

Nov  
2018

# Global Equity Unconstrained Fund

Aberdeen Standard  
Investments

30 November 2018

The fund aims to provide long term growth by investing in a diversified portfolio of global equity assets. The investment team will maintain a diverse asset mix at country, sector and stock level, with the regional, country and sector weightings within the portfolio being a by-product of the underlying stock exposure. Their primary focus is on stock selection to try to take advantage of opportunities they have identified. Due to the unconstrained nature of the fund 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.

SICAV Fund

Equity Fund

Monthly

Fund Manager	Donal Reynolds
Launch Date	9 Dec 2014
Fund Currency	USD
Benchmark	Morningstar Offshore Global Large-Cap Blend Equity Sector
Current Fund Size	\$26.0m

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](http://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 %
Information Technology	15.4
Consumer Discretionary	12.6
Health Care	12.2
Industrials	11.9
Communication Services	9.5
Financials	9.5
Materials	7.8
Real Estate	7.5
Consumer Staples	5.2
Utilities	3.7
Cash and Other	2.6
Energy	2.1

### Composition by Country

	Fund %
USA	60.0
China	7.7
Netherlands	5.3
UK	4.6
Germany	3.9
Japan	3.4
France	3.1
Australia	2.7
Finland	2.3
Italy	2.2
Belgium	1.2
Ireland	1.0
Cash and Other	2.6

### Top Ten Holdings

Stocks	Fund %
Broadcom	4.4
United Healthcare	4.2
American Tower	3.9
Marvell Technology	3.8
NextEra Energy	3.7
Restaurant Brands	3.6
Equinix	3.5
Alphabet	3.5
MasterCard	3.2
Shenzhou International	3.1
Assets in top ten holdings	36.9

## 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	-12.2	-0.6	-10.1	-10.9	-10.8
Institutional Fund Performance	-11.5	-0.6	-9.9	-10.5	-10.0
Morningstar Offshore Global Large-Cap Blend Equity Sector	-2.1	1.5	-5.6	-2.4	-0.5

	3 years (%)	Since launch (%)
Retail Fund Performance	-1.5	4.9
Institutional Fund Performance	1.1	8.5
Morningstar Offshore Global Large-Cap Blend Equity Sector	30.1	29.2

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.

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

Global equity markets delivered mixed performance in November, with investor sentiment dampened by worries about geopolitics and the impact of trade tensions on global economic growth. At a regional level, stocks in the US, Japan and emerging markets closed higher, while European and UK equities lost ground.

Geopolitical developments remained a key influence on investor sentiment. In particular, the ongoing US-China trade spat continued to fuel worries about global growth. In US mid-term elections, the Democrats took control of the House of Representatives, which will likely make it harder for President Trump to extend his stimulus plans. As widely anticipated, the US Federal Reserve (Fed) left interest rates unchanged, while at the same time indicating a slower-than-expected pace of rate rises ahead. Meanwhile, UK Prime Minister Theresa May and the European Union (EU) finally struck a deal over the terms of the UK's withdrawal from the EU. However, the deal faces overwhelming opposition from the House of Commons which, given the absence of alternative proposals, raises the odds of a 'no-deal' Brexit.

The global economy continued to show sharp regional divergence. US data remained solid and consumer confidence high, despite some softening of the housing market on account of higher interest rates. By contrast, signs of economic weakness persisted in Europe, with disappointing third-quarter growth and signs of slowdown in both services and manufacturing. EU consumer confidence also fell short of expectations.

## Activity

We bought GrubHub, a US-listed online and mobile platform for restaurant pick-up and delivery orders, during the month. Digital transformation is in the early stages, and we believe it is well positioned to benefit from the future growth of users and orders. The recent sell-off in the market presented an attractive opportunity to buy the shares. Meanwhile, we sold Irish building materials company CRH, as a more challenging economic backdrop will likely result in weaker sales. This makes profit margin expansion more difficult.

## Performance

The Fund performed behind the index.

Ctrip.com weighed on performance in November. The Chinese online travel agent left investors concerned about its outlook for operating profit margins after it announced lower guidance for its profit for Q4 2018. However, we believe some of the issues affecting its profits are temporary. Profit margins should revert to more normal levels in 2019. A further drag on performance was Mitsui Mining and Smelting. The Japanese company announced another profit warning on the back of even weaker growth in smartphones and falling commodity prices. Lastly, Orpea was another company to weigh on the Fund's return. The French nursing home operator's share price was hit by an earnings downgrade by a broker. However, we are confident in the prospects for the business as it expands market share in Europe, which should lead to double-digit growth in profits as it gains pricing power.

Highlights for the month included Shenzhou International Group. The Hong Kong-listed knitwear manufacturer received credit for its business model that confers cost and

quality advantages. In addition, this has helped it establish strong relationships with large and growing customers. Martin Marietta Materials also made a positive contribution to performance. Investors now believe the US building materials company will deliver higher revenue growth from a pick-up in US infrastructure projects in 2019. Finally, Baxter International, the medic device manufacturer, recovered from recent weakness as disappointing earnings growth proved to be only transitory. We continue to believe its long-term prospects are positive.

## Outlook & Strategy

At present, market ructions do not look severe enough to push central banks off course. We expect the Fed to hike rates four more times, before ending its tightening cycle in late 2019. Meanwhile, the European Central Bank and Bank of England are still expected to tighten, albeit slowly in coming years. However, there are risks on both sides of this forecast. If financial stress continues to rise, policymakers will be under pressure to be more supportive. The Fed's rhetoric has already become more cautious in recent weeks. Conversely, any larger break-out in inflation would necessitate a faster policy adjustment, with clear negative implications for growth and markets

The overall economic backdrop is broadly supportive for now and, while valuations in many areas of the market look stretched, there remain numerous opportunities for stock pickers.

Regarding the Fund, we believe our fundamental bottom-up investment approach remains the best way to generate robust long-term returns and we continue to shape the portfolio with as much stock-specific risk as possible. This should stand us in good stead in the event of market weakness.

## Other Fund Information

	Retail Acc	Retail Dist	Institutional Acc	Institutional Dist	Currency
Bloomberg	-	-	SLGEUDA LX	-	USD
ISIN	-	-	LU1150180351	-	USD
WKN	-	-	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	
Email	LUXMB-ASI-TA@bnymellon.com	
Telephone	+352 24 525 716	
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](http://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](http://www.fundinfo.com).

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