Standard Life Aberdeen

Investor Relations Newsletter

Winter 2018

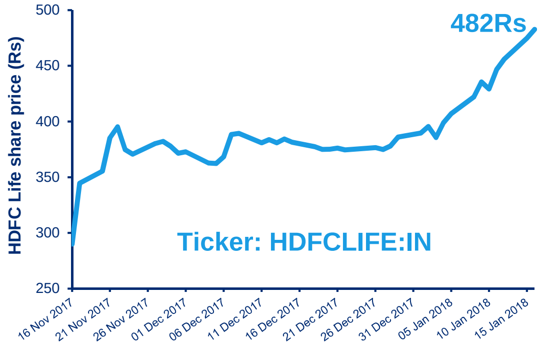
*“**Hello and welcome** to the Winter 2018 edition of our quarterly Investor Relations Newsletter. Since the completion of our merger on 14 August 2017 we have announced several important corporate developments, including the successful IPO of HDFC Life, the proposed IPO of HDFC AMC, our first subordinated debt offering as a combined entity and our Q3 AUMA and flows update. These announcements are summarised in this newsletter and we include links to our issued pro forma financial information.*

“As well as these developments, we are continuing to expand our range of “new active” investment capabilities. We highlight some of our launches in this newsletter including our first ‘impact investing’ fund. We also highlight the strength of our Quantitative Investing business and the results of our survey of Asia Pacific insurance companies.

“This year we have seen record inflows into Standard Life, our pensions and savings business, driven by our success in the UK advised platform market. Barry O’Dwyer, CEO of Standard Life, discusses some of the reasons behind our success in this market.

“In addition, we highlight key facts about our two associate businesses in India following the successful IPO of HDFC Life and the proposed IPO of HDFC AMC. Finally we discuss our improved ranking in the Dow Jones Sustainability Index, a key reference point for investors who integrate sustainability considerations into their portfolios. If you have any questions or would like to arrange a meeting please contact a member of the team.”

Successful IPO of HDFC Life completed



- IPO priced at 290Rs – top of price range
- Proceeds from IPO of c£370m
- Commenced trading on 17 November 2017
- Share price performance:
  - Day 1: + 18.6%
  - IPO to 16 January 2018: +66.4%
- Remaining stake of 29.35%
- Market cap*: £11.0bn / 970Rs bn

* As at 16 January 2018

This quarter’s features …

Useful financial information
Summary of financial information issued since the completion of our merger and our sector classification as an asset manager.

Expanding our range of “new active” investment capabilities
We take a look at our latest fund launches including the Global Equity Impact Fund; the Private Equity Secondaries Fund; the Secured Credit Fund; and the Global Short Duration Corporate Bond Fund.

Building on the strength of our adviser platforms
Our award-winning platforms saw record net inflows in H1 2017, with our continued success driven by the functionality, investment choice and support we offer advisers.

Insight into Quantitative Investing
Our Quantitative solutions and how we construct Smart Beta and Better Beta portfolios.

Asia Pacific Insurance Survey
Two years on from our award-winning survey on the European insurance industry, we take an in-depth look at the latest trends impacting Asia Pacific insurance companies and the implications for their investment strategies.

Our associates in India
Key facts about our associate businesses in India – HDFC Life and HDFC AMC.

Dow Jones Sustainability Index
Our 95th percentile ranking in the Dow Jones Sustainability index.

Investor Relations contacts

Jakub Rosochowski
Investor Relations Director

Tel: +44 (0)131 245 8028*
Mobile: +44 (0)751 529 8608*
Email: jakub.rosochowski@aberdeenstandard.com

Neil Longair
Investor Relations Manager

Tel: +44 (0)131 245 6466*
Mobile: +44 (0)771 135 7595*
Email: neil.longair@aberdeenstandard.com

Chris Stewart
Investor Relations Analyst

Tel: +44 (0)131 245 2176*
Mobile: +44 (0)752 514 9377*
Email: chris.stewart@aberdeenstandard.com

Jill McCabe
Investor Relations Consultant

Tel: +44 (0)131 245 6800*
Mobile: +44 (0)752 573 2147*
Email: jill.mccabe@aberdeenstandard.com

*Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

Addresses

Standard Life Aberdeen plc
6 St Andrew Square
Edinburgh EH2 2AH
Web: www.standardlifeaberdeen.com
@SLA_plc

Upcoming events

26 to 28 February 2018
Full year results 2017 roadshow, London

6 March 2018
Group investor breakfast, Edinburgh
(Keith Skeoch and Bill Rattray)

21 March 2018
Morgan Stanley European Financials Conference, London
(Martin Gilbert and Bill Rattray)

24 April 2018
Berenberg UK Corporate Conference, London

15 May 2018
KBW European Financials Conference, London

23 May 2018
Autonomous 2018 Rendez-Vous Conference, London

Financial calendar

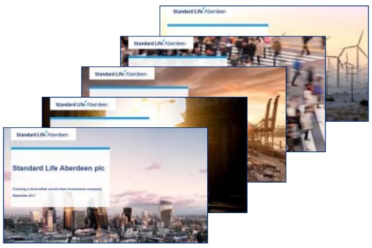
23 February 2018
Full year results 2017

7 August 2018
Half year results 2018

Click to visit our new group website

Click to visit Aberdeen Standard Investments' new website

Click to view our presentation at the Bank of America Merrill Lynch Financials CEO Conference



Useful financial information

On 14 August 2017 the merger of Standard Life and Aberdeen Asset Management completed to form Standard Life Aberdeen plc, one of the world's largest investment companies.

Following the completion of the merger we have issued several announcements as well as pro forma financial information.

Completion of our merger and classification as an asset manager

The all-share merger was implemented through a scheme of arrangement which became effective on 14 August. Standard Life plc was renamed Standard Life Aberdeen plc immediately following the Scheme becoming effective. Holders of Aberdeen shares received 0.757 of an ordinary share Standard Life Aberdeen in exchange for each Aberdeen share. As a result 997,661,231 new shares were issued and our total number of ordinary shares is now 2,977,229,231.

The Standard Life Aberdeen ticker is SLA and we are classified in the FTSE "Asset Management" subsector and the MSCI "Other Diversified Financial Services" sub-industry.

FTSE classification			MSCI classification		
Industry	8000	Financials	**Sector**	40	Financials
Supersector	8700	Financial Services	**Industry Group**	4020	Diversified Financials
Sector	8770	Financial Services	**Industry**	402010	Diversified Financial Services
Subsector	8771	Asset Managers	**Sub-industry**	40201020	Other Diversified Financial Services

Debt issuance and pro forma information

On 13 October 2017 we successfully undertook our first debt issuance as a combined group, issuing sub-debt of $750m at a fixed rate of 4.25%, swapped to Sterling at 3.2%.

As part of the debt issuance a prospectus was published containing pro forma information for Standard Life Aberdeen plc for the year ended 31 December 2016 and additional summary financial information for the year ended 31 December 2015.

Click to download pro forma financial information

Click to view our debt instruments

Q3 AUMA and flows update

On 15 December we issued an update on AUMA and net flows for the nine months to 30 September 2017. Total AUMA was stable at £646.2bn (31 December 2016: £647.6bn) with a reduction in growth channels net outflows to £10.6bn (Q3 2016: £11.3bn) and stable net outflows from mature channels of £12.8bn.

Alongside the announcement we also issued pro forma AUMA information for 2016, detailed asset class information and additional supplementary AUMA and flows information.

Click to view our Q3 AUMA and flows update

Click to read the analyst call transcript

Click to download Q3 AUMA and flows information

December analyst seminar

Following the AUMA and flows update Bill Rattray, CFO, hosted an analyst seminar. This covered the Q3 AUMA update, pro forma financial information, modelling Standard Life Aberdeen and a presentation on Solvency II.

Click to view Analyst Seminar presentation

Expanding our range of "new active" investment capabilities

Global Equity Impact Fund

Aberdeen Standard Investments has launched its first 'impact investing' product, the Global Equity Impact Fund ("the Fund"). This further expands our ethical investments range which includes the Ethical World Equity Fund, UK and European Ethical Equity Funds and the Ethical Corporate Bond Fund.

Impacting environmental, social and governance issues through investing

Impact investing involves investing in companies that focus on generating a measurable positive social and environmental impact alongside financial returns. While environmental, social and governance (ESG) analysis has become an integral tool for investment managers, screening for positive impact is ready to enter the mainstream.

Commenting on the Fund launch, Euan Stirling, Global Head of Stewardship and ESG Investment said:

"Impact investing is not just about rewarding those already making a difference, but about shifting the might of the capital market to change the world for the better. The world faces numerous challenges, from climate change and poverty, to inequality and pollution. As asset managers, we believe we can play a vital role in helping to address these issues. Through the Global Equity Impact Fund we aim to have a positive social and environmental impact, while still delivering an above-market financial return for our clients."

Applying the UN's Sustainable Development Goals

As a framework to develop our own impact process and analysis, we have adopted the universally accepted 17 United Nations' Sustainable Development Goals (SDGs). This helps ensure the companies in which the Fund invests are truly having a positive impact – for the ultimate benefit of the environment, society and clients. All 17 SDGs are incorporated into the Fund and the UN's associated targets inform the investment process. The Fund then invests in companies whose activities, technologies or products are specifically designed to provide solutions in areas such as healthcare, education, poverty and many more.

The Fund is structured for investors who want to invest for a better future and is managed using five principles:

- To support the delivery of measurable, positive environmental and social impact while seeking to generate strong financial returns
- A bottom-up, company-specific investment approach
- Rigorous peer review of investment ideas at every stage in the investment process
- A forward-looking, long-term approach
- Active company engagement

Benefiting from Aberdeen Standard Investments team-based approach

The Fund combines the expertise of our firm-wide equity research capability with that of our dedicated ESG team and will have a high-conviction portfolio of 35 to 60 stocks. To ensure that companies are making a genuine impact through the products they make or the services they provide, each company must intentionally direct its resources towards making a positive environmental or social contribution, must actively implement this strategy in its operations and the impact must be measurable.

Sarah Norris, Fund Manager, added:

"Asset owners are looking to embrace impact investing but lack appropriate investment solutions. The UN's SDGs provide a common language for impact solutions that help unlock impact investing for mainstream investors. Active management is an essential component of successful impact investing. Engagement with management is necessary, both for impact analysis and to encourage better behaviours and disclosures."

Click to read more about Impact Investing

Private Equity Secondaries* Fund

Aberdeen Standard Investments has completed its fund raising for the SL Capital Secondary Opportunities Fund III ("SOF III"). SOF III will focus on niche or less competitive areas of the secondary market where Aberdeen Standard Investments can leverage the expertise, insights and relationships of its existing private markets platform.

$428m was raised from 31 investors which is considerably higher than its predecessor fund – SOF II secured total commitments of $291m. The investors, 60% UK and 40% North America, represent a mixture of public and corporate pension schemes, multi-family offices and high net worth individuals. The total raised across the three secondary opportunities funds is now over $900m.

Stewart Hay, Head of Institutional Client Solutions, commented:

"Clients have been very supportive of the secondaries strategy since it was launched in 2014. To have reached over $900m of capital for the programme demonstrates the strong demand for niche private equity exposure. We worked closely with our investors in the initial stages of product development to come up with a strategy and fee structure that meet their needs."

* The private equity secondary market provides liquidity in an illiquid asset class by allowing the exchange of interests and existing commitments in private equity funds between buyers and sellers.

Secured Credit Fund

Aberdeen Standard Investments has completed its first round of capital raising for a closed-ended Secured Credit Fund ("the Fund").

The Secure Income and Cash Flow strategy aims to deliver a reliable stream of cash flows by investing in a diversified portfolio of infrastructure debt, commercial real estate debt, private placement bonds and other areas of private credit. The Fund draws on the combined strengths of our Credit team, which manages over £100bn of assets, and our Private Markets team, with over £55bn of AUM.

Investors have committed £350m at the first close, representing around half of the final fund size target of £600m to £800m, with capital from a number of large UK corporate pension schemes.

Barry Fricke, Private Credit Investment Director, commented:

"Secure income strategies can be an attractive way for pension schemes to meet their growing annual cash flow needs while capturing illiquidity premia. By investing in a diverse range of private credit assets in a single fund, investors are able to access relatively uncorrelated areas of the economy in an integrated way. This should allow a more selective approach to deploying capital, and result in a portfolio that is less sensitive to overall GDP growth and general market volatility."

Global Short Duration Corporate Bond Fund

Aberdeen Standard Investments has launched a Global Short Duration Corporate Bond Fund ("the Fund").

As many of the world's central banks begin to move away from extraordinary monetary policy settings, investors are growing increasingly wary of the effect of rising interest rates on their fixed income investments. To help investors overcome this challenge, the Fund seeks to deliver attractive risk-adjusted returns from a diverse portfolio of global corporate bonds but with significantly reduced interest-rate risk.

Samantha Lamb, Fixed Income (Credit) Investment Director, commented:

"Fundamental credit research and conviction views on companies are critical to our alpha generation. By investing primarily in short-maturity bonds, the Global Short Duration Corporate Bond Fund is an option for investors concerned about interest-rate risk who continue to seek value from credit spreads and active management across a global credit opportunity set.

"Although we are conviction investors, we have an approach that tailors credit selection to the overall macroeconomic environment. We focus on adding value from idiosyncratic credit risk but with the risks and themes of the portfolio adjusted to reflect macroeconomic and geopolitical factors."

Aberdeen Standard European Logistics Income PLC

Aberdeen Standard Investments has launched its first investment trust as a combined business – Aberdeen Standard European Logistics Income PLC.

The European Logistics Income investment trust ("the investment trust") raised £187.5m of equity through an Initial Placing and Offer for Subscription. The shares were admitted to the Premium segment of the Official List of the UKLA and to dealings on the London Stock Exchange, with trading starting on Friday 15 December 2017.

Aberdeen Standard Investments is the second largest real estate investment manager in Europe and has an established track record of managing real estate assets in listed close-ended structures and 20 years extensive experience in logistics.

Leveraging this expertise, the new investment trust taps into the rapid growth of e-commerce across Europe by investing in European logistic properties such as large 'big box' ultra-modern warehouses and local 'last mile' distribution centres. Occupier demand is strengthening and these properties typically benefit from long-term continuous leases which are annually inflation-linked, thereby providing solid rental income alongside the potential for capital growth.

The investment trust targets a distribution yield of 5.5% per annum, predominantly in the form of dividends, and a total return for investors of 7.5% per annum (both in Euro terms).

Evert Castelein, based in Aberdeen Standard Investments' Amsterdam office, will lead the team supported by Ross Braithwaite and Attila Molnar – and by Andrew Allen, Global Head of Real Estate Investment Research.

Commenting on the launch, Martin Gilbert, co-Chief Executive of Standard Life Aberdeen said:

"This is the first investment trust launch by Aberdeen Standard Investments and to have raised £187.5m is an excellent result and delivers a strong platform from which we can grow this exciting asset class.

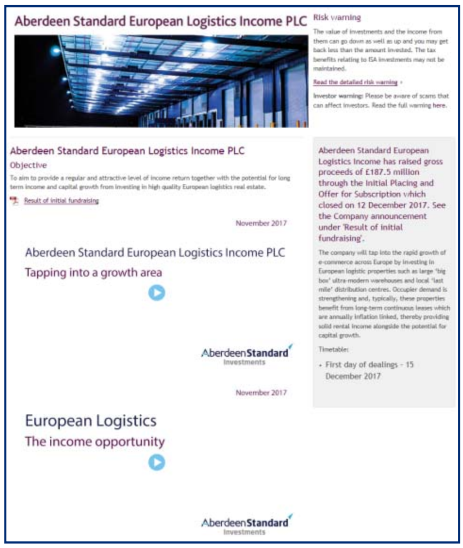
"Our discussions with a broad range of investors had led us to believe that long-term exposure to income generating logistics assets across Europe within a closed end structure would have wide appeal and this has proven to be the case with pension funds, multi-asset managers, wealth managers and retail investors subscribing to the issue."

Pertti Vanhanen, Global co-Head of Real Estate at Aberdeen Standard Investments, added:

"This is another encouraging development for Aberdeen Standard Investments' real estate business.

"The logistics market is central to the future of the e-commerce industry. In the UK, e-commerce has grown rapidly and significantly in recent years. Europe is growing too but from a lower base and the pace is set to increase as comfort with shopping online grows and big retail brands expand their operations on the continent. This is going to lead to more demand for large, specialised warehouses where goods are picked, sorted and distributed together with smaller units on the outskirts of urban centres to fulfil the so-called 'last mile' element of delivery."

Click to read more about Aberdeen Standard European Logistics Income PLC


Aberdeen Standard European Logistics Income PLC

Risk warning

The value of investments and the income from them can go down as well as up and you may get back less than the amount invested. The tax benefits relating to ISA investments may not be maintained.

Read the detailed risk warning ›

Investor warning: Please be aware of scams that can affect investors. Read the full warning here.

Aberdeen Standard European Logistics Income PLC

Objective

To aim to provide a regular and attractive level of income return together with the potential for long term income and capital growth from investing in high quality European logistics real estate.

Result of initial fundraising

November 2017

Aberdeen Standard European Logistics Income PLC
Tapping into a growth area

AberdeenStandard Investments

November 2017

European Logistics
The income opportunity

AberdeenStandard Investments

Aberdeen Standard European Logistics Income has raised gross proceeds of £187.5 million through the Initial Placing and Offer for Subscription which closed on 12 December 2017. See the Company announcement under 'Result of initial fundraising'.

The company will tap into the rapid growth of e-commerce across Europe by investing in European logistic properties such as large 'big box' ultra-modern warehouses and local 'last mile' distribution centres. Occupier demand is strengthening and, typically, these properties benefit from long-term continuous leases which are annually inflation linked, thereby providing solid rental income alongside the potential for capital growth.

Timetable:

- First day of dealings - 15 December 2017

Standard Life Aberdeen

Investor Relations Newsletter

Winter 2018

Standard Life

Barry O'Dwyer

CEO
Standard Life

Standard Life has again achieved success at the Schroders UK platform awards winning:

- **Best large platform provider (fourth year running)**
- **Leading platform-enabled retirement proposition**
- **Leading platform for model portfolio services**
- **Best platform for adviser service**

Building on the strength of our adviser platforms

- **Our award-winning platforms saw record net inflows in H1 2017**
- **Enhanced functionality, investment choice and adviser support are core reasons for our continuing success**
- **Continuing to benefit from our investment company business model**

The financial adviser market continues to evolve and grow at great pace

The trend continues in the UK towards defined contribution pensions and tax-exempt Individual Savings Accounts (ISAs) as the primary investment vehicles for customers' long terms savings. Recent regulatory changes, most notably Pensions Freedom, have given customers much greater choice and flexibility in managing their finances. With this increased personal responsibility for long term savings comes a greater demand for financial advice.

Technology is central to this growth opportunity, with financial advisers increasingly looking to platforms to enhance the service they provide to customers, scale their businesses to improve efficiency, reduce risk and manage change.

Record platform flows in H1 2017

Our Wrap and Elevate platforms enjoyed record flows in H1 2017, with combined net flows of £3.7bn representing an annualised 17% of opening AUA. We now have over £50bn invested across our platforms, with Wrap AUA growing at a CAGR of 29% over the last 5 years. We are particularly pleased with advisers' positive reaction to our acquisition of Elevate in Q4 2016, demonstrating our long-term commitment to the market, with flows picking up strongly in response.

Our platforms provide high quality support for advisers and their clients

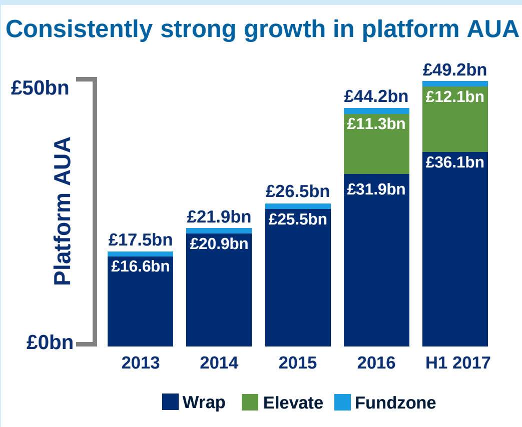
There are a set of core reasons for our continued strength in the platform market, many of which are reflected in recent award wins.

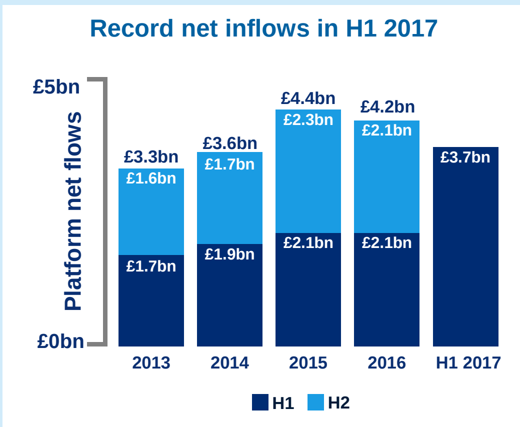
1. Enhanced functionality

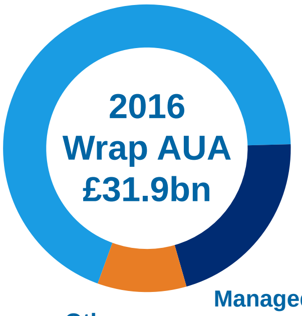
Wrap and Elevate's highly flexible pension, drawdown and investment functionality allows advisers to tailor financial plans that address the wide range of goals individuals often have in retirement – taking income today, investing for income in the future and investing for their legacy. In particular, the investment made to deliver Wrap's Tailored Drawdown offering, tax planning tools and range of supporting investment options resulting in us winning 'Leading platform-enabled retirement proposition' at the Schroder's UK Platform Awards in September 2017.

2. 'Whole of market' investment choice

Our platforms' wide choice gives advisers access to leading 'whole of market' investment solutions. Wrap alone has over 8,000 investment options available including over 300 pension funds, over 2,000 mutual funds as well as access to stocks and shares, commercial







Click to read more about our Investment Hub

property and exchange traded vehicles such as Investment Trusts and ETFs. This whole of market approach enables advisers to select the most appropriate investment choices for their clients' needs.

In addition, the scale of our platforms and early adoption of super clean pricing has allowed us to secure discounts on 428 share classes across some of the most popular funds from 14 leading fund providers in the UK, further allowing us to ensure clients get maximum value for money.

3. Enabling professional portfolio management

Driven by regulatory change and a desire to improve client investment outcomes, Wrap has also led the market in enabling the scalable management of client portfolios. The first platform to enable 'portfolio of portfolios' through its investment hub technology; Standard Life Wrap has enabled multi-goal client investment strategies allowing advisers to more accurately target client needs. This is particularly relevant to the growing drawdown market, to manage sequencing risk and balance short, medium and longer term income needs.

Through automated routines, the platform enables the 'automated individual execution' of centrally-made investment decisions at client portfolio level. Security and permission protocols ensure clear controls and governance between financial planning and discretionary investment activities while also enabling access to the specialist skills of a wide range of 3rd party discretionary managers. Wrap's investment hub technology was also recognised at the UK Platform Awards winning 'Leading platform for model portfolio services'.

4. Quality of service

Most importantly, both Wrap and Elevate continue to support platform customers and advisers with excellent service, whether delivered over the phone by our Customer Operations teams supporting Wrap in Edinburgh and Elevate in Basingstoke, or in the field to advisers by our Distribution teams. Their ability to embed the platform within adviser processes not only supports operational efficiency, but enables customers to benefit from the full range of services and investment choice available. This was again acknowledged in Standard Life's award for Best Platform Service at the same UK Platform Awards.

5. Support through change

Finally, working together with advisers to plot a course through complex regulatory change has been a key component of the strength and depth of relationships we have developed with successful adviser firms. By supporting a smooth transition to a fee-based business model, delivering more robust investment processes and quickly adapting to the pension freedoms, our platforms have equipped the firms we support to focus on their clients and growth opportunities rather than business change.

Leveraging our investment company model

We have also benefited from our close working relationship with our asset management company, particularly in the development of Centralised Investment Propositions such as MyFolio which increase adviser's efficiency through providing an efficient and scalable outsourcing option.

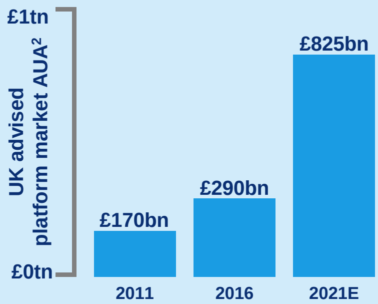
This, in addition to the discounted heritage-SLI fund range available on Wrap, is one of the reasons for c20% of assets on Wrap being invested in SLI funds compared to SLI's 4.3%[1] share of the UK Wholesale market. We now have the chance to extend this success to the Elevate platform, with 2% of Elevate AUA currently invested in SLI funds.

We are also looking forward to being able to access new innovative investment solutions on competitive terms following the completion of our merger with Aberdeen, further increasing the value and choice we provide to advisers and their clients.

We remain committed to the market long-term

We remain confident in the long-term growth potential of our platforms, with the market expected to more than double over the next five years. We will continue to support financial advisers as they help customers with complex financial decisions, build their businesses and navigate regulatory change.

Advised platform market expected to continue to grow strongly



1. Source: Investment Association Q1 2017. 2. Source: Fundscape.

Aberdeen Standard Investments

Sean Phayre

Global Head of Quantitative Investing

Sean arrived at Aberdeen in 2014 as part of the SWIP transaction. Sean currently drives the development and management of quantitative strategies and structured product capabilities in both Equities and Fixed Income.

Sean began his investment career at Edinburgh Fund Managers which later became Aberdeen Asset Management. He established Quantitative Investment teams at both companies, and latterly was co-head of Quantitative Equities and Derivative Strategies.

Sean holds a PhD in Statistics and Modelling Science, an MSc in Industrial Mathematics and a BSc (Hons) in Mathematical Sciences, all from the University of Strathclyde. Sean is an Associate of the UK Society of Investment Professionals (ASIP) and holds a PGD in Investment Analysis from the University of Stirling.

Insight into Quantitative Investing

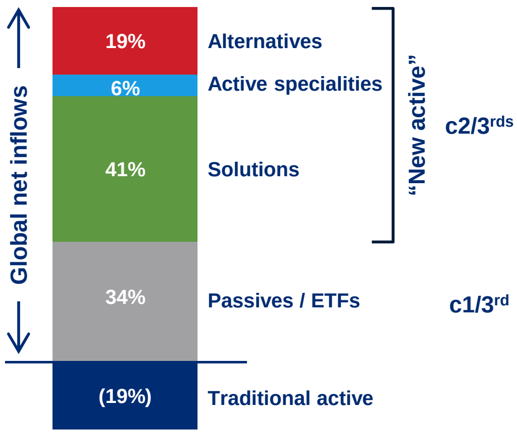
- **Quantitative products make use of automated numerical models to form investment decisions**
- **Our offering spans conventional indexation, enhanced indexation, smart beta and derivative products**
- **Our Quantitative strategies are a key building block for our insurance products**

An important part of Aberdeen Standard Investments' offering for a fast growing market

Over the past 10 years, Aberdeen Asset Management has been increasing its capabilities in Quantitative Investment Strategies and currently manages £66bn of AUM[1].

While new active investment solutions are set to generate approximately 2/3rds of global net inflows, our quantitative capability positions us well to benefit from strong growth expected from lower cost passives, enhanced passives, smart beta and ETFs which are forecast to attract 1/3rd of global net flows – all benefiting from outflows from more traditional active products.

2016-2020 Global estimated net flows[2]



Following the merger between Standard Life and Aberdeen Asset Management we see increased opportunities for our quantitative investments to be used within low cost workplace investment solutions or our MyFolio range of funds both of which source passive or low cost componentry from Vanguard and BlackRock.

What are Quantitative products?

Quantitative investment products make use of systematic models to build portfolios. These models make use of certain factors to determine the weight of an individual stock in the portfolio.

For a conventional passive index tracker that factor is the market capitalisation which is used to determine the weighting of each stock. Smarter beta uses alternative, not market capitalisation, factors as fundamental building blocks within our optimisation framework.

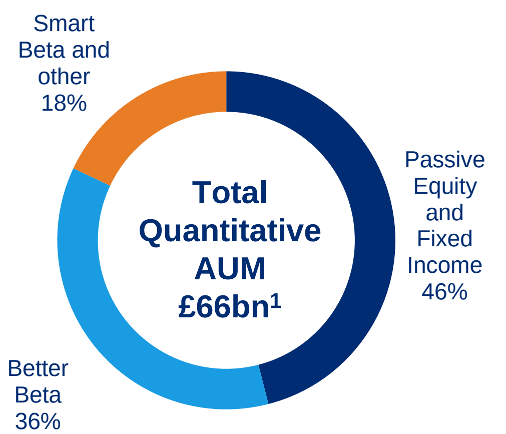
As a responsible investor we also integrate ESG into our investment process when constructing portfolios. We have partnered with Sustainalytics, a global leader in ESG research, ratings and analysis, to obtain and analyse ESG data and also work closely with our in-house Stewardship and ESG teams.

Combining pragmatic thinking with quantitative techniques

We have a comprehensive range of quantitative investment capabilities providing attractive risk-adjusted performance, transparency and efficiency to assist our clients in meeting their investment objectives. We are skilled in the use of derivatives to both enhance portfolio outcomes and to ensure efficient management of cash-flows and corporate actions, both are an underappreciated source of active return.

Passive equity and fixed income

Our passive products provide efficient exposure to various equity and fixed income segments. Securities are weighted in the portfolio by market capitalisation in order to target the return of a traditional market capitalisation benchmark, such as the FTSE All Share index.



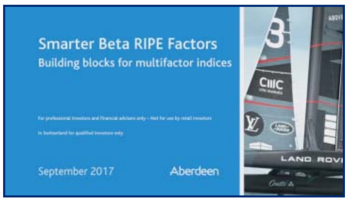
1. As at 30 September 2017. 2. Source: BCG, July 2016.

BETTER Beta: Enhanced Index Equity

Our enhanced index funds start with a market capitalisation based index which is then reweighted via a combination of additional factors: Value, Quality, Momentum, Small Size and Low Volatility.

We combine uncorrelated individual factors to create a super-factor. Individual factors such as value are themselves comprised of stock level metrics such as Book Yield, Dividend Yield and forward earnings yield. This approach offers the opportunity to generate superior risk adjusted returns compared to a “basic” market capitalisation weighted index at a low cost of manufacture.

Factor	Premise	Common constructions	Our enhanced approach	Rationale
Value	Stocks priced low (high) relative to fundamental measures of value outperform (underperform) so bias portfolio towards cheap stocks	Metrics based on P/B, P/E, D/P, or composites of these and other fundamental value metrics	We use forward looking data which is particularly relevant in periods of changing markets and company financials	Reflects forward looking company valuations (i.e. when banks cut dividends this is reflected in our factor design)
Quality	Stocks of higher quality companies tend to outperform so bias portfolio towards stocks with a strong measure of quality	Metrics such as ROE, ROA, earnings stability, dividend growth stability, financial leverage	In addition to the common metrics used we also focus on capital expenditures and efficiency of capital utilised	By focusing on capital efficiency and improvements in quality metrics we aim to capture improvements rather than just levels
Momentum	Price trends tend to persist so bias portfolio towards stocks that have recently performed well	Metrics based on past returns (e.g. 6 or 12 months, often excluding a recent period), sometimes normalised for volatility	We capture momentum not only at the stock level but also at an industry level. We also look at earnings momentum using forward estimates	Academic research has shown that momentum at the industry level persists and explains most of the excess returns
Small Size	Small companies tend to outperform larger ones so bias portfolio towards stocks with a smaller market capitalisation	Metrics based on market capitalisation (full or free float)	We capture the small size effect at the portfolio level. Doing so allows us to benefit from the correlations between stocks	Return enhancing due to (i) small company illiquidity and credit risk premia and (ii) the rebalancing effect of selling stocks that have risen in Price
Low Volatility	Contrary to predictions of financial theory, less risky stocks tend to outperform riskier ones so bias portfolio towards stocks with historically low absolute variability of returns	Metrics based on beta and realised volatility, e.g. standard deviation (one year, two years, three years), downside standard deviation, standard deviation of idiosyncratic returns and beta	We capture the low volatility effect at the portfolio level. Doing so allows us to benefit from the correlations between stocks	Capturing the effect at the fund level allows us to hold stocks with average volatility which might display other desirable characteristics



Click here to watch our Quantitative Investment team discuss the factors used in constructing Smart Beta portfolios

Smart Beta/SMARTER Beta

Our smart beta products dispense with a market capitalisation index altogether by building fundamental portfolios in a systematic fashion purely based on factors which we believe will drive investment performance while remaining low cost.

These products aim to replicate the performance of four smarter beta indices independently calculated and administered by our custom index partner IHS Markit. These use an optimisation framework to weight stocks entirely based on their ranking across a range of factors. Across all of our factors a selection of indices are available spanning Global, Developed Markets, Emerging Markets, UK, European, Asian, Japanese and Australian equities.

SMARTER Beta^{TM} custom index partner

IHS Markit

- IHS Markit has been appointed as our independent index calculation agent and administrator
- HIS Markit is a world leader in critical information and analytics
- It calculates over 15,000 daily index calculations and over 50,000 global index compositions

Broad range of multifactor indices

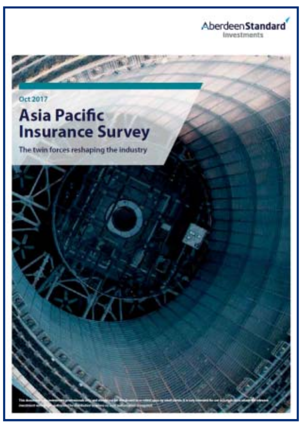
1) Diversified Multifactor Equity Index Family
2) High Income Multifactor Equity Index Family
3) Value Multifactor Equity Index Family
4) Quality Multifactor Equity Index Family
5) Momentum Multifactor Equity Index Family
6) Low Volatility Multifactor Equity Index Family
7) Small Size Multifactor Equity Index Family
8) ESG Multifactor Equity Index Family

Aberdeen Standard Investments

Bruce Porteous

Investment Director, Insurance Solutions

Bruce is responsible for developing our insurance solutions proposition and business. He joined our asset management business in 2014 having previously played a key role in preparing Standard Life Aberdeen's pensions and savings business for Solvency II implementation, including leading related strategic change projects, and working with the European insurance industry and institutions on the delivery of a satisfactory Solvency II outcome.



Click to read more about our Asia Pacific insurance survey

Asia Pacific insurance survey

- **Historically low interest rates and the modernisation of regulatory regimes is reshaping the global insurance industry**
- **Asset allocations are expected to shift as insurers target higher returns and longer maturity assets**
- **Increasing demand for alternative asset classes creates opportunities for external asset managers with experience of managing insurance assets**
- **Aberdeen Standard Investments is strongly positioned to provide specialist investment expertise and capabilities to insurers globally**

The global insurance industry, with over US$18 trillion[1] of life insurance assets across Europe, US and Asia, is being reshaped by historically low interest rates and the modernisation of regulatory regimes.

Two years on from our award-winning survey on the European insurance industry in the lead up to the arrival of Solvency II, we turn our lens to Asia Pacific.

Aberdeen Standard Investments commissioned in-depth research to identify the latest trends impacting Asian Pacific insurance companies and the implications for their investment strategies. The research was conducted in six markets across Asia Pacific – Australia; China; Hong Kong; Japan; South Korea; and Taiwan – to ensure coverage both in terms of market size and in terms of markets at different stages of industry maturity. Coverage included both domestic and global firms and while it was skewed towards the larger insurers in each market, some smaller insurers were included. The combined assets managed by the respondents are over $4 trillion, which represents an estimated 60% of the total Asia Pacific insurance market.

Historically low interest rates make generating the necessary returns challenging

Insurers face an increasingly difficult investment challenge of generating returns in a world of low interest rates. Competitive pressures also mean that guaranteed returns have not reduced as fast as bond yields. These factors increase the investment challenge, making it difficult to generate the returns needed to deliver guaranteed returns.

55% **cited asset-liability mismatch as an issue**

Although a shift to investment-linked products is underway, guaranteed products represent 51% of the asset mix.

Regulatory change is exposing the asset-liability mismatch in current investment strategies

The modernisation of regulatory regimes is also leading to greater transparency on risk and has implications for both the investment approach and the business model of insurers. Regulation is driving a fundamental change in the way that investment decisions are made with investment portfolios needing to become more outcome-oriented, with a greater emphasis on controlling risks.

89% of insurers surveyed indicated the need to bring insurance experts and their investment colleagues closer together in order to arrive at the optimum investment strategy.

89% **indicated the need for closer collaboration between actuarial and investment teams**

Shift in asset allocations expected as insurers target higher returns and longer maturity assets

Cash, bank deposits and fixed income securities currently make up almost 71% of total assets invested but our research points to significant shifts in asset allocations. As insurers seek both higher yields and longer duration assets, exposure to alternative assets is expected to increase. 78% of insurers intend to increase exposure to infrastructure, 75% intend to increase private equity and 64% are looking to add to real estate.

1. Source: Various data feeds, A.M. Best, Cerulli Associates.

"Asia Pacific insurers see increasing exposures to alternatives and going global as a way to seek extra return, diversification and better duration matching of liabilities. However, with the lack of in-house capability many of them are increasingly open to the use of external managers, though barriers exist that external managers will need to navigate.

"The significant asset allocations shift taking place in Asia Pacific is leading insurers to consider outsourcing more complex investment mandates to external managers. This offers unique opportunities for active managers, who are expected to deliver alpha, demonstrate knowledge of local regulations, and fill the investment knowledge gaps."

David Peng
Head of Hong Kong, Aberdeen Standard Investments

Click to read more about our European insurance survey

Alternative assets and global equities becoming increasingly attractive

Insurers are increasingly looking beyond domestic markets for investment opportunities – particularly in alternative assets and global equities. 78% of insurers intend to increase international allocations in search of higher returns, better duration matching of liabilities and increased diversification. However, respondents acknowledge that they may lack the internal expertise to do so.

78%	intend to increase international investments

Some insurers indicated an appetite to build an in-house capability but this takes time and money. In particular, investing in private equity property and infrastructure requires specialist skills just to access the investments, let alone add value. This presents a further challenge for insurers but an opportunity for external asset managers who can help fill skills gaps in these areas.

Demand for alternative asset classes creates opportunities for external asset managers

The results of the survey show that respondents intend to increase allocations to those asset classes where the use of external managers is highest – alternatives and international equities. 76% of respondents told us that increasing allocations to alternatives is likely to lead to greater use of external asset managers. However, the results also revealed that external managers must work hard to build trust: delivering alpha; demonstrating knowledge of local regulations; and providing valuable investment insight.

76%	expect the trend to increase alternative assets to drive more use of external managers

The need for greater collaboration between investment and insurance teams

The survey highlights the need for greater collaboration between investment and insurance teams. It also highlights the need for greater collaboration between internal and external managers in order to build trust. In particular, external managers must demonstrate an understanding of domestic market requirements. To us, this says that the external asset managers most likely to succeed in addressing the issues raised by the insurers in this survey are those with in-house insurance expertise of their own. They genuinely understand the practical intricacies of insurance investment in these markets.

By linking investors and actuaries, internally and externally, insurers are more likely to arrive at the right solution to their investment challenges.

Aberdeen Standard Investments is strategically well placed in a growing global market for outsourcing insurance assets

Standard Life Aberdeen has a rich insurance heritage. This is further enhanced by Aberdeen's distribution reach into Asia, meaning Aberdeen Standard Investments is strongly positioned to provide specialist investment expertise and capabilities to Asia Pacific insurers.

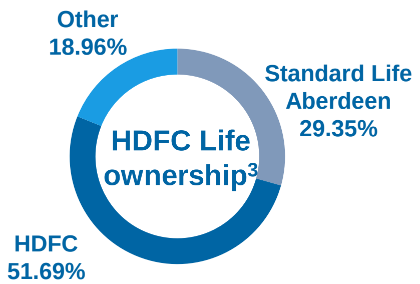
We already manage insurance assets worth around £300 billion, as at 30 June 2017, including approximately £105 billion for our pensions and savings business, Standard Life. We also manage c£195 billion for a wide range of insurance clients across the UK, US, Europe and Asia Pacific.

Our dedicated insurance solutions team includes highly experienced insurance actuaries with detailed knowledge of regulation, as well as risk. As a result, the team can offer insurers deep insights across a range of areas:

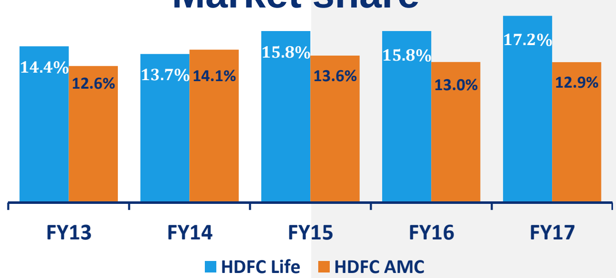
- Innovative insurance investment solutions to generate capital efficient returns in the current low-interest rate environment
- Insurance investment and hedging solutions to efficiently match guaranteed liabilities and manage risk
- Detailed knowledge of the very specific regulatory, client-servicing and operational aspects of insurance asset management
- Experience of developing and implementing transparent and capital efficient life insurance savings propositions, where financial risk and return are managed explicitly through the investment solution componentry provided by Aberdeen Standard Investments.

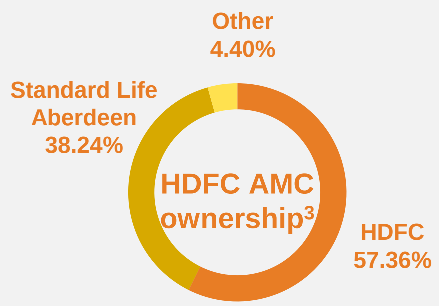
Our associate businesses in India

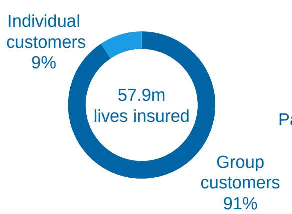
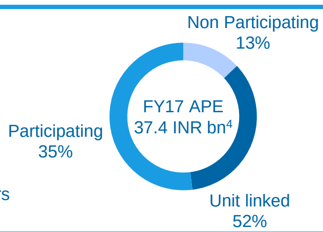
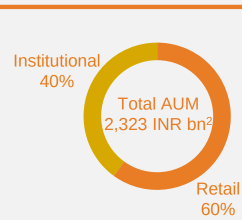
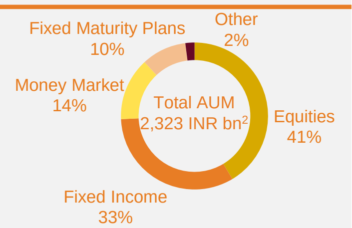
HDFC Life		HDFC Mutual Fund
2000	Established	1999
A leading private Indian life insurer – consistently ranked in top 3 for sales[1]	Leading market positions	Second largest mutual funds company in India[1,2]
H1 2017: £27m (H1 2016: £17m) 2016: £34m (2015: £21m)	Standard Life Aberdeen share of operating profit	H1 2017: £20m (H1 2016: £16m) 2016: £35m (2015: £31m)
2013	Paying dividends since	2002
2011	Last capital injection	2003
Embedded value[2]: 123.9 INR bn / £1.5bn Market cap[3]: 970 INR bn / £11.0bn	EV and market cap / AUM	Assets under management[2]: 2,323 INR bn / £28.7bn



Market share[1,4]

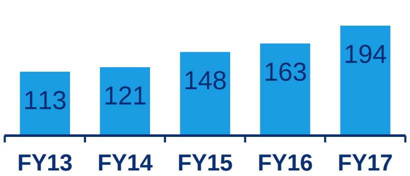




HDFC Life		HDFC Mutual Fund
41 products across protection, savings, pensions, health and annuities	Wide product range[5]	Manages 57 funds comprising fixed income, equity, gold, exchange traded funds and fund of funds
c400 branches, c12,000 partner branches and c58,000 individual agents. 5 key bancassurance partners including HDFC Bank and RBL Bank	Vast distribution networks[5]	Distributes through banks, national brokerages, IFAs as well as D2C. Serviced by 166 HDFC AMC branches and over 220 partner branches
A leader in technology – over 98% of policy applications through digital mediums and 70% of renewal payments through online channel[2]	Areas of leadership	Clear leader in equities – 18.25% of equity AUM in Indian market[2]
Over 57 million lives insured	Large customer base	Over 6 million accounts
 	Diverse mix of customers and products	 

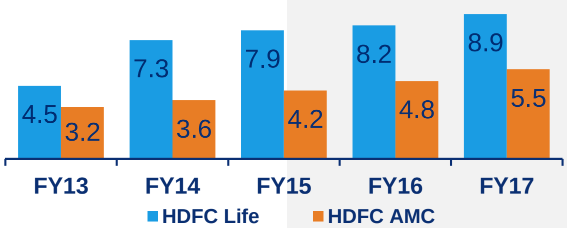
Strong growth in premiums

Total premiums INR bn[4]



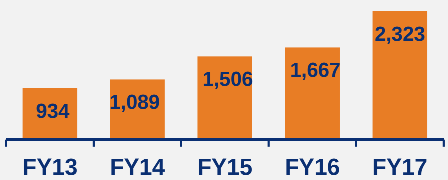
Strong growth in profits

Profit after tax INR bn[4]



Strong growth in AUM

AUM INR bn[4]



1. HDFC Life market share sourced from IRDAI. Market share measured as share of private market total premiums. HDFC AMC market share sourced from AMFI and measured as share of AUM. 2. As at 31 March 2017. 3. As at 16 January 2018. 4. Financial year for HDFC Life and HDFC AMC finishes on 31 March 5. As at 30 June 2017.

Standard Life Aberdeen

Investor Relations Newsletter

Winter 2018

Sustainability

Stephanie Leggett

Sustainability Development Manager

95th percentile ranking in Dow Jones Sustainability Index

In the Spring 2017 edition of the Investor Relations Newsletter we demonstrated how we embed long-term environmental, social and governance (ESG) considerations into our strategy and processes.

Click here to read our Spring 2017 Investor Relations Newsletter

As an investment company, we aim to hold ourselves to the same standards we expect of investee companies as we believe that a focus on good governance and an active commitment to ESG responsibility creates long-term value for a business and its stakeholders.

"Understanding ESG risks and opportunities enables better informed investment decisions and enhances returns for our customers and clients"

Rod Paris
Chief Investment Officer

Our approach has once again been independently recognised through inclusion in the Dow Jones Sustainability Indices – Europe and World. Launched in 1999, the DJSI indices were the first global sustainability benchmarks and provide a key reference point for investors who integrate sustainability considerations into their portfolios.

In addition we have improved our ranking so that we are now 5th out of the 82 businesses assessed in our sector, giving us a 95th percentile ranking.

The important aspect for us is the assessment of ESG issues which are core to our business and which we have been focusing on as part of our sustainable business approach. We are especially delighted that we have achieved a best in class score for our responsible tax strategy demonstrating an approach that reflects all our stakeholders' interests. We also scored highly in the following areas:

- Customer relationship management
- Responsible investment and stewardship
- Risk management
- Environmental reporting
- Community programmes and strategy

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

MiFID II: Payment for research

Aberdeen Standard Investments

Aberdeen have previously announced an annual research cost of £10m, with Standard Life Investments spending marginally more than this resulting in a c£25m impact from 2018 onwards

As announced in 2017, from 3 January 2018, Aberdeen Standard Investments will absorb all research costs to coincide with the new MiFID II legislation which came into effect on that date.

This follows a comprehensive review that extends the approach taken by Aberdeen Asset Management in 2017 to the newly combined entity. It demonstrates one of the immediate scale benefits from the merger by applying the highest standards towards research for the benefit of all our clients across the globe.

Aberdeen Standard Investments is a global company, with active investment management across Equities, Fixed Income, Real Estate and Multi-asset solutions. External research is an important and valuable input to our exceptional in-house research capabilities and we remain committed to our portfolio management teams' ability to maximise active research insights across regions and asset classes for the benefit of all clients.

Aberdeen Standard Investments looks forward to contributing to the dialogue among our peers, clients, research providers and regulators to facilitate greater transparency in this area.

Press release

Standard Life Pensions and Savings

1825 acquires Cumberland Place Financial Management

3 January 2018

1825 announces it has entered into an agreement to acquire Cumberland Place Financial Management Ltd with assets under advice of c£400m.

Read more

RNS

Standard Life Aberdeen plc

AUMA and flows update

15 December 2017

Total AUMA was stable at £646.2bn (31 December 2016: £647.6bn). Within total AUMA, Aberdeen Standard Investments assets under management were £569.7bn (31 December 2016: £580.6bn) while Standard Life Pensions and Savings assets under administration increased to £182.3bn (31 December 2016: £171.6bn).

Read more

Press release

Aberdeen Standard Investments

Aberdeen Standard Investments European Logistics Income PLC raises £187.5m via IPO

13 December 2017

Aberdeen Standard Investments is pleased to note the announcement by Aberdeen Standard European Logistics Income PLC. The company raised £187.5m of equity by way of an Initial Placing and Offer for Subscription.

Read more

Press release

Aberdeen Standard Investments

Aberdeen Standard Investments obtains private securities fund management approval in China

6 December 2017

Aberdeen Standard Investments, announces today that its wholly foreign-owned enterprise (WFOE), Aberdeen Asset Management (Shanghai) Co. Ltd, has secured registration as a private securities investment fund manager with the Asset Management Association of China (AMAC).

Read more

RNS

Standard Life Aberdeen plc

Proposed IPO of HDFC AMC

30 November 2017

The Company notes that on 30 November 2017, the Board of Directors of HDFC AMC approved an enabling resolution for an IPO of HDFC AMC. It is anticipated that the IPO will be by way of an offer for sale of its shares by HDFC Limited and Standard Life Investments such that they maintain a post IPO shareholding of at least 50.01% and 24.99% respectively.

Read more

Press release

Standard Life Pensions and Savings

Celebrating five years of pensions auto enrolment

14 November 2017

In October we celebrated an important milestone in our journey – five years of auto enrolment. One in eight of the over eight million UK employees auto enrolled in pensions since it started in October 2012, are saving with us).

Read more

Press release

Standard Life Pensions and Savings

Standard Life adviser platforms combined AUA breaks through £50bn

9 November 2017

Standard Life today announces that the combined assets under administration (AUA) for its adviser platforms now exceed £50bn, benefiting from net inflows of £6.7 billion over the twelve months to 30 September 2017.

Read more

Press release

Aberdeen Standard Investments

Launch of Global Short Duration Corporate Bond Fund – Reducing Interest Rate Risk

2 November 2017

As many of the world's central banks begin to move away from extraordinary monetary policy settings, investors are growing increasingly wary of the effect of rising interest rates on their fixed income investments. By launching the Global Short Duration Corporate Bond Fund we hope to help investors overcome this challenge.

Read more

Press release

Standard Life Aberdeen plc

Standard Life Aberdeen named as one of the best employers for race

1 November 2017

Standard Life Aberdeen is proud to be named by Business in the Community as one of the UK's Best Employers for Race.

Read more

Press release

Aberdeen Standard Investments

Aberdeen Standard Investments Raises £350m from UK pension funds at first close on a secured credit fund

30 October 2017

Aberdeen Standard Investments has completed its first round of capital raising for The Secure Income & Cash Flow strategy aims to deliver a reliable stream of cash flows by investing in a diversified portfolio of infrastructure debt, commercial real estate debt, private placement bonds and other areas of private credit.

Read more

Press release

Aberdeen Standard Investments

Aberdeen Standard Investments Raises $428m from UK and North American Investors for Private Equity Secondaries Fund

27 October 2017

Global asset manager, Aberdeen Standard Investments has completed the fund raising for the SL Capital Secondary Opportunities Fund III (SOF III). The total raised is $428m from 31 investors which is above the target of $400m and considerably higher than its predecessor fund, SOF II, which secured $291m of commitments.

Read more

Press release

Standard Life Pensions and Savings

1825 acquires Fraser Heath Financial Management

19 October 2017

1825, Standard Life's wholly-owned financial planning business, today announces it has entered into an agreement to acquire Bristol-based Fraser Heath Financial Management, with assets under advice of £352m.

Read more

Press release

Aberdeen Standard Investments

Investing with Impact

18 October 2017

Standard Life Investments has today launched its first impact product, the Global Equity Impact Fund, co-managed by Sarah Norris and Dominic Byrne. Impact investing involves investing in companies that have the intention of generating measurable positive social and environmental impact alongside financial returns.

Read more

Press release

Standard Life Pensions and Savings

We're helping to improve potential outcomes for over a million of our pension customers

17 October 2017

Over the last decade the pensions landscape has fundamentally changed, from auto enrolment to pension freedoms. These new policies have moved risk and responsibility to employees and employers – increasing flexibility but also complexity.

Read more

RNS

Standard Life Aberdeen plc

Publication of a prospectus

16 October 2017

Prospectus dated 16 October 2017 relating to the issue of US$750,000,000 4.25 per cent Fixed Rate Reset Subordinated Notes due 2048 by Standard Life Aberdeen plc as issuer.

Read more

Press release

Standard Life Aberdeen plc

Inspiration Awards 2017 – recognising our inspiring people

15 September 2017

On Thursday 14 September 2017, we held our fourth annual Inspiration Awards and our first as Standard Life Aberdeen. Our nominated finalists from across the globe attended a special celebration at the Mansfield Traquair in Edinburgh to celebrate their fantastic achievements.

Read more

Press release

Aberdeen Standard Investments

Aberdeen Standard Investments Receives Star-Studded GRESB Assessment

11 September 2017

Aberdeen Standard Investments has achieved a combined total of 21 'Green Stars' in the 2017 GRESB Real Estate Assessment*. It's the highest number of stars awarded to any participant in this year's assessment.

Read more

Press release

Standard Life Pensions and Savings

1825 extends leadership team as it prepares for next stage of growth

6 September 2017

1825 today announces changes to further strengthen the capacity and capability of its senior leadership team as the business enters the next stage of its growth. Steve Murray is taking up the newly created position of Chairman. Julie Scott, currently Chief Operating Officer, will take on the role of CEO.

Read more

Press release

Aberdeen Standard Investments

Aberdeen Standard Investments names new head for China

21 August 2017

Aberdeen Standard Investments is pleased to announce that Amy Wang will be joining on 1 September 2017 as general manager of its Wholly Foreign Owned Enterprise (WFOE) Aberdeen Asset Management (Shanghai) Co. Ltd., and its senior representative in China, based in Shanghai.

Read more

Press release

Standard Life Aberdeen plc

Merger of Aberdeen Asset Management and Standard Life completes

14 August 2017

The merger of Aberdeen Asset Management PLC and Standard Life plc has completed today to form Standard Life Aberdeen plc, one of the world's largest investment companies with assets under administration of £670bn. The deal between the two companies was first announced on 6 March 2017.

Read more

RNS

Standard Life Aberdeen plc

Directorate Change

14 August 2017

Further to the announcement of the completion of the merger of Standard Life and Aberdeen Asset Management and as previously announced in the Prospectus and the Circular published in connection with the Merger on 9 May 2017, Standard Life Aberdeen confirms the composition of its new Board.

Read more