Aberdeen European High Yield 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 sub-investment grade bonds issued by companies, governments and other organisations based in the UK or other European countries.

Performance (%)

					Annualised		
	1 month	3 months	6 months	1 year	3 years	5 years	Launch
Fund	1.91	2.63	6.68	3.11	4.63	3.71	5.73
Benchmark	2.48	2.65	8.21	6.68	6.52	5.05	7.18
Difference	-0.57	-0.02	-1.53	-3.57	-1.89	-1.34	-1.45

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

	2019	2018	2017	2016	2015
Fund	3.11	1.66	9.27	2.81	1.90

Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	6.68	-4.23	6.08	7.50	5.11
Benchmark	8.21	-2.38	7.64	10.20	1.90
Difference	-1.53	-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 bounced back with a return of 2.4%, the strongest monthly return since 2016.
- Central bank rhetoric was the key driver of the improvement in sentiment as both the US Federal Reserve and European Central Bank expressed their willingness to ease monetary policy if required, which the market interpreted as being highly likely in the near future.
- A truce in the trade war between the US and China, agreed at the G20 late in the month, was an important step towards a trade deal being agreed, with talks expected to resume imminently.
- Higher quality bonds outperformed lower-rated credits in the period, with BBs returning 2.5%, while Bs returned 2.1%.

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/

The Adviser Centre Recommended

Top ten holdings	%
Telecom Italia 1.125% 26/03/22 Cnv EUR	2.6
Unitymedia 3.75% 15/01/27	1.9
Telecom Italia Fin 7.75% 24/01/33 EMTN EUR	1.8
Mizzen Bondco 7% 01/05/21 Regs GBP	1.8
Cybg 8% Var Perp GBP	1.7
Nidda Healthcare 3.5% 30/09/24	1.7
PGH Cap 6.625% 18/12/25 GBP	1.6
Worldpay Finance 3.75% 15/11/22 Regs EUR	1.6
Nassa Topco 2.875% 06/04/24 Regs EUR	1.6
Ziggo Bond Finance 4.625% 15/01/25 Regs Eur	1.5
Total	**17.8**
Total number of holdings	**125**

Credit rating of holdings (%)

	Fund	Benchmark	Difference
AA	0.1	–	0.1
BBB	6.8	2.4	4.4
BB	33.9	68.2	-34.3
B	44.8	26.6	18.2
CCC	9.1	2.7	6.4
CC or below	–	0.1	-0.1
Unrated	1.2	–	1.2
Cash	4.1	–	4.1
Total	**100.0**	**100.0**	

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	**£ 76.2 m**
Date of launch	**1 October 2012**
Investment team	**Euro HY and Global Leverage Loans**
Fund advisory company	**Aberdeen Asset Managers Limited**

Aberdeen European High Yield Bond Fund

Market Exposure (%)

	Fund	Benchmark	Difference
United Kingdom	32.7	14.7	18.0
United States	16.0	11.7	4.4
Germany	9.0	9.1	-0.1
Netherlands	7.3	8.8	-1.5
Luxembourg	7.2	7.3	–
Italy	6.3	14.1	-7.8
France	4.4	10.7	-6.3
Sweden	2.8	2.8	–
Denmark	2.5	0.8	1.7
Israel	2.0	1.6	0.4
Other	9.8	18.4	-2.6
Total	**100.0**	**100.0**	

Currency Exposure (%)

	Fund
United Kingdom Pounds	99.7
Euro	0.9
Total	**100.0**

Sector breakdown	%
Media	12.8
Telecommunications	12.3
Healthcare	11.1
Financial Services	9.7
Travel & Leisure	7.0
Services	6.9
Capital Goods	6.6
Banking	6.6
Transportation	6.5
Retail	4.5
Other	11.9
Cash	4.1
Total	**100.0**

Figures may not always sum to 100 due to rounding.

Fund Statistics

Effective duration vs benchmark	3.9 vs 4.1
Modified duration (years)	3.9 vs 4.1
Weighted average life	4.6 vs 4.8
Yield to maturity (%)	4.5 vs 4.2
Yields[A]	4.53% underlying 5.23% 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 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)[B]	0.81%
Price as at 30/06/19	100.16p
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 0.70% 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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[A]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.

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