

February 2018

Fund Guide

This communication is for investment professionals only and should not be distributed or relied on by retail clients.

UK Equity Impact – Employment Opportunities Fund

Portfolio in numbers

600+

companies from
which to choose

60

equity analysts

13

ESG investment
professionals

40-80

stocks in the Fund

c. 20%

expected annual
portfolio turnover

Fund Profile

Creating good employment opportunities is one of the most significant benefits business brings to society. Standard Life Investments, in collaboration with Big Issue Invest, has developed the UK Equity Impact – Employment Opportunities Fund. Driven by fundamental research and a bottom-up, stock picking approach, the Fund aims to generate an attractive return over the long term by investing in companies that promote and implement good employment opportunities and practices.

Fund Focus



The Fund provides an innovative and compelling solution for those investors who wish to invest in UK equities in pursuit of both societal and financial benefits



Ongoing fundamental research drives a portfolio of between 40-80 stocks that we believe will deliver an attractive financial return over time and a positive contribution to full and productive employment within the UK



The foundation of the Fund's strategy is UN Sustainable Development Goal number 8 – to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Our well-resourced, highly experienced ESG (environmental, social and governance) and UK equity teams provide insight and influence through active engagement with senior company management teams



A proprietary four pillar impact assessment methodology underpins the approach, guiding portfolio selection and ensuring that the Fund meets its social objectives



An annual impact review provides clients with measurable outcomes that investment in the Fund helps to support

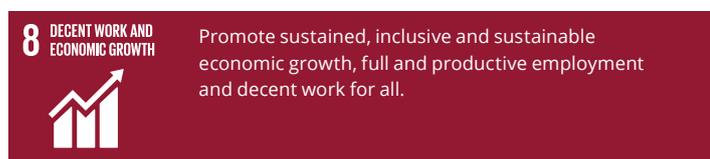
Why focus on employment?

Research indicates that those companies that treat their employees well, invest in workers' training and development, and provide fair wages are more likely to have reduced employee turnover and better productivity – improving company profits and shareholder returns as a result.

Further to that:

- Jobs are pivotal to multiple social outcomes
- Jobs are key to sustainable economic growth
- Jobs are crucial to inclusive regional development

Informed by the above, we have adopted the United Nation's Sustainable Development Goals (SDGs) framework to measure the impact performance of the Fund – specifically SDG 8, which is most directly relevant to sustainable employment growth and decent job creation.



Big Issue Invest

Big Issue Invest, a subsidiary of The Big Issue Group, receives a 20% share of revenue from the Fund's management fee in recognition of its role in conceiving the Fund, and its significant contribution to the Fund's advisory group. Income generated for Big Issue Invest will support the organisation in its mission to dismantle poverty and create opportunity for people and communities across the UK.

Award-winning fund manager

The Fund is managed by Lesley Duncan, who has been an investment director with Aberdeen Standard Investments since 2004. Lesley is a senior member of our UK Equities team and manages our award-winning UK Ethical Fund, which has delivered strong performance for investors over her tenure.

Harnessing our strengths

The UK Equity Impact – Employment Opportunities Fund combines the expertise of our firm-wide equity research capability with the expertise of our long established and well-resourced ESG team.

01 60-strong Equities team, 13 analysts dedicated to UK large-caps, full FTSE 350 market coverage combined with insight from the UK Smaller Companies team and the Matrix, our in-house quant tool

02 Long-term track record of UK equity outperformance across timeframes and mandates

03 13-strong ESG investment team with over 80 years of collective experience and an award-winning track record of effective corporate research and engagement



“The collaboration with Aberdeen Standard Investments will help Big Issue Invest advance its mission to dismantle poverty and create opportunity for people and communities across the UK”

Nigel Kershaw OBE
Chair, The Big Issue Group

How do we assess companies?

On behalf of Big Issue Invest, the Good Economy Partnership, a social advisory and data analytics firm specialising in measuring social impacts, has collaborated with Aberdeen Standard Investments to develop a rigorous impact assessment framework that is applied across the Fund's investment universe. This assesses companies for inclusion in the Fund using the four employment pillars opposite.

The Fund's investment approach

Leveraging our UK equity research capabilities, the Fund deploys a bottom-up, stock picking approach, focusing primarily on 'Buy' and 'Hold' analyst rated stocks. The Fund then focuses on those companies with at least 50% of their workforce in the UK. Following on, each potential investment is assessed for impact on both a company and sector basis via the four employment pillars to determine a total score.

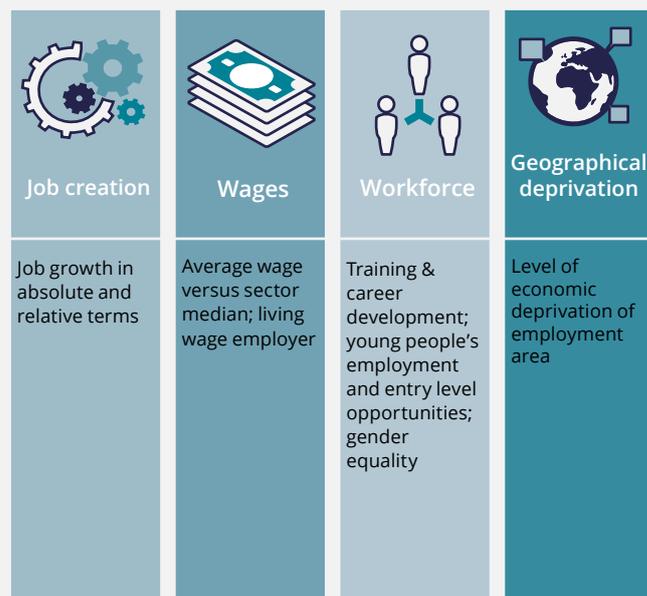
To supplement our on-desk research, we send out a questionnaire to gather additional data, insights and thoughts directly from the company. The questionnaire is part of our active engagement with companies. Individual company scores are added to their sector level and controversy scores, making up the company's total score. Companies are then divided up by quartile and rated accordingly on a =/+/++/+++ rating scale, with +++ being the highest impact rating.

The portfolio is actively weighted towards those companies best placed to make a positive contribution to SDG 8's aim of 'full and productive employment and decent work for all'. To ensure ongoing alignment, the portfolio is predominately comprised of ++ and +++ impact rated stocks. Additionally, given the portfolio is managed with the principles of the UN Sustainable Development Goals in mind, a controversy score provides a means of identifying employment issues that may run counter to the Fund's objectives.

Active engagement

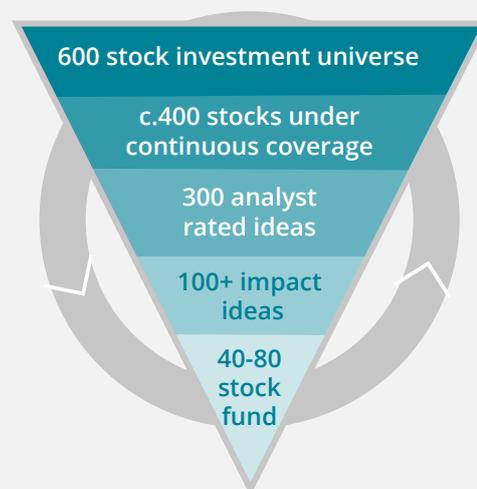
Our shareholder engagement strategy is an important feature of the Fund. Through active engagement with the companies in which we invest, we can assess their ability to deliver financial returns, as well as ensure that the identified employment impact remains a significant part of the company's strategy and aims. We can also encourage management to adopt best practice on human capital management, particularly in relation to pay, diversity and inclusion.

The four employment pillars



Constructing the portfolio

The portfolio contains 40 to 80 of our highest-conviction ideas that we believe will deliver a positive financial return in combination with a meaningful social impact.



Our global reach

A presence in 49 locations keeps us close to our client-base.



Diversification across the asset base

Together we are responsible for approximately £570 billion* of assets managed on behalf of clients globally.

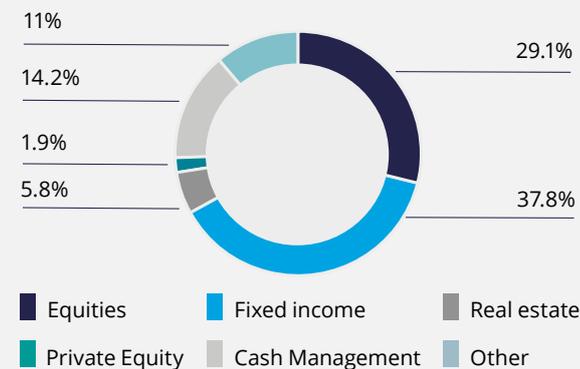
The breadth of our expertise can be seen by the diverse range of investments we are entrusted to manage.

* Data as at 30 September 2017, Source: Standard Life plc, Aberdeen Asset Management plc

Strategic partnerships and joint ventures

UK	Lloyds Bank, Phoenix
North America	John Hancock, Manulife
Asia	Bosera, Heng An Standard Life, Mitsubishi UFJ Trust & Banking, Sumitomo Mitsui Trust Bank
India	HDFC AMC
Australia	Challenger

Assets under Management - by asset class**



** Data as at 30 June 2017, Source: Standard Life plc, Aberdeen Asset Management PLC

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

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