

ASI High Yield Bond Fund

(From 7 August 2019 The fund name was amended from Higher Income Fund to ASI High Yield Bond Fund)

Platform 1 Accumulation GBP

31 May 2020

Objective

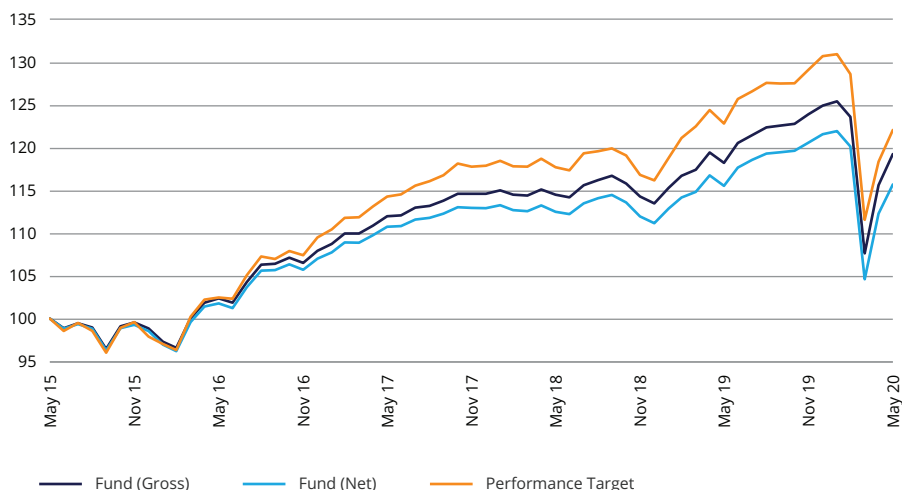
To generate income and some growth over the long term (5 years or more) by investing in Sterling and Euro denominated sub-investment grade (high yield) corporate bonds.

Performance Target: To achieve the return of the ICE BofAML GBP/Euro Fixed & Floating High Yield Non Financial 3% Constrained (HGD to GBP) plus 0.8% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target. The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

Portfolio securities

- The fund will invest at least 70% in Sterling and Euro denominated sub-investment grade corporate bonds
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, including sub-sovereigns and the following types: investment grade, inflation-linked, convertible, asset backed and mortgage backed.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

Performance



Cumulative and annualised performance

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (Gross) (%)	3.15	-3.76	-4.53	0.86	2.12	3.59
Fund (Net) (%)	3.04	-4.06	-4.84	0.15	1.46	2.95
Performance target (%)	3.15	-5.46	-6.62	-0.61	2.22	4.07

Discrete annual returns - year to 31/5

	2020	2019	2018	2017	2016
Fund (Gross) (%)	0.86	3.27	2.26	9.39	2.38
Fund (Net) (%)	0.15	2.68	1.57	8.80	1.79
Performance target (%)	-0.61	4.35	3.01	11.54	2.47

Performance Data: Share Class Platform 1 Acc GBP. Source: Aberdeen Standard Investments (Fund & Benchmark) and Morningstar (Sector). Basis: Total Return, NAV to NAV, UK Net/Gross Income Reinvested. "Fund (Net)" refers to the actual unit price performance of the shareclass shown; "Fund (Gross)" adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark.

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

Past performance is not a guide to future returns and future returns are not guaranteed.

Key facts

Fund manager(s)	Arthur Milson
Fund manager's start date	14 December 2018
Fund launch date	7 February 2000
Shareclass launch date	22 May 2012
Fund size	£339.4m
Number of holdings	158
Performance target	ICE BofAML GBP/Euro Fixed & Floating High Yield Non Financial 3% Constrained (HGD to GBP) +0.8%
Performance comparator/Portfolio constraining benchmark	ICE BofAML GBP/Euro Fixed & Floating High Yield Non Financial 3% Constrained (HGD to GBP)
Entry charge (up to) ²	0.00%
Annual management charge	0.60%
Ongoing charge figure ¹	0.76%
Minimum initial investment	£1,000,000
Fund type	OEIC
Valuation point	12:00 (UK time)
Base currency	GBP
Sedol	B79RR98
ISIN	GB00B79RR984
Bloomberg	SLXKRP LN
Domicile	United Kingdom

Risk and reward profile

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards



This indicator reflects the volatility of the fund's share price over the last five years. See Key Investor Information Document (KIID) for details.

Key risks

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.

Investor Services

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Management process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, ICE BofAML GBP/Euro Fixed&Floating High Yield Non Financial 3% Constrained (HGD to GBP) Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation (tracking error) between the returns of the fund and the index is not ordinarily expected to exceed 2.5% . Due to the Funds risk constraints, the intention is that the Funds performance profile will not deviate significantly from that of the ICE BofAML GBP/Euro Fixed&Floating High Yield Non Financial 3% Constrained (HGD to GBP) Index over the longer term.
- Please note: The Funds ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

Top ten issues (%)

Pemex	3.3
Telefonica	3.0
OCI	2.6
Virgin Media	2.5
Telecom Italia	2.5
Ziggo	2.4
Bausch Health	2.2
Vail Holdco Corp	2.1
MPT Operating Partnership	2.1
Teva Pharmaceutical	2.0
Assets in top ten issues	24.7

Maturity (%)

0-5 years	70.8
5-10 years	24.9
10-15 years	2.3
15-20 years	1.1
25+ years	0.9

Source : Aberdeen Standard Investments 31/05/2020

Figures may not always sum to 100 due to rounding.

Sector (%)

TMT	27.4
Financial	14.9
Industrials - Basic Materials & Healthcare	13.7
Services	9.8
Industrials - Auto Related	7.5
Consumer & Retail	7.1
Industrials - Energy	3.9
Food & Beverages	3.9
Industrials - General & Manufacturing	3.1
Cash and Other	8.7

Credit rating (%)

BBB	5.8
BB	47.5
B	33.0
CCC	9.3
N/R	4.4

- (e) The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- (f) The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- (g) Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.

Risk stats

Fund Volatility[^] **7.00**

Source : Aberdeen Standard Investments. [^] Three year annualised.

Derivative usage

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as Efficient Portfolio Management).
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

To help you understand this fund and for a full explanation of risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website www.aberdeenstandard.com The Prospectus also contains a glossary of key terms used in this document.

¹The Ongoing Charge Figure (OCF), is the overall cost shown as a percentage of the value of the assets of the fund. It is made up of the Annual Management Charge (AMC) of 0.60% and other charges. It does not include any initial charges or the cost of buying and selling stocks for the fund. The Ongoing Charges figure can help you compare the annual operating expenses of different funds.

²These are the maximum charges that we might take out of your money before it is invested. In some cases, the charges may be less and you should speak to your financial advisor about this.

The funds Authorised Corporate Director is Aberdeen Standard Fund Managers Limited.

The fund is a sub-fund of Aberdeen Standard OEIC II, an authorised open-ended investment company (OEIC).

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