

31 December 2019

The fund aims to provide long term growth by investing predominately 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.

The value of investments within the fund can fall as well as rise and is not guaranteed - you may get back less than you pay in. The fund may use derivatives for the purposes of efficient portfolio management, reduction of risk or to meet its investment objective if this is permitted and appropriate. The value of assets held within the fund may rise and fall as a result of exchange rate fluctuations.

SICAV Fund

Equity Fund

Monthly

Fund Manager	Alan Rowsell
Launch Date	10 Jan 2018
Fund Currency	USD
Benchmark	MSCI AC World Small Cap
Current Fund Size	\$95.6m

**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.aberdeenstandard.com](http://www.aberdeenstandard.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 Country

	Fund %		Fund %
USA	38.3	Germany	1.6
UK	13.5	Poland	1.6
Japan	11.5	Indonesia	1.1
Australia	8.0	Spain	1.1
Taiwan	7.5	Brazil	1.0
Italy	4.8	Korea	0.8
France	4.4	Cash and Other	0.8
China	4.0		

### Composition by Sector

	Fund %
Industrials	32.5
Information Technology	25.1
Consumer Discretionary	16.6
Health Care	12.0
Financials	7.0
Consumer Staples	4.4
Communication Services	1.6
Cash and Other	0.8

### Top Ten Holdings

Stocks	Fund %
Teleperformance	4.4
Insulet	3.4
Nihon M&A Center	3.3
Mani	3.2
Paylocity Holding	3.0
ALS	2.9
Dart Group	2.8
Axon Enterprise	2.8
JD Sports Fashion	2.8
ACI Worldwide	2.6
Assets in top ten holdings	31.2

## Fund Performance \*

### Price Indexed



Performance has been calculated over the stated period on the share price performance basis, based on the institutional shareclass and net of fees. For your relevant charges please contact your Aberdeen Standard Investments Sales Representative.

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

### Cumulative Performance

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

	YTD (%)	1 month (%)	3 months (%)	6 months (%)	1 year (%)
Retail Fund Performance	20.4	1.0	6.4	2.0	20.4
Institutional Fund Performance	21.5	1.1	6.7	2.5	21.5
MSCI AC World Small Cap	25.2	3.8	9.8	8.6	25.2

	Since launch (%)
Retail Fund Performance	4.5
Institutional Fund Performance	6.4
MSCI AC World Small Cap	5.5

### Year on Year Performance

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

	Year to 31/12/2019 (%)	Year to 31/12/2018 (%)	Year to 31/12/2017 (%)	Year to 31/12/2016 (%)	Year to 31/12/2015 (%)
Retail Fund Performance	20.4	n/a	n/a	n/a	n/a
Institutional Fund Performance	21.5	n/a	n/a	n/a	n/a
MSCI AC World Small Cap	25.2	n/a	n/a	n/a	n/a

Note: Performance has been calculated over the stated period on the share price performance basis, based on the given shareclass and net of fees.

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.

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 finish year on a high note

Global small-caps had a strong finish to 2019, ending close to the highs for the year. Risk-on assets outperformed as the UK election produced a decisive result, the US and China agreed a 'phase one' trade deal and economic data showed signs of improvement. Monetary and fiscal policy also remained supportive. This led to a steepening in the yield curve, weakening in the dollar and outperformance of risk assets.

Small-caps outperformed large-caps, while cyclical sectors such as energy, materials and financials rallied. The UK was one of the best performing countries, as a Conservative majority in the election provided the market with certainty over the direction of government policy. 'Haven' markets such as Japan and the US modestly underperformed as investors rotated into riskier assets.

### Activity

All aboard the Trainline

We bought Trainline, the UK online train ticket retailer. The business has a dominant market share with years of investment in its online platform now behind it. This now acts as a considerable barrier to entry. The UK election result removed the risk of nationalisation of the railways, and it benefits from a regulator supportive of e-ticketing. Europe is also a growth opportunity. TechnoPro was another purchase. The Japanese IT staffing company is not just any staffing company, but a supplier of extremely skilled IT professionals that are highly sought after by employers. Our recent meeting with management pointed to high utilisation of its IT staff, with pricing on the increase. Finally, we bought Lattice Semiconductor. The US

company makes programmable chips for a range of applications from smartphones to autos. We expect growth to accelerate as it launches new products.

Alarm.com was sold as it has seen earnings downgrades after announcing its expansion plans and the costs involved. While the US interactive security software company may see this pay off in the long term, we are concerned it may be more of a response to increased competition. Despite recent underperformance, we have still made a good return over our three-year holding period.

### Performance

Jumbo disappoints

The Fund underperformed in December with weakness concentrated in Australian and US growth stocks. This was partially offset by strength in UK domestic companies.

Jumbo Interactive was the chief detractor from performance, as it disappointed investors with a recent trading update. While the Australian online lottery provider's sales figures met expectations, the costs of growing the business have squeezed profit margins. These investments will eventually payoff, leading to improved profits. Unfortunately, many investors care more about the near term. Insulet was another drag on returns. The shares declined on nothing more than profit-taking after an excellent year for the business. The US provider of insulin pumps has significantly exceeded market expectations this year, with the stock more than doubling in price.

RWS Holdings also weighed on performance. The UK patent translation company came under selling pressure as most of its revenue is from outside the UK. Investors rotated into

domestically focused UK businesses following the clear UK election result.

The opposite of RWS was Dart Group, as it added value this month. The company's Jet2 brand is expected to benefit from improving consumer spending in the wake of the UK election. The firm also continues to gain market share from the collapse of Thomas Cook. JD Sports' shares rose on optimism that a majority government in the UK would lead to improving economic growth and higher spending on the high street. Evolent Health was another success for the Fund. The business is finally showing some strength after a torrid year. This US healthcare technology company has been dogged by speculation that it might lose its biggest customer. However, it has benefited from the reopening of the bidding process for this customer. We believe the worst is over and expect 2020 to be a much better year for the share price.

### Outlook & Strategy

Positive outlook for small caps

We are positive on the outlook for global small-caps for three reasons. First, the fog created by Brexit and the US-China trade war is beginning to clear. This is positive for investor sentiment at the very least, if not for the real economy as well. Second, the nearly two-year deterioration in economic data is bottoming out and showing signs of improvement, notably in leading indicators such as the purchasing managers' surveys. This raises the prospect that corporate earnings growth will start to accelerate. Third, all major central banks are in easing mode, while many governments are looking to increase public spending. It is rare to see near-universal monetary and fiscal easing like this and it is nearly always positive for equities, with riskier small-caps tending to outperform large caps.

## Other Fund Information

	Retail Acc	Retail Dist	Institutional Acc	Institutional Dist	Currency
Bloomberg	SLGAUUAU LX	-	SLGDUUAU LX	-	USD
ISIN	LU1741498957	-	LU1741499419	-	USD
WKN	N/A	-	n/a	-	USD

Domicile Luxembourg

Custodian Name The Bank of New York Mellon SA/NV, Luxembourg Branch, 2-4 Rue Eugene Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg

Auditor Name KPMG Luxembourg, 39, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

	Interim	Annual
Reporting Dates	30 Jun	31 Dec

Settlement Time T+3

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Share Price Calculation Time 15:00 (Luxembourg time)

Dealing Cut Off Time 13:00 (Luxembourg time)

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Additional Information for Switzerland : The prospectus, the key investor information documents, the articles of incorporation, the annual and semi-annual report in German, and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The last share prices can be found on www.fundinfo.com.

To find out more about our fund range, visit our website or alternatively speak to your usual contact at Aberdeen Standard Investments.

[www.aberdeenstandard.com](http://www.aberdeenstandard.com)