

Aberdeen Standard Multi-Asset Real Return Fund

Monthly factsheet - performance data and analytics to 30 June 2019



Investment objective

To achieve a real return equivalent to 5% per annum above inflation (before fees) over a full market cycle (generally 3 to 5 years).

Investment strategy

The Fund will apply dynamic asset allocation to a diversified portfolio of traditional and alternative assets, without reference to a benchmark.

The Fund may shift its investments quickly and significantly, based on valuations and expected returns, and may completely divest from a particular asset class.

Fund volatility will be controlled through the use of dynamic asset allocation and effective diversification of assets.

Performance (%)

	1 Month	3 Months	1 Year	Per annum		
				3 Years	5 Years	Since Inception ¹
Aberdeen Standard Multi-Asset Real Return Fund net returns ²	1.97	3.12	6.01	6.96	6.64	6.88
Aberdeen Standard Multi-Asset Real Return Fund gross returns ³	2.04	3.33	6.90	7.86	7.53	7.65
CPI + 5% objective ⁴	0.54	1.65	6.94	6.89	7.09	7.28
Net returns ² vs index	1.43	1.47	-0.93	0.07	-0.45	-0.40
Gross returns ³ vs index	1.50	1.68	-0.04	0.97	0.44	0.37

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. 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.

4. Please note: Prior to 1 September 2012 the Fund was known as the Aberdeen Capital Growth Fund and was managed to achieve a different investment objective using an alternate investment strategy. Past performance is not a reliable indicator of future results.

Performance review

The fund posted a gross return of 2.04% in June. Over the past year, the market environment has been volatile, yet the fund achieved positive returns. On a medium-term time horizon, it has attained its investment objective of providing a 5% real return per annum above inflation (before fees) over a full market cycle (generally 3 to 5 years).

Most assets in MARRF contributed positively during the month. Notably, fund performance continued to be lifted by allocation to Australian Equities, International Equities, Fixed Income and REITs.

Australian equities rose in June amid expectations of further central bank easing and receding trade tensions ahead of the G-20 summit in Osaka. At home, the Reserve Bank of Australia loosened the policy rate for the first time since 2016, and lowered it yet again in early July, leaving interest rates at a fresh low of 1%. Iron-ore prices maintained their upward trajectory on the back of supply disruptions and robust Chinese steel demand. Similarly, crude oil prices rose, boosted by supply fears following an Iranian attack on a US drone and stricter US sanctions on Iran.

In economic news, first-quarter GDP was revised higher to 0.4%, led by government expenditure and an increase in exports. However, the gains were capped by slower household spending, particularly on discretionary items, such as furnishing and household equipment. In May data, business confidence strengthened following the federal election, even though leading indicators and economic conditions

Portfolio structure (%)	
	fund
Listed Equities – Australia	16.3
Listed Equities – International	16.6
Investment Grade	5.5
Emerging Market Bonds	19.9
High Yield	4.9
Loans	8.2
Property	3.2
Absolute Return	2.6
Alternatives – ABS	5.7
Alternatives – Risk Premia	1.9
Alternatives – Special Opportunities	1.9
Alternatives – Private Capital	0.9
Listed Alternatives	10.8
Cash	1.6
Total	100.0

Key information

ASX mFund Code	AFZ32
APIR Code	CRS0002AU
Benchmark	CPI + 5% objective
Investment Team	Aberdeen Standard Investments' Multi-Asset team
Date of launch	June 1994
Income payable	30 June and 31 December
Management costs	1.22% pa of the net asset value of the Fund comprising: Management Fee 0.84% pa Indirect costs 0.38% pa
Buy/Sell spread	+0.20%/-0.20%
Fund size	A\$86.61m ⁴
Redemption unit price	\$1.9422

4. 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

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weakened. The unemployment rate, however, stayed unchanged at 5.2%, with the increase in job seekers matching the rise in employment. Consumer sentiment deteriorated further in June, with concerns over the economy overshadowing the interest rate cut.

Global equities rallied in June, boosted by expectations of central bank easing and renewed optimism of a fresh trade breakthrough ahead of the G20 summit. US and European policymakers signaled possible rate cuts in response to slowing global growth. Amid the risk-on environment that ensued, equities outpaced bonds. The 10-year US Treasury yield dropped below 2% for the first time since Donald Trump became president. US and European stocks were standout performers. US stocks reached an all-time high; financials were lifted by successful "stress-test" results and technology shares gained ground as US-China trade talks resumed. Across the Atlantic, European Central

Bank president Mario Draghi suggested it will deliver additional stimulus to revive the economy if conditions deteriorated in the near term. The remarks, coming after German economic expectations fell sharply, bolstered stocks. UK shares rose to a smaller extent. The increased likelihood of a no-deal Brexit weighed on the pound, which was seen to benefit exporting companies.

In emerging markets, Chinese stocks also benefited from hopes of a trade truce. Besides the agreement by both countries to resume talks, US President Trump pledged not to impose new tariffs while talks were ongoing and also relaxed curbs on technology group Huawei. In Korea and Taiwan, shares were bolstered by gains from tech hardware names. This benefited Samsung Electronics in Korea, while in the tech-heavy Taiwan market, large-cap tech heavyweights, as well as those in the Huawei supply chain rose. Further aiding sentiment was Beijing's latest measures to support car and electronics sales, as well as infrastructure investment.

In June, we consistently rebalanced positions towards target weights and tactically added to China onshore bonds as weakening domestic growth and an accommodative Federal Reserve will provide room for the PBoC to ease. Even though the temporary ceasefire in the US-China trade tensions bolstered investor confidence, a prolonged conflict could disrupt regional economies and supply chains. This, in turn, might stifle the expected recovery in demand across various sectors, particularly technology, and dampen corporate earnings outlooks. Companies could also become more cautious, delaying capital spending and holding back shareholder returns. That said, central banks have turned more dovish ensuring that domestic conditions remain conducive to growth and liquidity. Looking ahead, our focus will be to identify leading signals on fundamentals and investors behaviors, and adjust portfolio dynamically to reflect changing market condition.

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 between 1 July 2018 and 30 June 2019

- Westpac Banking Corporation, Sydney
- Australia & New Zealand Banking Group Ltd, Melbourne
- Commonwealth Bank of Australia, Sydney
- UBS Ltd
- Macquarie Bank Limited

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 2018 and 30 June 2019.

Important information

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