

# Changes to UK Investment Funds – from 7th August 2019



## Investment objective & policy changes – Standard Life Strategic Investment Allocation Fund (to be renamed ASI Strategic Investment Allocation Fund)

Investment objective		Investment policy	
Existing	Proposed	Existing	Proposed
<p><b><u>Objective &amp; Investment Policy</u></b></p> <p>The objective of the Trust is to provide investors who are invested in a range of asset classes, primarily global equities, with a means of diversifying their asset class exposure to generate the potential for capital growth primarily in falling and flat market conditions.</p> <p>The current policy of the Trust is to invest in a global portfolio predominantly through the use of cash and permitted derivative contracts (including futures, options, swaps, forward currency contracts and other derivatives). The Trust may, subject to and in accordance with the FCA Rules, take long and short positions in markets, securities and groups of securities through derivative contracts. The Trust may also invest, at the Investment Adviser's discretion, in other transferable securities, other derivatives and forward contracts, and units in collective investment schemes (and</p>	<p>The investment objective of the fund is to provide a total return over the <i>medium to long term</i>, (3 to 5 years), in the form of both capital growth and some income. Invested capital is however at risk and there is no guarantee that the objective will be attained over any time period.</p>	<p>See existing investment objective.</p>	<p><b><u>Portfolio Securities</u></b></p> <ul style="list-style-type: none"> <li>• The fund invests in a broad range of assets from across the global investment universe directly and via <i>derivatives</i>.</li> <li>• The fund's exposures may be achieved fully or substantially through <i>derivatives</i>. From time to time the portfolio may be highly concentrated in a small number of <i>derivative</i> contracts (subject to the FCA Rules).</li> <li>• Assets can include, but are not limited to: equities (company shares), <i>bonds</i>, currencies, <i>commercial property</i> and <i>commodities</i>.</li> <li>• The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), <i>money-market instruments</i> and <i>cash</i>.</li> </ul> <p><b><u>Management Process</u></b></p> <p>The management team use their discretion (active management) to make flexible</p>

use may also be made of borrowing, hedging and other techniques permitted by the FCA Rules).

allocations to multiple types of assets depending on market conditions, the price of different assets or their value relative to each other based on their analysis of future economic and business conditions.

The team seeks to generate growth in a wide variety of ways (e.g. if market prices rise or fall).

#### **Derivatives and Techniques**

The fund will make extensive use of *derivatives* to reduce risk, reduce cost and / or generate extra income or growth consistent with the risk profile of the fund (often referred to as “Efficient Portfolio Management”) and for investment purposes.

Derivatives can be used to generate growth, consistent with the fund’s risk profile, if market prices are expected to rise (“long positions”) or fall (“short positions”). *Leverage* in the fund arises as a result of the use of *derivatives*.

Examples of investment strategies implemented through *derivatives* are:

- An assessment of the expected level of a given stock market index;
- An assessment of one currency relative to another;
- An assessment of the direction of interest rates.

Performance Measurement: No target, constraint or comparator benchmark is used in the management of this fund. The fund is intended, for investors who hold a discretionary investment management agreement with Aberdeen Standard Capital only to provide these investors with a means of diversifying and overlaying their other asset

			<p>class <i>exposures</i>. The level of return the fund achieves, and the risk that it presents, should only be viewed in the context of the combination of asset class <i>exposures</i> invested in via Aberdeen Standard Capital. As a result of the fund's Investment Policies the <i>Net Asset Value</i> of the fund is expected to demonstrate a high degree of <i>volatility</i> and therefore the fund is intended to complement or overlay other investment <i>exposure</i> an investor may have. In isolation, the level of return and risk may differ materially from that of a portfolio of <i>Money Market Instruments</i>.</p>
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