

July 2021

Aberdeen Standard Core Infrastructure III

Overview

Aberdeen Standard Core Infrastructure III (“the Fund”) will invest in European mid-market, core and core-plus infrastructure assets. This infrastructure investment strategy aims to provide diversification benefits, an attractive return including income and a degree of inflation protection. It also offers a broad range of compelling asset-specific opportunities with strong environmental, social and governance (ESG) characteristics. The Fund aims to deliver to investors a net return of 8-10%, with an annual yield of 4-5%¹.

Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this Fund presents disproportionate communication on the consideration of non-financial criteria in its investment policy.

Why invest in core/core-plus European mid-market infrastructure?

Attractive characteristics

- Diversification – low or negative correlations to listed markets
- Attractive income – stable and predictable yield
- Inflation linkage – cash flows from many infrastructure assets are linked to inflation

Market opportunity

- Robust pipeline – European infrastructure offers ample opportunities, particularly in the mid-market, where competition is less acute than for large, ‘trophy’ assets
- Governments are looking to the private sector given stretched public finances
- ESG - multiple opportunities to support and accelerate decarbonisation across all sectors through ESG value creation initiatives.

Key attractions

8%-10% Net target return ¹	Small to mid-market focus	Stable and predictable 4-5% cash yield ¹
Leveraging active management to drive ESG focus	Diversifier with low correlation to listed markets	Experienced team with strong track record

Key Terms

Target fund size: €1bn	Management fee: 80bps on NAV with scale discounts (75bps for >€50m. 70bps for >€100m)
Vehicle: Luxembourg SCSp	First close discount: Additional 5bps reduction
Strategy : European small and mid-market Core and Core+ infrastructure assets	Performance fee: 10% carried interest over 7% hurdle capped at 12%, with additional 4% yield test
Target return: 8-10% net to investors with 4-5% yield ¹	
Fund term: 10 years (7 years post 3 year investment period) extendable at LP consent	

¹ Source: Aberdeen Standard Investments as at February 2021.

Target return and yield are offered as strategic goals and are not referenced to past performance. There can be no guarantee that target return and yield will be achieved.

Our Investment strategy and philosophy

- We invest in core/core-plus assets that provide essential services and benefit from predictable cash flows
- Long-term “buy-and-hold” approach with a focus on the following:
 - Mid-market assets (equity cheques €100-200m) in less competitive areas
 - Lower-risk assets that require limited operational development and utilising conservative leverage
 - Majority stakes or minority interests where we have appropriate governance rights
 - Assets that are aligned with our ESG principles and where we are able to drive further positive change through ESG value creation initiatives.

Sector Focus

	<ul style="list-style-type: none"> • District heating • Gas/electricity distribution • Transmission pipelines 	<ul style="list-style-type: none"> • Water & waste
	<ul style="list-style-type: none"> • Rolling stock • Ports 	<ul style="list-style-type: none"> • Regulated airports • Toll Roads
	<ul style="list-style-type: none"> • Renewables – solar, wind and hydro • CHP (heat/power generation) 	<ul style="list-style-type: none"> • Midstream/Liquid Bulk storage
	<ul style="list-style-type: none"> • Fibre • Data centres 	<ul style="list-style-type: none"> • Towers • Smart meters

Case Studies

Fund I and II investments have helped strengthen our deep sector expertise and generate a pipeline of future investment opportunities.

Rolling Stock

- Have invested over £2 billion across 4 fleets in the UK since 2016
- Strategic partnership with developer Rock Rail
- New fleets improved service reliability and customer experience. Emissions have been dramatically cut by replacing old diesel fleets with new, more efficient trains



Fibre

- First investment in the digital infrastructure space, facilitating the rollout of fibre broadband to 675,000 homes by 2025
- Most environmentally responsible way of transmitting data
- Roll-out of network supported by UK Government subsidies promoting wider access to high-speed broadband



Solar photovoltaics (PV)

- Largest owner of ground-mounted solar PV platform in Poland with total capacity of 385MW
- Revenues underpinned by 15-year guaranteed tariff under Poland's Contracts for Difference (CfD) regime
- This investment has led to an annual reduction in carbon emissions of 310,000 tonnes



District Heating

- Providing energy to over 100,000 commercial, industrial and residential properties across Finland
- Strong focus on sustainability, with an evolving fuel mix to focus on biomass and energy from waste
- This has resulted in more than a 50% reduction in carbon emissions in one of our assets



Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Track Record - Summary¹

Fund	Vintage	Commitments	Invested	%	Distributions	Average Net Yield	Valuation	Net TVPI	Gross IRR	Net IRR
SLCI I	2015	£516m	£527m ²	90.6% ³	£42.4m	4.5% ⁴	£592.6m	1.4x	10.1%	8.7%
SLCI II	2019	€669m	€463m	50%/78.5% ⁵	N/A	N/A	€345m	1.0x	5.3%	2.2%

Past performance is not a guide to future results. The value of investments, and the income from them, can go down as well as up and clients may get back less than the amount invested.

Fund I (2015 vintage)

- £516 million of committed capital
- Diversified portfolio of seven investments in the UK, the Netherlands, Finland and Norway. The assets include railway rolling stock, hydro, energy regulated utilities and midstream/liquid bulk storage
- A 8.7% net internal rate of return and a 4.5% average net yield⁴
- Limited impact from Covid-19, given focus on core and core-plus sectors with strong stable cash flows

Fund II (2019 vintage)

- €669 million of committed capital
- Seven investments made to date in Finland, Germany, Poland and the UK. These assets cover district heating, liquid bulk storage, solar, rolling stock and fibre broadband sectors
- 78.5% invested and committed generating positive net returns for investors and avoiding any J-curve
- Limited impact from Covid-19, given the focus on core and core-plus sectors with strong stable cash flows

Team

Experienced infrastructure team supported by wider resources of ASI.



Dominic Helmsley
Head of Infrastructure



Graeme Dunbar
Senior Investment Director



Roger Pim
Senior Investment Director



Soti Calochristos
Investment Director



Alex Anderson
Investment Director



Nicholas Flynn
Investment Director



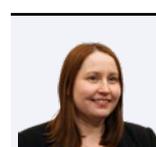
Sean Waring
Portfolio Director



Markku Ryymin
Portfolio Director



David Thompson
Global Head of Fund Structuring



Jill Hardie
Senior Structuring Adviser



Lauren Smith
Structuring Adviser



Helene Royoux
Senior Investment Manager



Albert Winid
Investment Manager



Lisa Tomaschek
Investment Manager



Mark Jackson
Investment Manager



Mika Paloranta
Portfolio Director



Victoria Heald-Barracough
Structuring Adviser



Alister Bankhead
Senior Investment Analyst



Sean McLoughlin
Senior Investment Analyst



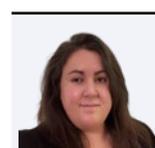
Simon Bird
Investment Analyst



Ailie Sproule
Personal Assistant



Renata Nemeth
Senior Fund Controller



Laura Dunne
Fund Controller



Lauren Irvine
Fund Controller

¹ As at 31 Dec 2020

² Following the original investment of £82.9m in September 2017, £41.0m of cost was returned in April 2018 as a result of the recapitalisation of the asset and immediately re-invested into the second transaction meaning the total Fund investment into Noordgastransport is £102.1m.

³ Net of recycling.

⁴ As at 31 Dec 2020.

⁵ Includes outstanding commitments.

Important Information

For professional investors only, in Switzerland for qualified investors only – not for use by retail investors.

Past performance is not a guide to future results. The value of investments, and the income from them, can go down as well as up and clients may get back less than the amount invested.

Fund specific risk factors

Liquidity Risk - The funds are closed-ended vehicles with 10-12 year terms with limited shorter term liquidity options for investors

Infrastructure investment risk

- Infrastructure covers a wide range of sectors and assets may have certain characteristics which have associated risks. These may include exposure to regulatory risk, risk of tax changes, interest rate sensitivity, FX exposure and demand risk. In addition because assets do not trade on public markets, valuation and pricing may be difficult to determine. Investors should have the financial ability and willingness to accept the risks and lack of liquidity associated
- Investors should have the financial ability and willingness to accept the risks and lack of liquidity associated with an investment in a closed-ended partnership
- More details of the risks applicable to this fund can be found in the Due Diligence Questionnaire (DDQ) which is available on request.

The fund, Aberdeen Standard Core Infrastructure III (ASCI III) is a Luxembourg SCSp. The General Partner of ASCI III will be SLIPC (General Partner Infrastructure II) s.à r.l., a private limited liability company (société à responsabilité limitée) incorporated in Luxembourg. The General Partner is a wholly-owned subsidiary of the Aberdeen Standard Investments group.

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Aberdeen Standard Investments Luxembourg S.A. ("ASIL" or the "Manager") is the 'alternative investment fund manager' of the Fund.

Standard Life Investments (Private Capital) Limited ("SL Capital" or the "Investment Manager") is the delegated portfolio manager of the Fund.

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