Together

we invest for a better future

Standard Life Aberdeen

Full year results 2019

Forward-looking statements

This document may contain certain ‘forward-looking statements’ with respect to the financial condition, performance, results, strategy, targets, objectives, plans, goals and expectations of the Company and its affiliates. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements are prospective in nature and are not based on historical or current facts, but rather on current expectations, assumptions and projections of management about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. For example but without limitation, statements containing words such as ‘may’, ‘will’, ‘should’, ‘could’, ‘continue’, ‘aims’, ‘estimates’, ‘projects’, ‘believes’, ‘intends’, ‘expects’, ‘hopes’, ‘plans’, ‘pursues’, ‘ensure’, ‘seeks’, ‘targets’ and ‘anticipates’, and words of similar meaning (including the negative of these terms), may be forward-looking. These statements are based on assumptions and assessments made by the Company in light of its experience and its perception of historical trends, current conditions, future developments and other factors it believes appropriate.

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Note

1. Comparative figures in this presentation are:
   - On a continuing operations basis which excludes the UK and European insurance business which was sold to Phoenix on 31 August 2018.
   - For any 2017 comparatives, provided on a Pro forma basis as if Standard Life Group and Aberdeen had always been merged.

Full year results 2019

Transforming today, investing for tomorrow

Keith Skeoch

Chief Executive

Standard Life Aberdeen

Transforming today, investing for tomorrow

Transforming today

- Marked improvement in investment performance and encouraging gross and net flow momentum in H2 2019
- Challenging year for industry creating revenue headwinds
- Adjusted operating expenses down 4%
- Solid progress against £350m synergies target and additional synergies of £50m identified
- Adjusted diluted EPS of 19.3p

Investing for tomorrow

- Investing in the business and focus on diversifying revenue growth
- Enhancing investment capabilities and global coverage
- Combining proven Platforms and Wealth capabilities to better serve our clients and customers
- Improving productivity through investment in technology
- Investment in our talented people

Financial resilience

- Strong capital surplus of £1.7bn and capital generation potential
- Strength of capital position supports investment and shareholder returns – maintained FY dividend at 21.6p
- Returned over £1bn to shareholders and further share buyback of up to £400m announced

Full year results 2019

Financial results

Stephanie Bruce

Chief Financial Officer

Standard Life Aberdeen

Profitability from continuing operations

	FY 2018 £m	H1 2019 £m	H2 2019 £m	FY 2019 £m	YoY change
Fee based revenue	1,868	815	819	1,634	-13%
Adjusted operating expenses	(1,395)	(673)	(660)	(1,333)	-4%
Adjusted operating profit	473	142	159	301	
Capital management	(9)	22	15	37	
Asset management associates and joint ventures[1]	46	26	31	57	
Asset management, Platforms and Wealth	510	190	205	395	
Insurance associates and joint ventures[2]	140	90	99	189	
Adjusted profit before tax	650	280	304	**584**	-10%
Adjusting items	(1,397)			(333)	
Share of associates' and joint ventures' tax expense	(40)			(8)	
Profit/(loss) before tax	(787)			**243**	
Tax expense	(43)			(28)	
Profit attributable to non-controlling interests	(5)			(5)	
Profit/(loss) for the year attributable to equity shareholders	(835)			**210**	

Adjusted diluted earnings per share of 19.3p (2018: 17.8p[3])

[1] Includes HDFC Asset Management and Virgin Money JV. [2] Includes Phoenix, Heng An Standard Life and HDFC Life. [3] In accordance with IAS 33, earnings per share has not been restated following the share consolidation as there was an overall corresponding change in resources. As a result of the share consolidation and share buyback earnings per share from continuing operations for the year ended 31 December 2019 is not directly comparable with the prior year. Refer to Note 12 of the Group financial statements for information relating to the calculation of diluted earnings per share.

Reduction in revenue reflects impact of net outflows in Institutional and Wholesale and mix of asset class demand

Fee based revenue

	2018 £m	2019 £m
Institutional and Wholesale	1,253	**1,011**
Strategic insurance partners	347	**317**
Platforms and Wealth:		
- Wrap and Elevate	142	**150**
- Wealth[1]	105	**107**
	1,847	**1,585**
SL Asia	12	**12**
Performance fees	9	**37**
Fee based revenue	1,868	**1,634**

- Reduction in revenue in Institutional and Wholesale:
  - Net outflows concentrated in this channel, particularly Equities and Multi-asset
  - Change in mix of asset class demand
- LBG tranche withdrawals from Strategic insurance partners – expect c£90m revenue impact in 2020
- Revenue growth in Platforms and Wealth, with increase in customer base
- Performance fees reflect improved investment performance and include £12m from maturing Real estate funds
- Positive market movements benefiting AUMA and revenue

[1] Includes Parmenion, Aberdeen Standard Capital and 1825.

Fee revenue yield

Fee revenue yield

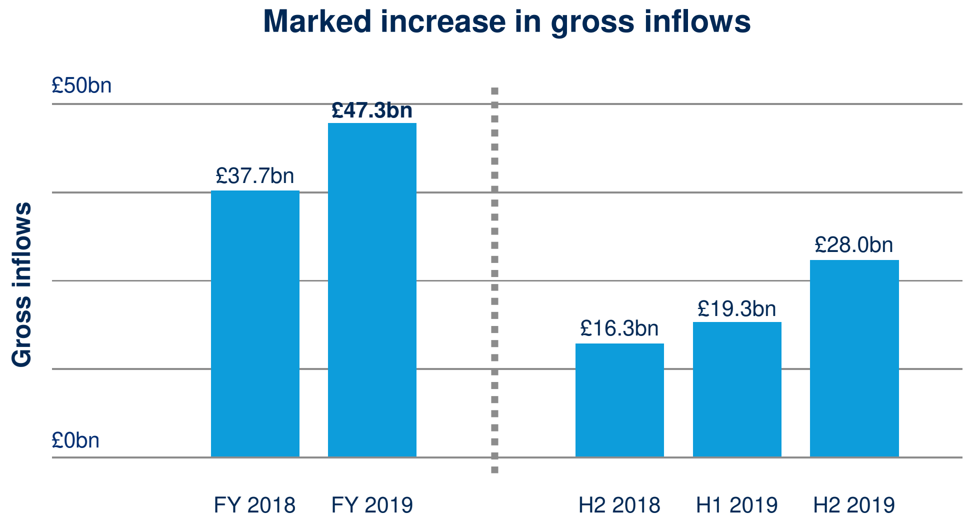
	FY 2018 bps	**FY 2019 bps**	H1 2019 bps	H2 2019 bps
Institutional and Wholesale	47.9	**42.8**	43.4	42.1
Strategic insurance partners	13.1	**12.2**	12.7	11.7
Platforms and Wealth:				
- Wrap and Elevate	25.6	**25.3**	25.6	25.0
- Wealth[1,2]	57.5	**48.4**	50.6	46.2
Total fee revenue yield	31.1	**27.9**	28.6	27.5

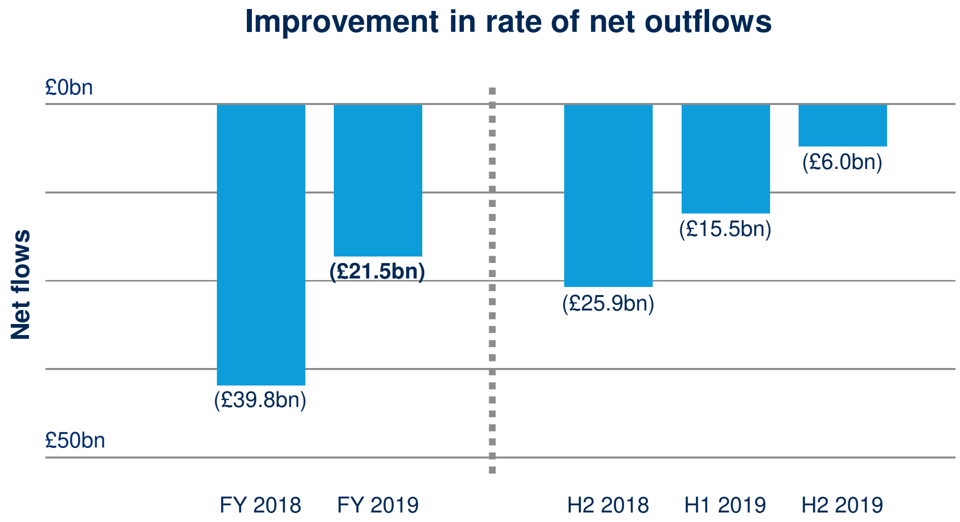
- Movement in total yield largely reflects mix of client investment demand
- Yield on different asset classes not significantly changed other than due to competitive pressures
- Institutional and Wholesale –
  - Equities and Fixed income broadly stable
  - Multi-asset – reduced outflows from higher yield GARS, inflows to MyFolio and lower yield products
  - Impact of outflows from higher yield UK property funds
- Platforms – yields sustained in a growing market
- Wealth – yield decrease reflects inclusion of £3.5bn lower yield assets from Virgin Money received in H1 2019 – 7.2bps of YoY reduction

[1] Includes Parmenion, Aberdeen Standard Capital and 1825. [2] Wealth fee revenue yield calculation excludes revenue of £13m (2018: £16m) for which there are no attributable assets.

Institutional and Wholesale

2019 progress



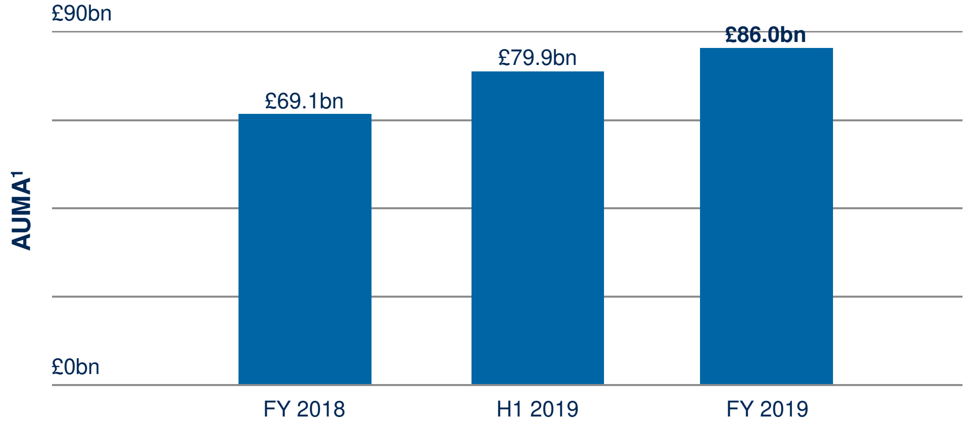


- 25% YoY increase in gross inflows and improvement in rate of redemptions and net outflows
- Higher levels of gross inflows from Fixed income, Private markets and Alternatives and Quantitative investment solutions supported by momentum from our focus funds
- £5.5bn US strategic advisory mandate win during Q4 2019 (low margin, in Alternatives)
- Capturing the growing client demand for Responsible Investment solutions – over £2.5bn of flows into ESG driven investments across asset classes
- Reduced level of outflows in Equities and Multi-asset

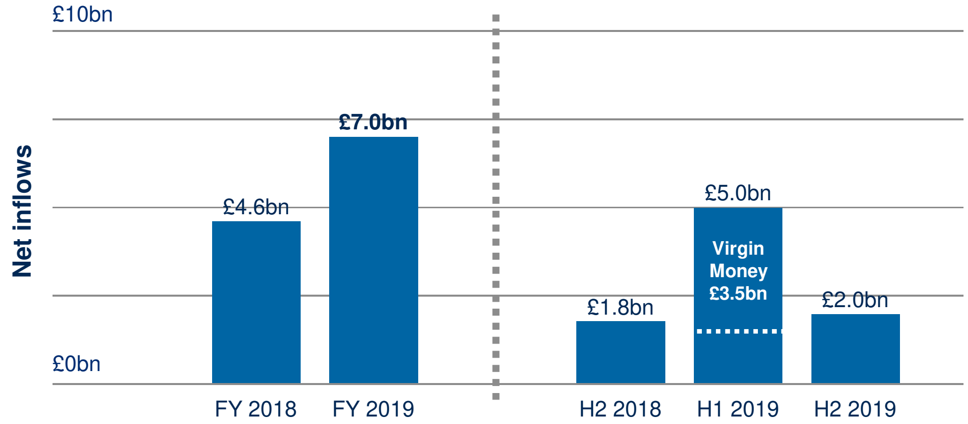
Platforms and Wealth

2019 progress

Continued growth in assets



Encouraging level of net inflows sustained



- 24% YoY increase in assets to £86.0bn
- Net inflows impacted by weak market sentiment caused by political uncertainty and further reduction in DB to DC transfers
- Simplified Wrap fee structure and new Drawdown Price Lock announced in Q4 2019
- Acquired wealth advisory businesses of BDO NI and Grant Thornton UK – 1825 AUAdv now £6bn with 11,000 clients
- Completed distribution channel with Virgin Money, adding 6m potential customers. £3.5bn of assets received in H1 2019.

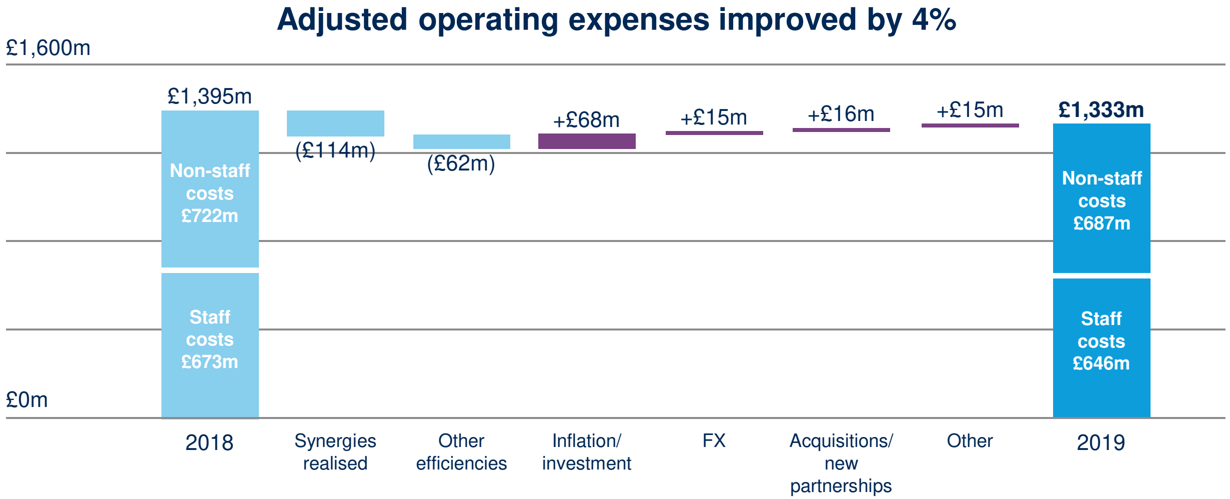
[1] Includes AUAdv in FY 2018: £4.0bn and FY 2019: £6.0bn. Stated prior to eliminations.

Associates and JVs

	Holding[1]	Listed value of holding[2]	2019 share of adjusted profit	
PHOENIX GROUP	19.97%	£1.0bn	£136m	• ASI is the asset manager of choice for Phoenix (£146bn of AUM) • Potential for new asset management mandates from further Phoenix acquisitions • Provides Platforms and Wealth with access to up to 10m potential customers
HDFC ASSET MANAGEMENT COMPANY LIMITED	26.91%	£1.7bn	£57m[3]	• Leading asset manager in one of the world's fastest growing economies • Potential collaboration opportunity as investor behaviours and regulations change • Sale of 3.02% for £0.2bn in 2019 – further reduction in stake required to achieve 25% free float by August 2021 (free float currently c20%)
恒安标准人寿 Heng An Standard Life	50.00%	Unlisted	£17m	• Long-term strategic opportunity through exposure to Chinese pensions market which is expected to grow significantly • Approval obtained in Q1 2019 to form a pensions company • Potential collaboration opportunity to use our investment expertise with HASL
HDFC Life Sar utha ke jiyo!	14.73%	£1.6bn	£36m	• Consistently ranked in top 3 private life insurers in India • Sale of 14.49% for £1.5bn in 2019 • Intention to monetise holding over time – 9% locked-up until end March 2021; 5.73% unrestricted

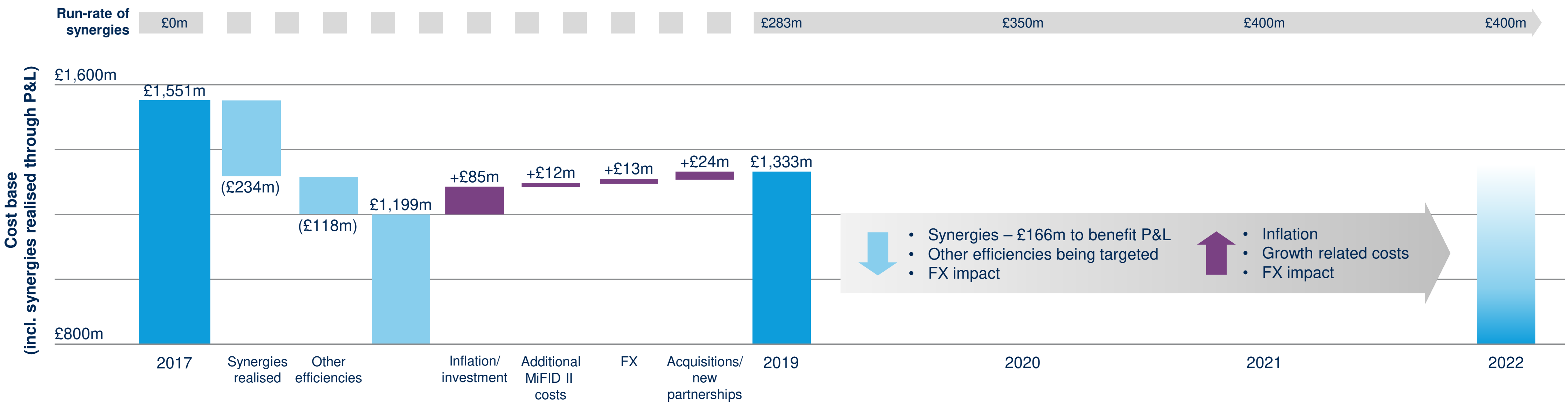
[1] As at 31 December 2019. [2] As at 9 March 2020. HDFC AM and HDFC Life translated using an exchange rate of 96.1/£1. [3] Includes share of adjusted profit from HDFC Asset Management and Virgin Money JV.

Increased realisation of synergies and efficiencies in operating expenses



- 13% of opening cost base realised in synergies and efficiencies
- Key savings are staff, marketing expenditure and premises rationalisation
- Additional costs incurred include increases in supplier costs, and wage and staff inflation reflecting deferred staff compensation packages as well as investment in enhanced capabilities
- Action to invest in new acquisitions/new distribution partnerships, primarily in advice businesses (GT and BDO) and access to new retail customers (Virgin Money)
- Cost/income ratio increase to 71% incl. JVs and associates (2018: 68%); 82% excl. JVs and associates reflects:
  - Impact of revenue movements and the fixed cost base
  - Sub-optimal cost/income ratio in Platforms and Wealth
- Changing our cost base is part of transformation

Continue with progress on improving operating leverage



2019 progress:

- £352m of savings realised since transaction date
- Achieved 67% of synergies target for realisation in 2021, with integration representing 77%
- Additional outsourcing and managed service provision achieved in middle office, technology and change team

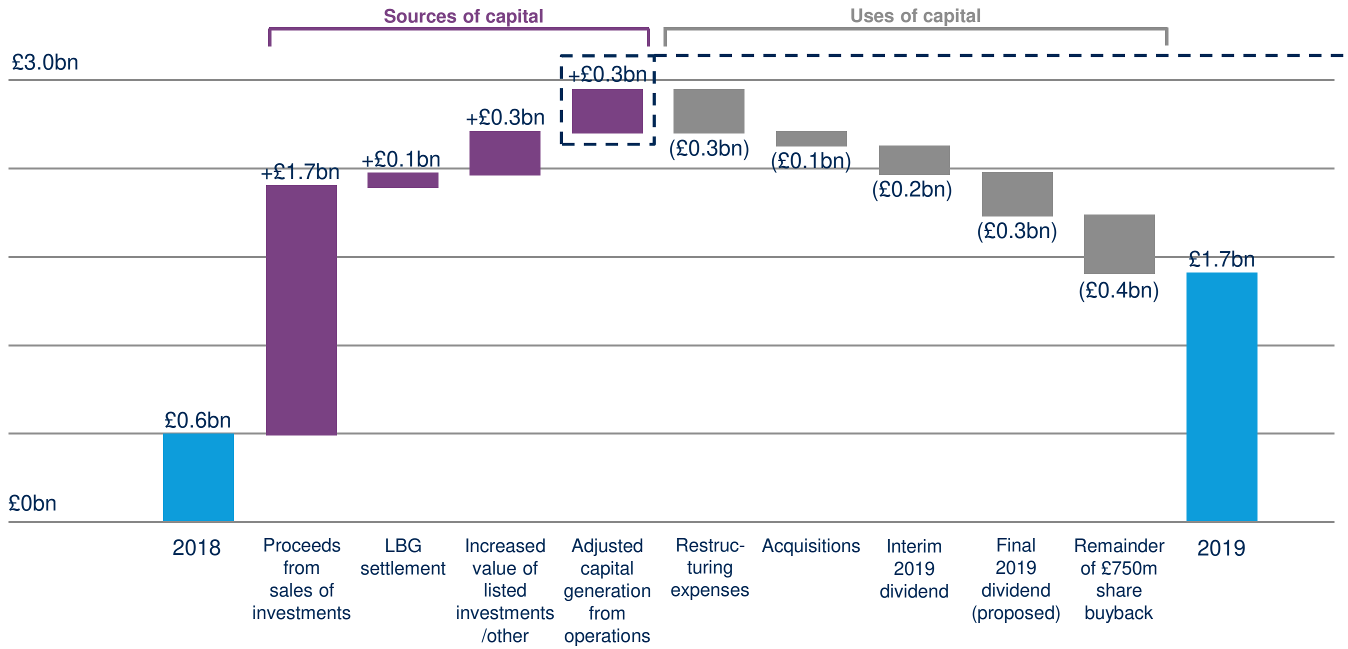
Looking forward:

- On track to reach run rate of £350m synergies by end of 2020
- Additional £50m synergies identified for 2021, total now £400m
- Additional costs required to deliver synergies reflecting complexity and duration into 2021. At £1.38 for £1 of synergy, it compares well to similar programmes.

Strong actions on costs support our ambition for improved cost/income ratio

Strong capital generation improving financial resilience

Movement in regulatory capital surplus



Adjusted capital generation

	£m
Adjusted profit before tax	**584**
Tax on adjusted profit	(69)
Share of associates' and JV tax expense	(46)
Adjusted profit after tax	**469**
Less staff pension scheme returns	(29)
Less associates' and JVs' adjusted profit after tax	(200)
Add associates' and JVs' cash dividends received:	
- Phoenix	67
- HDFC Asset Management	17
- HDFC Life	9
Adjusted capital generation from operations	**333**

- Monetisation of investments significantly enhanced capital position
- Share buyback announced in February 2020 of up to £400m not reflected in year end capital position
- Resilience enables investment for sustainable growth and shareholder returns

Strength of capital position generates options for shareholder value

Strong and resilient capital position

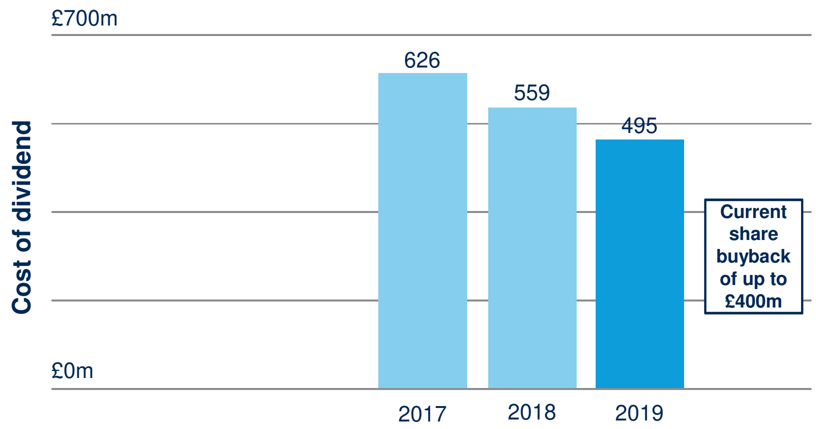
Distributable reserves
£2.3bn

Net liquid resources[1]
£1.7bn

Surplus regulatory capital
£1.7bn

- 2019 full year dividend maintained at 21.6p
- Total cash cost of dividend reduced through shareholder returns
- Capacity to invest in further diversification of sources of revenue
- Continued focus on costs to support improvement in cost/income ratio, leading to increased capital generation from operations

Cash cost of dividend



	2017	2018	2019
Full year dividend per share (p)	21.3	21.6	21.6
Ordinary shares in issue at 31 Dec (m)	2,979	2,529	2,339
Cash cost of declared dividends in year (£m)	626	559	495[2]
Adjusted capital generation from operations (£m)[3]	457	395	333
Capital generated from stake sales (£m)	359	180	1,698
Adjusted diluted earnings per share (p)[3,4]	17.2p[5]	17.8p	19.3p

[1] Cash/liquid resources from across the Group adjusted for the impact of the proposed 2019 final dividend of £0.3bn, less nominal value of debt of £0.7bn. [2] Estimated. [3] From continuing operations. [4] In accordance with IAS 33, earnings per share has not been restated following the share consolidation as there was an overall corresponding change in resources. As a result of the share consolidation and share buyback earnings per share from continuing operations for the year ended 31 December 2019 is not directly comparable with the prior year. Refer to Note 12 of the Group financial statements for information relating to the calculation of diluted earnings per share. [5] On a Pro forma basis.

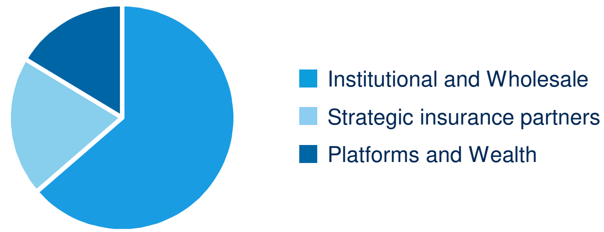
Disciplined principles for our business

Principles

- Growing and diversifying revenue
- Using our competitive advantages with focus on growth areas
- Financial discipline
- Leveraging our strong capital position and investing for sustainable returns

Progress in 2019

- Diversified sources of revenue



- Continued progress on cost base
- Strong capital surplus of £1.7bn
- Maintaining dividend at 21.6p

Full year results 2019

Transforming today, investing for tomorrow

Keith Skeoch

Chief Executive

Standard Life Aberdeen

Key channels driving our business

	2019		
Asset management Institutional, Wholesale and Strategic insurance partners	**Revenue[1]** **£1,328m**	• Active asset management for institutional and wholesale clients • Offering innovative investment solutions at scale across four regions	• Diversified sources of revenue • Distribution coverage
Platforms and Wealth	**Revenue** **£257m**	• Advisory and platforms services for intermediaries and individuals • Award-winning customer service	• Access to customers • Upside from management action on revenue and costs
Associates and JVs PHOENIX GROUP · HDFC ASSET MANAGEMENT COMPANY LIMITED · 恒安标准人寿 Heng An Standard Life · HDFC Life Sar utha ke jiyo!	**Share of adjusted profit** **£246m** **Dividends** **£93m**	• Strategic benefits for accessing customers • Adds diversity and strength to balance sheet to sustain financial resilience	• Sources of commercial opportunities and value

[1] Excludes revenue from SL Asia of £12m and performance fees of £37m.

Differentiating competitive advantages

Our business model

Investment capability and product set

Distribution channels and deep relationships

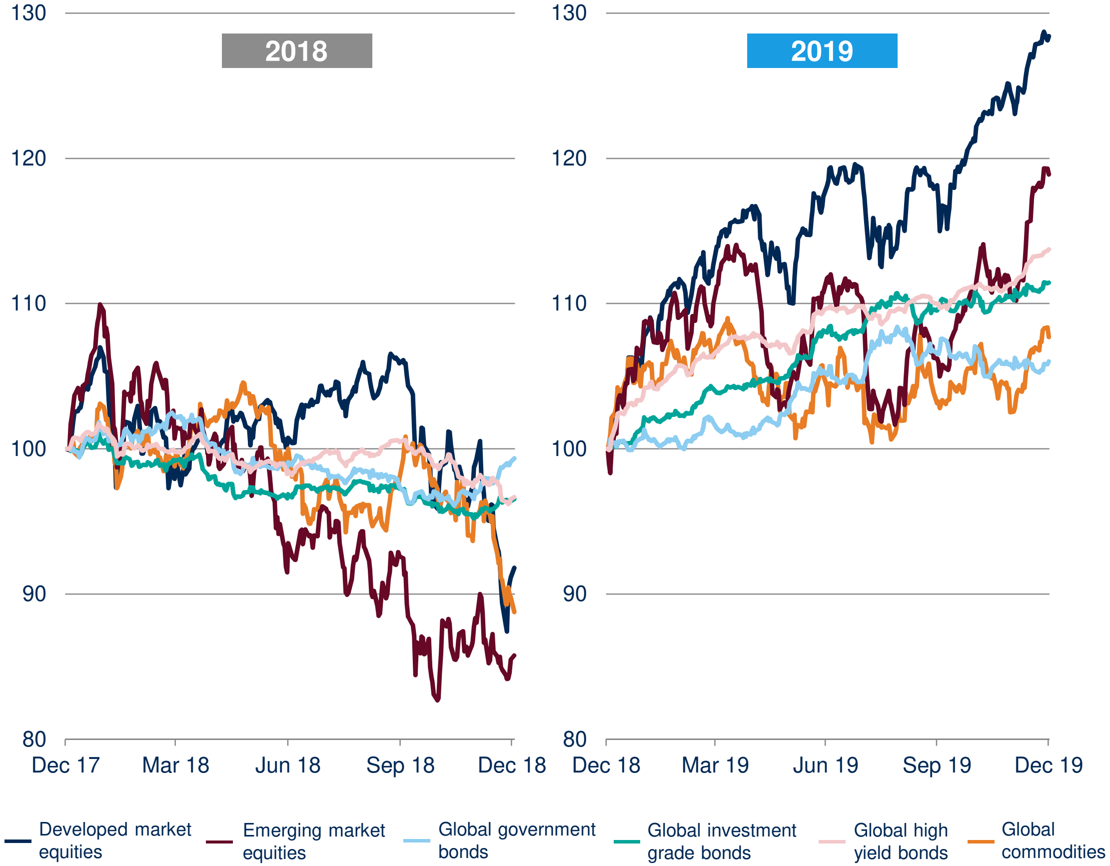
Capital generation to enable investment and shareholder returns

Differentiating competitive advantages

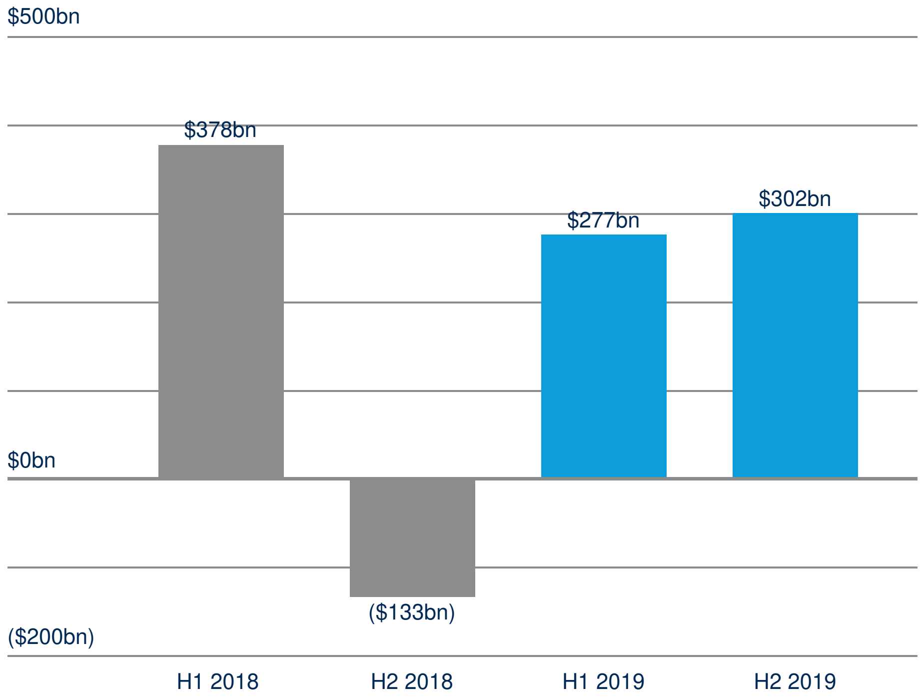
- Diversified sources of revenue in changing markets through:
  - Investment capability in public and private markets
  - Strength of platform capability to attract client and customer assets via advisers
  - Access to customers for growing direct Wealth channel
  - Track record of investment innovation
  - Long-established expertise in ESG

Dynamic industry backdrop

Total return indices[1]



Global mutual fund industry net flows[2]

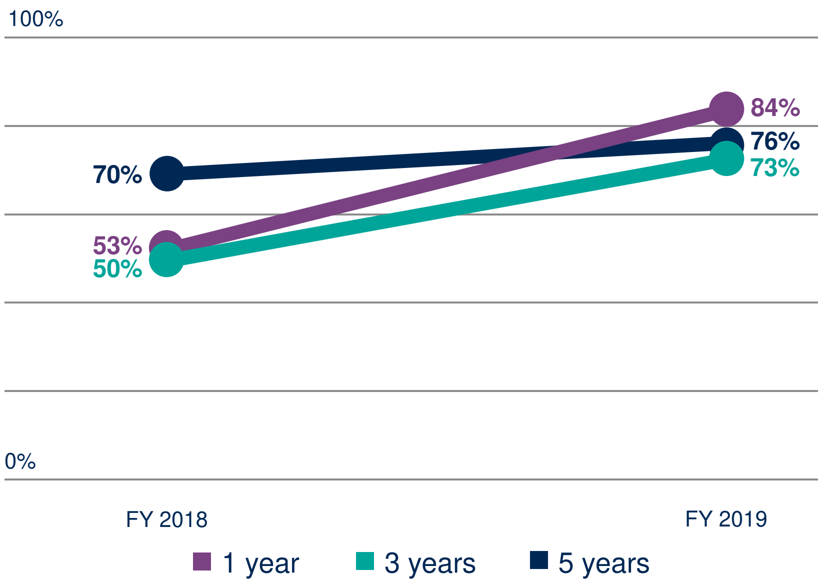


Market uncertainty rising again

[1] Source: Refinitiv Datastream (rebased). [2] Source: Morningstar, mutual fund net flows excluding money market funds.

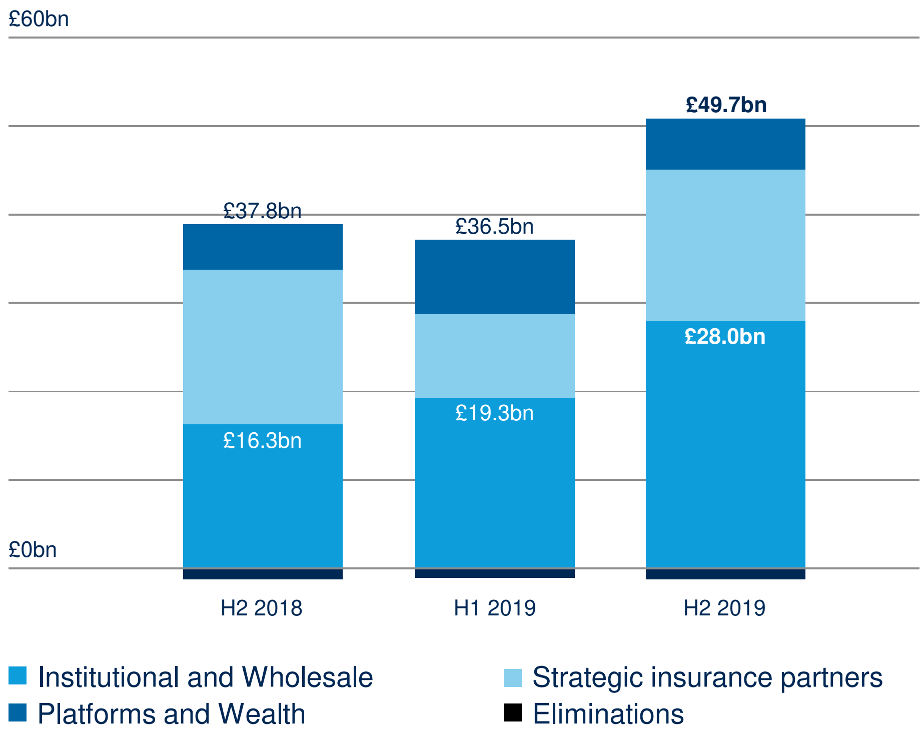
Actions taken to improve performance driving client flows

Institutional and Wholesale AUM ahead of benchmark



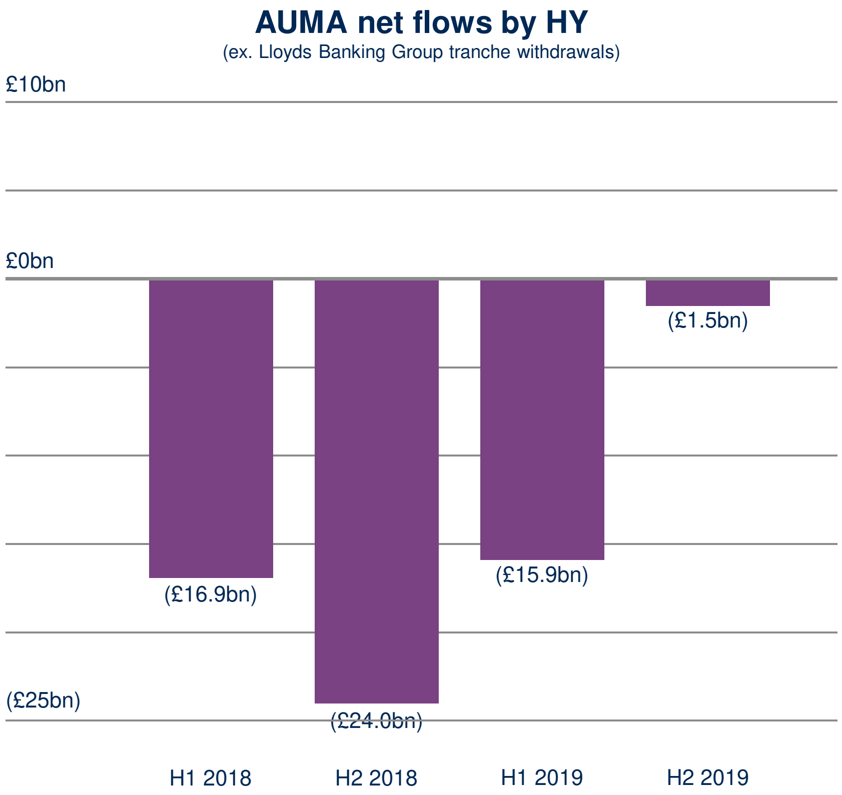
- Improved performance benefiting from process enhancement plans
- Increased the number of consultant rated strategies from 43 to 46
- Total AUM ahead of benchmark over 3 years now 60% (2018: 50%)

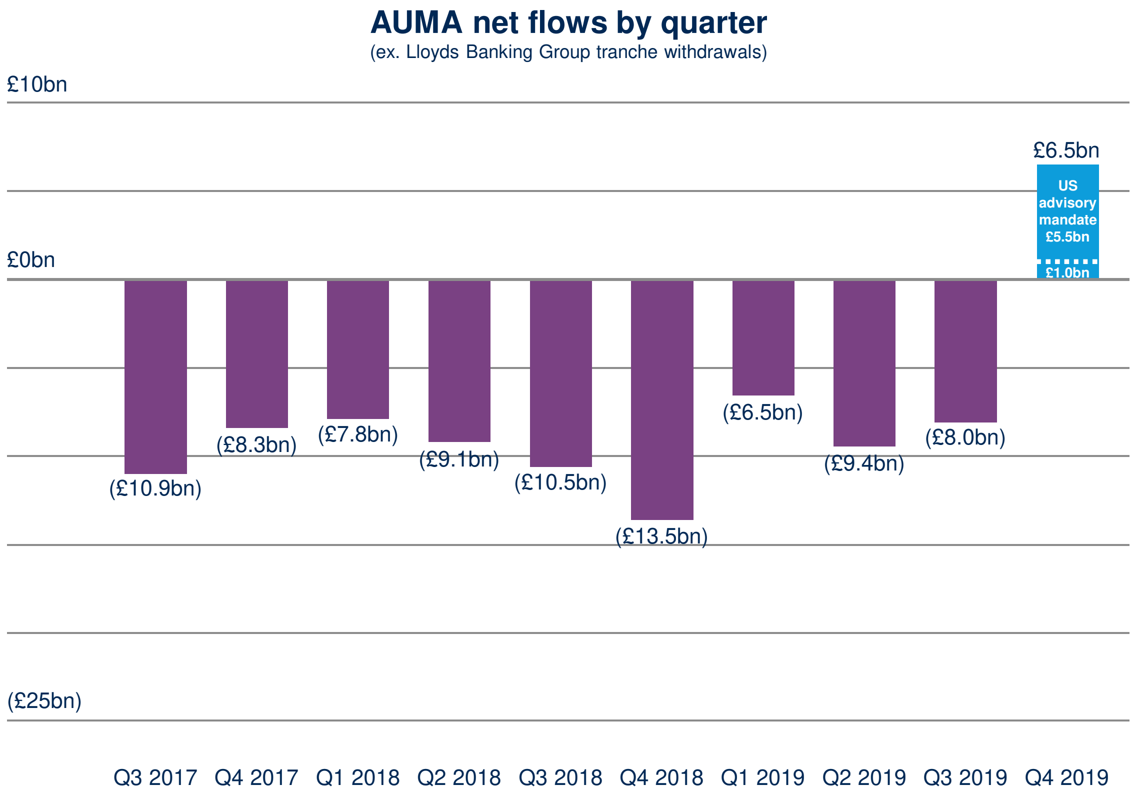
Gross inflows by HY



Flows benefiting from our focus on delivering for customers and clients and strength of relationships

Marked improvement in net flows



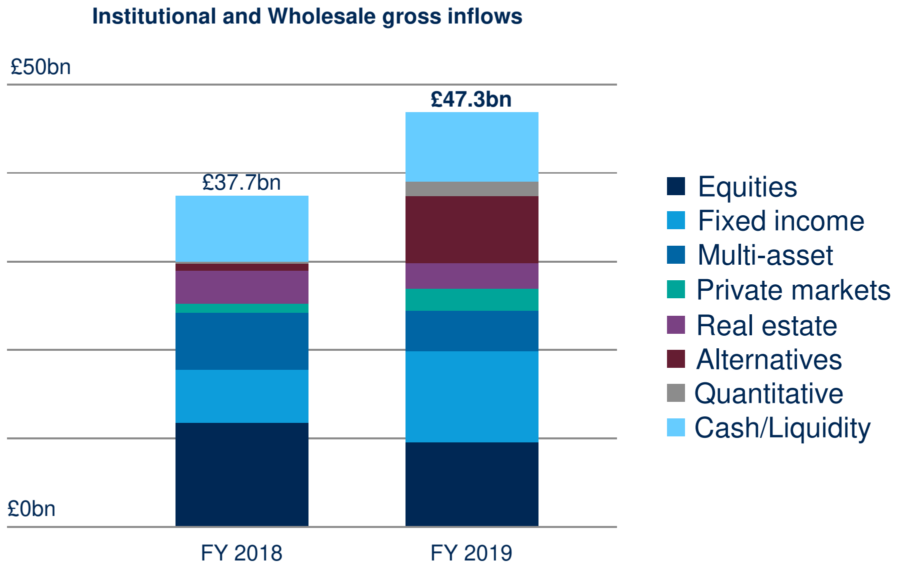


- Net flows improved significantly in H2 2019 (ex. Lloyds Banking Group tranche withdrawals)

- First quarter of net inflows since merger
- Q4 2019: £1.0bn net inflows excl. low margin US advisory mandate win

Institutional and Wholesale – delivering for clients and customers

Improved momentum in gross inflows



- Demand across a broad range of capabilities with strong interest in:
  - China A shares
  - DM credit / EM fixed income
  - Private equity and European real estate
  - Alternatives (incl. new index of hedge funds)

- Flows benefiting from deliberate focus on matching strongest investment capabilities with client demand:
  - Equities – China A shares / Euro small cap; Fixed income – EM Debt / Global Corporate Bond; Alternatives – Euro property / Private markets; Multi-asset – Growth / Diversified income
  - Doubled gross flows in sectors we have specifically focused distribution efforts on
  - Aggregate net sales rank in these sectors – 4th (2018: 51st)
- China A shares – no. 1 for gross and net flows in its sector; £0.9bn of net inflows
- Strong demand for Private markets / Real estate:
  - £3bn of assets won but not yet funded across Private equity, Infrastructure and the broader Private markets range
  - European Real estate funds saw good inflows incl. Pan European Residential Property Fund raising €400m (now c€820m in 2 years)
- Strong and diverse pipeline of future opportunities

Institutional and Wholesale – diversifying revenue by asset class

Focus on further diversifying sources of revenue across asset classes and geographies

Revenue by asset class

	2019 36 new product launches
Equities	6
Fixed income	9
Multi-asset	8
Private markets	8
Real estate	2
Alternatives	1
Quantitative	1
Cash/Liquidity and other	1

New product launches in 2019 – examples

- Global Bond 2023 Fixed Maturity
- HFR Liquid Alternatives
- US Private Equity Fund VIII
- Macro Systematic Dimensions
- Euro Long Income Real Estate
- Global Impact
- China A Shares OEIC
- MyFolio Index
- Secondary Opportunities Fund IV
- China Bond

- Launched 36 new products and 48 funds globally – meeting clients and customers needs across asset class and geography
- Building on our track record of investment innovation:
  - Recognised in Top 10 European master groups by success of funds launched[1]
  - Since the merger we have launched 77 new products which have already generated over £10bn of AUM
- Expanded our real estate capabilities in Asia through acquisition of Orion Partners
- Disciplined approach to managing and rationalising product range with 36 fund closures and mergers during 2019

Over 90% of c$50bn forecast global industry revenue growth opportunity from 'new active'[2]

[1] Source: Broadridge Product innovation July 2019. Successful launch is deemed to be a fund achieving more than €100m AUM with a three year track record. [2] Source: BCG, 2019. Estimated growth in global industry revenue between 2018 and 2023 for Alternatives, Active specialities and Solutions in aggregate.

ESG fully embedded in all our investment processes and client offerings

Long-established track record of making ESG considerations core to our investment approach

- Actively embedding ESG factors since 1992
- A leader in active stewardship and ownership

Investing with purpose to deliver the best outcomes for clients and customers

- ESG approaches for each of our asset classes
- Voted at 5,193 shareholder meetings and on 58,839 resolutions
- Voted for c40% of climate change related resolutions in 2019

Embedded across our AUM and with specialist range of sustainability-driven solutions

- c£17bn[1] in sustainable investment funds
- Our UK Ethical Fund is over 20 years old – outperforming over 1, 3, 5, 10 and 20 years

Externally recognised investment approach

- 'Asset Manager of the Year' at Better Society Awards 2019
- Awarded 'A+' Strategy rating by Principles Responsible Investment (PRI)
- 33 'Green Stars' in GRESB Real Estate assessment
- 'Best ESG Wealth Manager/Discretionary Fund Manager' at 2019 Investment Week Sustainable and ESG Investment Awards

With mandate wins across asset classes and geographies

- £100m **Multi-asset SRI** mandate for a UK-based mutual friendly society

- £500m **European Smaller Companies Equity** mandate for a Germany-based financial institution

- £150m **Emerging Market Debt SRI** mandate for a Switzerland-based financial institution

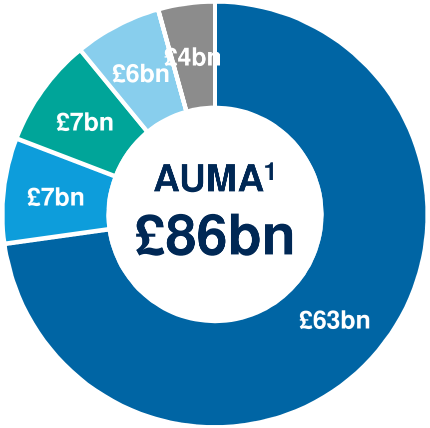
- £150m **European Corporate Bond SRI** mandate for a Netherlands-based financial institution

Enhancing the value of active management to invest for a better future

[1] Based on our own classification that constitute Sustainable Investment funds and interpretation of universal guidance on the various categorisations of approaches as of June 2019.

Platforms and Wealth – diversifying revenue across channels

Scale and breadth of capabilities



- **Wealth/financial planning adviser platforms**
  Wrap and Elevate
- **Portfolio solution platform**
  Parmenion
- **Discretionary wealth management**
  Aberdeen Standard Capital
- **Financial planning and advice**
  1825
- **Joint ventures**
  Virgin Money

Award-winning customer service – sample of 2019 awards:

Platforms

Wealth

Focus on leveraging market presence

	Assets[2]	Advised platform	D2C platform	Disc. wealth mgmt.	Financial planning and advice
Peer 1	£117bn	✓		✓	✓
Peer 2	£105bn		✓		
Peer 3	£90bn	✓		✓	✓
Standard Life Aberdeen	**£86bn[1]**	✓	✓	✓	✓
Peer 4	£67bn	✓		✓	✓

- **Platforms:**
  - No. 1 adviser platforms business for assets and gross inflows[3]
- **Wealth:**
  - Top 10 adviser business in the UK by assets[3] following the acquisition of Grant Thornton's wealth advisory business

[1] Stated prior to eliminations. [2] Includes compiled estimates based on company analysis and latest available corporate reporting. [3] Based on company compiled data sourced from latest available corporate reporting.

Platforms and Wealth – combining our proven UK retail capabilities to drive growth and improve profitability

Our actions/strategy

Combining Platforms and Wealth under one experienced leadership team:

- Bringing together our proven UK retail capabilities to better serve our clients and customers
- Wealth supported by our award-winning Platforms to drive growth

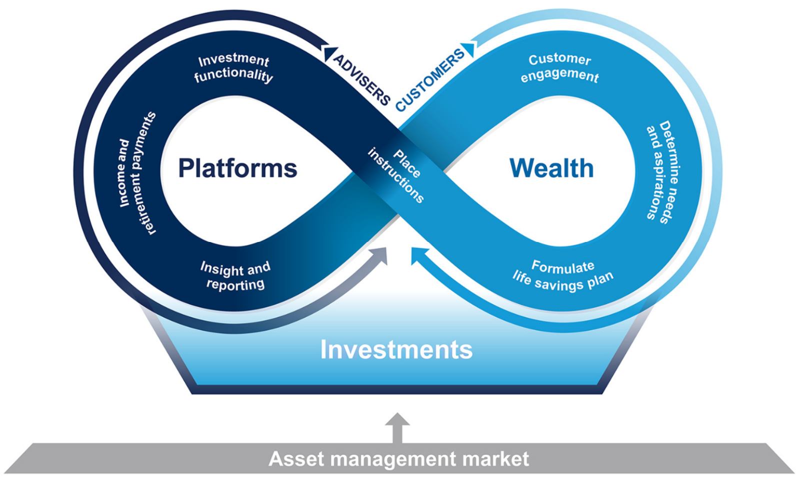
Continuing to invest in technology and innovation:

- Delivering efficiency and significantly improved cost/income ratio
- Decoupling from Phoenix technology and modernising infrastructure
- Further enhancing platform capability to attract client assets with advisers

Enhancing focus on customers in the Platforms and Wealth market:

- Building on our award-winning customer service
- Bringing together existing capabilities to build a frictionless direct-to-customer proposition
- Leveraging strength of brands and access to customers through strategic partnerships

Providing a seamless customer experience



Looking forward – 2020 and beyond

Diversified sources of revenue

- Across asset classes and geographies
- Breadth of investment capability in public and private markets
- Targeting profitable revenue growth from Platforms and Wealth

Expansion of Platforms and Wealth activity

- Combining our proven UK retail capabilities to better serve our clients and customers
- Bringing together existing capabilities to build a frictionless direct-to-customer proposition
- Award-winning customer service

Accessing customers for future growth

- Leveraging the strength of our brands
- Strong platform capability to attract client assets with advisers
- Strategic partnerships enhancing distribution and access to markets, particularly to UK retail customers

Strategic drivers

High impact intelligence

Enduring relationships

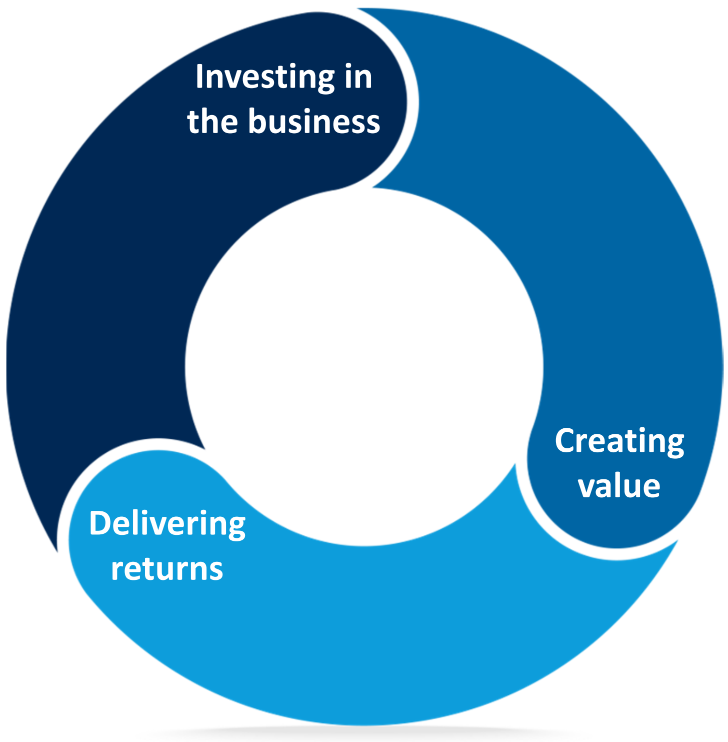
Connections without borders

Future fit

Using strength of capital position to create value for shareholders

Adjusted capital generation from operations

Strength and resilience of capital position



Investing in the business while delivering shareholder returns

Full year results 2019

Questions

Standard Life Aberdeen

Full year results 2019

Appendix

Standard Life Aberdeen

Analysis of adjusted profit before tax by segment

	Asset management, Platforms and Wealth		Insurance associates and joint ventures		Total continuing operations		Discontinued operations		Eliminations		Total	
	2018	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Fee based revenue	1,868	1,634	-	-	1,868	1,634	591[2]	-	(94)	-	2,365[2]	1,634
Adjusted operating expenses	(1,395)	(1,333)	-	-	(1,395)	(1,333)	(376)	-	94	-	(1,677)	(1,333)
Adjusted operating profit	473	301	-	-	473	301	215	-	-	-	688	301
Capital management	(9)	37	-	-	(9)	37	(5)	-	-	-	(14)	37
Share of associates' and joint ventures' profit before tax[1]	46	57	140	189	186	246	-	-	-	-	186	246
Adjusted profit before tax	**510**	**395**	**140**	**189**	**650**	**584**	**210**	**-**	**-**	**-**	**860**	**584**

[1] Share of associates' and joint ventures' profit before tax comprises the Group's share of results of HDFC Life, HDFC Asset Management, Phoenix, HASL and VMUTM. [2] Includes £59m of spread/risk margin.

Adjusting items

	2018 £m	2019 £m
Adjusted profit before tax	650	584
Adjusting items:		
- Restructuring and corporate transaction expenses	(239)	(407)
- Gain on sale of stakes in HDFC Life and HDFC Asset Management	185	1,542
- Amortisation and impairment of intangible assets	(1,155)	(1,844)
- Reversal of impairment of Phoenix investment	(228)	243
- Settlement of arbitration with Lloyds Banking Group	-	140
- Other	40	(7)
Total adjusting items	(1,397)	(333)
Share of associates' and joint ventures' tax expense	(40)	(8)
Profit/(loss) before tax from continuing operations	**(787)**	**243**
Tax expense	(43)	(28)
Profit attributable to non-controlling interests	(5)	(5)
Profit/(loss) for the year attributable to equity shareholders	**(835)**	**210**

- Restructuring and corporate transaction expenses largely funding integration and transformation programmes
- Gain on sale of Indian investments of £1.5bn
- Amortisation and impairment of intangible assets largely relates to asset management – no impact on cash or distributable reserves

Fee revenue yield by channel and asset class

Fee revenue yield by channel	Average AUMA		Fee based revenue		Fee revenue yield	
	2018	2019	2018	2019	2018	2019
	£bn	£bn	£m	£m	bps	bps
Institutional and Wholesale	261.8	236.3	1,253	1,011	47.9	42.8
Strategic insurance partners	265.0	258.5	347	317	13.1	12.2
Platforms and Wealth:						
- Wrap and Elevate	55.6	59.3	142	150	25.6	25.3
- Wealth[1]	15.4	19.5	105	107	57.5	48.4
Eliminations	(9.9)	(10.1)	N/A	N/A	N/A	N/A
Fee revenue yield[2]	**587.9**	**563.5**	**1,847**	**1,585**	**31.1**	**27.9**
SL Asia			**12**	**12**		
Performance fees			**9**	**37**		
Fee based revenue			**1,868**	**1,634**		

Fee revenue yield by asset class	Average AUMA		Fee based revenue		Fee revenue yield	
	2018	2019	2018	2019	2018	2019
	£bn	£bn	£m	£m	bps	bps
Equities	86.3	71.8	578	472	66.9	65.7
Fixed income	46.9	47.5	130	131	27.7	27.6
Multi-asset	54.0	39.3	288	164	53.4	41.7
Private markets	15.8	15.4	68	71	43.1	46.5
Real estate	28.9	29.3	154	142	53.2	48.3
Alternatives[3]	10.5	13.0	18	17	17.4	12.9
Quantitative	2.1	2.8	3	2	12.2	8.4
Cash/Liquidity	17.3	17.2	14	12	8.0	7.1
Institutional and Wholesale	**261.8**	**236.3**	**1,253**	**1,011**	**47.9**	**42.8**

[1] Wealth fee revenue yield calculation excludes revenue of £13m (2018: £16m) for which there are no attributable assets. [2] Restated to include revenue and assets under advice relating to our 1825 advice business. Previously AUMA excluded assets under advice. [3] Alternatives average AUM includes c£7bn (2018: c£6bn) of lower margin advisory mandates. At 31 December 2019 the closing AUM of these mandates was c£12bn.

Movement in AUMA by channel

	Opening AUMA		Gross inflows		Redemptions		Net flows		Market/Other movements		Corporate actions		Closing AUMA	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019[1]	2018[2]	2019[3]	2018	2019
	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Institutional	192.5	166.7	19.3	27.1	(47.0)	(41.3)	(27.7)	(14.2)	1.9	8.1	-	-	166.7	160.6
Wholesale	86.6	72.5	18.4	20.2	(30.5)	(27.5)	(12.1)	(7.3)	(6.8)	6.5	4.8	0.7	72.5	72.4
Strategic insurance partners	271.8	255.0	28.6	26.9	(34.1)	(71.3)	(5.5)	(44.4)	(11.3)	25.2	-	-	255.0	235.8
Platforms and Wealth:														
- Wrap and Elevate	54.0	54.2	8.5	7.0	(4.3)	(4.7)	4.2	2.3	(4.0)	6.1	-	-	54.2	62.6
- Wealth	11.2	10.9	2.7	7.1	(2.3)	(2.4)	0.4	4.7	(0.7)	6.0	-	1.8	10.9	23.4
Eliminations	(8.0)	(7.8)	(2.3)	(2.1)	2.1	2.6	(0.2)	0.5	0.4	(2.9)	-	-	(7.8)	(10.2)
Assets under management and administration	**608.1**	**551.5**	**75.2**	**86.2**	**(116.1)**	**(144.6)**	**(40.9)**	**(58.4)**	**(20.5)**	**49.0**	**4.8**	**2.5**	**551.5**	**544.6**
Flows excluding LBG tranche withdrawals			***75.2***	***86.2***	***(116.1)***	***(103.6)***	***(40.9)***	***(17.4)***						

[1] Wealth channel market and other movements include 1825 opening assets under advice of £4.0bn. [2] Corporate actions relate to the acquisition of £4.8bn of AUM in transactions with Alpine Woods, ETF Securities and Hark Capital. [3] Corporate actions in the Wholesale channel relate to the acquisition of Orion Partners (£0.7bn). Wealth channel corporate actions include £1.8bn of assets under advice following 1825's acquisition of Grant Thornton's wealth advisory business and BDO Northern Ireland's wealth management business.

Total AUM by asset class

	31 December 2018				31 December 2019			
	Institutional and Wholesale £bn	Strategic insurance partners £bn	Wealth £bn	Total £bn	Institutional and Wholesale £bn	Strategic insurance partners £bn	Wealth[1] £bn	Total £bn
Equities	72.9	44.0	–	116.9	69.0	50.3	–	119.3
Fixed income	46.7	90.0	–	136.7	46.4	88.5	–	134.9
Multi-asset	43.0	17.5	10.9	71.4	34.3	10.2	14.2	58.7
Private markets	16.0	2.3	–	18.3	16.1	0.8	–	16.9
Real estate	29.7	10.3	–	40.0	27.9	9.2	–	37.1
Alternatives	12.3	–	–	12.3	17.7	0.6	–	18.3
Quantitative	2.1	60.7	–	62.8	4.2	46.7	3.5	54.4
Cash/Liquidity	16.5	30.2	–	46.7	17.4	29.5	–	46.9
Total AUM	**239.2**	**255.0**	**10.9**	**505.1**	**233.0**	**235.8**	**17.7**	**486.5**

[1] Excludes assets under advice of £5.7bn at 31 December 2019.

Detailed split of Institutional and Wholesale AUM by asset class

	Opening AUM as at 1 Jan 2019 £bn	Gross inflows £bn	Redemptions £bn	Net flows £bn	Market and other movements £bn	Corporate actions £bn	Closing AUM as at 31 Dec 2019 £bn
Developed markets equities	12.9	2.7	(3.4)	(0.7)	2.5	–	14.7
Emerging markets equities	25.0	2.1	(9.5)	(7.4)	4.0	–	21.6
Asia Pacific equities	22.5	3.8	(5.3)	(1.5)	2.3	–	23.3
Global equities	12.5	1.0	(5.6)	(4.6)	1.5	–	9.4
Equities	**72.9**	**9.6**	**(23.8)**	**(14.2)**	**10.3**	**–**	**69.0**
Developed markets credit	32.1	6.0	(7.8)	(1.8)	1.9	–	32.2
Developed markets rates	5.2	0.6	(2.8)	(2.2)	0.3	–	3.3
Emerging markets fixed income	9.4	3.7	(2.5)	1.2	0.3	–	10.9
Fixed income	**46.7**	**10.3**	**(13.1)**	**(2.8)**	**2.5**	**–**	**46.4**
Absolute return	21.9	1.1	(12.8)	(11.7)	2.5	–	12.7
Diversified growth/income	1.7	0.5	(0.3)	0.2	–	–	1.9
MyFolio	13.9	2.5	(2.4)	0.1	1.7	–	15.7
Other multi-asset	5.5	0.7	(2.2)	(1.5)	–	–	4.0
Multi-asset	**43.0**	**4.8**	**(17.7)**	**(12.9)**	**4.2**	**–**	**34.3**
Private equity	12.3	2.1	(2.8)	(0.7)	0.5	–	12.1
Private credit and solutions	–	–	(0.1)	(0.1)	0.1	–	–
Infrastructure equity	3.7	0.4	–	0.4	(0.1)	–	4.0
Private markets	**16.0**	**2.5**	**(2.9)**	**(0.4)**	**0.5**	**–**	**16.1**
UK real estate	15.3	0.9	(2.3)	(1.4)	(0.5)	–	13.4
European real estate	12.2	1.6	(0.8)	0.8	(0.9)	–	12.1
Global real estate	0.8	0.1	(0.2)	(0.1)	(0.4)	0.7	1.0
Real estate multi-manager	1.4	0.3	(0.2)	0.1	(0.1)	–	1.4
Real estate	**29.7**	**2.9**	**(3.5)**	**(0.6)**	**(1.9)**	**0.7**	**27.9**
Alternatives	**12.3**	**7.7**	**(1.7)**	**6.0**	**(0.6)**	**–**	**17.7**
Quantitative	**2.1**	**1.7**	**(0.7)**	**1.0**	**1.1**	**–**	**4.2**
Cash/Liquidity	**16.5**	**7.8**	**(5.4)**	**2.4**	**(1.5)**	**–**	**17.4**
Institutional and Wholesale	**239.2**	**47.3**	**(68.8)**	**(21.5)**	**14.6**	**0.7**	**233.0**

Associates and joint ventures adjusted profit before tax

	Ownership at 31 Dec 2019	2018 £m	2019 £m
Phoenix Group (from 1 Sept 2018)	19.97%	86	136
HDFC Life	14.73%	42	36
Heng An SL	50.00%	12	17
Insurance associates and JV adjusted profit before tax		**140**	**189**
Asset management associate and JV – HDFC Asset Management / Virgin Money	26.91% / 50.00%	46	57
Associates and joint ventures adjusted profit before tax		**186**	**246**

- Phoenix reflects a full 12 month share of profits (2018: 4 months)
- Reduced share of profits from HDFC Life due to decrease in shareholding from 29.23% to 14.73% during 2019
- Heng An profits increased by 42% to £17m (2018: £12m) mainly due to favourable investment returns
- Strong revenue growth in HDFC Asset Management resulted in increased share of profits. Following the sale of 3.02% for £0.2bn in December 2019, our ownership reduced to 26.91% (2018: 29.96%).

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