

# Aberdeen Standard Multi-Asset Income Fund

Monthly factsheet - performance data and analytics to 28 February 2021

## 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	5 Years	Since Inception <sup>1</sup>
Distribution return	0.66	1.67	5.00	5.09	4.74	4.98
Growth return	0.06	1.15	-2.03	-2.30	-0.59	0.47
Aberdeen Standard Multi-Asset Income Fund net returns <sup>2</sup>	0.72	2.82	2.98	2.80	4.14	5.45
Aberdeen Standard Multi-Asset Income Fund gross returns <sup>3</sup>	0.77	3.00	3.72	3.54	4.89	6.21

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 0.77% in February, largely thanks to positive contributions from the Australian Equities and the Syndicated Loan Fund.

February was a month of two halves for risk assets. Equities rallied initially on progress in vaccine rollouts and hopes of global economic recovery. Later, a jump in bond yields, fueled by rising inflation expectations on the back of new massive fiscal stimulus in the US, caused share prices to pull back.



## Portfolio structure and investment parameters (%)<sup>4,5</sup>

	Fund	SAA <sup>6</sup>	Min/Max
Australian Equities <sup>7</sup>	33.1	35	0 - 50
International Equities <sup>7</sup>	13.8	10	0 - 15
Property Securities <sup>7</sup>	2.4	2	0 - 50
Alternatives <sup>7</sup>	13.8	9	0 - 15
<b>Growth Assets</b>	<b>63.2</b>	<b>56</b>	
Fixed Income	6.8	13	0 - 50
Sub-inv. Grade Credit	28.7	29	0 - 35
Cash and short maturity income	1.3	2	0 - 70
<b>Income Assets</b>	<b>36.8</b>	<b>44</b>	

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](http://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
BHP Group	2.9
Commonwealth Bank	2.8
Telstra	2.1
Rio Tinto	2.0
AusNet Services	1.8
Fortescue Metals Group	1.7
NAB	1.6
Spark New Zealand	1.5
ASX	1.2
Medibank Private	1.2
<b>Total</b>	<b>18.8</b>

## Distribution yield (%)<sup>8</sup> vs cash (%)<sup>9</sup>

	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).<sup>10</sup>

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.

Client Services: 1800 636 888  
[aberdeenstandard.com.au](http://aberdeenstandard.com.au)

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Nevertheless, stocks still outperformed bonds on a total return basis.

In equity, the UK was among the best performing markets, thanks to progress in its domestic vaccination program. The US fared well too, with both the S&P 500 and Nasdaq indices reaching record highs earlier in the month. Australian equities rose on positive corporate earnings, strength in commodity prices and the central bank's commitment to lower interest rates. Meanwhile, global fixed income delivered negative total returns, with government bonds faring worse than corporate debt. As US inflation expectations hit their highest level since 2014, investors sold government bonds, resulting in higher yields. Long-dated issues suffered the most, as the Treasury curve hit its steepest level since 2015. The 30-year Treasury yield rose above 2% for the first time in a year. Credit spreads remained resilient amid the global volatility, with high-yield bonds posting positive returns over the month. Within Asia fixed income, US-dollar credit outperformed local-currency government bonds. Asia credit also outpaced its counterparts in the broader emerging markets and the US, due to its shorter duration. Meanwhile, yields for local government debt tracked US Treasuries higher. Thailand dragged on total return the most. Pro-democracy protests there intensified, resulting in higher outflows from both equity and bond markets.

In February, we rolled our covered calls strategy and bought back the ASX200 (AS51) calls that we previously sold. In total, we realised about A\$30,000 in profits.

We also divested the Global High Yield ETF to raise cash. The fund has been quite resilient despite the equity market volatility. With the proceeds, we bought a position in the Aberdeen Standard SICAV I – Frontier Market Bond Fund. We intend to rotate back to the Global High Yield ETF at end-March to capture its dividend payout in April. Meanwhile, we trimmed our stake in the Australian Dollar Income Bond Fund, which offers the lowest yield due to its heavier exposure to investment-grade (IG). This also enables us to reduce our investment-grade duration, given the cyclical outlook for developed-market IG yields to trend higher.

In equity, we pared the Aberdeen Standard SICAV I – Global Dynamic Dividend Fund. We felt it was prudent to top slice some equity position with many global stock markets hitting all-time highs. Nonetheless, we recycled some of the proceeds into the Equity Income Sleeve, which is managed by our Sydney equities team. We are upbeat about Australian stocks in view of improving earnings and dividend trends. We also want to gain exposure to capture more upcoming dividend events in March, which will help realise the fund's income objective.

Looking ahead, given the key signposts of vaccine progress, supportive monetary and fiscal policies and positive earnings revisions, we remain cautiously optimistic on risk assets, despite the recent pullback. That said, we will continue to rotate within regions and themes for risk-adjusted returns. We are cognizant and closely watching risks on multiple fronts, including stretched valuations, investors' position and flow, new virus strains, and the inflation outlook. With prices starting to rise, we have lowered duration to below two years in response.

### Important information

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### Key information

ASX mFund Code	AFZ16
APIR Code	CRS0001AU
Investment Team	Aberdeen Standard Investments' Multi-Asset team
Strategy launch	October 2008 <sup>10</sup>
Income payable	Monthly. The set distribution amount for the following financial year is set at the beginning of each financial year. <sup>11</sup>
Management costs	0.97% pa of the net asset value of the Fund comprising: Management Fee 0.72% pa Indirect costs 0.25% pa
Buy/Sell spread	+0.40/-0.35%*
Fund size	A\$82.66m <sup>12</sup>
Redemption unit price	\$1.0068

\*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.

<sup>10</sup> 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.

<sup>11</sup> 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.

<sup>12</sup> 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](http://www.aberdeenstandard.com.au)

### Key Service Providers

Registry	Citigroup Pty Ltd
Administrator	State Street Australia Limited
Custodian	State Street Australia Limited
Auditor	KPMG

The Registry service provider was changed to Citigroup Pty Ltd in August 2020. The remaining key service providers did not change.

### Contact us

Telephone:  
1800 636 888 or +61 2 9950 2853  
if calling from outside Australia  
Email:  
[client.service.aust@aberdeenstandard.com](mailto:client.service.aust@aberdeenstandard.com)  
Website:  
[aberdeenstandard.com.au](http://aberdeenstandard.com.au)