

Aberdeen Cash Fund

Interim short report for the six month period to 31 January 2013

Investment objective and policy

The investment objective of Aberdeen Cash Fund is to produce an attractive level of income commensurate with security principally by investing in cash deposits and money market instruments. The Fund may also invest in transferable securities and in collective investment schemes, including those managed by the ACD or companies related to the ACD.

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 warning relating to this fund is as follows:

- The Fund invests in a specific country market which may increase share price volatility.

Cumulative performance (%)

	Period of report 31/07/2012 to 31/01/2013	5 Years 31/01/2008 to 31/01/2013	Since launch 13/08/1990 to 31/01/2013 ^c
Fund - A Accumulation	0.17	6.03	114.87
Benchmark ^a	0.19	6.42	220.56

Annual discrete performance to 31 January^b

	31/01/2012 to 31/01/2013	31/01/2011 to 31/01/2012	31/01/2010 to 31/01/2011	31/01/2009 to 31/01/2010	31/01/2008 to 31/01/2009
% Change	0.42	0.36	0.34	0.85	3.96

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

Fund performance is shown net of standard rate tax, management fees and other expenses excluding dealing costs.

^a 3 Months GBP LIBID to 31/07/07, then 7 Day GBP LIBID.

^b Figures are as at valuation point.

^c Figures for Aberdeen Deposit Fund Unit Trust prior to 17 November 2006.

Please remember that past performance is not a guide to future returns. The price of shares and the income from them may fall as well as rise. Investors may not get back the amount originally invested.

Aberdeen Cash 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.



Market review

Global economies remained weak during the period under review and uncertainty remained high in bond markets. Central banks responded to this with further non-standard easing measures.

In Europe, concerns surrounding Spain's ability to service its debt and its ailing banking system weighed heavily on sentiment. Constant speculation surrounding Greece's future within the euro further dented confidence. In the US, Barack Obama was re-elected President. However, with the Democrats remaining in control of the Senate but the Republicans controlling the House, debt ceiling negotiations are unlikely to be straight forward.

Economic data in the UK have been weak. The economy officially came out of its double dip recession in October but the profile for future growth in 2013 has been revised down closer to 1.0%, especially in light of the poor GDP data for the final quarter of 2012. PMI survey data was disappointing throughout. Despite an uptick in manufacturing the sector remains vulnerable while both the construction and services PMI remain in contraction territory. Inflation increased over the period, with CPI ending the year at 2.7%.

In his autumn statement, Chancellor Osborne acknowledged that the UK is behind in its deficit reduction program and that austerity measures are likely to be in place for longer. Standard and poor's have also placed the UK's coveted AAA rating on negative outlook, joining both Fitch and Moody's. The Bank of England (BoE) held base rates at 0.5%, throughout, but increased the size of the asset purchase scheme (APS) by £50 billion to £375 billion, some members have indicated that further stimulus may be likely given the poor economic outlook. Others have put emphasis on the impact of the Funding for Lending Bank Scheme announced at the end of the second quarter. Figures show that to date lending to the real economy has so far been negligible.

In November two surprise announcements were made by the BoE. Coupons received by the APS were to be transferred back to the Treasury in order to reduce outstanding debt. Whilst the methodology of this transfer is consistent with procedure in the US and Japan, it does raise further credibility questions over the true independence of the BoE from the Government.

It was also announced that Mark Carney will succeed Mervyn King as Governor of the Bank of England. Currently the Governor of the Bank of Canada, Carney had been widely considered to have ruled himself out of the position. His standing in the financial industry and across political spectrums is high and the decision to appoint him was widely welcomed. It is hoped that he will bring fresh impetus to the Bank, and perhaps lead fellow members to consider other policy measures over and beyond those currently in place.

Portfolio review

Sterling Libor levels have fallen sharply; the announcement at the end of the second quarter of the additional liquidity measures through the Funding for Lending scheme has seen the curve flatten dramatically throughout the period. The 1 year rate fell by over 0.51% taking the outright rate to 0.98%. The pickup between 3month and 1 year is 0.47%, whereas previously it had been 0.74%.

The maturity profile of the fund was extended during July in order to take advantage of the potential yield falls we have seen. Maturities in the earlier part of the period were sold down early and reinvested long to continue to benefit from any further yield compression, the weighted average maturity of the

fund was extended to circa 95 days although following the contraction in yields into year end this has fallen to circa 78 days. This strategy has worked well throughout although it has been difficult to find quality issuers in the longer maturities. For liquidity we have preferred the 3-6 month area particularly towards the end of the reporting period as there has been little reward in reinvesting longer with the curve now so flat. We have continued to opportunistically add some additional yield through short dated fixed rate bonds and floating rate notes.

Outlook

Economic data in the UK remains weak. The inflation outlook is likely to provide growing concerns for the MPC, although more importantly for now is the negative outlook on growth. Sir Mervyn King has suggested that a degree of flexibility is needed around the inflation mandate of the Bank, also stating that the Bank is ready to act as appropriate. Mark Carney, the incoming Governor in June, backed up this view by commenting that the focus for monetary policy maybe tolerating higher than target inflation in the quest for growth. It remains to be seen whether further stimulus is forthcoming.

Portfolio breakdown

Portfolio of investments	As at 31 January 2013 %	As at 31 July 2012 %
Certificates of deposit	40.20	39.36
Fixed Deposits	-	2.62
Call Accounts	8.08	3.68
Commercial Papers	20.06	42.20
Corporate Bonds	30.97	12.09
Investment assets	99.31	99.95
Net other assets	0.69	0.05
Net assets	100.00	100.00

Fund facts

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

	Ongoing charges figure % as at 31/01/2013	Ongoing charges figure % as at 31/07/2012
Share class A	0.63	0.63
Share class I	0.38	0.38
Share class Z	0.13	0.13

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 0.01% to incorporate the ongoing charges of any underlying fund investments.

Distribution summary

	Total distribution (p) for the period to 31/01/2013	Total distribution (p) for the period to 31/01/2012
Share class A - Income	0.19000	0.19000
Share class I - Income	0.27000	0.29000
Share class A - Accumulation	0.21070	0.20993
Share class I - Accumulation	0.30192	0.32243
Share class Z - Accumulation	0.50481	0.49956

Distributions in respect of A and I shares are stated net of 20% income tax withheld. Distributions in respect of Z shares are stated gross of income tax. UK higher and additional rate taxpayers not holding through an ISA may have additional income tax to pay. Non taxpayers are entitled to a refund of income tax withheld. Corporate investors may have an additional liability to corporation tax.

Corporate investors may have an additional liability to corporation tax. Corporate investors may be entitled to a refund of income tax withheld to the extent that it exceeds their corporation tax liability.

Performance summary

	Net asset value as at 31/01/2013 pence per share	Net asset value as at 31/07/2012 pence per share	Net asset value % change
Share class A - Income	100.00	100.03	(0.03)
Share class I - Income	100.00	100.03	(0.03)
Share class A - Accumulation	111.06	110.89	0.16
Share class I - Accumulation	112.05	111.77	0.25
Share class Z - Accumulation	104.14	103.66	0.46

Net of tax and expenses.

Performance record

Calendar year		Highest share price (p)	Lowest share price (p)
2008	Income A	101.06	99.69
2008	Income I	101.10	99.69
2008	Accumulation A	108.64	104.44
2008	Accumulation I	108.76	104.49
2009	Income A	100.76	99.96
2009	Income I	100.81	99.96
2009	Accumulation A	109.84	108.66
2009	Accumulation I	110.17	108.78
2009 ^A	Accumulation Z	101.09	100.00
2010	Income A	100.18	99.93
2010	Income I	100.21	99.94

Calendar year		Highest share price (p)	Lowest share price (p)
2010	Accumulation A	110.19	109.84
2010	Accumulation I	110.73	110.18
2010	Accumulation Z	102.01	101.11
2011	Income A	100.16	99.96
2011	Income I	100.21	99.95
2011	Accumulation A	110.58	110.18
2011	Accumulation I	111.33	110.74
2011	Accumulation Z	103.01	102.03
2012	Income A	100.19	99.97
2012	Income I	100.23	99.96
2012	Accumulation A	111.10	110.59
2012	Accumulation I	112.08	111.34
2012	Accumulation Z	104.11	103.02
2013 ^B	Income A	100.13	100.11
2013 ^B	Income I	100.17	100.13
2013 ^B	Accumulation A	111.11	111.09
2013 ^B	Accumulation I	112.12	112.08
2013 ^B	Accumulation Z	104.17	104.11

^A Share class Z launched on 1 April 2009.

^B to 31 January 2013.

Top ten holdings

% of Fund as at 31/01/2013		% of Fund as at 31/07/2012	
Aberdeen Liquidity Fund (LUX) Sterling Fund	8.08	Paccar Financial Europe 0% 31/08/12	4.41
Skandinaviska Enskilda Banken 0%			
27/03/13	6.45	Swedbank 0% 28/09/12	4.41
Barclays Bank 1.85% 09/05/13	4.32	Aberdeen Liquidity Fund (LUX) Sterling Fund	3.68
ING Bank 1.85% 25/04/13	4.32	BPCE 0% 03/09/12	3.67
BNP Paribas 0.64% 15/05/13	4.31	DZ Privatbank 0% 20/12/12	3.30
		Skandinaviska Enskilda Banken 0%	
UBS 0.66% 12/04/13	4.31	27/03/13	3.28
Deutsche Bank London 0.53% 12/02/13	4.30	Societe Generale 0.88% 19/10/12	2.94
Pohjola Bank 0% 29/04/13	4.30	Mitsubishi Bank 0.69% 11/09/12	2.94
Suncorp-Metway 0% 26/04/13	4.30	Deutsche Bank 0.6% 19/10/12	2.94
Standard Chartered Bank 0% 17/07/13	4.29	DNB Norbank 0% 06/08/12	2.94

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

- This Fund is ranked at 1 because funds of this type have experienced very low 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 risk of investing in this Fund:
- No specific risk

Other information

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 a Supplementary Information Document which contains 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

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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 Unit Trust 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

Authorised Corporate Director (ACD)

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