

September 2019

Reasons why



Aberdeen Standard Investments: Why invest in smaller companies?

01 A wealth of choice



Around 70% of the world's listed companies are small-caps¹. They therefore offer investment managers a broad, rich and under-researched opportunity set.

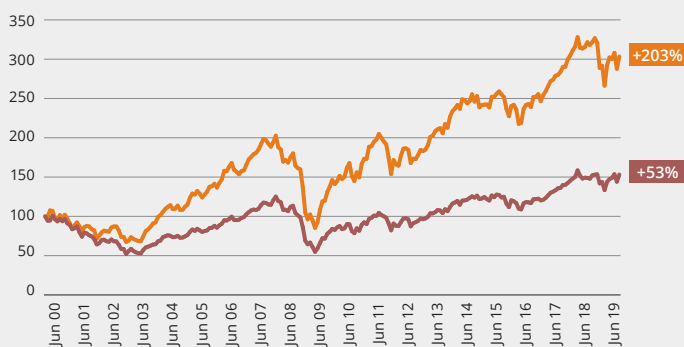
02 Tomorrow's large-caps - today



Given the breadth of the small-cap universe, many companies are poorly covered by analysts. This means investors with strong resources, such as ASI, can find promising businesses before the rest of the market.

03 A history of outperformance

From 1 January 2000 to 30 June 2019, small-caps have delivered a positive cumulative return of 203%. This compares to a 53% return for the MSCI All Country World Index (which excludes small-caps).



MSCI AC World (\$) MSCI AC World Small Cap (\$)

Source: Thomson Reuters DataStream, 01 January 2000 to 30 June 2019 in USD. Past performance is not a guide to future results.

04 High-quality, lower risk



There is an element of risk in smaller companies. However, we seek to lower that risk by investing in high-quality companies that can sustain profitable growth over the longer term.

05 Diversification benefits

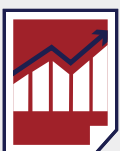


Small-caps also offer our clients a different source of returns from large-caps. These diversification benefits have the potential to spread investment risk even further.

06 Why ASI for small-caps?

We have a long track record of outperformance across our wide range of small-cap strategies. Research-intensive stock selection has driven this performance (see overleaf). With managers and analysts based around the world, we have strong coverage of the small-cap universe. Our scale ensures premium access to the companies in which we invest. This gives us an advantage in this hard-to-research sector.

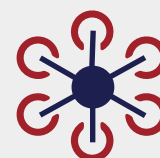
Three stats:²



150% small- vs large-cap outperformance since 2000



\$15bn ASI's small-cap AUM

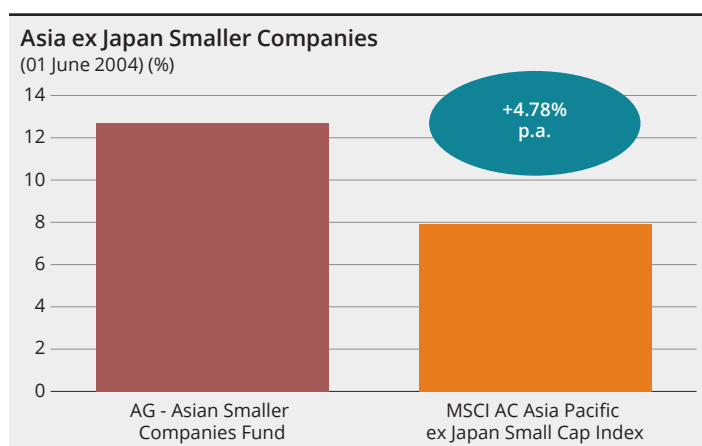
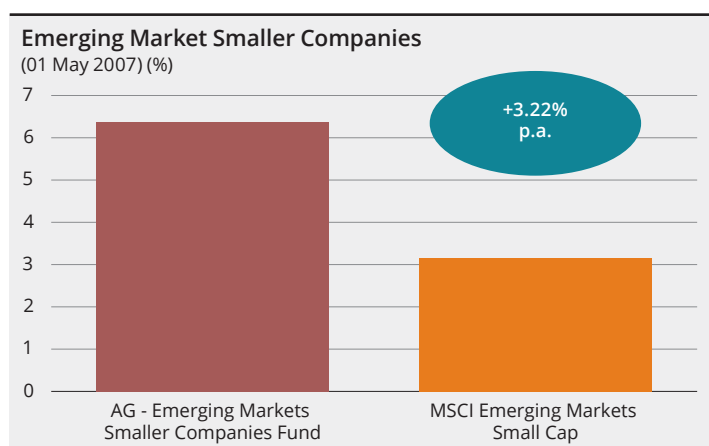
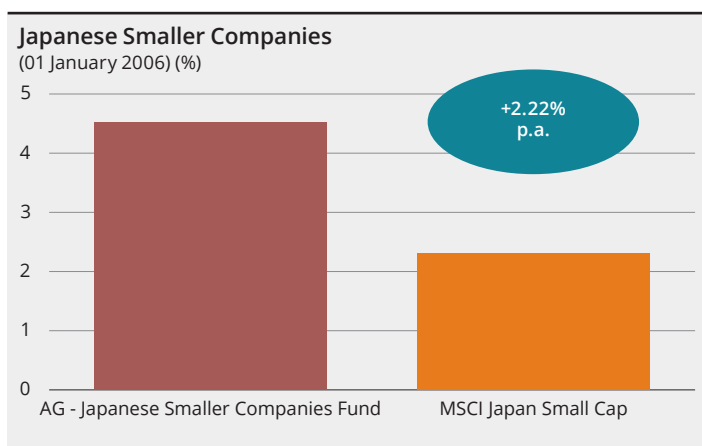
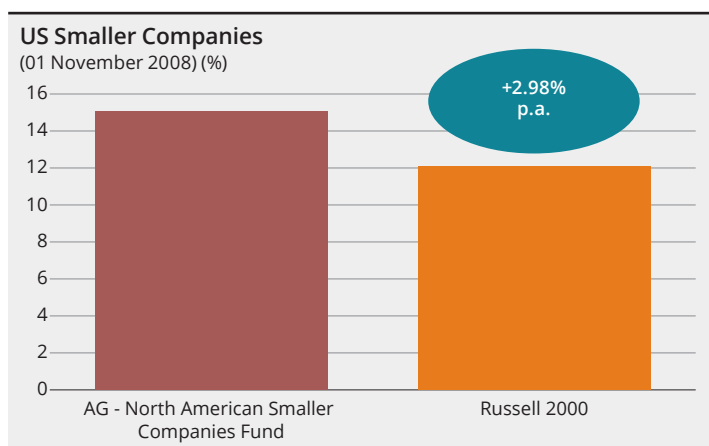
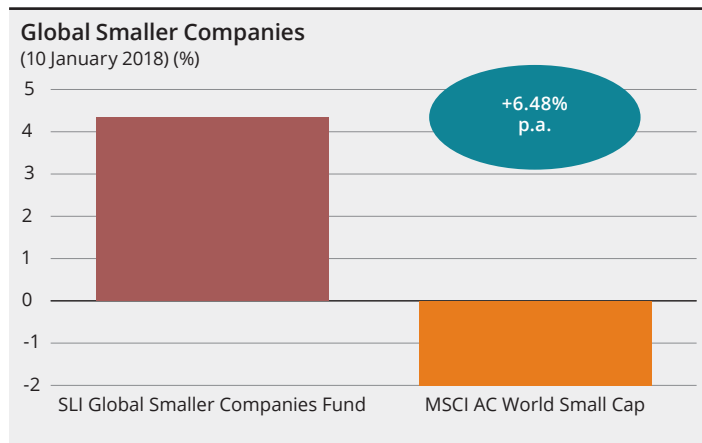
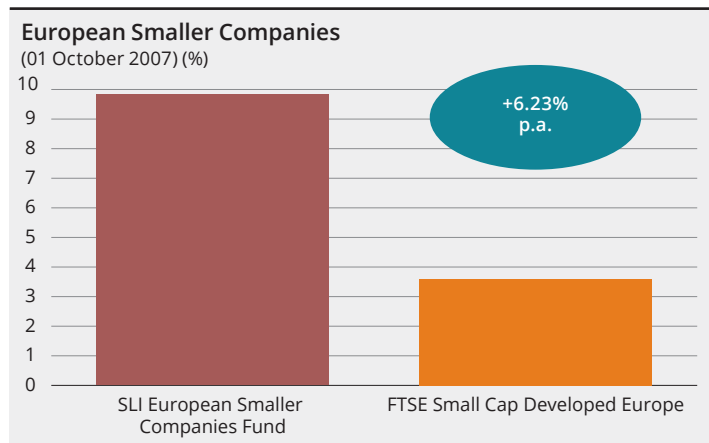


c.1,000 equity professionals around the world

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ASI Small Cap – Performance of key strategies

Ability to generate alpha



Source: Aberdeen Standard Investments, BPSS, Thomson Reuters DataStream, gross, arithmetic returns since inception, USD, 30 June 2019. "AS" stands for the Aberdeen Standard SICAV I fund range. Past performance is not a guide to future results. The returns provided do not reflect the initial sales charge and, if included, the performance shown would be lower.

¹ Source: stocks in MSCI ACWI Small Cap as a percentage of stocks in MSCI ACWI Small Cap and MSCI ACWI.

² Source: Aberdeen Standard Investments, 30/06/2019.

Annual returns (in %) to 30/06/2019

	2019	2018	2016	2015	2014
AS SICAV I - Asian Smaller Companies I Acc USD	2,03	1,76	16,71	-11,07	-6,42
MSCI AC Asia ex Japan Small Cap TR USD	-7,69	6,91	15,92	-14,70	5,26
AS SICAV I - EM Smaller Companies I Acc USD	-1,71	-3,38	10,61	-3,64	-7,77
MSCI EM (Emerging Markets) Small Cap TR USD	-18,30	34,22	2,56	-6,57	1,34
AS SICAV I - Japanese Smaller Co I Acc JPY	-4,92	16,74	17,13	-3,10	13,90
MSCI Japan Small Cap TR USD	-9,48	14,53	20,08	3,51	7,38
AS SICAV I - NA Smaller Co I Acc USD	-0,72	10,00	16,36	8,66	11,51
Russell 2000 TR	-3,31	17,57	24,60	-6,73	6,49

Source: Lipper, Basis: Total Return, NAV to NAV, net of annual charges, gross income reinvested, USD.
Past performance is not a guide to future results.

	2019	2018	2017	2016	2015
SLI Glo SICAV European Smllr Companies D Acc EUR	-2,51	17,95	25,84	-2,65	1,25
FTSE Developed Europe Small Cap TR	-5,59	10,71	27,48	-9,57	-2,90
SLI Glo SICAV Global Smaller Companies D Acc EUR	-5,22	-	-	-	-
MSCI ACWI Small Cap TR GBP	-2,52	-	-	-	-

Source: Lipper, Basis: Total Return, NAV to NAV, net of annual charges, gross income reinvested, USD.

Past performance is not a guide to future results.

The comparator shown may be used for risk monitoring and portfolio construction purposes, as well as to provide a performance comparator; it is not an integral part of the Objective and Investment Policy for the fund and should not be considered as such.

Important Information

Risk factors you should consider before investing:

- The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. Past performance is not a guide to future results.
- 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 shares of smaller companies may be less liquid and more volatile than those of larger companies.
- The use of 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 may result in the fund being leveraged (where market 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 does not make extensive use of derivatives.

More details of the risks applicable to the funds can be found in the Key Investor Information Document (KIID) and Prospectus, both of which are available on request or at our website aberdeenstandard.com.

Other important information

Aberdeen Standard SICAV I are sub-funds Luxembourg-domiciled UCITS funds, incorporated as a Société Anonyme and organised as a Société d'investissement à Capital Variable.

Standard Life Investments Global SICAV is an umbrella type investment company with variable capital registered in Luxembourg (no. B78797) at 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.

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