

# Aberdeen Ethical World Equity Fund

Class I Acc

Performance Data and Analytics to 28 February 2019



## Objectives and investment policy

Objective: To increase the value of the shareholder's investment over the long term (capital growth).

Investment policy: The Fund invests 80% or more of its total net assets in worldwide equities. The Manager will choose investments based on thorough Fundamental company analysis including ethical and socially responsible criteria. These criteria include the environment, employee relations, product quality and international operations.

The Fund's equity investments can include all types of equities and equity related securities.

## Performance (%)

	1 month	3 months	6 months	1 year	Annualised		Launch
					3 years	5 years	
Fund	1.22	-0.22	-4.08	0.80	13.69	7.40	-
Benchmark	1.60	-1.36	-5.18	3.48	15.12	11.96	-
Difference	-0.39	1.14	1.09	-2.68	-1.43	-4.56	-
Sector average	2.34	-0.23	-5.63	1.85	13.37	9.75	-
Sector ranking	193/222	91/221	51/220	121/206	69/184	140/168	-
Quartile	4	2	1	3	2	4	-

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

	2019	2018	2017	2016	2015
Fund	0.80	7.68	35.38	-12.53	11.21

## Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	5.29	-5.20	13.53	31.11	-10.13
Benchmark	6.05	-3.09	13.34	29.59	4.34
Difference	-0.76	-2.10	0.19	1.52	-14.47
Sector average	7.13	-5.78	14.17	24.03	4.08
Sector ranking	195/222	87/205	96/201	25/198	187/190
Quartile	4	2	2	1	4

Performance Data: Share Class I Acc

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

Global equities remained buoyant in February, lifted by hopes that the US could reach a trade deal with China. US President Donald Trump pushed back a March 1 deadline that would have seen new tariffs imposed on Chinese imports. The US Federal Reserve signalled that it remained committed to its patient approach to further hikes. In the UK, Prime Minister Theresa May seemed to be running down the clock as she postponed a parliamentary vote on another Brexit deal to March.

Meanwhile, global economic data underlined slowing momentum in most markets. The US economy missed the government's 2018 growth targets, albeit marginally, as the boost from tax cuts faded. The European Commission revised downwards growth projections for the Eurozone. Germany narrowly avoided a return to recession in the fourth quarter. The UK grew less than forecast in the same period and businesses there cut investments for the fourth straight quarter, the longest slump since the global financial crisis. In Japan, January exports fell the most since October 2016, against a backdrop of similar declines in the export-dependent economies of China, Singapore, South Korea and Taiwan. Nevertheless, China was seen to be showing signs of recovery as key stocks and commodities rose, and smaller firms became more confident.

In corporate news, Anglo-Dutch energy giant Royal Dutch Shell posted fourth-quarter earnings that beat estimates, driven by higher oil and gas prices and bigger contributions from its crude oil and LNG trading. Contract chipmaker Taiwan Semiconductor Manufacturing Co downgraded earnings forecasts for the first quarter after defective chemicals disrupted an advanced factory.

Elsewhere, Mexican bottler and retailer Femsa's fourth-quarter profits rose almost six-fold from a year ago, driven by higher sales at Oxxo stores and a low-base effect. Earnings sank in the same period last year following a change in reporting for Femsa's Coca-Cola bottling unit in Venezuela.

In corporate news, contract chipmaker Taiwan Semiconductor Manufacturing Co downgraded earnings forecasts for the first quarter after defective chemicals disrupted an advanced factory. South Korea's Samsung Electronics unveiled new phone models, including a foldable smartphone and a 5G phone, with higher prices.

Asia-focused conglomerate Jardine Matheson posted healthy growth in underlying profits for 2018, driven by its holdings in auto group Astra International and developer HongKong Land. Its supermarket retail chain Dairy Farm, however, turned in a lacklustre performance.

We introduced four companies that we thought were of good quality and merited a place in the portfolio: US retailer Costco has a solid franchise and good business model with the opportunity to improve returns further; US tech firm Microsoft should

**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

	Country	%
Visa Inc	United States	3.6
AIA Group Ltd	Hong Kong	3.4
Samsung Electronics Co Ltd	South Korea	3.0
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan	3.0
Check Point Software Technologies Ltd	Israel	2.8
Alphabet Inc	United States	2.5
Banco Bradesco SA	Brazil	2.5
Keyence Corp	Japan	2.5
Schlumberger Ltd	United States	2.5
TJX Cos Inc/The	United States	2.5

**Total** 28.3

**Total number of holdings** 55

## Country breakdown

	%
United States	27.6
Japan	10.6
Hong Kong	9.7
United Kingdom	8.2
Singapore	4.4
Taiwan	4.4
China	4.1
Switzerland	3.7
Canada	3.4
South Korea	3.0
Other	19.9
Cash	1.0
<b>Total</b>	<b>100.0</b>

## Sector breakdown

	%
Financials	29.9
Technology	20.9
Industrials	16.9
Consumer Services	10.8
Telecommunications	7.5
Consumer Goods	5.3
Oil & Gas	4.7
Other	3.0
Cash	1.0
<b>Total</b>	<b>100.0</b>

## Key information

Benchmark	FTSE World
Sector	IA Global
Fund size	£ 131.0 m
Date of launch	1 May 1999
Investment team	Global Equity Team
Fund advisory company	Aberdeen Asset Managers Limited
Historic Yield	0.96% (Class I Acc)

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continue to benefit from the structural shift to cloud-based services; Japanese baby product maker Pigeon has a diversified portfolio of brands which are known for their quality and durability, giving it a solid competitive edge; US managed healthcare company UnitedHealth is well-positioned to continue to drive efficiencies in the healthcare market.

To fund these, we pared Japan's Mitsubishi Estate and US tech firm Oracle Corp. We also trimmed consumer credit reporting firm Experian following its recent share-price strength. We reduced fastfood chain operator Yum China following its recent share-price strength.

Fund risk statistics		
	3 years	5 years
Annualised Standard Deviation of Fund	9.60	10.07
Annualised Standard Deviation of Index	10.07	9.76
Beta	0.89	0.93
Sharpe Ratio	1.58	0.88
Annualised Tracking Error	3.65	4.33
Annualised Information Ratio	0.17	-0.59
R-Squared	0.87	0.82

Source: Aberdeen Standard Investments, Total Return, Gross of Fees, BPSS, Datastream.

Please note that risk analytics figures are calculated on gross returns whereas the performance figures are based on net asset value (NAV) returns. In addition, the risk analytics figures lag the performance figures by a month.

Codes (Class I Acc)	
SEDOL	0683393
ISIN	GB0006833932
BLOOMBERG	MUREWCA LN
REUTERS	LP60010600
VALOREN	830854
WKN	A0MSSN

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>
Minimum investment	£500,000
Charges	Current initial 0.00%
Ongoing Charges Figure (OCF) <sup>A</sup>	1.12%
Price as at 28/02/19	279.26p
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 1.00% 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.

## 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.
- 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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All sources (unless indicated): Aberdeen Standard Investments  
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