

Aug
2019

ASI Europe ex UK Income Equity Fund

Aberdeen Standard
Investments

31 August 2019

To generate income and some growth over the long term (5 years or more) by investing in European equities (company shares).

Please note: Our factsheets will be fully updated to reflect the 7 August 2019 changes to the Investment Objective and Policy, including benchmark use, shortly. In the interim, please see the KIID which can be found at <https://www.aberdeenstandard.com/en/uk/investor/fund-centre#literature> for full up to date information.

OEIC Fund

Equity Fund

Monthly

Fund Manager Will James

Fund Manager Start 3 Apr 2009

Launch Date 3 Apr 2009

Performance IA Europe excluding UK

Benchmark

Risk Benchmark IA Europe excluding UK Sector

Current Fund Size £728.9m

Base Currency GBP

No. of Holdings 51

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 Country

	Fund %
France	15.8
Switzerland	15.1
Germany	12.1
Netherlands	10.4
Italy	10.2
Sweden	10.1
Denmark	7.3
Finland	6.9
Norway	6.3
Spain	3.9
Ireland	1.5
Cash and Other	0.4

Top Ten Holdings

Stocks	Fund %
Enel	4.0
Novo Nordisk	3.9
Total	3.8
Zurich Insurance Group	3.7
Roche	3.6
Nestle	3.6
Partners Group	3.2
Telenor	2.8
Airbus	2.7
FincoBank	2.6
Assets in top ten holdings	33.9

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 0.75%. 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 30/06/2019 (%)	Year to 30/06/2018 (%)	Year to 30/06/2017 (%)	Year to 30/06/2016 (%)	Year to 30/06/2015 (%)
Retail Fund Performance	1.0	0.9	25.0	6.8	2.0
Institutional Fund Performance	1.5	1.4	25.6	7.5	2.7
Platform One	1.5	1.3	25.5	7.5	2.7
IA Europe Excluding UK Sector	3.3	3.3	29.2	5.1	3.9

Cumulative Performance

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

	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Retail Fund Performance	11.5	0.1	20.4	45.9
Institutional Fund Performance	11.8	0.6	22.1	50.1
Platform One	11.8	0.6	22.0	49.7
IA Europe Excluding UK Sector	10.6	0.3	27.3	53.8

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

Following the global market trend, shares fell across European equity markets. Various political events and some disappointing economic data were behind the decline. Concerns over the possibility of a global recession, trade friction and competitive currency devaluation were the themes that dominated investor sentiment. The increased likelihood of a no-deal Brexit was also prominent. The FTSE World Europe (ex UK) Index returned -1.35% (in GBP). Oil & gas and industrial companies were the biggest losers at the sector level, while defensive stocks such as utilities and healthcare performed comparatively well.

European economic news generally was disappointing with the German economy contracting in Q2 by 0.1%, compared to the previous three months, due to weaker export numbers. Data from France and Spain was also worse than expected, reinforcing calls for the European Central Bank (ECB) to take action. The ECB signalled its intent to cut interest rates and reboot its quantitative easing programme if the Eurozone continued to flounder.

The corporate reporting season was less eventful. Despite the volatile macroeconomic backdrop, many companies managed to deliver solid earnings and revenue reports and it

was encouraging to see that this was fairly broad based.

Activity

Notably trading activity involved selling down a small holding in Covestra. The German chemical business is facing an increasingly challenging trading environment, placing its dividend cover at risk.

Fund performance

The Fund outperformed the broader European market index in August.

The largest contributor to outperformance came from Novo Nordisk. The Danish pharmaceutical company's interim results allayed fears about pricing pressure in the US, its biggest market. We continue to believe there remains upside to its current share price, as the benefits of its new diabetes treatments are underappreciated by investors. The holding in Italian utility Enel also added value. The earnings of the business are sensitive to changes in Italian sovereign bond yields. These fell as political issues in the country appeared to be heading to resolution, driving the shares higher. Beyond this, the fundamentals of Enel are attractive due to earnings growth and a supportive dividend profile.

On the downside, Repsol was a drag on performance, although it was relatively minor. The Spanish

integrated oil major was under pressure from a weaker crude price and its Latin American exposure. The holding has been retained as we like it for its potential production growth. In particular, it is well placed to produce refined product to meet tighter regulations on the use of marine gasoil fuel. It is also well supported by its dividend yield and a share buyback programme.

Outlook & Strategy

August was very similar to July, as most of the headline issues pressuring markets remain unresolved. There was some comfort from the conclusion of the latest machinations within Italian politics, with a new government managing to be formed. However, US-China trade friction and Brexit remain at the forefront of investors' minds. This continues to have a knock-on impact on growth assumptions and bond yields, with the consensus view moving towards the need for monetary loosening and/or an acceleration of fiscal stimulus where possible. The question is whether any policy response is pre-emptive or 'just in time'; however, one should expect further volatility. This environment highlights the relative and absolute attractiveness of equity dividend yields, supported by healthy cashflow generation. Equity income should remain a key focus for investors in a world of persistently low yields and elevated risk.

Other Fund Information

	Retail Acc	Retail Inc	Institutional Acc	Institutional Inc
Lipper	65161884	65161885	65161882	65161883
Bloomberg	SLIEERA LN	SLIEERI LN	SLIEEIA LN	SLIEEII LN
ISIN	GB00B3L7S842	GB00B3L7S735	GB00B3L7SB79	GB00B3L7S958
SEDOL	B3L7S84	B3L7S73	B3L7SB7	B3L7S95

	Platform One Acc	Platform One Inc
Lipper	68165201	68165202
Bloomberg	SLIEP1A LN	SLIEEP1 LN
ISIN	GB00B7LGOW70	GB00B71L0M27
SEDOL	B7LGOW7	B71L0M2

	Interim	Annual	Valuation Point	12:00 (UK time)
Reporting Dates	31 Aug	28 (29) Feb	Type of Share	Income & Accumulation
XD Dates	31 May, 31 Aug, 30 Nov	28 (29) Feb	ISA Option	Yes
Payment Dates (Income)	31 Jul, 31 Oct, 31 Jan	30 Apr		

	Retail	Institutional	Platform One
Initial Charge	4.00%	0.00%	0.00%
Annual Management Charge	1.30%	0.75%	0.75%
Ongoing Charges Figure	1.33%	0.86%	0.91%

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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