ASI Emerging Markets Bond Fund

(From 7 August 2019 the fund name was amended from Aberdeen Emerging Markets Bond Fund to ASI Emerging Markets Bond Fund)

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Performance Data and Analytics to 31 August 2019

Objectives and investment policy

Objective: To generate income and some growth over the longer term (5 years or more) by investing in emerging markets corporate and/or government bonds.

Please note: Our factsheets will be fully updated to reflect the 7 August 2019 changes to the Investment Objective and Policy, including benchmark use, shortly. In the interim, please see the KIID which can be found at https://www.aberdeenstandard.com/en/uk/investor/fund-centre#literature for full up to date information.

Performance (%)

					Annualised		
	1 month	3 months	6 months	1 year	3 years	5 years	Launch
Fund	-0.70	4.41	5.48	11.01	2.70	2.94	3.02
Benchmark	0.59	4.97	6.67	11.57	3.34	4.53	4.28
Difference	-1.29	-0.56	-1.19	-0.56	-0.64	-1.59	-1.26
Sector average	-2.02	5.89	9.85	15.43	4.48	5.96	4.09
Sector ranking	9/32	26/32	27/32	25/31	24/29	22/26	7/19
Quartile	2	4	4	4	4	4	2

Discrete annual returns (%) - year ended 31/08

	2019	2018	2017	2016	2015
Fund	11.01	-7.81	5.85	15.25	-7.41

Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	11.11	-8.15	9.84	13.18	-4.40
Benchmark	12.01	-6.01	9.11	9.86	1.25
Difference	-0.91	-2.13	0.74	3.32	-5.66
Sector average	11.77	-3.21	4.81	24.42	-3.80
Sector ranking	22/32	29/30	1/30	25/32	14/30
Quartile	3	4	1	4	2

Performance Data: Share Class I Acc
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.
The comparator shown may be used for risk monitoring and portfolio construction purposes, as well as to provide a performance comparator; it is not an integral part of the Objective and Investment Policy for the fund and should not be considered as such.
Past performance is not a guide to future results.

Fund manager's report

Events that dominated emerging market (EM) newsflow during August included the proposed re-profiling of approximately US$100 billion of Argentine debt. This increased investors' concerns for the country's solvency outlook. An escalation of the US-China trade war was another key influence. The US announced fresh tariffs of 10% on the remaining US$300 billion worth of imports from China. This prompted Chinese authorities to suspend purchases of US agricultural products. The 10-year US Treasury yield fell 52 basis points (bps) to 1.50% at the end of August. This followed favourable remarks from the US Federal Reserve Chairman Jerome Powell regarding further easing. The US-China trade dispute also continued to affect oil markets, with demand slowing amid recession fears while US supply has been increasing. As a result, the Brent crude oil price fell 7.27% over the month, reaching US$60.43 per barrel at the end of August.

In hard currency debt, the JP Morgan EMBI Global Diversified Index (hedged into GBP) returned 0.59%. The benchmark spread widened by 34bps to 353bps over US Treasuries. A negative spread return almost entirely offset the positive effect of US Treasury yields. The divergence between investment grade and high yield assets in EM was prominent in August. Investment grade posted robust gains of 4.16% while high yield fell -2.87%. Investment grade countries such as Qatar, Uruguay, Saudi Arabia, Panama, and Colombia led performance, due to their greater US Treasury sensitivity. On the other hand, Argentina and Lebanon were the worst performers. In Argentina, Alberto Fernandez, the opposition candidate, won the primary presidential election against the incumbent, President Mauricio Macri. The result shook investors, sending Argentine assets into freefall and prompting authorities to announce debt re-profiling plans. Lebanon's foreign currency liquidity position continued to deteriorate. This prompted ratings agency Fitch to downgrade the country's rating by two notches to CCC. Meanwhile, Standard & Poor's announced a six-month review period before potentially downgrading Lebanon from its current rating of B-.

During the period, we increased hard currency positions in Qatar, Sri Lanka and Saudi Arabia sovereign bonds, while continuing to reduce holdings in Argentina. We reduced exposure to Angola, Costa Rica, Ghana and Lebanon. In corporate space, we increased holdings in UAE and Bahrain, through quasi-sovereign Investment Corporation of Dubai and Oil and Gas Holdings respectively, while selling positions in Malaysia-based Genting.

Risk factors should be read in conjunction with all warnings and comments given in the prospectus for the fund.

Top ten holdings	%
Saudi Arabian Oil Co 4.25% 16/04/39	2.1
Bahamas Cmnwlth 6% 21/11/28	2.0
Saudi Intl Bond 5% 17/04/49	1.8
ICD Sukuk Co 5% 01/02/27 EMTN USD	1.6
Qatar (State Of) 4.817% 14/03/49	1.6
Indonesia (Rep Of) 8.375% 15/03/34 Fr68 IDR	1.5
Petroleos Mexicanos 6.5% 13/03/27	1.5
Gabonese (Rep Of) 6.375% 12/12/24	1.4
Dominican (Rep Of) 7.45% 30/04/44	1.4
Ukraine (Rep Of) 7.75% 01/09/24	1.3
Total	**16.2**
Total number of holdings	**227**

Credit rating of holdings (%)

	Fund	Benchmark	Difference
AA	4.5	5.6	-1.0
A	7.0	13.6	-6.7
BBB	26.7	32.2	-5.5
BB	19.6	19.3	0.3
B	35.2	25.0	10.2
CCC	5.0	3.9	1.1
CC	0.6	0.2	0.4
D	1.0	0.2	0.8
Cash	0.5	–	0.5
Total	**100.0**	**100.0**	
Average long term rating	**BB**	**BB+**	

Figures may not always sum to 100 due to rounding.

Market Exposure (%)

	Fund	Benchmark	Difference
Indonesia	8.7	4.3	4.4
Mexico	7.0	4.5	2.5
Saudi Arabia	5.8	3.4	2.5
United Arab Emirates	5.0	2.5	2.5
Ukraine	4.7	2.4	2.4
Egypt	4.4	2.4	2.1
Dominican Republic	4.2	2.4	1.8
Qatar	4.0	2.9	1.1
Ecuador	3.3	2.3	1.0
United Kingdom	2.9	–	2.9
Other	49.9	72.9	-23.1
Total	**100.0**	**100.0**	

Key information

Benchmark	JPM EMBI Global Diversified (Hedged GBP 100%)
Sector	IA Global Emerging Markets Bond
Fund size	£ 124.1 m
Date of launch	1 October 2012
Investment team	Global Emerging Market Debt
Fund advisory company	Aberdeen Asset Managers Limited

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ASI Emerging Markets Bond Fund

Currency Exposure (%)

	Fund
United Kingdom Pounds	93.7
India Rupee	2.0
Brazilian Real	1.9
Indonesian Rupiah	1.1
Uruguayan Peso	1.0
Chinese Yuan	0.9
Euro	0.1
Mexican Peso	0.1
United States Dollar	-0.9
Total	**100.0**

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Fund Statistics

Modified duration vs benchmark	**6.9 vs 7.4**
Weighted average life vs benchmark	**10.9 vs 11.7**
Yield to Maturity	**5.5 vs 4.8**
Yields[C]	**4.82% underlying 5.73% distribution**

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

Codes (I Acc)

SEDOL	**B5L9HN2**
ISIN	**GB00B5L9HN22**
BLOOMBERG	**ABEEBI2 LN**
REUTERS	**LP68179428**
VALOREN	**12678061**

Additional information

Fund type	**OEIC**
Domicile	**United Kingdom**
Currency	**GBP**
Registered for sale	**Please refer to www.aberdeenstandard.com**
Minimum investment	**£500,000**
Charges	**Current initial 0.00%**
Ongoing Charges Figure (OCF)[B]	**0.91%**
Price as at 31/08/19	**122.86p**
Deal closing time	**12.00 noon (UK)**
Daily valuation point	**12.00 noon (UK)**

Source: Simulated Ongoing charges Aberdeen Standard Investments as at 1 December 2018.

[B]The 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 0.75% 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.

[C]The 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.
- Exchange Rates: The Fund may have holdings which are denominated in different currencies and may be affected by movements in exchange rates. Consequently, the value of the Fund's investments and the income from them may rise or fall in line with exchange rates.
- Emerging Markets: Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries and this may mean your money is at greater risk.
- 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.
- Derivatives: This Fund can use derivatives in order to meet its investment objective. The use of derivatives may result in greater fluctuations in the value of the Fund, and may increase the magnitude of any losses.
- A full list of risks applicable to this Fund can be found in the Prospectus.

Other important information:

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All sources (unless indicated): Aberdeen Standard Investments 31 August 2019.