

# Aberdeen Standard Fully Hedged International Equities Fund

Monthly factsheet - performance data and analytics to 31 August 2019



## Investment objective

To provide investors with high capital growth over the medium to long term by seeking exposure to companies listed on securities exchanges around the world.

## Investment strategy

The Fund invests primarily in a concentrated portfolio of around 40-60 listed international securities (other than those listed on the Australian Stock Exchange) with the potential for capital growth and increased earning potential.

Our global equities team, located in Edinburgh, Scotland, draws on the research capabilities of our regional investment teams located worldwide. Through their own proprietary research each regional team creates a concentrated regional model portfolio of best ideas.

## Performance (%)

	1 Month	3 Months	1 Year	Per annum		
				3 Years	5 Years	Since Inception <sup>1</sup>
Aberdeen Standard Fully Hedged International Equities Fund net returns <sup>2</sup>	-3.07	2.33	-0.38	7.06	3.65	4.53
Aberdeen Standard Fully Hedged International Equities Fund gross returns <sup>3</sup>	-2.99	2.59	0.61	8.12	4.68	5.55
MSCI All Countries World Accumulation Index (ex Australia) Fully Hedged	-2.08	4.48	0.45	10.54	8.57	6.62
Net returns <sup>2</sup> vs index	-0.99	-2.15	-0.83	-3.48	-4.92	-2.09
Gross returns <sup>3</sup> vs index	-0.91	-1.89	0.16	-2.42	-3.89	-1.07

1. This figure represents the annualised performance of the Fund from the first full month of operation. **Prior to 1 June 2009 performance was obtained under a different process and different manager.**

2. Net performance figures are calculated using end-of-month exit prices, post standard fees, reflect the annual reinvestment of distributions and make no allowance for tax. If investing through an IDPS Provider, the total after fees performance returns of your investment in the Fund may be different from the information we publish due to cash flows specific to your portfolio and any fees charged by the IDPS Provider.

3. Gross performance figures are calculated using end-of-month exit prices, pre-fees, reflect the annual reinvestment of distributions and make no allowance for tax. These returns are provided for the purpose of wholesale investors only. Retail investors should refer to net returns.

Please note: Prior to 1 May 2009 the Fund was known as the Credit Suisse Fully Hedged International Shares Fund. Past performance is not a reliable indicator of future results.

## Performance review

The Fund returned -2.99% in August (before fees), underperforming the benchmark by 0.91%.

The fund underperformed the benchmark due to negative stock selection in Japan, Brazil and China, though this was partially mitigated by good stock picks in the US.

At the stock level, US oilfield services Schlumberger and oil producer EOG Resources were among the key detractors as they fell in tandem with the weaker oil price. We took advantage of the share-price weakness to add to Schlumberger, as we continue to believe in its long-term prospects. Japanese clinical testing device maker Sysmex declined after posting weaker-than-expected quarterly earnings due to product mix deterioration, increased expenses and a weaker yen.

In contrast, US exchange operator CME Group was a key contributor, as it posted decent results despite second-quarter revenue missing estimates, helped by solid cost control. In a sign that the integration of its Nex acquisition is on track, it expects to reduce operating expenditure further by US\$10 million for the year. Its peer Intercontinental Exchange was boosted by plans to launch bitcoin futures contracts for institutional needs in September. Cosmetics and skincare giant Estee Lauder rose after forecasting full-year revenue and profits above analysts' expectations, thanks to soaring sales of

Top ten holdings (%)		
	Fund	Index
Visa Inc.	4.9	0.7
CME Group	3.6	0.2
Samsung Electronics	3.2	0.5
Alphabet Inc	3.1	1.6
Microsoft	3.1	2.2
AIA Group	3.0	0.3
HDFC	3.0	0.1
Estee Lauder	2.8	0.1
Nestle	2.7	0.8
Roche Holding	2.7	0.4
<b>Total</b>	<b>32.1</b>	<b>6.9</b>

Sector breakdown (%)		
	Fund	Index
Financials	21.5	15.9
Information Technology	19.6	16.7
Consumer Staples	15.4	8.8
Health Care	11.3	11.6
Materials	7.5	4.4
Consumer Discretionary	7.0	11.0
Industrials	6.4	10.4
Energy	6.2	5.3
Communication Services	4.9	9.1
Real Estate	0.0	3.3
Utilities	0.0	3.5
Cash	0.1	0.0
<b>Total</b>	<b>100</b>	<b>100</b>

Figures may not always sum to 100 due to rounding.

Regional breakdown (%)		
	Fund	Index
United States	42.5	57.1
Asia Pacific (ex Japan)	17.5	10.7
Europe (ex UK)	12.8	13.9
United Kingdom	12.1	4.7
Japan	7.9	7.5
Latin America	3.9	1.5
Canada	2.1	3.1
Emerging Europe & Middle East	1.1	0.9
Africa	0.0	0.7
Cash	0.1	0.0
<b>Total</b>	<b>100</b>	<b>100</b>

Figures may not always sum to 100 due to rounding.

## Key information

ASX mFund Code	AFZ30
APIR Code	CSA0135AU
Benchmark	MSCI All Countries World Accumulation Index (ex Australia) Fully Hedged
Date of launch	May 2001
Income payable	30 June
Management costs	0.99% pa of the net asset value of the Fund comprising: Management Fee 0.99% pa Indirect costs 0.00% pa
Buy/Sell spread	+0.12%/-0.12%
Fund size	A\$18.98m
Redemption unit price	\$0.5316

Client Services: 1800 636 888  
aberdeenstandard.com.au

# Aberdeen Standard Fully Hedged International Equities Fund

## Monthly factsheet - performance data and analytics to 31 August 2019

its luxury skincare products that assuaged concerns of slowing demand in China.

In other portfolio activity, we took advantage of share-price weakness to add to pan-Asian insurer AIA and US stock brokerage Charles Schwab. We also topped up emerging markets lender Standard Chartered as we believed that a pick-up in operational dynamics is not yet reflected in its valuations. Against these, we exited Thai lender Kasikornbank in favour of better opportunities elsewhere, as its outlook remains challenging and we expect its fees to remain under pressure.

### Market review

Global equities ended August lower in most major currencies, with most markets falling in a month that saw a re-escalation in the US-China trade war. US President Donald Trump abruptly imposed tariffs on US\$300 billion of Chinese imports not yet subject to duties after trade talks stalled, but eventually bowed to pressure and delayed some in view of the year-end shopping season. Subsequently, after Beijing countered with additional tariffs on US\$75 billion of American goods, Mr Trump bumped up the quantum of existing levies. The US also officially labelled China a currency manipulator. On a brighter note, the US and Japan agreed on a trade deal.

On the policy front, while the Federal Reserve cut rates for the first time in a decade, its signal that this was a one-time adjustment rather than the start of an easing cycle hampered stocks. Elsewhere, central banks in India, Thailand and New Zealand also lowered rates in response to deteriorating growth. In the UK, new Prime Minister Boris Johnson attempted to suspend parliament to thwart those who oppose a no-deal Brexit, pressuring the pound further. Meanwhile, the Italian prime minister said he will step down, dampening domestic stocks.

### Outlook

The latest round of tit-for-tat tariffs in the on-again, off-again US-China trade talks underlines a shift in what is driving financial markets, from monetary policy to trade policy. The slowdown in global manufacturing triggered by trade uncertainty appears to be spiralling out to affect other sectors, labour markets and consumption. Monetary policy easing across most parts of the world should provide some support. But in most cases, it will likely be reactive and gradual, and not substantial enough to change the global economy's current trajectory.

Against this backdrop of unpredictable trade and political developments, we remain focused on our quality approach. We regularly review the investment case for all our holdings to assess whether their structural growth drivers are still intact. Their clear economic moats, robust balance sheets and stable cashflows give us confidence that the portfolio will be resilient in spite of market fluctuations.

### Important information

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis, should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI" Parties) expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages ([www.msci.com](http://www.msci.com)).

Issued by Aberdeen Standard Investments Australia Limited ABN 59 002 123 364 AFSL No. 240263. Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments. This document has been prepared with care, is based on sources believed to be reliable and opinions expressed are honestly held as at the applicable date. However it is of a general nature only and we accept no liability for any errors or omissions. This is not an offer of securities. A Product Disclosure Statement (PDS) and application form is available for each Fund by calling Aberdeen Standard Investments Client Services on 1800 636 888, at [www.aberdeenstandard.com.au](http://www.aberdeenstandard.com.au), or from your financial adviser. This document has been prepared without taking into account the particular objectives, financial situation or needs of any investor. Investments are subject to investment risk, including possible delays in payment and loss of income and principal invested. It is important that before deciding whether to acquire, hold or redeem an investment in a Fund that investors consider the Fund's PDS, the Fund's appropriateness to their own circumstances, objectives and financial situation and consult financial and tax advisers. Past performance is not a reliable indicator of future results. All dollars are Australian dollars unless otherwise specified. Indices are copyrighted by and proprietary to the issuer.

ABDNFSFHIEQ\_0819

### Contact us

Telephone:  
1800 636 888 or +61 2 9950 2853  
if calling from outside Australia  
Email:  
[client.service.aust@aberdeenstandard.com](mailto:client.service.aust@aberdeenstandard.com)  
Website:  
[aberdeenstandard.com.au](http://aberdeenstandard.com.au)