

We are
futurists

Standard Life  Aberdeen

Shareholder News April 2021

We are futurists

* fju.tjærst:
Systematically explores possibilities about the future and how they can emerge from the present

enabling our clients to be better investors

Message from the Chairman



“2020 was a year like no other. The COVID-19 pandemic touched every corner of society, affecting lives to an extent not experienced for generations, changing the ways we live and work. Resilience and adaptability were essential to our continuing to deliver for our clients and I am proud of the way the leadership of the company, with the support of all our colleagues, stepped up to meet the challenges.

It was also a year of further transition in our businesses as we welcomed Stephen Bird as our new Chief Executive Officer and, building on the transformation progress delivered following our merger and the sale of our UK and European insurance business, we tasked him with positioning the company for growth. This has generated a fresh excitement within the company, notwithstanding the difficult external environment.

I remain hugely optimistic for the future success of this business. With our leadership succession secured, a refreshed strategic focus, and investment in our growth vectors, innovation and talent, we have everything we need to meet the challenges and opportunities ahead and deliver for our stakeholders today, and in the future.”

Sir Douglas Flint, Chairman

2020 highlights

Investment performance (AUM above benchmark over three years)	Adjusted profit before tax	IFRS profit before tax	Full year dividend per share	Net flows (Excl LBG tranche withdrawals)
66% 2019: 60%	£487m 2019: £584m	£838m 2019: £243m	14.60p 2019: 21.60p	£3.1bn outflow 2019: £17.4bn outflow

Our client focused business

We operate across three vectors that reflect how our clients interact with us. Through these vectors, and using time, technology and talent, Standard Life Aberdeen has the full ecosystem of capabilities to enable our clients to be better investors.

We provide services across three growth vectors



Investments

- Our global asset management capability thrives on curiosity and collaboration. It is powered by technology so that the investment decisions we make today enable the outcomes our clients expect tomorrow.
- Our clients want solutions that meet complex requirements over multiple durations, including those for retirement planning, healthcare and education.
- As our core business, our goal is to leverage our global presence and our meticulous research to consistently deliver superior outcomes for our clients.

£457bn AUM¹

Fee based revenue

£1,146m



Adviser

- Our market-leading UK financial adviser business provides services through the Wrap and Elevate platforms to wealth managers and advisers.
- Our platforms enable our clients to deliver their core services, access high-quality financial planning technology, simplify the services and enable the scale of their businesses.
- Our goal is to excel on experience as well as the efficiency of our services to wealth managers and advisers.

£67bn AUMA¹

Fee based revenue

£137m



Personal

- Our Personal business combines our financial planning business 1825, our digital direct-to-consumer services and discretionary fund management services from Aberdeen Standard Capital. Our range of services includes ISAs and investment accounts.
- We deliver advice and outcomes for a growing population of charities, advisers and individuals who are seeking guidance at the moments of time that matter to them.
- Our goal is to provide good advice and high-quality and accessible services direct to consumers to help them plan for, and meet, their financial futures.

£13bn AUMA¹

Fee based revenue

£80m

¹ Total AUMA at 31 December 2020 was £534.6bn including Parmenion of £8.1bn less Eliminations of £10.7bn.

“Our strategy is to deliver client led growth. Client led growth is always the highest quality growth. This is because it is rooted in understanding client outcomes, driven by needs, wants and aspirations – which in turn allows the delivery of intuitive, satisfying client experiences.

We are futurists. This means we harness the compounding power of time, we leverage technology to connect with our clients and to invest intelligently, and we channel the relentless curiosity of our team so that we keep learning and improving every day.”

Stephen Bird, Chief Executive Officer



Our strategic priorities

Delivering client led growth

Our strategy has been designed to capture the upside and protect against the downside risk of significant market opportunities. By focusing our global resources on the following strategic priorities, Standard Life Aberdeen is building a long-term sustainable business, whilst delivering for our clients today.

UK adviser and consumer market

The population is ageing and advancements in life sciences are improving health and longevity. Responsibility for providing for a longer retirement is increasingly being passed to the individual. On top of this, the pandemic has reinforced the need for personal financial resilience to provide a buffer against unexpected events. Fundamentally, individuals need to save more and start earlier.

Our UK Adviser platforms and Personal vectors are already focused on helping financial advisers and individuals invest and we are focused on making their experience even easier, providing a full range of products and solutions aligned to their desired outcomes.

Growth in Asia

The economic centre of gravity continues to move East and building on our strong legacy there is a major strategic focus. Demand for global capabilities in Asia will continue to grow quickly as the expanding middle class saves and invests more in the coming years and the savings institutions into which they entrust their funds expand their investment horizons beyond their own markets. Likewise, this higher rate of growth and economic development will continue to attract significant investment from the rest of the world.

We are reconfiguring our business for faster growth in Asia, bringing global capabilities and local expertise.

Technology

We will complete our integration and yield the full operational and cost benefits of a simplified technology infrastructure. We are committed to continuous improvement knowing that agile technology development, advanced data analytics, machine learning and cloud computing are essential capabilities for an efficient, client driven investor.

We will enhance our capabilities, to allow us to better match our solutions to client needs and support our investment teams' focus on continuously improving performance and a sustainable and efficient pattern of growth.

Solutions

Our institutional and wholesale clients are facing an increasing array of complex challenges and are focused on being able to achieve specific outcomes that meet their unique circumstances and objectives. These challenges range from understanding technology and business model disruption, through to the impact of long-term low interest rates and managing the transition to a 'net zero' future.

We will build on our existing capabilities to bring comprehensive needs analysis and an integrated risk management approach on a whole of portfolio, asset-agnostic basis, focused on designing and delivering customised solutions.

Client ecosystems

Data analytics and connected systems allow us to deliver the right solution, to the right client, at the right time. In well-designed ecosystems it is no longer necessary to own all parts of the value chain.

Our technology ecosystem consists of strong, trusted partners and operates as a seamless extension of our own capabilities and is a key source of competitive advantage. It allows us to efficiently access new and growing client segments and provide efficient delivery mechanisms for our clients.

We will harness this ecosystem to leverage shared research, data sources and analytics, technology development and infrastructure.

Investing responsibly

In a rapidly changing world on a path to net zero, we believe targeting sustainability improves our clients' long-term returns. As futurists, we are relentlessly curious and seek to identify those technologies, companies and sectors that will thrive in the economy, environment and society of tomorrow. In a constantly changing world, investing in sustainable solutions and engaging with companies seeking to transform drives positive change.

We will develop our products and solutions to target sustainability in improving long-term returns and empowering clients to make better informed investment decisions, to help them navigate this era of rapid change.

Private markets

In a world of low expected returns from liquid asset classes, fewer public companies and where traditional approaches to portfolio diversification are less efficient, private market and real estate opportunities are playing an increasingly important part in making our clients better investors.

We are focused on the growth themes which will be better accessed via private markets and real estate investments and we are strengthening and leveraging our business in this strategically important area.

What we deliver for our stakeholders

For our clients

- Broad range of solutions designed to meet clients' current and future needs
- Long-term investment performance
- ESG considerations embedded in our investment processes

Three-year investment performance **66%**

For our people

- Performance-driven culture where we listen to, and act on, our people's views
- Technology to develop talent and improve collaboration
- A refreshed framework to guide our diversity and inclusion priorities

Overall employee engagement score **72%**

For society and our communities

- Fair and inclusive employment, removing barriers to realising potential
- A response to the interlinked crises of climate change and biodiversity loss
- ESG focus running through our operations and our investments

DJSI World index **top 2%** for our sector

For our shareholders

- Sustainable shareholder value
- Financial resilience in uncertain and challenging market conditions
- Continued investment in our business to further diversify our sources of revenue

Group capital surplus of **£2.3bn**

Read more in our Annual report and accounts 2020 at www.standardlifeaberndeen.com/annualreport

Our execution priorities for 2021



Operating leverage

Investing in our growth priorities, while reducing our commitment to non-core areas.



Finish transformation

Completing transformation in 2021, enabling us to realise further cost savings and free up resources for our growth agenda.



Brand clarity

Creating a single brand with clear values, optimising marketing investment.



Stewardship of capital

Maintaining our strong capital position to enable resilience in uncertain times, while investing selectively to accelerate growth.



Business simplification

Simplifying and further localising decision making, removing unnecessary layers and costs, empowering our people and creating efficiencies.

In February we announced a simplification and extension of our strategic partnership with Phoenix Group. This includes the sale of the Standard Life brand to Phoenix during 2021, having licensed it to them since 2018. The sale will allow us to invest in a single client-facing brand for our business.

To read more visit www.standardlifeaberndeen.com/phoenix-partnership

Standard Life Aberdeen shareholders do not need to do anything. Later in the year we will update you on our rebranding exercise and anything we need to do in regards to updating your documentation with a new company name.

2021 AGM

Our AGM – Tuesday 18 May

Unfortunately we do not currently expect the COVID-19 restrictions to have eased sufficiently to allow shareholders to attend this year's AGM in person. We will therefore be broadcasting the AGM live by webcast. Questions can be submitted in advance or during the meeting and Directors will respond to as many questions as possible.

Please visit www.standardlifeaberdeen.com/agm for more information about the AGM, our AGM guide and our Annual report and accounts 2020.

Online voting for our AGM

As shareholders are unlikely to be able to attend this year's AGM in person, we would encourage all our shareholders to vote online at www.standardlifeaberdeenshares.com – you don't have to leave home to do this and it means we have less physical mail to process in the office. The safety of our colleagues and shareholders is very important to us and your support with this is very much appreciated. Voting online is also the quickest and easiest way of making sure your vote is registered on time.

Your Board recommends voting 'For' all this year's resolutions. We strongly encourage you to appoint the Chairman as your proxy when you submit your voting instructions. This will ensure your vote is counted in the event that attendance at the AGM is not permitted. Our meeting will also be webcast so that shareholders can watch the event, and questions to the Board can still be submitted.

You'll find detailed voting instructions in the AGM guide 2021, which we recommend you read, and more information on how to register for the webcast at www.standardlifeaberdeen.com/agm

Your dividend

Your Board remains committed to delivering a dividend that is sustainable over the medium term. Reflecting current operating profitability, industry trends, and economic and market uncertainties, the Board is rebasing the dividend to a level from which it can be grown and is recommending a final dividend of 7.30p per share, giving a total dividend for 2020 of 14.60p. If approved at the AGM, the final dividend is due to be paid to shareholders on 25 May. To find out more about our AGM, voting and your dividend visit us online at www.standardlifeaberdeen.com/agm

Important dates for 2021

9 March

Full-year results

16 April

Record date for 2020 final dividend

5 May

Last date for DRIP elections for 2020 final dividend

14 May

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

18 May

Annual General Meeting (AGM)

25 May

2020 final dividend due to be paid

10 August

Half-year results

20 August

Record date for 2021 interim dividend

8 September

Last date for DRIP elections for 2021 interim dividend

28 September

2021 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 Stephen Bird, who will be seeking election for the first time. Please vote online at www.standardlifeaberdeenshares.com



Sir Douglas Flint



Jonathan Asquith



Stephen Bird



Stephanie Bruce



John Devine



Melanie Gee



Brian McBride



Martin Pike



Cathleen Raffaelli



Cecilia Reyes



Jutta af Rosenborg

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

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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 2020 (unless otherwise stated).
