

31 December 2018

The fund aims to provide a long term total return through capital appreciation and income. It invests in a diversified portfolio of assets including equities, bonds, cash deposits and money-market instruments directly, via collective investment schemes and via derivatives. The fund is actively managed by our investment team and holds a portfolio of assets from both the UK and overseas, selected without reference to index weight or size, combined with strategies based on advanced derivative techniques designed to enhance portfolio diversification and thus lower volatility. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.

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 will use derivatives extensively 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 assets held within the fund may rise and fall as a result of exchange rate fluctuations.

OEIC Fund

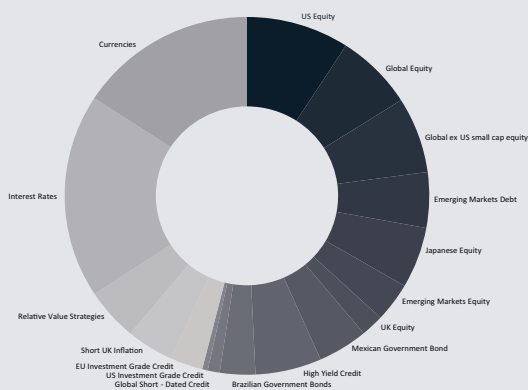
Multi-Asset Fund

Monthly

|                    |                            |
|--------------------|----------------------------|
| Fund Manager       | Multi Asset Investing Team |
| Fund Manager Start | 20 Nov 2013                |
| Launch Date        | 20 Nov 2013                |
| Current Fund Size  | £321.9m                    |
| Base Currency      | GBP                        |

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](http://www.standardlifeinvestments.com). Please note that all risk numbers stated in the Fund Information section are calculated at the individual strategy level. Due to rounding, the underlying sections may not sum to the total. 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 \*



| Market Return Assets          | Share of total risk (%) |
|-------------------------------|-------------------------|
| US Equity                     | 9.2                     |
| Global Equity                 | 6.9                     |
| Global ex-US small cap equity | 6.8                     |
| Emerging Markets Debt         | 5.0                     |
| Japanese Equity               | 5.5                     |
| Emerging Markets Equity       | 3.5                     |
| UK Equity                     | 2.0                     |
| Mexican Government Bonds      | 4.4                     |
| High Yield Credit             | 5.9                     |
| Brazilian Government Bonds    | 3.1                     |
| Global Short Debt Credit      | 1.1                     |
| US Investment Grade Credit    | 0.5                     |
| EU Investment Grade Credit    | 2.9                     |
| <b>Total</b>                  | <b>56.8</b>             |

| Portfolio Risk Summary | (%)  |
|------------------------|------|
| Expected EDGF Risk     | 5.8  |
| Global Equity Risk     | 11.7 |

| Enhanced Diversification         | Share of total risk (%) |
|----------------------------------|-------------------------|
| Inflation                        | 4.2                     |
| Relative Value Equity Strategies | 4.7                     |
| Interest Rates                   | 18.5                    |
| Currencies                       | 15.8                    |
| <b>Total</b>                     | <b>43.2</b>             |

The fund information data in the tables and pie chart above are updated on a quarterly basis only (31 March, 30 June, 30 September and 31 December) unless specified otherwise.

## Fund Performance \*

### Year on Year Performance

Source: Aberdeen Standard Investments (Fund)

|                                 | Year to<br>31/12/2018 (%) | Year to<br>31/12/2017 (%) | Year to<br>31/12/2016 (%) | Year to<br>31/12/2015 (%) | Year to<br>31/12/2014 (%) |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Enhanced-Diversification Growth | -7.7                      | 9.6                       | -0.9                      | 6.3                       | 7.3                       |
| Platform One                    | -7.5                      | 9.8                       | -0.9                      | 6.6                       | 7.7                       |

### Cumulative Performance

Source: Aberdeen Standard Investments (Fund)

|                                 | 6 Months (%) | 1 Year (%) | 3 Years (%) | 5 Years (%) |
|---------------------------------|--------------|------------|-------------|-------------|
| Enhanced-Diversification Growth | -6.7         | -7.7       | 0.3         | 14.4        |
| Platform One                    | -6.7         | -7.5       | 0.7         | 15.6        |

Note: Cumulative Performance to period 31/12/2018.

Note: Past Performance is not a guide to future performance. The price of shares 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.

For full details of the fund's objective, policy, investment and borrowing powers and details of the risks investors need to be aware of, please refer to the prospectus.

For a full description of those eligible to invest in each share class please refer to the relevant prospectus.

The fund does not have an index-tracking objective.

### Market review

Global equities endured a torrid month, as fears about global growth, geopolitics and the likely effect of US interest rate rises combined to unnerve investors. At a regional level, all the main indices posted negative returns for December, and for 2018 as a whole.

US equities suffered heavy losses, wiping out the gains made during the rest of 2018. One reason for the fall was the Federal Reserve's (Fed) latest interest rate rise. Many observers questioned the need for higher rates at a time when global growth shows signs of faltering. Among the critics was President Trump, who responded by threatening to sack Fed chairman Jerome Powell. Added to this was political discord, with impasse over the budget leading to a US government shutdown. Subsequent denials from the White House about Mr Powell's potential dismissal and strong US holiday retail sales helped trigger a late-stage rebound. Nevertheless, US equities ended the month lower.

European markets were again hampered by political upset and signs of lacklustre economic growth. In the UK, deadlock over Brexit, worries about global trade and falling oil prices also weighed on equities. Equity markets in Japan and Asia mirrored the downward trend.

As investors' appetite for risk ebbed, government bonds and other perceived defensive assets fared relatively well. US Treasuries rose (yields fell). This was despite the latest US rate hike, after the Fed stated that interest rates would rise more gradually than had been expected.

US economic momentum remained broadly intact, with unemployment reaching a 49-year low. However, consumer confidence slipped, indicating misgivings about the economic outlook. European data was again sluggish, prompting the European Central Bank to cut its growth forecasts. In the UK, Brexit-related uncertainty continued to dampen business confidence and investment.

Oil prices fell further, a measure of concern that the world economy is

weakening at a time when output is surging.

### Activity

We opened a US interest rate steepener strategy designed to profit from movements in US interest rates. Specifically, while investors are currently likely to price in more hikes in short-term interest rates, we believe we are nearing the point when they will start focusing on medium-term interest rates. Elsewhere, we exited the Canadian interest rates strategy after it delivered positive returns in line with our expectations.

We opened a position that seeks to benefit from potential Brexit-related upside in the UK equity market.

### Performance

The Enhanced-Diversification Growth Fund returned -3.65% (gross of fees), compared to the MSCI AC World Index return of -7.29% (gross of fees, hedged to GBP).

### Market returns

The US S&P 500 Index ended the month 9.2% lower, amid worries that the US was entering the late phase of the economic cycle. Japan's Nikkei 225 Index fell 10.5%, while European large-cap stocks lost 5.4%. Consequently, our allocations to the US and Japanese markets detracted from performance, as did our global equity exposure.

### Enhanced Diversifiers

Canadian government bonds moved higher, rewarding our Canadian interest rates position. Canada's economy is relatively reliant on oil and other commodities. As such, the weak oil price acted as a further incentive for investors to seek the relative safety of Canadian government bonds. The environment also proved favourable for our Swedish yield curve flattener versus Canadian yield curve steepener strategy.

The Japanese yen performed strongly, benefiting from its status as a safe-haven currency. This helped drive positive returns from our position preferring the yen over the Canadian dollar. Returns from the strategy were enhanced by declining oil prices, which weighed on the Canadian dollar.

As expected, Brazil's central bank left interest rates unchanged. It also hinted that rates would likely remain low for a longer period than previously expected. This and optimism that Jair Bolsonaro's new government will pursue a business-friendly reform agenda lifted our Brazilian government bonds position. Similarly, our Mexican government bonds position contributed positively. Mexican government bonds and the Mexican peso gained after the government announced surprisingly conservative budget proposals. At the same time, the government removed a market overhang by resolving the stalemate with bond holders of a cancelled airport project.

Our emerging markets technology versus Taiwanese equity strategy dragged on performance. Movements in the Taiwanese market initially supported this position. However, later in the month, deteriorating global growth prospects and worries about China's economy weighed on EM equities. As a result, the position gave up its earlier gains and closed lower.

### Outlook

Our central view is that global growth has peaked and headwinds are building. However, we believe modest broad-based global growth will continue, albeit with regional variations. Government tax policy and spending plans, and the changing monetary policies of central banks will be important drivers of asset returns – especially as the pace of change remains unclear. The US is continuing to raise interest rates, albeit gradually. The European Central Bank ended its monetary support programme in December. We believe it will remain cautious about raising rates in the near term given the uncertainty around Brexit and signs of weakness in the Eurozone economy. Japan, meanwhile, is likely to maintain a supportive monetary path.

Geopolitical tensions are still elevated and asset prices still look expensive on many metrics, despite the recent sell-off. We seek to benefit from the opportunities these conditions present by implementing a diversified range of strategies across multiple asset classes.

## Other Fund Information

|           | Retail Acc   | Retail Inc | Institutional Acc | Institutional Inc |
|-----------|--------------|------------|-------------------|-------------------|
| Lipper    | n/a          | n/a        | n/a               | n/a               |
| Bloomberg | SLIEDGF LN   | n/a        | n/a               | n/a               |
| ISIN      | GB00BDGTGV47 | n/a        | n/a               | n/a               |
| SEDOL     | BDGTGV4      | n/a        | n/a               | n/a               |

|           | Platform One Acc | Platform One Inc |
|-----------|------------------|------------------|
| Lipper    | n/a              | n/a              |
| Bloomberg | SLEDENH LN       | n/a              |
| ISIN      | GB00BFNWYG14     | n/a              |
| SEDOL     | BFNWYG1          | n/a              |

|                        | Interim | Annual | Valuation Point | 12:00 (UK time) |
|------------------------|---------|--------|-----------------|-----------------|
| Reporting Dates        | 31 Dec  | 30 Jun | Type of Share   | Accumulation    |
| XD Dates               | n/a     | 30 Jun | ISA Option      | Yes             |
| Payment Dates (Income) | n/a     | 31 Oct |                 |                 |

|                          | Retail | Institutional | Platform One |
|--------------------------|--------|---------------|--------------|
| Initial Charge           | 4.00%  | n/a           | 0.00%        |
| Annual Management Charge | 1.00%  | n/a           | 0.65%        |
| Ongoing Charges Figure   | 1.03%  | n/a           | 0.81%        |

The Ongoing Charge Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Fund. It is made up of the Annual Management Charge (AMC) shown above and the other expenses taken from the Fund over the last annual reporting period. It does not include any initial charges or the cost of buying and selling stocks for the Fund. The OCF can help you compare the costs and expenses of different funds.

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