ASI Diversified Income Fund

(From 7 August 2019 the fund name was amended from Aberdeen Diversified Income Fund to ASI Diversified Income Fund)

I Acc

Performance Data and Analytics to 31 August 2019

Objectives and investment policy

Objective: To generate a positive return through income and some capital growth over the long term (5 years or more) by investing in a globally diversified portfolio of assets whilst reducing the risk of losses.

Please note: Our factsheets will be fully updated to reflect the 7 August 2019 changes to the Investment Objective and Policy, including benchmark use, shortly. In the interim, please see the KIID which can be found at https://www.aberdeenstandard.com/en/uk/investor/fund-centre#literature for full up to date information.

Performance (%)

					Annualised		
	1 month	3 months	6 months	1 year	3 years	5 years	Launch
Fund	-2.31	0.10	0.16	-1.31	2.11	3.45	4.63

Discrete annual returns (%) - year ended 31/08

	2019	2018	2017	2016	2015
Fund	-1.31	0.25	7.62	12.64	-1.19

Calendar year performance (%)

	Year to date	2018	2017	2016	2015
Fund	3.58	-5.26	7.24	13.72	-1.24

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.

Past performance is not a guide to future results.

Fund manager's report

Market review

Global equities produced a negative return in August as concerns surrounding slowing global growth and trade tensions continued to weigh on investor sentiment. There was a sell-off in global equities mid-month when China announced it was preparing to put tariffs on $75bn of US imports, and President Trump responded with a plan to increase levies on Chinese goods while telling US companies to "immediately" find alternatives to China. Both sides toned down their rhetoric thereafter, which led to a modest recovery in global equities.

Following a strong performance year to date, local currency emerging market debt gave back some of these gains in August. The most notable detractors to performance were Argentina and Brazil. In Argentina the peso declined and bonds sold off as fears of a return to populism intensified after the Peronist opposition candidate won nationwide primary polls by a larger margin than expected, two months before presidential elections. This was followed by the country requesting more time to pay $101bn of debts, with market analysts pointing to a potential sovereign default by the South American nation. We reduced our exposure to Argentina in July as we were becoming increasingly cautious in the run up to the election. In Brazil President Bolsonaro has been slow to implement his reform agenda as he has been embroiled in controversy, the most recent of these being the deforestation of the Amazon.

Burford Capital, the litigation finance provider, was subject to an aggressive short-seller attack by Muddy Waters during the month, causing its share price to halve. Burford produced a detailed rebuttal to the Muddy Waters report highlighting a range of factual inaccuracies and analytical errors. They also announced several changes to governance. We had been engaging with the company on improving its governance structure and the proposed changes are in line with our suggestions. We believe that there is no accurate material new information in the Muddy Waters report, although there are numerous misleading statements and inaccuracies. The FCA is investigating claims of possible market manipulation surrounding the short-selling attack. We believe that the shares are now extremely attractively priced, albeit technical factors may act as a headwind in the near-term.

Portfolio changes

Our exposure to infrastructure increased as we added to Greencoat UK Wind, which invests in a portfolio of predominantly onshore wind assets in the UK.

Our exposure to asset-backed securities increased as we added to the Neuberger Berman CLO Income Fund. This UCITS fund invests in US and European mezzanine collateralised loan obligations.

Risk factors should be read in conjunction with all warnings and comments given in the prospectus for the fund.

Top ten holdings (excluding cash)	%
TwentyFour Asset Backed Opportunities Fund	3.1
Prytania Diversified Asset Backed Securities Fund	3.1
HICL Infrastructure*	2.7
Intl Public Partner*	2.5
P2P Global Investments*	2.3
Brazil 10% 01/01/25	2.3
Fair Oaks Dynamic Credit Fund	2.1
BioPharma Credit*	2.1
TwentyFour Income*	2.0
John Laing Group	1.7
Total	**23.9**
Total number of holdings	**341**

*Closed-ended Investment Company.

Top 10 holdings may exclude investments in cash funds.

Where the Fund invests in an open-ended collective investment scheme which is operated or managed by the ACD/the Manager or an associate of the ACD/the Manager, no additional annual management charge will be incurred by the Fund on such an investment.

Asset allocation	%
Emerging Market Bonds	29.3
Listed Equity	20.9
Asset Backed Securities	15.0
Infrastructure	11.3
Special Opportunities	10.0
Property	8.7
Absolute Return	1.3
Private Equity	1.1
Insurance Linked	0.7
Cash	**1.6**
Total	**100.0**

Key information	
Target	**1 month GBP LIBOR + 5%pa Gross, over rolling 5 year periods**
Sector	**IA Mixed Investment 20-60% Shares**
Fund size	**£ 211.9 m**
Date of launch	**1 October 2012**
Investment team	**Diversified Assets Team**
Fund advisory company	**Aberdeen Asset Managers Limited**
Historic Yield	**5.16% (I Acc)[B]**

[B]The Historic Yield reflects distributions declared over the past twelve months as a percentage of the mid-market share price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. The fund charges 100% of the annual management charge to capital. This has the effect of increasing distributions for the year and constraining the fund's capital performance to an equivalent extent.

ASI Diversified Income Fund

Codes (I Acc)	
SEDOL	B1C4277
ISIN	GB00B1C42779
BLOOMBERG	ABMDI2A LN
REUTERS	LP68175040
VALOREN	2725835

Additional information	
Fund type	OEIC
Domicile	United Kingdom
Currency	GBP
Registered for sale	Please refer to www.aberdeenstandard.com
Minimum investment	£1,000,000
Charges	Current initial 0.00%
Ongoing Charges Figure (OCF)[C]	0.78%
Price as at 31/08/19	136.76p
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.

[C]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 0.60% 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.
- 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.
- 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.
- 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.
- REITs: The Fund may invest in real estate investment trusts (REITs) which themselves invest directly in real estate. Under adverse market or economic conditions, such assets may become difficult to buy or sell or experience a drop in value.
- 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 Standard OEIC I, 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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Broker desk 0800 592 487
Customer services 0345 300 2890
Dealing 0800 833 580

All sources (unless indicated): Aberdeen Standard Investments 31 August 2019.