

With-profits investment report

Quarter 2, 2020

This report gives information on the following

- factors that affect with-profits policy values
- types of assets – how these affect investment returns
- investment market conditions
- asset mixes – the asset mix for different categories of with-profits business
- asset and investment return details for each asset mix

Factors that affect with-profits policy values

The return on the asset mix is only one of the factors that affect with-profits policy values. Other factors are the deductions we make, and any other discretionary adjustments that we may apply such as smoothing. The deductions are normally for such things as our expenses and (where relevant) tax, costs of life cover and guarantees, and a contribution to the capital of the with profits fund. Some payout values are also affected by the guarantees that apply.

When Standard Life demutualised on 10 July 2006 the with profits fund was set up with an Inherited Estate. At least once a year we review whether it's appropriate to make distributions from the Inherited Estate. We use any distributions that we make to enhance with-profits payouts.

Some with-profits investments guarantee a minimum payout, for example when you die or when your policy reaches its maturity date, as long as all payments have been made when due. We will then pay at least this minimum amount regardless of the performance of the assets we hold over the period that your policy is invested in with-profits.

For more information on with-profits please visit our website at www.standardlife.ie/withprofits

Types of assets

We invest in a wide range of assets including equities, bonds and cash deposits. We expect that a higher proportion of equities and property will produce returns that are higher over the long term, but more variable over the short term. We expect that a higher proportion of bonds and cash will result in returns that are more stable, but lower over the long term.

Investment market conditions

- Central bank and government stimulus reassures investors
- Global stocks rally
- Coronavirus fears persist
- Corporate bonds rebound

Equities

Global equities rallied in the second quarter as central banks and governments announced massive stimulus packages to combat the economic effects of coronavirus. In April, stock markets around the world surged from their March lows. Shares were supported by the US Federal Reserve's (Fed's) efforts to support the US economy, including cutting US interest rates to near-zero in March. Global shares continued to rise in May and June as businesses in Western countries began to reopen and hopes of a rapid economic recovery took hold. Investor optimism was tempered by fears of a potential second wave of infections, however.

European equities recorded strong gains in line with stock markets around the world, despite data suggesting a collapse in economic activity across the Eurozone. Shares later rose on hopes of an end to lockdowns and evidence of an incipient global and regional economic recovery.

US equities rose strongly in the second quarter, outperforming other regions as US policymakers moved to mitigate the pandemic's economic fallout. As states began to emerge from lockdown, a turnaround in several economic datapoints supported hopes of a rapid recovery.

Bonds

Core government bond yields were largely flat over the quarter. Substantial fiscal stimulus and central-bank intervention has propped up markets. As the coronavirus pandemic started to recede in many countries, and many major economies began to reopen, demand for riskier assets returned. This led to a fall in demand for government bonds in early June.

Global corporate bonds recovered sharply over the period, spurred on by supportive fiscal and central-bank policy, and growing optimism that global economies would bounce back quicker than expected. In Europe, corporate debt was supported by accommodative policy stances from central banks and some better-than-expected economic data releases later in the period.

Asset mix

Our aim when managing our with-profits business is to provide growth over the long term, while continuing to maintain an appropriate level of financial strength so that we can meet all contractual obligations to our customers. We currently group policies into 3 categories, as described in the following table, and so there are 3 different asset mixes.

We regularly review the asset mix that backs our with-profits business, taking account of such things as:

- the nature and size of the guarantees for each class of with-profits business
- the strength of the fund
- any changes in current and expected future market conditions.

Note: the asset mix will also change as market values change.

Policy type	Fund name (see your policy statement)	Asset mix	Page
Personal Pension Plan ¹ Personal Pension Plus ¹ Tower Pension Series ²	Pension With Profits Fund	Category 1	3
Corporate Pension Series ¹ Buy out Bond ¹	Pension With Profits 2 Fund		
Capital Savings Plan Flexible Life Plan Mortgage Plan Capital Savings Plan (MC100) MoneyWorks Plan (Net)	Life With Profits Fund	Category 2	4
MoneyWorks Plan (Gross) MoneyWorks SSIA	MoneyWorks With Profits Fund		
Approved Retirement Funds ³ With Profits Retirement Annuity	Retirement With Profits Fund		
Endowment Assurance Plan Early Maturity Plan Flexible Savings Plan MC Plan Whole of Life Plan Pure Endowment Personal Pension PenPlan	Conventional With Profits		
PRSA Synergy Investment Bond Synergy Portfolio Bond Synergy approved retirement funds Synergy Portfolio approved retirement funds Executive Pension Plus	Standard Life With Profits Fund	Category 3	5
Personal Pension Plan ¹ Personal Pension Plus ¹ Tower Pension Series ² Corporate Pension Series ¹ Buy out Bond ¹	Pension With Profits Fund A		
With Profits Bond	With Profits Bond Fund		
Tower Pension Series ²	Pension With Profits Fund D		

Notes

¹ New policies taken out from September 2004 and top-ups from that date to existing policies are allocated to the Pension With Profits Fund A.

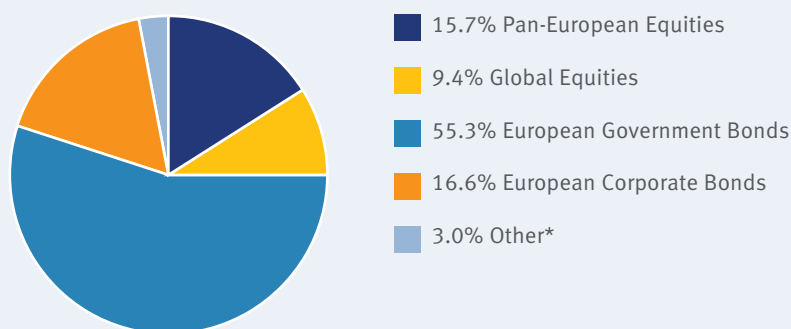
² Pension scheme members who joined before September 2004 have investments in the Pension With Profits Fund. Top-ups to these, and new members who joined between September 2004 and 9 July 2006, are invested in Pension With Profits Fund A. New members who joined from 10 July 2006 are invested in Pension With Profits Fund D.

³ Approved Retirement Funds other than Synergy approved retirement funds and Synergy Portfolio approved retirement funds.

Synergy policies taken out since June 2006 do not have a with-profits investment option. All other policy types listed above are no longer available to new investors.

Category 1 details

30 June 2020



* Other includes cash deposits and money market instruments.

Top 5 Equity holdings	Sector	Top 5 Bond holdings	Rating
Nestle	Consumer Staple	1 France (Govt of) 0.75% 2028	AA
Roche	Health Care	2 Kommuninvest I Sverige 1% 2025	AAA
ASML	Information Technology	3 Finnish Government 0.5% 2029	AA+
SAP	Information Technology	4 France (Govt of) 2% 2048	AAA
NOVO	Health Care	5 France (Govt of) 4.5% 2041	AA

Investment returns

Last four quarter years (before tax)

Quarter year ending on:	30/09/2019	31/12/2019	31/03/2020	30/06/2020
Category 1	2.5%	-0.3%	-5.8%	5.1%

These investment returns do not allow for charges, expenses or the effects of any smoothing and have been rounded down.

Category 1 is predominately invested in Fixed Interest, in particular European Government Bonds. This reflects the relatively higher guarantees provided by the classes of business backed by Category 1.

Last four calendar year returns (before tax)

Year	2016	2017	2018	2019
Category 1	2.5%	1.7%	-1.9%	10.3%

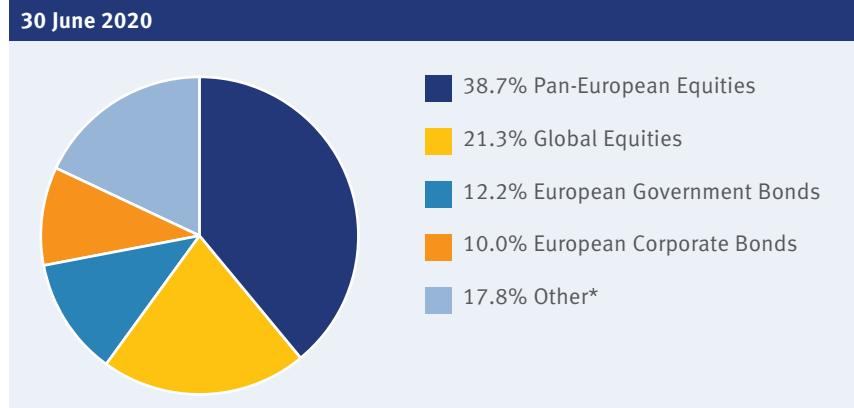
You should refer to your annual statement to see how the value of your policy changes over time.

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



For more information on with-profits, visit our website at www.standardlife.ie/withprofits

Category 2 details



* Other includes cash deposits and money market instruments.

Top 5 Equity holdings	Sector	Top 5 Bond holdings	Rating
Nestle	Consumer Staple	1 France (Govt of) 0.75% 2028	AA
Roche	Health Care	2 Kommuninvest I Sverige 1% 2025	AAA
ASML	Information Technology	3 Finnish Government 0.5% 2029	AA+
SAP	Information Technology	4 France (Govt of) 2% 2048	AAA
NOVO	Health Care	5 France (Govt of) 4.5% 2041	AA

Investment returns

Last four quarter years (before tax)

Quarter year ending on:	30/09/2019	31/12/2019	31/03/2020	30/06/2020
Category 2	2.7%	3.4%	-13.4%	9.8%

These investment returns do not allow for charges, expenses or the effects of any smoothing and have been rounded down.

Category 2 has a significant portion in equities, in particular Pan-European equities.

Last four calendar year returns (before tax)

Year	2016	2017	2018	2019
Category 2	0.7%	4.4%	-6.9%	17.6%

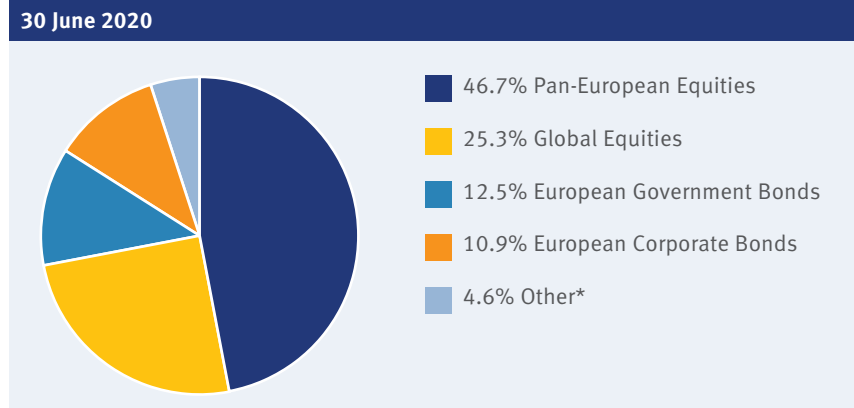
You should refer to your annual statement to see how the value of your policy changes over time.

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



For more information on with-profits, visit our website at www.standardlife.ie/withprofits

Category 3 details



* Other includes cash deposits and money market instruments.

Top 5 Equity holdings	Sector	Top 5 Bond holdings	Rating
Nestle	Consumer Staple	1 France (Govt of) 0.75% 2028	AA
Roche	Health Care	2 Kommuninvest I Sverige 1% 2025	AAA
ASML	Information Technology	3 Finnish Government 0.5% 2029	AA+
SAP	Information Technology	4 France (Govt of) 2% 2048	AAA
NOVO	Health Care	5 France (Govt of) 4.5% 2041	AA

Investment returns

Last four quarter years (before tax)

Quarter year ending on:	30/09/2019	31/12/2019	31/03/2020	30/06/2020
Category 3	3.2%	4.1%	-15.9%	11.9%

These investment returns do not allow for charges, expenses or the effects of any smoothing and have been rounded down.

Category 3 is predominately invested in Equities, in particular Pan-European Equities.

Last four calendar year returns (before tax)

Year	2016	2017	2018	2019
Category 3	0.4%	5.5%	-8.5%	21.3%

You should refer to your annual statement to see how the value of your policy changes over time.

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



For more information on with-profits, visit our website at www.standardlife.ie/withprofits

(01) 639 7000 www.standardlife.ie customerservice@standardlife.ie

Standard Life International dac is regulated by the Central Bank of Ireland. Standard Life International dac is a designated activity company limited by shares and registered in Dublin, Ireland (408507) at 90 St Stephen's Green, Dublin 2. Standard Life International dac is part of the Phoenix Group and uses the Standard Life brand under licence from the Standard Life Aberdeen Group.

WPIR V21 0820 © 2020 Standard Life Aberdeen, reproduced under licence. All rights reserved.

05/05