

SL SLI Global Absolute Returns
Strategies Pension Fund

30 June 2019

The fund is invested in the Standard Life Investments Global Absolute Return Strategies Fund which aims to provide positive investment returns in all market conditions over the medium to long term. The fund is actively managed, with a wide investment remit to target a level of return over rolling three-year periods equivalent to cash plus five per cent per year, gross of fees. It exploits market inefficiencies through active allocation to a diverse range of market positions. The fund uses a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques, resulting in a highly diversified portfolio. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.

The value of investments within the fund can fall as well as rise and is not guaranteed - you may get back less than you pay in. The fund may use derivatives for the purpose of efficient portfolio management and to meet its investment objective. The sterling value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

Pooled Pension
Investment FundAbsolute Return
Fund

Quarterly

Fund Manager Multi Asset Investing Team

Fund Manager Start 12 Jun 2006

Launch Date 12 Jun 2006

Current Fund Size £4339.4m

This communication is intended for investment professionals only and must not be relied on by anyone else.

Standard Life Investments has not considered the suitability of investment against your individual needs and risk tolerance. If you are in any doubt as to whether this fund is suitable for you, you should seek advice. An adviser is likely to charge for advice. We are unable to provide investment advice.

This fund is marketed by Standard Life Investments on behalf of Standard Life Assurance Limited.

Fund Information *

Portfolio Risk and Return Analysis

	Strategy	Stand-alone Risk Exposure %	Weighting (risk based %)	Contribution to Returns %	
				Q2	1 Yr
Market Returns Strategies	Mexican government bonds	1.0	8.6		0.0
	US equity	0.8	7.2		0.2
	Emerging markets income	0.8	7.0		1.3
	UK equity	0.8	7.0		0.2
	High yield credit	0.5	4.9		0.4
	Global equity oil majors	0.4	3.6		-1.0
	Emerging markets equity	0.2	2.0		0.0
	EU investment grade credit	0.2	1.9		0.3
	European equity	0.1	1.0		-0.5
	Chinese equity	Closed			0.3
	Mexican government bonds (hedged)	Closed			0.0
	Short Australian banks equity	Closed			-0.3
Directional Strategies	European forward-start interest rates	1.0	9.1		1.6
	Long JPY v CAD	0.7	6.2		0.2
	Short UK inflation	0.7	6.2		0.0
	US steepener	0.6	5.2		0.2
	US real yields	0.5	4.6		0.8
	Long INR v KRW	0.5	4.1		0.0
	Long NOK v EUR	0.3	2.7		0.1
	Long USD v EUR currency options	0.2	1.8		-0.1
	Long USD v TWD	0.2	1.8		-0.1
	Long US inflation	0.1	1.3		0.0
	Long INR v CHF	0.0	0.0		-0.2
	Long JPY v AUD	0.0	0.0		0.2
	Long USD v KRW	0.0	0.0		0.3
	Short US interest rates	Closed			-0.2
	US Duration	Closed			0.1
Relative Value Strategies	European flattener	0.6	5.6		0.3
	US equity large cap v technology	0.5	4.5		0.0
	EuroStoxx50 v S&P variance	0.1	0.7		0.0
	US equity large cap v small cap	Closed			0.6
FX Hedging	FX hedging	0.1	1.2		0.0
Cash	Cash				0.3
	Residual	0.0	0.0		-0.4
	Stock selection	0.2	2.0		-0.4
	Total	11.2		1.2	
	Diversification	7.2			
	Expected Volatility	4.0			

We calculated the totals using actual (unrounded) returns. We then rounded the figures for the purposes of this presentation.

Fund Information (continued)

Fund Return

Contribution From	Benchmark Return Q2 (%)	Absolute Return Q2 (%)	Relative Return Q2 (%)
Stock Selection Contribution	0.0	-0.2	-0.2
Market Risk Contribution	0.2	1.4	1.2
Total Fund	0.2	1.2	0.9

Contribution to Total Return from Market Risk

Top Contributors

Strategies	Contribution (%)
Emerging markets income	0.7
European forward-start interest rates	0.6
US real yields	0.5
European flattener	0.3
US equity	0.3

Bottom Contributors

Strategies	Contribution (%)
Emerging markets equity	-0.3
Global equity oil majors	-0.3
Short Australian banks equity	-0.2
European equity	-0.2
Short UK inflation	-0.2

Stock Selection Breakout

	Fund Weighting 30/06/2019	Relative Return %	Quarterly Contribution to Return %	Annual Contribution to Return %
High yield credit	4.1	-0.1	0.0	0.0
US equity	3.5	-0.3	0.0	-0.1
Pan-European equity	11.3	-1.8	-0.2	-0.4
Emerging markets income	14.2	0.1	0.0	0.1
Total	33.1		-0.2	-0.4

Fund Performance *

Year on Year Performance

Source: Aberdeen Standard Investments (Fund) and Thomson Reuters DataStream (Index and Comparator)

	Year to 30/06/2019 (%)	Year to 30/06/2018 (%)	Year to 30/06/2017 (%)	Year to 30/06/2016 (%)	Year to 30/06/2015 (%)
SL SLI Global Absolute Returns Strategies Pension	3.3	-1.5	4.4	-3.8	8.1
6 Month GBP LIBOR	0.9	0.6	0.5	0.7	0.7

Cumulative Performance

Source: Aberdeen Standard Investments (Fund) and Thomson Reuters DataStream (Index and Comparator)

	Q2 (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)
SL SLI Global Absolute Returns Strategies Pension	1.6	3.3	2.1	2.0
6 Month GBP LIBOR	0.2	0.9	0.7	0.7

Note: The information shown relates to the past. Past performance is not a guide to the future. The value of your investment can go down as well as up. Performance figures are quoted on a gross basis over the stated period. They do not allow for any charges which may be deducted.

The fund performance, cash comparator of 6 Month GBP LIBOR and performance target of 6 Month GBP LIBOR +5% per annum over rolling 3 year periods are all shown gross of fees.

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