

Aberdeen Multi-Asset Fund

Annual short report for the year ended 31 July 2013

Investment objective and policy

The investment objective of Aberdeen Multi-Asset Fund is to provide long term total return from a diversified portfolio. The Fund may invest in transferable securities and may also hold units in collective investment schemes (in particular, schemes managed by the Investment Adviser), money market instruments, warrants, derivatives and forward transactions, cash and near cash and deposits.

Risk profile

Shareholders should be aware of the risks inherent in investing in securities and other financial instruments. Financial markets can be vulnerable to unpredictable price movements and are affected by a number of factors.

The value of your investment and the revenue derived from it will rise and fall due to market and company specific factors.

The specific risk warnings relating to this fund are as follows:

- The value of your investment will rise or fall with movements in exchange rates.
- The Fund may use derivatives for both investment and hedging purposes. The use of derivatives for investment purposes will increase the risk profile of the Fund while their use in hedging may restrict potential gains in a rising market.

Cumulative performance (%)

	Period of report 31/07/2012 to 31/07/2013	5 years 31/07/2008 to 31/07/2013	Since launch 09/05/2005 to 31/07/2013
Fund - A Accumulation	14.36	48.05	87.29
Benchmark ^A	18.79	51.07	97.84

Annual discrete performance to 31 July^B

	31/07/2012 to 31/07/2013	31/07/2011 to 31/07/2012	31/07/2010 to 31/07/2011	31/07/2009 to 31/07/2010	31/07/2008 to 31/07/2009
% change	14.36	4.01	13.11	17.95	(6.70)

Source: Lipper, BPSS, Total Return, NAV to NAV, UK Net income reinvested, £.

^A Composite Benchmark (40% FTSE ALL Share, 25% MSCI World ex UK, 15% FTSE A Brit All Stocks, 5% HFRI Offshore Conservative, 5% FTSE Small Cap, 7.5% 7 Day Libid, 2.5% Macquarie Global Infrastructure 100 Index).

^B Figures are as at valuation point.

Please remember that past performance is not a guide to future returns.

The price of shares and the revenue from them may fall as well as rise.

Investors may not get back the amount originally invested.

The Aberdeen logo, featuring a stylized blue 'A' followed by the word 'Aberdeen' in a blue sans-serif font.

Market review

Overall asset performance was mixed with significant divergence between asset classes over the period under review. Risk assets, in particular, enjoyed a strong year. After an uninspiring start, markets were bolstered by central bank intervention, which largely trumped economic uncertainty and mixed corporate results for most of the period. However, assets sensitive to interest rate changes struggled in the latter stages, as fears mounted over a tapering of quantitative easing by the US Federal Reserve. Government bond valuations were driven to extreme levels. The resultant lack of yield encouraged investors to seek higher income in riskier assets, such as corporate bonds and equities.

The solid overall performance masked a stark divide in returns between, and within, regional markets. In sterling terms, global stocks returned 26.3%, as measured by the FTSE World Index. Gains were led by US stocks, as the S&P Index rose 29.2%, and Japanese equities, as the Nikkei closed 29% higher. On the other hand, emerging markets suffered, more so in the second half. The MSCI Emerging Markets Free Index posted a paltry 5.7% gain, while the Asia ex-Japan region returned 10.4%, as measured by the FTSE All World Pacific ex Japan Index.

Bond returns were also mixed. The Citigroup World Government Bond ex-UK Index lost 0.8% in sterling terms, and the UK All Stocks Gilt Index shed 3.6%.

Portfolio review

During the first half, we increased the domestic equity allocation, funded from cash, as market levels presented attractive entry points in the final few months of 2012. The allocations in other asset classes remained fairly stable with few transactions within alternatives or in bonds, with the exception of dealing in regard to fund flows.

Risk markets rallied towards the end of 2012, buoyed by the continued accommodative environment created by major central banks. As this trend matured, the fund's risk positioning was dampened. The extent to which markets, in particular equities, had advanced rapidly without any fundamental support was a concern. As risk positions were reduced, allocations to government bonds rose.

Throughout the year, we took the opportunity to increase allocations to infrastructure assets. Cash balances rose slightly towards the period-end.

Outlook

Economically, encouraging signs are beginning to emerge. However, it is also fair to say some uncertainties remain. Public-sector debt issues in Europe and the US could take several years to resolve. Growth is consequently likely to remain low for some time. A pause at least in risk assets is understandable, especially given the Federal Reserve's most recent statement and the seemingly inexorable rise of markets so far this year. Fortunately, though, investment opportunities remain. A discerning and nimble approach is perhaps prudent in the near term as markets digest and reflect on the latest news.

Portfolio breakdown

Portfolio of investments	As at 31 July 2013%	As at 31 July 2012%
United Kingdom	35.95	32.41
Europe, Middle East & Africa	8.33	7.81
North America	11.10	10.74
Latin America	1.94	2.16
Japan	1.47	1.83
Asia	4.30	6.99
Alternative Investment	14.26	13.98
Collective Investment Schemes	22.48	23.85
Futures	(0.09)	-
Investment assets	99.74	99.77
Net other assets	0.26	0.23
Net assets	100.00	100.00

Fund facts

Interim/annual accounting dates	Income payment dates
31 January, 31 July	30 April, 31 October

	Ongoing charges figure % as at 31/07/2013	Ongoing charges figure % as at 31/07/2012
Share class A	1.66	1.57
Share class I	0.96	1.07

The ongoing charges figure is calculated in accordance with the guidelines issued by the European Securities and Markets Authority. It is the ratio of the total ongoing charges to the average net asset value over twelve months and includes the annual management charge, the other operating expenses and a synthetic element of 0.11% (2012 - 0.03%), to incorporate the ongoing charges of any underlying collective investments.

On 1 October 2012 the Annual Management Charge on share class I decreased from 1.00% to 0.75%, this has resulted in a reduction to the ongoing charge.

Distribution summary

	Total distribution (p) for the year to 31/07/2013	Total distribution (p) for the year to 31/07/2012
Share class A - Income	2.2400	2.2600
Share class I - Income	2.0500	-
Share class A - Accumulation	2.4938	2.4834
Share class I - Accumulation	4.0258	3.4795

Distributions in respect of the Fund come with a tax credit of 1/9th of the amount stated. UK higher and additional rate taxpayers not holding through an ISA may have additional income to pay. Non taxpayers are not entitled to a refund of the 1/9th tax credit. Distributions received by corporate investors are subject to the corporate streaming rules.

Performance summary

	Net asset value as at 31/07/2013 pence per share	Net asset value as at 31/07/2012 pence per share	Net asset value % change
Share class A - Income	188.73	166.56	13.31
Share class I - Income	111.45	N/A	N/A
Share class A - Accumulation	212.12	184.96	14.68
Share class I - Accumulation	222.00	192.25	15.47

Net of tax and expenses.

Performance record

Calendar year		Highest share price (p)	Lowest share price (p)
2009	Income A	146.43	97.54
2009	Accumulation A	155.90	102.52
2009	Accumulation I	159.99	104.87
2010	Income A	164.75	140.14
2010	Accumulation A	177.79	149.80
2010	Accumulation I	183.36	153.82
2011	Income A	169.73	148.43
2011	Accumulation A	183.75	162.59
2011	Accumulation I	189.99	168.31
2012	Income A	172.61	159.07
2012	Accumulation A	191.69	175.09
2012 ^A	Income I	102.18	98.78
2012	Accumulation I	199.78	181.82

Calendar year		Highest share price (p)	Lowest share price (p)
2013 ^B	Income A	196.19	172.94
2013 ^B	Accumulation A	218.64	192.05
2013 ^B	Income I	116.10	102.38
2013 ^B	Accumulation I	228.51	200.18

^A I Income share class launched on 1 October 2012.

^B to 31 January 2013.

Risk and reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 July 2013.

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past.
- Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
 - Exchange rates: 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.
 - Bonds: Bonds are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may not be able to pay the bond income as promised or could fail to repay the capital amount used to purchase the bond.
- A full risk of risks applicable to this Fund can be found in the Prospectus.
- The latest risk and reward profile can be found on the Key Investor Information Document (KIID) for this Fund which is available on our website at www.berdeen-asset.co.uk

Other information

Annual Management Charge (AMC)

On 1 October 2012 the AMC on share class I decreased from 1.00% to 0.75%.

Name change – Aberdeen Unit Trust Managers Limited

As a result of a recent review of our company names, on 20 May 2013 Aberdeen Unit Trust Managers Limited changed its name to **Aberdeen Fund Managers Limited**. The name change does not affect your holdings with Aberdeen or the way in which they are managed.

Literature and Fund information

Our website contains a wealth of information on our funds and investment approach, including Key Investor Information Documents (KIIDs) for all of the funds available for investment. We also publish Supplementary Information Documents (SIDs) which contain Application forms and additional information, such as Terms and Conditions.

You can invest online and access fund performance and pricing information.

Please visit:

www.aberdeen-asset.co.uk

www.aberdeenukprices.com

Alternatively please contact our Customer Services Team on:

Tel: **0845 300 2890**

Email: customer.services@aberdeen-asset.com

Report and accounts

Copies of the annual and half-yearly long form report and accounts for this Fund are available free of charge on request to Aberdeen Fund Managers Limited.

Aberdeen Multi-Asset Fund is a sub-fund of Aberdeen Investment Funds ICVC, an open-ended investment company ('OEIC') authorised under the Financial Services and Markets Act 2000.

Aberdeen Fund Managers Limited only provides information about its own products and will not give individual financial advice. If you are in any doubt about the suitability of a product to meet your financial needs, then you should seek the advice of a financial intermediary.

The information in this report is designed to enable shareholders to make an informed judgement on the activities of the Fund during the period it covers, and the results of those activities at the end of the period. The naming of specific shares or bonds is not a recommendation to deal in them. The views expressed are those of Aberdeen Fund Managers Limited and should not be construed as advice either to buy, retain, or sell a particular investment. Investment in the Fund should generally be viewed as a long-term investment.

Appointments

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For more information on Aberdeen Asset Management PLC and our product range please visit www.aberdeen-asset.com



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