.04	0.87	0.91
Materials	4.5	0.57	7.5	3.66	-0.02	-0.12	-0.14
Industrials	7.6	0.28	10.1	1.10	0.02	0.00	0.01
Consumer Discretionary	1.2	7.92	10.4	2.56	0.12	0.00	0.12
Consumer Staples	7.0	-1.56	10.6	1.88	0.02	-0.19	-0.17
Health Care	9.5	4.22	9.5	3.69	0.01	0.06	0.07
Financials	22.0	4.17	19.9	5.05	0.01	-0.16	-0.14
Information Technology	15.0	2.85	12.8	3.26	-0.31	0.26	-0.06
Telecommunication Services	10.9	1.19	4.6	3.08	-0.01	-0.20	-0.21
Utilities	4.3	0.64	3.6	-2.73	-0.05	0.15	0.11
Cash	**4.0**	**-8.21**	**-**	**-**	**-0.44**	**0.00**	**-0.44**

Benchmark: MSCI AC World
Benchmark is constructed from sector level and as such the top line figure may differ slightly from the official benchmark return

Portfolio review (continued)

Quarter 3 2012

Performance attribution by stock - largest positive and negative quarterly contributions

Top contributors to relative performance

Stock	SEDOL	Portfolio Weight %	Return in Portfolio %	Benchmark Weight %	Return in Benchmark %	Relative Contribution %
EOG Resources	2318024	3.52	19.89	0.11	20.24	0.48
Taiwan Semiconductor	2113382	4.76	14.28	0.26	12.70	0.46
Tenaris	2167367	2.88	12.68	0.03	12.67	0.29
Petrobras	2683410	2.63	17.43	0.28	17.99	0.29
Taiwan Mobile Company	6290496	2.04	12.73	0.02	12.64	0.18
Nordea Bank	5380031	2.33	11.10	0.09	11.10	0.16
Zurich Insurance	5983816	3.68	6.64	0.13	6.63	0.11
Weir Group	0946580	1.07	14.83	0.02	14.83	0.11
Intel	2463247	-	-	0.40	-17.25	0.10
Cisco Systems	2198163	2.54	7.85	0.36	7.84	0.09

Top detractors from relative performance

Stock	SEDOL	Portfolio Weight %	Return in Portfolio %	Benchmark Weight %	Return in Benchmark %	Relative Contribution %
Canon	6172323	1.69	-21.97	0.13	-21.97	-0.52
Vodafone Group	B16GWD5	4.18	-2.57	0.49	-2.57	-0.22
Amada Company	6022105	-	-	0.01	-26.04	-0.18
Pepsico	2681511	3.05	-2.61	0.39	-2.61	-0.16
Apple	2046251	-	-	2.17	10.72	-0.15
GDF SUEZ	B0C2CQ3	1.47	-4.93	0.10	-5.10	-0.13
Google	B020QX2	-	-	0.68	25.54	-0.12
Casino Guich-Perr	4178419	1.84	-2.74	0.02	-2.75	-0.12
QBE Insurance Group	6715740	1.97	-2.32	0.06	-2.35	-0.11
Ericsson	5959378	1.38	-3.55	0.10	-3.55	-0.09

Portfolio review (continued)

Quarter 3 2012

Performance since inception

(Rebased to 100 on 31 Jul 06)

Summary performance to 30 Sep 12

	Q3 12	1 year	Since inception p.a*
Portfolio	3.30	13.55	1.58
Benchmark	3.24	14.89	0.68

*31 Jul 06

Portfolio review (continued)

Quarter 3 2012

Historical performance summary

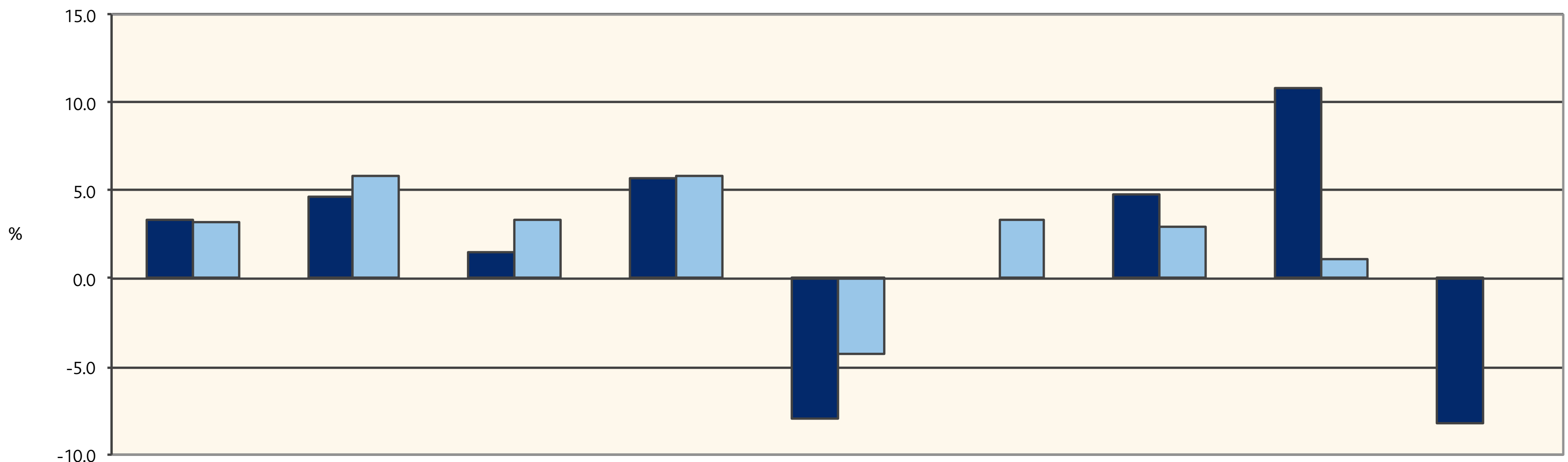
	Portfolio %	Benchmark %	Difference %
2006 (from Jul 06)	**17.94**	**16.74**	**1.20**
2007	**-2.66**	**-4.85**	**2.20**
2008	**-26.64**	**-27.26**	**0.62**
2009	**18.55**	**14.99**	**3.56**
2010	**5.51**	**7.31**	**-1.80**
2011	**-3.00**	**-4.56**	**1.55**
2012			
Quarter 1	7.31	9.95	-2.64
Quarter 2	-2.77	-3.48	0.71
July	0.59	-0.30	0.89
August	1.26	0.65	0.61
September	1.42	2.89	-1.47
Quarter 3	3.30	3.24	0.06
Since Inception % p.a.*	**1.58**	**0.68**	**0.90**

*31 Jul 06

Portfolio review (continued)

Quarter 3 2012

Regional performance – rates of return (CAD%)



	Total	Europe ex UK	UK	Asia Pacific ex Japan	Japan	Africa & Middle East	North America	Latin America	Cash
Portfolio	3.30	4.61	1.50	5.69	-7.96	0.00	4.83	10.89	-8.21
Benchmark	3.24	5.90	3.33	5.89	-4.22	3.29	3.01	1.05	0.00

Benchmark: Regions within MSCI AC World

Risk

Quarter 3 2012

Glossary of terms

Risk
Risk defines all uncertainty about the mean outcome, including both upside and downside possibilities.

Standard Deviation
The statistical term that measures the spread of values around a mean value. Its intuitive meaning is best seen in a simple, symmetric distribution, such as the normal distribution, where approximately two-thirds of all outcomes fall within one standard deviation and 95% of all outcomes fall within two standard deviations.

Ex Post (Historic) Tracking Error
Ex Post Tracking Error is a statistical measure of the volatility of a fund around its index.

Beta
The portfolio Beta is a measure of the expected movement in a portfolio for a given movement in the market. A beta of 1.00 implies that the portfolio is expected to move in line with the market, a beta of 1.25 implies that the portfolio is expected to move 25% more than the market, adjusted for the risk-free rate.

Alpha
The Alpha is a measure of a portfolio's return in excess of the market return both adjusted for risk. It is a measure of the portfolio manager's contribution to performance due to stock selection. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and vice versa.

Ex-post risk

	Portfolio	Benchmark
Standard Deviation (Annualised)	10.39	9.94
Tracking Error (ex post)	3.75	-
Number of Stocks	48	-
Beta	0.98	1.00
Alpha	0.01	0.00
Information Ratio	0.00	-

Ex-Post Risk statistics are calculated for the last 3 years

Risk (continued)

Quarter 3 2012

Glossary of terms

Ex Ante (Predicted) Tracking Error

Higher active performance requires higher risk exposure. The best but not 100% ideal overall measure of risk is tracking error. Also known as Active Risk, tracking error is the annualized standard deviation of the difference between portfolio return and benchmark return – it is a measure of the volatility of active returns. Ex ante tracking error in turn is a function of observed past returns and active exposures to common factors (e.g. industries & styles), a factor covariance matrix, active holdings and specific risk forecasts. For our analysis the predicted tracking error is calculated using the APT model. There are a number of alternative risk models, each idiosyncratic in the way they calculate active risk. This measure can be used to substantiate past performance or to predict future experience.

Ex-ante risk – investment risk guidelines

	Portfolio %	Limit %
Absolute Stock Position	4.96	5.00
Absolute MSCI Sector Position	22.95	-
Absolute Country Position	18.77	-
Active Stock Position	4.69	-
Active MSCI Sector Position	9.12	-
Active Country Position	28.49	35.00

NB Cash is excluded from analysis.

Ex-ante risk (APT)

	Portfolio %	Limit %
Tracking Error (Active Risk)	3.82	3.0 - 9.0

Stock	Active %	Contribution to tracking error %
Roche	4.23	0.26
Taiwan Semiconductor ADS	4.79	0.18
Zurich Insurance Group	3.57	0.13
Apple	-2.17	0.13
Vodafone Group	3.71	0.11
Potash Corp of Saskatchewan	1.79	0.11
Centrica	2.77	0.10
General Electric	-0.84	0.09
Wells Fargo	-0.61	0.08
Citigroup	-0.33	0.08

Risk (continued)

Quarter 3 2012

Glossary of terms

Style Skyline
The Style Skyline offers the potential to describe, analyse and represent individual securities, market trends, investment funds and client portfolios simply, according to a small number of intuitive criteria.

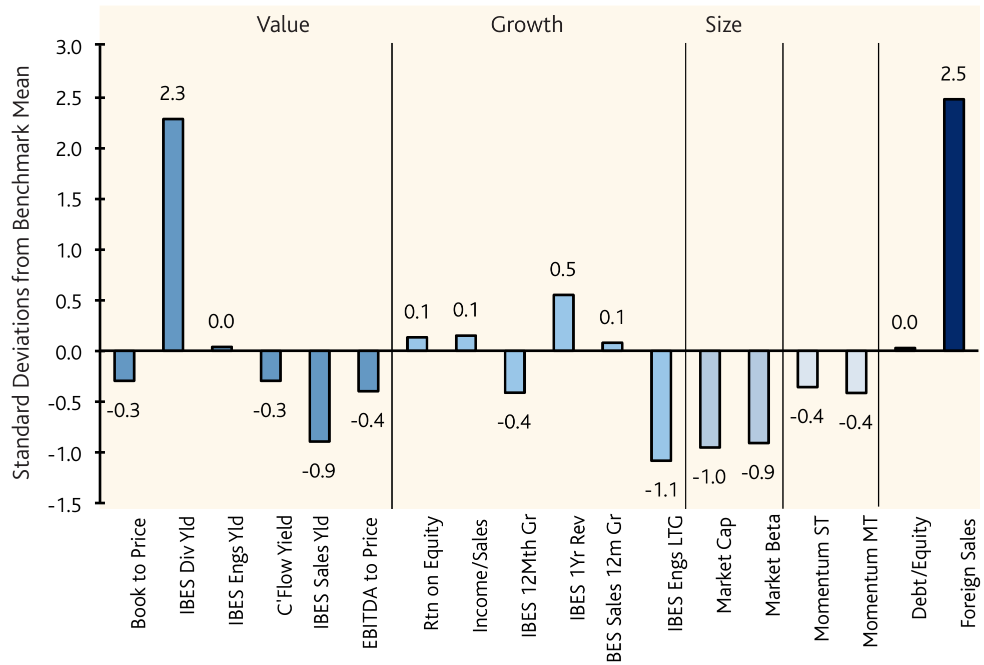
Significant Tilt
An active tilt in excess of one standard deviation is deemed significant.

Value Criteria
A measure intended to assess the inherent worth of equity shares. Considerable research indicates that Value shares tend to outperform over the longer term. However, there appear to be long, regular, periods of sustained underperformance of Value shares.

Growth Criteria
Growth stocks are often considered as simply those stocks which are rated low on the standard Value scale. They have too high a price relative to their book value and pay out too meagre a dividend to be considered as Value stocks. These securities must, so it is said, have higher Growth prospects than typical Value stocks in order to justify their higher prices.

Size Criteria
Large company securities perform differently from small company securities; in fact small company shares tend to outperform large company shares over the medium term, compensating investors for their additional risk. Nonetheless, large company shares frequently outperform over long and sustained periods, when equity markets are not adequately rewarding risk takers.

Style skyline



N.B Cash is excluded from analysis.

Disclaimer

Quarter 3 2012

Notes to our clients

- Past performance is no guarantee of future results. Performance includes the reinvestment of dividends and other earnings.
- **Holdings summary, Holdings detail, Largest holdings.** References to securities should not be considered a recommendation to purchase or sell a particular security and there is no assurance, as of the date of publication, that the securities purchased remain in a portfolio or that securities sold have not been repurchased. Additionally, it is noted that securities referenced do not represent all of the securities purchased, sold, or recommended during the period referenced, and there is no guarantee as to the future profitability of any of the securities identified and discussed herein.

Aberdeen Asset Management Inc.
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Issued by an entity of the Aberdeen Asset Management PLC group of companies that is responsible for managing / advising the portfolio (s) referred to herein.

Appendices

Quarter 3 2012

Proxy voting

Quarter 3 2012

Company	Meeting Date	Mgmt Rec	Vote Cast	Shares	Shares Voted
Eni Spa					
	07/16/12 EGM			78,300	78,300
Ballot Issues					
	Extraordinary Business				
1	Approve Elimination of Shares' Par Value and Cancellation of Treasury Shares	For	For		
	Ordinary Business				
1	Authorize Share Repurchase Program	For	For		
Singapore Telecommunications Ltd.					
	07/27/12 EGM			513,000	513,000
Ballot Issues					
1	Authorize Share Repurchase Program	For	For		
2	Adopt SingTel Performance Share Plan 2012	For	For		
3	Approve Participation by Chua Sock Koong in the SingTel Performance Share Plan	For	For		
Singapore Telecommunications Ltd.					
	07/27/12 AGM			513,000	513,000
Ballot Issues					
1	Adopt Financial Statements and Directors' and Auditors' Reports	For	For		
2	Declare Final Dividend of SGD 0.09 Per Share	For	For		
3	Reelect Chua Sock Koong as Director	For	For		
4	Reelect Fang Ai Lian as Director	For	For		
5	Reelect Kaikhushru Shiavax Nargolwala as Director	For	For		
6	Reelect Ong Peng Tsin as Director	For	For		
7	Reelect Bobby Chin Yoke Choong as Director	For	For		
8	Approve Directors' Fees for the Year Ending March 31, 2013	For	For		
9	Reappoint Auditors and Authorize Board to Fix Their Remuneration	For	For		
10	Approve Issuance of Equity or Equity-Linked Securities with or without Preemptive Rights	For	For		
11	Approve Issuance of Shares and Grant of Awards Pursuant to the SingTel Performance Share Plan	For	For		

Proxy voting

Quarter 3 2012

Company	Meeting Date	Mgmt Rec	Vote Cast	Shares	Shares Voted
Vodafone Group plc					
	07/24/12 AGM			1,027,000	1,027,000
Ballot Issues					
1	Accept Financial Statements and Statutory Reports	For	For		
2	Re-elect Gerard Kleisterlee as Director	For	For		
3	Re-elect Vittorio Colao as Director	For	For		
4	Re-elect Andy Halford as Director	For	For		
5	Re-elect Stephen Pusey as Director	For	For		
6	Re-elect Renee James as Director	For	For		
7	Re-elect Alan Jebson as Director	For	For		
8	Re-elect Samuel Jonah as Director	For	For		
9	Re-elect Nick Land as Director	For	For		
10	Re-elect Anne Lauvergeon as Director	For	For		
11	Re-elect Luc Vandevelde as Director	For	For		
12	Re-elect Anthony Watson as Director	For	For		
13	Re-elect Philip Yea as Director	For	For		
14	Approve Final Dividend	For	For		
15	Approve Remuneration Report	For	For		
16	Reappoint Deloitte LLP as Auditors	For	For		
17	Authorise the Audit and Risk Committee to Fix Remuneration of Auditors	For	For		
18	Authorise Issue of Equity with Pre-emptive Rights	For	For		
19	Authorise Issue of Equity without Pre-emptive Rights	For	For		
20	Authorise Market Purchase of Ordinary Shares	For	For		
21	Authorise EU Political Donations and Expenditure	For	For		
22	Authorise the Company to Call EGM with Two Weeks' Notice	For	For		