



# Fund guide abrdn Short Dated Corporate Bond Fund

August 2023



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Fund Manager

## Key features

**£111mn**

Fund size

**6.84%**

Yield to Worst

**2.92**

Duration (yrs)

**BBB+**

Average Credit  
Rating

**111**

Issuers

Source: abrdn, 31 July 2023.

## Why consider the Fund?

|           |  |
|-----------|--|
| <b>01</b> | <b>Volatility protection</b> – shorter duration profile, a global opportunity set and enhanced credit quality with AAA-rated floating rate exposure can potentially protect against adverse market conditions. |
| <b>02</b> | <b>Superior alternative to cash</b> – greater return than holding cash – without sacrificing liquidity. The fund holds sub 1-year securities for consistent run-off of coupon interest and bond maturities.    |
| <b>03</b> | <b>Greater flexibility than passive</b> – active approach means no forced selling of sub 1-year to maturity securities and flexibility to buy 5+ year to maturity bonds well in advance of index entry.        |

## Why invest now?



**Attractive yields and spreads** – UK yield curves have flattened to multi-decade wides offering a compelling pick-up in yield and spread versus an all-maturity bond index.

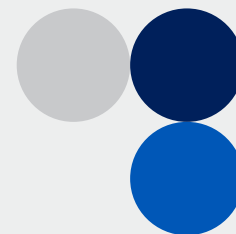


**Reduced interest rate sensitivity** – lower duration, so less sensitive to the current volatile interest rate environment while still maintaining carry and pick up from high quality investment-grade credit.



**Well positioned for capital upside** – with over 95% of the index priced below par<sup>1</sup>, we believe the value of these securities will trend upwards as they approach maturity.

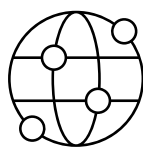
<sup>1</sup> As at 21 June 2023. iBoxx 1-5 Year Sterling Corporates Index.



## Why choose us?



**Experienced team:** Highly experienced portfolio management team with a 150+ global fixed income resource covering research, trading and investment operations.



**Flexible strategy:** Our credit experts and sovereign debt specialists work together enabling us to combine bottom-up fundamental research with top-down macro views.



**Customised process:** Through our active managed approach, we seek the best opportunities for delivering return and incomes for our clients.

## Product overview

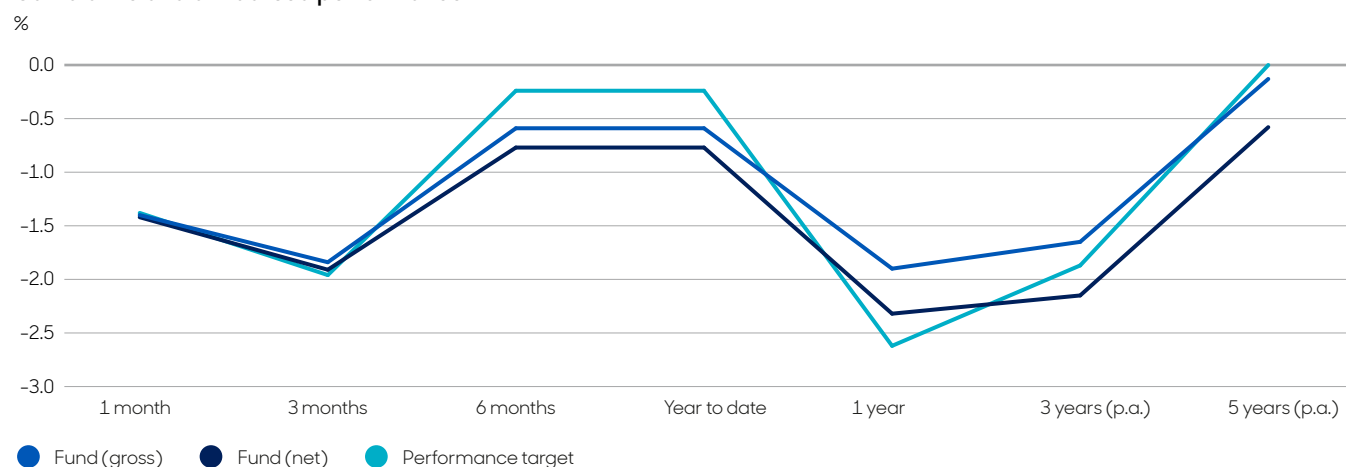
|                                |  |
|--------------------------------|--|
| <b>Objective</b>               | To generate income and some growth over the medium term (3 to 5 years) by investing in Sterling denominated investment grade corporate bonds with maturities of up to 5 years.   |
| <b>Performance target</b>      | To achieve the return of the iBoxx Sterling Corporates (1-5 Year) Index, plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.  |
| <b>Key mandate constraints</b> | <ul style="list-style-type: none"> <li>• Investment grade credit: Min 60% bonds with maturity of up to 5 years</li> <li>• Government bonds: Max. 20%</li> <li>• Overseas bonds: Max. 40% (Max. 20% unhedged)</li> <li>• Duration range: +/-1 year relative to benchmark</li> <li>• Tracking error range: 0.50% - 1.50% vs. the benchmark</li> <li>• No investment in securities rated below B+ at time of purchase.</li> </ul> |
| <b>Derivatives</b>             | Permitted for Efficient Portfolio Management   |
| <b>Structure</b>               | FCA-registered, UK-authorized OEIC   |



# abrdn Short Dated Corporate Bond Fund

## How has the Fund performed?

### Cumulative and annualised performance



### Cumulative and annualised performance

|                        | 1 month | 3 months | 6 months | Year to date | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|------------------------|---------|----------|----------|--------------|--------|----------------|----------------|
| Fund (gross) (%)       | -1.40   | -1.84    | -0.59    | -0.59        | -1.90  | -1.65          | -0.13          |
| Fund (net) (%)         | -1.42   | -1.91    | -0.77    | -0.77        | -2.32  | -2.15          | -0.58          |
| Performance target (%) | -1.38   | -1.96    | -0.24    | -0.24        | -2.62  | -1.87          | 0.00           |

### Discrete annual returns - year to 30 June

|                        | 2023  | 2022  | 2021 | 2020 | 2019 |
|------------------------|-------|-------|------|------|------|
| Fund (gross) (%)       | -1.90 | -5.72 | 2.86 | 1.84 | 2.55 |
| Fund (net) (%)         | -2.32 | -6.22 | 2.28 | 1.39 | 2.27 |
| Performance target (%) | -2.62 | -5.09 | 2.24 | 2.74 | 3.01 |

Performance Data: Share Class Platform 1 Acc.

Benchmark history: Performance target - Markit iBoxx Sterling Corporate (1-5 Year) +0.50% from 31/03/2023. ICE BofA Sterling Non-Gilt ex Subordinated Financials (1-5 Year) +0.50% from 27/10/2016 to 30/03/2023.

Source: abrdn (Fund & Benchmark) and Morningstar (Sector). Basis: Total Return, NAV to NAV, UK Net/Gross Income.

\*Fund (Net)\* refers to the actual unit price performance of the shareclass shown; \*Fund (Gross)\* adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark. These figures do not include the initial charge; if this is paid it will reduce performance from that shown.

Past performance is not a guide to future returns and future returns are not guaranteed.



Want to discuss more?  
Contact your local  
abrdn representative  
by clicking **here**.

For more  
information  
visit our **website**.

#### Important Information

- The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. Past performance is not a guide to future results.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
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- More details of the risks applicable to this fund can be found in the Key Investor Information Document (KIID) and Prospectus, both of which are available on request or at our website **abrdn.com**.

The fund is a sub-fund of abrdn OEIC I, an authorised open-ended investment company (OEIC). The Authorised Corporate Director is Aberdeen Standard Fund Managers Limited. The information contained in this marketing document should not be considered as an offer, investment recommendation or solicitation, to deal in the shares of any securities or financial instruments. It is not intended for distribution or use by any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication or use would be prohibited. No information, opinions or data in this document constitute investment, legal, tax or other advice and are not to be relied upon in making an investment or other decision. Subscriptions for shares in the fund may only be made on the basis of the latest Prospectus and relevant Key Investor Information Document (KIID) which can be obtained free of charge upon request or from **abrdn.com**.

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