

Aug  
2019

# ASI Global Unconstrained Equity Fund

Aberdeen Standard  
Investments

31 August 2019

To generate growth over the long term (5 years or more) by investing in global 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 Donal Reynolds

Fund Manager Start 16 Apr 2018

Launch Date 16 Nov 1998

IA Sector IA Global

Benchmark IA Global Sector

Current Fund Size £150.3m

Base Currency GBP

No. of Holdings 36

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 %
Health Care	17.3
Information Technology	16.6
Consumer Staples	14.3
Financials	10.0
Communication Services	9.3
Real Estate	8.7
Consumer Discretionary	8.0
Industrials	7.7
Utilities	3.2
Cash and Other	2.7
Energy	2.2

### Composition by Country

	Fund %
USA	54.2
France	7.5
Japan	6.8
China	6.5
UK	4.0
Canada	3.9
Australia	3.5
Germany	3.0
Netherlands	2.8
Italy	2.6
Israel	2.5
Cash and Other	2.7

### Top Ten Holdings

Stocks	Fund %
Microsoft	4.2
Welcia Holdings	3.9
Couche-Tard	3.9
Equinix	3.8
MasterCard	3.5
Treasury Wine Estates	3.5
Alphabet	3.4
Boston Scientific	3.4
Orpea	3.3
NextEra Energy	3.2
Assets in top ten holdings	36.1

## 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 0.80%. 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 30/06/2019 (%)	Year to 30/06/2018 (%)	Year to 30/06/2017 (%)	Year to 30/06/2016 (%)	Year to 30/06/2015 (%)
Retail Fund Performance	4.8	4.4	21.4	5.9	7.0
Institutional Fund Performance	5.3	4.9	22.0	6.6	7.9
Platform One	5.2	4.8	21.9	6.5	7.8
IA Global Sector	7.4	9.4	23.5	7.4	8.0

### Cumulative Performance

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

	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Retail Fund Performance	18.9	10.1	27.8	56.2
Institutional Fund Performance	19.2	10.6	29.7	60.7
Platform One	19.2	10.5	29.3	59.9
IA Global Sector	11.5	5.3	37.0	67.6

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.

## Market review

Equity markets fell in August, initially triggered by Donald Trump announcing a new round of tariffs on Chinese imports, exacerbated by pro-democracy protests in Hong Kong. This raised concerns about a slowing global economy and left investors scurrying for safe-haven assets – the US dollar rallied to a new high, the list of government bonds with negative yields increased and gold surged. In equities, economically sensitive cyclical sectors such as energy, financials and materials underperformed, while defensive consumer-staples companies, with their dependable and less volatile earnings, outperformed.

Economic data weakened further, notably purchasing managers' surveys in most major economies. However, Japan's economy bucked this trend as it managed to post a better-than-forecast growth of 1.8%. Central banks reacted by easing monetary policy. The US Federal Reserve cut interest rates at the end of July, with another expected in September. Moreover, the fiscal purse-strings are now being loosened, and even the fiscally-responsible Germans are thinking about a stimulus package in response to a negative GDP print of -0.1% for Q2.

Despite the volatile macroeconomic backdrop, many companies managed to deliver solid earnings reports. It was encouraging to see that this was broad based.

## Activity

During the month, we initiated a position in Dollar Tree. The US discount store chain is seeing the first signs of improvement in its Family Dollar brand. We believe the initiatives put in place to turn this business around and improve its operating performance will continue. We also topped up recent

addition EVO Payments. The US-based credit-card payment processor and merchant acquirer is expanding into emerging markets that have less developed payment systems. This strategy should see the business generating double-digit revenue growth, and improved margins once it achieves scale.

Sales during the month included trimming the holding in Mastercard. The shares have performed well this year, and while our investment thesis remains intact, its current valuation does not reflect our conviction of the company's risk-reward profile. Hence, we reduced the position size. Lastly, Grubhub was sold. The US online food-ordering platform continues to experience challenges from competitors. This requires ongoing investment and promotions expenditure, leading to weaker financial performance.

## Performance

The Fund outperformed its benchmark index over the month.

US datacentre operator Equinix was a major positive for the Fund. The company reported solid second-quarter results that fed through to yet another rise in its full-year guidance for profits. The shares also benefited from higher market volatility and lower interest rates. Overall, the business continues to be in demand for its services from an increasing array of customers, underpinning its earnings growth over the coming years. Welcia outperformed. The Japanese pharmacy-convenience store operator's new management is executing a strategy that should enhance the prospects for further growth while containing costs, skills it has demonstrated historically. Its plan is underpinned by opening more pharmacies and extending opening hours to Saturday. Restaurant

Brands was another contributor to the Fund's outperformance. The US fast-food restaurant operator released positive results, especially from Burger King. The strategy to turnaround the underperforming brand appears to be working. Given its cashflow strength and growth, the business is of particular attraction in a low interest-rate environment.

On the downside, Schlumberger was one of the weakest performers. The shares of the US oilfield services provider were hit by a falling oil price. The re-igniting of the US-China dispute increased the risk of slower global growth, which weighed on demand for crude. However, from a bottom-up perspective, we are seeing evidence of recovery in its non US business. Elsewhere Cineworld underperformed on weaker box office sales in the US and signs that Regal (its US brand) lost market share. We are confident Regal can regain its market position on the basis of a newly launched subscription service. The business also suffered some disruption as it undertook refurbishment of its newly acquired Regal theatres – this impact should diminish over the coming year. Looking at box office trends and slated movie releases, we anticipate increased cinema attendance and better pricing.

## Outlook and Strategy

While earnings estimates remain solid, companies are starting to lower guidance. There are numerous headwinds, from the US-China trade dispute to politics in Europe. The resolution of any of these would boost investor sentiment. Against this backdrop, we believe earnings ahead of expectations rather than valuations will be the primary driver of share prices. We continue to shape the Fund 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 Inc	Institutional Acc	Institutional Inc
Lipper	60011521	n/a	60011520	n/a
Bloomberg	STIEQGR LN	SLGEURI LN	STIEQGI LN	n/a
ISIN	GB0004483540	GB00BYQNBQ30	GB0004482807	n/a
SEDOL	0448354	BYQNBQ3	0448280	n/a

	Platform One Acc	Platform One Inc
Lipper	68165248	n/a
Bloomberg	SLGRPLA LN	n/a
ISIN	GB00B6915J97	n/a
SEDOL	B6915J9	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	1.35%	0.80%	0.85%
Ongoing Charges Figure	1.39%	0.92%	1.02%

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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