

# ASI Strategic Bond Fund

I Inc GBP



31 March 2022

## Objective

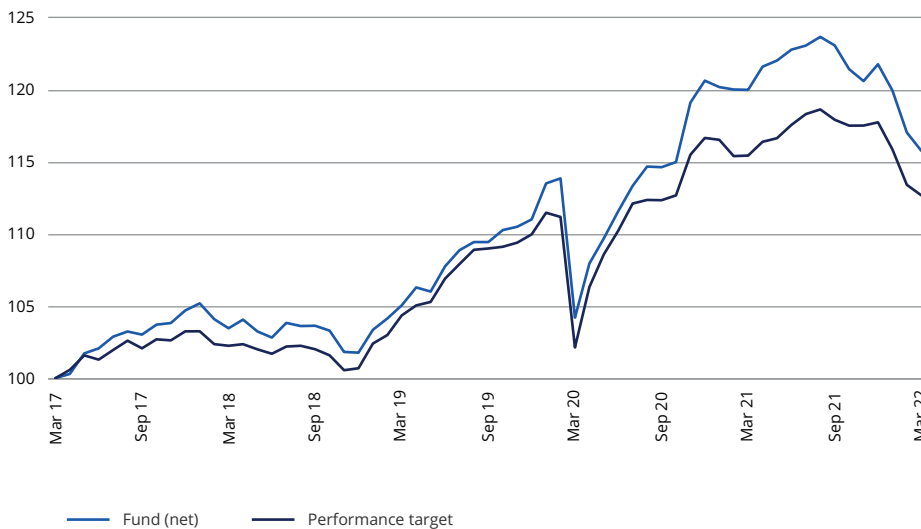
To generate income and some growth over the long term (5 years or more) by investing in government and corporate bonds issued anywhere in the world.

**Performance Target:** To exceed the IA Sterling Strategic Bond Sector Average return over 1 year (after charges) and be top quartile over rolling three year periods. 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. It has been chosen as the target as the constituents of the sector have similar aims and objectives.

## Portfolio securities

- The fund will invest at least 80% in bonds issued anywhere in the world by governments, sub-sovereigns and corporations.
- The fund may invest in investment grade, emerging market, high yield, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- At least 80% of the Fund's investments will be in Sterling or will be subjected to techniques to reduce (hedge) risk related to currency movements on non-Sterling investments. The fund has some flexibility to seek returns from currencies.
- The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash.

## Performance



## Cumulative and annualised performance

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)
Fund (net) (%)	-1.08	-5.92	-4.93	-3.50	3.30	2.98
Performance target (%)	-0.66	-4.47	-4.33	-2.41	2.57	2.41
Sector ranking	63/90	72/89	46/73	60/88	26/79	24/71
Quartile	3	4	3	3	2	2

## Discrete annual returns - year to 31/3

	2022	2021	2020	2019	2018
Fund (net) (%)	-3.50	15.18	-0.82	1.54	3.46
Performance target (%)	-2.41	12.99	-2.13	2.06	2.27
Sector ranking	60/88	24/73	33/74	49/74	21/71
Quartile	3	2	2	3	2

Performance Data: Share Class I Inc.

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

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

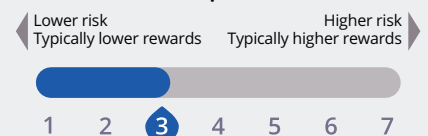
“Fund (Net)” refers to the actual unit price performance of the shareclass shown; “Fund(Gross)” adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark. These figures do not include 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)	Roger Webb
Fund managers start date	02 June 2015
Fund launch date	11 September 2015
Share class launch date	11 September 2015
Authorised corporate director (ACD)	Aberdeen Standard Fund Managers Limited
Fund size	£111.9m
Number of holdings	356
Performance target/Performance comparator	IA Sterling Strategic Bond Sector Average
Yield to maturity exc derivatives <sup>1</sup>	4.64%
Distribution frequency	Quarterly
Entry charge (up to) <sup>2</sup>	0.00%
Annual management charge	0.50%
Ongoing charge figure <sup>3</sup>	0.62%
Minimum initial investment	GBP 1,000,000
Fund type	OEIC
Valuation point	12:00 (UK time)
Base currency	GBP
Sedol	BWK2805
ISIN	GB00BWK28051
Bloomberg	STBDIIN LN
Citicode	MOZH
Reuters	LP68332896
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 emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

## Management process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- The team also seek to reduce the risk of losses and the expected change (as measured by annual volatility) in the value of the fund, is not ordinarily expected to exceed 8%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the average fund of the IA Sterling Strategic Bond Sector Average over the long term.
- 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 Holdings

UK (Govt of) 0.25% 2031	5.0
Electricite De France 5.875% PERP	2.1
Tesco Property 5.774% 2040	2.1
Lloyds Banking Group 2.707% 2035	1.8
Bank of Nova Scotia 4.65% PERP	1.6
Coinbase Global 3.625% 2031	1.5
Novo Banco 8.5% 2028	1.5
Deutsche Bank 7.125% Perp	1.4
Anglian Water Osprey Fin 4% 2026	1.4
Aviva 4.375% 2049	1.4
<b>Assets in top ten holdings</b>	<b>19.8</b>

## Country (%)

United Kingdom	43.9
United States of America	13.4
France	8.1
Spain	4.7
Germany	4.3
Australia	4.1
Netherlands	2.8
Canada	2.0
Other	15.7
Cash	0.9

Source : abrdn 31/03/2022

Figures may not always sum to 100 due to rounding.

## Credit rating (%)

AAA	2.6
AA	5.2
A	4.8
BBB	43.2
BB	32.6
B	9.5
CCC	3.3
N/R	-1.2

## Composition by asset (%)

Financials	39.8
Consumer Discretionary	11.2
Government	9.2
Real Estate	7.8
Utilities	7.1
Telecommunication Services	5.6
Industrials	4.1
Quasi Sovereign	3.6
Cash	0.9
Other	10.7

- (e) The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- (f) 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.
- (g) 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.
- (h) 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

Fund Volatility <sup>^</sup>	6.58
Sharpe Ratio <sup>^</sup>	0.64
Effective duration (years)	4.88

Source : abrdn. ^ Three year annualised.

## Derivative usage

- The fund will routinely use 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 can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions").
- 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.abrdn.com](http://www.abrdn.com) The Prospectus also contains a glossary of key terms used in this document.

<sup>1</sup>Yield to Maturity as at 31/03/2022 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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