

30 November 2017

The fund aims to provide positive investment returns in the form of income and capital growth in all market conditions over the medium to long term. The fund is actively managed, with a wide investment remit to target a level of return over rolling three-year periods equivalent to cash plus three per-cent a year, gross of fees. It exploits market inefficiencies through active allocation to a diverse range of market positions. The fund uses a combination of traditional assets (such as bonds, cash and money market instruments) and investment strategies based on advanced derivative techniques, resulting in a highly diversified portfolio. 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	Shareclass	EUR (hedged)
Shareclass Launch	14 Jun 2011	Base Currency	GBP
Date		Benchmark**	3 Month Sterling LIBOR
Current Fund Size*	€1,851.4m	Duration	-0.4 Yrs

* Fund size calculated using the base currency in Sterling converted into Euros using the FX rate of 1:1.14 on 30/11/2017.

** This is the Fund benchmark. Where shareclasses are available in a different currency to the Fund's base currency, an alternative benchmark will be referenced for performance comparison purposes. For example, for a USD-hedged shareclass, performance will be referenced against a USD-hedged version of the Fund benchmark or a local currency (equivalent) index.

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 fund information tables are updated on quarterly basis only (31 March, 30 June, 30 September and 31 December).

Due to rounding, the underlying sections may not sum to the total.

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 *

Stand-alone risk contribution by strategy type

	Stand-alone Vol %
Credit	1.63
Cross Market	1.22
FX	1.01
Inflation	0.89
Curve	0.75
Duration	0.59
Volatility	0.25
Total stand-alone vol:	6.35
Diversification:	3.87
Overall Volatility:	2.48

Return contribution by strategy type

	Q3 Contribution (%)
Credit	0.59
Cross Market	0.00
Curve	-0.02
Duration	-0.53
FX	-0.31
Inflation	0.03
Volatility	0.11
Cash	0.03
Residual	0.05
Total:	-0.05

Top ten risk contributions by strategy

	Stand-alone Vol %
US vs European Real Yields	1.22
Emerging Markets Income	1.17
Long Indian Rupee vs Swiss Franc	0.69
Short UK Inflation	0.68
Short European Real Yields	0.60
US Front End Steepener	0.43
US Interest Rate Income	0.42
US Inflation Curve Steepener	0.41
Long Japanese Yen vs Canadian Dollar	0.39
Australian Forward-Start Interest Rates	0.36

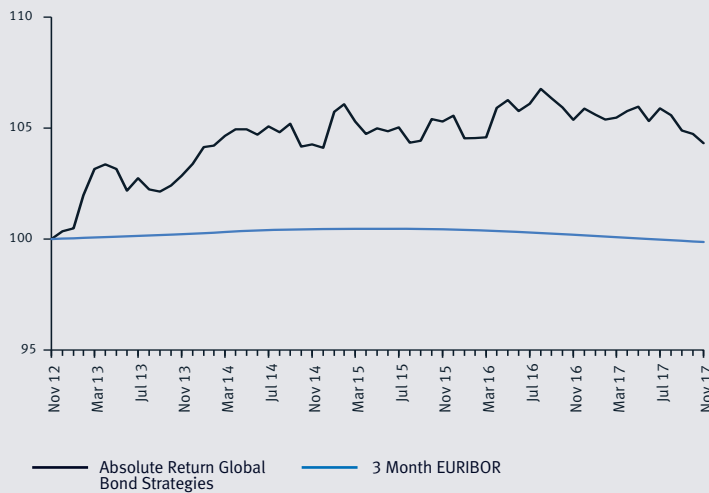
Top 5 Return Contributors by strategy

Top Contributors	Q3 Contribution (%)
Emerging Market Income	0.21
Contingent Capital Bonds	0.16
High Yield Credit	0.15
European Long End Steepner	0.15
Long Interest Rate Volatility	0.11

Bottom Contributors	Q3 Contribution (%)
Short US Duration	-0.26
Australian Forward-Start Interest Rates	-0.25
Long Japanese Yen vs Canadian Dollar	-0.12
Long US Dollar vs Canadian Dollar	-0.10
Long US Dollar vs Great Britain Pound	-0.08

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 Standard Life Investments Sales Representative.

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

Cumulative Performance

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

	YTD (%)	1 month (%)	3 months (%)	6 months (%)	1 year (%)
Retail Fund Performance	-2.1	-0.4	-1.4	-1.9	-1.7
Institutional Fund Performance	-1.5	-0.4	-1.2	-1.5	-1.0
3 Month EURIBOR	-0.3	0.0	-0.1	-0.2	-0.3

	3 years (%)	5 years (%)	Since launch (%)
Retail Fund Performance	-2.0	0.8	1.7
Institutional Fund Performance	0.1	4.3	6.5
3 Month EURIBOR	-0.6	-0.1	1.3

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.

Definitions

Duration - gives an indication of a bond's sensitivity to a change in interest rates. It is based on a snapshot of the portfolio on specified date. It does not include any impact from charges.

Market review

US economic data were mixed but the underlying picture remained one of solid upward momentum, reinforcing expectations that the US Federal Reserve will raise interest rates again in December. Meanwhile, a fairly upbeat UK Budget, with promises of housing support and investment in infrastructure and technology, was tempered by greater-than-expected cuts in UK GDP growth forecasts, announced by Chancellor Philip Hammond. The Bank of England (BoE) announced its first interest rate rise since the financial crisis, increasing rates by 0.25% to 0.5%.

The Eurozone economy gathered pace, with Germany, France and Italy contributing to an upward revision in growth expectations. Unemployment in the region dropped below 9% and consumer confidence reached a multi-year high. However, investor confidence was largely eroded by political uncertainty. Germany's failure to secure a coalition government, the rising popularity of anti-establishment parties in Italy and the fallout from Catalonia's bid for independence from Spain all prompted renewed worries about stability in the Eurozone. In Japan, meanwhile, trade and labour market figures continued to improve and sentiment surveys were positive.

Fixed income markets delivered mixed performance. For instance, high-yield corporate bonds and emerging market debt posted negative returns (yields rose), while global investment-grade corporate bonds gained ground (yields fell). Oil prices continued to edge upwards, as a result of both supply cuts and growing global demand.

Activity

We closed our strategy designed to benefit from a decline in French inflation and we introduced a US versus UK real yields position. The difference between US and UK real interest rates ('real' meaning once inflation is taken into account) is currently at an extreme level compared with history. We believe this difference is likely to narrow. We also opened a strategy that seeks to benefit from higher US inflation. Elsewhere, we closed our European investment-grade bonds strategy after it had delivered positive returns in line with our expectations.

Performance

The Absolute Return Global Bond Strategies Fund returned -0.39% (net of fees) during the month, compared to the benchmark three-month EURIBOR return of -0.03% (gross of fees).
UPDATE

The difference between short-term and long-term interest rates in the US declined sharply, leading our US interest rate steepener strategy to detract from performance. Meanwhile, our German interest rate strategy benefited as German rates moved in our favour.

Expectations of Eurozone inflation rose as the economic recovery continued. This was negative for our position which does well on weaker inflation expectations in Europe. However, our US inflation strategy contributed positively as US inflation expectations moved in the direction of our position. Our Australian interest rate strategy, which profits when interest rate expectations fall, was lifted by comments from the Australian central bank which reduced the immediate

prospect of higher rates. Our emerging market interest rate exposure, meanwhile, benefited from the continuing demand for higher-yielding assets.

The BoE's interest rate rise and a budget aimed at supporting the economy, proved positive for the British pound, as did signs of a possible Brexit deal towards month-end. In consequence, our currency pair preferring the US dollar to the pound lost ground. Our position preferring the Swedish krona to the euro also detracted from performance. The krona weakened as falling property prices and weak inflation reduced the prospects of an imminent interest rate rise. Elsewhere, the Bank of Korea raised interest rates for the first time in six years, in response to the country's export-driven economic recovery. This caused the Korean won to advance relative to its peers, despite heightened political tensions in the Korean Peninsula. Consequently, our currency pair that benefits from weakness in the won contributed negatively. However, our strategy favouring the Japanese yen over the Canadian dollar delivered positive returns. The Canadian dollar weakened as investors lowered their expectations of further interest rate hike.

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 European Central Bank'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	SLGLHAE LX	-	SLGLHDE LX	-	EUR
ISIN	LU0548158160	-	LU0548159994	-	EUR
WKN	A1JBEF	-	A1JBEG	-	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 24 525 716	
Share Price Calculation Time	15:00 (Luxembourg time)	
Dealing Cut Off Time	13:00 (Luxembourg time)	

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Risk Factors

The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.

The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

The fund may invest in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

Investing in derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives will result in the fund being leveraged (where economic exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses. The fund makes extensive use of derivatives.

The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price.

The fund could lose money as the result of a failure or delay in operational processes.

Additional Information for Switzerland : The prospectus, the key investor information documents, the articles of incorporation, the annual and semiannual 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'Île, 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