

10 June 2019

IMPORTANT INFORMATION

Dear Investor,

ABERDEEN INVESTMENT FUNDS ICVC (TO RENAMED ABERDEEN STANDARD OEIC I) CHANGES TO ABERDEEN UK SMALLER COMPANIES EQUITY FUND (TO BE RENAMED ASI (AAM) UK SMALLER COMPANIES FUND) INVESTMENT OBJECTIVE AND POLICY

Please read this letter carefully as it contains important information regarding upcoming changes to the above fund.

Please note that these changes are in addition to the following changes we are making to all UK funds and which we will write to you about separately:

- **Change of Name; and/or**
- **Disclosure of Benchmark; and/or**
- **Revision of Investment Objectives and Policy wording**

Full details of all changes can be found at www.aberdeenstandard.com/en/uk/investor/fund-centre/investor-communications.

In this letter, when we say 'we' or 'us', we mean Aberdeen Standard Fund Managers Limited – the company that is currently responsible for managing and operating your investment in the Aberdeen UK Smaller Companies Equity Fund (the "**Fund**").

We are writing to you let you know about some changes to the Fund. The Financial Conduct Authority (the "**FCA**"), which regulates both us and the UK funds we manage (the "**UK Funds**"), has made some changes to its rules which we, and the UK Funds, need to comply with by **7 August 2019**. We have sent a separate letter to you on or around the date of this letter, which sets out and explains these changes.

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Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.
Aberdeen Standard Fund Managers Limited is registered in England and Wales (740118) at Bow Bells House, 1 Bread Street, London EC4M 9HH.
Aberdeen Standard Fund Managers Limited is authorised and regulated by the Financial Conduct Authority.

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We also wanted to let you know that we have taken the opportunity to make some other amendments to the investment policy of the Fund. The purpose of this letter is to explain these additional changes. **You don't need to take any action in response to this letter** but we would encourage you to familiarise yourself with the changes.

Changes to the Fund

Investment objective and policy

We have decided that it is in the best interests of our investors to amend the investment policy of the Fund to slightly change the definition of a smaller capitalisation stock. Currently a smaller capitalisation stock is defined as any stock which is not included within the 200 largest UK companies at the time of purchase. This will be amended to define a smaller cap stock as any stock having a market capitalisation less than the 10th percentile stock of the overall UK equity market. We believe that that is a better reflection of the UK smaller companies universe. We have also decided to be explicit that the minimum amount that the Fund must hold in smaller companies is 60% of the Fund. These changes combined will not materially change the risk profile of the Fund.

A comparison of the current investment objective and policy of the Fund with the proposed investment objective and policy is set out in the Appendix and can also be found at **www.aberdeenstandard.com/en/uk/investor/fund-centre/investor-communications**.

With effect from **7 August 2019** we will also update the Prospectus and the Key Investor Information documents to better reflect how the Fund will be managed. Please note you may see changes to the Factsheet document produced for the Fund.

Timing of Changes

All the changes described in this letter will take effect on **7 August 2019**.

Contact Us

If you do have any questions on this letter and the changes that will be made to our UK Funds you can contact us by calling 0345 113 6966 or +44 (0)1268 44 5488 if outside the UK. Lines are open Monday to Friday 9am to 5.30pm. Calls may be monitored and/recorded to protect both you and us and help with our training.

Please note that while we will be able to answer general questions on this letter and the Fund changes, we cannot provide financial advice.

If you do not understand this letter you should seek advice from a person authorised to give investment advice.

Thank you for your continued support of Aberdeen Standard Investments.

Yours faithfully



Gary Marshall
Aberdeen Standard Fund Managers Limited

APPENDIX

Current Investment Objective and Policy	New Investment Objective
<p>The investment objective of Aberdeen UK Smaller Companies Equity Fund is to provide capital growth, whilst not excluding the occurrence of income, from investment in smaller UK companies being companies which are not included within the 200 largest UK companies at the time of purchase, in terms of market capitalisation.</p>	<p>Investment Objective</p> <p>To generate growth over the long term (5 years or more) by investing in UK smaller capitalisation equities (company shares).</p> <p>Performance Target: To achieve the return of the Numis Smaller Companies Plus AIM excluding Investment Companies Index, plus 3% per annum over three years (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.</p> <p>The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.</p>
	<p>New Investment Policy</p>
	<p>Portfolio Securities</p> <ul style="list-style-type: none"> • The fund will invest at least 60% in smaller capitalisation equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there. • Smaller capitalisation companies are defined as any stock having a market capitalisation less than the 10th percentile stock of the overall UK equity market. • The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in the UK. • The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash. <p>Management Process</p> <ul style="list-style-type: none"> • The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level. • Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.

• In seeking to achieve the *Performance Target*, the Numis Smaller Companies Plus AIM excluding Investment Companies Index, is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation (“tracking error”) between the returns of the fund and the index, is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund’s performance profile may deviate significantly from that of the index.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as “Efficient Portfolio Management”).
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund’s existing allocations to company shares.