

January 2019

Aberdeen Standard Australian Small Companies Fund

Seeing the big in small



01 The benefits of being small

- There are around 2,000 small companies listed in Australia¹. Small companies are often under-researched and potentially mispriced, presenting opportunities for savvy investors.
- An investment in small companies can provide rewarding opportunities for investors over the long term. The key is finding companies in their early stages and staying invested while they expand and grow.
- Small companies are often the target of merger and acquisition activity, which can be a boon for small company stock prices.

03 Experience counts - delivering strong returns while managing volatility over the long term

For the 5 year period ending 31 Dec 2018



¹Source: World Federation of Exchange, 31 Dec 2018.

Source: MercerInsight. The Mercer Australian Small Cap universe consists of long only Australian small cap equity strategies. Past performance is not a guide to future results.

Performance is shown gross of fees and does not reflect investment advisory fees; had such fees been deducted, returns would have been lower. Net of fees performance can be found on the slide titled "Performance: Aberdeen Standard Australian Small Companies Fund". Performance is supplemental to the composite. Additional composite information can be found on our website at www.aberdeenstand.com.au

02 Being small doesn't necessarily mean being less well known

Many investors confine themselves to the larger end of the company scale, overlooking some of the potential growth opportunities that may exist among smaller companies.

Investing in small companies doesn't necessarily mean holding unknown Australian or New Zealand companies. Aberdeen Standard Investments looks for industry leaders across a range of sectors with competitive advantages.

We run a high conviction portfolio of typically 15-45 stocks that we know inside-out.



04 Taking stock – an example of a small cap in action

Aberdeen Standard Investments first bought in ARB Corporation Limited ('ARB') in 2009. ARB is now one of the largest positions in the Aberdeen Standard Australian Small Companies Fund.

- ARB is Australia's largest manufacturer and distributor of 4x4 accessories. It has an international presence and an export network that extends across more than 100 countries.
- Its management team is experienced, with a strong track record and a well-entrenched conservative culture.
- ARB has an outstanding reputation for growing profits and earnings over many years. The company has delivered an average total annual return to shareholders, including dividends of 23.0% over the past ten years. That equates to a total return, including net dividends reinvested, of 696.3% over the ten year period².
- The company is well positioned to benefit from growing domestic and international demand for 4x4 accessories.



²Source: Bloomberg, 01 Jan 2018 to 31 Dec 2018

05 Why Aberdeen Standard Investments for Australian small companies?



We conduct all of our own research. We meet with company management and know each and every company inside out.



We look for companies that we believe will outperform their peers over the longer term across different market cycles.



Our team approach means investment decisions are made collectively.



Our equities investment process is tried-and-true with a strong track record in investing in Australian small companies.

06 Fund facts

Fund name	Aberdeen Standard Australian Small Companies Fund
ARSN	095 866 872
APIR	CSA0131AU
ASX mFund code	AFZ20
Management costs comprising:	1.26% pa of the net asset value of the Fund
- Management fee	1.26% pa
- Indirect costs	0.00% pa
Buy/sell spread	+0.10%/-0.10%
Distribution frequency	Half yearly (30 June and 31 December)
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Minimum suggested time frame	Long term – 5 years plus
Mix of asset classes	75-100% Australian equity securities 0-15% New Zealand equity securities 0-10% Cash

For more information please call our Client Services Team on 1800 636 888 or visit our website at www.aberdeenstandard.com.au

Important information

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