

31 January 2019

The fund aims to provide long term growth by investing predominantly in the shares of smaller companies listed on the global stock markets. The fund typically holds a concentrated portfolio of stocks and is actively managed by our investment team, who will select stocks to try to take advantage of opportunities they have identified. Due to the nature of the companies in which the fund invests, investors must be willing to accept a relatively high degree of stock specific risk.

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	Alan Rowsell	Base Currency	GBP
Fund Manager Start	19 Jan 2012	No. of Holdings	52
Launch Date	19 Jan 2012		
IA Sector	IA Global		
Benchmark	IA Global Sector		
Current Fund Size	£1249.8m		

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 %
Information Technology	21.3
Industrials	20.9
Consumer Discretionary	19.3
Financials	15.3
Health Care	11.2
Consumer Staples	8.2
Cash and Other	2.7
Materials	1.1

Top Ten Holdings

Stocks	Fund %
Teleperformance	3.5
Alarm.com	3.3
Aspen Technology	3.2
JD Sports Fashion	3.1
Shenzhou International	3.0
Kemper	3.0
HMS	2.9
Abiomed	2.8
Paylocity Holding	2.7
ServiceMaster	2.7
Assets in top ten holdings	30.2

Composition by Country

	Fund %
USA	43.3
UK	13.4
Japan	6.9
Germany	6.2
China	5.9
Italy	4.5
Australia	4.3
Taiwan	4.0
France	3.5
Korea	1.8
Hong Kong	1.5
Spain	1.3
Netherlands	0.7
Cash and Other	2.7

Fund Performance *

Price Indexed



The performance of the fund has been calculated over the stated period using bid to bid basis for a UK basic rate tax payer. The performance shown is based on an Annual Management Charge (AMC) of 0.85%. You may be investing in another shareclass with a higher AMC. The charges for different share classes are shown on the next page. For details of your actual charges please contact your financial adviser or refer to the product documentation.

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

Year on Year Performance

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

	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 (%)
Retail Fund Performance	-5.5	24.9	25.5	10.8	-2.5
Institutional Fund Performance	-4.9	25.4	26.4	11.7	-1.7
Platform One	-5.1	25.3	26.3	11.6	-1.8
IA Global Sector	-5.7	13.9	23.9	2.8	7.0

Cumulative Performance

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Retail Fund Performance	-13.8	-2.8	64.8	73.1
Institutional Fund Performance	-13.6	-2.3	67.5	78.8
Platform One	-13.6	-2.3	67.1	78.0
IA Global Sector	-6.2	-1.8	46.6	57.9

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

The Fed rides to the rescue ... again

The market rallied in January after a sharp fall at the end of last year. Small-cap companies outperformed Large caps. The main reason was the expectation that the Federal Reserve (Fed) would ease back on its monetary tightening. The market was further encouraged by the Fed's willingness to amend its schedule for balance sheet reduction. This sent share prices higher as markets priced in no more rate rises in 2019.

Activity

Cut your losers

The Fund sold out of Hibernia, Wageworks and CVS. Hibernia is a real estate investment trust focused on commercial office property in Dublin. The stock has been a solid performer over our 4-year holding period. However, we now see little upside to its share price and there are better opportunities elsewhere. Wageworks is a provider of tax-free employee benefits in the US. The company's strategy is under pressure. We lost confidence in the business when it had to restate its accounts and when senior managers departed. We also sold CVS Group after a disappointing trading

update. The UK vet practices company is seeing rising wage pressures due to a shortage of veterinary staff. This is squeezing profit margins, which is leading to earnings downgrades. All these holdings had negative Matrix scores (our quant research tool).

Performance

Fund rises but value leads the way

The Fund rose in January but lagged the benchmark.

Two of the weakest holdings were TCI and Pigeon, which were the best performers in December. This suggests that investors rotated out of better performers. TCI is a Taiwanese company that manufactures drinks and health supplements. Its share price suffered when the Chinese authorities tightened rules on selling health supplement products. However, this does not affect the long-term value of the business. We remain very positive on the company. Pigeon is a Japanese manufacturer of baby products, such as baby bottles, prams and nappies. The shares suffered from a weaker Chinese economy and because it is a more defensive, staple-like business. This is a long-term holding for the Fund, and we believe this a quality business.

On the upside, JD Sports was the best performing stock as it reported strong sales over the Christmas period. JD's positive sales growth demonstrated the strength of its business model compared to other UK retailers. The business is also performing well outside the UK, which supports our view that this is a global growth story. Alarm.com was also a strong performer. Demand for remote controlled home-security products remains strong. The company is the market leader in the software that supports it. We believe that concerns about increased competition last year are unwinding.

Outlook & Strategy

Earnings now the key driver

The key driver for markets is now the rate of change in economic growth and earnings growth. The full impact of the Fed's past tightening should show up this year. Any unexpected slowdown in growth is likely to lead the market to give up its recent gains.

We are confident that our focus on quality companies with resilient earnings should help the Fund outperform.

Other Fund Information

	Retail Acc	Retail Inc	Institutional Acc	Institutional Inc
Lipper	68150812	n/a	68150813	n/a
Bloomberg	SLIGSRA LN	n/a	SLIGSIA LN	n/a
ISIN	GB00B4KHN986	n/a	GB00B777SP34	n/a
SEDOL	B4KHN98	n/a	B777SP3	n/a

	Platform One Acc	Platform One Inc
Lipper	68165298	n/a
Bloomberg	SLIGSP1 LN	n/a
ISIN	GB00B7K VX245	n/a
SEDOL	B7K VX24	n/a

	Interim	Annual	Valuation Point	12:00 (UK time)
Reporting Dates	31 Aug	28 (29) Feb	Type of Share	Accumulation
XD Dates	n/a	28 (29) Feb	ISA Option	Yes
Payment Dates (Income)	n/a	30 Apr		

	Retail	Institutional	Platform One
Initial Charge	4.00%	0.00%	0.00%
Annual Management Charge	1.45%	0.85%	0.90%
Ongoing Charges Figure	1.47%	0.95%	1.05%

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.

*Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by Standard Life Aberdeen**. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, Standard Life Aberdeen** or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Past performance is no guarantee of future results. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates.

**Standard Life means the relevant member of the Standard Life Aberdeen group, being Standard Life Aberdeen plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

"FTSE®", "FT-SE®", "Footsie®", ["FTSE4Good®" and "techMARK] are trade marks jointly owned by the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited ("FTSE") under licence. ["All-World®", "All-Share®" and "All-Small®" are trade marks of FTSE.]

The Fund is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), by the London Stock Exchange Plc (the "Exchange"), Euronext N.V. ("Euronext"), The Financial Times Limited ("FT"), European Public Real Estate Association ("EPRA") or the National Association of Real Estate Investment Trusts ("NAREIT") (together the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE EPRA NAREIT Developed Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, none of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein.

"FTSE®" is a trade mark of the Exchange and the FT, "NAREIT®" is a trade mark of the National Association of Real Estate Investment Trusts and "EPRA®" is a trade mark of EPRA and all are used by FTSE under licence."

www.aberdeenstandard.com

Useful numbers -

Investor Services

0345 113 69 66.

Call charges will vary.

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.
Standard Life Investments Limited is registered in Scotland (SC123321) at 1 George Street, Edinburgh EH2 2LL.
Standard Life Investments Limited is authorised and regulated by the Financial Conduct Authority.
Calls may be monitored and/or recorded to protect both you and us and help with our training.
www.aberdeenstandard.com © 2019 Standard Life Aberdeen

201902131616 INVRT000 0119 ZGSC