

Aberdeen Sterling Short Dated Corporate Bond Fund

Class A Inc

Performance Data and Analytics to 28 February 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 companies that are investment grade and priced in (or hedged back to) Sterling. The bonds will have a maturity of up to five years.

Performance (%)

	1 month	3 months	6 months	1 year	Annualised		Launch
					3 years	5 years	
Fund	0.24	0.82	0.34	0.73	-	-	0.57
Benchmark	0.29	1.22	0.69	1.40	-	-	1.50
Difference	-0.05	-0.40	-0.35	-0.66	-	-	-0.93

Discrete annual returns (%) - year ended 28/02

	2019	2018	2017	2016	2015
Fund	0.73	0.20	-	-	-

Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	0.83	-0.78	1.33	-	-
Benchmark	1.02	-0.25	2.59	-	-
Difference	-0.20	-0.53	-1.26	-	-

Performance Data: Share Class A Inc

Source: Lipper. Basis: Total return, NAV to NAV, net of annual charges, UK Net Income Reinvested.

These figures are gross of an initial charge: to the extent that this is paid, it will reduce performance from that shown.

Past performance is not a guide to future results.

Fund manager's report

Corporate bond market performance was healthy in February. However, what looked like a broad-based UK rally was primarily focused on a few names in some key sectors. There was also some catching up with the year-to-date performance of US and European credit markets, and a firming belief that a hard Brexit is off the table. Much of this catching up was seen in the banking sector, which outperformed the rest of the market. There was a marked recovery in some of the bonds that had underperformed most severely in the fourth quarter of 2018, notably index heavyweight GE and Italian road-toll operator Atlantia.

The Aberdeen Sterling Short Dated Corporate Bond Fund posted positive total returns and slightly outperformed its benchmark as credit markets continued their strong start to the year. Favourable security selection outweighed a negative contribution to returns from asset allocation. In capital goods, we remained underweight GE and this was negative for performance. However, the successful sale of the company's BioPharma division gave us confidence to reduce our underweight with the purchase of GE bonds maturing in 2023 (the portfolio previously only held the 2020 bonds). UK banks continued to perform well with CYBG T2 bonds showing further strength. We topped up our exposure to Barclays as 1.5bn notional of Senior HoldCo 24s entered the benchmark. Euro credit spreads outperformed sterling in February, meaning a positive performance contribution from off-benchmark euro holdings such as Pemex and Spanish utility Aqualia. The latter was sold in February. Primary issuance in short-dated sterling was fairly subdued. The fund participated in an attractively priced US dollar Additional Tier-1 issue from Svenska Handelsbanken, selling the position later in the month as it surpassed our estimates of fair value.

Top ten holdings	%
UK (Govt of) 0.75% 22/07/23 GBP	2.2
Wells Fargo Bank Natl 5.25% 01/08/23 EMTN GBP	2.1
Barclays 10% 21/05/21 EMTN GBP	1.9
Friends Life Hldgs 8.25% 21/04/22 GBP	1.5
Cred Suis Cp Fun 3% 27/05/22 GBP	1.5
Anheuser-Busch Inbev 9.75% 30/07/24	1.3
Barclays 2.375% 06/10/23	1.3
Cybg 5% Var 09/02/26 GBP	1.2
Aviva 6.625% FRN 03/06/41 EMTN GBP	1.2
British Land White 2015 0% 09/06/20 Cnv Blnd GBP	1.2
Total	15.4
Total number of holdings	162

Sector breakdown (%)

	Fund	Benchmark	Difference
Financial	42.3	52.5	-10.2
Industrial	29.3	33.2	-3.9
Utility	15.0	14.3	0.7
Asset Backed	6.2	-	6.2
Government Related	3.2	-	3.2
Domestic			
Government	2.2	-	2.2
Cash	1.7	-	1.7
Total	100.0	100.0	

Credit rating of holdings (%)

	Fund	Benchmark	Difference
AAA	7.3	0.3	7.1
AA	11.2	8.5	2.8
A	22.4	36.4	-14.0
BBB	48.8	49.8	-1.0
BB or below	8.9	5.1	3.9
Cash	1.3	-	1.3
Total	100.0	100.0	

Average long term rating

	A-	BBB+
Fund		
Benchmark		

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	iBoxx £ Corporates 1-5
Sector	IA £ Corporate Bond
Fund size	£ 167.1 m
Date of launch	3 October 2016
Investment team	Sterling IG and Aggregate Team
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/>

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Interest rate exposure (IRE) (years)

	Fund	Benchmark	Difference
United Kingdom	2.16	2.80	-0.64
United States	-0.02	-	-0.02
Modified duration	2.14	2.80	-0.66

Maturity profile IRE (years)

	Fund	Benchmark	Difference
<1	0.05	0.02	0.03
1-3	0.73	0.88	-0.15
3-5	1.20	1.90	-0.71
5-10	0.16	-	0.16
Total	2.14	2.80	-0.66

Currency Exposure (%)

	Fund	Benchmark	Difference
United Kingdom Pound	99.9	100.0	-0.1
Euro	0.1	-	0.1
Total	100.0	100.0	-

Market Exposure (%)

	Fund	Benchmark	Difference
United Kingdom	44.3	42.0	2.3
United States	16.7	14.7	2.0
Germany	6.5	9.7	-3.2
France	6.4	7.0	-0.6
Australia	5.3	4.3	1.0
Switzerland	4.1	3.4	0.7
Italy	3.2	2.3	0.9
Netherlands	2.8	5.0	-2.1
Sweden	2.4	3.6	-1.3
Canada	1.6	1.1	0.5
Other	6.7	6.9	-0.2
Total	100.0	100.0	

Fund Statistics

Weighted average life vs benchmark 2.9 vs 3.0

Yields⁸ 1.45% underlying
1.45% distribution

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

Codes (Class A Inc)

SEDOL	BDGNF31
ISIN	GB00BDGNF314
BLOOMBERG	ABSSCAI LN
REUTERS	LP68384218

Additional information

Fund Type	OEIC
Domicile	United Kingdom
Currency	GBP
Registered for sale	Please refer to www.aberdeenstandard.com
Income payable	30 April, 31 July, 31 October, 31 January
Minimum investment	£500
Charges	Current initial 0.00%
Ongoing Charges Figure (OCF) ^A	0.65%
Price as at 28/02/19	98.64p
Deal closing time	12.00 noon (UK)
Daily valuation point	12.00 noon (UK)

Source: Simulated Ongoing charges Aberdeen Standard Investments as at 1 March 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 0.60% 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.

⁸The 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.
- 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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