

### Fund Description

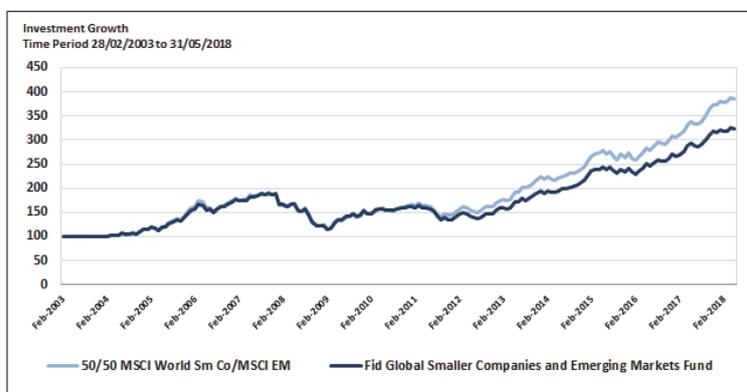
The Fund provides investors with the opportunity to combine investments in companies that are generally of small capitalisation in the more developed markets; with investments in companies that are listed on the stock exchanges of the less developed (emerging) markets. Smaller companies in developed and better regulated markets have shown superior long-term growth when compared with their larger peers, as they are generally more flexible and operate in market niches that give them greater opportunity to increase profits. Emerging markets funds invest in developing countries and offer investors the opportunity to benefit from the significant growth potential inherent in many of these economies as they raise their standards of living.

It is expected that by diversifying between these two segments of the international share market, investors could be somewhat cushioned against unexpected volatility and loss of capital that any one country's market, industry sector or individual share could generate. However, while this Fund could deliver high returns over the long term, it could also show periods of significant volatility caused by rapid changes in investor sentiment, difficulties in buying and selling shares, regulatory changes by Governments and currency, economic and political developments. In our view, it therefore appears suited for limited components of an investor's portfolio that are not needed for cash flow at short notice and can be left to grow despite large fluctuations, for potential long-term gain.

It is recommended that investment in this Fund be undertaken for at least five to seven years. International share investment can be volatile over the short-term.

**Fund Classification** Core/Diversified      Sector **Specialist/Satellite**

### Fund Performance and Risk Analytics Summary



Current Period Return (net as at 31 May 2018)

	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Fund</b>	<b>-0.9%</b>	<b>1.3%</b>	<b>1.5%</b>	<b>9.7%</b>	<b>7.5%</b>	<b>12.0%</b>	<b>6.1%</b>
Index	-0.7%	1.9%	3.2%	13.8%	8.4%	13.1%	7.7%
Excess	-0.3%	-0.5%	-1.7%	-4.1%	-0.9%	-1.1%	-1.6%

Calendar Year Return (net of fees)

	2011	2012	2013	2014	2015	2016	2017
<b>Fund</b>	<b>-17.4%</b>	<b>15.7%</b>	<b>26.0%</b>	<b>11.1%</b>	<b>4.8%</b>	<b>11.4%</b>	<b>17.3%</b>
Index	-11.7%	16.9%	32.3%	9.5%	3.9%	11.9%	20.3%
Excess	-5.6%	-1.2%	-6.3%	+1.6%	+0.9%	-0.5%	-3.0%

The performance figures shown for the Fund above have been calculated on an exit unit price basis. Distributions (which include net realised capital gains from sale of securities) have been treated as being reinvested. No allowance has been made for tax you may pay on the distributions. Returns over a year are annualised

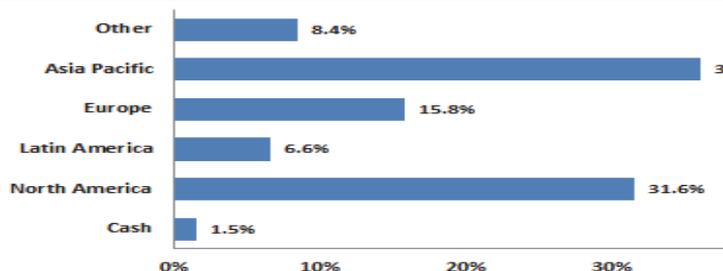
### Fund Facts

<b>Portfolio Manager:</b>	Conrad Burge
<b>Asset Sector:</b>	Global Smaller Companies & Emerging Markets
<b>Asset Code:</b>	IE6
<b>ARSN:</b>	093 543 849
<b>APIR Code:</b>	FPS0009AU
<b>Benchmark:</b>	50:50 MSCI Emerging Markets & MSCI Small Caps Index
<b>Inception Date:</b>	January 1999
<b>Fund Size:</b>	\$102.5 million as at 31 May 2018
<b>Management Fee:</b>	1.34%

### Style Tilts

Managers	Style	Weight
Aberdeen	Value	3.9%
Vanguard	Emerging Markets (Index)	31.1%
DFA Australia (Dimensional)	Quantitative	56.3%
Fiducian	Emerging Markets (India)	7.1%
Cash	N/A	1.5%

### Country Weights



### Manager's Commentary

The Fund under-performed its composite benchmark, falling 0.9% against a 0.7% loss by the benchmark in May. Over the rolling year, the Fund gained 9.7%, but this was below the 13.8% gain by the composite benchmark. The Aberdeen Emerging Opportunities Fund was the largest detractor in relative terms, rising by 0.3% (+12.2% by the benchmark) while the Dimensional Global Small Companies Fund was the strongest contributor with a return of 13.6% for the year.

Emerging markets suffered in May from trade tensions, rising US bond yields and geopolitical uncertainties. Currencies were volatile, as a strengthening US dollar fuelled capital outflows. On the trade front, the US slapped steel and aluminium duties on imports from Europe, Canada and Mexico. US authorities also began investigating car imports on national security grounds, and imposed tariffs on Chinese goods, despite trade talks and Beijing's moves to cut import duties on cars and consumer goods.

On the political front, the on-again-off-again summit between President Trump and North Korean leader Kim Jong-un unnerved investors, but Pyongyang's conciliatory tone soothed jitters. Indian equities fell after the Bharatiya Janata Party's (BJP) leader in Karnataka failed to gain sufficient support.

Global small-cap equities generated better positive absolute performance than the broader market, with best relative returns in health care, energy, and information technology while consumer staples and financials trailed. By region, the United States outperformed while Continental Europe lagged.

The Fund is currently underweight in emerging markets (42.1%) and slightly overweight in global smaller companies (56.3%).