

# Aberdeen Sterling Short Term Government Bond Fund

I Acc

Performance Data and Analytics to 31 March 2019

## Objectives and investment policy

Objective: To generate income and increase the value of the shareholder's investment over the long term (income and capital growth).

Investment policy: The Fund invests 80% or more of its total net assets in bonds issued by the UK government that are priced in Sterling. The bonds will have a maturity of up to five years. The Fund may also invest up to 20% of its net assets in bonds with a longer maturity, in any currency. These bonds may be issued by global governments, companies and other large institutions.

## Performance (%)

	1 month	3 months	6 months	1 year	Annualised		
					3 years	5 years	Launch
Fund	0.37	0.40	0.90	1.08	0.11	0.56	0.31
Benchmark	0.52	0.51	1.15	1.39	0.57	1.31	0.96
Difference	-0.15	-0.11	-0.25	-0.31	-0.46	-0.75	-0.65

## Discrete annual returns (%) - year ended 31/03

	2019	2018	2017	2016	2015
Fund	1.08	-1.35	0.63	0.65	1.82

## Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	0.40	0.13	-0.82	1.47	0.43
Benchmark	0.51	0.34	-0.25	2.58	0.97
Difference	-0.11	-0.21	-0.57	-1.11	-0.54

Performance Data: Share Class I Acc

Source: Lipper, Basis: Total Return, NAV to NAV, UK Net Income Reinvested.

These figures do not include the initial charge; if this is paid it will reduce performance from that shown.

The comparator shown may be used for risk monitoring and portfolio construction purposes, as well as to provide a performance comparator; it is not an integral part of the Objective and Investment Policy for the fund and should not be considered as such.

\*The Aberdeen Investment Funds ICVC Sterling Short Term Government Bond Fund was created by the transfer of the Aberdeen Investment Funds ICVC II Defensive Gilt Fund into the Aberdeen Investments ICVC range on 19/06/2015. The historical track record shown prior to this date reflects that of the Aberdeen Investment Funds ICVC II Defensive Gilt Fund.

Past performance is not a guide to future results.

## Fund manager's report

Global bond yields lurched lower in March. Global yields were driven mostly by the US Federal Reserve meeting. After taking a dovish turn in December, the Federal Open Market Committee removed all hikes for 2019. In combination with weak data from the European Union (EU) and further Brexit uncertainty, US 10-year yields fell from 2.70% to around 2.40% while German bund yields moved into negative territory. March was the month that the UK should have left the EU, but Westminster's inability to agree a deal has resulted in a small extension. UK Prime Minister Theresa May made a last-minute dash to Strasbourg to secure amendments and assurances regarding the Irish Backstop. The market became convinced that the deal would pass. However, when May brought the Withdrawal Agreement to parliament for the second time, it was rejected by 149 votes. Following the loss, pressure was put on May to extend Article 50 and avoid crashing out on 29 March. The UK now has the option to either leave on 12 April with 'no deal', leave on 22 May with a deal or extend Article 50 for longer – but with the caveat that the UK would have to take part in EU elections.

The Fund marginally underperformed its benchmark. The underperformance was driven largely by duration positioning. The Fund went into the month positioned short via five-year gilts and a nine-month/two-year forward. Fund performance was offset by positive contributions from positions in five-year Australia, 30-year Austria and 30-year Belgium. The Fund maintained its cross-market position in France. Close to the end of the month we added a position in Australian government bonds, selling UK gilts. These positions acted as a slight drag on performance. A positive driver of performance this month came from 30-year US Treasury Inflation-Protected Securities. This position was halved close to the month-end.

Risk factors should be read in conjunction with all warnings and comments given in the prospectus for the fund. Please visit the attached link to our Jargon Buster which contains a glossary of terms used in this document > <http://glossary.aberdeen-asset.com/jargonbuster/>



Holdings	%
UK Treasury 1.75% 22/07/19 GBP	14.0
UK Treasury 3.75% 07/09/19 GBP	12.0
UK (Govt Of) 0.5% 22/07/22 GBP	8.6
UK Treasury 1.75% 07/09/22 GBP	7.7
UK Treasury 4.75% 07/03/20 GBP	7.7
UK Treasury 2% 22/07/20 GBP	7.6
UK Treasury 8% 07/06/21 GBP	6.5
Australian (Commonwealth Of) 2.75% 21/04/24 137 AUD	6.5
UK Treasury 3.75% 07/09/20 GBP	5.8
UK Treasury 4% 07/03/22 GBP	5.4
<b>Total</b>	<b>81.8</b>

Total number of holdings	17
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## Sector breakdown (%)

	Fund	Benchmark	Difference
Domestic			
Government	99.8	100.0	-0.2
Cash	0.2	-	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

## Credit rating of holdings (%)

	Fund	Benchmark	Difference
AAA	7.0	-	7.0
AA	92.9	100.0	-7.1
Cash	0.2	-	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

## Average long term rating

	AA	AA
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Cash includes cash at bank, outstanding settlements, call account cash, fixed deposits, cash used as margin and profit/losses on both derivative positions and forward currency contracts. Where bonds are split rated between two or more of S&P, Moody's and Fitch, the data shown takes a more conservative approach, splitting lower. This may not be consistent with the arrangement agreed in the prospectus, which may detail taking a higher rating where there is a split. In the absence of any agency ratings an internal Fund Manager rating may be applied. The benchmark shown reflects ratings from S&P, Moody's and Fitch only. This may differ from the ratings used by the benchmark provider detailed in the prospectus.

## Key information

Benchmark	FTSE-A Brit Govt 0-5y
Sector	IA Unclassified
Fund size	£ 92.3 m
Date of launch	31 May 2012 <sup>A</sup>
Investment team	Rates Team
Fund advisory company	Aberdeen Asset Managers Limited

# Aberdeen Sterling Short Term Government Bond Fund

## Interest rate exposure (IRE) (years)

	Fund	Benchmark	Difference
United Kingdom	1.46	2.16	-0.70
Australia	0.30	–	0.30
Euro	0.30	–	0.30
United States	0.22	–	0.22
Modified duration	2.28	2.16	0.12

## Maturity profile IRE (years)

	Fund	Benchmark	Difference
<1	0.17	0.14	0.03
1-3	0.65	0.94	-0.29
3-7	1.14	1.08	0.06
7-11	0.10	–	0.10
>25	0.22	–	0.22
Total	2.28	2.16	0.12

## Currency Exposure (%)

	Fund	Benchmark	Difference
United Kingdom Pound	99.9	100.0	-0.1
United States Dollar	0.1	–	0.1
Total	100.0	100.0	

## Market Exposure (%)

	Fund	Benchmark	Difference
United Kingdom	86.7	100.0	-13.3
Australia	6.5	–	6.5
France	4.5	–	4.5
United States	1.7	–	1.7
Austria	0.5	–	0.5
Other	0.1	–	0.1
Total	100.0	100.0	

## Fund Statistics

Modified duration vs benchmark	2.3 vs 2.2
Weighted average life vs benchmark	2.4 vs 2.2
Yield to Maturity	0.7 vs 0.7
Yields <sup>c</sup>	0.38% underlying 0.38% distribution

Yields are net of charges and gross of tax and are not guaranteed.

## Codes (I Acc)

SEDOL	BWK25K4
ISIN	GB00BWK25K43
BLOOMBERG	ABSSTIA LN
REUTERS	LP68318728
VALOREN	28402810

## Additional information

Fund type	OEIC
Domicile	United Kingdom
Currency	GBP
Registered for sale	Please refer to www.aberdeenstandard.com
Minimum investment	£500,000 or currency equivalent
Charges	Current initial 0.00%
Ongoing Charges Figure (OCF) <sup>a</sup>	0.35%
Price as at 31/03/19	102.11p
Deal closing time	12.00 noon (UK)
Daily valuation point	12.00 noon (UK)

Source: Simulated Ongoing charges Aberdeen Standard Investments as at 1 December 2018

<sup>a</sup>The Ongoing Charge Figure (OCF), is the overall cost shown as a percentage of the value of the assets of the Funds. It is made up of the Annual Management Charge (AMC) of 0.30% and other charges. It does not include any initial charges or the cost of buying and selling stocks for the Funds. The Ongoing Charges figure can help you compare the annual operating expenses of different Funds.

<sup>c</sup>The Distribution Yield reflects the amounts that may be expected to be distributed over the next twelve months as a percentage of the mid-market share price of the fund as at the date shown. The Underlying Yield reflects the annualised income net of expenses and known irrecoverable withholding tax of the fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market share price of the fund as at the date shown. Both yields are based on a snapshot of the portfolio on the month-end date and are not guaranteed and actual distributions received (where a share class pays distribution) may be higher or lower than the amount stated. They do not include any initial charges and Investors may be subject to tax on distributions. The Distribution Yield is higher than the Underlying Yield because a portion of the fund's expenses are charged to capital. This has the effect of increasing distributions and constraining the fund's capital performance.

Analytics provided by The Yield Book® Software

## Important information

### Risk factors you should consider before investing:

- The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested.
- Bonds: Bond valuations are affected by changes in interest rates, inflation and the creditworthiness of the bond issuer. There is a risk that a bond issuer may not be able to repay the money they borrowed nor make their required interest payments. This risk increases for bonds with lower credit ratings. Where a bond market has a low number of buyers and/or a high number of sellers, it may be harder to sell particular bonds at an anticipated price and/or in a timely manner.
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- A full list of risks applicable to this Fund can be found in the Prospectus.

### Other important information:

The Fund is a sub-fund of Aberdeen Investment Funds ICVC, an authorised open-ended investment company (OEIC). The Authorised Corporate Director is Aberdeen Standard Fund Managers Limited. Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned. This is not an invitation to subscribe for shares in the Fund and is by way of information only. Subscriptions will only be received and shares issued on the basis of the current Prospectus, relevant Key Investor Information Document (KIID) and Supplementary Information Document (SID) for the Fund. These can be obtained free of charge from Aberdeen Standard Fund Managers Limited, PO Box 9029, Chelmsford, CM99 2WJ.

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www.aberdeenstandard.co.uk