

Aberdeen Managed Distribution Fund



Investment objective

The Company aims to achieve both capital growth and an attractive level of income primarily by investing in a portfolio of collective investment schemes, although the Company may also invest in transferable securities, money market instruments, deposits, warrants and derivative and forward transactions.

Cumulative performance (%)

	YTD	6 months	1 year	3 years	5 years	Launch	Average annual return	
							5 years	Launch
Aberdeen Managed Distribution	2.7	2.1	7.7	-	-	28.3	-	9.9
Sector Average	1.7	0.3	7.3	-	-	25.8	-	9.1
Sector Ranking	22/73	7/74	30/68	-	-	20/45	-	20/45
Quartile	2	1	2	-	-	2	-	2

Source: Lipper, Total Return, NAV to NAV, UK Net Income Reinvested.

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 performance. The value of shares may go down as well as up and an investor may not get back the amount invested.

Discrete annual returns (%) - year to 31/07

	31/07/06	31/07/05	31/07/04	31/07/03	31/07/02
Aberdeen Managed Distribution	7.7	17.0	-	-	-
Sector Average	7.3	14.9	-	-	-
Sector Ranking	30/68	19/50	-	-	-
Quartile	2	2	-	-	-

Source: Lipper, Total Return, NAV to NAV, UK Net Income Reinvested.

Fund manager's report

- Global equity markets recovered in the latter half of the month, limiting losses to 0.3% (MSCI World Index in Sterling terms). European indices fared well, whilst Japan suffered. The performance from emerging markets was mixed. Eastern European markets performed strongly, buoyed by returns of over 14% in Poland. Latin American markets rose almost 2%, however losses in Taiwan, Korea and Indian contributed to the EM Asia index falling 1.04%. In the UK, the FTSE ALL share index rose 1.3%, led by the blue chip stocks. UK bond yields fell, with the most pronounced moves being in the long dated issues. The benchmark 10 year yield rose 11 basis points to 4.60%.
- The fund continues to adopt a slight overweight stance to equities, combined with an underweight position to bonds.
- During the month the portfolio exposure to equity markets was reduced slightly, reinvesting proceeds into bonds.
- We anticipate a relatively lacklustre period for equity market returns as investor confidence remains fragile.

The risk outlined overleaf relating to exchange rate movements is particularly relevant to this Fund but should be read in conjunction with all warnings and comments given.

Top ten holdings

	%
Aberdeen UK Equity Income Fund A shares	18.2
Aberdeen UK Opportunities Fund	16.5
Aberdeen UK Growth Fund	14.5
Aberdeen Sterling Bond Fund	13.0
Aberdeen Corporate Bond Fund	11.9
Aberdeen Sterling Aggregate Bond Fund	9.6
Aberdeen International Bond Fund	7.7
Aberdeen Corporate Bond Fund	6.1
Aberdeen UK Equity Income Fund C shares	1.3
Total	98.8
Total number of holdings	9

Asset allocation

	%
United Kingdom	91.1
International	7.7
Cash	1.2
Total	100.0

Note: allocation by country of issuer.

Key information

Benchmark	50% FTSE All-Share Index, 50% Merrill Lynch Broad Market Index
Fund size	£40.1m
Date of launch	December 2003
Fund manager	Aberdeen Multi-Asset Team
Charges	initial 4.25%, annual 1.25%
Total expense ratio	1.48%*
Gross Yield	4.28% running

Source: TER Lipper Fitzrovia, Aberdeen Asset Managers Ltd.

* Aberdeen Managed Distribution Fund is a fund of funds so requires a synthetic TER.

Yields are net of charges and gross of tax and are not guaranteed.

Further information

Broker desk	0800 592 487
Customer services	0845 300 2890
Dealing	0800 833 580
Website	aberdeen-asset.com

All sources (unless indicated): Aberdeen Unit Trust Managers Ltd 31 July 2006

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Important information

Risk factors you should consider before investing:

- The value of shares and the income from them can go down as well as up and you may get back less than the amount invested.
- Movements in exchange rates can impact on both the level of income received and the capital value of your investment. If the currency of your country of residence strengthens against the currency in which the underlying investments of the Fund are made, the value of your investment will reduce and vice versa.
- Past performance is not a guide to the future.
- If insufficient income is generated by the Fund to cover the manager's periodic charge, the balance will be deducted from the Fund's capital and to that extent will constrain capital growth.
- Derivatives may be used to hedge against various risks as permitted by the regulations but may not be used for speculative purposes. The use of derivatives for hedging in a rising market may restrict potential gains.
- When cancellation rights apply, and you exercise them, you may not get back the full amount you invested if the share price falls before we receive written confirmation that you wish to cancel the contract.

Other important information:

The value of any holdings in other collective investment schemes managed by any subsidiary of Aberdeen Asset Management PLC is excluded for the calculation of management charges. The Fund is a sub-fund of Aberdeen Investment Funds ICVC, an authorised open-ended investment company (OEIC) under the Financial Services (open-ended investment companies) Regulations 1997. The Authorised Corporate Director is Aberdeen Unit Trust Managers Limited. Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned. Asset allocations are subject to change and yields may fluctuate. This is not an invitation to subscribe for shares in the Fund and is by way of information only. Subscriptions will only be received and shares issued on the basis of the current Prospectus or Simplified Prospectus for the Fund. These can be obtained from Aberdeen Unit Trust Managers Limited, 10 Queen's Terrace, Aberdeen, AB10 1YG. This document is only available for distribution in any jurisdictions where the Fund has been authorised for sale. Issued and approved by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Services Authority.

Codes (A Acc)

UK Sedol number	3395510
ISIN code	GB0033955104
Bloomberg code	DWSMND LN

Other code listings: www.aberdeen-asset.com/codes.

Additional information

Fund type	OEIC
Domicile	United Kingdom
Currency	UK sterling
Income payable	31 Mar, 30 Jun, 30 Sep, 31 Dec
Sector	Multi asset
Minimum investment	£500 lump sum, £50 per month
Price as at 31/07/06	1.215p (A Acc) 1.117p (A Inc)
Price high/low (52wks)	1.246p/0.996p (A Acc) 1.190p/1.000p (A Inc)