

31 March 2019

The fund aims to provide income and some capital growth over the longer term by investing in UK equities. The fund typically holds a concentrated portfolio of stocks and may also hold a proportion in bonds to supplement the income of the fund. The fund is actively managed by our investment team, who will select stocks, without reference to index weight or size, to try to take advantage of opportunities they have identified. Due to the unconstrained nature of the fund investors must be willing to accept a relatively high degree of stock specific risk.

Past performance is not a guide to future returns and future returns are not guaranteed. The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment. The fund may use derivatives to reduce risk or cost, or to generate additional capital or income at low risk. Usage of derivatives is monitored to ensure that the fund is not exposed to excessive or unintended risks. The value of assets held within the fund may rise and fall as a result of exchange rate fluctuations.

OEIC Fund

Equity Fund

Monthly

Fund Manager	Thomas Moore	Base Currency	GBP
Fund Manager Start	1 Jan 2009	No. of Holdings	61
Launch Date	22 Feb 2007		
IA Sector	IA UK Equity Income		
Benchmark	IA UK Equity Income Sector		
Current Fund Size	£1448.0m		

This document is intended for use by individuals who are familiar with investment terminology. To help you understand this fund and for a full explanation of specific risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website – www.standardlifeinvestments.com.

Aberdeen Standard Investments has not considered the suitability of investment against your individual needs and risk tolerance. If you are in any doubt as to whether this fund is suitable for you, you should seek advice. An adviser is likely to charge for advice. We are unable to provide investment advice.

Fund Information *

Composition by Sector

	Fund %
Financials	37.6
Industrials	15.5
Oil & Gas	13.5
Consumer Services	11.0
Basic Materials	8.5
Consumer Goods	6.0
Cash and Other	2.9
Technology	1.9
Health Care	1.5
Utilities	0.9
Telecommunications	0.7

Composition by Market Capitalisation (Ex Cash)

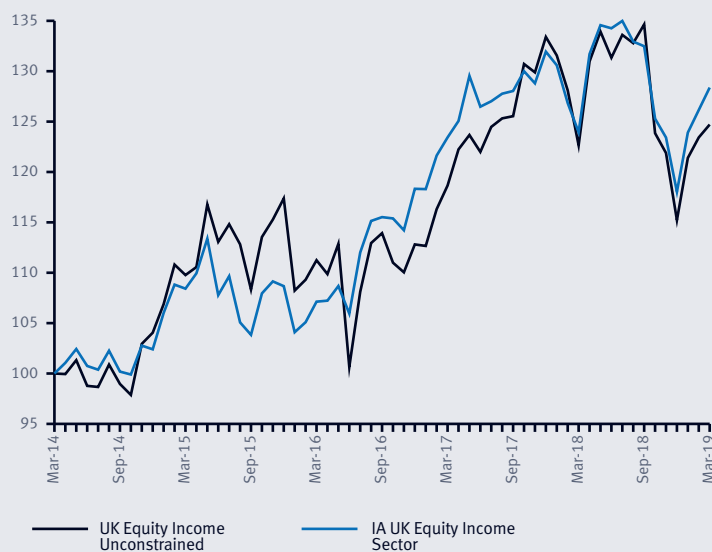
	Fund %
FTSE UK 100	37.0
FTSE UK 250	40.3
FTSE Small Cap	12.8
Not In Index	9.9

Top Ten Holdings

Stocks	Fund %
John Laing	4.7
Royal Dutch Shell	4.3
Rio Tinto	3.2
BP	3.1
Close Brothers	2.8
HSBC	2.6
National Express	2.6
Aviva	2.3
British American Tobacco	2.3
Ashmore Group	2.2
Assets in top ten holdings	30.1

Fund Performance *

Price Indexed



The performance of the fund has been calculated over the stated period using bid to bid basis for a UK basic rate tax payer. The performance shown is based on an Annual Management Charge (AMC) of 0.80%. You may be investing in another shareclass with a higher AMC. The charges for different share classes are shown on the next page. For details of your actual charges please contact your financial adviser or refer to the product documentation.

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

Year on Year Performance

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

	Year to 31/03/2019 (%)	Year to 31/03/2018 (%)	Year to 31/03/2017 (%)	Year to 31/03/2016 (%)	Year to 31/03/2015 (%)
Retail Fund Performance	1.1	2.8	6.0	0.3	8.7
Institutional Fund Performance	1.7	3.4	6.7	1.3	9.8
Platform One	1.4	3.1	6.4	1.1	9.5
IA UK Equity Income Sector	3.6	0.4	15.2	-1.2	8.4

Cumulative Performance

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Retail Fund Performance	-7.7	1.1	10.1	20.1
Institutional Fund Performance	-7.4	1.7	12.1	24.7
Platform One	-7.5	1.4	11.3	23.2
IA UK Equity Income Sector	-3.1	3.6	19.8	28.4

Note: Past Performance is not a guide to future performance. The price of shares and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

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 prospectus.

For a full description of those eligible to invest in each share class please refer to the relevant prospectus.

The fund does not have an index-tracking objective.

Definitions

Cash and Other - may include bank and building society deposits, other money market instruments such as Certificates of Deposits (CDs), Floating Rate Notes (FRNs) including Asset Backed Securities (ABSs), Money Market Funds and allowances for tax, dividends and interest due if appropriate.

Composition by Market Capitalisation - Not in index is the sum of holdings outwith the FTSE All Share. This may include new issues, AIM listed and other LSE listed stocks.

Market review

UK equities gained ground in March, with the FTSE All-Share Index climbing 2.7%. Energy-related stocks performed well, benefiting from the ongoing recovery in oil prices. The price of Brent crude oil rose almost 4% over the month, ending at around US\$68 a barrel. March's purchasing managers' index (PMI) survey of executives in the manufacturing industry reached its highest reading in 13 months. This was attributed largely to stockpiling, as UK manufacturers seek to alleviate the risk of a 'no-deal' Brexit.

The British pound had a difficult month, losing ground against the euro and US dollar. This followed the Bank of England's decision to leave interest rates unchanged. At the same time, sterling's movements remain tethered to developments over Brexit, the outcome of which is still unclear. The risk of no deal remains after Prime Minister Theresa May's embattled withdrawal agreement again found insufficient support. Additionally, a series of Brexit options proposed by Parliament failed to identify any consensus. After further talks with the EU, the UK secured a short delay to the date of its departure. The new date is 12 April, beyond which the UK must decide whether to hold European Parliament elections, a situation all parties are anxious to avoid.

Activity

The Fund took part in the IPO of legal services business DWF. The attractions of the company mainly relate to the uncorrelated and non-cyclical nature of its activities: litigation represents around two-thirds of the business; meanwhile, its operating model can provide solutions for global clients across different geographies and services. We continued to add to our holding in mining business Glencore. Its stock is attractively valued, despite the company's high-quality asset mix. The Glencore management team also appear to be highly incentivised to deliver value for shareholders. We believe that some regulatory risks

remain but the current valuation fully reflects these.

In terms of sales, we removed Legal & General. The management team has been successful in its integrated strategy, addressing growth opportunities by linking the investing, annuities, investment management and insurance businesses. However, this is now better understood by the broader market. It is therefore now reflected in the valuation, which has moved ahead of its peers.

We also exited software group Sage. This is an excellent business with a resilient customer base. However, the management team will find it difficult to maintain organic growth and margins while investing heavily in the cloud-based business where the company is behind its peers.

Performance

The Fund underperformed its peer group in March.

The biggest detractor to relative performance was financial services company Just Group. The firm's share price declined when it announced an equity placing. This was intended to bolster its balance sheet following a toughening of regulatory capital requirements. Construction company Kier Group was also negative. Its results triggered renewed concerns about the working capital and debt position of the business.

Diversified Gas & Oil was the largest contributor to performance, as investors responded positively to the announcement of a shale acquisition that should boost earnings. This move fits well with the company's strategy of maximising cashflow by identifying long-life wells within its existing regions. This contrasts with the go-for-growth mentality that exists among its competitors. Recruitment specialist Staffline also added value. Its shares rebounded sharply after allegations about invoicing and payroll practices proved groundless.

Outlook & Strategy

The unconstrained nature of the Fund increases the investable universe beyond the large-cap hunting ground of traditional income funds. This increases the potential to further diversify the income sources and improve the potential for higher returns.

The Fund's positions are based upon high conviction stock-specific insights. We use our Focus-on-Change investment process to identify companies with improving cashflows and dividends, and the potential for valuation re-rating. We see this as a powerful combination that can drive significant total return over time.

We see a sharp divergence in valuations across the UK equity market. Turbulent macroeconomic newsflow is leading to many opportunities.

Against this backdrop, and as ever driven by stock specific investment ideas, the Fund is exposed to three themes.

1. Global yield
2. Domestic opportunities
3. Uncorrelated value

The economic and political outlook is uncertain. Out of this uncertainty, stock-level opportunities emerge. Despite higher volatility in share prices, we are encouraged by the strength of the Fund's income generation. It is one of the key benefits of our index-agnostic approach to UK equity income investing. The recent sell-off has driven the Fund's yield to levels not seen since 2009. We believe this reflects gloomy macro sentiment rather than stock-level fundamentals.

Looking ahead, we expect solid cashflow generation to support the continued delivery of dividend growth. This should result in capital growth as share prices respond to positive company announcements.

Other Fund Information

	Retail Acc	Retail Inc	Institutional Acc	Institutional Inc
Lipper	65066669	65066670	65066671	65066672
Bloomberg	SLEIURA LN	SLEIURI LN	SLEIUIA LN	SLEIUII LN
ISIN	GB00B1LBSR16	GB00B1LBSS23	GB00B1LBST30	GB00B1LBSV51
SEDOL	B1LBSR1	B1LBSS2	B1LBST3	B1LBSV5

	Platform One Acc	Platform One Inc
Lipper	68165436	68165437
Bloomberg	SLUEP1A LN	SLUEP1I LN
ISIN	GB00B79X9673	GB00B7G8Q193
SEDOL	B79X967	B7G8Q19

	Interim	Annual	Valuation Point	12:00 (UK time)
Reporting Dates	30 Apr	31 Oct	Type of Share	Income & Accumulation
XD Dates	30 Apr	31 Oct	ISA Option	Yes
Payment Dates (Income)	30 Jun	28 (29) Feb		

	Retail	Institutional	Platform One
Initial Charge	4.00%	0.00%	0.00%
Annual Management Charge	1.50%	0.80%	1.00%
Ongoing Charges Figure	1.52%	0.90%	1.15%

The Ongoing Charge Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Fund. It is made up of the Annual Management Charge (AMC) shown above and the other expenses taken from the Fund over the last annual reporting period. It does not include any initial charges or the cost of buying and selling stocks for the Fund. The OCF can help you compare the costs and expenses of different funds.

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