

Aberdeen Multi-Manager Cautious Managed Portfolio

Interim short report for the six month period to 30 April 2014

Investment objective and policy

To achieve income and capital growth by the adoption of a cautious investment approach. Investment will be primarily in shares or units of collective investment schemes. Up to 60% of the Portfolio will be invested in collective investment schemes which invest mainly in equities or which pursue a strategy mainly linked to equity investment.

The Portfolio may also invest in other collective investment schemes including those which invest in fixed income holdings. The Portfolio may also invest directly in transferable securities, money market instruments, near cash, cash and deposits.

Cumulative performance (%)

	Period of report 31/10/2013 to 30/04/2014	5 years 30/04/2009 to 30/04/2014	Since launch 10/08/2001 to 30/04/2014
Fund - R Accumulation	0.36	52.53	90.82

Annual discrete performance to 30 April

	30/04/2013 to 30/04/2014	30/04/2012 to 30/04/2013	30/04/2011 to 30/04/2012	30/04/2010 to 30/04/2011	30/04/2009 to 30/04/2010
% change	5.91	12.27	(2.16)	6.86	22.69

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

Figures are as at valuation point.

No benchmark.

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

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

Investors may not get back the amount originally invested.

Manager's review

Global equities rose during the period under review. The outgoing chairman of the US Federal Reserve (Fed), Bernanke announced the beginning of tapering against improving economic data. European equities continued to recover, especially domestically-focused businesses as sentiment improved, driven by positive economic growth and lower borrowing costs in the periphery. However, in 2014 market volatility returned, driven in January by slower Chinese growth data, and towards the end of the period, the Russian annexation of Crimea.

Portfolio review

Over the six-month period under review, portfolio returns were driven by developed market equities with European and UK fund selections performing particularly well. The funds that look for under-valued companies (value-oriented) focused on the domestic market in Europe and those that invest in stocks that benefit the most from an upturn in the business cycle in the UK, were the primary drivers of returns, such as JO Hambro UK Growth and Henderson European Focus. Countering the solid performance in the UK and Europe, emerging markets and Japan posted negative returns. Coupland Cardiff Asia Alpha had a particularly difficult period as it targets companies with high growth expectations (growth strategies) while investors focused on cyclical-value sectors and regions. The returns generated from the American positions were hampered by the weakening US dollar for sterling-based investors. Growth strategies also underperformed relative to value-oriented managers with Threadneedle American Extended Alpha lagging behind. In absolute terms the returns from the Japanese holdings in Pictet Japanese Equity Opportunities and GLG Japan Core Alpha were both negative, although relative to the peer group both funds delivered top-quartile performance. Within the fixed-income holdings, the strategic bond funds performed well with the best fixed-income returns coming from Schroder Strategic Bond, while Legal & General Dynamic Bond and Jupiter Strategic Bond also delivered solid gains. Similar to equity markets, emerging market bonds had a volatile period which was the key reason for the negative return from Liontrust Global Strategic Bond. In portfolio changes, we sold Schroder UK Opportunities after having benefited from a strong cyclical recovery in UK domestic stocks. The proceeds were reinvested into Threadneedle UK Extended Alpha which is more defensively positioned. At the end of the period, the manager of the Legal & General Dynamic Bond fund resigned, leading us to begin to exit the position and reinvest the proceeds into GLG Strategic Bond.

Outlook

Interestingly, global markets trended higher despite emerging market growth concerns and Ukrainian geopolitical tensions. Focus has now shifted from the headwind of US Fed tapering, to when base rates will rise. However, rate hikes are dependent upon improved economic conditions. For the markets to keep rising, we need to see evidence of stronger growth translating into better profits for businesses. In our recent meetings with underlying fund managers, we were not surprised by lower market expectations, although they were confident that corporate earnings would rise. Hence, although we believe the gradual shift away from loose monetary policy will cause periodic spikes in volatility, we see this as a transition phase in the context of more robust long-run returns.

Portfolio breakdown

Portfolio of investments	As at 30 April 2014 %	As at 31 October 2013 %
UK Equities	32.74	34.20
European Equities	10.04	8.05
North American Equities	4.33	8.10
Japanese Equities	3.71	3.96
Asia Pacific Equities	4.76	4.62
UK Fixed Interest	-	12.68
Global Fixed Interest	37.61	25.36
Hedge Fund	-	0.60
Futures	-	(0.09)
Investment assets	93.19	97.48
Net other assets	6.81	2.52
Net assets	100.00	100.00

Fund facts

	Interim/annual accounting dates	Income payment dates
	30 April, 31 October	30 June, 31 December

	Ongoing charges figure % as at 30/04/2014	Ongoing charges figure % as at 31/10/2013
Unit class R	2.31	2.36
Unit class I	1.31	1.36
Unit class P	1.81	1.86

The Committee of European Securities Regulators (now named the European Securities and Markets Authority), introduced new methodology in 2012 for the calculation of ongoing charges figures which replaced total expense ratios. 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 0.74% (2013, 0.78%) to incorporate the ongoing charges of underlying fund investments.

Distribution summary

	Total distribution (p) for the period to 30/04/2014	Total distribution (p) for the period to 30/04/2013
Income R	0.89000	1.3900
Accumulation R	1.23678	1.8921
Income I	0.79000	1.1500
Accumulation I	0.81336	1.1598
Accumulation P	0.82244	1.1173

Distributions in respect of the Fund come with a tax credit of 1/9th of the amount stated. UK higher rate taxpayers not holding through an ISA may have additional income tax 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 30/04/2014 pence per unit	Net asset value as at 31/10/2013 pence per unit	Net asset value % change
Income R	130.58	130.46	0.09
Accumulation R	182.70	181.29	0.78
Income I	113.25	112.65	0.53
Accumulation I	117.41	115.98	1.23
Accumulation P	116.64	115.46	1.02

Net of tax and expenses.

Performance record

Calendar year		Highest unit price (p)	Lowest unit price (p)
2009	Income R	113.73 ^C	88.55 ^D
2009	Accumulation R	145.88 ^C	111.28 ^D
2010	Income R	124.16 ^C	106.52 ^D
2010	Accumulation R	162.90 ^C	138.01 ^D
2011	Income R	126.07 ^C	106.10 ^D
2011	Accumulation R	165.90 ^C	140.74 ^D
2012	Income R	123.57 ^C	109.71 ^D
2012	Accumulation R	165.36 ^C	146.80 ^D
2012 ^A	Income I	102.79	99.37
2012 ^A	Accumulation I	103.67	100.00
2012 ^B	Accumulation P	103.56	100.00

Calendar year		Highest unit price (p)	Lowest unit price (p)
2013	Income R	132.35	119.37
2013	Accumulation R	182.42	162.50
2013	Income I	114.33	102.41
2013	Accumulation I	116.84	103.28
2013	Accumulation P	116.24	103.16
2014 ^E	Income R	133.11	128.78
2014 ^E	Accumulation R	184.97	178.96
2014 ^E	Income I	115.28	111.43
2014 ^E	Accumulation I	118.69	114.73
2014 ^E	Accumulation P	117.98	114.09

^A I unit class launched 1 October 2012.

^B P unit class launched 1 October 2012.

^C Highest offer unit price.

^D Lowest bid unit price.

^E to 30 April 2014.

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 30 April 2014.

- This Fund is ranked at 4 because funds of this type have experienced average 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:
- 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.
- 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.
- This Fund can use derivatives in order to meet its investment objectives. This may result in gains or losses that are greater than the original amount invested.
- A full list of risks applicable to this Fund can be found in the Prospectus.

Other information

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.

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

Portfolio Tracker Tool

Keep track of your investments and the performance of funds with Aberdeen's online Portfolio Tracker tool. Portfolio Tracker gives you an up-to-date view of the value of all your investments, even those that you hold with other investment houses. You can login or register for this tool at

www.aberdeen-asset.co.uk/portfoliotracker

Aberdeen Multi-Manager Cautious Managed Portfolio is a sub-fund of Aberdeen Funds, an authorised unit trust scheme classified as a non-UCITS retail scheme and structured as an umbrella scheme under the COLL Sourcebook and was established by a trust deed entered into between the Manager and the Trustee dated 3 July 2001 (as amended) ("the Trust Deed") and was authorised by the FSA (replaced by the Financial Conduct Authority on 1 April 2013) on 5 July 2001.

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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