

Aberdeen Target Return Bond Fund

Class I Inc

Performance Data and Analytics to 31 March 2019

Objectives and investment policy

Objective: To achieve a positive return over any 12-month period, regardless of market conditions. This is not guaranteed over any time period; any shareholder's investment is at risk.

Investment policy: The Fund invests 80% or more of total net assets in bonds from corporate and government issuers worldwide. Some of the bonds may be sub-investment grade or unrated.

Performance (%)

	1 month	3 months	6 months	1 year	Annualised		
					3 years	5 years	Launch
Fund	0.03	1.55	-0.65	0.25	1.38	-0.39	0.91
Benchmark	0.07	0.22	0.43	0.80	0.55	0.56	0.49
Difference	-0.04	1.34	-1.09	-0.55	0.83	-0.95	0.43
Target	0.32	0.97	1.92	3.80	3.55	3.56	3.56

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

	2019	2018	2017	2016	2015
Fund	0.25	0.11	3.83	-1.77	-4.20

Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	1.55	-0.93	1.25	1.01	-1.24
Benchmark	0.22	0.72	0.36	0.50	0.57
Difference	1.34	-1.66	0.89	0.50	-1.81
Target	0.97	3.73	3.36	3.50	3.57

Performance Data: Share Class I Inc.

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.

⁴The Aberdeen Investment Funds ICVC Absolute Return Bond Fund was created by the transfer of the Aberdeen Investment Funds ICVC III Absolute Return Bond Fund into the Aberdeen Investments ICVC range on 28/08/2015. The historical track record shown prior to this date reflects that of the Aberdeen Investment Funds ICVC III Absolute Return Bond Fund.

Past performance is not a guide to future results.

Fund manager's report

Performance from interest rates positions were positive in March. The Funds defensive positioning via long duration, short-inflation and through euro curve flatteners (owning long duration exposure versus selling the short-end of the yield curve) all contributed. This came as continuing concerns over Chinese and European growth led to a risk-off move.

The main negative was that this rally led to a flattening of all yield curves including the US where the Fund is positioned for a steepening (selling 10-year versus 2-year). The Fund is also short US interest rate futures which were a big beneficiary of this risk-off move.

The story was very similar in foreign exchange where the Fund is also defensively positioned. The Fund's preference to own the US dollar and Japanese yen versus currencies such as the euro, the Australian and New Zealand dollars as well as emerging market currencies in Brazil and Korea led to solid gains in March, following the aforementioned risk-off moves. Well timed exits from some emerging market longs in Mexico and India earlier in the month also resulted in gains for the portfolio. This came as these positions were removed in advance of the risk-off move.

The Funds credit positioning benefited overall performance in March. With the biggest positive driver for risk assets, and hence credit, more accommodative central bank policy. Though banks marginally lagged industrials over the period, as the dovish rhetoric from the Fed helped push down rates which hinders margin expansion, short-dated and subordinated banking bonds outperformed for the portfolio. Elsewhere energy positioning benefited from events in Venezuela, which is positive for oil prices given the drop in production that is expected to occur as a result of energy shutdowns. Higher volatility instruments such as high yield, subordinated financial and emerging market issuers outperformed as spreads compressed. Credit hedges detracted over the period.

- Short-dated assets currently represent 78% of the portfolio. These types of bonds provided stability to the Fund's performance.
- Within our credit alpha allocation, the beta hedge represents 46% of the Fund's credit risk, reflecting our desire to reduce the portfolio's credit beta sensitivity and isolate the alpha within these positions.
- The asset mix continues to favour an internationally diversified mix of countries, with 76% of issuers based outside of the UK.

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/>



Top ten holdings	%
Societe Generale 9.375% FRN Perp EUR	1.9
CVS Health FRN 09/03/21	1.6
Credit Agricole 8.125% FRN Perp GBP	1.5
Natl Westminster Bank 6.5% 07/09/21 GBP	1.5
AT&T Frn 05/09/23	1.5
Tesco 6.125% 24/02/22 EMTN GBP	1.4
Telecom Italia 6.375% 24/06/19	1.4
AXA 0.772% FRN 29/10/49 GBP	1.3
Deutsche Bank 1.75% 16/12/21	1.3
CNP Assurances 7.375% FRN 30/09/41 GBP	1.3
Total	14.7

Total number of holdings	155
---------------------------------	------------

Sector breakdown (%)

	Fund	Benchmark	Difference
Financial	44.0	-	44.0
Industrial	41.4	-	41.4
Utility	2.5	-	2.5
Government Related	2.1	-	2.1
Non-Agency RMBS	1.4	-	1.4
Derivative	-1.0	-	-1.0
Cash	9.7	100.0	-90.3
Total	100.0	100.0	

Credit rating of holdings (%)

	Fund	Benchmark	Difference
AAA	1.4	-	1.4
AA	0.4	-	0.4
A	14.2	-	14.2
BBB	48.9	-	48.9
BB	23.1	-	23.1
B	2.9	-	2.9
CCC	0.4	-	0.4
Cash	8.7	100.0	-91.3
Total	100.0	100.0	

Average long term rating

BBB
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	LIBOR GBP 3 Month
Sector	IA Targeted Absolute Return
Target	LIBOR GBP 3 Month + 300 Bps
Fund size	£ 155.6 m
Date of launch	31 May 2012 ^A
Investment team	Global IG and Aggregate Team
Fund advisory company	Aberdeen Asset Managers Limited

^AThe Aberdeen Investment Funds ICVC Absolute Return Bond Fund was created by the transfer of the Aberdeen Investment Funds ICVC III Absolute Return Bond Fund into the Aberdeen Investments ICVC range on 28/08/2015. The historical track record shown prior to this date reflects that of the Aberdeen Investment Funds ICVC III Absolute Return Bond Fund.

Aberdeen Target Return Bond Fund

Interest rate exposure (IRE) (years)

	Fund	Benchmark	Difference
Australia	-0.26	–	-0.26
Canada	-0.78	–	-0.78
New Zealand	-0.27	–	-0.27
United States	0.85	–	0.85
DOLLAR BLOC	-0.46	–	-0.46
Euro	0.31	–	0.31
Sweden	0.61	–	0.61
United Kingdom	0.21	0.25	-0.04
EUROPE	1.13	0.25	0.88
Effective duration	0.66	0.30	0.36

Maturity profile IRE (years)

	Fund	Benchmark	Difference
<1	0.08	0.25	-0.17
1-3	1.94	–	1.94
3-7	-0.10	–	-0.10
7-11	-0.75	–	-0.75
>25	-0.51	–	-0.51
TOTAL	0.66	0.25	0.41

Currency Exposure (%)

	Fund	Benchmark	Difference
Australian Dollar	0.2	–	0.2
Canadian Dollar	-0.2	–	-0.2
New Mexican Peso	0.0	–	–
New Zealand Dollar	-4.1	–	-4.1
United States Dollar	4.6	–	4.6
DOLLAR BLOC	0.5	–	0.5
Euro	-4.9	–	-4.9
Norwegian Krone	1.0	–	1.0
Swiss Franc	2.1	–	2.1
United Kingdom Pounds	101.0	100.0	1.0
EUROPE	99.2	100.0	-0.8
Japanese Yen	5.1	–	5.1
JAPAN	5.1	–	5.1
South Korean Won	-0.9	–	-0.9
ASIA EX JAPAN	-0.9	–	-0.9
South African Rand	-1.0	–	-1.0
AFRICA	-1.0	–	-1.0
Brazilian Real	-0.9	–	-0.9
LATIN AMERICA	-0.9	–	-0.9
Israeli Shekel	-2.0	–	-2.0
MIDDLE EAST	-2.0	–	-2.0
TOTAL	100.0	100.0	

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.
- Derivatives: This Fund can use derivatives in order to meet its investment objective. The use of derivatives may result in greater fluctuations in the value of the Fund, and may increase the magnitude of any losses.
- 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.

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

Issued by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Market Exposure (%)	Fund
United States	28.7
United Kingdom	15.0
France	9.4
Germany	6.8
Switzerland	4.8
Italy	4.6
Luxembourg	3.8
Netherlands	3.4
Spain	1.7
Denmark	1.6
Other	20.2
Total	100.0

Fund Statistics	
Weighted average life vs benchmark 2.4 vs -	
Yields ^c	2.51% underlying 2.51% distribution

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

Codes (Class I Inc)	
SEDOL	BWK27D1
ISIN	GB00BWK27D16
BLOOMBERG	ABARBII LN
REUTERS	LP68332877
VALOREN	29220556
WKN	A14YAH

Additional information	
Fund Type	OEIC
Domicile	United Kingdom
Currency	GBP
Registered for sale	Please refer to www.aberdeenstandard.com
Income payable	30 April, 31 October
Minimum investment	£500,000
Charges	Current initial 0.00%
Ongoing Charges Figure (OCF) ^a	0.61%
Price as at 31/03/19	94.92p
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.

^aThe 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 0.50% 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.

^cThe 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

Broker desk 0800 592 487
Customer services 0345 300 2890
Dealing 0800 833 580

All sources (unless indicated): Aberdeen Standard Investments
31 March 2019.

www.aberdeenstandard.co.uk