

31 December 2018

The fund is invested in the Absolute Return Global Bond Strategies Fund, managed by Standard Life Investments, which aims to provide positive investment returns in the form of income and capital growth 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 three per-cent a 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 bonds, cash and money market instruments) 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. Please note, this fund invests in the euro hedged share class of the Standard Life Investments Absolute Return Global Bond Strategies Fund. The euro hedged share class aims to hedge the entire value of the fund from sterling into euro. This does not eliminate currency exposure within the fund. In particular, the euro value of any non sterling assets may rise and fall as a result of exchange rate fluctuations.

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.

Pooled Pension  
Investment Fund

Absolute Return  
Fund

Quarterly

|                   |                            |
|-------------------|----------------------------|
| Fund Manager      | Multi Asset Investing Team |
| Launch Date       | 10 May 2012                |
| Current Fund Size | €215.7m                    |
| Base Currency     | EUR                        |
| Benchmark         | 3 Month EURIBOR            |
| Duration          | 0.83 years                 |

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

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

## Fund Information \*

### Stand-alone risk contribution by strategy type

|                               | Stand-alone Vol % |
|-------------------------------|-------------------|
| Credit                        | 1.30              |
| Inflation                     | 0.85              |
| Duration                      | 0.57              |
| Cross Market                  | 0.47              |
| FX                            | 0.44              |
| Curve                         | 0.22              |
| Cash                          | 0.14              |
| Volatility                    | 0.06              |
| <b>Total stand-alone vol:</b> | <b>4.04</b>       |
| <b>Diversification:</b>       | <b>2.14</b>       |
| <b>Overall Volatility:</b>    | <b>1.91</b>       |

### Top ten risk contributions by strategy

|   | Stand-alone Vol % |
|---|-------------------|
| Short UK Inflation                      | 0.86              |
| Short US Interest Rates                 | 0.75              |
| Short-Dated Credit                      | 0.52              |
| Swedish Flattener vs Canadian Steepener | 0.51              |
| Brazilian Government Bonds              | 0.40              |
| Long Norwegian Krone vs Euro            | 0.36              |
| Canadian Interest Rates                 | 0.33              |
| European vs Swedish Interest Rates      | 0.29              |
| Long US Inflation                       | 0.26              |
| Long US Dollar vs South Korean Won      | 0.25              |

### Return contribution by strategy type

|               | Q4 Contribution (%) |
|---------------|---------------------|
| Credit        | 0.04                |
| Cross Market  | 0.20                |
| Curve         | 0.09                |
| Duration      | -0.17               |
| FX            | -0.02               |
| Inflation     | -0.36               |
| Volatility    | 0.13                |
| Cash          | 0.05                |
| Residual      | -0.59               |
| <b>Total:</b> | <b>-0.64</b>        |

### Top 5 Return Contributors by strategy

| Top Contributors                        | Q4 Contribution (%) |
|---|---------------------|
| Brazilian Government Bonds              | 0.47                |
| Canadian Interest Rates                 | 0.43                |
| Swedish Flattener vs Canadian Steepener | 0.29                |
| Long Interest Rate Volatility           | 0.13                |
| Short-Dated Credit                      | 0.11                |

| Bottom Contributors      | Q4 Contribution (%) |
|--------------------------|---------------------|
| Short US Interest Rates  | -0.60               |
| High Yield Credit        | -0.19               |
| Long US Inflation        | -0.18               |
| Contingent Capital Bonds | -0.17               |
| Short UK Inflation       | -0.13               |

## Fund Performance \*

### Year on Year Performance

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

|  | Year to<br>31/12/2018 (%) | Year to<br>31/12/2017 (%) | Year to<br>31/12/2016 (%) | Year to<br>31/12/2015 (%) | Year to<br>31/12/2014 (%) |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Standard Life Absolute Return Global Bond Strategies | -3.2                      | -1.8                      | 0.6                       | 1.4                       | 0.6                       |
| 3 Month EURIBOR                                      | -0.3                      | -0.3                      | -0.3                      | 0.0                       | 0.2                       |

### Cumulative Performance

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

|  | Q4 (%) | 1 Year (%) | 3 Years (% p.a.) | 5 Years (% p.a.) |
|--|--------|------------|------------------|------------------|
| Standard Life Absolute Return Global Bond Strategies | -1.2   | -3.2       | -1.5             | -0.5             |
| 3 Month EURIBOR                                      | -0.1   | -0.3       | -0.3             | -0.1             |

Note: Performance figures are quoted Net of Management Charges. The stated performance is calculated on the basis of close of business in the underlying markets to allow comparison on a consistent basis. This performance is indicative only, and should not be relied on for the purposes of valuation. The actual unit price used for dealing and valuation purposes is based on our normal valuation point, i.e. typically 2pm.

#### Definitions

Duration - gives an indication of a bond's sensitivity to a change in interest rates. It is based on a snapshot of the portfolio on specified date. It does not include any impact from charges.

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Warning: Past performance is not a reliable guide to future performance  
 Warning: The value of this investment may go down as well as up  
 Warning: This investment may be affected by changes in currency exchange rates

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