

ABERDEEN ASSET MANAGEMENT PLC TRADING UPDATE

- Assets under Management up 3% to £331.2 billion at 31 August 2014: (30 June 2014: £322.5 billion)
- Net outflows have moderated to £1.7 billion for the two months to 31 August (three months to 30 June: £8.8 billion)
- Emerging market debt and property products have each contributed net inflows of over £1 billion in the first 11 months of the financial year
- SWIP integration continues to progress on schedule and as expected

Martin Gilbert, Chief Executive of Aberdeen, commented:

“Our equity capabilities are recovering, both in terms of performance and flows following a tough 2013. It’s also encouraging that our marketing focus on non-equity products is gaining traction, particularly in terms of property and emerging market debt..”

“Aberdeen has made significant progress over the past year with the acquisition SWIP. Our enhanced fixed income, property and solutions capabilities, combined with our historic strength in equities, mean we are well placed to meet the future needs of investors around the world. With the SWIP integration on track we remain confident that the increased scale and breadth of the Group’s business provides a solid foundation to weather what are likely to remain volatile markets.”

Trading update

Aberdeen provides the following trading update for the period to 31 August 2014.

Assets under management (“AuM”) at 31 August 2014 totalled £331.2 billion, a 3% increase on the total at 30 June 2014 reported in our last Interim Management Statement. The principal movements are summarised in the following table.

	Equities £bn	Fixed income £bn	Aberdeen solutions £bn	Property £bn	Total £bn
AuM at 30 June 2014	105.4	70.5	126.2	20.4	322.5
Net new business flows – Aberdeen	0.1	(0.6)	(0.3)	(0.2)	(1.0)
Net new business flows – SWIP	(0.1)	0.1	(0.8)	0.1	(0.7)
Market movements & performance	4.0	1.5	2.2	0.2	7.9
FX movements	1.9	0.7	-	(0.1)	2.5
AuM at 31 August 2014	111.3	72.2	127.3	20.4	331.2

New business flows have stabilised in the two-month period to 31 August and show an improving trend compared to recent quarters. Although still showing a net outflow in AuM terms, the revenue effect is more positive, with inflows being won into higher margin products and outflows being more weighted towards lower margin capabilities.

Within the legacy Aberdeen element of the business, we saw net equity inflows of £0.1 billion, with each of Asia Pacific and global equities reporting steady net inflows and global emerging markets showing a small net outflow.

July and August were relatively subdued in terms of property and emerging market debt flows, while high yield experienced some outflows as investors took profits from the sector. However, it is encouraging to note that emerging market debt and property have each contributed net inflows of over £1 billion in the first 11 months of our financial year and we continue to see healthy interest from investors for each of these products.

Net outflows from the legacy SWIP business totalled £0.7 billion, considerably lower than the outcome for the previous quarter. There will continue to be an element of structural outflow of low margin business due to the profile of certain SWIP clients; however, we have seen steady net inflows to the SWIP Property Trust and some new fund launches in infrastructure.

Overall, performance remains robust and short-term equity performance has improved steadily in recent months. In particular, global equity performance has recovered strongly as sentiment towards emerging markets and Asia, in which our funds are overweight, has improved. Nevertheless, our focus remains on our bottom up, fundamental style of investing for the longer term.

We have added further to our pipeline of new mandates awarded but not yet funded, with these commitments well spread across equities, fixed income, solutions and property. Our distribution teams are also making steady progress in building relationships with the Lloyds Banking Group wealth business, as well as introducing the broader product range to Aberdeen's existing channels.

The SWIP integration continues to progress according to our expectations, both in terms of timing and on the achievement of cost synergies, with much of the front office migration complete and a number of SWIP teams having successfully transferred to Aberdeen's offices. The remaining front office migration will be implemented over the next few months, while the back office integration will be completed in late 2015.

The two months to 31 August saw a more stable tone in global stock markets, in contrast to the volatility which characterised the first half of our financial year. Although we are encouraged by a degree of improvement in investor sentiment, particularly towards emerging markets, September has seen some renewed volatility. Being mindful of various geo-political problems around the world, we continue to be cautious on the outlook for markets.

Nevertheless, we remain confident that the increased scale and breadth of the Group's business provides a solid foundation from which to deliver healthy returns to our investors and shareholders.

The announcement of the company's annual results for the year to 30 September 2014 will be made on 1 December 2014.

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ASSETS UNDER MANAGEMENT AT 31 AUGUST 2014

	31 Mar 14	30 Jun 14	31 Aug 14
	£bn	£bn	£bn
Equities	106.8	105.4	111.3
Fixed income	71.7	70.5	72.2
Aberdeen solutions	125.7	126.2	127.3
Property	20.3	20.4	20.4
	<u>324.5</u>	<u>322.5</u>	<u>331.2</u>
Aberdeen	190.4	187.9	194.5
SWIP	134.1	134.6	136.7
	<u>324.5</u>	<u>322.5</u>	<u>331.2</u>

OVERALL NEW BUSINESS FLOWS FOR 11 MONTHS TO 31 AUGUST 2014

	6 mths to	3 mths to	9 mths to	2 mths to	11 mths to
	31 Mar 14	30 Jun 14	30 Jun 14	31 Aug 14	31 Aug 14
	£m	£m	£m	£m	£m
Gross inflows:					
Aberdeen	14,279	7,556	21,835	4,833	26,668
SWIP	-	2,531	2,531	1,835	4,366
	<u>14,279</u>	<u>10,087</u>	<u>24,366</u>	<u>6,668</u>	<u>31,034</u>
Outflows:					
Aberdeen	23,042	13,086	36,128	5,798	41,926
SWIP	-	5,842	5,842	2,572	8,414
	<u>23,042</u>	<u>18,928</u>	<u>41,970</u>	<u>8,370</u>	<u>50,340</u>
Net flows:					
Aberdeen	(8,763)	(5,530)	(14,293)	(965)	(15,258)
SWIP	-	(3,311)	(3,311)	(737)	(4,048)
	<u>(8,763)</u>	<u>(8,841)</u>	<u>(17,604)</u>	<u>(1,702)</u>	<u>(19,306)</u>

OVERALL NEW BUSINESS FOR 11 MONTHS TO 31 AUGUST 2014 – ABERDEEN

	6 mths to 31 Mar 14 £m	3 mths to 30 Jun 14 £m	9 mths to 30 Jun 14 £m	2 mths to 31 Aug 14 £m	11 mths to 31 Aug 14 £m
Gross inflows:					
Equities	6,261	3,836	10,097	2,618	12,715
Fixed income	5,319	2,736	8,055	1,601	9,656
Aberdeen solutions	1,248	413	1,661	477	2,138
Property	1,451	571	2,022	137	2,159
	<u>14,279</u>	<u>7,556</u>	<u>21,835</u>	<u>4,833</u>	<u>26,668</u>
Outflows:					
Equities	14,392	8,116	22,508	2,532	25,040
Fixed income	6,165	3,296	9,461	2,167	11,628
Aberdeen solutions	1,922	1,139	3,061	804	3,865
Property	563	535	1,098	295	1,393
	<u>23,042</u>	<u>13,086</u>	<u>36,128</u>	<u>5,798</u>	<u>41,926</u>
Net flows:					
Equities	(8,131)	(4,280)	(12,411)	86	(12,325)
Fixed income	(846)	(560)	(1,406)	(566)	(1,972)
Aberdeen solutions	(674)	(726)	(1,400)	(327)	(1,727)
Property	888	36	924	(158)	766
	<u>(8,763)</u>	<u>(5,530)</u>	<u>(14,293)</u>	<u>(965)</u>	<u>(15,258)</u>

OVERALL NEW BUSINESS FOR 11 MONTHS TO 31 AUGUST 2014 – SWIP

	6 mths to 31 Mar 14 £m	3 mths to 30 Jun 14 £m	9 mths to 30 Jun 14 £m	2 mths to 31 Aug 14 £m	11 mths to 31 Aug 14 £m
Gross inflows:					
Equities	-	20	20	21	41
Fixed income	-	595	595	563	1,158
Aberdeen solutions	-	1,537	1,537	1,057	2,594
Property	-	379	379	194	573
	-	2,531	2,531	1,835	4,366
Outflows:					
Equities	-	399	399	151	550
Fixed income	-	2,292	2,292	472	2,764
Aberdeen solutions	-	2,991	2,991	1,837	4,828
Property	-	160	160	112	272
	-	5,842	5,842	2,572	8,414
Net flows:					
Equities	-	(379)	(379)	(130)	(509)
Fixed income	-	(1,697)	(1,697)	91	(1,606)
Aberdeen solutions	-	(1,454)	(1,454)	(780)	(2,234)
Property	-	219	219	82	301
	-	(3,311)	(3,311)	(737)	(4,048)

NEW BUSINESS FOR 11 MONTHS TO 31 AUGUST 2014 – EQUITIES (ABERDEEN)

	6 mths to 31 Mar 14 £m	3 mths to 30 Jun 14 £m	9 mths to 30 Jun 14 £m	2 mths to 31 Aug 14 £m	11 mths to 31 Aug 14 £m
Gross inflows:					
Asia Pacific	2,910	1,773	4,683	1,322	6,005
Global emerging markets	2,015	1,218	3,233	535	3,768
Europe	56	87	143	17	160
Global & EAFE	1,062	676	1,738	702	2,440
UK	129	59	188	25	213
US	89	23	112	17	129
	6,261	3,836	10,097	2,618	12,715
Outflows:					
Asia Pacific	5,116	3,426	8,542	1,139	9,681
Global emerging markets	5,637	1,439	7,076	685	7,761
Europe	90	68	158	33	191
Global & EAFE	3,230	3,042	6,272	383	6,655
UK	102	69	171	36	207
US	217	72	289	256	545
	14,392	8,116	22,508	2,532	25,040
Net flows:					
Asia Pacific	(2,206)	(1,653)	(3,859)	183	(3,676)
Global emerging markets	(3,622)	(221)	(3,843)	(150)	(3,993)
Europe	(34)	19	(15)	(16)	(31)
Global & EAFE	(2,168)	(2,366)	(4,534)	319	(4,215)
UK	27	(10)	17	(11)	6
US	(128)	(49)	(177)	(239)	(416)
	(8,131)	(4,280)	(12,411)	86	(12,325)

NEW BUSINESS FOR 11 MONTHS TO 31 AUGUST 2014 – FIXED INCOME (ABERDEEN)

	6 mths to 31 Mar 14 £m	3 mths to 30 Jun 14 £m	9 mths to 30 Jun 14 £m	2 mths to 31 Aug 14 £m	11 mths to 31 Aug 14 £m
Gross inflows:					
Asia Pacific	62	78	140	42	182
Australia	438	184	622	179	801
Convertibles	97	21	118	7	125
Emerging markets	1,716	1,013	2,729	585	3,314
Europe	75	26	101	47	148
Global	150	66	216	17	233
High yield	645	325	970	155	1,125
Money market	1,579	779	2,358	487	2,845
UK	373	20	393	34	427
US	184	224	408	48	456
	<u>5,319</u>	<u>2,736</u>	<u>8,055</u>	<u>1,601</u>	<u>9,656</u>
Outflows:					
Asia Pacific	197	232	429	31	460
Australia	814	352	1,166	260	1,426
Convertibles	62	100	162	12	174
Emerging markets	852	296	1,148	578	1,726
Europe	111	76	187	31	218
Global	240	107	347	78	425
High yield	473	299	772	502	1,274
Money market	2,357	944	3,301	520	3,821
UK	494	391	885	109	994
US	565	499	1,064	46	1,110
	<u>6,165</u>	<u>3,296</u>	<u>9,461</u>	<u>2,167</u>	<u>11,628</u>
Net flows:					
Asia Pacific	(135)	(154)	(289)	11	(278)
Australia	(376)	(168)	(544)	(81)	(625)
Convertibles	35	(79)	(44)	(5)	(49)
Emerging markets	864	717	1,581	7	1,588
Europe	(36)	(50)	(86)	16	(70)
Global	(90)	(41)	(131)	(61)	(192)
High yield	172	26	198	(347)	(149)
Money market	(778)	(165)	(943)	(33)	(976)
UK	(121)	(371)	(492)	(75)	(567)
US	(381)	(275)	(656)	2	(654)
	<u>(846)</u>	<u>(560)</u>	<u>(1,406)</u>	<u>(566)</u>	<u>(1,972)</u>