

31 January 2019

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	David Sol, Jennifer Catlow & Alistair Veitch	Shareclass	GBP (hedged)
Launch Date	11 Dec 2013	Base Currency	EUR
Current Fund Size	£229.6m	Benchmark**	6 Month EURIBOR

*Fund size calculated using the base currency in Euros converted into Sterling using the FX rate of 1:0.87 on 31/01/2019.

**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 shareclasses 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 *

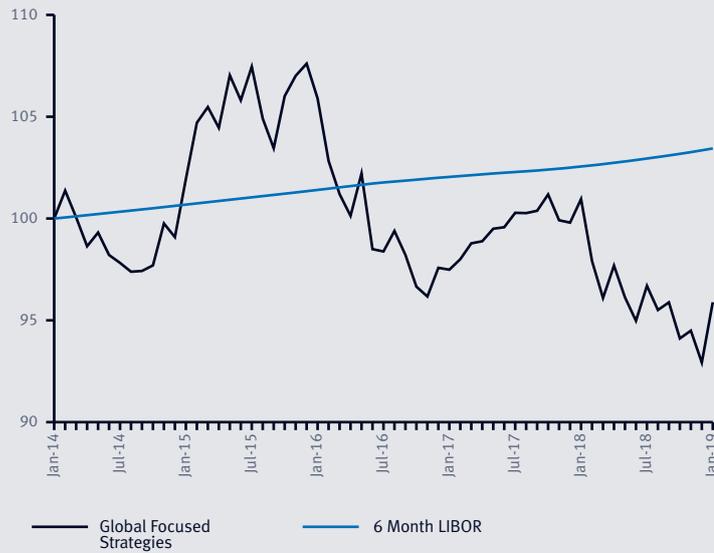
Quarterly Portfolio Risk and Return Analysis

	Strategy	Stand-alone Risk Exposure %	Weighting (risk based %)	Contribution to Returns %	
				Q4	1 Yr
Equity	US equity	1.8	12.6	-2.0	-1.0
	European dividends	1.0	6.8	-0.4	-0.5
	Chinese equity	0.9	6.4	-0.4	-0.4
	US equity large cap v technology	0.7	5.1	0.1	0.1
	Short Australian Equity Banks	0.7	5.0	-0.1	-0.1
	Indian private banks equity	0.6	4.2	0.1	-0.1
	UK equity v retail	0.4	3.1	0.3	0.1
	Emerging markets IT v Taiwanese equity	0.2	1.6	-0.1	-0.1
	European equity	Closed		-0.3	-0.4
	European equity banks	Closed		-0.1	-0.7
	European v US food producers equity	Closed		-0.2	0.2
	Global equity oil majors	Closed		-0.5	-0.4
	US v Australian banks equity	Closed		-0.6	-1.1
	Credit	Emerging markets income	1.1	7.9	0.8
High yield credit		1.0	7.2	-0.1	-0.1
Fallen Angels credit		0.6	4.1	-0.3	-0.3
Brazilian government bonds		0.4	2.5	0.6	0.6
Short-dated EM corporate credit		0.3	2.1	0.0	-0.2
Duration	Greek v German government bonds	0.9	6.3	-0.1	0.1
	Australian duration	0.6	4.3	0.6	0.6
	Short UK inflation	0.6	4.2	-0.1	-0.3
	Short US interest rates (swaptions)	0.4	2.4	-0.2	-0.2
	Swedish flattener v Canadian steepener	0.4	2.4	0.1	0.3
	US steepener	0.3	2.3	0.1	0.1
	Contingent capital bonds	0.2	1.4	-0.2	-0.2
Volatility	Equity option premium	0.1	0.4	-0.3	0.1
	Long interest rate volatility	0.0	0.1	0.2	0.3
	Long GBP volatility	0.0	0.0	0.0	0.0
FX	Long JPY v AUD	1.0	7.1	0.5	0.3
FX hedging	FX hedging	0.1	0.5	-0.2	-0.9
Cash	Cash			0.0	0.2
	Residual	0.0	0.0	-0.3	-0.9
	Stock selection			0.0	0.2
	Total	14.4		-3.1	
	Diversification	9.4			
	Expected Volatility	5.1			

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	3.2	3.2	1.9	-0.8	-5.0
6 Month LIBOR	0.1	0.1	0.3	0.5	0.9

	3 years (%)	5 years (%)	Since launch (%)
Institutional Fund Performance	-9.4	-4.1	-2.7
6 Month LIBOR	2.0	3.4	3.5

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.

The fund does not have an index-tracking objective.

Market review

Following their dismal end to 2018, global equities rebounded in January. Both developed and emerging market equities made gains. Growing optimism over a US-China trade resolution helped lift investor confidence. So, too, did signals from the US Federal Reserve (Fed) that it would adopt a more patient approach to further interest rate increases. Strong US company earnings releases provided further support for US equities. Results from Europe were more mixed: some were strong but there was weakness among banks. UK equities benefited from the rebound in oil prices, which boosted the energy sector. As Brexit machinations continued, investors started to look more favourably on Prime Minister May's plans. As a result, sterling climbed against other major currencies.

Despite investors regaining their appetite for risk, government bond prices rose (yields fell) during the month, as the Fed guided down expectations for further US interest rate hikes. The move was seen as a mark of the Fed's caution over the state of the global economy. Corporate bonds delivered positive returns (yields fell) and outperformed government bonds. High-yield corporate bonds outperformed investment-grade issues, reflecting investors' improved appetite for risk.

Economic releases during the month were lacklustre. US economic data started to show the effects of the US-China trade dispute, with the ISM manufacturing survey registering its largest month-on-month fall since 2008. Eurozone economic indicators continued to disappoint. In response, the European Central Bank (ECB) hinted it might alter its monetary policy towards a more supportive stance. Oil prices rose sharply on supply worries. Production cuts by OPEC (Organization of Petroleum Exporting Countries) are taking effect. US sanctions on Venezuelan oil

exports also affected the oil supply outlook.

Activity

We closed our Australian interest rates strategy following strong performance. We replaced it with a European forward-start interest rates position, which we consider a more attractive interest rate play. We exited the short US interest rates position. We prefer to express our views on the US interest rate cycle through the recently introduced US interest rates steepener strategy.

We sought to simplify and reduce exposure to the US equity market. To this end, we exited our US equity large-cap versus technology strategy and simultaneously pared back our US equity position. We reallocated to an emerging markets (EM) equity position. As well as offering attractive valuations, we expect EMs to benefit from proposed Chinese stimulus measures over the medium-term.

Performance

Global Focused Strategies returned 3.19% during the month (net of fees), compared to the benchmark six-month LIBOR return of 0.09%.

Given the strong performance of global equities, our US equity and European dividends positions contributed positively. Corporate bonds also fared well. Our exposures to this asset class performed strongly, particularly the high-yield and 'fallen angels' positions. However, our equity option premium strategy dragged on performance. Investors paid a lower premium for protection relative to the volatility realised over the period. Our UK equity versus retail strategy also gave back some of its earlier gains, as the retail sector outperformed the broad equity market over the period.

Hopes for improving US-China trade relations and the prospect of more stimulus measures from China bolstered sentiment towards EMs. So too did the Fed's more measured tone

on future interest rate hikes. This resulted in positive returns from our EM income and Chinese equity exposures. US Treasuries moved higher, causing yields to fall. This hurt our strategy that seeks to benefit from higher US interest rates.

Rising oil prices and the prospect of Chinese stimulus measures bolstered the Australian dollar. By contrast, the Japanese yen, a perceived safe-haven currency, remained relatively weak in the environment of improving risk appetite. Consequently, our preference for the yen over the Australian dollar was penalised. Our long sterling volatility position also hurt performance. Implied volatility for the British pound declined and the pound strengthened against the euro.

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 ECB ended its monetary support programme in December. However, 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 elevated and many asset prices still look expensive, despite the recent sell-off. Valuations look vulnerable in sectors where corporate earnings growth appears to have peaked. In other areas such as emerging markets we see less demanding valuations. 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 Dist	Institutional Acc	Institutional Dist	Currency
Bloomberg	-	-	SLGFDHG LX	-	GBP
ISIN	-	-	LU0995142303	-	GBP
WKN	-	-	A1W9Y2	-	GBP

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-ASI-TA@bnymellon.com

Telephone +352 24 525 716

Share Price Calculation Time 15:00 (Luxembourg time)

Dealing Cut Off Time 13:00 (Luxembourg time)

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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 amount 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'Île, 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

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