

ASI Target Return Bond Fund

(From 7 August 2019 the fund name was amended from Aberdeen Target Return Bond Fund to ASI Target Return Bond Fund)

Class I Inc

Performance Data and Analytics to 31 August 2019

Objectives and investment policy

Objective: To generate a positive return over rolling 12-month periods in all market conditions by investing in government and corporate bonds issued anywhere in the world.

Please note: Our factsheets will be fully updated to reflect the 7 August 2019 changes to the Investment Objective and Policy, including benchmark use, shortly. In the interim, please see the KIID which can be found at <https://www.aberdeenstandard.com/en/uk/investor/fund-centre#literature> for full up to date information.

Performance (%)

	1 month	3 months	6 months	1 year	Annualised		
					3 years	5 years	Launch
Fund	1.00	1.23	2.67	1.84	1.92	0.35	1.22
Benchmark	0.06	0.19	0.40	0.83	0.57	0.53	0.50
Difference	0.93	1.03	2.27	1.01	1.34	-0.18	0.72
Target	0.31	0.93	1.89	3.83	3.59	3.58	3.57

Discrete annual returns (%) - year ended 31/08

	2019	2018	2017	2016	2015
Fund	1.84	1.96	1.96	-1.31	-2.61

Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	4.23	-0.93	1.25	1.01	-1.24
Benchmark	0.55	0.72	0.34	0.40	0.46
Difference	3.68	-1.66	0.91	0.61	-1.70
Target	2.55	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

August was a strong month of performance from both rates and FX. This came as the Fund's defensive positioning paid dividends in what was a dramatic month for markets.

Following what was interpreted as a slightly hawkish Federal Reserve meeting at the end of July, August began with an unexpected escalation of trade tensions between the US and China. This led to yields falling precipitously across the globe, but particularly in the US. As a result, the Fund made significant gains from long duration positions in the US, New Zealand and Europe. Relative value positions favouring US duration over Australia, France and Germany also made significant contributions. Within rates, the only material negative was curve positioning as global curves flattened dramatically, hurting the Fund's bias for steeper curves.

Similar dynamics brought strong returns to the FX portfolio. The Fund's bias to own safe currencies versus risk-facing currencies was a major benefit. Long positions in the Japanese yen, Swiss franc and Australian dollar versus shorts in the euro, Brazilian real, South African rand, New Zealand dollar and Korean won were all positives. The only meaningful drag came from the Fund's short in the Canadian dollar as Canadian data and central bank rhetoric both held up better than expected. After such strong moves from rates and FX, the Fund has reduced some risk going into September but is still positioned for the ongoing weakness of the global economy.

Amid continuing disappointing global economic data and re-escalating trade war worries, the investment grade rally came to an end in August. The consequence of these negative factors driving sentiment weaker, was growing market anticipation of global central bank accommodation (ahead of official guidance), which compounded the demand for already popular safe-haven assets and pushed treasury yields lower.

The credit contribution was negative for the portfolio over the period, although the portfolio's credit hedges helped to offset some of this. In a risk-off period, unsurprisingly emerging market and high yield credits generally performed poorly. In terms of individual securities, the Fund's exposure to Telecom Argentina detracted, as did exposure to the Mexican conglomerate Alfa. On the positive side, there were contributions from a number of telecoms companies Charter Communications, Telefonica and AT&T.

Credit positioning

- Short-dated assets currently represent more than 85% of the portfolio. These types of bonds provide a measure of stability for fund performance.
- Within our credit alpha allocation, the beta hedge represents 42% 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 75% 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.



Top ten holdings	%
Societe Generale 9.375% FRN Perp EUR	1.9
CVS Health FRN 09/03/21	1.7
AT&T Frn 05/09/23	1.5
Credit Agricole 8.125% FRN Perp GBP	1.5
Natl Westminster Bank 6.5% 07/09/21 GBP	1.5
AXA 0.772% FRN 29/10/49 GBP	1.3
CNP Assurances 7.375% FRN 30/09/41 GBP	1.3
Deutsche Bank 1.75% 16/12/21	1.3
Selp Finance 1.25% 25/10/23 EUR	1.3
Occidental Petroleum Cor FRN 15/08/22 USD	1.2
Total	14.5

Total number of holdings	176
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Sector breakdown (%)

	Fund	Benchmark	Difference
Financial	49.1	-	49.1
Industrial	40.1	-	40.1
Utility	4.1	-	4.1
Government Related	2.7	-	2.7
Non-Agency RMBS	1.2	-	1.2
Asset Backed	0.5	-	0.5
Commercial Mortgage	0.4	-	0.4
Other	-0.4	-	-0.4
Cash	2.3	100.0	-97.7
Total	100.0	100.0	

Credit rating of holdings (%)

	Fund	Benchmark	Difference
AAA	1.5	-	1.5
AA	0.8	-	0.8
A	14.6	-	14.6
BBB	55.1	-	55.1
BB	23.2	-	23.2
B	2.9	-	2.9
Cash	2.0	100.0	-98.0
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	£ 160.1 m
Date of launch	31 May 2012 ^A
Investment team	Global IG and Aggregate
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.

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Interest rate exposure (IRE) (years)

	Fund	Benchmark	Difference
Australia	0.01	–	0.01
Canada	-0.01	–	-0.01
New Zealand	0.30	–	0.31
United States	1.20	–	1.21
DOLLAR BLOC	1.50	–	1.53
Euro	0.31	–	0.31
United Kingdom	-0.48	0.25	-0.73
EUROPE	-0.17	0.25	-0.42
Effective duration	1.36	0.25	1.11

Maturity profile IRE (years)

	Fund	Benchmark	Difference
<1	-0.22	0.25	-0.47
1-3	1.11	–	1.11
3-7	1.56	–	1.56
7-11	-0.38	–	-0.38
11-19	0.01	–	0.01
>25	-0.73	–	-0.73
TOTAL	1.36	0.25	1.11

Currency Exposure (%)

	Fund	Benchmark	Difference
Australian Dollar	2.5	–	2.5
Canadian Dollar	-4.1	–	-4.1
New Mexican Peso	1.0	–	1.0
New Zealand Dollar	-1.9	–	-1.9
United States Dollar	-1.6	–	-1.6
DOLLAR BLOC	-4.2	–	-4.2
Euro	-3.9	–	-3.9
Norwegian Krone	2.0	–	2.0
Swiss Franc	2.0	–	2.0
United Kingdom Pounds	101.0	100.0	1.0
EUROPE	101.1	100.0	1.1
Japanese Yen	6.0	–	6.0
JAPAN	6.0	–	6.0
India Rupee	1.0	–	1.0
South Korean Won	-3.0	–	-3.0
ASIA EX JAPAN	-2.0	–	-2.0
Brazilian Real	-0.9	–	-1.0
LATIN AMERICA	-0.9	–	-1.0
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 Standard OEIC I, 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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United Kingdom (UK): Issued by Aberdeen Standard Fund Managers Limited, registered in England and Wales (740118) at Bow Bells House, 1 Broad Street, London, EC4M 9HH. Authorised and regulated by the Financial Conduct Authority in the UK.

Market Exposure (%)	Fund
United States	32.0
United Kingdom	18.6
France	9.6
Germany	6.4
Switzerland	4.9
Italy	3.1
Luxembourg	2.9
Spain	2.8
Mexico	2.6
Netherlands	2.3
Other	14.7
Total	100.0

Fund Statistics	
Weighted average life vs benchmark 2.4 vs 0.0	
Yields ^c	2.44% underlying 2.44% 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) ^b	0.61%
Price as at 31/08/19	96.18p
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

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All sources (unless indicated): Aberdeen Standard Investments
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www.aberdeenstandard.co.uk