

31 August 2019

The fund aims to generate income and growth over the long term by investing in bonds. It will seek to achieve this objective primarily through investment in US Dollar denominated interest bearing securities including sovereign and supranational issued bonds as well as sub-investment grade bonds, all issued by Asian, Eastern European, Middle Eastern, African or Latin American countries. All Sovereign and Supranational bonds will meet our internal sustainable and responsible criteria with a screening process which has been designed to incorporate Environment, Social, Governance and Political factors. In addition, the fund may hold sovereign bonds and other bonds issued in non-emerging market countries around the world that meet this criteria, as well as derivative instruments. The fund may also invest in funds (including those managed by Aberdeen Standard Investments) and money-market instruments including cash on an ancillary basis. The fund is actively managed by the investment team who seek to take advantage of opportunities they have identified through direct investment or derivatives. The fund's holdings will typically consist of individual bonds but derivatives (including bond futures, interest rate, inflation and credit default swaps as well as currency forwards) may be used to gain or reduce (hedge) exposure and seek investment gains.

Past performance is not a guide to future returns and future returns are not guaranteed. The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

The fund may use derivatives to reduce risk or cost, or to generate additional capital or income at low risk, or to meet its investment objective. Usage of derivatives is monitored to ensure that the fund is not exposed to excessive or unintended risks. The value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

SICAV Fund

Bond Fund

Monthly

Fund Manager	Global Emerging Market Debt Team
Fund Manager Start	8 April 2019
Launch Date	8 April 2019
Benchmark	JP Morgan EMBI Global Diversified
Current Fund Size	\$10.6m
Fund Currency	USD

No. of Positions	49
Yield to Maturity	4.3

This document is intended for use by individuals who are familiar with investment terminology. To help you understand this fund and for a full explanation of specific risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website – www.standardlifeinvestments.com.

Aberdeen Standard Investments has not considered the suitability of investment against your individual needs and risk tolerance. If you are in any doubt as to whether this fund is suitable for you, you should seek advice. An adviser is likely to charge for advice. We are unable to provide investment advice.

Fund Information *

Composition by Currency Breakdown

	Fund %
US Dollar	100.0

Composition by Region

	Fund %
Latin America	35.1
Africa and Middle East	24.2
Asia	17.8
Europe	19.0
Cash and Other	3.9

Largest Positions Relative to the Benchmark

Overweight Countries	Fund %	B'mark %	Relative %	Underweight Countries	Fund %	B'mark %	Relative %
United Arab Emirates	6.2	2.4	3.8	China	0.0	3.7	-3.7
Armenia	2.2	0.1	2.1	Saudi Arabia	0.0	3.4	-3.4
Bahamas	2.1	0.0	2.1	Egypt	0.0	2.4	-2.4
Georgia	2.1	0.2	1.9	Malaysia	0.0	2.1	-2.1
Ecuador	4.2	2.3	1.9	Bahrain	0.0	2.1	-2.1

Fund Performance *

Note: This fund has been running for less than one year therefore no past performance has been shown

Definitions

Yield to Maturity - gives an indication of the total expected return from a bond if it is held to maturity. It reflects both the interest payments made to the bondholder and any capital gain or loss at maturity. It is based on a snapshot of the portfolio on specified date. It does not include any impact from charges.

Cash and Other - may include bank and building society deposits, other money market instruments such as Certificates of Deposits (CDs), Floating Rate Notes (FRNs) including Asset Backed Securities (ABSs), Money Market Funds and allowances for tax, dividends and interest due if appropriate.

Investment Review and Outlook

Market Review

August was eventful for emerging markets. The month was dominated by escalating US-China trade tensions and the announcement of the proposed re-profiling of approximately US\$100bn of Argentine debt, which increased investor concerns about the country's solvency outlook. The US announced a 10% tariff on the remaining US\$300bn worth of imports from China, prompting the Chinese authorities to suspend purchases of US agricultural products, with the yuan temporarily break through the psychological USD:7CNY level. The 10-year US Treasury yield declined by a sizeable 52 basis points (bps) to 1.50% at the end of August, following the US Federal Reserve (Fed) Chairman's dovish remarks. Oil markets continued to be affected by the trade dispute between China and the US, with demand slowing amid recession fears, with US supply also increasing. As a result, the Brent crude oil price declined by 7.27% over the month, reaching US\$60.43 per barrel at the end of August.

In hard currency debt, the JP Morgan EMBI Global Diversified index returned 0.75%, while the benchmark spread widened by 34 bps to 353bps over US Treasuries. A negative spread return was offset almost entirely by the positive effect of declining US Treasury yields. The divergence between Investment Grade (IG) and high yield assets in emerging markets was extremely pronounced in August, with the former posting robust gains of 4.16%, while the latter fell sharply by 2.87%. By country, positive performance was led by IG names such as Qatar, Uruguay, Saudi Arabia, Panama, and Colombia among others. On the other hand, Argentina and Lebanon were the worst performers

over the month. In Argentina, Alberto Fernandez, the opposition candidate, won the primary presidential election against the incumbent, President Mauricio Macri. The result shook the market, prompting the authorities to announce debt re-profiling plans, thus sending Argentine assets into free fall. Lebanon's foreign currency liquidity position continued to deteriorate, prompting rating agency Fitch to downgrade the country's rating by two notches to CCC, while S&P announced a six-month review period before potentially downgrading it from its current rating of B-.

Activity

With political risks growing further after the country's recent primary presidential election result, we continued to reduce exposure to Argentine sovereign bonds. The only other sale in the period was Angola. On the buy-side, activity was very limited, with the only purchase being the 2030 bonds of Croatia.

Performance

The Fund underperformed its benchmark in August. The biggest individual detractor in the month was Argentina, where we were modestly overweight compared to the benchmark. The next three biggest detractors stemmed from the Fund's zero exposure to index constituents Saudi Arabia and China and an underweight in Peru. These are all low yielding countries that have relatively greater sensitivity to US Treasuries, which moved substantially over the period. On the positive side, leading contributors over the month included overweights in Qatar and Indonesia and zero exposure to Lebanon.

Outlook

Emerging market growth will unsurprisingly be affected by the slowdown in developed markets, with asset prices also reflecting the economic weaknesses. However, we believe a US recession will be avoided and a benign inflation outlook should allow monetary policy easing in a number of emerging economies. Therefore, the weak economic environment and global monetary policy easing should provide opportunities in the search for yield, supporting inflows into the asset class. The key risks to our view remain continued dollar strength, persistence of US exceptionalism, a deeper China slowdown and a further escalation in trade wars.

Other Fund Information

	Retail Acc	Retail Dist	Institutional Acc	Institutional Dist	Currency
Bloomberg	-	-	-	-	USD
ISIN	-	-	LU1963787236	-	USD
WKN	-	-	A2PGMD	-	USD

Domicile Luxembourg

Custodian Name The Bank of New York Mellon SA/NV, Luxembourg Branch, 2-4 Rue Eugene Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg

Auditor Name KPMG Luxembourg, 39, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

	Interim	Annual
Reporting Dates	30 Jun	31 Dec

Settlement Time T+3

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Share Price Calculation Time 15:00 (Luxembourg time)

Dealing Cut Off Time 13:00 (Luxembourg time)

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Additional Information for Switzerland : The prospectus, the key investor information documents, the articles of incorporation, the annual and semi-annual report in German, and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The last share prices can be found on www.fundinfo.com.

To find out more about our fund range, visit our website or alternatively speak to your usual contact at Standard Life Investments.

www.aberdeenstandard.com

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