


Standard Life Investments MyFolio Managed III Retail Platform 1

Acc | GB00B701F734

Morningstar Analyst Rating
 **Bronze**
 5 Jul 2018
 10:00, UTC-0500

Morningstar Category
 GBP Moderate Allocation

Category Index
 Morningstar UK Moderate

Total Assets
 3,792.62
 Mil GBP

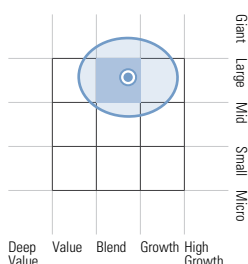
Current Yield %
 4.68

Inception Date
 23/04/12

Domicile/Currency
 GBR/GBP

Morningstar Rating
 ★★ ★★

Equity Style Map



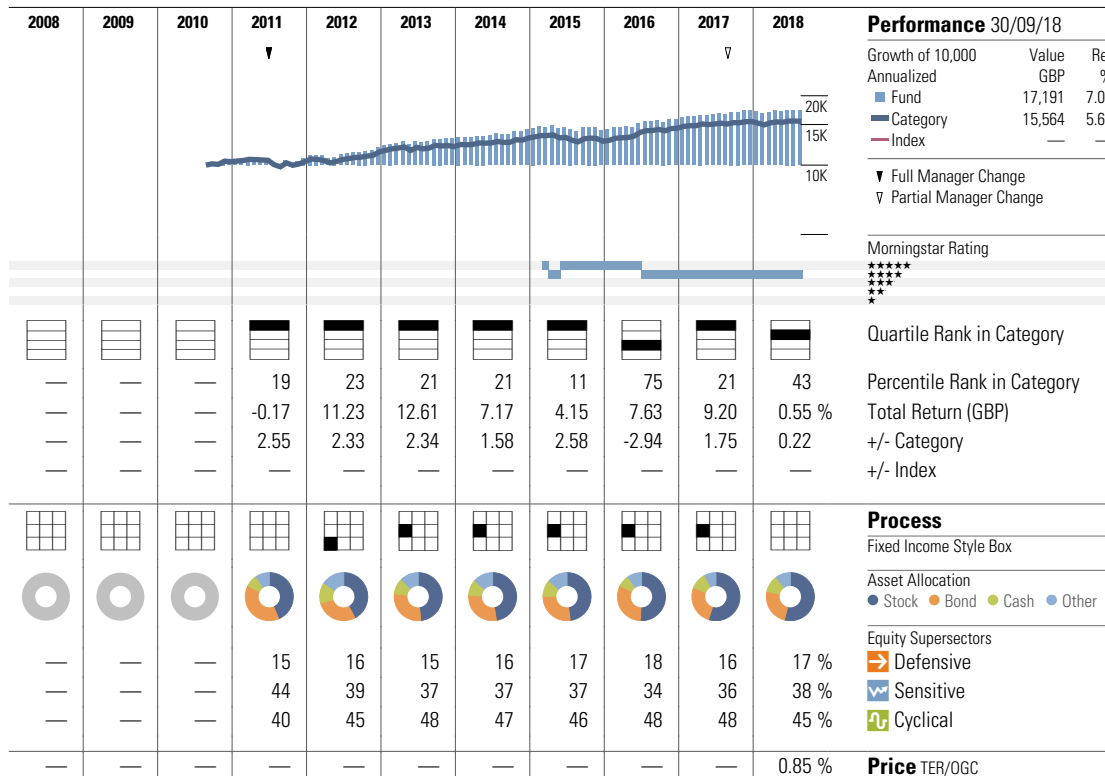
People

Bambos Hambi 06/11

Total Named Managers 1

Morningstar Pillars

Process	Positive
Performance	Positive
People	Neutral
Parent	Neutral
Price	Positive



Analyst View

Randal Goldsmith, Senior Analyst

Well-designed risk-targeted fund offering.

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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

The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term (defined as 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 over the long term (defined as a full market cycle or at least five years) and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term (defined as a full market cycle or at least five years). Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>

05 Jul, 2018 | SLI's MyFolio was one of the first risk-targeted product launches, and designed to help advisers meet the client suitability requirements of RDR (Retail Distribution Review). It's offered as several different product ranges, each with five funds that are differentiated by risk targets and which run consecutively from lowest (I) to highest (V) risk. The main MyFolio ranges are whole of market funds of funds, low cost funds of passives, and reasonably priced fettered funds of funds. Other ranges are income versions of the whole of market and fettered fund-of-funds offerings, and there is also an offshore version of MyFolio.

MyFolio's investment approach has three key inputs--strategic allocation, tactical allocation, and fund selection--and makes broad use of SLI's resources. Strategic asset allocation is concerned with setting model portfolio allocations for each risk band. This stage is primarily quantitative, analysing long-term return data for all of the major asset classes with the aim of delivering the best long-term return potential for each risk band. The final model portfolio allocations are agreed by a strategic allocation committee that includes experienced fund manager Bambos Hambi and other senior members of SLI. Tactical positioning

around the model portfolio allocations of each risk level is managed by SLI's well-resourced multiasset investing team, who are also responsible for the group's high-profile GARS strategy.

Hambi is head of SLI's fund solutions team, which provides the third key input into the process. For MyFolio Managed, the fund selection input follows a structured and sensible process. It holds mainly in-house funds, in order to offer the product at a competitive price. In general, the fettered fund-of-funds approach works well for MyFolio because SLI has a broad range of offerings available to the fund solutions team, and this has been added to following the recent merger with Aberdeen. The mandate also gives flexibility to the team to use an external fund if no equivalent is available in-house.

MyFolio Managed III has been running for about eight years now, and has been run consistently with its objective over this period, showing lower drawdown and volatility than Managed IV, but higher volatility than Managed II, while delivering strong performance (see Performance Section for how we have judged this). Overall we consider that SLI's MyFolio Managed III fund serves investors well, and have awarded it a Morningstar Analyst Rating of Bronze.

Morningstar Global Fund Report

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Morningstar Analyst Rating

	2016	2017	2018
 Gold			
 Silver			
 Bronze			
Neutral			
Negative			
Under Review			
Not Ratable			

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The Morningstar Analyst Rating™ for Funds

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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.

Morningstar Analyst Ratings

Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken.

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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Under Review

This designation means that a change that occurred with the fund or at the fund company requires further review to determine the impact on the rating.

Not Ratable

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