

Aberdeen Standard International Equity Fund

Monthly factsheet - performance data and analytics to 31 March 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 ¹
Aberdeen Standard International Equity Fund net returns ²	1.90	9.90	7.80	11.35	8.06	5.71
Aberdeen Standard International Equity Fund gross returns ³	1.98	10.16	8.86	12.44	9.12	6.77
MSCI All Countries World Accumulation Index (ex Australia) unhedged	1.49	11.34	11.36	14.32	13.03	7.35
Net returns ² vs index	0.41	-1.44	-3.56	-2.97	-4.97	-1.64
Gross returns ³ vs index	0.49	-1.18	-2.50	-1.88	-3.91	-0.58

1. This figure represents the annualised performance of the Fund from the first full month of operation. Note that returns prior to 2002 were obtained under a different process.

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. Past performance is not a reliable indicator of future result.

Performance review

The Fund returned 1.98% in March (before fees), outperforming the benchmark by 0.49%.

The fund outperformed the index. Gains in Europe and Asia offset weaker performance in the US and Latin America.

At the stock level, British American Tobacco was a key contributor. The stock rose following news that the head of the US Food and Drug Administration Scott Gottlieb, known for his aggressive stance against smoking, had unexpectedly resigned. Shares in Swiss drugmaker Novartis advanced after regulators cleared its new medicine for an advanced form of multiple sclerosis that it said could reach as many as a quarter of a million US patients. Separately, it said it would pay at least US\$310 million for some research assets of Boston-based inflammation specialist IFM Therapeutics, to expand its immunology pipeline. Indian mortgage lender Housing Development Finance Co fared well as it continued to deliver resilient growth.

Conversely, US lender M&T Bank was a key detractor, as its shares fell in tandem with the broader market after the Fed decided not to raise interest rates further this year. Not holding iPhone maker Apple cost the fund as the stock recovered sharply from its profit warning in early January. We prefer other US tech firms such as Google's parent Alphabet and Microsoft. US chipmaker Infineon Technologies fell after it lowered profit targets for 2019 due to global economy uncertainty and weaker end-market demand. Similarly, Jardine Matheson was punished after its Indonesian unit Astra International warned that it was likely to face a number of macroeconomic and commercial

Top ten holdings (%)

	Fund	Index
Visa Inc.	3.8	0.6
Novartis	3.2	0.5
Samsung Electronics	3.1	0.5
EOG Resources	2.7	0.1
Alphabet Inc	2.5	1.6
Estee Lauder	2.5	0.1
Nestle	2.5	0.7
Keyence Corp	2.4	0.1
Schlumberger	2.4	0.1
TSMC	2.4	0.4
Total	27.5	4.7

Sector breakdown (%)

	Fund	Index
Consumer Staples	19.0	8.4
Financials	18.0	16.2
Information Technology	16.7	16.0
Health Care	9.9	11.7
Industrials	7.7	10.5
Consumer Discretionary	7.1	10.9
Materials	7.0	4.6
Communication Services	6.7	8.9
Energy	6.6	6.3
Real Estate	0.0	3.2
Utilities	0.0	3.3
Cash	1.4	0.0
Total	100	100

Figures may not always sum to 100 due to rounding.

Regional breakdown (%)

	Fund	Index
United States	33.5	56.2
Asia Pacific (ex Japan)	20.8	11.1
Europe (ex UK)	14.0	14.1
United Kingdom	13.0	5.1
Japan	8.9	7.4
Latin America	4.3	1.5
Emerging Europe & Middle East	2.2	0.9
Canada	2.0	3.1
Africa	0.0	0.8
Cash	1.4	0.0
Total	100	100

Figures may not always sum to 100 due to rounding.

Key information

ASX mFund Code	AFZ04
APIR Code	EQI0015AU
Benchmark	MSCI All Countries World Accumulation Index (ex Australia) unhedged
Date of launch	July 1996
Income payable	30 June
Management costs	0.98% pa of the net asset value of the Fund comprising: Management Fee 0.98% pa Indirect costs 0.00% pa
Buy/Sell spread	+0.15%/-0.15%
Fund size	A\$100.42m
Redemption unit price	\$0.7671

Client Services: 1800 636 888
aberdeenstandard.com.au

Aberdeen Standard International Equity Fund

Monthly factsheet - performance data and analytics to 31 March 2019

headwinds this year.

In portfolio activity, we initiated luxury firm LVMH, which has a healthy portfolio of brands, good execution track record and resilience given its diverse brands. We added to tech firm Microsoft, online travel agency Booking, exchange operator CME Group and oil producer EOG Resources given their attractive long-term prospects. To fund these, we sold Swedish industrial equipment maker Epiroc. We also divested tech firm Oracle following its recent share-price strength, as we are not confident of its cloud strategy and its implementation. We pared insurer AIA Group following recent share-price strength.

Market review

Global equities rose in most major currencies in March, supported by the US Federal Reserve's decision to stand pat on rates this year and to end the balance-sheet reduction programme in September. Hopes that China's stimulus measures could perk up the world's second-largest economy also counterbalanced concerns over sluggish progress in US-China trade talks. Nevertheless negotiations between the two countries continued into April.

US economic growth slowed by more than initially reported in the last quarter of 2018. This, coupled with cooling indicators in housing and manufacturing, indicated weakening economic momentum in 2019. Across the Atlantic, deteriorating growth forecasts also compelled the European Central Bank to loosen monetary policy, promising new loans for banks and longer record-low rates. On the other hand, leading indicators showed China's manufacturing sector returning to growth in March, after three months of contraction. In the UK, the Brexit deadline was postponed, with its parliament deadlocked after rejecting Prime Minister Theresa May's largely unchanged deal for a third time.

In corporate news, Samsung Electronics warned that first-quarter profits would likely miss forecasts as an ongoing glut in memory chips led to larger-than-expected price declines. It also forecast a tough 2019 due to global trade tensions, slowing economic growth and softer demand for memory chips. Elsewhere, Alphabet Inc's search engine Google was fined €1.49 billion by the European Union's antitrust regulator, for infractions in online advertising. Google said it will make changes to its products to address the Commission's concerns.

Outlook

Global markets have regained their momentum despite slowing economic growth. At the time of writing, the US S&P500 index reached its highest level in almost six months. The rally was fuelled by new upbeat manufacturing data from the US and China which appeared to signal a coming rebound, or at least stabilisation, in the global economy. Signs of further progress in the US-China trade talks are adding to the optimism. With the market already largely pricing in a positive outcome, we think caution is advisable. The direction of global growth hinges on the resolution of these talks.

Amid such market conditions, we believe our bottom-up approach with an emphasis on quality companies will place the portfolio in good stead. We favour solid franchises, with healthy cash flows and robust balance sheets that provide buffer against the uncertainty. Many of our holdings still forecast earnings to rise, albeit at a slower clip. While valuations have increased following the decent rally year to date, we still see pockets of value, and will take advantage of volatility to add to our favoured holdings.

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).

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, 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.

ABDNIEQ_0319

Contact us

Telephone:
1800 636 888 or +61 2 9950 2853
if calling from outside Australia
Email:
client.service.aust@aberdeenstandard.com
Website:
aberdeenstandard.com.au