Aberdeen Standard Multi-Asset Real Return Fund

Aberdeen Standard Investments

Monthly factsheet - performance data and analytics to 28 February 2021

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]	-0.11	1.44	2.16	3.53	5.80	6.59
Aberdeen Standard Multi-Asset Real Return Fund gross returns[3]	-0.05	1.65	3.02	4.40	6.68	7.38
CPI + 5% objective[4]	0.47	1.52	6.49	6.54	7.26	7.44
Net returns[2] vs index	-0.58	-0.08	-4.33	-3.01	-1.46	-0.85
Gross returns[3] vs index	-0.52	0.13	-3.47	-2.14	-0.58	-0.06

1. This figure represents the annualised performance of the Fund from the first full month of operation.
2. Net performance figures are for Class A units in the Fund and 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 for Class A units in the Fund and 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 -0.05% in February. Positive contributions from equities were counterweighed by negative returns from some diversifying asset holdings, such as infrastructure.

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. 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. Conversely, emerging markets only edged higher as Latin American stocks extended their decline. Chinese share prices also fell, bucking the trend in Asian stocks, as investors worried that the People's Bank of China (PBOC) will scale back its policy support.

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

Portfolio structure (%)

	fund
Listed Equities – Australia	4.8
Listed Equities – International	25.2
Investment Grade	5.4
Emerging Market Bonds	12.8
High Yield	12.5
Loans	4.1
Property	0.0
Absolute Return	2.3
Alternatives – ABS	4.6
Alternatives – Risk Premia	0.0
Alternatives – Special Opportunities	2.0
Alternatives – Private Capital	2.1
Listed Alternatives	13.7
Cash	10.6
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	+0.30%/-0.25%*
Fund size	A$100.92m[4]
Redemption unit price	$2.0127

*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.
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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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 put some of our recent subscriptions to work and rebalanced our positioning. Notably, we unwound some equity index short futures before adding to other positions. We also topped up the US High Yield ETF and Bentham Syndicated loans fund to our preferred exposure.

Elsewhere, we rotated away from Singapore equities, as our conviction on this long position declined in view of a disappointing Budget announcement. We recycled this exposure back to broader Emerging Asian stocks.

Meanwhile, in the listed alternatives segment, we shifted away from some of our renewable infrastructure positions following its outperformance, in favour of social infrastructure. We added to litigation financing play Burford Capital. In addition, we initiated a position in The Unite Group, the largest student-housing provider in the UK that stands to benefit from the re-opening of university campuses.

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.

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.

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