Oct
2017

Enhanced-Diversification Multi Asset Fund

31 October 2017

Standard Life Investments

The fund aims to provide a long term total return through capital appreciation and income. It invests in a diversified portfolio of assets including equities, bonds, cash deposits and money-market instruments directly, via collective investment schemes and via derivatives. The fund is actively managed by our investment team and holds a portfolio of assets from both Europe and overseas, selected without reference to index weight or size, combined with strategies based on advanced derivative techniques designed to enhance portfolio diversification and thus lower volatility. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.

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 will use derivatives extensively to reduce risk or cost, or to generate additional capital or income at low risk, or to meet its investment objective. 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

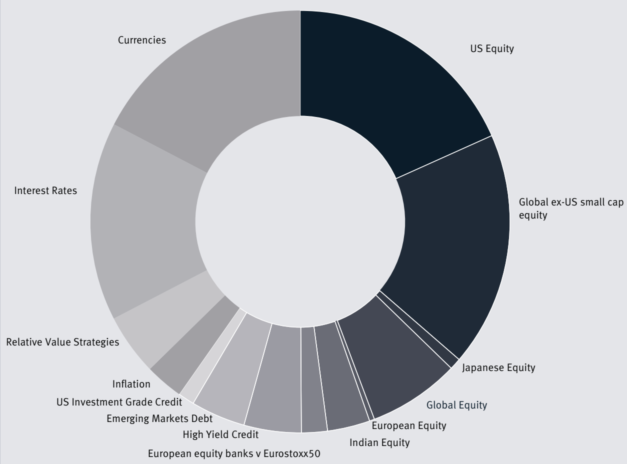
Absolute Return Fund

Monthly

Fund Manager	Multi Asset Investing Team
Fund Manager Start	20 Jul 2016
Launch Date	20 Jul 2016
Current Fund Size	€15.9m
Base Currency	EUR

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. Please note that all risk numbers stated in the Fund Information section are calculated at the individual strategy level.
Standard Life 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 *



Market Return Assets	Share of total standalone risk (%)
US Equity	18.3
Global ex-US Small Cap Equity	18.0
Global Equity	7.0
High Yield Credit	4.4
Emerging Markets Debt	4.2
Indian Equity	3.3
European Equity Banks v Eurostoxx50	2.0
US Investment Grade Credit	1.3
Japanese Equity	0.9
European Equity	0.4
Total	59.8

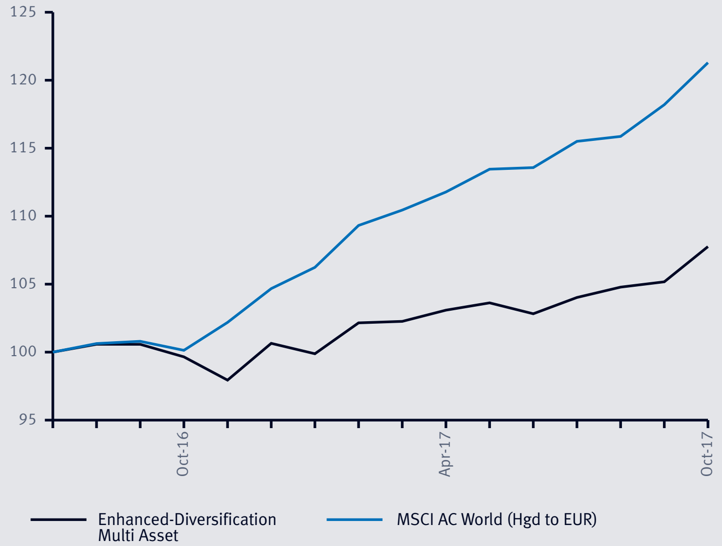
Portfolio Risk Summary	(%)
Expected EDGF Risk	7.3
Global Equity Risk	11.8

Enhanced Diversification	Share of total standalone risk (%)
Inflation	2.9
Relative Value Equity Strategies	4.7
Interest Rates	15.2
Currencies	17.4
Total	40.2

The fund information data in the tables and pie chart above are updated on a quarterly basis only (31 March, 30 June, 30 September and 31 December) unless specified otherwise.

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 0.70%. 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: Standard Life Investments (Fund) and Thomson Reuters DataStream (Benchmark)

Cumulative Performance

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

	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	SI (%)
Institutional Fund Performance	2.5	3.8	4.9	8.9	8.9
MSCI AC World (Hgd to EUR)	2.6	5.0	8.5	21.1	21.4

Note: Cumulative Performance to period 31/10/2017.

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.

Market Review

Global equities delivered positive returns during October, in response to ongoing signs of improvement in the world economy. At a regional level, European equities benefited from another stream of positive economic figures from the Eurozone, including above-forecast growth and improving jobless figures. However, markets in Spain were volatile amid the uncertainty surrounding Catalonia's bid for independence. US indices again forged new highs, bolstered by indications that hurricanes Harvey and Irma had inflicted less damage on the economy than initially feared. While the US jobs market showed some signs of weakness, this will likely prove to be hurricane-related. Encouragingly, wages grew at a healthy 2.9% year-on-year in October. Meanwhile, UK inflation nudged up to 3%, a five-year high, while retail sales growth slipped lower as consumers increasingly felt the pinch from falling real wages (i.e. wages after inflation).

As expected, the European Central Bank announced plans to downsize its monetary support programme. It also indicated that interest rates were likely to remain unchanged for an extended period. This caused European sovereign bond prices to move higher (yields fell). UK government bond prices also edged up while those in the US ended virtually unchanged. Corporate bonds enjoyed another good month, buoyed by positive earnings results and demand for income, with higher-yielding bonds outperforming investment-grade issues.

Oil prices edged higher, reaching over US$60 a barrel in October. Supply cuts agreed earlier this year among the main oil-producing nations are finally taking effect. Added to this, the pick-up in global growth is fuelling demand, particularly from emerging economies.

Activity

Seeking to alter the balance of exposure in the portfolio, we closed our currency pair preferring the US dollar over the Canadian dollar, a position designed to benefit from stronger economic growth and higher interest rates in the US. We instead added a position preferring the Japanese yen over the Canadian dollar.

We introduced a new interest rates strategy expressing our views on rates in Canada and Sweden. This aims to generate returns from the relative changes between long and shorter-dated bonds of the two countries. We expect the position to enhance portfolio diversification, while it also offers an attractive carry component, where we earn returns from the difference in interest rates between Canada and Sweden.

We added a US versus UK real yields position, predicated on our view that inflation expectations in the US and UK will converge over the medium term. In the US, the robust economy and optimism around tax reform will likely push up inflation expectations. By contrast, UK inflation expectations are likely to retreat from their current elevated levels as the inflationary effects of weaker sterling wane. Meanwhile, we closed our short European inflation position in order to reduce portfolio exposure to the risk of higher-than-expected inflation in the Eurozone. Elsewhere, we closed our Japanese equity strategy after it had delivered positive returns.

Performance

The Enhanced-Diversification Multi-Asset Fund returned 2.52% (gross of fees), compared to the MSCI AC World Index return of 2.62% (gross of fees, hedged to euros).

<u>Market risk positions</u>

In what was another good month for global equities, our US and global equity exposures were rewarded. Our allocations to Korean and Indian equities also delivered positive returns as strong foreign investor demand drove these markets higher.

<u>Enhanced diversifiers</u>

The rally in European sovereign bonds hurt our short European interest rates strategy which aims to profit when European rates move higher. This environment, together with the political developments in Spain, caused the banking sector to fall. This resulted in losses for our European equity relative-value position expressing our view that the banking sector will outperform the leading blue-chip companies. Nevertheless, we still believe this strategy provides an attractive way of gaining exposure to improving economic growth and gradually rising interest rates in the Eurozone.

Our Australian interest rates position, reflecting our view that rates will remain low in Australia, contributed positively after below-forecast inflation figures argued against any near-term rate rise.

Strong foreign demand for Emerging Market (EM) equities boosted EM currencies like the Korean won during October. As a result, our position preferring the won over the Japanese yen detracted from performance. Our EM income strategy also dragged on returns as EM debt assets gave up some of their earlier gains.

Outlook

Our central expectation is for continued modest broad-based global growth, albeit with regional variations. Fiscal policy and the changing monetary policies of central banks will be important drivers of asset returns, especially as the pace of change in policies remains uncertain. The US is moving to a tighter monetary environment, albeit on a gradual incline. Improving data in Europe may reduce the ECB's appetite for monetary easing. However, it will likely remain cautious in the near term given the elevated levels of uncertainty around the process of the UK's withdrawal from the European Union. Japan, meanwhile, is likely to remain on a loose monetary path. Geopolitical tensions remain elevated and, on many metrics, asset prices look expensive. We will seek to exploit the opportunities that these conditions present by implementing a diversified range of strategies using multiple asset classes.

Other Fund Information

	Retail Acc	Retail Dist	Institutional Acc	Institutional Dist	Currency
Bloomberg	SLEDARU LX	-	SLEDDIU LX	-	EUR
ISIN	LU1432322557	-	LU1432322714	-	EUR
WKN	A2AL2K	-	A2AL2M	-	EUR

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	PricewaterhouseCoopers S.à r.l., Reviseur d'entreprises 400, route d'Esch, L-1014 Luxembourg, Grand Duchy of Luxembourg

	Interim	Annual
Reporting Dates	30 Jun	31 Dec

Settlement Time	T+3
Email	luxmb-sli-ta@bnymellon.com
Telephone	+352 24 525 717
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'Ile, 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 Standard Life Investments.

www.aberdeenstandard.com

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Standard Life Investments Global SICAV is an umbrella type investment company with variable capital registered in Luxembourg (no. B78797) at 2-4, rue Eugéne Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.
Calls may be monitored and/or recorded to protect both you and us and help with our training.
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