

# ASI Ethical Corporate Bond Fund

Platform 1 Acc GBP



30 September 2021

## Objective

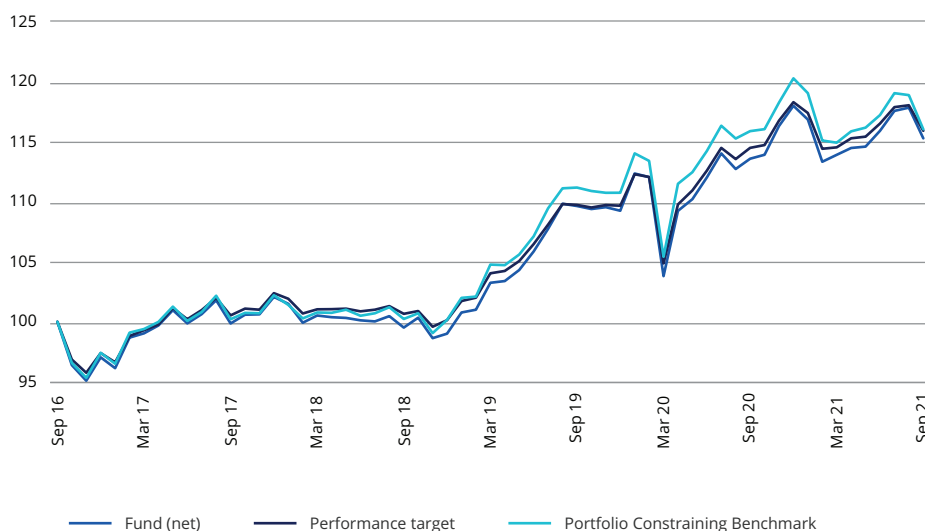
To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated investment grade corporate bonds which meet the ethical criteria as set out in the investment manager's ethical investment policy.

**Performance Target:** To exceed the IA £ Corporate bond Sector Average return (after charges) over 1 year and to be top quartile over three years. The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target. The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the sector.

## Portfolio securities

- The fund will invest at least 60% in Sterling denominated investment grade corporate bonds issued anywhere in the world.
- The fund may invest in bonds, issued anywhere in the world by governments and corporations, such as sub-sovereigns sub-investment grade, inflation-linked, convertible, asset backed and mortgage backed bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money market instruments and cash.
- All investments will comply with the ethical investment policy. The fund uses negative criteria to avoid investing in companies that operate to a degree in certain areas, including but not limited to those deriving revenue from animal testing, weaponry, pornography and gambling services. In addition to excluding such companies which operate in certain industries and activities, the fund will seek to include companies whose business activities are regarded as making a positive contribution in terms of preserving the environment or improving the quality and safety of human life. In making an assessment of whether business activities make a positive contribution, the investment manager will make reference to the UN Global Compact to define the areas where the fund seeks to invest in companies with positive business practices and services. The areas include human rights, labour rights, environmental safeguards and combating bribery and corruption. Please refer to the ethical investment policy for further detail.

## Performance



## Cumulative and annualised performance

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (net) (%)	-2.17	1.21	-2.30	1.49	5.02	2.89
Performance target (%)	-1.80	1.20	-2.02	1.23	4.81	3.05
Portfolio constraining benchmark (%)	-2.40	0.97	-3.53	0.13	5.00	3.02
Sector ranking	69/97	43/97	60/97	47/97	31/91	47/82
Quartile	3	2	3	2	2	3

## Discrete annual returns - year to 30/9

	2021	2020	2019	2018	2017
Fund (net) (%)	1.49	3.59	10.18	-0.34	-0.13
Performance target (%)	1.23	4.33	9.01	0.13	0.79
Portfolio constraining benchmark (%)	0.13	4.23	10.92	0.02	0.21
Sector ranking	47/97	59/94	22/91	82/90	54/82
Quartile	2	3	1	4	3

Performance Data: Share Class Platform 1 Acc GBP.

Benchmark history: Performance target/Performance comparator – IA Sterling Corporate Bond Sector Average

Source: abrdn (Fund & Benchmark) and Morningstar (Sector). Basis: Total Return, NAV to NAV, UK Net/Gross Income Reinvested.

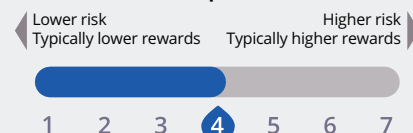
"Fund (Net)" refers to the actual unit price performance of the shareclass shown; "Fund(Gross)" adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark. These figures do not include the initial charge; if this is paid it will reduce performance from that shown.

**Past performance is not a guide to future returns and future returns are not guaranteed.**

## Key facts

Fund manager(s)	Mark Munro
Fund managers start date	01 March 2014
Fund launch date	02 November 2005
Share class launch date	30 May 2012
Authorised corporate director (ACD)	Aberdeen Standard Fund Managers Limited
Fund size	£450.5m
Number of holdings	251
Performance target/Performance comparator	IA Sterling Corporate Bond Sector Average
Portfolio constraining benchmark	Markit iBoxx Sterling Collateralized & Corporates
Yield to maturity <sup>1</sup>	2.20%
Entry charge (up to) <sup>2</sup>	0.00%
Annual management charge	0.50%
Ongoing charge figure <sup>3</sup>	0.66%
Minimum initial investment	GBP 1,000,000
Fund type	OEIC
Valuation point	12:00 (UK time)
Base currency	GBP
Sedol	B708KW4
ISIN	GB00B708KW45
Bloomberg	SLECP1A LN
Citicode	10GR
Domicile	United Kingdom

## Risk and reward profile



This indicator reflects the volatility of the fund's share price over the last five years. See Key Investor Information Document (KIID) for details.

## Key risks

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.

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Management process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation), analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the iBoxx Sterling Collateralized & Corporates Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ('tracking error') between the returns of the fund and the index, is not ordinarily expected to exceed 3%. Due to the ethical nature of the management process, the Fund's performance profile may deviate significantly from that of the iBoxx Sterling Collateralized & Corporates Index.
- Please Note: The Fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

Top ten issuers (%)

EIB	3.7
Thames Water Utilities Finance PLC	2.7
Barclays PLC	2.7
E.ON International Finance BV	2.6
HSBC Holdings PLC	2.5
Heathrow Funding Ltd	1.8
BNP Paribas SA	1.8
AT&T Inc	1.8
Virgin Money UK PLC	1.6
Deutsche Bank AG	1.5
Assets in top ten issuers	22.7

Maturity (%)

0-5 years	30.1
5-10 years	27.6
10-15 years	18.5
15-20 years	10.6
20-25 years	5.9
25-30 years	2.9
30+ years	4.4

Source : abrdn 30/09/2021  
Figures may not always sum to 100 due to rounding.

Sector (%)

Financials	37.5
Utilities	16.6
Real Estate	15.3
Industrials	5.9
Telecommunication Services	5.9
Supranational	3.4
Quasi Sovereign	2.8
Consumer Discretionary	1.8
Consumer Staples	0.5
Cash and Other	10.3

Credit rating (%)

AAA	8.8
AA	1.4
A	27.9
BBB	51.9
BB	9.3
B	0.5
CC	0.4
N/R	-0.2

- (f) Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- (g) The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

Risk stats

Alpha^	0.70
Beta^	1.00
Fund Volatility^	6.30
Modified Duration	7.80

Source : abrdn. ^ Three year annualised.

Derivative usage

- The fund will make routine use of derivatives to reduce risk, reduce cost and/ or generate extra income or growth consistent with the risk profile of the fund (often referred to as 'Efficient Portfolio Management').
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

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To help you understand this fund and for a full explanation of risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website [www.aberdeenstandard.com](http://www.aberdeenstandard.com) The Prospectus also contains a glossary of key terms used in this document.

<sup>1</sup>Yield to Maturity as at 30/09/2021 is the yield that would be realised on a bond or other debt instrument if the security was held until the maturity date.

<sup>2</sup>These are the maximum charges that we might take out of your money before it is invested. In some cases, the charges may be less and you should speak to your financial advisor about this.

<sup>3</sup>The Ongoing Charge Figure (OCF), is the overall cost shown as a percentage of the value of the assets of the fund. It is made up of the Annual Management Charge (AMC) of 0.50% and other charges. It does not include any initial charges or the cost of buying and selling stocks for the fund. The Ongoing Charges figure can help you compare the annual operating expenses of different funds.

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