

June 2020

Navigating to your DB endgame

A flexible pooled fund range



We have launched a range of pooled Buy & Maintain Credit Funds and pooled LDI Profile Funds to extend our Liability Aware pooled fund offering.

As DB pension schemes mature and turn cashflow negative, there is a sharper focus on investing for the endgame, be that an insurance company buy-out, self-sufficiency, or transfer to some form of consolidation vehicle.

As schemes continue along their de-risking journey, there is typically an increased focus on generating income to meet benefit payments and refining hedging precision (to reduce residual interest rate and inflation risks).

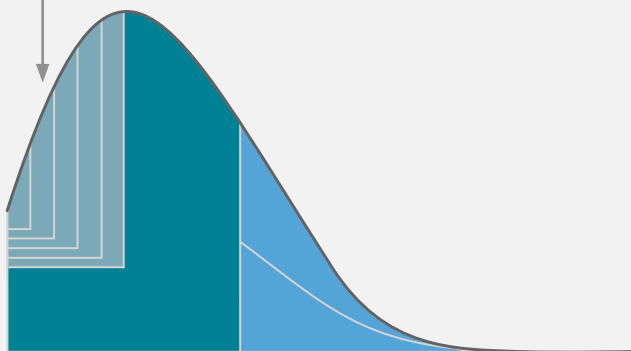
For larger pension schemes, a segregated approach may be appropriate, however for small to medium sized pension schemes, a pooled solution may be more suitable.

Our Liability Aware fund range now includes a series of pooled Buy & Maintain credit funds and pooled LDI profile funds. The fund range allows pension schemes to create a bespoke solution to meet their specific objectives by combining allocations across the fund range.

Pooled Buy & Maintain Credit Funds

Range of seven pooled funds, which each invest in a well-diversified portfolio of high quality corporate bonds (overall A rating), providing income to pension schemes to help meet their benefit payments.

Five three-year buckets investing in sterling corporate bonds at outset, allowing schemes to tailor their cashflow requirements out to 15 years.



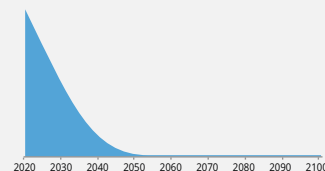
Two longer-dated buy & maintain credit funds (nominal and real versions) investing in corporate bonds (including non-sterling bonds to ensure a well-diversified portfolio) which will mature from 2035 to 2049.

Pooled LDI Profile Funds

Building on our Integrated Liability Plus Solutions, we have developed a range of six pooled LDI profile funds (with a gilt-based benchmark) which roll down over time, providing a low cost and low governance approach to hedge interest rate and inflation risks.

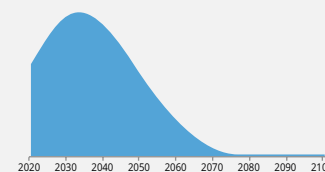
Short Profile Nominal Fund
c.10 year duration, 5x leverage

Short Profile Real Fund
c.10 year duration, 5x leverage



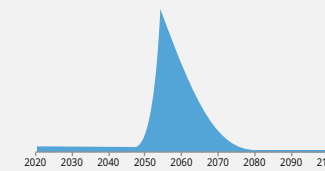
Nominal Profile Fund
c.19 year duration, 3x leverage

Real Profile Fund
c.21 year duration, 3x leverage



Long Nominal Profile Fund
c.32 year duration, 2x leverage

Long Real Profile Fund
c.39 year duration, 1.5x leverage



Why partner with Aberdeen Standard Investments?

Pooled Buy & Maintain funds

- **Proven investment process** – robust fundamental security selection process, with Environmental, Social and Governance (ESG) principles embedded
- **Strong track record** of avoiding defaults and downgrades, with £22.3 billion in Buy & Maintain mandates
- **Deep and broad credit team** – a 170-strong fixed income team managing over £130 billion

Pooled LDI profile funds

- **Highly experienced team** – managing over £50 billion notional in Liability Aware mandates
- **Low funding costs** – our scale ensures access to top quality research, bank balance sheet and best prices for clients
- **Large and diverse derivative trading footprint** – helping us to deliver the optimal solution for our LDI clients

Supporting you at every stage

- **Client service** – our approach is constructed around developing partnerships with our clients and their advisers. We bring extensive experience, ensuring we deliver to the highest standard
- **Dedicated “Pensions Solutions” team** – consisting of actuaries and former investment consultants, the team brings significant experience in working with pension schemes, sponsors and their advisers
- **Modelling and scheme specific analysis** – working closely with scheme advisers, we can provide analysis, including how the strategy will naturally evolve as the scheme matures

Contact us

For more information please contact Mark Foster at mark.foster@aberdeenstandard.com or +44 (0) 131 372 0975

Important Information

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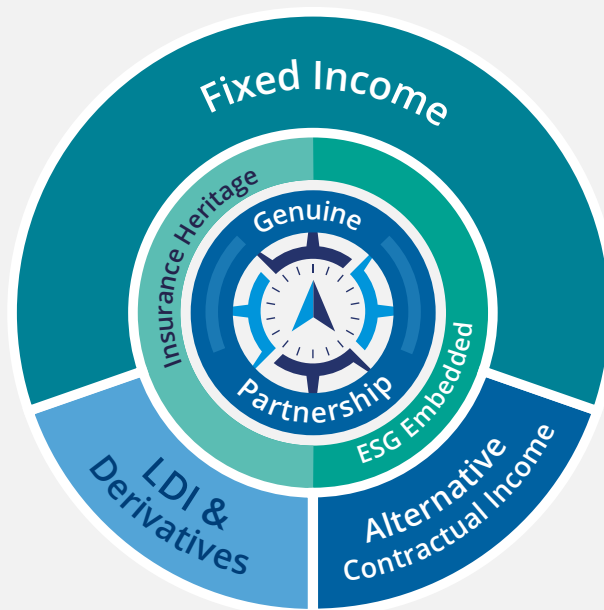
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ASI is ideally placed to work in partnership with you



Detailed scheme specific reporting

