

Aberdeen Emerging Markets Bond Fund

I Inc

Performance Data and Analytics to 28 February 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		
					3 years	5 years	Launch
Fund	1.36	6.09	5.25	-2.29	6.34	3.20	2.41
Benchmark	0.85	6.23	4.60	1.01	5.17	4.72	3.58
Difference	0.51	-0.15	0.65	-3.30	1.17	-1.53	-1.17

Discrete annual returns (%) - year ended 28/02

	2019	2018	2017	2016	2015
Fund	-2.29	4.87	17.34	-5.72	3.25

Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	5.33	-8.14	9.83	13.17	-4.35
Benchmark	5.01	-6.01	9.11	9.86	1.25
Difference	0.32	-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

Market review

After a strong rally in January, February performance was mixed across emerging markets asset classes. The yield on the 10-year US Treasury reversed its January rally following stronger economic data releases, and rose by eight basis points (bps) to 2.72% by the end of the month. The crude oil price rallied from January's level of US\$62 per barrel to US\$66 as production cuts continued across OPEC+ members, while supply from Iran and Venezuela was negatively affected by US sanctions. The US dollar appreciated against most major currencies, as European data continued to disappoint.

In hard currency debt, the JP Morgan EMBI Global Diversified index (hedged into GBP) returned 0.85%, while the benchmark spread narrowed by 21bps to 337bps over US Treasuries. This continues the trend started in January. Credit performance was positive, yet partly offset by a negative US Treasuries return. In terms of credit quality, investment grade bonds continued to underperformed high yield assets. However, the magnitude of underperformance was much lower than in January. Ecuador was the best performing credit as it reached a staff-level agreement with the International Monetary Fund on an Extended Fund Facility, as well as larger-than-expected funding commitments from multilateral organisations. There were also strong returns from Costa Rica, Egypt, Belize, Kenya and Oman, where a mix of positive developments and technical factors drove the outperformance. In contrast, laggards included Venezuela, where US sanctions have severely reduced the liquidity of both sovereign and PDVSA securities; and Mozambique, where a restructuring deal for the Eurobond has been delayed due to new information on secret loans and the corruption surrounding them.

Fund Comment

During the period, we reduced our position in Lebanon, Ecuador, Oman and Namibia, taking advantage of the strong market to reduce positions which we believed had achieved fair value. We also participated in a new issue from Egypt, purchasing 5, 10 and 30 year tranches which were issued at a discount to the country's existing bonds. We also bought a new long-dated issue from Paraguay. In local currency space, we reduced our Brazil holding in favour of adding to Mexico. In corporate space, we added to our Chinese property holdings via a Shimao new issue.

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	2.5
Argentina (Rep of) FRN 21/06/20 POM ARS	1.5
El Salvador (Rep Of) 5.875% 30/01/25	1.4
Indonesia (Rep Of) 5.875% 15/01/24	1.4
Gabonese (Rep Of) 6.375% 12/12/24	1.3
Dominican (Rep Of) 6.85% 27/01/45	1.3
Saudi Intl Bond 5% 17/04/49	1.3
Lebanese (Rep of) 6.1% 04/10/22	1.2
Dominican (Rep Of) 7.45% 30/04/44	1.2
Mexico (United Mexican States) 6.05% 11/01/40 MTN USD	1.2
Total	14.3
Total number of holdings	224

Credit rating of holdings (%)	Fund	Benchmark	Difference
AA	1.2	1.4	-0.2
A	4.7	11.8	-7.1
BBB	25.6	35.2	-9.6
BB	17.2	20.5	-3.4
B	37.6	27.3	10.3
CCC	3.2	3.1	0.1
C	-	0.1	-0.1
D	1.6	0.7	1.0
Cash	8.9	-	8.9
Total	100.0	100.0	

Average long term rating

Figures may not always sum to 100 due to rounding.

Market Exposure (%)	Fund	Benchmark	Difference
Mexico	7.5	4.7	2.8
Indonesia	7.2	4.3	2.9
Argentina	5.2	2.7	2.5
United Kingdom	5.2	-	5.2
Egypt	4.5	2.5	2.0
Dominican Republic	4.1	2.6	1.5
Ecuador	3.6	2.6	1.0
Ukraine	3.6	2.5	1.1
Turkey	3.5	3.5	-
United Arab Emirates	3.1	0.6	2.5
Other	52.5	74.0	-20.4
Total	100.0	100.0	

Key information	
Benchmark	JPM EMBI Global Diversified (Hedged GBP 100%)
Sector	IA Global Emerging Markets Bond
Fund size	£ 117.9 m
Date of launch	1 October 2012
Investment team	Global Emerging Market Debt Team
Fund advisory company	Aberdeen Asset Managers Limited

www.aberdeenstandard.co.uk

Aberdeen Emerging Markets Bond Fund

Currency Exposure (%)	
	Fund
United Kingdom Pounds	92.9
India Rupiah	1.8
Argentine Peso	1.5
Peruvian Nuevo Sol	1.3
Indonesian Rupiah	1.0
Mexican Peso	1.0
Chinese Yuan	0.9
Euro	0.3
Brazilian Real	0.1
United States Dollar	-0.8
Total	100.0

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Fund Statistics	
Modified duration vs benchmark	5.8 vs 6.8
Weighted average life vs benchmark	9.9 vs 11.1
Yield to Maturity	6.5 vs 5.5
Yields ^c	5.63% underlying 6.38% 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) ^b	0.91%
Price as at 28/02/19	82.72p
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.

^aThe 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.

^cThe 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:

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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