

Standard Life

Global Equity Fund (Guardian) Guardian Capital LP

Lead manager(s): Sri Iyer, Fiona Wilson

Performance review date: June 30, 2015

Investment objective: To achieve long-term growth of capital through the investment in a portfolio of equity or equity-related securities of issuers with business operations located throughout the world.

Investment style: GARP

Annual fund performance (%)

	2011	2012	2013	2014	2015	YTD	5 yrs
Global Equity Fund (Guardian)	18.14	-10.85	15.94	27.04	20.72	13.25	13.37
MSCI World Net Index (Can\$)	18.86	0.90	23.22	26.52	19.36	10.84	17.41
Value added (+) / lost (-)	-0.72	-11.75	-7.28	0.52	1.36	2.41	-4.04
Quartile ranking ⁽¹⁾	3rd	4th	4th	1st	2nd	1st	4th

Annualized performance – relative rankings ⁽¹⁾ (ending June 30, 2015)

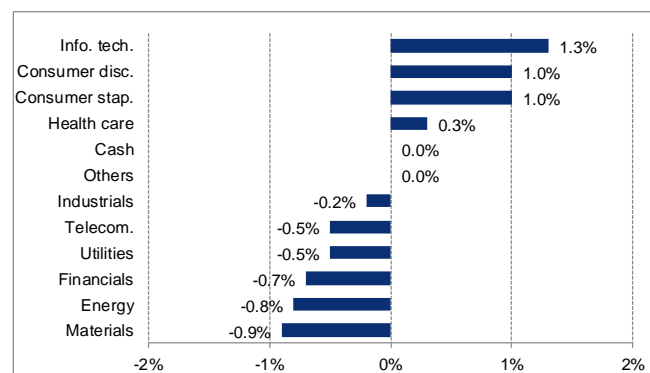
3 years	3rd	quartile
5 years	4th	quartile
7 years	4th	quartile
10 years	4th	quartile

Risk characteristics (5 years ending June 30, 2015)

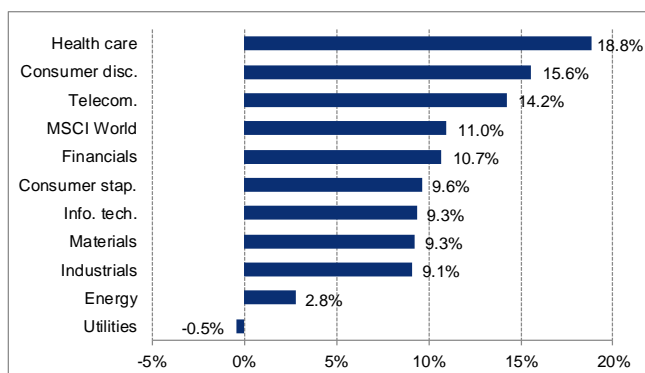
Downside volatility	1.73%	1st	quartile
Standard deviation	10.65%	1st	quartile
Tracking error	4.56%	1st	quartile
Information ratio	-0.90	4th	quartile
Beta	1.12	1st	quartile

Portfolio positioning

Fund sector deviations



Year-to-date index sector performance



Short-term performance analysis

- Year-to-date, the fund outperformed its benchmark and ranks in the first quartile relative to its peers.
- Security selection was the main driver of added value, particularly within the Energy, Consumer Staples and Consumer Discretionary sectors.
- Sector allocation produced minor positive results on the performance.
- Based on the MSCI World style indices, growth stocks outperformed on average. Given the fund's growth-tilted GARP investment bias, its style had a positive impact on short-term performance.

Long-term style analysis

	2011	2012	2013	2014	2015	YTD	5 years
Outperforming investment style	growth	growth	value	growth	growth	growth	growth

Long-term performance analysis

- The fund underperformed its benchmark in three of the past five years and failed to add value on a five-year annualized basis. This long-term performance ranks it in the fourth quartile when compared to its peers.
- Security selection was negative more often than not and was the main detractor of relative value on a five-year annualized basis.
- Sector allocation produced minor positive results over the long term.
- Based on the MSCI World style indices, growth stocks outperformed on average. Given the fund's growth-tilted GARP investment bias, its style had a positive impact on long-term performance.

Significant corporate events

Corporate

- There were no significant corporate events over the last five years.

Fund specific

- There were no significant fund specific events over the last five years.

Quality & Choice commentary

- The Global Equity Fund (Guardian) is a bottom-up, GARP Global equity mandate that focuses on investing in quality companies with stable earnings growth. The team managing this product employs a quantitative model to identify stocks that fit these criteria. The fund will tend to outperform in steadily rising and falling markets, and underperform in more speculative, momentum driven markets with important volatility spikes.

Conclusion: This fund is No Longer Promoted as a Quality & Choice investment option as of March 2015, based on the analysis done at that time.

Manager outlook

- For the Growth oriented strategies, the focus would continue to look at relative sustained earning growth strength, strong intrinsic value, and a buy on dip mentality. Should the Manager see renewed market volatility, they feel the market will reward a portfolio that is based upon the Growth Payout and Sustainability of Earnings and its related payouts actors. Global Gorilla's with high-quality assets possessing stable cash flows and diversified revenues, both operationally and geographically, should outperform the market.
- The Manager continues to stay well within their risk budget, maintaining a roughly 1.5% tracking error and being within their risk limits of sector, industry, regions, and countries. This is allowing them to extract maximal performance due to stock selection. All sectors are within 2% of their benchmark weights. They remain slightly underweight US and Asia, and are in-line with Europe. The remainder is a 3.5% cash position. In terms of portfolio characteristics, the portfolio exhibits P/E valuations that are attractive compared to the benchmark (13.4 vs. 16.1), and shows a growth bias through EPS 3 Year Growth (20.0 vs. 4.1).

⁽¹⁾ Quartile rankings are based on the underlying fund's returns.

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* Sources may include, but are not limited to, Mercer MPA, Morningstar, Principia and Thomson Baseline

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