Aberdeen Standard Multi-Asset Income Fund

Monthly factsheet - performance data and analytics to 30 June 2020

Investment objective

To invest across a range of asset classes with the aim of delivering an income yield each year that exceeds the RBA Cash Rate as well as capital growth over the medium to long term.

Investment strategy

The Fund's investment strategy primarily focusses on delivering an income yield to investors, at a rate determined at the start of each financial year.

The investment strategy also aims to generate capital growth over the medium to long term to mitigate the effects of inflation.

The Fund may invest in income generating strategies across a range of asset classes including Australian equities, International equities, property securities, fixed income, sub investment grade credit, alternatives, cash and short maturity income.

Within the Australian equities and property securities components of the portfolio, the Fund's investment strategy aims to produce tax effective returns through the bias towards companies with high levels of franking credits and tax deferred income.

The Fund may also invest in derivatives for hedging, risk management or for investment purposes. Fund volatility will be controlled through the use of active asset allocation and effective diversification of assets.

Performance (%)

	1 Month	3 Months	1 Year	Per annum 3 Years	Per annum 5 Years	Per annum Since Inception[1]
Distribution return	0.43	1.17	4.08	4.74	4.51	4.96
Growth return	1.04	5.83	-11.47	-4.64	-2.36	-0.08
Aberdeen Standard Multi-Asset Income Fund net returns[2]	1.47	7.01	-7.38	0.10	2.15	4.88
Aberdeen Standard Multi-Asset Income Fund gross returns[3]	1.53	7.20	-6.72	0.82	2.88	5.64

1. This figure represents the annualised performance of the Fund from the first full month of operation.
2. Net performance figures are calculated using end-of-month exit prices, post standard fees, reflect the annual reinvestment of distributions and make no allowance for tax or franking credits. If investing through an IDPS Provider, the total after fees performance returns of your investment in the Fund may be different from the information we publish due to cash flows specific to your portfolio and any fees charged by the IDPS Provider.
3. Gross performance figures are calculated using end-of-month exit prices, pre-fees, reflect the annual reinvestment of distributions and make no allowance for tax. These returns are provided for the purpose of wholesale investors only. Retail investors should refer to net returns.
Please note: Prior to 1 April 2010, the Fund was known as the Sustainable Income Fund. Prior to 10 October 2008, the Fund was known as the Capital Stable Fund. Performance and distribution history prior to 10 October 2008 can be provided by the Aberdeen Standard Investments' Client Service Team on request.
Past performance is not a reliable indicator of future results.

Performance review

The fund posted a gross return of 1.53% in June. Most assets in MAIF contributed to performance. Notably, buoying the fund were the allocations to Australian Equities, Frontier Market Bonds, Syndicated Loans, and the Diversified Income Fund.

Australian share prices rose in June as well as over the second quarter. Sentiment continued to be

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Portfolio structure and investment parameters (%)[4,5]

	Fund	SAA[6]	Min/Max
Australian Equities[7]	31.7	35	0 - 50
International Equities[7]	10.2	10	0 - 15
Property Securities[7]	2.5	2	0 - 50
Alternatives[7]	14.6	9	0 - 15
Growth Assets	**59.0**	**56**	
Fixed Income	11.4	13	0 - 50
Sub-inv. Grade Credit	27.9	29	0 - 35
Cash and short maturity income	1.7	2	0 - 70
Income Assets	**41.0**	**44**	

4. We will provide you with information about any changes to the Fund's strategic asset allocation via our website at www.aberdeenstandard.com.au, where permitted by law.
5. Currency hedging of the Fund's non-Australian dollar denominated assets may vary between 0-100%. Please see the 'Currency risk' section in the PDS for more information about currency hedging.
6. Strategic Asset Allocation from 25 July 2019. May not equal 100% due to rounding.
7. Maximum combined exposure of these assets is 65%.

Top ten equity holdings (%)

	Fund
Commonwealth Bank	2.9
Telstra	2.4
BHP Group	2.2
AusNet Services	1.9
Spark New Zealand	1.7
ASX	1.6
Goodman Group	1.6
Rio Tinto	1.5
APA Group	1.5
Medibank Private	1.4
Total	**18.7**

Distribution yield (%)[8] vs cash (%)[9]

	Fund	Cash
2019/2020 Financial Year	3.8	0.6
2018/2019 Financial Year	6.2	1.3
2017/2018 Financial Year	4.4	1.5
2016/2017 Financial Year	5.0	1.5
2015/2016 Financial Year	4.6	2.0
2014/2015 Financial Year	5.1	2.3
2013/2014 Financial Year	4.0	2.5
2012/2013 Financial Year	5.1	3.2
2011/2012 Financial Year	6.4	4.3
2010/2011 Financial Year	6.5	4.7

Income estimate for 2020/21 Financial Year

Pre-announced distribution yield is 4.78% (after fees, including franking credits).[10]

8. Distribution Yield as at 30 June based on the unit price at the beginning of each period (including franking credits).
9. Based on the average RBA Cash Rate compounded monthly during the relevant period.
Source: RBA, Aberdeen Standard Investments
10. Based on the unit price as at 1 July 2019. Income estimate is purely from income sources and therefore does not include any potential for distributed capital gain. This income estimate is not a guarantee. Assumes no reinvestment of income.

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bolstered by hopes of an economic rebound on the back of further relaxation of Covid-19 lockdowns and policy easing. However, this was blunted by a resurgence in new infections and heightened geopolitical risks, notably China's tussles with both the US and India.

On the economic front, first-quarter GDP fell as expected because of poor final consumption. In April data, the trade surplus shrank, with imports falling faster than exports. Retail activity tumbled but was marginally ahead of expectations, led by clothing, footwear and personal accessory sales. For May, leading indicators continued to point to further contraction, even as business and consumer confidence seemed less negative, whereas the unemployment rate was worse than forecast. On the policy front, the government unveiled a A$680 million stimulus to support the housing market and generate construction-sector jobs in the face of a looming recession, the first in almost three decades. Households will get a A$25,000 grant for building new homes or renovating an existing one. However, the Reserve Bank of Australia held interest rates unchanged, despite a highly uncertain outlook.

In world markets, stocks continued to outpace bonds amid hopes of a global economic recovery and sustained stimulus by central banks. Later in the month, however, fears of a second wave of coronavirus outbreak and a cautious economic outlook from the US Federal Reserve tempered investors' optimism. Amid resurgent risk appetite, emerging markets outperformed their developed-market counterparts in both asset classes.

For equities, Asia led gains, lifted by the stellar performance of the Chinese market. Mainland stocks jumped as a post-lockdown credit boom fueled retail investor interest. Adding to the cheer was the Shanghai Composite Index revamp which led institutions to align their holdings to the benchmark. Export-oriented economies such as Taiwan and South Korea also rallied on positive signs of a global economic recovery. In contrast, Japan lagged the wider region as well as other developed markets, hurt by spiking domestic infections.

In June, we switched 2% of the portfolio from Australian to European equities, using index futures to reflect our more constructive view on Europe, given its smoother economic re-opening, light positioning and prospects of further stimulus. We also sold some Australian equity index calls in favour of Australian equity puts to manage risks. For US equities, we unwound the relative trade between large- and small-cap stocks, which are more geared to a cyclical rebound. Towards the month-end , we rotated from equity beta to resilient niche areas or those that could potentially benefit from a roll back of economic re-opening, such as gold miners and e-sports-focused equities. Notably, e-sports and video games also have robust long-term growth potential and short-term resilience, due to the social distancing / stay-at-home measures to curb Covid-19. For gold miners, they provide diversification benefits to the portfolio, while record liquidity injections by central banks support further upside in gold prices. Overall, we maintained a moderately risk-on exposure in the portfolio.

Looking ahead, equities markets are likely to continue to be range bound in the near term, barring any surprises from the waymarks. The spike in new Covid-19 infections and hospitalisation rates in the US are concerning. On the back of this, many troubled US states have re-introduced stringent measures to contain the virus but it would take a few weeks to ascertain if this had been sufficient to flatten the curve. Meanwhile, we expect more policy backstops from if the need arises from a larger than expected lockdown. Light investor positioning is also supportive of equities, though less extreme than before. On a six to 12 month horizon, there is still significant upside potential, assuming effective treatments or vaccines are delivered. Separately, it's worth mentioning that risks from US-China tensions still appear under-priced by markets and may be back in focus if US President Donald Trump is unable to sell the story of a robust economy story ahead of the November election. Keeping a close tab on these signposts, we will continue to dynamically adjust portfolio strategy and adapt to the latest developments.

Key information

ASX mFund Code	**AFZ16**
APIR Code	**CRS0001AU**
Investment Team	**Aberdeen Standard Investments' Multi-Asset team**
Strategy launch	**October 2008[10]**
Income payable	**Monthly. The set distribution amount for the following financial year is set at the beginning of each financial year.[11]**
Management costs	**0.94% pa of the net asset value of the Fund comprising: Management Fee 0.72% pa Indirect costs 0.22% pa**
Buy/Sell spread	**+0.60/-0.57%***
Fund size	**A$75.68m[12]**
Redemption unit price	**$0.9478**

*We may vary or waive the buy/sell spreads without notice when it is appropriate to protect the interests of existing investors and if permitted by law.

10. Prior to 1 April 2010 the Multi-Asset Income Fund was known as the Sustainable Income Fund. Prior to 10 October 2008, the Sustainable Income Fund was run as a different investment strategy known as the Capital Stable Fund.

11. Distributions will include income received by the Fund. The distributions may or may not include a return of capital. The set distribution rate may be amended during each financial year due to prevailing market conditions.

12. The method of calculating the Fund's net asset value is disclosed in our unit pricing policy which can be viewed or downloaded from our website, www.aberdeenstandard.com.au

Liquidity and maturity profile of the Fund

We reasonably expect that we will be able to realise at least 80% of the assets of the Fund, at the value ascribed to those assets in calculating the Fund's net asset value, within 10 days.

Your withdrawal proceeds will be electronically deposited into your nominated Australian bank account, normally within 7 Business Days of the receipt and acceptance of the withdrawal request.

However in some circumstances, for example where the assets of the Fund are not readily realisable so as to meet the withdrawal, we are permitted by the Constitution to take a longer period of time to pay the withdrawal request.

OTC Derivative counterparties engaged

The Fund did not engage directly with any OTC derivative counterparties between 1 July 2019 and 30 June 2020.

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Key Service Providers

Registry	**RBC Investor Services Trust**
Administrator	**State Street Australia Limited**
Custodian	**State Street Australia Limited**
Auditor	**KPMG**

The key service providers did not change between 1 July 2019 and 30 June 2020.

Important information

Contact us

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