Aberdeen Standard Multi-Asset Real Return Fund

Monthly factsheet - performance data and analytics to 30 June 2020

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 (%)

				Per annum		
	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception[1]
Aberdeen Standard Multi-Asset Real Return Fund net returns[2]	2.13	6.83	-4.46	1.71	3.91	6.42
Aberdeen Standard Multi-Asset Real Return Fund gross returns[3]	2.20	7.06	-3.66	2.57	4.78	7.20
CPI + 5% objective[4]	0.55	1.68	6.29	6.67	7.71	7.47
Net returns[2] vs index	1.58	5.15	-10.75	-4.96	-3.80	-1.05
Gross returns[3] vs index	1.65	5.38	-9.95	-4.10	-2.93	-0.27

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 2.20% in June. Most assets in MARRF contributed to performance. Notably, buoying the fund were the allocations to Australian and International Equities, Emerging and Frontier Market bonds, Syndicated Loans and Asset Backed Securities.

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

Important information overleaf

AberdeenStandard Investments

Portfolio structure (%)

	fund
Listed Equities – Australia	7.9
Listed Equities – International	20.0
Investment Grade	13.4
Emerging Market Bonds	12.9
High Yield	5.1
Loans	4.3
Property	0.0
Absolute Return	3.0
Alternatives – ABS	5.6
Alternatives – Risk Premia	0.0
Alternatives – Special Opportunities	3.7
Alternatives – Private Capital	2.0
Listed Alternatives	11.1
Cash	10.9
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	**1.16% pa of the net asset value of the Fund comprising: Management Fee 0.84% pa Indirect costs 0.32% pa**
Buy/Sell spread	**+0.49%/-0.46%***
Fund size	**A$77.96m[4]**
Redemption unit price	**$1.8555**

*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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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 early June, we pared Korean equities as their solid price action since the March selloff had largely priced in the positive growth recovery story and as geo-political tensions in the Korean Peninsula escalates. Elsewhere, we switched from Global to European equities to reflect our more constructive view on Europe, given its smoother economic re-opening, light positioning and prospects of further stimulus. 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 broad global 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 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.

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.

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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