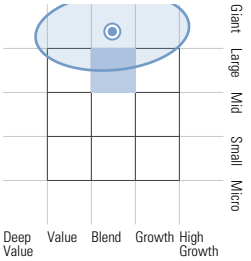
Aberdeen Asia Pacific Equity Fund I

GB00B0XWNG99

Morningstar Analyst Rating
Bronze
14 Dec 2017 00:00, UTC-0600

Morningstar Category	Category Index	Total Assets	Current Yield %	Inception Date	Domicile/ Currency	Morningstar Rating
Asia-Pacific ex-Japan Equity	MSCI AC Asia Pac Ex JPN NR USD	1,287.71 Mil GBP	—	05/07/06	GBR/GBP	★★★

Equity Style Map

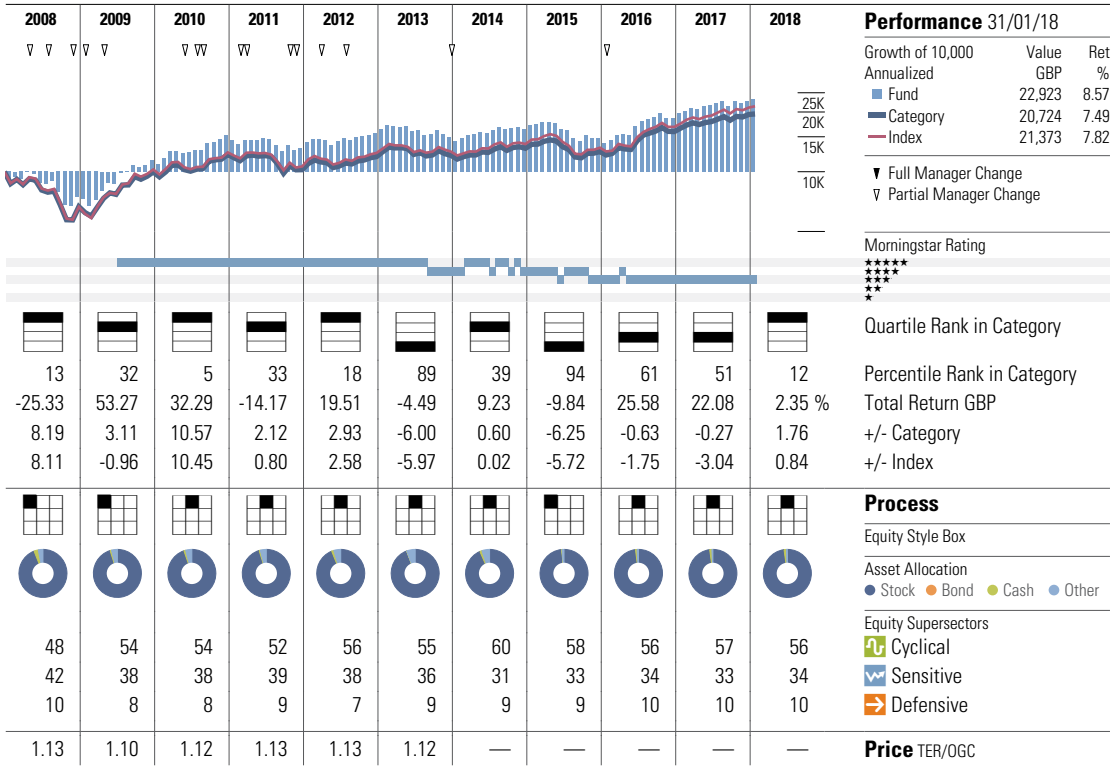


People

Hugh Young	04/87
Flavia Cheong	08/96
Robert Penaloza	11/97
Total Named Managers	35

Morningstar Pillars

Process	Positive
Performance	Neutral
People	Positive
Parent	Neutral
Price	Negative



Performance 31/01/18

Growth of 10,000 Annualized	Value GBP	Ret %
Fund	22,923	8.57
Category	20,724	7.49
Index	21,373	7.82

▼ Full Manager Change
∇ Partial Manager Change

Morningstar Rating

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
											Quartile Rank in Category
13	32	5	33	18	89	39	94	61	51	12	Percentile Rank in Category
-25.33	53.27	32.29	-14.17	19.51	-4.49	9.23	-9.84	25.58	22.08	2.35 %	Total Return GBP
8.19	3.11	10.57	2.12	2.93	-6.00	0.60	-6.25	-0.63	-0.27	1.76	+/- Category
8.11	-0.96	10.45	0.80	2.58	-5.97	0.02	-5.72	-1.75	-3.04	0.84	+/- Index

Process

Equity Style Box

Asset Allocation
Stock Bond Cash Other

											Equity Supersectors
48	54	54	52	56	55	60	58	56	57	56	Cyclical
42	38	38	39	38	36	31	33	34	33	34	Sensitive
10	8	8	9	7	9	9	9	10	10	10	Defensive

											Price TER/OGC
1.13	1.10	1.12	1.13	1.13	1.12	—	—	—	—	—	

Analyst View

Mark Laidlaw, Senior Analyst

Testing times, but there is still quality when it comes to Aberdeen Asia Pacific.

14 Dec, 2017 | It has been a testing few years for Aberdeen Asia Pacific, but we feel there is reason to remain positive.

The investment team is well led by head of Asia ex Japan equities, Flavia Cheong. Like a number of her colleagues, she has spent the majority of her investment career at the firm, joining in 1996 and stepping up into the current role in July 2015. Cheong's insights are typically above average, and we feel she has helped to sharpen the team since heading the investment desk. Although Aberdeen no longer sports the strongest investment teams in the region, our overall view remains positive. We note that the merger between Aberdeen and Standard Life Investment was completed in August 2017, but the investment teams have yet to integrate as at early December 2017. However, SLI does not have a meaningful presence in Asian equities, so we expect minimal disruptions once the two investment teams are scheduled to be fully integrated in early 2018.

The investment process has been consistently applied for over two decades, with quality and value the key tenets. Under Cheong's stewardship, the team introduced two tweaks in the past years. First, the team is now taking a deep dive on long-term positions that have stumbled--the aim is to determine if the problems are cyclical or structural. Names examined include Li & Fung, Standard Chartered, and ICICI Bank. The second tweak relates to how Aberdeen invests in China. Historically, the firm prefers to gain its Chinese exposure via large Hong Kong-based conglomerates; however, the nature of the Chinese market has shifted, and Aberdeen was at risk of being left behind. We have seen the team initiating positions in the Aberdeen China A Share strategy, as well as domestic Chinese stocks such as Tencent and China Resources Land, in order to address the issue.

We are hopeful that the process tweaks lead to a more consistent delivery of performance, which has disappointed over the past few years. Furthermore, we feel the fee is disappointing given Aberdeen's large asset base. Overall, we believe Aberdeen still has the tools to come out in front, but the time has come for the team to step up and deliver for investors within an increasingly competitive peer group. At this stage, we are reaffirming the Morningstar Analyst Rating of Bronze.

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Analyst Rating Spectrum

Gold Silver Bronze Neutral Negative

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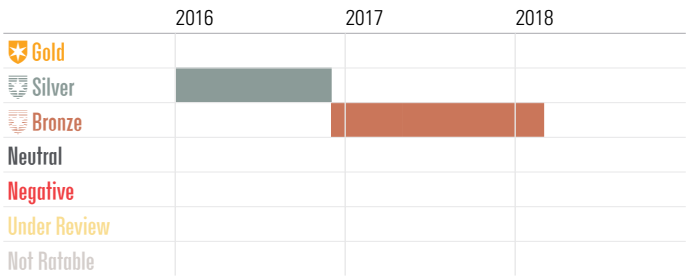
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People

The overall quality of a fund's investment team is a significant key to its ability to deliver superior performance relative to its benchmark and/or peers. Evaluating a fund's investment team requires that analysts assess several relevant items including how key decisions are made.

Parent

We believe the parent organization is of utmost importance in evaluating funds. The fund's management set the tone for key elements of our evaluation, including capacity management, risk management, recruitment and retention of talent, and incentive pay. Beyond these operational areas, we prefer firms that have a culture of stewardship and put investors first to those that are too heavily weighted to salesmanship.

Process

We look for funds with a performance objective and investment process (for both security selection and portfolio construction) that is sensible, clearly defined, and repeatable. In addition, the portfolio should be constructed in a manner that is consistent with the investment process and performance objective.

Performance

We do not believe past performance is necessarily predictive of future results, and this factor accordingly receives a relatively small weighting in our evaluation process. In particular, we strive not to anchor on short-term performance. However, we do believe that the evaluation of long-term return and risk patterns is vital to determining if a fund is delivering to our expectations.

Price

To reflect actual investor experience, price is evaluated within the context of the relevant market or cross-border region—for example, the United States, Australia, Canada, or Europe. In recognition of differences in scale and distribution costs in various markets, the level at which a fund is penalised for high fees or rewarded for low fees can vary with region. In Europe, for example, funds are penalised if they land in the most expensive quintile of their Morningstar category and are rewarded if they land in the cheapest quintile. The assessment is made using annual expense ratios, but in the case of funds with performance fees, expenses are evaluated excluding any performance fees and then the structure of the performance fee is evaluated separately.

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Gold
Represents funds that our analyst has the highest-conviction in for that given investment mandate. By giving a fund a Gold rating, we are expressing an expectation that it will outperform its relevant performance benchmark and/or peer group within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years). To earn a Gold rating, a fund must distinguish itself across the five pillars that are the basis for our analysis.

Silver
Represents funds our analyst has high-conviction in, but not in all of the five pillars. With those fundamental strengths, we expect these funds will outperform their relevant performance benchmark and/or peer group within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years).

Bronze
Represents funds that have advantages that clearly outweigh any disadvantages across the pillars, giving analyst the conviction to award them a positive rating. We expect these funds to beat their relevant performance benchmark and/ or peer group within the context of the level of risk taken over a full market cycle (or at least five years).

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