

Together

we invest
for a better
future

Standard Life  **Aberdeen**

Shareholder News April 2020

At a glance



In uncertain times, we have anchored our business with a common and unifying purpose to ensure that we deliver good financial outcomes responsibly, taking into account the concerns and aspirations of all our stakeholders.

Sir Douglas Flint, Chairman

Our purpose

Together we invest for a better future.

We do it to make a difference to the lives of our clients and customers, our employees, society and our shareholders.

We meet the evolving needs of investors and savers.

We do this by building lasting relationships and developing innovative products and services. We offer:

- Active asset management to institutional, wholesale and strategic insurance clients
- Wealth management, financial planning and advice services, either directly to customers or through financial advisers.

We also have significant holdings in associate and joint venture businesses: Phoenix in the UK, HDFC Life and HDFC Asset Management in India, and Heng An Standard Life in China.

Our business

Headquartered in Scotland

A FTSE 100 company

6,000 employees globally

Offices in over 50 locations

One million individual shareholders

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We are innovating to meet our customers' and clients' needs, investing in our culture and championing positive change for society and the environment. We remain financially strong and resilient, delivering sustainable value for shareholders.

Keith Skeoch, Chief Executive

Financial highlights

Fee based revenue

£1,634m

2018: £1,868m

Investment performance (AUM above benchmark over 3 years)

60%

2018: 50%

Cost/income ratio

71%

2018: 68%

IFRS profit/(loss) before tax

£243m

2018: (£787m)

Adjusted profit before tax

£584m

2018: £650m

Adjusted diluted earnings per share

19.3p

2018: 17.8p

Full year dividend per share

21.6p

2018: 21.6p

Assets under management & administration (AUMA)

£544.6bn

2018: £551.5bn

Non-financial highlights

Clients and customers

2020 Defaqto ratings

- Gold rating for service Wrap, Elevate and Parmenion
- 5-star rating for bespoke portfolio management and managed portfolio service Aberdeen Standard Capital

2019 Financial News Asset Management Awards

- Asset Management Innovation of the Year

Best performing trusts of 2019

- Standard Life UK Smaller Companies and Aberdeen Smaller Companies (both top 10 trusts)

People

Employee engagement survey

- Actions in place to address feedback from 2018 survey

Hampton-Alexander Review 2019 – FTSE100 gender representation

- 10th position and most improved company

Society

FTSE4Good

- Ranked in top 4% of companies

Dow Jones Sustainability Indices (DJSI)

- Ranked in top 4% of companies in our sector

Our strategic drivers | The foundations from which we deliver for all our stakeholders.



High impact intelligence

Harness our intellectual capital, emotional intelligence and data to generate best in class impact.



Enduring relationships

Deepen our understanding of customers and clients to ensure we exceed their expectations and build relationships that last.



Connections without borders

Bring the best of our business to all our markets by constantly connecting our people, capabilities and assets to deliver a seamless proposition.



Future fit

Build a strong organisation, positioned for growth and ready to anticipate and meet the challenges of tomorrow.

Creating and preserving stakeholder value

For clients and customers

We focus on delivering outcomes that truly matter to our clients and customers, and are committed to active asset management. We draw on expertise and insight from our teams around the world to deliver long-term investment performance.

Our platforms and wealth management services help us respond to increasing demand for financial advice and guidance, and provide advisers with technology to support their customers effectively.

For our people

We aim to provide a market-leading proposition for our people. We have made significant steps in developing new UK terms and conditions and harmonised policies that are fair and consistent.

We are committed to investing in attracting, retaining and developing talent at every career stage, and we offer development opportunities that link to our business needs.

Our aim is to understand our people's diverse perspectives and reflect their views in how we operate, through an inclusive and unifying culture.

For society

We have important responsibilities to society and the environment.

Through active engagement with the companies in which we invest, we maintain constructive relationships that help us understand their risks and opportunities, and positively influence their business practices. By investing responsibly, we play an important role in financing the transition to a low-carbon economy, limiting environmental damage, protecting human rights and promoting fair work and pay.

We apply the same principles to our own corporate practices.

For shareholders

By combining diverse revenue growth from asset management, platform and wealth capabilities with a strong balance sheet and careful management of our costs, we can create sustainable shareholder value over the long term. The sale of part of our holdings in HDFC Life and HDFC Asset Management has strengthened our capital position.

We have a strong track record of returning value to shareholders, which includes the payment of dividends and share buyback activity.

Our simple business model is designed to create value and deliver long-term sustainable benefits to all our stakeholders. Read more about this in our Annual report and accounts 2019 at www.standardlifeaberdeen.com/annualreport

Our role in society

We aim to take a lead role in addressing key societal issues. We do this through our investment approach, innovative products and services, and running programmes that help us engage with and support communities and charitable causes.

We promote global economic development that is sustainable for the planet and society. As a signatory to the UN Global Compact, we integrate the UN Sustainable Development Goals into our business. These goals offer a clear shared vision for a better future, and a framework that helps us align to client and customer interests.



Collaborating on solutions to social issues

We aim to provide investment strategies that reflect society's concerns about key issues, and promote societal as well as financial returns. We collaborate with Big Issue Invest, the social investment arm of The Big Issue, and an example of our work with them is our UK Impact Employment Opportunities Equity Fund.

Our company is also one of four organisations piloting the Living Wage Foundation's 'Living Hours' programme – a new standard for ensuring more certainty over working hours, and more predictable work patterns and pay.

Our impact through charitable giving

During 2019 we reviewed the social and environmental impact of our approach to charitable giving. Combined with data from measurement of past community investment programmes and philanthropy, we conducted stakeholder interviews and analysed activities taking place externally.

Some of the key charity partnerships we've had in recent years – helping to promote issues such as wellbeing and social inclusion – have highlighted the significant value they get from our strategic support and in-kind expertise.

Additionally, there is clear demand from our people and the public for us to do more to respond to climate and ecological breakdown. We aim to reflect the insights built up in our new social and environmental impact strategy later in 2020.

Investing responsibly

For over two decades, we have led the way in embedding environmental, social and governance (ESG) considerations throughout our investment activities. We believe this allows us to make better investment decisions, leading to better outcomes for our clients and customers.

We expect the companies in which we invest to be good corporate citizens, and by actively engaging with them we aim to encourage best practice and drive positive change. Where we believe we need to encourage change we aim to do so through extensive dialogue, engagement, voting and other stewardship tools depending on the asset class.

In 2019, we challenged, advocated, or made recommendations to companies around the world on topics including climate change and the transition to a low carbon economy, executive remuneration, deforestation, labour practices, plastics recycling and board composition.

Tackling climate change

The risks of climate change, and the implications for individuals, businesses and investors, are increasing. The Taskforce on Climate-Related Financial Disclosures (TCFD) encourages company disclosure of material climate-related risks and opportunities. We are fully supportive of the recommendations and have published our first TCFD report, detailing our approach.

Through our operations and investments, we have a strategy to support the transition to a low-carbon future. We believe that understanding climate-related risks and opportunities leads to better investment decisions. Providing climate-related research and data to understand its financial materiality is a core part of our strategy.

Operationally, we focus on the material areas of our carbon footprint and have long-term targets to reduce our emissions. We have pledged to offset our entire footprint in 2020, by supporting projects around the world that help to reduce carbon emissions – such as renewable energy and social impact projects.

 Read our corporate sustainability report and our TCFD report at www.standardlifeaberdeen.com/annualreport

2020 AGM

Our 2020 Annual General Meeting will be in Edinburgh on Tuesday 12 May at 11am (UK time). Your Board recommends voting 'For' all this year's resolutions.

This year our AGM is in Edinburgh at the Assembly Rooms, 54 George Street, EH2 2LR. You can read about transport options in the AGM guide 2020 available at www.standardlifeaberdeen.com/agm

How do I vote?

If you're not planning to come to the AGM, you can vote by post or online. If you choose to use your paper voting form, please complete it and post it back to us. Or, you can go online and vote at www.standardlifeaberdeenshares.com. You don't have to log in to do this, there is an easy 'quick vote' option. If you are coming to the AGM and you're a Standard Life Aberdeen Share Account holder, you'll need to nominate yourself as the proxy on either the paper or online form before coming to the meeting.

You'll find detailed voting instructions in the AGM guide 2020, which we recommend you read – available at www.standardlifeaberdeen.com/agm

When can I vote?

Online and postal voting opens on Wednesday 1 April 2020 and closes at 6pm (UK time) on Thursday 7 May 2020.

Your dividend

Your Board is proposing a final dividend of 14.3p. Subject to shareholder approval at the Annual General Meeting, this would give a total dividend for 2019 of 21.6p. If approved this is due to be paid to shareholders on Tuesday 19 May 2020. To find out more about our AGM, voting, and your dividend visit us online at www.standardlifeaberdeen.com/agm from 1 April 2020.

Resolution 16

At this year's AGM, we will ask you to vote on a resolution to amend our articles of association – resolution 16. We believe it's important to have the ability to modernise and look towards the future, bringing us in line with other large companies. We recommend you read the resolution carefully – you'll find more information in the AGM guide 2020 available at www.standardlifeaberdeen.com/agm

Your statements are changing

Going forwards, your quarterly statements will be online only – this will help us to reduce our impact on the environment, and to keep costs down. We will still provide you with a statement each year with your AGM communication, in line with your delivery preference.

Your statements for the rest of the year will be available on the share portal at www.standardlifeaberdeenshares.com – log in and go to the personal documents section of the website. They will be available on the following dates:

Statement dates	
Q2 statement	12 June 2020
Q3 statement	14 September 2020
Q4 statement	14 December 2020

Important dates for 2020

1 April

AGM voting opens

29 April

Last date for DRIP elections for 2019 final dividend

12 May

Annual General Meeting (AGM)

7 August

Half-year results

9 September

Last date for DRIP elections for 2020 interim dividend

3 April

Record date for 2019 final dividend

7 May

AGM online and postal voting closes 6pm (UK time)

19 May

2019 final dividend due to be paid

21 August

Record date for 2020 interim dividend

29 September

2020 interim dividend due to be paid

Directors – have your say

Your Directors will be seeking re-election at this year's AGM, with the exception of Jonathan Asquith, Brian McBride and Cecilia Reyes who will be seeking election for the first time. Shareholders can vote online from Wednesday 1 April 2020 – visit www.standardlifeaberdeenshares.com



Sir Douglas Flint



Jonathan Asquith



Stephanie Bruce



John Devine



Melanie Gee



Brian McBride



Martin Pike



Cathleen Raffaeli



Cecilia Reyes



Jutta af Rosenberg



Keith Skeoch

Full biographies are available for all members of your board in our AGM guide. The guide can be viewed online at www.standardlifeaberdeen.com/agm

Contact us

Got a shareholder question?

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

Also a customer?

If you need to update any of your details, remember shareholder and customer information are maintained separately. You will find contact details on www.standardlifeaberdeen.com/contact-us or on any literature you've been sent in the post or by email.

This information is written for the majority of Standard Life Aberdeen plc shareholders, including those who have a share certificate or hold their shares in the Standard Life Aberdeen Share Account. Although much of the information will be relevant to all shareholders, some details will not be relevant for everyone.

Please remember that the value of shares can go down as well as up and you may not get back the full amount invested or any income from it. All figures and share price information have been calculated as at 31 December 2019 (unless otherwise stated).
