Standard Life Equity Income Trust plc

Standard Life Investments

Half-Yearly Report

31 March 2018

Financial Calendar

24 May 2018	Announcement of the results for the six months to 31 March 2018
22 June 2018	Payment of second quarterly dividend
28 September 2018	Payment of third quarterly dividend
30 September 2018	Financial year end
November 2018	Announcement of the results for the year to 30 September 2018
17 January 2019	Annual General Meeting, London
21 January 2019	Payment of final dividend for the year to 30 September 2018

Visit our website at
www.standardlifeequityinvestmenttrust.co.uk

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Ordinary shares in Standard Life Equity Income Trust plc, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Contents

Strategic Report

Financial Statements

Additional Information

Strategic Report

Key Financial Highlights

Total Return for periods to 31 March 2018

	6 months	1 year	3 years	5 years
NAV per Share[1]	-4.3%	+3.0%	+14.5%	+50.0%
Share Price	+0.4%	+13.6%	+23.5%	+58.0%

Capital return for the six months to 31 March 2018		As at 31 March 2018	
NAV per Share	Share Price	Premium (Discount)	Net Gearing
448.70p -6.3%	452.00p -1.7%	0.7%	13.0%
(30/09/2017: 478.63p)[1]	(30/09/2017: 459.6p)	(30/09/2017: -4.0%)[1]	(30/09/2017: 9.9%)

Strategic Report

Key Financial Highlights

As at 31 March 2018

Market Cap	Net Assets
£222.2m	£220.6m
-1.7%	-6.3%
(30/09/2017: £226.0m)	(30/09/2017: £235.3m)[1]

For the six months to 31 March 2018

Dividend per Share	Revenue Earnings per Share
8.8p	9.6p
+15.8%	+19.1%
(31/3/2017: 7.6p)	(31/3/2017: 8.1p)

(1) Net Assets recorded as at 30 September 2017 above is calculated in accordance with Financial Reporting Standard 102, except that it is reduced by the third interim dividend of 4.0p (£1.96m) which had been declared, but not paid, at the year end date. The discount, net asset value (NAV) at 30 September 2017 and therefore the NAV per share return figures reflect this adjustment.

Strategic Report

Chairman's Statement

Richard Burns

Performance

In the six months to 31 March 2018 the share price total return was 0.4% and our net asset value total return was -4.3%. This compares with the benchmark total return of -2.3%. The portfolio was affected by the change in sentiment towards equity markets in February and March, which saw the FTSE All-Share Index fall by almost 11%. It is pleasing to note that despite this retrenchment, demand for the shares remains strong and the Company closed the period with its shares trading at a premium of 0.7%.

The revenue return over the six months has been very strong, with earnings per share of 9.62p, up 19.1% on the 8.08p earned in the six months to 31 March 2017. This provides a solid platform for the second half of the year and was the basis for the decision to target a minimum dividend increase for the year of 9.4%. The Portfolio Manager's Report on pages 16 to 20 provides further information on the UK economy and equity market as well as a review of the portfolio and market activity during the period.

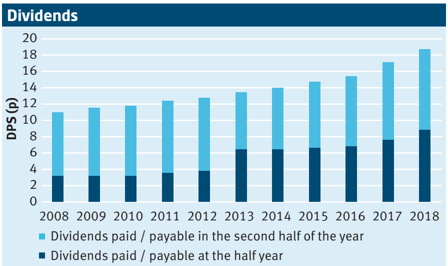
	6 months	1 year	3 years	5 years
Net asset value total return (%)	-4.3	3.0	14.5	50.0
Share price total return (%)	0.4	13.6	23.5	58.0
FTSE All-Share Index total return (%)	-2.3	1.2	18.6	37.6
Peer group ranking	16/24	8/24	17/24	9/24

Sources: Thomson Reuters DataStream & JPMorgan Cazenove

Strategic Report
Chairman's Statement

Dividends

The Board has declared a second quarterly dividend of 4.40p per share, which brings total dividends for the six months to 31 March 2018 to 8.80p per share, an increase of 15.8% on the 7.60p paid for the six months to 31 March 2017. This second quarterly dividend of 4.40p will be paid on 22 June 2018 to Shareholders on the register on 1 June 2018, with an associated ex-dividend date of 31 May 2018. The Board's intention is that the third quarterly dividend, which will be paid in September, will also be 4.40p per share and that the final dividend, in January 2019, will be at least 5.50p per share. Cumulatively, this would amount to a dividend for the year of 18.70p.



Gearing

The Company has a £30m bank facility with Scotiabank (Ireland) Limited. This facility was in use throughout the period and the full amount was drawn at the end of March 2018. At the end of the period, net gearing amounted to 13.0% of net assets. The weighted average cost of borrowing during the six months equated to an annualised cost of borrowing of 1.31%. The facility expires in December 2018. The Board will be reviewing its options in the coming months and will report back in the Annual Report.

Appointment of Auditor

As we indicated in last year's Annual Report, the Board has recently undertaken a formal tender process to appoint a new auditor for the Company. As a result of this process, KPMG LLP was selected as the Company's Auditor with effect from 15 March 2018. KPMG will conduct the audit of the Company's Financial Statements for the financial year to 30 September 2018. The appointment of KPMG as Auditor for the following financial year will be subject to approval by Shareholders at the next Annual General Meeting of the Company to be held in 2019.

Governance and Board

In February, the Company announced that due to health issues, and until further notice, Jo Dixon had temporarily stepped down from her position as Chair of the Audit Committee of the Company with immediate effect. Jo remains on the Board of the Company and we wish her a full recovery. Jeremy Tigue is acting as Chairman of the Audit Committee in her absence.

Strategic Report

Chairman's Statement

Outlook

Economic news has been generally favourable over the last six months, with growth accelerating in most countries. Inflation remains subdued and although the expectation is for a tightening of monetary policy as the year progresses, with some increase in short-term interest rates, this is not expected to have much impact on markets. The political background, both in the UK and in the wider world, remains very unsettled but what is perhaps more concerning is the increasing number of corporate accidents being reported. These range from high-profile bankruptcies such as Carillion, which we did not hold, to companies reporting disappointing news on profits, such as Micro Focus, which was one of our larger positions.

Generally, however, the businesses of our companies are performing well and this is reflected in their dividend declarations, which in many cases are more than meeting our expectations. Your Board strongly endorses our portfolio manager's view that focussing on undervalued income stocks whose intrinsic strengths are being overlooked and ignoring index weightings when constructing the portfolio will produce good returns in the medium and long term. We believe that the Company's prospects are good.

Richard Burns

Chairman

23 May 2018

Strategic Report

Principal Risks and Uncertainties

The Board has an ongoing process for identifying, evaluating and managing the principal risks and uncertainties of the Company and has carried out a robust review. The process is regularly reviewed by the Board. Most of the Company's principal uncertainties and risks are market related and are no different from those of other investment trusts that invest primarily in the UK listed market. Risks may vary in significance from time to time and the controls and actions to mitigate these are described below.

The Board considers the following to be the principal risks and uncertainties:

- **Investment Performance** The Board recognises that market risk is significant in achieving performance and consequently it reviews strategy and investment guidelines to ensure that these are appropriate. Regular reports are received from the Manager on stock selection, asset allocation, gearing and the costs of running the Company. The performance is reviewed in detail and discussed with the portfolio manager at each Board meeting.

  The Board regularly reviews the impact of geopolitical instability and change on market risk. The Board is mindful of the continuing uncertainty following the UK's referendum decision to leave the EU and, along with the Manager, is closely monitoring the situation.

  The Board, through its review process, did not identify any specific new actions required to mitigate performance risks during the first half of the year. The Portfolio Manager's Report on pages 16 to 20 explains the changes made within the portfolio during the six months ended 31 March 2018.

- **Operational Risk** In common with most investment trusts, the Board delegates the operation of the business to third parties, the principal delegate being the Manager. As part of the assessment of key third party service providers, the internal control reports of the service providers are reviewed.

  During the period there were no issues identified that compromised the security of the assets and the Board received assurances on the internal control environment of service providers from these reports.

  The merger of Standard Life plc and Aberdeen Asset Management PLC creates additional operational risk for the Company due to the potential for change in the way the Manager provides its services to the Company. The Board has received assurances that the key personnel and processes currently in place at the Manager will continue to operate for the Company. The Board will keep under close review any potential implications for the Company arising from the merger and the integration process.

Strategic Report
Principal Risks and Uncertainties

- **Discount/Premium to NAV** A significant share price discount or premium to net asset value per share could lead to high levels of uncertainty and could potentially reduce shareholder confidence.

  The Board keeps the level of the Company's discount/premium under regular review.

- **Regulatory Risk** The Company operates in a complex regulatory environment and faces a number of regulatory risks. Breaches of regulations, including but not limited to, the Companies Act 2006, the Corporation Tax Act 2010, the FCA Listing Rules, the FCA Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the Foreign Account Tax Compliance Act and the Common Reporting Standard, could lead to a number of detrimental outcomes and reputational damage.

  There is also a regulatory risk in ensuring compliance with the Alternative Investment Fund Managers Directive (AIFMD). In accordance with the requirements of the AIFMD, the Company appointed Standard Life Investments (Corporate Funds) Limited as its Alternative Investment Fund Manager (AIFM) and BNP Paribas Securities Services as its Depositary. The Board receives regular reporting from the AIFM and the Depositary to ensure both are meeting their regulatory responsibilities in relation to the Company.

  In January 2018 two new pieces of legislation were introduced. The Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation and the Second Markets in Financial Instruments Directive (MiFID II) came into force on 1 and 3 January 2018 respectively. PRIIPs required a Key Information Document (KID) to be published for the Company. A copy of the Company's KID is available to view on the Company's website www.standardlifeequityinvestmenttrust.co.uk.

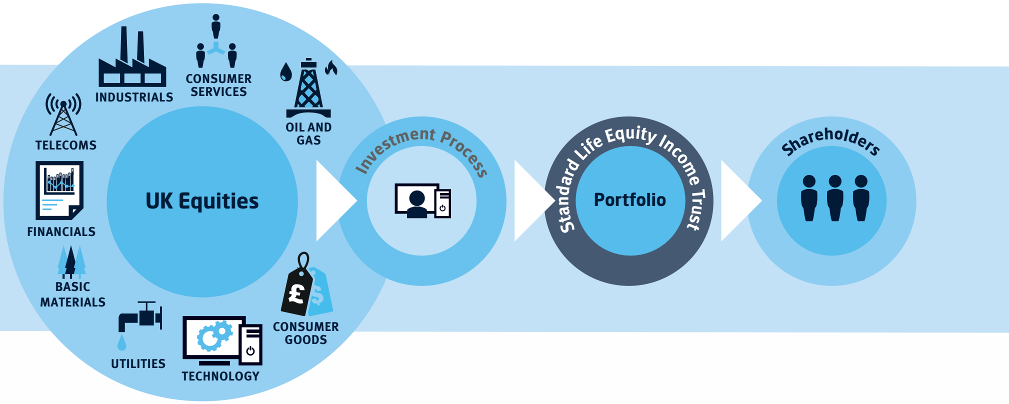
Strategic Report
Principal Risks and Uncertainties

It should be noted that the form and content of the KID is strictly prescribed and includes specific information on investment risks, performance and costs, which must be provided to all potential investors before they can purchase shares in the Company to enable them to compare the performance of different investment companies. In addition, there is a new requirement under MiFID II for the Manager to report all transactions in quoted shares (for buy backs as well as those in underlying investments) to the Financial Conduct Authority to assist in its continued efforts to combat market abuse.

The General Data Protection Regulation comes into force on 25 May 2018, replacing the Data Protection Act 1998. This regulation enforces the principle of ‘privacy by design and by default’ and enshrines new rights for individuals, including the right to be forgotten and to data portability. The Manager has worked with the third parties that have access to Shareholders’ personal data to ensure that processes are in place in order that those Shareholders’ rights are respected under the new regulation.

Strategic Report

Our Strategy



Standard Life Equity Income Trust plc offers an actively managed portfolio of UK quoted companies. The investment approach is index-agnostic and the focus is on those companies delivering sustainable dividend growth.

Strategic Report
Objective

To provide Shareholders with an above average income from their equity investment while also providing real growth in capital and income.

Investment policy

The management of the Company's investments and the day to day operation of the Company is delegated to Standard Life Investments (Corporate Funds) Limited (the "Manager").

The Directors set the investment policy which is to invest in a diversified portfolio consisting mainly of quoted UK equities which will normally comprise between 50 and 70 individual equity holdings.

In order to reduce risk in the Company without compromising flexibility:

- no holding within the portfolio will exceed 10% of net assets; and
- the top ten holdings within the portfolio will not exceed 50% of net assets.

The Company may invest in convertible preference shares, convertible loan stocks, gilts and corporate bonds.

The Directors set the gearing policy within which the portfolio is managed. The parameters are that the portfolio should operate between holding 5% net cash and 15% net gearing. The Directors have delegated responsibility to the Manager for the operation of the gearing level within the above parameters.

Strategic Report
Investment Process

Aberdeen Standard Investments, of which Standard Life Investments (SLI) is an integral part, provides the investment management expertise to the Company and Thomas Moore has been the portfolio manager since 2011.

Investment process

The portfolio is invested on an index-agnostic basis. The process is based on a bottom-up stock-picking approach where sector allocations are a function of the sum of the stock selection decisions, constrained only by the appropriate risk control parameters. The aim is to evaluate changing corporate situations and identify insights that are not fully recognised by the market.

Idea generation and research

The vast majority of the investment insights are generated from information and analysis from one-on-one company meetings. Collectively, more than 3,000 company meetings are conducted annually across Standard Life Investments. These meetings are used to ascertain the company's own views and expectations of the future prospects for their company and the markets in which they operate. Through actively questioning the senior management and key decision makers of companies, the portfolio managers and analysts look to uncover the key changes affecting the business and the materiality of their impact on company fundamentals within the targeted investment time horizon.

Strategic Report
Investment Process

Investment process in practice

The index-agnostic approach ensures that the weightings of the holdings reflect the conviction levels of the investment team, based on an assessment of the management team, the strategy, the prospects and the valuation metrics. The process recognises that some of the best investment opportunities come from under-researched parts of the market where the breadth and depth of the analyst coverage that the portfolio manager can access provides the scope to identify a range of investment opportunities.

The consequence of this is that the Company's portfolio looks very different from many other investment vehicles providing their investors with access to UK equity income. This is because the process focuses on conviction levels rather than index weightings. This means that the Company may provide a complementary portfolio to the existing portfolios of investors who like to make their own decisions and manage their ISAs, SIPPs and personal dealing accounts themselves. Around 60% of the Company's portfolio is invested in companies outside the FTSE 100.

The index-agnostic approach further differentiates the portfolio because it allows the portfolio manager to take a view at a thematic level, concentrate the portfolio's holdings in certain areas and avoid others completely. For example, the Company currently has no exposure to large cap pharmaceuticals, on the basis that the underlying current and future cash generation is very poor among these multinationals. The portfolio manager believes that this poses serious questions about their ability to continue to pay dividends over the medium term.

The effect of this approach is that the weightings of the portfolio can be expected to differ significantly from that of any index, and the returns generated by the portfolio may reflect this divergence, particularly in the short term.

Strategic Report

Portfolio Manager's Report

Thomas Moore
Portfolio Manager

For the six months ending 31 March 2018, the NAV total return was -4.3%, against the FTSE All-Share Index total return of -2.3%. The portfolio underperformed the FTSE All-Share Index over the period, as stock specific weakness in March undid the gains made earlier in the period. While periods of short-term under-performance are always unwelcome, we remain confident in the potential of our differentiated investment process to deliver for Shareholders over the long term.

At the same time, the income account is in rude health. This means that the projected increase in the dividend for the full year should be covered by the revenue earnings of the portfolio in the year. The revenue has been generated from what we expect to be recurring sources.

Market review

It was a period of mixed fortunes for UK investors, as optimism about improving prospects for the global economy and corporate profits gave way to concerns about the threats from rising interest rates, political tensions and trade wars. These factors resulted in pronounced swings for the FTSE All-Share Index, which hit an all-time high in January before finishing the review period down -2.3% in total return terms.

The Bank of England increased its benchmark lending rate by a quarter point to 0.5% in November – the first increase in 10 years – citing rising inflation for the decision. Sterling climbed strongly in response, while government bond yields rose. The US Federal Reserve also tightened policy, raising rates in December and March. It has now increased rates six times since late 2015. Meanwhile, the European Central Bank indicated that, given the revival in the region's economy, it would start to withdraw its stimulus programme, halving the Bank's €60 billion-a-month bond-buying scheme.

Brexit negotiations remained centre stage throughout the period. In December the UK and EU finally made enough progress on citizens' rights,

Strategic Report

Portfolio Manager's Report

the divorce bill and Northern Ireland to move to the second phase of the talks – trade. Subsequently a two-year transition deal was also agreed, giving both parties more time to formulate a final agreement. This reassured investors that the probability of a Brexit cliff-edge, in which scenario no deal would be agreed, had reduced.

The UK economy continued to grow at a solid pace, albeit more slowly than other major industrialised nations, as synchronised global economic growth and rising net exports offset weak consumer spending. The UK labour market remains a bright spot, with an unemployment rate of 4.3%, the lowest since 1975. Signs of improvement in UK productivity growth, coupled with evidence of robust hiring intentions and job vacancies, suggest upward pressure on wage growth. With the economy running at around full employment, this is expected to convince the Bank of England to hike interest rates at least once more in 2018.

Portfolio performance

At the sector level, the Financial Services sector was the biggest single contributor to performance during the period. The portfolio's holdings in small cap asset management companies **Premier Asset Management** and **AFH Financial Group** were among the biggest stock contributors, highlighting the potential of our index-agnostic approach to broaden the investment universe and in so doing identify attractively valued, high growth smaller companies. Performance also benefited from our holding in asset manager **Ashmore Group**, whose trading updates signalled rapid growth in assets under management as demand for its core product, Emerging Markets debt, picked up.

The portfolio's position in insurance business **Beazley** also contributed to performance as the market reacted positively to evidence of successful execution of management's strategy to grow its exposure to the US market, in particular exploiting their expertise in the cyber insurance market.

The largest detractor to performance during the period was software business **Micro Focus** whose shares slid after a profit warning which management attributed to one-off transitional effects from the

Strategic Report
Portfolio Manager's Report

combination with HPE Software, rather than underlying issues with the end-market or product portfolios. We see this as a short-term hiccup and continue to believe that Micro Focus has the ability to identify attractively valued legacy software businesses, stabilise profitability and return significant cash to shareholders. The business remains highly cash-generative and following the share price correction the valuation prices in little recovery in operational performance.

The holding in **Saga** dragged on performance after it issued a disappointing trading update in which management pointed to lower customer retention because of more competitive insurance markets. We believe that Saga's gradual diversification of revenues away from insurance and towards travel will harness its strong brand by cross-selling products to existing customers. This diversification will ultimately drive up the valuation of the stock, as it will make the business more resilient to sudden changes in conditions in its core insurance market.

Performance was also hit by the holding in construction business **Galliford Try** which announced a share placing to provide sufficient working capital to complete the Aberdeen ring-road project following the demise of its joint venture partner Carillion. The construction business has now de-risked by focusing on smaller projects, so we expect no more big provisions.

This will also allow investors to re-focus attention towards the company's more profitable housebuilding and partnership divisions.

Activity

We initiated a position in **Cineworld**, after its acquisition of Regal Entertainment caused a significant pullback in the share price, providing us with an opportunity to purchase the stock at a depressed valuation. The management team has a long track record of operational success in cinemas, with some experience of successfully integrating acquisitions.

We bought shares in share registrar business **Equiniti** which has a strong market position in the UK, delivering stable recurring revenues and strong cash generation. In addition, Equiniti's recent acquisition of Wells Fargo Shareowner Services provides significant cost synergies and a new pillar to the revenue growth story.

We also bought shares in infrastructure business **John Laing** through its rights issue, the proceeds of which will be used to take advantage of investment opportunities internationally. This reflects its management's success in diversifying the business geographically. We believe the discount to book value does not reflect management's confidence in sustaining consistent double-digit returns.

Strategic Report
Portfolio Manager's Report

We started a new holding in plant-hire business **Speedy Hire**, where new management is delivering improved profitability by focusing on lifting utilisation rates. We expect strong cash generation to allow the company to make bolt-on acquisitions while growing the dividend rapidly. Although this is a cyclical business, there is good visibility on infrastructure demand and sufficient self-help to allow earnings to move forward in the years ahead.

We sold our position in soft drinks maker **Britvic** whose valuation had risen to levels at which we felt that there was little room for disappointment on the volume impact from the introduction of the sugar tax. The stock's valuation has now recovered to a level that more fully prices in its solid prospects, suggesting that our investment angle on the stock has diminished. We also sold shares in **TUI** having performed strongly following impressive results.

We took profits in packaging firm **DS Smith** after a long period of strong share price performance, reflecting the market's recognition of management's success in the strategy of innovation.

We trimmed our position in building materials business **Ferguson** whose shares had performed well since initial purchase, resulting in a sharp valuation re-rating as the market responded to management's actions to reshape the portfolio, divesting the Nordics business and focusing on their core US market.

Outlook

Our investment approach remains consistent – we use our research resource to identify companies with the potential to deliver improving cash flows and dividends, where this improvement can act as a trigger for a valuation re-rating.

While market levels are elevated, there remains a wide divergence in valuations, partly as a result of the uncertain economic and political backdrop. Our index-agnostic approach allows us to be highly selective across the UK equity market, focusing our attention on the most attractively valued stocks where the intrinsic strengths of the business may have been overlooked. This limits the risk to our portfolio of a sharp sell-off in the most over-heated areas of the market.

Our highest conviction stock-specific insights are currently most abundant within the Financials and Consumer sectors where we see potential for significant valuation recovery. These sectors have been spurned by many investors due to their heavy geographical bias to the UK domestic

Strategic Report
Portfolio Manager's Report

economy. While there remains uncertainty, particularly on the pace of interest rate hikes, the outlook for the UK economy appears more resilient than many commentators had expected immediately after the EU referendum. The rebound in Sterling since late-2016 has dampened earnings growth among large-cap stocks that are most dependent on overseas earnings. It has also helped to reduce imported inflation, curbing consumer price inflation at a time of improving wage growth. Political risk remains elevated, but we are aware that it is quite consensual to have a cautious view on UK equities, particularly those with a domestic bias, providing investors focused on the stock-level with a rich hunting ground of opportunities.

We will continue to take an index-agnostic approach to UK equity income. The benefit of this approach can be clearly seen in the strength of income generation from a broad range of sources. While we have more visibility on the delivery of income growth than the delivery of NAV growth in the portfolio, we see the two as interlinked as we expect the successful identification of under-valued income stocks to be the key to driving NAV growth. With this clear focus we remain positive on the outlook for the portfolio.

Thomas Moore
Standard Life Investments,
Portfolio Manager
23 May 2018

Strategic Report

Top Twenty Investments

At 31 March 2018

	Value £'000	% of Portfolio
John Laing	8,655	3.5
Rio Tinto	7,743	3.1
GVC	7,711	3.1
Royal Dutch Shell	7,669	3.1
BP	7,567	3.0
Aviva	7,520	3.0
Prudential	7,253	2.9
Close Brothers	6,878	2.8
HSBC	6,681	2.7
National Express	6,678	2.7
Top ten investments	74,355	29.9
Cineworld	6,371	2.6
Premier Asset Management	6,256	2.5
Tyman	5,894	2.4
Direct Line Insurance	5,532	2.2
River & Mercantile	5,403	2.2
Beazley	5,310	2.1
CMC Markets	4,996	2.0
Chesnara	4,776	1.9
Ashmore	4,701	1.9
Legal & General	4,558	1.8
Top twenty investments	**128,152**	**51.5**
Other investments (46)	120,186	48.5
Total	**248,338**	**100**

Number of holdings

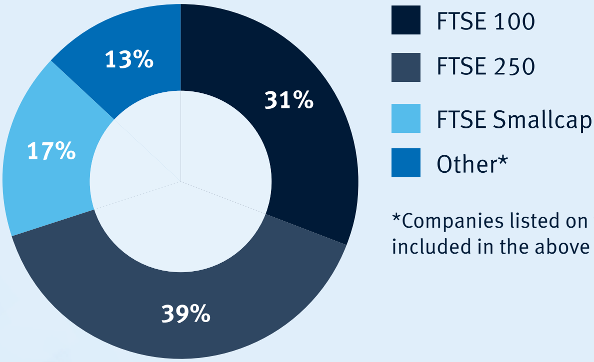
66

Strategic Report

Our Portfolio

Market Cap Exposure

As at 31 March 2018



*Companies listed on the London exchanges but not included in the above FTSE indices.

Strategic Report

Our Portfolio

Sector Distribution

At 31 March 2018

48.5% FINANCIALS

14.5% INDUSTRIALS

13.2% CONSUMER SERVICES

8.2% OIL AND GAS

4.8% BASIC MATERIALS

4.5% CONSUMER GOODS

2.9% TECHNOLOGY

1.8% UTILITIES

1.6% TELECOMS

Financial Statements

Condensed Statement of Comprehensive Income

	Notes	Six months ended 31 March 2018 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000
Net (losses)/gains on investments at fair value		-	(13,846)	(13,846)
Income	2	5,251	-	5,251
Investment management fee		(254)	(593)	(847)
Administrative expenses		(197)	-	(197)
Currency losses		-	(6)	(6)
NET RETURN BEFORE FINANCE COSTS AND TAXATION		**4,800**	**(14,445)**	**(9,645)**
Finance costs		(57)	(132)	(189)
RETURN BEFORE TAXATION		**4,743**	**(14,577)**	**(9,834)**
Taxation	3	(12)	-	(12)
RETURN AFTER TAXATION		**4,731**	**(14,577)**	**(9,846)**
RETURN PER ORDINARY SHARE	4	**9.62p**	**(29.65p)**	**(20.03p)**

The Total column of this statement represents the profit and loss account of the Company.

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Condensed Statement of Comprehensive Income.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes are an integral part of the Financial Statements.

Financial Statements

Condensed Statement of Comprehensive Income

Six months ended 31 March 2017 (unaudited)		
Revenue £'000	**Capital £'000**	**Total £'000**
-	11,067	11,067
4,215	-	4,215
(230)	(537)	(767)
(119)	-	(119)
-	(1)	(1)
3,866	**10,529**	**14,395**
(45)	(105)	(150)
3,821	**10,424**	**14,245**
(31)	-	(31)
3,790	**10,424**	**14,214**
8.08p	**22.23p**	**30.31p**

Financial Statements

Condensed Statement of Financial Position

	Notes	As at 31 March 2018 (unaudited) £'000	As at 30 September 2017 (audited) £'000
FIXED ASSETS			
Investments at fair value through profit or loss		248,338	261,924
CURRENT ASSETS			
Debtors		2,216	1,330
Money market funds		971	3,416
Cash and short term deposits		320	161
		3,507	**4,907**
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank loan		(30,000)	(27,000)
Other creditors		(1,252)	(2,558)
		(31,252)	**(29,558)**
NET CURRENT LIABILITIES		(27,745)	(24,651)
NET ASSETS		**220,593**	**237,273**
CAPITAL AND RESERVES			
Called-up share capital	6	12,295	12,295
Share premium account		52,043	52,043
Capital redemption reserve		12,616	12,616
Capital reserve	7	134,362	148,939
Revenue reserve		9,277	11,380
EQUITY SHAREHOLDERS' FUNDS		**220,593**	**237,273**
NET ASSET VALUE PER ORDINARY SHARE	8	**448.70p**	**482.63p**

The Financial Statements on pages 24 to 36 were approved by the Board of Directors and authorised for issue on 23 May 2018 and were signed on its behalf by:

R Burns
Chairman

Financial Statements

Condensed Statement of Changes in Equity

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2017		12,295	52,043	12,616	148,939	11,380	237,273
Return after taxation		-	-	-	(14,577)	4,731	(9,846)
Dividends paid	5	-	-	-	-	(6,834)	(6,834)
BALANCE AT 31 MARCH 2018		**12,295**	**52,043**	**12,616**	**134,362**	**9,277**	**220,593**

Financial Statements

Condensed Statement of Changes in Equity

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2016		11,321	40,550	12,616	127,096	8,147	199,730
Issue of ordinary shares on conversion of subscription shares	6	974	11,493	-	-	-	12,467
Purchase of own shares for treasury		-	-	-	(64)	-	(64)
Return after taxation		-	-	-	10,424	3,790	14,214
Dividends paid	5	-	-	-	-	(4,132)	(4,132)
BALANCE AT 31 MARCH 2017		**12,295**	**52,043**	**12,616**	**137,456**	**7,805**	**222,215**

Financial Statements

Condensed Statement of Cash Flows

	Six months ended 31 March 2018 (unaudited) £'000	Six months ended 31 March 2017 (unaudited) £'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net return before finance costs and taxation	(9,645)	14,395
Adjustments for:		
Losses/(gains) on investments at fair value	13,846	(11,067)
Net currency losses	6	1
Reported dividend income	(5,138)	(4,138)
Dividends received	4,178	3,669
Reported interest income	(7)	(23)
Interest received	7	23
Increase in other debtors	(6)	(9)
Increase/(decrease) in other creditors	391	(46)
Stock dividends included in investment income	(106)	(49)
Net tax paid	(17)	(33)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**3,509**	**2,723**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(53,815)	(58,622)
Sales of investments	52,043	37,424
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(1,772)**	**(21,198)**

Financial Statements

Condensed Statement of Cash Flows

	Six months ended 31 March 2018 (unaudited) £'000	Six months ended 31 March 2017 (unaudited) £'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary shares from conversion of subscription shares	-	12,467
Purchase of own shares for treasury	-	(64)
Net cash outflow from servicing of finance	(183)	(152)
Drawdown of loan	3,000	1,000
Equity dividends paid	(6,834)	(4,132)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES	**4,017**	**9,119**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(2,280)**	**(9,356)**
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS		
Opening balance	3,577	11,041
Decrease in cash and cash equivalents	(2,280)	(9,356)
Currency movement	(6)	(1)
CLOSING BALANCE	**1,291**	**1,684**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
AAA money market funds	971	1,280
Cash and short term deposits	320	404
	1,291	**1,684**

Financial Statements

Notes to the Financial Statements

1. Accounting policies

a) Basis of accounting

The condensed Financial Statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on a Going Concern basis and on the assumption that approval as an investment trust will continue to be granted.

The interim Financial Statements and the net asset value per share figures have been prepared in accordance with FRS 102 using the same accounting policies as the preceding annual accounts.

b) Dividends payable

Dividends are recognised in the period in which they are paid.

c) Going Concern

The statement of Going Concern was set out in the Directors' Report of the Company's Annual Report and Financial Statements to 30 September 2017. As at 31 March 2018, there have been no significant changes to this. The Directors continue to have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months, taking into account the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments, and the ability of the Company to meet all of its liabilities and on going expenses. Accordingly, it is reasonable for the Financial Statements to continue to be prepared on a Going Concern basis.

Financial Statements

Notes to the Financial Statements

2. Income

	Six months ended 31 March 2018 £'000	Six months ended 31 March 2017 £'000
Income from investments		
UK investment income		
Ordinary dividends	4,324	3,401
Special dividends	151	32
	4,475	**3,433**
Overseas and Property Income Distribution investment income		
Ordinary dividends	663	537
Special dividends	-	168
	663	**705**
	5,138	**4,138**
Other income		
Money market interest	7	23
Stock dividends	106	49
Underwriting commission	-	5
	113	**77**
	5,251	**4,215**

3. Taxation on ordinary activities

The taxation charge for the period, and the comparative period, represents withholding tax suffered on overseas dividend income.

Financial Statements

Notes to the Financial Statements

4. Return per ordinary share

	Six months ended 31 March 2018 p	Six months ended 31 March 2017 p
Revenue return	9.62	8.08
Capital return	(29.65)	22.23
Total return	**(20.03)**	**30.31**

The figures above are based on the following figures:

	£'000	£'000
Revenue return	4,731	3,790
Capital return	(14,577)	10,424
Total return	**(9,846)**	**14,214**
Weighted average number of ordinary shares*	**49,162,782**	**46,882,217**

* Calculated excluding shares in treasury. At 31 March 2018 there were 15,985 shares in treasury (2017: 15,985).

5. Dividends

	Six months ended 31 March 2018 £'000	Six months ended 31 March 2017 £'000
Ordinary dividends on equity shares deducted from reserves:		
Third interim dividend for 2017 of 4.00p per share (2016 - 3.60p)	1,967	-
Final dividend for 2017 of 5.50p per share (2016 - 5.00p)	2,704	2,264
First interim dividend for 2018 of 4.40p per share (2017 - 3.80p)	2,163	1,868
	6,834	**4,132**

The third interim dividend was declared on 1 September 2017 with an ex-dividend date of 14 September 2017. This dividend of 4.00p per share was paid 6 October 2017 and was not included as a liability in the Financial Statements to 30 September 2017.

Financial Statements

Notes to the Financial Statements

6. Called-up share capital

	Number	£'000
Issued and fully paid:		
Ordinary shares 25p each		
Balance at 30 September 2017	49,162,782	12,291
Balance at 31 March 2018	49,162,782	12,291
Treasury shares		
Balance at 30 September 2017	15,985	4
Balance at 31 March 2018	15,985	4
Called-up share capital at 31 March 2018		**12,295**

On 17 December 2010 the Company issued 7,585,860 Subscription shares by way of a bonus issue to the Ordinary Shareholders on the basis of one Subscription share for every five ordinary shares. The final Subscription date was on the last business day of December in 2016, after which the rights under the Subscription shares lapsed.

During the six months ended 31 March 2017, 3,895,938 Subscription shares were converted into Ordinary shares for a consideration of £12,467,000.

During the six months ended 31 March 2018, no Ordinary shares (31 March 2017 - 15,985) were repurchased for a consideration of £nil (31 March 2017 - £63,742).

7. Capital reserve

The capital reserve figure reflected in the Condensed Statement of Financial Position includes investment holdings gains at the period end of £16,514,881 (30 September 2017 - gains of £37,864,665).

Financial Statements

Notes to the Financial Statements

8. Net asset value per ordinary share

	As at 31 March 2018	As at 30 September 2017
Attributable net assets (£'000)	220,593	237,273
Number of ordinary shares in issue*	49,162,782	49,162,782
NAV per ordinary share (p)	448.70	482.63

* Excludes shares in issue held in treasury. At 31 March 2018 there were 15,985 shares in treasury (2017: 15,985).

9. Transaction costs

During the period expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within (losses)/gains on investments in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 31 March 2018 £'000	Six months ended 31 March 2017 £'000
Purchases	217	298
Sales	34	36
	251	**334**

Financial Statements

Notes to the Financial Statements

10. Fair Value Hierarchy

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following classifications:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (ie as prices) or indirectly (ie derived from prices); and

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

All of the Company's investments are in quoted equities (30 September 2017 – same) that are actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments has therefore been deemed as Level 1 (30 September 2017 - same).

11. Half-Yearly Financial Report

The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in Sections 434-436 of the Companies Act 2006. The financial information for the six months ended 31 March 2018 and 31 March 2017 has not been audited.

The information for the year ended 30 September 2017 has been extracted from the latest published audited Financial Statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

This Half-Yearly Financial Report was approved by the Board on 23 May 2018.

Additional Information

Directors' Responsibility Statement

The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with applicable laws and regulations. The Directors confirm that to the best of their knowledge –

- the condensed set of Financial Statements have been prepared in accordance with the Accounting Standards Board's statement "Half-Yearly Financial Reports"; and
- the Interim Management Report includes a fair review of the general conditions required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

The Half-Yearly Financial Report, for the six months ended 31 March 2018, comprises an Interim Management Report, in the form of the Chairman's Statement, the Directors' Responsibility Statement and a condensed set of Financial Statements, which has not been audited or reviewed by the auditors pursuant to the APB guidance on Review of Interim Financial Information.

For and on behalf of the Directors of Standard Life Equity Income Trust plc.

Richard Burns
Chairman

23 May 2018

Additional Information

Company Information and Contact Details

Directors
Richard Burns (Chairman)
Josephine Dixon
Caroline Hitch
Jeremy Tigue
Mark White

Registered Office
Bow Bells House
1 Bread Street
London EC4M 9HH

Registered Number
Registered in England & Wales
No. 2648152

Investment Manager
Standard Life Investments
(Corporate Funds) Limited
1 George Street
Edinburgh EH2 2LL
(Authorised and regulated by the Financial Conduct Authority)
Telephone: 0345 600 2268

Website Address:
www.standardlifeequityinvestmenttrust.co.uk

Company Secretary
Maven Capital Partners UK LLP
1st Floor
Kintyre House
205 West George Street
Glasgow G2 2LW
Telephone: 0141 306 7400
www.mavencp.com

Independent Auditor
KPMG
St Vincent Plaza
319 St Vincent Street
Glasgow G2 5AS

Solicitors
Dickson Minto
16 Charlotte Square
Edinburgh EH2 4DF

Depositary and Custodian
BNP Paribas Securities
10 Harewood Avenue
London NW1 6AA

Lenders
Scotiabank (Ireland) Limited
I.F.S.C. House
Custom House Quay
Dublin 1 Ireland

Stockbrokers
J.P.Morgan Cazenove
29th Floor
25 Bank Street
London E14 5JP

Registrars
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1150

Registered Office:
Standard Life Equity Income Trust plc
Bow Bells House
1 Bread Street
London
EC4M 9HH

Managed by:
Standard Life Investments (Corporate Funds) Limited
1 George Street
Edinburgh EH2 2LL
www.standardlifeinvestments.com