

# Aberdeen Sterling Long Dated Government Bond Fund

I Acc

Performance Data and Analytics to 30 June 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 governments that are investment grade and priced in Sterling. The bonds held in the portfolio will typically have ten years or more until they reach their maturity date.

## Performance (%)

	1 month	3 months	6 months	1 year	Annualised		
					3 years	5 years	Launch
Fund	0.23	2.68	8.98	7.54	3.91	9.16	6.31
Benchmark	0.15	1.97	8.04	7.17	3.12	9.60	6.77
Difference	0.08	0.71	0.94	0.37	0.79	-0.44	-0.46
Sector average	0.14	1.60	5.34	4.87	2.02	5.58	4.41
Sector ranking	5/25	1/25	2/24	2/24	1/22	1/22	1/12
Quartile	1	1	1	1	1	1	1

## Discrete annual returns (%) - year ended 30/06

	2019	2018	2017	2016	2015
Fund	7.54	4.16	0.18	21.61	13.60

## Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	8.98	-0.23	3.02	18.77	-0.57
Benchmark	8.04	0.28	3.32	18.49	0.09
Difference	0.94	-0.51	-0.30	0.27	-0.66
Sector average	5.34	-0.08	1.69	11.21	-0.38
Sector ranking	2/24	18/25	4/25	1/25	18/25
Quartile	1	3	1	1	3

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.

<sup>A</sup>The Aberdeen Investment Funds ICVC Sterling Long Dated Government Bond Fund was created by the transfer of the Aberdeen Global II Sterling Long Dated Government Bond Fund into the Aberdeen Investments ICVC range on 13/05/2016. The historical track record shown prior to this date reflects that of the Aberdeen Global II Sterling Long Dated Government Bond Fund.

Past performance is not a guide to future results.

## Fund manager's report

Unlike most other central banks, the Bank of England has maintained its bias to raise interest rates. Going into the month-end Monetary Policy Committee meeting, a number of members reiterated the view that the market needed to price more into the UK curve. The result of the meeting was inconclusive. While the hawkish bias remained, downside risks had increased. With no Brexit conclusion in sight, and the drag from the global environment, it is likely that the Bank of England will soon fall into line with the rest of the global central bank community. UK gilt yields were five basis points lower over the course of June, with the 10-year yield starting the month at 0.89% and ending at 0.84%. Ten-year US Treasuries moved from 2.14% to 2%, while the yield on the German bund climbed from 0.2% to 0.32%.

The key driver of performance was cross-market positions. The Fund went into the month holding positions in Australia 30-year, Belgium 30-year and France 30-year (versus gilts). All three positions performed well; the Reserve Bank of Australia cut its cash rate, while European Central Bank President Mario Draghi talked up the chances of rate cuts and opened up the possibility for further quantitative easing. The Fund added further to the position in France, this time in 15-year bonds. The Fund started June positioned with a long duration. Due to the large moves over May, we pared back the long position taking profits and closing both the UK and Australia trades. The Fund closed the month marginally long. The Fund maintained its position in 30-year US Treasury Inflation-Protected Securities (TIPS), increasing the size at the end of the month. This position acted as a slight drag on performance. A further driver of performance came from curve positions. The Fund closed its 15-year/30-year steepener, taking profits. We continue to favour this position as we believe the risk of a general election remains high. We will look to add to it later in the summer. The Fund maintained its 40-year/50-year flattener.

Top ten holdings	%
UK Treasury 1.75% 07/09/37 GBP	9.8
UK (Govt Of) 1.5% 22/07/47 GBP	9.3
UK Treasury 2.5% 22/07/65 GBP	7.3
UK Treasury 4.25% 07/12/40 GBP	7.0
UK Treasury 4% 22/01/60 GBP	6.3
UK Treasury 4.5% 07/12/42 GBP	6.3
UK Treasury 3.5% 22/07/68 GBP	6.1
UK Treasury 4.25% 07/12/46 GBP	5.5
UK Treasury 3.25% 22/01/44 GBP	5.5
UK(Govt Of) 1.625% 22/10/54	5.4
<b>Total</b>	<b>68.5</b>
<b>Total number of holdings</b>	<b>24</b>

Sector breakdown (%)			
	Fund	Benchmark	Difference
Domestic			
Government	99.9	100.0	-0.1
Cash	0.1	-	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

Credit rating of holdings (%)			
	Fund	Benchmark	Difference
AAA	4.8	-	4.8
AA	95.1	100.0	-4.9
Cash	0.1	-	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

Average long term rating		
	AA	AA

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 >15y
Sector	IA UK Gilt NR
Fund size	£ 34.3 m
Date of launch	7 November 2000 <sup>A</sup>
Investment team	Rates
Fund advisory company	Aberdeen Asset Managers Limited

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/>

[www.aberdeenstandard.co.uk](http://www.aberdeenstandard.co.uk)

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## Interest rate exposure (IRE) (years)

	Fund	Benchmark	Difference
United Kingdom	18.65	19.75	-1.10
Australia	0.50	-	0.50
United States	0.41	-	0.41
Euro	0.38	-	0.38
<b>Modified Duration</b>	<b>19.94</b>	<b>19.75</b>	<b>0.19</b>

Interest rate exposure is calculated by multiplying weight by duration.

## Maturity profile IRE (years)

	Fund	Benchmark	Difference
<1	0.01	-	0.01
15-30	10.84	9.93	0.91
>30	9.09	9.82	-0.73
<b>TOTAL</b>	<b>19.94</b>	<b>19.75</b>	<b>0.18</b>

## Currency Exposure (%)

	Fund	Benchmark	Difference
United Kingdom Pound	99.7	100.0	-0.3
Euro	0.1	-	0.1
United States Dollar	0.1	-	0.1
<b>Australian Dollar</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>

Figures may not always sum to 100 due to rounding.

## Market Exposure (%)

	Fund	Benchmark	Difference
United Kingdom	93.2	100.0	-6.8
Australia	3.1	-	3.1
United States	1.7	-	1.7
France	1.2	-	1.2
Belgium	0.7	-	0.7
Other	0.1	-	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

## Fund Statistics

Weighted average life vs benchmark	28.1 vs 28.5
Yield to Maturity	1.4 vs 1.4
Yields <sup>c</sup>	1.11% underlying 1.11% distribution

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

## Codes (I Acc)

SEDOL	BZ4BR35
ISIN	GB00BZ4BR353
BLOOMBERG	ABSLDIA LN
REUTERS	LP68366877
VALOREN	32309271

## Additional information

Fund type	OEIC
Domicile	United Kingdom
Currency	GBP
Registered for sale	Please refer to <a href="http://www.aberdeenstandard.com">www.aberdeenstandard.com</a>
Minimum investment	£500,000
Charges	Current initial 0.00%
Ongoing Charges Figure (OCF) <sup>b</sup>	0.50%
Price as at 30/06/19	320.55p
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>b</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 0.40% 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.
- Investing globally can bring additional returns and diversify risk. However, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment, particularly given the exposure to one currency in this fund.
- 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.
- 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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