

October 2018

# Introduction to Aberdeen Standard Investments

Broad capabilities aiming to deliver solutions to meet client needs

**This communication is intended for professional investors only and must not be relied on by anyone else.**  
Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

# Client focused world class asset manager

## Our credentials



### Focused on close alignment with our clients' needs and expected outcomes

- Total focus on supporting our clients across all aspects of their business, from investment strategy to portfolio modelling and execution
- Delivering 'solutions' in a governance-friendly format
- Core and collective investment beliefs to deliver better outcomes for our clients



### Positioned to meet global demand for next generation investment solutions

- Committed to active management with expertise and scale in key areas of growing client demand
- Breadth and depth of investment capabilities applied through 1,000 investment professionals
- Evidenced through range of consultant and Morningstar ratings



### Distribution footprint allowing for enhanced proximity to clients

- 52 office locations globally with clients in 80 countries
- Broad range of powerful strategic relationships across the world
- Supporting multi-faceted clients including Insurance, Pensions, SWF, Wealth and Wholesale



### Scale to invest, attract talent and deliver value and efficiency

- Constant innovation in areas of next-generation client demand
- Culture focused on delivering cost-effective outcomes to clients
- Scale to support consistent investment in technology to improve efficiency and service for clients

Source: Aberdeen Standard Investments, 30 June 2018

# Core and collective investment beliefs

To deliver better outcomes for our clients

We believe:



**High quality research** and  
fundamental investment  
understanding underpin  
sustainable outperformance



**Connected teams** deliver  
better investment results  
and innovation



In generating **positive  
outcomes** and performance

Source: Aberdeen Standard Investments, 30 June 2018

# Across broad, deep and diverse investment capabilities

## A broad range of asset class capabilities

### AUM breakdown

>1,000

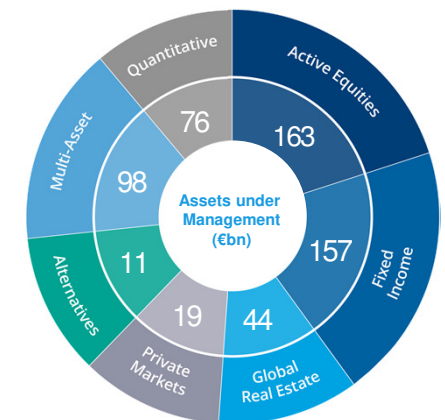
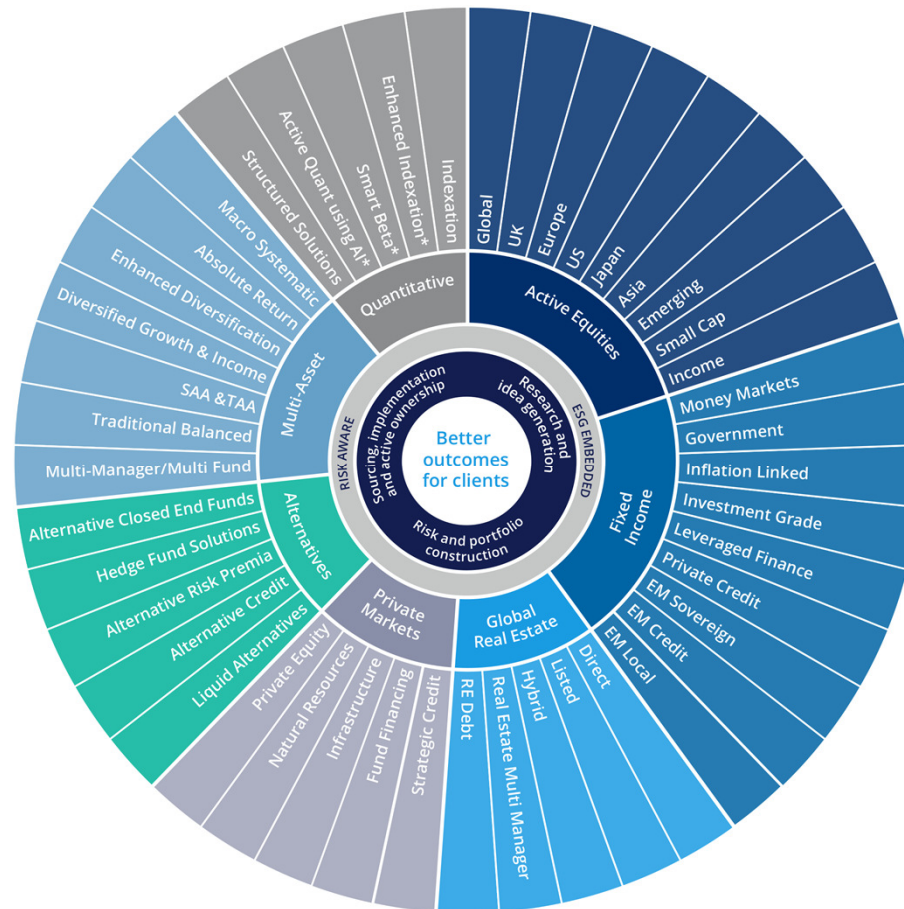
Investment professionals

>20

Countries investment managers are in

€630bn

Assets under management



\*1) Enhanced indexation = BETTER Beta ; \*2) Smart beta = SMARTER Beta \*3) Active quant using AI = DISCOVER Alpha  
 Source: Aberdeen Standard Investments, 30 June 2018. AUM breakdown does not include cash/liquidity assets of circa €60bn  
 An exchange rate of £1:€1.13079 as of 30 June 2018 has been used throughout this presentation unless otherwise stated.

# Holistic capabilities to guide clients on their investment journey

## Examples of services we currently provide to our clients



Portfolio design  
and modelling



Benchmark  
modelling



Governance framework  
and design implementation



Asset liability  
(goal) management



Portfolio construction  
and optimisation



Risk modelling  
and scenario analysis



Strategic and tactical  
asset allocation



Macro research



Manager research  
and selection



Bespoke ESG solutions



Reporting (investment,  
regulatory, performance)



Education

Source: Aberdeen Standard Investments, 30 June 2018

# ESG integral in everything we do

Generating better outcomes for clients and producing a positive impact on society

## ESG Investment philosophy:

- Our primary goal is to generate the best **long-term outcomes** for our clients
- We see ESG factors as being **financially material** and impacting corporate performance
- We focus on **understanding the ESG risks and opportunities** of our investments alongside other financial metrics to make better investment decisions
- We actively undertake **informed and constructive engagement** and asset management to generate better performance from our investments. This helps enhance the value of our clients' assets. We **engage, manage and vote** for either insight or influence

## ESG Resource



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>20

Central team members

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>30

Asset class analysts  
and champions

Source: Aberdeen Standard Investments, 30 June 2018



## Asset class capabilities

# Better outcomes for clients

## Showcasing our core asset class capabilities



Source: Aberdeen Standard Investments



# Active Equities

‘Disciplined, high-conviction, fundamental investment aims to delivers superior outcomes for clients’

## We believe

- Fundamental research aims to deliver insights to exploit market inefficiencies and identify the best investment opportunities for client portfolios
- Active engagement and effective analysis of environmental, social and governance issues (ESG) mitigates risks and identifies companies most likely to outperform over the longer term
- Teamwork and collaboration are the keys to delivering superior results

## Key strengths

€163bn

AUM

>140

Investment professionals

ESG

Integrated into process

10 countries

Equity team are present in

c.3,000

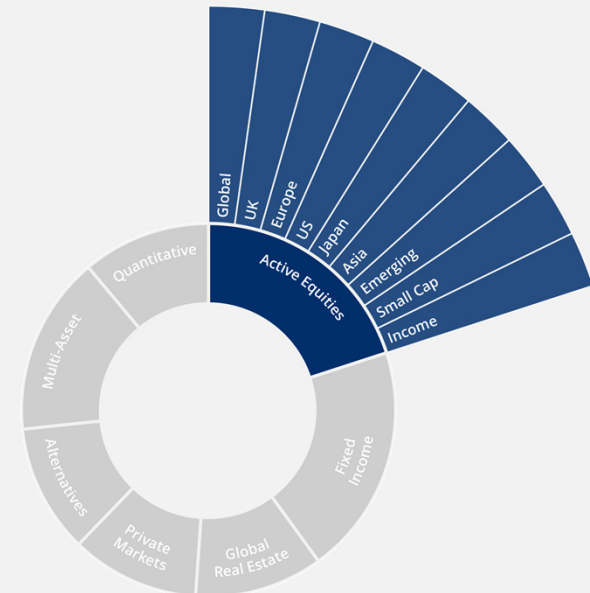
Stocks under coverage

c.7,500 p.a.

Company meetings

Proprietary  
fundamental  
research

## Capabilities



Source: Aberdeen Standard Investments, 30 June 2018

# Fixed Income

‘Our approach is based on research-driven, team-based active management’

## We believe

- Proprietary research and local expertise delivers better performance
- Company and country fundamentals ultimately drive credit spreads
- Fundamental, bottom up stock/country analysis should drive stock selection decisions
- Integrated and team-based decision making connects regional and sector risk-taking expertise with research output
- This is best delivered by a global research network that pulls in debt and equity perspectives, the macro and liquidity environment and ESG considerations

## Key strengths

€157<sub>bn</sub>

AUM

>140

Investment professionals

Client driven outcomes

11 countries

Global team presence

100

Researchers

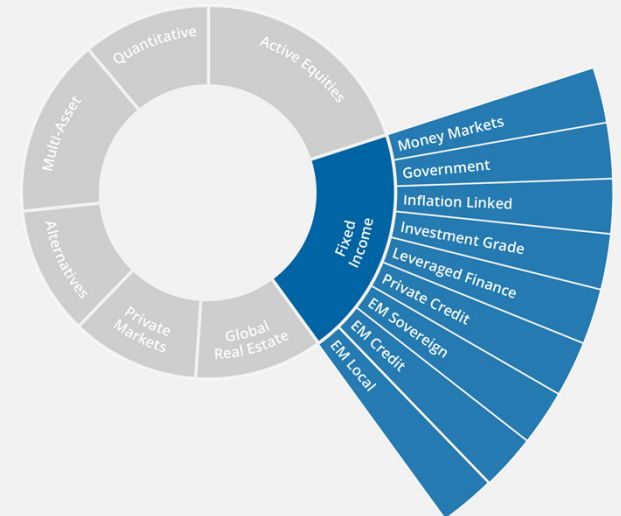
40 strategies

Breadth of capabilities

Consultant related

Team and process

## Capabilities



Source: Aberdeen Standard Investments, 30 June 2018

# Global Real Estate

‘Our approach to real estate is global, but implemented locally’

## We believe

- Our scale as one of the largest real estate managers globally drives credibility, deal flow and our ability to provide a one-stop shop for clients
- That collaborative research enables us to build high conviction portfolios and unlock long term value from real estate across the risk spectrum
- Local presence in markets is key for the provision of strong local insight and investment opportunities
- Fully integrating ESG into our investment process can help us to maximise the performance of our real estate assets and minimise exposure to risk

## Key strengths

€44<sub>bn</sub>

AUM

>270

Investment professionals

1,600

Properties managed

11 countries

Global team presence

Top 20\*

Global rating

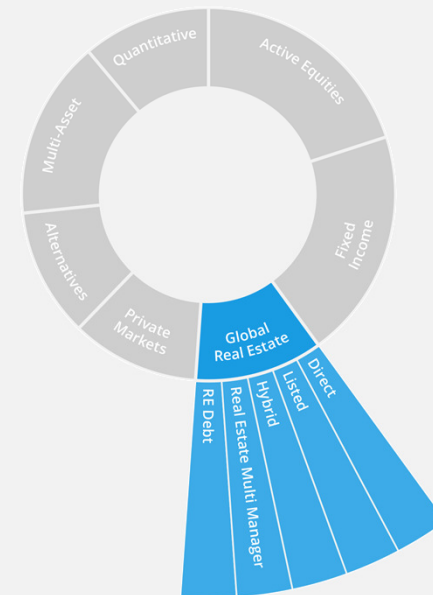
Proprietary research

and insight

Innovative solutions tailored

to investors' goals

## Capabilities



Source: Aberdeen Standard Investments, 30 June 2018 \* Source: IPE Research as at 2017

# Private Markets

‘Providing excellent capital growth, income generating or risk adjusted outcomes’

## We believe

- High quality research, fundamental investment insights and strong origination underpin sustainable outperformance
- Connected, collaborative teams deliver better private markets investment outcomes by harnessing their collective expertise
- Embedding ESG into the investment process is key to being an active and engaged manager of private markets assets
- Through the above, we can generate positive outcomes for our clients

## Key strengths

€19<sup>bn</sup>

AUM

>120

Investment professionals

>500

Investors in client network

10 countries

Global team presence

Global private markets ranking

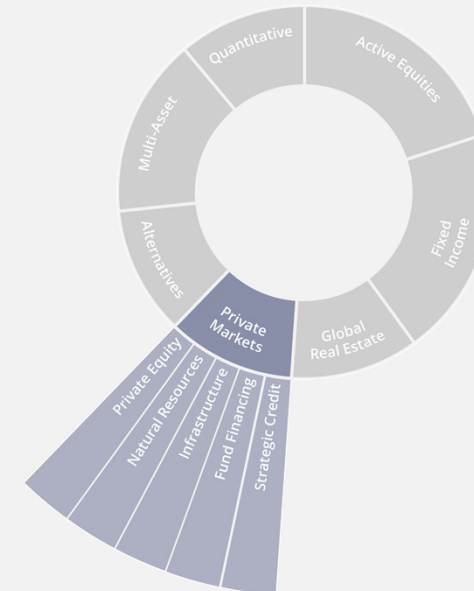
Top 10

manager

400 seats

Advisory board positions

## Capabilities



Source: Aberdeen Standard Investments, 30 June 2018

# Alternative Investment Strategies (AIS)

‘We create and manage outcome-oriented portfolios of alternative strategies’

## We believe

- Markets are inefficient, dynamic and, in some cases, just emerging. Alternative strategies can access areas typically not exploited by traditional investors
- Alternatives can generate returns that are independent of the equity risk premium, or interest rates, proving diversification benefits and additional ways to generate both growth and income
- Our disciplined and proven research-driven investment process allows us to identify and access these opportunities on behalf of our clients
- Our scale and reputation enables us to provide innovative solutions and maximise opportunities for our clients

## Key strengths

€11bn

AUM

27

Investment professionals

Award winning

Innovative solutions

>20 years

AIS experience

2,000

Active engagement interactions p.a.

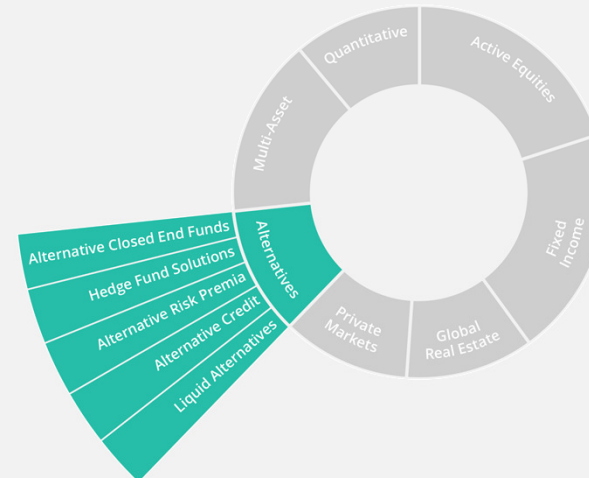
20yrs old

Flagship comingled fund

London and New York

Global reach hubs

## Capabilities



Source: Aberdeen Standard Investments, 30 June 2018



# Multi-Asset

‘We seek to provide better, more predictable outcomes for investors’

## We believe

- Broadening and diversifying the investment universe through multi-asset investing can enhance return potential and reduce volatility
- Most investors are not seeking to out-perform an index: their priority is more likely to be growing and preserving wealth or generating income
- Scale and experience are vital to deliver the type of flexible, innovative solutions clients increasingly demand
- Access to a global team of >1,000 investment professionals, covering a range of areas enables us to meet the needs of a broad range of investors

## Key strengths

€98bn

AUM

>150

Asset class experts

Global  
team

Europe, US and Asia

16 years

Average industry  
experience

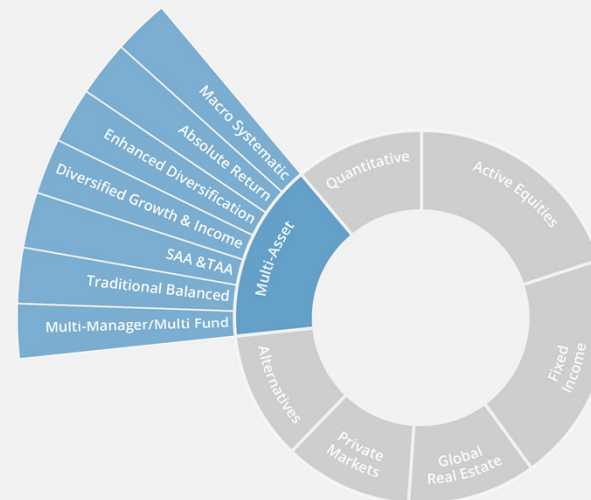
Industry  
leading

risk management

>1,000

Leveraging ASI  
experience from  
Investment  
professionals

## Capabilities



Source: Aberdeen Standard Investments, 30 June 2018

# Quantitative Investment Strategies

## ‘Experts in proprietary multifactor investing’

### We believe

- Capital markets are not efficient which presents many opportunities for systematic, disciplined investors to outperform
- Innovative research that blends creativity with modern financial theory and statistical techniques is the foundation of a successful investment process
- A systematic approach to investing that combines pragmatic thinking with quantitative techniques is likely to generate persistent and attractive risk-adjusted returns
- Attention to risk and smarter implementation preserves and can enhance performance
- As a responsible investor, integrating Environmental, Social, and Governance (ESG) helps promote competitive financial returns and has a positive societal impact

### Key strengths

€76bn

AUM

>30

Investment professionals

Experienced team

Formed in 2005

>10 years

Track record in multifactor investing

Broad skillset

Economics, statisticians, actuaries

Risk management

On desk analytics

ESG

Integrated into process

### Capabilities



\*1) Enhanced indexation = BETTER Beta ; \*2) Smart beta = SMARTER Beta  
 \*3) Active quant using AI = DISCOVER Alpha

Source: Aberdeen Standard Investments, 30 June 2018

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