Aug 2018

Global Focused Strategies Fund

Aberdeen Standard Investments

31 August 2018

The fund aims to provide positive investment returns in all market conditions over the medium to long term through a discretionary multi-asset approach that integrates macro insights with fundamental security research. It invests actively within and between all major asset classes and across the capital structure of firms, exploiting medium term investment views drawn from a broad expert research platform. The fund targets a level of return over rolling three-year periods equivalent to cash plus seven and a half per-cent per year, gross of fees. Operating distinct idea generation, strategy selection and portfolio construction steps, the fund uses well established processes to target a particular level of positive return with a strong emphasis on risk awareness whatever the economic environment. The fund uses a combination of traditional securities and derivatives and can take long and short positions.

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.

SICAV Fund

Absolute Return Fund

Monthly

Fund Manager	Neil Richardson, David Sol & Jennifer Catlow	Shareclass	CHF (hedged)
Launch Date	11 Dec 2013	Base Currency	EUR
Current Fund Size*	CHF 363.6m	Benchmark**	6 Month EURIBOR

***Fund size calculated using the base currency in Euros converted into Swiss Franc using the FX rate of 1:1.12 on 31/08/2018.**
****This is the Fund benchmark. Where shareclasses are available in a different currency to the Fund's base currency, an alternative benchmark will be referenced for performance comparison purposes. For example, for a USD-hedged shareclass, performance will be referenced against a USD-hedged version of the Fund benchmark or a local currency (equivalent) 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 share-classes within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website – www.standardlifeinvestments.com. Please note that the Portfolio Risk and Return Analysis table is only updated on a quarterly basis. (31 March, 30 June, 30 September and 31 December).**
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 *

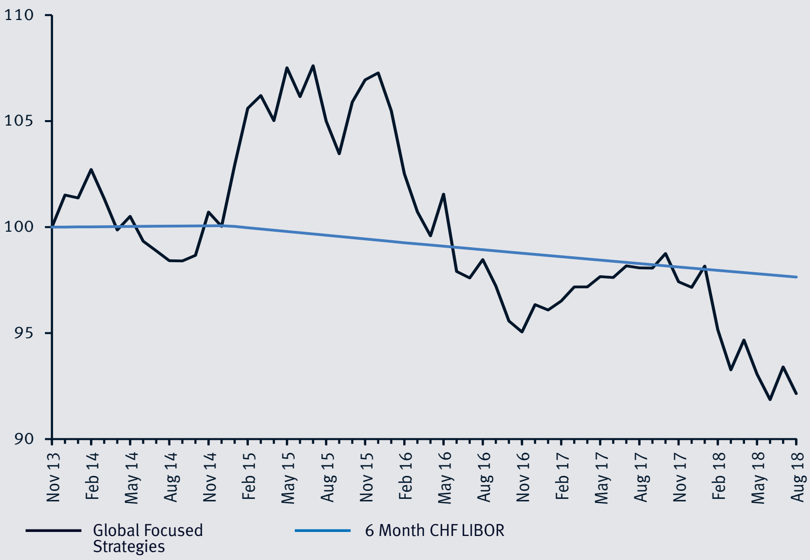
Quarterly Portfolio Risk and Return Analysis

	Strategy	Stand-alone Risk Exposure %	Weighting (risk based %)	Contribution to Returns % Q2	Contribution to Returns % 1 Yr
Equity	US equity	1.3	8.3	0.2	0.6
	Oil majors v global equity	1.0	6.1	0.7	0.7
	US v Australian banks equity	0.8	5.3	-0.4	-0.4
	European equity	0.8	4.8	0.1	0.2
	European v US food producers equity	0.7	4.6	0.3	0.3
	European dividends	0.7	4.6	0.0	0.4
	UK equity v retail	0.7	4.2	-0.4	-0.3
	US equity large cap v small cap	0.6	3.8	-0.5	-0.8
	European equity banks	0.5	3.3	-0.4	-0.6
	Indian private banks equity	0.5	3.2	0.1	-0.1
	European equity v media	0.5	3.1	0.5	1.0
	Emerging markets v Brazilian equity	0.4	2.4	0.2	0.2
	Korean equity	Closed		-0.3	-0.4
	Russian v Brazilian equity	Closed		0.1	-0.4
	US equity banks	Closed		0.2	0.5
Credit	Emerging markets income	0.7	4.7	-0.9	-0.6
	Fallen Angels credit	0.7	4.2	-0.1	-0.2
	Short-dated EM corporate credit	0.4	2.5	-0.3	-0.3
	Brazilian government bonds	0.1	0.8	0.0	0.0
	Contingent capital bonds	Closed		0.0	0.2
Duration	Greek v German government bonds	0.7	4.6	0.1	0.1
	Short US interest rates	0.6	3.8	0.1	0.1
	US v European real yields	0.6	3.7	0.0	0.0
	Short UK inflation	0.5	3.1	0.0	0.0
	US inflation curve steepener	0.5	3.1	-0.1	-0.7
	Short US interest rates (swaptions)	0.4	2.3	-0.1	-0.1
	Swedish flattener v Canadian steepener	0.3	1.8	0.1	0.1
	Japanese steepener	Closed	0.0	0.0	0.0
	Italian v German interest rates	Closed		-0.5	-0.3
Volatility	EuroStoxx50 v S&P variance	0.6	3.9	0.0	-0.1
	Russell2000 v S&P variance	0.4	2.3	0.0	-0.1
	Long interest rate volatility	0.1	0.7	0.1	0.0
	Equity option premium	0.1	0.4	0.3	0.4
	S&P volatility curve premium	Closed		0.0	0.1
FX	Long JPY v AUD	0.7	4.2	0.0	0.0
	Long JPY v KRW	Closed		-0.1	-0.3
	Long SEK v EUR	Closed		0.0	-0.6
	Long USD v EUR currency options	Closed		0.3	0.3
	Long USD v GBP	Closed		0.0	-0.3
FX hedging	FX hedging	0.1	0.4	-0.3	-0.9
Cash	Cash			0.0	0.2
	Residual	0.0	0.0	-0.2	-0.9
	Total	**15.8**		**-1.1**	
	Diversification	10.4			
	Expected Volatility	**5.3**			

Individual strategy contributions are based on gross returns. The attribution of returns to individual strategies is performed on a best endeavours basis and uses market data at the close of business at the end of each period. This data is typically unavailable at the time unit prices are struck resulting in minor differences between unit price performance and this attribution. Such differences do not accumulate so cancel out over time.

Fund Performance *

Price Indexed



Performance has been calculated over the stated period on the share price performance basis, based on the institutional shareclass and net of fees. For your relevant charges please contact your Aberdeen Standard Investments Sales Representative.

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

Cumulative Performance

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

	YTD (%)	1 month (%)	3 months (%)	6 months (%)	1 year (%)
Institutional Fund Performance	-5.2	-1.4	-1.0	-3.2	-6.0
6 Month CHF LIBOR	-0.4	-0.1	-0.2	-0.3	-0.7

	3 years (%)	Since launch (%)
Institutional Fund Performance	-12.2	-7.9
6 Month CHF LIBOR	-2.0	-2.4

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.

Market review

Most equity markets fell during August, amid escalating trade wars, US sanctions against Iran and Turkey and mounting worries about Italy's political and fiscal situation. The US was a notable exception, as unexpectedly strong second-quarter growth and a still-favourable inflationary backdrop fuelled further appetite for equities.

European economic releases provided evidence that the slowdown earlier this year had been only temporary. However, sentiment was marred by worries over the Italian budget and a possible clash between Italy's new government and the European Commission. Brexit continued to dominate UK newsflow, with little sign of a breakthrough. As expected, the Bank of England raised interest rates by 25 basis points. Elsewhere, trade tensions and renewed strengthening of the US dollar raised concerns about emerging markets (EM), particularly those economies with heavy US dollar debt burdens. Investors' concerns were exacerbated by the unfolding economic crises in Turkey and Argentina, which sent their currencies plummeting and sparked fears of global contagion.

Government bonds in the US, Germany and the UK rose (yields fell), as nervousness about geopolitical developments prompted investors to seek more defensive assets. Ten-year US Treasury yields dropped to 2.86%, despite strong economic figures that argued for further interest rate hikes. Meanwhile, fiscal and political uncertainty drove Italian government bonds lower (yields rose). At month-end, rating agency Fitch downgraded the outlook on Italian government debt from stable to negative.

Oil prices rose in response to a larger-than-expected decline in US stockpiles and the resumption of US sanctions against Iran. Most other commodities ended lower, reflecting fears about trade tariffs and oversupply.

Activity

We initiated a currency volatility position, expressing our view that the British pound will remain under pressure from Brexit concerns during the negotiation period. Designed to benefit from rising volatility in sterling, the strategy should provide some protection in the event of a worse-than-expected Brexit outcome and significant depreciation of the pound versus the euro.

Within our oil majors versus global equities position, we closed the short global equity leg to leave an outright long exposure to companies engaged in the exploration, production, refinement and distribution of oil. We closed our European equity versus media strategy after it had delivered positive returns in line with our expectations. Elsewhere, we exited the US inflation-curve steepener position as, in our view, the conditions necessary for the inflation curve to steepen appeared less likely to play out. In particular, the recent strength in the oil price and trade tariff rhetoric will continue to push up short-term inflation expectations over the medium term, limiting the potential upside for the strategy.

Performance

Global Focused Strategies returned -1.35% during the month (net of fees), compared to the benchmark CHF LIBOR return of -0.06%.

Strong economic data and continued positive sentiment towards the US boosted the performance of our US equity strategy. However, in Europe, the banking sector declined by 10.8% amid rising worries about the exposure of some Eurozone banks to Turkey, whose currency plunged by 24% against the US dollar during August. Consequently, our exposure to Eurozone 'blue-chip' companies and the banking sector dragged on performance. Elsewhere, our US versus Australian banks equity position delivered a positive return as most of the securities within our selected US basket outperformed their Australian counterparts. Similarly, a position designed to benefit from the difference between implied and realised volatility in equity markets contributed positively over the period.

The pronounced weakness across EM assets hurt our EM income, Brazilian government bonds and short-dated EM corporate credit strategies. However, our Indian private banks equity position gained, as Indian equities bucked the trend and ended the month higher. India's economic outlook is relatively favourable compared to other emerging markets. This and the general perception that India is, for now, less exposed to trade tensions proved supportive.

Investors' preference for more defensive assets rewarded our position favouring the Japanese yen over the Australian dollar, reflecting the yen's status as a 'safe haven'. Returns from this currency pair were boosted further as the Australian dollar, often used by investors as a proxy for EMs markets, fell in tandem with EM assets.

Outlook

Our central expectation is for continued modest broad-based global growth, albeit with regional variations. Fiscal policy and the changing monetary policies of central banks will be important drivers of asset returns, especially as the pace of change in policies remains uncertain. The US is moving to a tighter monetary environment, albeit on a gradual incline. Improving data in Europe may reduce the European Central Bank's appetite for monetary easing. However, it will likely remain cautious in the near term given the elevated levels of uncertainty around the process of the UK's withdrawal from the European Union. Japan, meanwhile, is likely to remain on a loose monetary path. Geopolitical tensions remain elevated and, on many metrics, asset prices look expensive. We will seek to exploit the opportunities that these conditions present by implementing a diversified range of strategies across multiple asset classes.

Other Fund Information

	Retail Acc	Retail Dist	Institutional Acc	Institutional Dist	Currency
Bloomberg	SLGFACH LX	-	SLFSDHC LX	-	CHF
ISIN	LU1327127608	-	LU0995142642	-	CHF
WKN	N/A	-	A1W9Y5	-	CHF

Domicile	Luxembourg
Custodian Name	The Bank of New York Mellon SA/NV, Luxembourg Branch, 2-4 Rue Eugene Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg
Auditor Name	KPMG Luxembourg, 39, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

	Interim	Annual
Reporting Dates	30 Jun	31 Dec

Settlement Time	T+3
Email	luxmb-sli-ta@bnymellon.com
Telephone	+352 24 525 716
Share Price Calculation Time	15:00 (Luxembourg time)
Dealing Cut Off Time	13:00 (Luxembourg time)

*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 Aberdeen 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."

Risk Factors
The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.

The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

The fund invests in equities and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

The fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

Investing in derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives will result in the fund being leveraged (where economic exposure and thus the potential for loss by the fund exceeds the mount it has invested) and in these market conditions the effect of leverage will be to magnify losses. The fund makes extensive use of derivatives.

The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price.

The fund could lose money as the result of a failure or delay in operational processes.

Additional Information for Switzerland : The prospectus, the key investor information documents, the articles of incorporation, the annual and semi-annual report in German, and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Ile, CH-1204 Geneva. The last share prices can be found on www.fundinfo.com.

To find out more about our fund range, visit our website or alternatively speak to your usual contact at Standard Life Investments.

www.aberdeenstandard.com

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. Standard Life Investments Global SICAV is an umbrella type investment company with variable capital registered in Luxembourg (no. B78797) at 2-4, rue Eugéne Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.
Calls may be monitored and/or recorded to protect both you and us and help with our training.

201809171714 INVRT661 0818 SPRJ_CHF