

# Aberdeen Emerging Markets Bond Fund

I Inc

## Performance Data and Analytics to 30 June 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 70% or more of its total net assets in corporate bonds or government bonds based in emerging market countries.

### Performance (%)

	1 month	3 months	6 months	1 year	Annualised			Launch
					3 years	5 years		
Fund	3.38	3.64	10.01	8.94	4.07	3.03		2.95
Benchmark	3.22	3.56	10.15	10.27	3.98	4.45		4.14
Difference	0.16	0.08	-0.14	-1.33	0.10	-1.41		-1.19

### Discrete annual returns (%) - year ended 30/06

	2019	2018	2017	2016	2015
Fund	8.94	-4.40	8.23	6.02	-2.85

### Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	10.01	-8.14	9.83	13.17	-4.35
Benchmark	10.15	-6.01	9.11	9.86	1.25
Difference	-0.14	-2.12	0.72	3.32	-5.60

Performance Data: Share Class I 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.

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

June was the best month for emerging market (EM) debt since January. The dovish tilt from the US Federal Reserve (Fed) and the European Central Bank drove this. A resumption of trade negotiations between the US and China also provided some respite to high-beta EM assets. Investors had been increasingly pricing that the Fed would begin cutting its policy rate in June. However, the Federal Open Markets Committee meeting resulted in no policy rate action. The 10-year US Treasury yield declined by 13 basis points (bps), reaching 2.00% at the end of June. This provided a beneficial environment for new issuers. A number of countries issued in the primary market, including Peru, Russia, Serbia, Ukraine, Croatia, Indonesia and Sri Lanka. Chile concluded an inaugural green bond issuance in both euros and US dollar-denominated structures, which received strong demand and achieved record-low yields. Expectations of further oil production cuts caused the price of Brent crude oil to rise by 8.6% over the month, reaching US\$66.55 per barrel.

In hard currency debt, the JP Morgan EMBI Global Diversified Index (hedged into GBP) returned 3.22%. Meanwhile, the benchmark spread compressed by 32bps to 346bps over US Treasuries. Positive spread returns drove performance, while US treasury yield compression also helped. By credit quality, high yield bonds outperformed investment grade assets, with both registering positive returns. In country terms, the positive performance was broad-based, with just Venezuela registering a negative return. Mozambique topped the returns table, as authorities reached a creditor-friendly agreement in principle on its bonds maturing in 2023. The next highest returns came from Argentina, Ukraine and African countries, which were helped by the rising oil price.

In hard currency debt, we reduced our holdings in Turkey, Argentina, Albania and Tunisia sovereign bonds, while increasing exposure in Qatar via longer-maturity bonds. We participated in a new euro-denominated issue from Serbia and a US dollar 10-year bond from Sri Lanka. In corporate debt, we added positions in Suzano, a Brazilian paper company, Puma, a Singapore-based energy company, and Bahraini quasi-sovereign Oil & Gas Holdings. In local currency, we partially switched some of our Argentine index-linked bonds into non-deliverable forwards.

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/>



Top ten holdings	%
Argentina (Rep Of) 7.5% 22/04/26 WI USD	2.3
Bahamas Cmnwlth 6% 21/11/28	2.0
Saudi Arabian Oil Co 4.25% 16/04/39	1.7
El Salvador (Rep Of) 5.875% 30/01/25	1.5
Indonesia (Rep Of) 5.875% 15/01/24	1.4
Indonesia (Rep Of) 8.375% 15/03/34 Fr68 IDR	1.4
Dominican (Rep Of) 6.85% 27/01/45	1.4
Saudi Intl Bond 5% 17/04/49	1.4
Petroleos Mexicanos 6.5% 13/03/27	1.4
Gabonese (Rep Of) 6.375% 12/12/24	1.3
<b>Total</b>	<b>15.8</b>
<b>Total number of holdings</b>	<b>238</b>

Credit rating of holdings (%)	Fund	Benchmark	Difference
AA	3.4	4.0	-0.6
A	6.1	12.7	-6.6
BBB	25.0	31.8	-6.9
BB	19.5	19.6	-0.1
B	40.1	28.7	11.4
CCC	3.9	2.7	1.3
C	1.2	0.4	0.8
Cash	0.8	-	0.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

Average long term rating	BB	BB+
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Figures may not always sum to 100 due to rounding.

Market Exposure (%)	Fund	Benchmark	Difference
Indonesia	9.0	4.2	4.8
Mexico	6.9	4.5	2.4
Saudi Arabia	5.0	2.4	2.6
Egypt	4.6	2.4	2.2
Dominican Republic	4.2	2.5	1.7
Argentina	4.1	2.4	1.7
Ukraine	3.8	2.5	1.4
United Arab Emirates	3.8	1.8	2.0
Ecuador	3.4	2.5	0.9
Qatar	2.9	2.1	0.9
Other	52.3	72.7	-20.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

Key information	
Benchmark	JPM EMBI Global Diversified (Hedged GBP 100%)
Sector	IA Global Emerging Markets Bond
Fund size	£ 125.6 m
Date of launch	1 October 2012
Investment team	Global Emerging Market Debt
Fund advisory company	Aberdeen Asset Managers Limited

[www.aberdeenstandard.co.uk](http://www.aberdeenstandard.co.uk)

# Aberdeen Emerging Markets Bond Fund

## 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:

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.

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

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Currency Exposure (%)	
	Fund
United Kingdom Pounds	92.4
Indonesian Rupiah	2.4
Brazilian Real	2.1
India Rupiah	2.0
Argentine Peso	1.1
Chinese Yuan	0.9
Euro	0.2
United States Dollar	-1.3
<b>Total</b>	<b>100.0</b>

Figures may not always sum to 100 due to rounding.

Fund Statistics	
Modified duration vs benchmark	6.8 vs 7.1
Weighted average life vs benchmark	11.1 vs 11.4
Yield to Maturity	5.9 vs 4.9
Yields <sup>c</sup>	5.26% underlying 6.01% distribution

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

Codes (I Inc)	
SEDOL	B5V8SG9
ISIN	GB00B5V8SG93
BLOOMBERG	ABEEB11 LN
REUTERS	LP68179427
VALOREN	12678070

Additional information	
Fund Type	OEIC
Domicile	United Kingdom
Currency	GBP
Registered for sale	Please refer to www.aberdeenstandard.com
Income payable	31 January, 28 February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October, 30 November, 31 December
Minimum investment	£500,000
Charges	Current initial 0.00%
Ongoing Charges Figure (OCF) <sup>a</sup>	0.91%
Price as at 30/06/19	84.37p
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.

<sup>a</sup>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.

<sup>c</sup>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

Broker desk 0800 592 487  
Customer services 0345 300 2890  
Dealing 0800 833 580

All sources (unless indicated): Aberdeen Standard Investments  
30 June 2019.

[www.aberdeenstandard.co.uk](http://www.aberdeenstandard.co.uk)