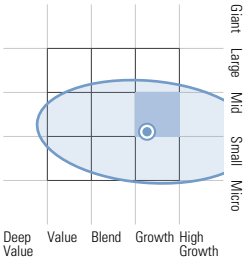
Standard Life Investments UK Ethical Inst Acc

GB0004333059

Morningstar Analyst Rating
Bronze
22 Jun 2018 13:00, UTC-0500

Morningstar Category	Category Index	Total Assets	Current Yield %	Inception Date	Domicile/ Currency	Morningstar Rating
UK Flex-Cap Equity	FTSE AllSh TR GBP	302.87 Mil GBP	—	20/09/98	GBR/GBP	★★★★

Equity Style Map

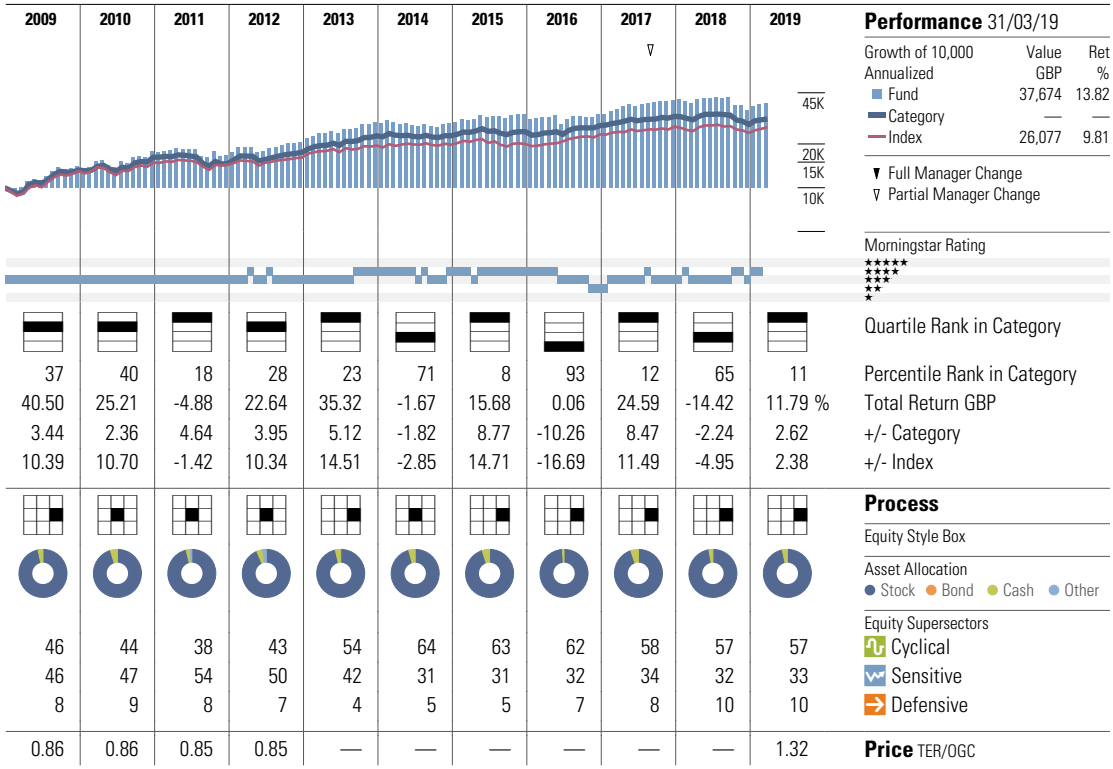


People

Lesley Duncan	06/04
Total Named Managers	1

Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Neutral
Price	Neutral



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
											Quartile Rank in Category
37	40	18	28	23	71	8	93	12	65	11	Percentile Rank in Category
40.50	25.21	-4.88	22.64	35.32	-1.67	15.68	0.06	24.59	-14.42	11.79 %	Total Return GBP
3.44	2.36	4.64	3.95	5.12	-1.82	8.77	-10.26	8.47	-2.24	2.62	+/- Category
10.39	10.70	-1.42	10.34	14.51	-2.85	14.71	-16.69	11.49	-4.95	2.38	+/- Index
											Process
											Equity Style Box
											Asset Allocation
											● Stock ● Bond ● Cash ● Other
46	44	38	43	54	64	63	62	58	57	57	Equity Supersectors
46	47	54	50	42	31	31	32	34	32	33	Cyclical
8	9	8	7	4	5	5	7	8	10	10	Sensitive
											Defensive
0.86	0.86	0.85	0.85	—	—	—	—	—	—	1.32	Price TER/OGC

Performance 31/03/19

Growth of 10,000 Annualized	Value GBP	Ret %
Fund	37,674	13.82
Category	—	—
Index	26,077	9.81

▼ Full Manager Change
∇ Partial Manager Change

Analyst View

Samuel Meakin, CFA, Senior Analyst

A good option for investors looking for exposure to a UK-equity portfolio with an ethical screen.

22 Jun, 2018 | An experienced manager and a well-established team process make this a solid choice for investors seeking exposure to a UK equity portfolio with an ethical screen.

SLI UK Ethical is managed by experienced investor Lesley Duncan, who has been at the helm since June 2004. She works as part of the UK equity team at Aberdeen Standard Investments, where portfolio managers also have analyst research responsibilities. The team has seen some changes resulting from the merger of Standard Life Investments and Aberdeen Asset Management. It remains of good experience and well resourced, but change tends to bring uncertainty, so we continue to monitor the situation closely.

The UK team uses both fundamental analysis and a proprietary quantitative model. The model assesses companies on the basis of 13 factors that include value, momentum (price and earnings), and balance-sheet-related variables. The analysts then seek to identify the key drivers for firms deemed worthy of further qualitative analysis in their sector and evaluate how changes in these drivers will likely affect the company. For this fund, all stocks are subject to an ethical screening process that incorporates both positive and negative screens. Once a stock passes the negative screen it is deemed acceptable for investment, then the number of positive criteria it passes determines whether it is viewed as a preferred stock. The manager aims to have around 80% of the portfolio invested in preferred stocks.

Over Duncan's tenure to the end of May 2018, the fund outperformed the FTSE All-Share Index and the Morningstar Category average by 1.6 and 1.0 percentage points annualised, respectively. Investors should be aware that the ethical mandate and the mid- and small-cap bias can lead the fund's performance to diverge significantly from that of the index and category average over shorter-term time periods.

The fund is run by an experienced manager who has built a solid performance track record, albeit with above-average volatility. She implements a tried-and-tested equity process on which we have a positive opinion and, for this fund, also incorporates a sensible ethical screen. The fund therefore retains a Morningstar Analyst Rating of Bronze.

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Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum

Gold Silver Bronze Neutral Negative

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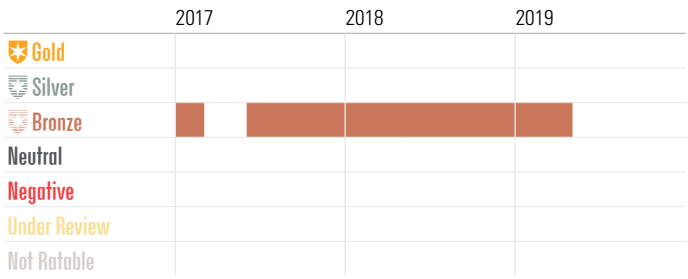
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The date shown next to the Morningstar Analyst Rating is the date on which Morningstar Manager Research Analyst assigned or reaffirmed the current rating for the fund based on the analyst's latest review and research report for the fund.

The Five (5) Pillars

Morningstar has identified five key areas that we believe are crucial to predicting the future success of funds: People, Parent, Process, Performance, and Price. Each pillar is evaluated when assessing a fund as well as the interaction between the pillars, which we believe is crucial to understanding a fund's overall merit.

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).

Neutral
Represents funds in which our analysts don't have a strong positive or negative conviction. In our judgment, these funds are not likely to deliver standout returns, but they aren't likely to seriously underperform their relevant performance benchmark and/or peer group either.

Negative
Represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance, such as high fees or an unstable management team. Because of these faults, we believe these funds are inferior to most competitors and will likely underperform their relevant performance benchmark and/or peer group, within the context of the level of risk taken, over a full market cycle.

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