

November 2020

The Aberdeen Standard Global Absolute Return Strategies Fund\*\*\* is invested primarily in the Standard Life Investments Global SICAV Global Absolute Return Strategies Fund (the “fund”) which aims to provide positive investment returns 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 five 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 equities and bonds) 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.

The value of investments within the fund can fall as well as rise and is not guaranteed – you may get back less than you pay in. The value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

Absolute Return

Monthly

Fund Manager	Multi Asset Investing Team	Buy/Sell Spread*	Buy +0.30%/Sell -0.28%
Launch Date	1 December 2009	Redemption Price**	\$1.47465
Current NAV	\$47.7m	ARSN Number	125 897 261
Base Currency	AUD	APIR Code	ETL01 30AU
Benchmark	Bloomberg AusBond Bank Bill Index		

\*This is the current buy/sell spread and it is reviewed monthly. We may vary or waive the buy/sell spreads without notice when it is appropriate to protect the interests of existing investors and if permitted by law. If you wish to confirm the buy/sell spread, please contact the investment manager on 1800-636-888 prior to making an investment or redemption.

\*\* Unit price as at last valuation point of the report period.

\*\*\* Formerly the Standard Life Investments Global Absolute Return Strategies Trust (The Trust).

#### Important information

There has been no material change to the risk level or strategy of the fund for the reporting period. There has been no material change to the expected risk profile or investment objective of the fund for the reporting period.

**This communication is intended for investment professionals only and must not be relied on by anyone else.**

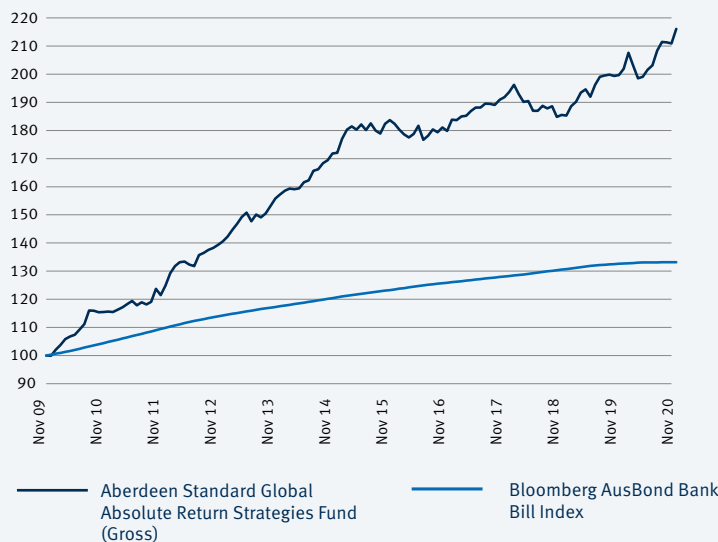
### Portfolio Risk and Return Analysis as at 30 September 2020

The risk and attribution data in the table below is based on the Euro denominated share class and is updated on a quarterly basis (31 March, 30 June, 30 September & 31 December) unless specified otherwise. This is the base currency of the GARS SICAV.

	Strategy	Stand-alone Risk Exposure %	Weighting (risk based %)	Contribution to Returns %	
				Q3	1 Yr
Market Returns Strategies	High yield credit	0.9	8.4	1.6	2.2
	European equity infrastructure	0.7	6.1	0.5	1.3
	Global equity industrial automation	0.6	5.4	0.1	0.1
	Global equity future mobility	0.5	4.5	0.1	0.1
	Global equity gold miners	0.4	4.2	0.3	0.2
	Global equity 5G	0.4	4.1	0.0	0.2
	Global equity video games	0.4	3.7	0.4	0.5
	Japanese Equity	0.3	3.2	0.1	-0.1
	Global REITS	0.3	3.1	0.1	-1.8
	Emerging markets income	0.2	2.1	0.0	0.7
	European Equity Income	0.2	1.4	0.0	-0.6
	Contingent capital bonds	0.1	1.2	0.0	0.1
	UK equity mid-cap	0.1	1.1	0.0	0.1
	Chinese bonds	0.1	0.5	0.0	0.0
	US equity	0.0	0.1	0.3	1.0
	US equity homebuilders	Closed		0.0	0.0
	US investment grade credit	Closed		0.1	0.3
Directional Strategies	Australian duration	1.0	9.4	0.3	0.3
	Long JPY v EUR	0.8	7.5	0.1	-0.1
	European steepener	0.4	4.2	0.0	0.1
	Short UK inflation	0.4	4.1	-0.5	0.8
	US steepener	0.4	4.0	0.2	0.7
	EM FX relative value	0.4	3.6	0.0	-0.2
	Long US inflation	0.4	3.3	0.2	-0.6
	US duration	0.3	3.0	0.0	0.5
	G10 FX	0.3	2.9	-0.2	-0.2
	Australian forward-start interest rates	Closed		0.0	0.4
	Long JPY v USD	Closed		0.1	0.3
	South African government bonds	Closed		-0.1	0.2
	Relative Value Strategies	US v EM credit	0.6	5.6	0.1
US v UK duration		Closed		0.1	0.1
FX Hedging	FX hedging	0.1	0.8	-0.2	-0.8
Cash	Cash			0.0	0.1
	Residual	0.0	0.0	0.1	-0.8
	Stock selection	0.3	2.5	0.0	0.0
	<b>Total</b>	<b>10.7</b>		<b>3.8</b>	
	Diversification	6.4			
	<b>Expected Volatility</b>	<b>4.3</b>			

Individual strategy contributions are based on gross returns. The attribution of returns to individual strategies is performed on a best endeavours basis and uses market data at the close of business at the end of each period. This data is typically unavailable at the time unit prices are struck resulting in minor differences between unit price performance and this attribution. Such differences do not accumulate so cancel out over time.

## Performance as on 30 November 2020



Figures quoted are calculated on a redemption basis over periods to 30 November 2020.  
Source: State Street Australia Limited/Aberdeen Standard Investments (Fund) and FactSet (Benchmark)

Index @ Inception = 100

## Cumulative Performance

Source: State Street Australia Limited / Aberdeen Standard Investments (Fund) and FactSet (Benchmark)

	YTD (%)	1 month (%)	3 months (%)	Fin YTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Launch (% p.a.)
Aberdeen Standard Global Absolute Return Strategies Fund (Gross)	7.00	2.43	2.17	6.37	8.20	4.04	3.30	7.25
Aberdeen Standard Global Absolute Return Strategies Fund (Net)	6.08	2.36	1.93	5.95	7.18	2.99	2.19	6.11
Bloomberg AusBond Bank Bill Index	0.36	0.01	0.03	0.04	0.44	1.31	1.56	2.64

Note: Net of fees performance is for Class A units and is calculated based on end of month redemption prices after the deduction of fees and expenses and the reinvestment of all distributions. Gross of fees performance for the Class A units is the net return with fees and expenses added back.

Past performance is not a reliable indicator of future performance.

From 1 September 2011, the Fund was invested in the SLI Global Absolute Return Strategies SICAV. Prior to 1 September 2011, the Fund was invested in the SLI Global Absolute Return Strategies Off Shore Master Fund.

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 PDS document.

### Market review

Equity markets were particularly strong in November. After US election day, markets rallied as several pharmaceutical companies announced positive results from their coronavirus vaccine trials. The FTSE World Index increased by 12.1%. The US presidential election proceeded at the beginning of the month with minimal disruption. The S&P 500, along with most developed markets, rose as it became clear that Joe Biden had won the presidency, although without the anticipated 'blue wave' to win overall control of the Senate. Markets reacted positively to news of three major Covid-19 vaccines. Pfizer-BioNTech released promising results from their vaccine trial on 9 November, as markets were processing Biden's election win. Following this, both the Moderna and Oxford-AstraZeneca studies released positive trial results. The news pushed transport stocks higher, along with other sectors hit by pandemic-related disruption.

Regionally, Europe was the best performer, with Italy and Spain rising strongly. Along with the promising vaccine trials, new Covid-19 cases throughout the continent fell towards the latter half of the month. UK companies also performed above the global average, benefiting from a recovery in energy stocks. US stocks also performed well. Asian and emerging markets were the laggards, but still rose over the month. China was one of the weaker countries but posted gains, driven by upbeat economic data. Japanese equities increased, benefiting from improving investor sentiment.

Government bond markets were subdued in November, with bonds overall relatively flat over the month. Yields on UK government bonds (gilts) rose slightly, meaning prices fell. Corporate bonds performed well, with both investment-grade and high-yield bond prices rising.

Elsewhere, oil prices moved higher as traders anticipated the resumption of global travel. Brent crude finished the month around \$48 per barrel – its highest level since early March. A meeting between OPEC and other major oil producers ended without agreement on 2021 production cuts. Precious metals trended downwards in November; gold and silver both fell by roughly 5% in US dollar terms.

### Activity

As the US presidential election was more closely contested than expected, we exited our global real estate investment trusts position. We also increased our equity allocations by adding to the Japanese equity and global equity future mobility strategies. We added a position in global equity sustainable staples. This gives exposure to stocks benefiting from increasing spend in the value chain for sustainable food and water.

The Pfizer-BioNTech vaccine announcement prompted us to reassess the portfolio's exposure to growth and quality across our thematic strategies. So, we chose to exit the global equity video games and 5G equities strategies. We also exited global equity gold miners, as the outlook for gold no longer looks so attractive in a 'normalising' world. To complement these, and in light of our thematic exposures within the portfolio, we closed our US equity position.

We further repositioned our equity-related exposures by removing the hedges within our UK mid-cap and European income strategies. We also took the opportunity to add equity exposure to cyclical markets, such as Brazil. The latter should, in our opinion, benefit from a low interest rate environment, an expected recovery in earnings, and domestic reforms. In addition, we saw the vaccine news as positive for emerging market assets. So, we removed the currency hedge within our emerging markets income strategy, while further increasing the size of the position.

We offset the increase in risk-facing assets by reducing our high-yield bond exposure, which had performed well. We then closed our US inflation strategy. We added a new position in Canadian interest rates as we believed the sell-off in short-term rates in response to the vaccine news was excessive. We expect the Bank of Canada is unlikely to increase rates for some time.

### Performance

The Global Absolute Return Strategies Fund returned 2.36% during the month (net of fees). The benchmark Bloomberg AusBond Bank Bill Index returned 0.01% during this period.

In the positive market environment, our equity exposures, such as the Japanese equities, European equities

infrastructure, global equity future mobility and industrial automation strategies performed well. Within fixed income, corporate bond markets posted positive returns. High-yield bonds performed particularly well, as investors moved into riskier assets. Consequently, our high-yield bond position delivered strong returns.

Core developed market sovereign bonds initially sold off after the vaccine news. But inflation expectations remained largely unchanged, and central banks stated that their focus remains on the next few difficult months. As a result, policy support and quantitative easing remained important drivers. Over the month, yields on 10-year government bonds in the US were broadly flat, while German and Australian bonds weakened. Our long Australian interest rate strategy detracted from performance as a result.

Given the positive backdrop for risk assets, our diversifying strategies dragged on performance. In particular, the emerging market foreign-exchange relative-value and Korean won versus Australian dollar positions suffered. Similarly, our defensive Japanese yen versus euro position lost ground.

### Outlook & Strategy

The short-term global outlook remains uncertain, although there are signs of improvement. Markets responded positively to Joe Biden's election victory. Provided there are no legal surprises, he will be inaugurated in January 2021. However, a run-off election in Georgia for the remaining Senate seats in January is likely to decide whether Biden can push through his policies. As we move into next year, we believe at least one Covid-19 vaccine will be approved and in production.

Our current positioning reflects this outlook. We have marginally increased exposure to riskier assets that offer greater return potential, with capacity to add further when the risk-reward pay-off improves.

We expect specific corporate bond strategies, equity themes and currency positions to generate positive returns. The exciting opportunities we have implemented, with the right balance to protect the Fund in the event of market drawdowns, give us confidence we can meet our cash-plus-5% objective.

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To find out more about our fund range, visit our website, contact us at [client.service.aust@aberdeenstandard.com](mailto:client.service.aust@aberdeenstandard.com) or alternatively speak to your usual Aberdeen Standard Investments representative.  
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