

31 December 2018

The fund aims to provide long term growth by investing in UK equities. The fund typically holds a concentrated portfolio of stocks and is actively managed by our investment team, who will select stocks, without reference to index weight or size, to try to take advantage of opportunities they have identified. Due to the unconstrained nature of the fund 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	Wes McCoy	Base Currency	GBP
Fund Manager Start	23 Jun 2015	No. of Holdings	45
Launch Date	29 Sep 2005		
IA Sector	IA UK All Companies		
Benchmark	IA UK All Companies Sector		
Current Fund Size	£488.6m		

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	24.8
Consumer Services	21.3
Financials	18.7
Consumer Goods	13.8
Technology	6.4
Oil & Gas	5.7
Basic Materials	4.2
Health Care	2.5
Cash and Other	1.4
Unclassified	1.2

Composition by Market Capitalisation (Ex Cash)

	Fund %
FTSE UK 100	18.4
FTSE UK 250	64.8
FTSE Small Cap	14.8
Not In Index	2.0

Top Ten Holdings

Stocks	Fund %
Provident Financial	4.8
Crest Nicholson	4.5
Bellway	4.4
Johnson Matthey	4.2
Bodycote	4.2
GVC Holdings	3.9
RPC	3.8
International Personal Finance	3.8
Standard Chartered	3.1
Barclays	3.0
Assets in top ten holdings	39.7

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 0.80%. 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	-22.2	23.4	-3.1	8.2	-0.3
Institutional Fund Performance	-21.7	24.2	-2.4	9.2	0.7
Platform One	-21.9	23.9	-2.6	9.0	0.4
IA UK All Companies Sector	-11.2	14.1	11.0	4.8	0.7

Cumulative Performance

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

	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Retail Fund Performance	-21.7	-22.2	-6.9	0.4
Institutional Fund Performance	-21.5	-21.7	-5.0	4.5
Platform One	-21.6	-21.9	-5.7	3.2
IA UK All Companies Sector	-13.5	-11.2	12.4	18.6

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

Not Classified (N/C) may include bonds which do not fall into the specified categories and 'Cash and Other'.

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.

Composition by Market Capitalisation - Not in index is the sum of holdings outwith the FTSE All Share. This may include new issues, AIM listed and other LSE listed stocks.

Investment Review and Outlook

Market review

December was yet another weak month for the market, with several macroeconomic issues in focus. These included fears that global growth is falling just as interest rates are on the rise. Another feature was a growing concern about debt, particularly the debt-fuelled merger and acquisition activity we have seen recent years. This triggered a sell-off in many leveraged sectors. The equally weighted FTSE 350 ex Investment Trusts index, the Fund's benchmark, fell by 4.26%. The weakest parts of the market were those linked to cyclicity, leverage and the oil price. Associated with this were growing trade tensions among the larger economies, most notably the US and China. We also felt that liquidity was draining from markets as the year ended, with small and medium-sized companies underperforming their larger counterparts.

Activity

We continue to favour recovery opportunities within UK equities. This comes at the expense of stable, but expensive securities, which have benefited the Fund and market returns in recent history.

Although the month was challenging for performance, we continued to add

selectively to securities that we felt were oversold, including Alfa Financial Software. These have been some of our weaker holdings over the last year. However, we think they are poised for much stronger returns in the months ahead. We took some profits from Provident Financial and completed our sale of biopharmaceutical business Shire. It has de-listed as Takeda Pharmaceutical of Japan now owns it.

Performance

The Fund underperformed its benchmark index over the month. Our broadly pro-risk bias proved unhelpful, as did our belief that the cyclical fears experienced by investors were overdone. From a stock-specific perspective, there were profit warnings from Superdry and Dixons Carphone in the retail sector. However, we believe that both companies are overly discounted, and these difficulties will pass. Indeed, we increased our holdings in both securities.

On a more positive note, the Fund's housebuilding positions rallied having been oversold in the domestic UK sell-off. In pharmaceuticals, Indivior recovered after a substantial fall in November triggered by concerns about its newest anti-opioid addiction drug.

Outlook & Strategy

We are looking to take advantage of companies where value is high and the potential for change can be crystallised. As interest rates begin to rise, many expensive companies, in both growth and safe stable areas of the market, will suffer. The polarised nature of the market means it will shift to favour value companies and those that have missed out on the revaluation of risk in the last decade. This approach will provide a defence for the Fund, as our investments are valued at a high discount to their fair value, and are therefore less sensitive to rising interest rates. Companies trading at high valuations are vulnerable in this environment. Opportunities are skewed to UK domestically exposed companies and sectors, and we continue to add to this exposure.

The market is currently taking a pessimistic and short-term view. However, we are trying to look further ahead to a period when Brexit is resolved and when ultra-low valuations will be recognised. This requires resolve and patience, but historically such periods have boded well for future returns for the strategy just as the market is at a point of maximum stress.

Other Fund Information

	Retail Acc	Retail Inc	Institutional Acc	Institutional Inc
Lipper	65009786	n/a	65009785	n/a
Bloomberg	SLUEURA LN	n/a	STUKEQI LN	n/a
ISIN	GB00BOLD3B90	n/a	GB00BOLD3C08	n/a
SEDOL	BOLD3B9	n/a	BOLD3C0	n/a
	Platform One Acc	Platform One Inc		
Lipper	68165446	n/a		
Bloomberg	SLUEUP1 LN	n/a		
ISIN	GB00B7LK2232	n/a		
SEDOL	B7LK223	n/a		
	Interim	Annual	Valuation Point	12:00 (UK time)
Reporting Dates	30 Apr	31 Oct	Type of Share	Accumulation
XD Dates	30 Apr	31 Oct	ISA Option	Yes
Payment Dates (Income)	30 Jun	28 (29) Feb		
	Retail	Institutional	Platform One	
Initial Charge	4.00%	7.50%	0.00%	
Annual Management Charge	1.50%	0.80%	1.00%	
Ongoing Charges Figure	1.52%	0.90%	1.15%	

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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