

# Aberdeen Standard Multi-Asset Income Fund

Monthly factsheet - performance data and analytics to 30 June 2019



## 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	2.76	3.41	6.41	4.80	4.59	5.05
Growth return	-0.26	1.02	0.11	0.10	0.50	1.06
Aberdeen Standard Multi-Asset Income Fund net returns <sup>2</sup>	2.50	4.43	6.52	4.90	5.08	6.11
Aberdeen Standard Multi-Asset Income Fund gross returns <sup>3</sup>	2.56	4.62	7.29	5.65	5.84	6.88

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 2.56% in June. Over the past year, the market environment has been volatile, yet the fund achieved positive returns and outperformed its investment objective of generating income in excess of the RBA cash rate and capital growth at least in line with inflation. On a medium-term time horizon, the fund is well ahead of its objective.

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

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

	Fund	SAA <sup>6</sup>	Min/Max
Australian Equities <sup>7</sup>	34.5	35	0 - 50
International Equities <sup>7</sup>	4.7	8	0 - 15
Property Securities <sup>7</sup>	8.9	3	0 - 50
Alternatives <sup>7</sup>	10.2	15	0 - 15
<b>Growth Assets</b>	<b>58.3</b>	<b>61</b>	
Fixed Income	12.5	10	0 - 50
Sub-inv. Grade Credit	23.6	25	0 - 25
Cash and short maturity income	5.6	4	5 - 70
<b>Income Assets</b>	<b>41.7</b>	<b>39</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 2018. 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	2.8
AusNet Services	2.6
Spark New Zealand	2.6
BHP Group	2.3
Westpac	2.1
ANZ	2.1
ASX	1.9
Rio Tinto	1.8
NAB	1.4
<b>Total</b>	<b>22.5</b>

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

	Fund	Cash
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 2018/19 Financial Year

Pre-announced distribution yield is 4.73% (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 2018. 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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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 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. Beijing's latest measures to support car and electronics sales, as well as infrastructure investment, further aided sentiment.

In June, we consistently rebalanced positions towards target weights. 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

• The Fund did not engage directly with any OTC derivative counterparties between 1 July 2018 and 30 June 2019.

### Important information

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AU-200919-99543-1

### 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	0.88% pa of the net asset value of the Fund comprising: Management Fee 0.72% pa Indirect costs 0.16% pa
Buy/Sell spread	+0.15%/-0.20%
Fund size	A\$94.32m <sup>12</sup>
Redemption unit price	\$1.0566

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](http://www.aberdeenstandard.com.au)

### 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.

### Contact us

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