

Jan
2019

Europe ex UK Smaller Companies Fund

Aberdeen Standard
Investments

31 January 2019

The fund aims to provide long term capital growth by investing predominantly in the shares of smaller companies listed on European stock markets, excluding the UK. The fund is actively managed by our investment team, who will select stocks to try to take advantage of opportunities they have identified.

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. 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

Equity Fund

Monthly

Fund Manager	Andrew Paisley
Fund Manager Start	25 Aug 2014
Launch Date	1 Nov 2007
Current Fund Size	£51.0m
No. of Holdings	44

Benchmark Euromoney Smaller Europe excluding UK Index

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 Sector

	Fund %
Industrials	23.4
Financials	20.7
Consumer Goods	14.7
Technology	12.9
Consumer Services	11.2
Health Care	7.7
Cash and Other	5.0
Basic Materials	4.4

Composition by Country

	Fund %
Germany	29.8
France	19.2
Italy	15.0
Ireland	6.6
Finland	5.8
Switzerland	4.2
Sweden	4.0
Netherlands	3.8
Denmark	3.3
Spain	2.0
Norway	1.3
Cash and Other	5.0

Top Ten Holdings

Stocks	Fund %
Kesko	5.8
Teleperformance	5.4
Nemetschek	5.3
Interparfums	5.2
Hibernia REIT	4.5
FincoBank	4.4
Orpea	4.2
SimCorp	3.3
Patrizia Immobilien	3.2
Troax Group	3.1
Assets in top ten holdings	44.4

Fund Performance *

Year on Year Performance

Source: Aberdeen Standard Investments (Fund) and Thomson Reuters DataStream (Benchmark)

	Year to 31/12/2018 (%)	Year to 31/12/2017 (%)	Year to 31/12/2016 (%)	Year to 31/12/2015 (%)	Year to 31/12/2014 (%)
Europe ex UK Smaller Companies	-15.0	23.6	17.1	22.1	-2.1
Platform One	-14.6	24.2	17.6	23.1	-1.3
Euromoney Smaller Europe excluding UK Index	-12.7	23.3	23.3	17.2	-1.9

Cumulative Performance

Source: Aberdeen Standard Investments (Fund) and Thomson Reuters DataStream (Benchmark)

	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Europe ex UK Smaller Companies	-12.4	-11.4	38.1	56.4
Platform One	-12.2	-11.0	39.9	61.0
Euromoney Smaller Europe excluding UK Index	-12.0	-9.9	45.4	59.3

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.

Definitions

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

December's poor market performance continued at the start of January. Several issues had sent investors running for safety. These included the US/China trade dispute, global growth fears and higher interest rates. However, the month ended in a much more positive fashion. The most significant development was the emergence of a possible trade deal. This was especially good news for Europe given its export dependency. Moreover, comments from the US Federal Reserve indicated a slower pace of interest rate hikes than expected. This encouraged equity markets around the globe, with notable performance from smaller companies.

Activity

We increased our holding in Interparfums. In our view, investors underestimate the positive impact from increased brand launch investment. Elsewhere, we reduced our holding in

Swiss construction engineer Implenia. It has suffered from a number of project overruns. In addition, its Matrix score (our quant based research tool) had fallen into negative territory

Performance

The Fund outperformed its benchmark over the month.

Having underperformed in December, French fragrance manufacturer Interparfums recovered in January. The company announced better-than-expected trading for 2018. This resulted in a material rise in its forecast earnings. We expect earnings growth to be ahead of expectations given increased brand investment. Nemetschek also added to relative returns. The shares came under pressure towards the end of last year. Weak performance in December was reversed. Investors appreciated the continued strong growth opportunity for the building-software solutions business.

French nursing home operator Orpea was weak. It had performed well last month given its defensive characteristics. However, it suffered during January's sharp market reversal. We continue to like its growth story of increased demand and potential to expand beyond its home market. Origin Enterprises was another weak performer on little newsflow. We continue to like the growth opportunity for the agri-services business. Farmers are increasing their use of professional advice and technology as a way to increase crop yields.

Outlook & strategy

Increasing concerns over global growth and rising political risk drove markets towards the end of 2018. In January, investors refocused on bottom-up fundamentals. We remain focused on higher quality companies with good growth prospects and strong operating momentum.

Other Fund Information

	Retail Acc	Retail Inc	Institutional Acc	Institutional Inc
Lipper	n/a	n/a	n/a	n/a
Bloomberg	SLIEXSA LN	n/a	SLIEXIA LN	n/a
ISIN	GB00BYR2M03	n/a	GB00BYMMJD73	n/a
SEDOL	BYR2M0	n/a	BYMMJD7	n/a

	Platform One Acc	Platform One Inc
Lipper	n/a	n/a
Bloomberg	SLIEXP1 LN	n/a
ISIN	GB00BYMMJ932	n/a
SEDOL	BYMMJ93	n/a

	Interim	Annual	Valuation Point	12:00 (UK time)
Reporting Dates	31 Aug	28 (29) Feb	Type of Share	Income & Accumulation
XD Dates	31 Aug	28 (29) Feb	ISA Option	No
Payment Dates (Income)	31 Oct	30 Apr		

	Retail	Institutional	Platform One
Initial Charge	5.25%	0.00%	0.00%
Annual Management Charge	1.30%	0.75%	0.75%
Ongoing Charges Figure	1.38%	0.91%	0.96%

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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