

“Hello and welcome to our Summer 2016 Investor Relations Newsletter. This quarter we take a look at our new strategic partnership with Bosera and celebrate our Wrap platform’s 10th birthday. We also examine the impact of pensions freedoms one year on and discuss our sustainability strategy.

“During the last quarter we held our Capital Markets Day, and you can find some of the highlights from the day in this newsletter. On the day we also released a Q1 assets and flows update, reporting a 2% increase in Group AUA to £314bn.

“This quarter we also announced that 1825 is continuing its expansion with an agreement to acquire Jones Sheridan, creating our North West Regional Office. In addition we announced that HDFC Life has entered into an agreement with Max Life to evaluate a potential merger.

“Finally, we held our Annual General Meeting and announced two directorate changes with Isabel Hudson stepping down from the Board and John Devine being appointed as a Non-Executive Director.

“In external news, the people of the UK voted to leave the EU and we shared a statement in response to the result. We will follow developments closely as new arrangements between the UK and EU are agreed and we will keep all our stakeholders regularly updated on progress as appropriate.

“If you would like to find out more about any of this newsletter’s topics, have any feedback or would like to arrange a meeting please contact a member of the team.”

This quarter’s features ...

New strategic partnership with Bosera

Expanding our global fixed income capabilities by partnering with one of the oldest and largest asset managers in China.



Happy 10th birthday Wrap!

We mark Wrap’s tenth birthday by looking back at some of the key milestones which have helped it develop a clear lead in the UK adviser platform market.

Pensions freedoms one year on

An update on the impact of pensions freedoms one year on from launch including increased demand for drawdown.



Our sustainable business

We discuss how we identify sustainability considerations and embed these into our business. We also look at some of our successes in 2015.



Capital Markets Day highlights

We highlight some of the key points from our recent Capital Markets Day.

[Click here to download our Capital Markets Day presentation](#)

Latest Group news

The Group’s press releases from the last quarter, including the launch of a new American Equity Income Fund, the strengthening of our collaboration with Sumitomo Mitsui and the result of our external audit tender.

Standard Life Investor Relations



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Standard Life plc

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9 August 2016
Half year results 2016

10 to 12 August 2016
Half year results London roadshow

15 August 2016
Edinburgh Group Investor Lunch

17 August 2016
Half year results Edinburgh and Glasgow roadshow

28 September 2016
Bank of America Merrill Lynch Banking, Insurance and Diversified Financials Conference

9 August 2016
Half year results 2016

9 September 2016
Interim dividend record date

28 September 2016
Interim dividend – last date for DRIP elections

19 October 2016
Interim dividend payment date

Standard Life Investments expands global capabilities through strategic partnership with Bosera Asset Management

- Further expands global fixed income capability of Standard Life Investments
- Bosera is one of China’s oldest and largest asset managers with AUM of \$62bn¹
- Creates one of the first co-branded emerging markets debt funds in Hong Kong by combining the investment strengths of both partners
- Further opportunities for greater collaboration between partners including distribution

Strategic partnerships are an important enabler of global growth and diversification

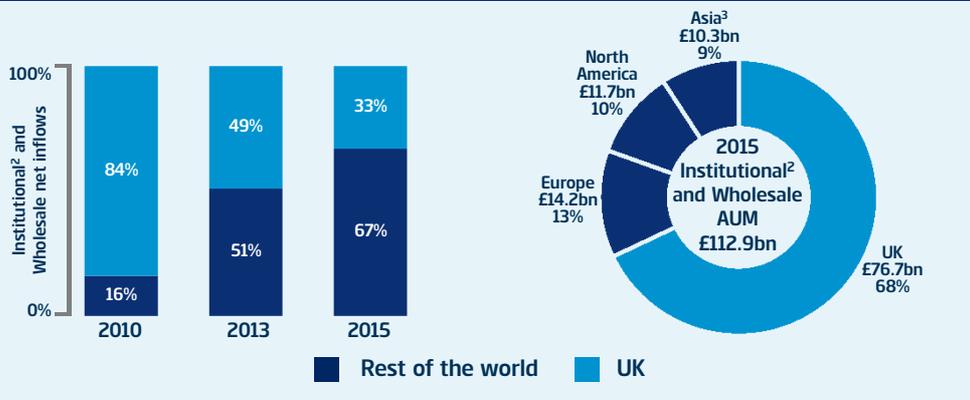
Standard Life Investments continues to expand its global capabilities and distribution with the announcement of a strategic relationship with Bosera Asset Management (“Bosera”), one of the largest asset managers in China.

Strategic partnerships are an important enabler of global growth and diversification. In recent years, they have helped to transform our geographic reach and client base by providing a cost-effective and rapid way of accessing new retail markets. Over half of our Institutional and Wholesale net inflows now come from outside of the UK with

clients in Asia, North America and Europe accounting for one-third of assets under management (AUM) in these channels.

With the addition of the Bosera partnership, Standard Life Investments now has eight strategic partners, providing breadth and depth of global coverage across the largest asset management markets.

We are benefiting from an increasingly global client base



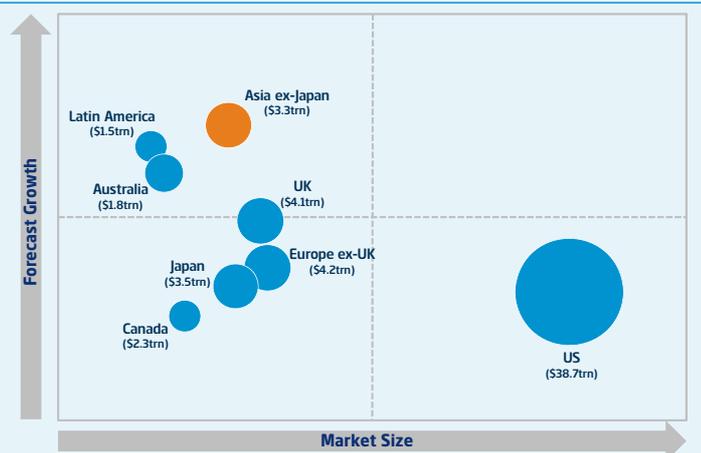
Partnering with one of the largest asset managers in China

Founded in 1998 and part of the China Merchants Group, Bosera is one of the oldest and largest asset managers in China with AUM of \$62bn¹. It has been a pioneer in institutional asset management in China and was one of the first licensed companies in China to manage corporate pension plans, segregated accounts and overseas investments.

We now have eight strategic partners across the largest asset management markets

Partner	Market	Year Relationship Established
Standard Life	UK, Ireland, Germany	1998
HDFC Asset Management	India	1999
Heng An Standard Life	China	2003
Sumitomo Mitsui Trust Bank	Japan	2010
John Hancock	US	2011
Manulife	Canada/Asia	2014
Phoenix Life	UK	2014
Bosera Asset Management	China	2016

Industry market sizing versus estimated growth⁴



1. As at 31 March 2016. 2. Excluding Ignis. 3. Asia Pacific and India. 4. Cerulli Associates – forecast growth based on estimated 5 year CAGR.

Combining our investment strengths to create a unique proposition for the Chinese market

Our partnership with Boserá was announced with the launch of the Boserá-Standard Life Investments Emerging Opportunities Bond Fund⁵, one of the first co-branded emerging markets debt funds to be available in Hong Kong.

Boserá is responsible for portfolio allocation in mainland China and Hong Kong and the fund overall, while Standard Life Investments' emerging markets debt team sub-manage portfolio allocations in global emerging markets outside China and Hong Kong. The product provides clients with access to an expanded global universe of emerging fixed income opportunities, leveraging our combined strengths.



David Peng
Head of Asia

David Peng, Head of Asia at Standard Life Investments:

"The co-creation of the new fund in Hong Kong signifies the first step in our strategic partnership with Boserá, one of

the leading Chinese asset managers, which reinforces our global business strategy and strong conviction in China's growth trajectory."

Furthermore, the fund will provide clients with greater exposure to the Chinese bond market than existing emerging markets debt products, which we believe presents an attractive opportunity for clients. Richard House, Head of Emerging Markets Fixed Income at Standard Life Investments and sub-manager of the fund explains:



Richard House
Head of Emerging
Markets Fixed Income

"The fundamentals of emerging markets are stronger than commonly believed. Emerging market sovereign debt offers an attractive opportunity for both long-term growth and income, and has produced better risk-adjusted return than developed markets bonds over the long term. Currently, emerging market sovereign debt offers one of the highest yields among liquid global fixed income asset classes. The Chinese bond market is the third largest in the world. The

weight of China in current emerging market debt indexes does not reflect the global importance of the Chinese bond market and we believe it should form a more significant proportion of a global emerging market debt portfolio."

Further opportunities for greater collaboration

The co-creation of the Boserá-Standard Life Investments Emerging Opportunities Bond Fund is just the first stage of our strategic partnership. Standard Life Investments and Boserá will also collaborate in the distribution of the new fund through their respective institutional and wholesale distribution channels. As well as continued cooperation on distribution, there is also the potential for further joint product innovation as well as ongoing knowledge exchange.

[Click here to find out more about our new strategic partnership](#)



Standard Life Investments launches American Equity Income Fund

Standard Life Investments has launched an American Equity Income OEIC to UK based retail investors. The fund expands the suite of income solutions we offer which includes UK, European, Global Emerging Markets and Global offerings.

[Click here to find out more about our new American Equity Income Fund](#)



Celebrating ten years of Wrap

- Ten years from launch Wrap leads the advised platform market and has AUA of £26.6bn¹
- UK advised platform market set to continue its strong growth
- Acquisition of Elevate will strengthen our leading position and add a further £9.8bn¹ of AUA

Wrap continues to deliver for the UK's most successful adviser businesses

Our market-leading Standard Life Wrap platform celebrated its tenth birthday at the end of May. Over the last decade Wrap has continually adapted to meet the evolving regulatory environment and help advisers deliver better outcomes to more clients:

- We were early adopters of the Retail Distribution Review rules in 2012
- In 2014, we became the first fully unbundled major adviser platform for new and existing business – meeting the FCA's PS13/1 2016 deadline two years early
- Wrap's unique investment hub (launched in 2014) provides advisers access to 59 discretionary fund managers and has attracted c£2bn in assets in less than 2 years
- We were ready for the implementation of pensions freedom reforms in 2015

Despite the significant level of change, Wrap has demonstrated strong and

consistent growth and now administers over £26bn¹ of assets for c1,500¹ of the UK's most successful adviser businesses.

UK advised platform market set for strong growth

With c80%² of retail advised market new business written on platforms, the strong growth in platform assets is set to continue and advisers are increasingly turning to platforms to drive scalability and efficiency. According to Fundscape, UK advised platform market assets are expected to grow to c£770m by 2020³ and with individuals taking increasing responsibility for their financial futures, demand for financial advice has never been greater.

Acquisition of Elevate strengthens our leading position

We also recently announced the acquisition of Elevate, enhancing our position as a leading platform provider for advisers. Once completed the acquisition will add £9.8bn¹ of assets and 160,000¹ customers, creating one of

the UK's largest and fastest growing adviser platform businesses with AUA of £36.4bn¹, 350,000¹ customers and net inflows of £5.7bn in 2015.

The acquisition gives us access to a different segment of the adviser platform market. While Wrap is generally used by wealth managers, Elevate operates within the financial planning space, enabling us to provide advisers with two differentiated offerings and maintaining Wrap's premium price positioning.

Elevate advisers and their clients will also have the opportunity to gain access to Standard Life's suite of propositions, including our innovative investment hub, fully flexible SIPP and drawdown capability, as well as a range of investment solutions from Standard Life Investments and Standard Life Wealth.

In addition, by bringing together these two award-winning adviser platforms, we are able to leverage the FNZ common platform services of both platforms to generate value for Standard Life's shareholders.

Strong and consistent growth in assets and advisers on our market-leading Wrap platform



- Wrap AUA of £26.6bn and 5 year CAGR of 31%
- Wrap net inflows of £4.4bn during 2015 representing 22% of opening AUA

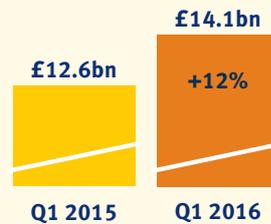
Pensions freedom one year on

Increasing demand for our market-leading drawdown solution

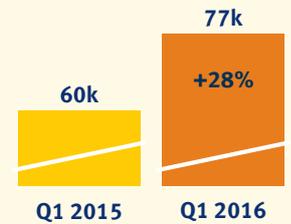


10% of 500k eligible customers have made use of their pensions freedoms

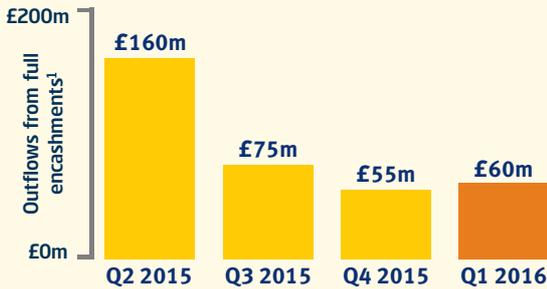
Increasing drawdown AUA



Increasing drawdown customers

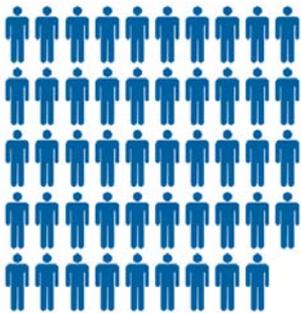


Decreasing outflows from full customer encashments



New inflows into drawdown up **69%** to **£459m** in Q1 2016 (Q1 2015: £271m)

Our new online journey is helping customers access their savings



39k customers have used our digital retirement journey



- Used by 70% of direct customers moving to drawdown
- 8,700 customers transacted with us in the first month of pensions freedoms – c3 times normal demand
- 68,000 man hours saved



Standard Life Active Retirement enabling customers to make the most of pensions freedoms

Standard Life Active Retirement



- Over **£0.5bn** invested in our new non-advised drawdown solution of which over **£0.3bn** is invested in Standard Life Active Retirement
- Active Retirement is our new innovative investment solution for flexible drawdown
- Created by Standard Life Investments for our UK Pensions and Savings business

[Click here to find out more about Standard Life Active Retirement](#)



1. Full encashment outflows from individual and workplace customers aged 55+.



Our sustainable business

Stephanie Leggett
Sustainability Development Manager

- Embedding environmental, social and governance considerations adds value to our business and our investment process
- Sustainability priorities are embedded throughout Standard Life from Board level through to individual employees
- Achieved best ratings to date in 2015 from the key sustainability indices we participate in

Integrating ESG considerations into our operations as well as our investment process

We place significant importance on the integration of environmental, social and governance (ESG) considerations into our investment process. We believe these issues are key elements of investment risk as areas such as human rights abuses, ethical conduct issues, energy efficiency and safety concerns can affect the value of our clients' investments. Customers, regulators and wider society are also increasingly aware of these issues and view their identification and management as a sign of operational excellence. So how do we integrate these types of considerations into our own business?

Identifying sustainability issues allows us to generate value

We carry out a regular review to identify long-term trends and issues which may impact on our future value creation. The review involves engaging with key

stakeholders to understand the key economic, social or environmental risks or opportunities they have identified that may impact them, Standard Life or the wider world. This input may come from conversations with responsible investment investors, employee surveys or sustainability indices.

We then consider the issues raised in relation to our business purpose and objectives and identify where we can have the most impact. Our most recent review helped us to determine four areas of priority to focus on as a sustainable business:

- **Responsible business** – Acting responsibly and with integrity, from having an ethical culture and conduct, to paying our taxes responsibly and contributing to our local communities.
- **Employment** – Providing inclusive and meaningful employment, allowing people to build careers and save for their future.
- **Pensions and savings** – Engaging and enabling people to save, invest and manage their money through our market-leading investment solutions.
- **Investment** – Acting responsibly as stewards of our clients' investments to get the right outcomes for them and have a positive influence on the wider world.

Embedding sustainability throughout Standard Life

It's important to us that all our people, from members of the Board to individual

employees, consider ESG issues and integrate them into strategy, processes and thinking. Our Board has a key role and responsibility, as set out in the Board Charter, to oversee "the sustainability of the Group's business, our ethical standards and behaviours and our corporate responsibilities." As such, ESG trends and non-financial measures are regularly on the agenda at meetings and are discussed on at least a quarterly basis.

For our senior management, ESG issues are communicated and discussed through risk committees, sustainability projects and monthly eNewsletters. More widely we provide ongoing communications so that all employees are encouraged to consider what they can do to contribute to the sustainability of the business. For example, encouraging volunteering, code of conduct training and seminars and events highlighting our sustainability strategy, online news stories and specialised weeks such as our recent sustainable travel week.

We are recognised as a leading responsible business

We participate in sustainability indices and benchmarks, which provide independent assessment and benchmarking of leading responsible businesses. We are pleased to have achieved our best ratings to date in 2015 from the key indices we participate in: the Dow Jones Sustainability World and Europe indices (DJSI) for the fifth year in a row, the FTSE4Good and the Climate Disclosure Project.



Keith Skeoch
Chief Executive

"I firmly believe in the positive difference that a responsible, well-run investment business can make in society, whether directly, in partnership with others, or through using our influence appropriately. I look forward to continuing to grow and develop our positive impact, on behalf of all our stakeholders, in 2016."

We attribute our improved ratings in 2015 to increased integration of our sustainability priorities within our business, continuous improvements in our sustainability activities and improved transparency and reporting.

Building on our strong sustainability approach

This year and beyond we have a strong focus on inclusion and responsible investment. For our customers and clients we have recently established a financial inclusion panel to consider practical ways of making our products and services more accessible to people currently not well served by the financial services industry.

For our people we have initiatives in

recruitment, reward and talent to increase our gender and generational inclusion. Furthermore, we will build on the successful launch of our carer's network and LGBT Allies group, and hope to support the launch of a Black, Asian and Minority Ethnic network. We also plan to build on our approach as a responsible investor with increased integration of ESG considerations into our global investment process and further enhancement of our already leading transparent approach to engagement and voting.

We are also establishing a new foundation using unclaimed assets from our demutualisation which will focus on public interest research and practical activities to help close the savings gap

and ensure more people are financially secure over the long term.

We don't operate in isolation; we have an impact directly and indirectly on many others. Our aim is to make a positive contribution, and our sustainability strategy helps us to do this, over the long-term.

[Click here to find out more about our sustainability approach](#)



Sustainability report 2015

We recently published our Sustainability report 2015 showcasing our achievements against our four priority areas:



[Click here to read our Sustainability report 2015](#)



Responsible business

- Published our refreshed code of conduct – a set of principles for our people to carry out their roles with professionalism and integrity.
- Our people volunteered 661 days in their local communities – double the level of 2014 and above our 500 day target. In 2016 we are targeting a contribution of 1,000 volunteer days.



Employment

- Became the first private sector company in the UK to receive recognition as a "Living Wage Friendly Funder" from the Living Wage Foundation.
- Added to our award-winning employee networks and enhanced our family friendly policies as we continue to focus on diversity and inclusion.
- Continued our Edinburgh Guarantee Scheme offering six-month paid work experience to young people. 98% of those who have been through this programme have moved on to full time employment or further education.



Pensions and savings

- Enabled over 820,000 customers to save into a pension through auto enrolment
- Created an award-winning experience for customers choosing to access their pension savings after pensions freedoms.
- Helped our customers to understand their finances and manage their money through our new advice business, blogs and roadshows.

We provide financial calculators and guides on our website, which gained

1.1m
hits in total in 2015

Investment

- Voted the Leading UK Asset Management firm for SRI/ESG in the Extel 2015 awards for our approach to integrating ESG factors into our investment process.
- 16 of our Real Estate funds were awarded green stars from the Global Real Estate Sustainability Benchmark in recognition of our commitment to environmental management throughout all phases of a property's life cycle.
- Sponsored Good Money Week – a UK campaign that raises awareness of sustainable, responsible and ethical finance.



Capital Markets Day highlights

On 23 May we held a Capital Markets Day for investors and analysts. The day focused on how we are building a simplified and well diversified investment company that capitalises on global trends shaping the investments landscape. Presentations from management focused on our Growth Channels which are the key drivers of asset, revenue and profit growth. Below you can find links to our presentations and Q&A sessions from the day.



[Click here to download our Capital Markets Day presentation](#)

Building a simplified and well diversified investment company



“We are not just building an investment business at Standard Life, we are building a world-class investment business. This is designed to sustain growth of assets, profits and dividends because clients and customers recognise Standard Life as a high quality business.”

Keith Skeoch
Chief Executive



[Webcast](#)



[Transcript](#)

Delivering ‘new active’ investment solutions



“The global asset management industry is reshaping in response to the slow growth, low return environment ... it has led the industry to look at ‘new active’ approaches. We have the right strategy, a well thought out strategy, a strategy we can execute well for delivering the new active outcomes that clients want.”

Rod Paris
Chief Investment Officer



[Webcast](#)



[Transcript](#)

Leader in outcome-based investing



“We have been and will continue to be a leader around the world in multi-asset portfolios ... we have the breadth and depth in the team and the experience to generate these kinds of portfolios, to generate this broad range of multi-asset solutions for a broad range of client needs, but to make them very scalable.”

Guy Stern
Head of Multi-Asset and Macro Investing



[Webcast](#)



[Transcript](#)

Delivering global growth and diversification



“We are increasingly diversifying the business in geography, client types, asset class and the range of solutions we are providing for clients. We have got a track record of commercialising innovation and a growing demand across a range of different capabilities which will continue to diversify.”

Colin Clark
Head of Global Client Group

[Webcast](#) [Transcript](#)

Leading the UK pensions and savings market



“We have a strong, scalable business and we have momentum. The markets that we have focused on are the markets that we will see grow the most over the next five to ten years.”

Paul Matthews
Chief Executive, UK and Europe Pensions and Savings

[Webcast](#) [Transcript](#)

Ongoing focus on efficiency



“We have disciplined investment underpinning the global expansion and growth in our asset management business, but with a flexible cost structure that can respond to market conditions ... and a Pensions and Savings business where investment is seeing absolute costs stable to down.”

Luke Savage
Chief Financial Officer

[Webcast](#) [Transcript](#)

Investment solutions Q&A

Rod Paris
Bambos Hambri
Guy Stern

Final Q&A

Luke Savage
Paul Matthews
Barry O’Dwyer

Eddy Reynolds
David Tiller

Closing remarks

Keith Skeoch

[Webcast](#) [Transcript](#)

[Webcast](#) [Transcript](#)

[Webcast](#) [Transcript](#)

Group

Board change

4 July 2016

The Board of Standard Life plc announces that John Devine has been appointed as a Non-Executive Director with effect from 4 July 2016.

[Read more](#)

RMS

Group

Director resignation

24 June 2016

Standard Life plc announces that Isabel Hudson, who has served as a Director since October 2014, has resigned from the Board with immediate effect. As has been confirmed, she will join the Board of RSA Insurance Group plc on 1 August 2016.

[Read more](#)

RMS

Group

Possible strategic combination involving HDFC Life

16 June 2016

Standard Life plc notes the announcement today that HDFC Standard Life Insurance Company Limited, Max Life Insurance Company Limited and Max Financial Services Limited have entered into a Confidentiality, Exclusivity and Standstill Agreement to evaluate a possible merger between those parties.

[Read more](#)

RMS

Group

Capital Markets Day and assets and flows update

23 May 2016

Standard Life is holding a Capital Markets Day for investors and analysts in London on 23 May 2016. The day will focus on how Standard Life is building a simplified and well diversified investment company that capitalises on global trends shaping the investments landscape.

[Read more](#)

RMS

Group

Result of audit tender

17 May 2016

The Board of Standard Life plc announces its intention to appoint KPMG LLP as its auditor for the year ending 31 December 2017.

[Read more](#)

RMS

Group

Board and Committee movements

10 May 2016

Standard Life plc announces that, subject to his re-election at the Company's Annual General Meeting on 17 May 2016, Kevin Parry will succeed Crawford Gillies as Senior Independent Director.

[Read more](#)

RMS

Press release

Standard Life Investments

Standard Life Investments grows Japan team

21 June 2016

Standard Life Investments announces that Mitsuo Ohara has been appointed as the Head of Institutional Sales – Japan, based in Tokyo. In this newly created role, Mitsuo is responsible for developing and broadening key relationships across the financial institutions, pensions and consultant segments in Japan.

[Read more](#)

Press release

Standard Life Investments

Standard Life Investments launches American Equity Income Fund

16 June 2016

Standard Life Investments has launched an American Equity Income OEIC to UK based retail investors. The fund expands the suite of geographical income solutions we offer which includes UK, European, Global Emerging Markets and Global offerings.

[Read more](#)

Press release

Standard Life Investments

Standard Life Investments and Sumitomo Mitsui Trust Bank strengthen collaboration

14 June 2016

Standard Life Investments and Sumitomo Mitsui Trust Bank Limited, one of the largest banking groups in Japan, have signed a new memorandum of understanding in London, reaffirming both companies' dedication to collaborating further and driving forward mutually beneficial opportunities.

[Read more](#)

Press release

Standard Life Investments

Standard Life Investments Long Lease Fund purchases Glasgow student accommodation

3 June 2016

The Standard Life Investments Long Lease Fund has invested £17.4m in Blythswood House, a student accommodation development in Glasgow.

[Read more](#)

Press release

Standard Life Investments

Royal Dutch Shell AGM statement

24 May 2016

At its AGM on 19 May 2015, Royal Dutch Shell announced its decision to appoint EY as the company's external auditor following a tender process. At that meeting Guy Jubb of Standard Life Investments made a statement.

[Read more](#)

Press release

Standard Life Investments

Bosera and Standard Life Investments launch Global Emerging Opportunities Bond Fund

10 May 2016

Standard Life Investments (Hong Kong) Limited and Bosera Asset Management (International) Co., Limited ("Bosera International") announce the launch of the Bosera-Standard Life Investments Emerging Opportunities Bond Fund.

[Read more](#)

Press release

UK

Standard Life offers DB to DC transfers support

14 July 2016

Standard Life is launching a suite of materials to offer more support to advisers in the Defined Benefit (DB) to Defined Contribution (DC) transfer space. It recognises the time spent and the challenges advisers can face when advising in this area.

[Read more](#)

Press release

UK

1825 creates North West Regional Office with acquisition of Jones Sheridan

4 July 2016

1825, Standard Life's wholly owned financial planning business, announces it has entered into an agreement to acquire Jones Sheridan, with assets under advice of c£350m. This will establish 1825's North West Regional Office with 30 employees including seven advisers and four paraplanners.

[Read more](#)

Press release

Ireland

Standard Life 2016 best investment fund

5 June 2016

Standard Life is delighted to be recognised for its superior performance across its full range of funds over the past eight years and to win the recent 2016 Best Investment Fund Provider. MoneyMate examined 99 funds and 13 sectors to choose the winner.

[Read more](#)