

Aug
2019

ASI Europe ex UK Smaller Companies Fund

Aberdeen Standard
Investments

31 August 2019

To generate growth over the long term (5 years or more) by investing in European smaller capitalisation equities (company shares).

Please note: Our factsheets will be fully updated to reflect the 7 August 2019 changes to the Investment Objective and Policy, including benchmark use, shortly. In the interim, please see the KIID which can be found at <https://www.aberdeenstandard.com/en/uk/investor/fund-centre#literature> for full up to date information.

OEIC Fund

Equity Fund

Monthly

Fund Manager	Andrew Paisley
Fund Manager Start	25 Aug 2014
Launch Date	1 Nov 2007
Current Fund Size	£47.4m
No. of Holdings	40

Benchmark	Euromoney Smaller Europe excluding UK Index
-----------	---

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	22.1
Financials	21.6
Technology	13.1
Consumer Services	12.5
Consumer Goods	11.6
Health Care	11.2
Basic Materials	4.7
Cash and Other	3.2

Composition by Country

	Fund %
Germany	32.5
France	20.3
Italy	11.9
Ireland	7.0
Finland	6.3
Denmark	4.6
Sweden	3.7
Netherlands	3.6
Switzerland	3.0
Spain	2.2
Norway	1.7
Cash and Other	3.2

Top Ten Holdings

Stocks	Fund %
Kesko	6.3
Teleperformance	5.9
Orpea	5.7
Interparfums	5.4
Hibernia REIT	5.0
Nemetschek	5.0
SimCorp	4.6
Rational	3.8
Dermapharm	3.5
Patrizia Immobilien	3.4
Assets in top ten holdings	48.6

Fund Performance *

Year on Year Performance

Source: Aberdeen Standard Investments (Fund) and Thomson Reuters DataStream (Benchmark)

	Year to 30/06/2019 (%)	Year to 30/06/2018 (%)	Year to 30/06/2017 (%)	Year to 30/06/2016 (%)	Year to 30/06/2015 (%)
ASI Europe ex UK Smaller Companies	0.1	9.0	29.7	18.2	-0.1
Platform One	0.6	9.4	30.3	19.0	0.7
Euromoney Smaller Europe excluding UK Index	0.6	6.9	35.8	14.2	-0.4

Cumulative Performance

Source: Aberdeen Standard Investments (Fund) and Thomson Reuters DataStream (Benchmark)

	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
ASI Europe ex UK Smaller Companies	7.9	-6.6	23.6	75.3
Platform One	8.1	-6.3	25.2	80.0
Euromoney Smaller Europe excluding UK Index	8.9	-3.1	31.7	71.6

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.

Investment Review and Outlook

Market review

Following the global trend, shares fell across European markets. Political events and some disappointing economic data were behind the decline. Global recession, trade friction and competitive currency devaluation were the themes that dominated investor sentiment. The increased likelihood of a 'no-deal' Brexit was also prominent. European economic news generally was disappointing with the German and UK economies shrinking in Q2. Export-sensitive Germany also saw weak numbers. Data from France and Spain was worse than expected, reinforcing calls for the European Central Bank (ECB) to take urgent action. The ECB had earlier signalled its intent to cut interest rates and reboot its quantitative easing programme if the economy continues to flounder.

The corporate reporting season was less eventful. Despite the volatile macroeconomic backdrop, many companies managed to deliver solid earnings reports. It was encouraging to see that this was fairly broad based.

Activity

There was no trading activity during the month.

Performance

The Fund slightly underperformed the benchmark index return over the month.

New Work (formerly Xing) was the major detractor from performance. The German online business-network was marked down after its quarterly results. Despite management confirming full-year profit guidance, there was a concern this was weighted too much to the second half of the year. We reduced the position recently after good performance and when its score on our screening tool deteriorated. Elsewhere, Interparfums was also relatively weak. The shares of the French fragrance business gave up some recent gains despite better-than-expected results. We continue to believe investors are underestimating earnings growth potential from the unexpected increase in capital expenditure.

The Fund's underperformance was mitigated by a number of holdings

bouncing back this month after a weak July. This included French relationship management business Teleperformance. It is seeing higher growth and margins ahead of investor expectations. This translated into upgraded earnings guidance for the year. We expect Teleperformance to continue to exceed forecasts as it shifts its business mix to higher valued-added areas. Lastly, another was Finnish food retailer Kesko. The company's core food-retail division continues to do well, supported by a positive contribution from a recent acquisition in the building and technical trade division. We continue to believe Kesko has scope to improve profit margins.

Outlook & strategy

Increased trade tensions between China and the US are clearly evident in weaker European economic data. This is a catalyst for continued market volatility. In addition, the UK is in focus given the robust stance of the new British prime minister on leaving the EU. His determination to leave the EU at the end of October, with or without a deal, is making investors nervous.

Other Fund Information

	Retail Acc	Retail Inc	Institutional Acc	Institutional Inc
Lipper	n/a	n/a	n/a	n/a
Bloomberg	SLIEXSA LN	n/a	SLIEXIA LN	n/a
ISIN	GB00BYR2M03	n/a	GB00BYMMJD73	n/a
SEDOL	BYR2M0	n/a	BYMMJD7	n/a

	Platform One Acc	Platform One Inc
Lipper	n/a	n/a
Bloomberg	SLIEXP1 LN	n/a
ISIN	GB00BYMMJ932	n/a
SEDOL	BYMMJ93	n/a

	Interim	Annual	Valuation Point	12:00 (UK time)
Reporting Dates	31 Aug	28 (29) Feb	Type of Share	Income & Accumulation
XD Dates	31 Aug	28 (29) Feb	ISA Option	No
Payment Dates (Income)	31 Oct	30 Apr		

	Retail	Institutional	Platform One
Initial Charge	5.25%	0.00%	0.00%
Annual Management Charge	1.30%	0.75%	0.75%
Ongoing Charges Figure	1.37%	0.90%	0.95%

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.

*Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by Standard Life Aberdeen**. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, Standard Life Aberdeen** or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Past performance is no guarantee of future results. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates.

**Standard Life means the relevant member of the Standard Life Aberdeen group, being Standard Life Aberdeen plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

"FTSE®", "FT-SE®", "Footsie®", ["FTSE4Good®" and "techMARK] are trade marks jointly owned by the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited ("FTSE") under licence. ["All-World®", "All-Share®" and "All-Small®" are trade marks of FTSE.]

The Fund is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), by the London Stock Exchange Plc (the "Exchange"), Euronext N.V. ("Euronext"), The Financial Times Limited ("FT"), European Public Real Estate Association ("EPRA") or the National Association of Real Estate Investment Trusts ("NAREIT") (together the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE EPRA NAREIT Developed Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, none of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein.

"FTSE®" is a trade mark of the Exchange and the FT, "NAREIT®" is a trade mark of the National Association of Real Estate Investment Trusts and "EPRA®" is a trade mark of EPRA and all are used by FTSE under licence."

Useful numbers -
Investor Services
0345 113 69 66.

www.aberdeenstandard.com

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

United Kingdom (UK): Aberdeen Standard Fund Managers Limited, registered in England and Wales (740118) at Bow Bells House, 1 Bread Street, London, EC4M 9HH. Authorised and regulated by the Financial Conduct Authority in the UK.

Call charges will vary. Calls may be monitored and/or recorded to protect both you and us and help with our training.
www.aberdeenstandard.com © 2019 Standard Life Aberdeen

201909180822 INVRT672 0819 XESC