

## Aberdeen Standard Investments: Why invest in Global Smaller Companies?

### 01 A wealth of choice



Around 70% of the world's listed companies are small-caps<sup>1</sup>.

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 Aberdeen Standard Investments, can find promising businesses before the rest of the market.

### 03 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.

### 04 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.

### 05 A history of outperformance

From 30 Sep 2000 to 30 Sep 2019, small-caps have delivered a positive cumulative return of 256%. This compares to a 115% return for the MSCI All Country World Index (which excludes small-caps).



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

Source: Thomson Reuters DataStream, Sep 2000-Sep 2019 in AUD.  
Past performance is not a guide to future results.

<sup>1</sup>Source: Stocks in MSCI ACWI Small Cap as a percentage of stocks in MSCI ACWI Small Cap and MSCI ACWI.

# Aberdeen Standard Global Smaller Companies Fund

## 06 Why Aberdeen Standard Investments for Global Smaller Companies?

<p><b>Experience</b> long history of Investment management</p> 	<p><b>Resources</b> local presence and experienced team</p> 	<p><b>Research</b> intensive, global proprietary research approach</p> 	<p><b>ESG</b> analysis deeply embedded within investment process</p> 
<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Our 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.</li> <li>Leveraging the support and insights of regional and country teams</li> </ul>	<ul style="list-style-type: none"> <li>We conduct all our own research. We meet with company management to ensure we understand the fundamentals and risks that drive long term returns</li> </ul>	<ul style="list-style-type: none"> <li>We aim to be the industry leader in ESG</li> <li>Stewardship and ESG are fundamental components of our investment process</li> <li>Critical to protecting and enhancing the value of the portfolios we manage on behalf of clients</li> </ul>

## 07 Key Facts

<b>Fund name</b>	Aberdeen Standard Global Smaller Companies Fund
<b>Launch date</b>	12 December 2019
<b>Objective</b>	To outperform the benchmark, the MSCI All Country World Small Cap Index (Australian dollars unhedged), over rolling three year periods, by primarily investing in shares of smaller companies listed on global stock markets.
<b>ARSN</b>	636 945 090
<b>APIR</b>	EQI7232AU
<b>Management costs</b>	1.09% pa
- Management fee	0.85%pa
- Indirect costs	0.24% pa
<b>Distribution frequency</b>	Annually
<b>Benchmark</b>	MSCI All Country World Small Cap Index (Australian dollars unhedged)
<b>Min. suggested time frame</b>	Long term – 5 years plus
<b>Mix of asset classes<sup>1</sup></b>	The Fund aims to invest 95-100% of its net asset value in the Underlying Fund (an unlisted international equity) and may hold up to 5% in money market instruments, cash or collective investment schemes investing in money market instruments or cash.

<sup>1</sup>These are indicative ranges for the Fund. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, or a change in the fund investment strategy, cause the Fund to move outside these indicative ranges, or a limit set out in the PDS, this will be addressed by us as soon as reasonably practicable.

## 08 Risks

All investments carry risk. The likely investment return and the risk of losing money is different for each managed fund, as different strategies carry different levels of risk based on the underlying mix of assets. Investors should not make investment decisions based on this document alone. More information on the risks of investing in the Fund is contained in the Product Disclosure Statement, which should be considered before deciding to invest in the Fund.

### For more information

#### Client Services Team

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### Important information

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