

September 2020

# Reasons Why



## Standard Life Investments European Smaller Companies Fund

### 01 Finding 'tomorrow's large companies today'



The Fund is a concentrated portfolio of what we believe are high-quality European smaller companies (average company size in the Fund – €3.6 billion<sup>1</sup>).

### 02 Stock-picking skills drive performance



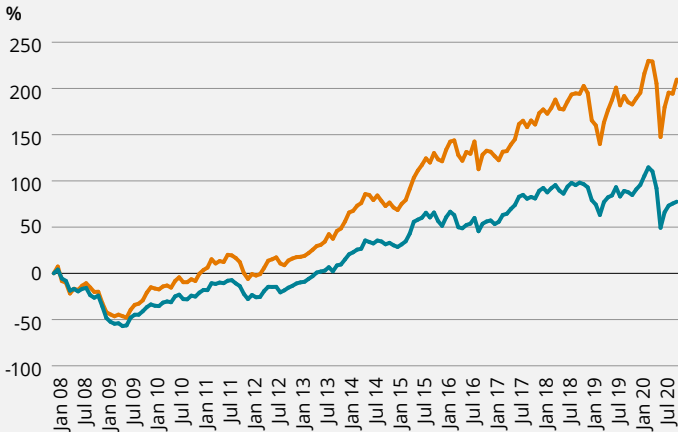
We take a stock-selection-led approach, assisted by our proprietary screening tool, the Matrix. This process has been in place for over 23 years and has a track record of delivering robust returns for our clients.

### 03 A strong track record

#### Focusing on stock-specific insights

We focus all our efforts on generating stock-specific insights – an approach that has performed well since launch.

Chart 1: % Growth,TR,Def,ExD,Def,EUR Launch To 31/07/2020



SLI Glo SICAV European Smr Companies A Acc EUR  
 FTSE Developed Europe Small Cap TR

Source: Lipper IM, A Acc share class, Net of fees in EUR, 31/07/2020.  
 Past performance is not a guide to future results.

### 04 An attractive asset class

Small-caps have historically outperformed their larger peers. They offer active investment managers like us a broad, rich and under-researched opportunity set (70% of Europe's listed companies are small-caps<sup>2</sup>).



1,000+ European smaller companies from which to choose



40-70 stocks in the Fund



132.18% outperformance compared to reference index since inception<sup>3</sup>

### 05 A potentially lower-risk approach



Smaller companies are a riskier sub-set of European equities. However, we seek to lower that risk by investing in high-quality companies that we believe can sustain profitable growth over the longer term.

Small-caps offer our clients a different source of returns from large-caps – diversification benefits that have the potential to further spread investment risk and lower volatility.

<sup>1</sup> Source: ASI as 31 July 2020.

<sup>2</sup> Source: Stocks in MSCI Europe Small Cap as a percentage of stocks in MSCI Europe Small Cap and MSCI Europe.

<sup>3</sup> The Fund delivered 209.68% since inception, against a reference index of 77.50%. Source: Lipper IM, A Acc share class, Net of fees in EUR, 31/07/2020. Reference index: FTSE Developed Euro Small-Cap TR. Inception date: 01/10/2007.

## 06 Our award-winning small-cap team



Our eight-strong dedicated small-cap team continuously share and debate all investment ideas. This peer review means only what we believe to be the best stocks make it into the portfolio.



Meeting with the management of all companies in which we invest is a key part of the process. This helps us to have full confidence in the underlying business and management teams before we commit our money.

## Annual returns (%) – year ended 31/07

	2020	2019	2018	2017	2016
FTSE Developed Europe Small Cap TR	-5.46	-5.22	8.47	18.87	-7.33
SLI Glo SICAV European Smllr Companies A Acc EUR	8.64	-3.10	10.87	16.17	-0.76

Source: Lipper IM, Retail Acc share class, net of fees in EUR using monthly data points, 31/07/2020.

**Past performance is not a guide to future results.**

These figures do not include the initial charge; if this is paid it will reduce performance from that shown. The benchmark is used as a reference point for portfolio construction and as a basis for setting risk constraints.

## Key Facts

Fund Type	Luxembourg-based SICAV
Launch date	26 September 2007
Objective	The Fund aims to provide long-term growth by investing predominantly in the shares of smaller companies listed on European stock markets, including the UK. The Fund is actively managed by our investment team, which will select stocks to try to take advantage of opportunities it has identified.
Base currency	EURO
Key investment parameters	Max 10% Cash; Max 10% in a single holding; Tracking error 4-8% vs the reference index; 40-70 (target 40-50) stocks held; Max off-reference index 40%; sector exposure — at least five sectors represented.
ISIN codes & Bloomberg ticker (retail accumulation)	LU0306632414 & STESCAE LX respectively
Distribution frequency	not applicable
Initial sales charge	AMC: 1.80%; OCF:1.90%
Minimum initial investment	€1,000 within the Retail Acc share class



### Important Information

For professional investors only – not for use by retail investors.

#### 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 fund may invest in equities and equity related securities in European emerging markets. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- 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 this fund 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](http://aberdeenstandard.com). For non Euro countries, returns may vary due to currency fluctuation.

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#### Other important information

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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