

31 March 2019

The fund aims to provide long term growth by investing mainly in the shares of smaller companies listed on the UK stock market. The fund is actively managed by our investment team, who will select stocks to try to take advantage of opportunities they have identified.

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.

OEIC Fund

Equity Fund

Monthly

Fund Manager	Harry Nimmo	Base Currency	GBP
Fund Manager Start	6 Jan 1997	No. of Holdings	50
Launch Date	6 Jan 1997		
IA Sector	IA UK Smaller Companies		
Benchmark	IA UK Smaller Companies Sector		
Current Fund Size	£1452.0m		

**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 %
Industrials	24.8
Consumer Services	19.1
Consumer Goods	12.6
Technology	11.6
Financials	11.4
Health Care	7.4
Cash and Other	6.7
Telecommunications	6.4

### Composition by Market Capitalisation (Ex Cash)

	Fund %
FTSE UK 250	47.4
FTSE Small Cap	15.9
Not In Index	36.7

### Top Ten Holdings

Stocks	Fund %
Dechra Pharmaceuticals	4.3
Gamma Communications	4.0
Fever Tree	3.8
Workspace	3.3
4imprint	3.2
Hilton Food	3.1
First Derivatives	3.0
Diploma	3.0
JD Sports Fashion	2.8
GB Group	2.8
Assets in top ten holdings	33.3

## 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 31/03/2019 (%)	Year to 31/03/2018 (%)	Year to 31/03/2017 (%)	Year to 31/03/2016 (%)	Year to 31/03/2015 (%)
Retail Fund Performance	1.5	20.0	16.2	16.4	-4.2
Institutional Fund Performance	1.9	20.5	16.8	17.3	-3.4
Platform One	1.8	20.5	16.6	17.2	-3.5
IA UK Smaller Companies Sector	-2.6	14.6	19.1	8.5	-2.1

### Cumulative Performance

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

	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Retail Fund Performance	-6.9	1.5	41.5	57.7
Institutional Fund Performance	-6.7	1.9	43.5	62.5
Platform One	-6.8	1.8	43.0	61.6
IA UK Smaller Companies Sector	-10.0	-2.6	33.0	41.1

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.

Composition by Market Capitalisation - Not in index is the sum of holdings outwith the FTSE All Share. This may include new issues, AIM listed and other LSE listed stocks.

### Market Review

UK equities gained ground in March, although small-caps trailed their larger peers. Energy-related stocks performed well, benefiting from the ongoing recovery in oil prices. Brent crude oil rose almost 4% over the month, ending at around US\$68 a barrel. March's Manufacturing Purchasing Managers' index reached its highest reading in 13 months. Industry observers attributed this to stockpiling in case of a 'no-deal' Brexit.

The UK pound had a difficult month, losing ground against the euro and US dollar. This followed the Bank of England's decision to leave interest rates unchanged. At the same time, sterling's movements remain tethered to Brexit developments, the outcome of which is still unclear. At the time of writing, Prime Minister Theresa May had agreed to delay the UK's departure from the EU for a second time, to 31 October. The news lifted a number of retail, airline and holiday firms.

### Activity

We purchased shares in **James Fischer**, the marine engineering company. It has significant international exposure in the oil & gas sector, with a strong and consistent business model. It offers robust organic growth, while it has a solid track record of making successful bolt-on acquisitions. Outside its core activities, the company is also the world leader in submarine rescue. This gives it a diversified revenue stream. We added to **Safestore**, the self-storage business with operations in the South East of England and France. This is a well-run

company, offering an attractive and growing dividend.

By contrast, we sold life-sciences firm **Abcam**. This has been a resounding success for the Fund. Since we bought it in 2007, it has made 13X the book cost. As a result, the company is now a large-cap stock and no longer appropriate for the Fund's mandate. This, though, demonstrates our investment ethos in that we seek to buy "tomorrow's large-caps, today."

### Performance

It was another strong month for the Fund, which comfortably beat its benchmark.

The outperformance was due to a number of our holdings reporting strong corporate results. Take marketing specialist **4Imprint**, for example. Its full-year earnings increased substantially, allowing it to announce a special dividend with a 4.6% yield. Sales in North America, which accounts for 97% of its revenues, grew 16%. This compares to an industry average of 3%. 4Imprint's management is now aiming for sales growth of US\$1 billion by 2022 – a significant, but achievable, upgrade. After all, top-line growth has nearly doubled over the last six years. Better-than-expected full-year results also lifted **Gamma Communications**. The company provides a broad range of comms services to the likes of Aldi, American Golf and Pret a Manger. Direct business sales rose over 24%, with the company landing several new customers. Revenues from its indirect offering were also robust. Meanwhile, **First Derivatives** found its shares in

demand after issuing a positive trading update. The company is a leading provider of products and consulting services to some of the world's biggest finance, tech and energy firms. Its growth potential also remains attractive.

On the downside, **Motorpoint Car Supermarket** disappointed after announcing uninspiring results. The company said margins had softened due to "strong vehicle supply". However, it also expects to further gain market share over the remainder of 2019. We therefore continue to hold the stock. The rest of the relative drags on performance were stocks that we didn't own. These included Ultra Electronic, Funding Circle and Energean Oil & Gas.

### Outlook & Strategy

Politicians have once again kicked the Brexit can down the road, with 31 October the new leaving date. Talks will resume after the Easter holiday. We would therefore expect bouts of volatility to return. However, we remain happy with the portfolio. A number of our companies have good international exposure. Indeed, eight out of our top-10 largest holdings have made significant breakthroughs outside the UK. This diversification of returns should help insulate the Fund against any Brexit upheaval. We will continue to focus on high-quality growth companies that are in charge of their own destinies. This approach has stood us in good stead throughout the Fund's lifespan. We expect it will continue to do so as we move through 2019 and beyond.

## Other Fund Information

	Retail Acc	Retail Inc	Institutional Acc	Institutional Inc
Lipper	60011545	n/a	60011544	68225275
Bloomberg	SLUKSMA LN	SLUKSRI LN	SLUKSAA LN	SLUKSII LN
ISIN	GB0004331236	GB00BYQNBS53	GB0004333497	GB00B8K1GG67
SEDOL	0433123	BYQNBS5	0433349	B8K1GG6

	Platform One Acc	Platform One Inc
Lipper	68165310	n/a
Bloomberg	SKUKPLA LN	n/a
ISIN	GB00B7FBH943	n/a
SEDOL	B7FBH94	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	1.36%	0.89%	0.99%

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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