

# Aberdeen European High Yield Bond Fund

I Inc

Performance Data and Analytics to 31 March 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 sub-investment grade bonds issued by companies, governments and other organisations based in the UK or other European countries.

## Performance (%)

	1 month	3 months	6 months	1 year	Annualised		Launch
					3 years	5 years	
Fund	0.83	3.94	-1.13	-0.28	3.97	3.54	5.54
Benchmark	1.17	5.40	1.95	3.10	6.21	4.98	7.03
Difference	-0.34	-1.46	-3.07	-3.39	-2.25	-1.44	-1.50

## Discrete annual returns (%) - year ended 31/03

	2019	2018	2017	2016	2015
Fund	-0.28	4.87	7.46	2.88	2.92

## Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	3.94	-4.23	6.08	7.50	5.11
Benchmark	5.40	-2.38	7.64	10.20	1.90
Difference	-1.46	-1.85	-1.56	-2.70	3.21

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.

Past performance is not a guide to future results.

## Fund manager's report

- European high yield had another strong month of total returns, despite the rally slowing in pace. Primary market supply picked up with €4.8bn issued, bringing the year-to-date total to €9.4bn, down 40% on last year.
- The European Central Bank and US Federal Reserve continued to be dovish, providing comfort to markets. Data from the Eurozone shows persistent weakness, demonstrated by auto sector profit warnings from BMW and Schaeffler. G3 bond yields fell sharply.
- The first quarter of 2019 has proven to be one of the strongest quarters for asset class returns in recent history. The Brexit impasse continued, yet sterling related assets displayed little concern.

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/>

**AberdeenStandard**  
Investments



Top ten holdings	%
Altice 7.25% 15/05/22 Regs EUR	2.6
Telecom Italia 1.125% 26/03/22 Cnv EUR	2.3
Galaxy Finco 7.875% 15/11/21 Regs GBP	1.8
Lincoln Finance 6.875% 15/04/21 Regs EUR	1.8
Entertainment One 6.875% 15/12/22 Regs GBP	1.7
Lloyds Banking Group 7% Var Perp GBP	1.7
Mizzen Bondco 7% 01/05/21 Regs GBP	1.7
Unitymedia 3.75% 15/01/27	1.7
Cybg 8% Var Perp GBP	1.6
Telecom Italia Fin 7.75% 24/01/33 EMTN EUR	1.6
<b>Total</b>	<b>18.5</b>

Total number of holdings 129

Credit rating of holdings (%)	Fund	Benchmark	Difference
BBB	6.5	2.6	3.9
BB	37.8	68.7	-31.0
B	44.2	25.8	18.4
CCC	9.5	2.8	6.7
CC or below	–	0.1	-0.1
Unrated	1.1	–	1.1
Cash	0.9	–	0.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

Cash includes cash at bank, outstanding settlements, call account cash, fixed deposits, cash used as margin and profit/losses on both derivative positions and forward currency contracts. Where bonds are split rated between two or more of S&P, Moody's and Fitch, the data shown takes a more conservative approach, splitting lower. This may not be consistent with the arrangement agreed in the prospectus, which may detail taking a higher rating where there is a split. In the absence of any agency ratings an internal Fund Manager rating may be applied. The benchmark shown reflects ratings from S&P, Moody's and Fitch only. This may differ from the ratings used by the benchmark provider detailed in the prospectus.

## Key information

Benchmark	Merrill Lynch European Currency High Yield Constrained (Hedged GBP 100%)
Sector	IA £ High Yield
Fund size	£ 79.6 m
Date of launch	1 October 2012
Investment team	Euro HY and Global Leverage Loans Team
Fund advisory company	Aberdeen Asset Managers Limited

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

# Aberdeen European High Yield Bond Fund

## Market Exposure (%)

	Fund	Benchmark	Difference
United Kingdom	33.0	15.1	17.9
United States	15.8	11.3	4.6
Netherlands	9.2	9.1	0.1
Germany	8.9	9.4	-0.5
Luxembourg	7.5	6.3	1.2
France	5.1	11.0	-5.9
Italy	5.0	13.7	-8.7
Sweden	2.6	2.4	0.2
Spain	2.1	6.3	-4.2
Israel	2.0	1.7	0.3
Other	8.8	13.7	-2.6
Total	100.0	100.0	

## Currency Exposure (%)

	Fund
United Kingdom Pounds	99.8
Other	0.2
Total	100.0

  

Sector breakdown	%
Media	14.9
Financial Services	10.4
Telecommunications	10.3
Healthcare	9.8
Transportation	8.0
Travel & Leisure	8.0
Services	7.6
Banking	7.5
Capital Goods	5.0
Retail	4.0
Other	13.6
Cash	0.9
Total	100.0

Figures may not always sum to 100 due to rounding.

## Fund Statistics

Effective duration vs benchmark	2.7 vs 3.3
Weighted average life	4.6 vs 4.8
Yields <sup>A</sup>	4.51% underlying 5.21% distribution

## Codes (I Inc)

SEDOL	B5MFPK2
ISIN	GB00B5MFPK25
BLOOMBERG	ABBYHII LN
REUTERS	LP68179425
VALOREN	12680269

## Additional information

Fund Type	OEIC
Domicile	United Kingdom
Currency	GBP
Registered for sale	Please refer to <a href="http://www.aberdeenstandard.com">www.aberdeenstandard.com</a>
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>B</sup>	0.81%
Price as at 31/03/19	98.89p
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>B</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 0.70% 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. 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.
- 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.
- 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.

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<sup>A</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.

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

All sources (unless indicated): Aberdeen Standard Investments  
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