

Nov
2019

ASI Global Smaller Companies Fund

Aberdeen Standard
Investments

30 November 2019

The fund aims to provide long term growth by investing predominantly in the shares of smaller companies listed on the global stock markets. The fund typically holds a concentrated portfolio of stocks and is actively managed by our investment team, who will select stocks to try to take advantage of opportunities they have identified. Due to the nature of the companies in which the fund invests, investors must be willing to accept a relatively high degree of stock specific risk.

Past performance is not a guide to future returns and future returns are not guaranteed. The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment. The fund may use derivatives to reduce risk or cost, or to generate additional capital or income at low risk. Usage of derivatives is monitored to ensure that the fund is not exposed to excessive or unintended risks. The value of assets held within the fund may rise and fall as a result of exchange rate fluctuations.

OEIC Fund

Equity Fund

Monthly

Fund Manager	Alan Rowsell	Base Currency	GBP
Fund Manager Start	19 Jan 2012	No. of Holdings	51
Launch Date	19 Jan 2012		
IA Sector	IA Global		
Benchmark	IA Global Sector		
Current Fund Size	£1244.6m		

This document is intended for use by individuals who are familiar with investment terminology. To help you understand this fund and for a full explanation of specific risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website – www.standardlifeinvestments.com.

Aberdeen Standard Investments has not considered the suitability of investment against your individual needs and risk tolerance. If you are in any doubt as to whether this fund is suitable for you, you should seek advice. An adviser is likely to charge for advice. We are unable to provide investment advice.

Fund Information *

Composition by Sector

	Fund %
Industrials	30.7
Information Technology	24.7
Consumer Discretionary	16.1
Health Care	14.0
Financials	7.4
Consumer Staples	4.6
Cash and Other	1.4
Communication Services	1.1

Top Ten Holdings

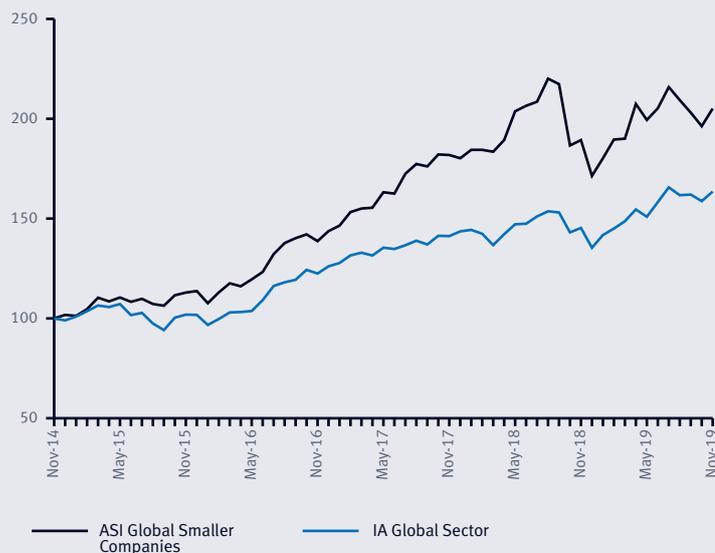
Stocks	Fund %
Teleperformance	4.5
Insulet	3.7
Nihon M&A Center	3.2
RWS Holdings	3.0
Paylocity Holding	3.0
Mani	3.0
Axon Enterprise	2.8
HMS	2.6
JD Sports Fashion	2.5
Kornit Digital	2.5
Assets in top ten holdings	30.8

Composition by Country

	Fund %		Fund %
USA	40.1	Brazil	1.6
UK	11.8	Poland	1.5
Japan	10.9	Germany	1.4
Australia	8.0	Indonesia	1.2
Taiwan	6.6	Spain	1.2
Italy	5.1	Korea	1.0
France	4.5	Cash and Other	1.4
China	3.7		

Fund Performance *

Price Indexed



The performance of the fund has been calculated over the stated period using bid to bid basis for a UK basic rate tax payer. The performance shown is based on an Annual Management Charge (AMC) of 0.85%. You may be investing in another shareclass with a higher AMC. The charges for different share classes are shown on the next page. For details of your actual charges please contact your financial adviser or refer to the product documentation.

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

Year on Year Performance

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

	Year to 30/09/2019 (%)	Year to 30/09/2018 (%)	Year to 30/09/2017 (%)	Year to 30/09/2016 (%)	Year to 30/09/2015 (%)
Retail Fund Performance	-7.1	22.8	25.0	30.9	12.5
Institutional Fund Performance	-6.6	23.4	25.6	31.8	13.4
Platform One	-6.6	23.3	25.5	31.7	13.3
IA Global Sector	5.9	11.7	14.8	26.8	-1.5

Cumulative Performance

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Retail Fund Performance	2.6	7.7	45.6	98.9
Institutional Fund Performance	2.9	8.3	47.9	105.1
Platform One	2.8	8.2	47.4	104.0
IA Global Sector	8.3	12.5	33.5	63.5

Note: Past Performance is not a guide to future performance. The price of shares and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

For full details of the fund's objective, policy, investment and borrowing powers and details of the risks investors need to be aware of, please refer to the prospectus.

For a full description of those eligible to invest in each share class please refer to the relevant prospectus.

The fund does not have an index-tracking objective.

Definitions

Cash and Other - may include bank and building society deposits, other money market instruments such as Certificates of Deposits (CDs), Floating Rate Notes (FRNs) including Asset Backed Securities (ABSs), Money Market Funds and allowances for tax, dividends and interest due if appropriate.

Market Review

Small caps advance

Global small-cap equities advanced in November and outperformed larger companies. Risk-on sentiment continued thanks to accommodative monetary and fiscal policies, US-China trade deal progress and resilient third-quarter corporate earnings.

In the small cap universe, healthcare stocks were the best performers, especially US biotech shares. This was thanks to Elizabeth Warren losing ground in the race to be the Democrat presidential nominee. As she has been campaigning for greater government control of US drug prices, her decline is seen as a positive for drug companies. The software sector also rebounded, recovering from recent profit-taking. Meanwhile, energy stocks continued to underperform with the sector being the worst performer this month. Despite higher oil prices, energy companies continue to struggle from poor returns on capital and environmental concerns.

Activity

Looking to the Future

We bought a new position in the UK magazine publisher Future Plc. The business is transforming print titles into profitable digital ecommerce products. We see strong growth ahead as the company takes the content from these magazines to drive strong online revenue. We decided to keep our position in ServiceMaster after reviewing its potential liability to termite damage claims. Our research into the issue revealed that the US

pest control company's liability was likely to be much less than investors think. In our view, the problem is isolated to only one US city, while the rest of the business continues to perform well.

Performance

Good results drive outperformance

The Fund made positive gains and outperformed the benchmark thanks to better-than-expected results from our holdings.

Insulet delivered earnings well ahead of investor expectations. The driver was accelerating sales of Omnipod, the company's insulin delivery system, as it benefited from an upgrade and better distribution. Axon Enterprise's results exceeded forecasts on all fronts. The US law-enforcement technology company is seeing good growth in its new Taser device, body cams and cloud software products. This moves the firm closer to its mission of making the bullet obsolete, and building a safer and better world. Chegg was another strong performer. The US online education company delivered impressive growth as more college students subscribed to its online study tools. We expect growth to continue as the company expands into professional skills training for graduates.

By contrast, interactive home security company Alarm.com's results and profit guidance were disappointing. The US market leader's plans for overseas expansion and move into the commercial security market needs investment. The uncertainty surrounding when this pays off has

frustrated investors. As a result, we are also reviewing our position. The ticketless transit systems and defence communication networks company Cubic Corporation weighed on relative returns. Its shares fell on the back of its recent earnings report and lowering of its profit forecast for 2020. This was due to higher R&D spending and programme start-up costs. Our view is that the company's long-term growth prospects remain on track. Lastly, HMS Holdings was another holding whose profits fell short of expectations. This was, in the main, a timing issue in the company's healthcare payments auditing business. As we expect the business to bounce back next quarter, the holding has been retained.

Outlook & Strategy

Uptrend favours risk assets

The equity market is in an uptrend as progress is made on US-China trade and Brexit. Corporate earnings have been resilient and economic data is showing some signs of bottoming. Almost every central bank is now easing monetary policy. In addition, governments are joining in with increased public spending. Equity market corrections in 2011, 2015 and 2018 have all been caused by attempts to tighten monetary policy, which is not the case now. It is rare to see both monetary and fiscal policies easing at this stage in the business cycle, when unemployment and inflation are at such low levels – these are unusual times! However, such stimulus is nearly always a good thing for risk assets and we expect small-cap companies to do well in this environment.

Other Fund Information

	Retail Acc	Retail Inc	Institutional Acc	Institutional Inc
Lipper	68150812	n/a	68150813	n/a
Bloomberg	SLIGSRA LN	n/a	SLIGSIA LN	n/a
ISIN	GB00B4KHN986	n/a	GB00B777SP34	n/a
SEDOL	B4KHN98	n/a	B777SP3	n/a

	Platform One Acc	Platform One Inc
Lipper	68165298	n/a
Bloomberg	SLIGSP1 LN	n/a
ISIN	GB00B7K VX245	n/a
SEDOL	B7K VX24	n/a

	Interim	Annual	Valuation Point	12:00 (UK time)
Reporting Dates	31 Aug	28 (29) Feb	Type of Share	Accumulation
XD Dates	n/a	28 (29) Feb	ISA Option	Yes
Payment Dates (Income)	n/a	30 Apr		

	Retail	Institutional	Platform One
Initial Charge	4.00%	0.00%	0.00%
Annual Management Charge	1.45%	0.85%	0.90%
Ongoing Charges Figure	1.47%	0.95%	1.05%

The Ongoing Charge Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Fund. It is made up of the Annual Management Charge (AMC) shown above and the other expenses taken from the Fund over the last annual reporting period. It does not include any initial charges or the cost of buying and selling stocks for the Fund. The OCF can help you compare the costs and expenses of different funds.

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