

With-profits investment report

Quarter 3, 2021

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

- Global equities fell overall, dragged down by emerging market and Chinese shares
- Developed markets equities performed well
- Rising inflation negatively impacted government bonds

Equities

Global equities reversed some of the positive returns of the second quarter, with the MSCI World Index falling -0.4%. Emerging market and Asia Pacific ex Japan lagged developed markets, largely due to the poor performance Chinese equities. MSCI China lost 18.4% in Q3 as shares struggled from a combination of ongoing regulatory announcements, electricity shortages, concerns over liquidity and the debt restructuring of Evergrande, China's second-largest property developer.

European equities started the quarter strongly amid a positive corporate Q2 earnings season and a solid economic recovery from the pandemic aided by the successful vaccination rollout programme. Energy and semiconductor sectors were the outperformer. However, later in the quarter, worries emerged over inflation due to supply chain bottlenecks and rising energy prices despite assurances from ECB members that the inflation spike would prove transitory.

US equities recorded a modest positive return in Q3. Despite the rise in new COVID-19 cases, positive momentum, solid economic growth, and positive corporate commentary lifted US stocks through August, to reach an all-time high in the first week of September. However, economic growth and inflation concerns in late September paired back most of the gains.

Bonds

Global government bonds yields fell (price higher) through the summer, reversing a significant portion of the rise in yields in the first half of the year. This was the result of the spread of the Delta variant raising concerns of recurring COVID-19 infection waves constantly disrupting the global recovery and the ability of policy makers to normalise interest rates.

Corporate bonds generated mixed returns over Q3 2021. Sterling Investment Grade indices generated total returns of -1.0%, while USD and EUR Investment Grade indices were flat (total returns of -0.1%, and 0.0% respectively). High Yield indices generated positive returns.

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		
uCapital 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.

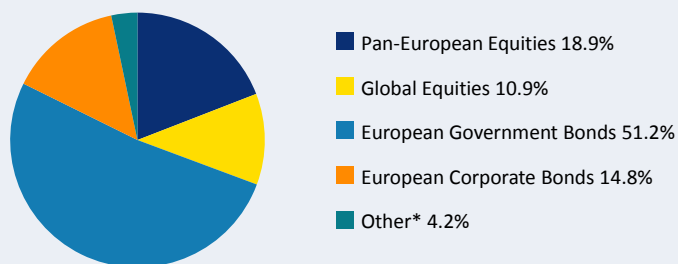
² Pension scheme members who joined before September 2004 have investments in the Pension With Profits Fund. Top-ups to these, and new members who joined between September 2004 and 9 July 2006, are invested in Pension With Profits Fund A. New members who joined from 10 July 2006 are invested in Pension 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 September 2021



* Other includes cash deposits and money market instruments.

Investment returns

Last four quarter years (before tax)

Quarter year ending on:	31/12/2020	31/03/2021	30/06/2021	30/09/2021
Category 1	3.0%	0.7%	1.9%	0.4%

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.

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

Last four calendar year returns (before tax)

Year	2017	2018	2019	2020
Category 1	1.7%	-1.9%	10.3%	3.5%

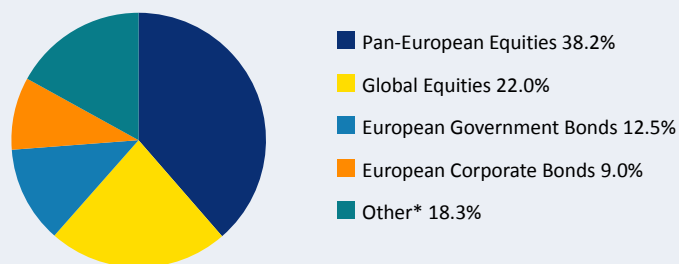
Past performance is not a reliable guide to future performance. The value of this investment may go down as well as up and may also be affected by changes in currency exchange rates.



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

Category 2 details

30 September 2021



* Other includes cash deposits and money market instruments.

Investment returns

Last four quarter years (before tax)

Quarter year ending on:	31/12/2020	31/03/2021	30/06/2021	30/09/2021
Category 2	6.2%	5.0%	4.3%	0.7%

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	2017	2018	2019	2020
Category 2	4.4%	-6.9%	17.6%	2.3%

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

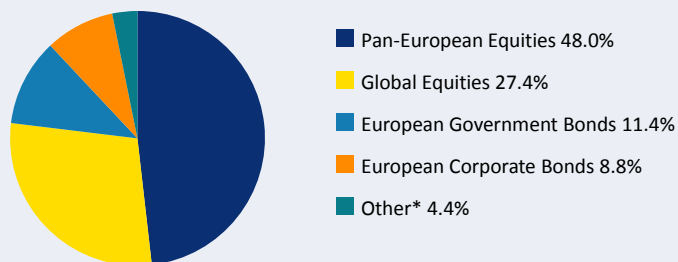
Past performance is not a reliable guide to future performance. The value of this investment may go down as well as up and may also be affected by changes in currency exchange rates.



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

Category 3 details

30 September 2021



* Other includes cash deposits and money market instruments.

Investment returns

Last four quarter years (before tax)

Quarter year ending on:	31/12/2020	31/03/2021	30/06/2021	30/09/2021
Category 3	7.5%	6.4%	5.4%	0.8%

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	2017	2018	2019	2020
Category 3	5.5%	-8.5%	21.3%	2.8%

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 D02 F653.