

ABERDEEN ASSET MANAGEMENT PLC
TRADING UPDATE – NINE MONTHS TO 30 JUNE 2015

Highlights

- Assets under management £307.3 billion (31 March 2015: £330.6 billion), affected by market conditions and FX movements
- Net outflows of £9.9 billion during the quarter as institutional investors continue to reduce exposure to Asia and emerging markets equities
- £4 billion of new commitments and mandates awarded but not funded at 30 June 2015
- Announced acquisition of FLAG Capital Management and successfully completed the acquisition of Aberdeen SVG Private Equity during the quarter, as part of continuing diversification strategy

Martin Gilbert, Chief Executive of Aberdeen, commented:

“Our strategy for diversification has progressed further during the period. We have launched a number of new products in our Solutions business, completed the purchase of the remaining stake in Aberdeen SVG Private Equity, and announced the acquisition of FLAG Capital Management.

“Market and FX movements together with low margin outflows from certain fixed income and solutions clients accounted for a large proportion of the decline in AuM. In addition, macro-economic factors and investor sentiment towards Asia and emerging markets continued to weigh on equity flows. Despite this the long term investment case for Asia and emerging markets is unchanged and we believe that committed investors will be rewarded over time.

“Our rigorous investment process and diverse product range, combined with effective cost management and a strong balance sheet enables us to continue to provide long-term solutions to meet the needs of our clients.”

Assets under management and flows

The principal movements are summarised in the following table.

	Equities £bn	Fixed income £bn	Aberdeen solutions £bn	Property £bn	Total £bn
AuM at 31 March 2015	110.3	72.4	128.5	19.4	330.6
Net new business flows – Aberdeen	(4.5)	(0.3)	(1.3)	(0.1)	(6.2)
Net new business flows – SWIP	-	(1.1)	(2.6)	-	(3.7)
Market appreciation and performance	(2.3)	(2.1)	(2.7)	0.3	(6.8)
Exchange movements	(4.5)	(1.6)	(0.3)	(0.2)	(6.6)
AuM at 30 June 2015	99.0	67.3	121.6	19.4	307.3

Market conditions remained difficult in the latest quarter, particularly in June, and this is reflected in overall net outflows of £9.9 billion (quarter to 30 June 2014: net outflows £8.8 billion). Gross inflows totalled £9.6 billion (2014: £10.1 billion), while gross outflows were £19.5 billion (2014: £18.9 billion). Outflows for the quarter were inflated by some restructuring by a major client, although we expect some of these assets to be reinvested in the coming period. The majority of the reduction in AuM over the period was due to FX and market movements, which reversed much of the beneficial movements from the previous six months.

In equities, our commitment to our equities investment process leads us to anticipate underperformance during periods when markets are boosted by policy-led economic factors. Gross outflows were similar to the previous

quarter but gross inflows were lower, reflecting market conditions. This resulted in net outflows of £4.5 billion (quarter to 31 March 2015: net outflows £3.1 billion). The outflows were mainly from Asia Pacific and global equities, in both cases largely due to withdrawals from a small number of institutional mandates, while outflows from global emerging market equities continued at the more moderate rate reported in the previous quarter.

Fixed income experienced net outflows of £1.4 billion, which included some seasonal outflows from the low margin SWIP liquidity funds. Our higher margin emerging market debt funds, while still affected by the subdued investor sentiment, returned to net inflow following two quarters of net outflows.

In Aberdeen Solutions, there were net outflows of £3.9 billion from lower margin accounts. During the quarter we started to roll out our solutions focused proposition in response to the changing pension environment in the UK as well as launching a cross-border multi-asset income fund for Asian and European investors. We are also progressing the launch of a liquid alternatives fund which we believe will appeal to institutional investors looking to diversify into hedge fund-lite strategies. Our property multi manager strategy has seen some mandates awarded and further potential new business in the pipeline.

Overall, the total value of commitments and mandate awards not yet funded grew to approximately £4 billion at 30 June, of which over 75% has been won in our property, solutions and alternatives capabilities.

We completed the purchase of the minority interest in our private equity joint venture, Aberdeen SVG Private Equity, on 30 June, and our private equity platform will be strengthened further with the addition of FLAG Capital Management in the US, which is expected to complete shortly.

Outlook

As we have seen in recent weeks, markets remain susceptible to policy-led economic factors, although we have seen some recovery in mid-July. Against this background, our strong balance sheet and continued discipline in managing costs provide us with resilience during a more challenging period for the company. Our focus continues to be on investing for long term returns, as we believe this is the approach which will serve our clients best.

For further information please contact:

Aberdeen Asset Management PLC

Martin Gilbert - Chief Executive +44 (0) 20 7463 6000
Bill Rattray - Finance Director +44 (0) 20 7463 6000

Maitland

Neil Bennett +44 (0) 20 7379 5151
Tom Eckersley +44 (0) 20 7379 5151

Management will host a conference call for analysts and institutions at 08:00 BST today.

Confirmation Code: 5582863

Participants, Local - London, United Kingdom: +44(0)20 3427 1912

Participants, National free phone - United Kingdom: 0800 279 4992

Or URL <http://edge.media-server.com/m/p/hp8iokig>

7 Day Conference call Replay:

Replay Passcode: 5582863

Local - London, United Kingdom: +44 (0)20 3427 0598

Local - New York, United States of America: +1 347 366 9565

ASSETS UNDER MANAGEMENT AT 30 JUNE 2015

	31 Mar 15	30 Jun 15
	£bn	£bn
Equities	110.3	99.0
Fixed income	72.4	67.3
Aberdeen solutions	128.5	121.6
Property	19.4	19.4
	<hr/> 330.6	<hr/> 307.3
Aberdeen	191.1	175.5
SWIP	139.5	131.8
	<hr/> 330.6	<hr/> 307.3

NEW BUSINESS FLOWS FOR 9 MONTHS TO 30 JUNE 2015

	Qtr to	Qtr to	6 mths to	Qtr to	9 mths to
	31 Dec 14	31 Mar 15	31 Mar 15	30 Jun 15	30 Jun 15
	£m	£m	£m	£m	£m
Gross inflows:					
Aberdeen	8,222	9,155	17,377	6,660	24,037
SWIP	3,065	3,004	6,069	2,900	8,969
	<hr/> 11,287	<hr/> 12,159	<hr/> 23,446	<hr/> 9,560	<hr/> 33,006
Outflows:					
Aberdeen	11,564	13,664	25,228	12,824	38,052
SWIP	4,516	4,999	9,515	6,630	16,145
	<hr/> 16,080	<hr/> 18,663	<hr/> 34,743	<hr/> 19,454	<hr/> 54,197
Net flows:					
Aberdeen	(3,342)	(4,509)	(7,851)	(6,164)	(14,015)
SWIP	(1,451)	(1,995)	(3,446)	(3,730)	(7,176)
	<hr/> (4,793)	<hr/> (6,504)	<hr/> (11,297)	<hr/> (9,894)	<hr/> (21,191)

NEW BUSINESS FLOWS FOR 9 MONTHS TO 30 JUNE 2015

	Qtr to 31 Dec 14 £m	Qtr to 31 Mar 15 £m	6 mths to 31 Mar 15 £m	Qtr to 30 Jun 15 £m	9 mths to 30 Jun 15 £m
Gross inflows:					
Equities	4,945	4,983	9,928	3,428	13,356
Fixed income	3,728	4,175	7,903	3,751	11,654
Aberdeen solutions	1,942	2,107	4,049	1,706	5,755
Property	672	894	1,566	675	2,241
	<u>11,287</u>	<u>12,159</u>	<u>23,446</u>	<u>9,560</u>	<u>33,006</u>
Outflows:					
Equities	5,800	8,072	13,872	7,945	21,817
Fixed income	5,321	5,500	10,821	5,132	15,953
Aberdeen solutions	3,930	4,030	7,960	5,567	13,527
Property	1,029	1,061	2,090	810	2,900
	<u>16,080</u>	<u>18,663</u>	<u>34,743</u>	<u>19,454</u>	<u>54,197</u>
Net flows:					
Equities	(855)	(3,089)	(3,944)	(4,517)	(8,461)
Fixed income	(1,593)	(1,325)	(2,918)	(1,381)	(4,299)
Aberdeen solutions	(1,988)	(1,923)	(3,911)	(3,861)	(7,772)
Property	(357)	(167)	(524)	(135)	(659)
	<u>(4,793)</u>	<u>(6,504)</u>	<u>(11,297)</u>	<u>(9,894)</u>	<u>(21,191)</u>

NEW BUSINESS FLOWS FOR 9 MONTHS TO 30 JUNE 2015 – EQUITIES

	Qtr to 31 Dec 14 £m	Qtr to 31 Mar 15 £m	6 mths to 31 Mar 15 £m	Qtr to 30 Jun 15 £m	9 mths to 30 Jun 15 £m
Gross inflows:					
Asia Pacific	2,369	3,169	5,538	2,005	7,543
Global emerging markets	948	1,273	2,221	863	3,084
Europe	143	37	180	37	217
Global & EAFE	1,374	390	1,764	337	2,101
UK	60	75	135	54	189
US	51	39	90	132	222
	<u>4,945</u>	<u>4,983</u>	<u>9,928</u>	<u>3,428</u>	<u>13,356</u>
Outflows:					
Asia Pacific	2,266	3,087	5,353	3,862	9,215
Global emerging markets	2,028	1,884	3,912	1,406	5,318
Europe	63	57	120	104	224
Global & EAFE	1,049	2,800	3,849	2,392	6,241
UK	91	123	214	101	315
US	303	121	424	80	504
	<u>5,800</u>	<u>8,072</u>	<u>13,872</u>	<u>7,945</u>	<u>21,817</u>
Net flows:					
Asia Pacific	103	82	185	(1,857)	(1,672)
Global emerging markets	(1,080)	(611)	(1,691)	(543)	(2,234)
Europe	80	(20)	60	(67)	(7)
Global & EAFE	325	(2,410)	(2,085)	(2,055)	(4,140)
UK	(31)	(48)	(79)	(47)	(126)
US	(252)	(82)	(334)	52	(282)
	<u>(855)</u>	<u>(3,089)</u>	<u>(3,944)</u>	<u>(4,517)</u>	<u>(8,461)</u>

NEW BUSINESS FLOWS FOR 9 MONTHS TO 30 JUNE 2015 – FIXED INCOME

	Qtr to 31 Dec 14 £m	Qtr to 31 Mar 15 £m	6 mths to 31 Mar 15 £m	Qtr to 30 Jun 15 £m	9 mths to 30 Jun 15 £m
Gross inflows:					
Asia Pacific	188	97	285	43	328
Australia	171	355	526	289	815
Convertibles	13	59	72	8	80
Emerging markets	349	478	827	506	1,333
Europe	100	89	189	80	269
Global	122	291	413	175	588
High yield	192	208	400	181	581
Money market	1,963	2,042	4,005	1,822	5,827
UK	492	396	888	476	1,364
US	138	160	298	171	469
	3,728	4,175	7,903	3,751	11,654
Outflows:					
Asia Pacific	180	58	238	77	315
Australia	402	548	950	176	1,126
Convertibles	69	21	90	48	138
Emerging markets	484	546	1,030	410	1,440
Europe	222	136	358	120	478
Global	135	221	356	281	637
High yield	531	371	902	363	1,265
Money market	1,969	2,543	4,512	2,519	7,031
UK	1,087	880	1,967	902	2,869
US	242	176	418	236	654
	5,321	5,500	10,821	5,132	15,953
Net flows:					
Asia Pacific	8	39	47	(34)	13
Australia	(231)	(193)	(424)	113	(311)
Convertibles	(56)	38	(18)	(40)	(58)
Emerging markets	(135)	(68)	(203)	96	(107)
Europe	(122)	(47)	(169)	(40)	(209)
Global	(13)	70	57	(106)	(49)
High yield	(339)	(163)	(502)	(182)	(684)
Money market	(6)	(501)	(507)	(697)	(1,204)
UK	(595)	(484)	(1,079)	(426)	(1,505)
US	(104)	(16)	(120)	(65)	(185)
	(1,593)	(1,325)	(2,918)	(1,381)	(4,299)