

Key facts

Justin Jones & Daniel Reynolds Justin Jones is a Senior Investment Manager and has over 25 years' experience. He previously worked at Credit Suisse, NatWest and Royal Bank of Scotland. Daniel Reynolds is a Senior Investment Analyst. He graduated with a first class honours degree in Mathematics and Statistics, and is a CFA charterholder. Together they form part of the Multi-Manager Strategies team.

Fund Launch Date	01/03/2012
Shareclass Launch Date	01/03/2012
Fund Size	£58.87m
Initial Charge	-
Fund Management Charge	1.100%
Total Annual Fund Charge [†]	1.13%
Fund Structure	Pension Fund
Base Currency	GBP
SEDOL	B4504X3
ISIN	GB00B4504X34
CitiCode	ON9N
Domicile	United Kingdom
Asset Class	Mixed Asset

[†] The Total Annual Fund Charge is the total of the Fund Management Charge (FMC) and additional expenses.

The value of investments within the fund can fall as well as rise and is not guaranteed - you may get back less than you pay in. The fund may use derivatives for the purposes of efficient portfolio management, reduction of risk or to meet its investment objective if this is permitted and appropriate. The sterling value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

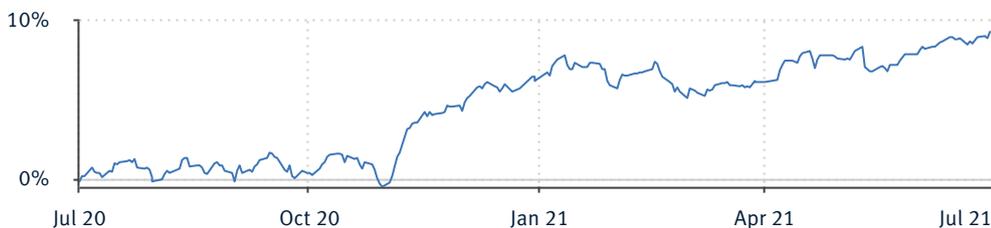
Investment Objective

The goal of this fund is to provide long term growth while being managed to a level of risk, rather than a level of return. The fund is part of the Active Plus range, which aims to offer five different combinations of investment risk and return levels. Simply choose the fund which most closely matches your attitude to risk and return and a team of experts will do the rest. This fund is risk level II, which aims to be the second lowest risk fund in this range. This level has a high amount in lower risk investments such as money market instruments and certain types of bonds, but can still invest in higher risk investments such as equities and property. This may suit you if you are relatively cautious with your investments but are willing to accept some risk to try and achieve a reasonable return.

The fund aims to meet this goal by holding different types of investment funds, such as those investing in equities (shares), bonds (loans to a government or company) and non-residential property (such as offices, shopping centres and shares in property development companies). The investments in the fund can be from around the world, including emerging markets, which means that some of them will be in a foreign currency. The fund can also invest in absolute return funds that aim to provide positive investment returns, regardless of whether markets are going up or down, over the medium to long term. They do this by using a wide range of investment strategies including those using derivatives. Derivatives are financial instruments whose value comes from movement in other investments, such as equities and currencies. Most of the investment funds used are actively managed funds which means that a team of experts will pick the investments to be held. These decisions are based on the opportunities they've identified through their analysis. An overall manager also decides on the amount to be held in each type of investment fund, aiming to maximise returns for its given level of risk.

For the full fund description please refer to the 'Fund Description section' on the last page of this report.

Cumulative performance (as at 30/06/2021)



■ Stan Life Active Plus II Pn S4

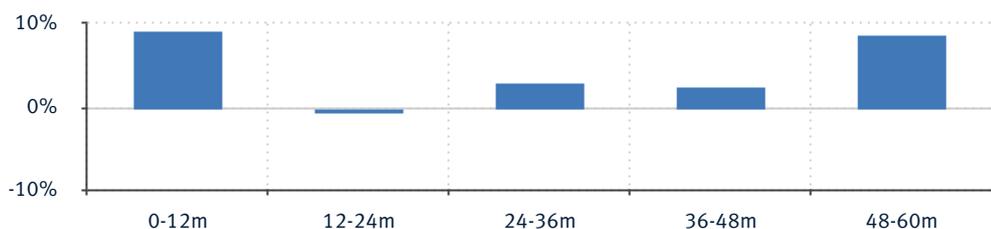
Gross income reinvested, net of fund charges, GBP, sourced from FE fundinfo © 2021

The chart shows the performance of the fund over the period shown.

Cumulative performance (as at 30/06/2021)

	3 months	6 months	1 year	3 years	5 years	10 years
Stan Life Active Plus II Pn S4	2.99%	2.93%	9.33%	12.21%	25.25%	-

Year on year (as at 30/06/2021)



■ Stan Life Active Plus II Pn S4

Gross income reinvested, net of fund charges, GBP, sourced from FE fundinfo © 2021

The chart shows the performance of the fund over the period shown.

Year on year (as at 30/06/2021)

	0-12m	12-24m	24-36m	36-48m	48-60m
Stan Life Active Plus II Pn S4	9.33%	-0.40%	3.05%	2.49%	8.91%

Past performance is not a guide to future returns. The value of this investment and the income from it may go down as well as up and cannot be guaranteed. An investor may receive back less than their original investment.

Market review

Global equity markets rose over the period, with the US, Europe and emerging markets the best-performing regions. Lockdown restrictions imposed by the onset of the Covid-19 outbreak dominated stock markets at the beginning of the period, with economic activity then grinding to a halt. However, massive fiscal and monetary stimulus pushed through earlier by governments and central banks supported sentiment. Markets began to recover into the summer months, as investors hoped that economies would return to some kind of normality.

Despite falling in September and October amid an uptick in Covid-19 cases, markets surged after Joe Biden won the US presidential election in November. The US stock market then surpassed all-time highs at the end of 2020, driven by the approval of the Covid-19 fiscal relief package. Positive results from several vaccine trials then led to the roll out of vaccination programmes. Latin American markets were particularly strong at the end of 2020, driven by vaccine optimism and a 'risk-on' environment. Accelerating vaccine rollouts and the easing of restrictions on social mobility helped boost hopes of a global economic rebound, with equities finishing the period positively. However, UK stocks lagged towards the end of the period as the Government extended lockdown restrictions by four weeks.

In fixed income, government bond prices fell over the 12 months. Early on, the pandemic and associated lockdown restrictions heightened fears of a deep recession. This 'risk-off' environment boosted government bond prices as investors fled to their perceived safety. As a result, major government bond yields fell to record-low levels by the middle of 2020. Rising optimism about vaccines and concerns that an economic recovery will fuel sharp rises in inflation led to a drop in government bond prices, although they started to rise at the end of the period. Corporate bonds performed well, as stimulus measures – including corporate bond purchases by central banks – and rising economic optimism helped bolster the market.

Total returns from UK commercial real estate were 6.8% over the 12 months to the end of May (the latest data available). Investment activity was low early on because of market uncertainty and buyers being physically unable to inspect properties. As restrictions eased, investment deals increased. Alongside continued growth in industrials, stabilisation in the retail warehouse sector boosted returns. However, the effect of remote working on offices continued to be felt, with capital values steadily declining.

Annualised risk and return (as at 30/06/2021)



Gross income reinvested, net of fund charges, GBP, sourced from FE fundinfo © 2021
The chart shows the annualised volatility (risk) and annualised performance based on fund returns over the past three years to the date shown.

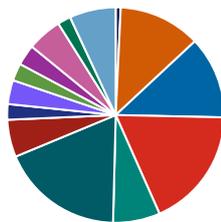
Key	Name	Performance	Volatility
●	Stan Life Active Plus I Pn S4	3.52%	6.22%
●	Stan Life Active Plus II Pn S4	3.92%	8.06%
●	Stan Life Active Plus III Pn S4	4.61%	9.58%
●	Stan Life Active Plus IV Pn S4	5.31%	11.38%
●	Stan Life Active Plus V Pn S4	6.48%	13.88%

The table shows the annualised volatility (risk) and annualised performance based on fund returns over the past three years to the date shown.

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Current asset allocation (as at 30/06/2021)

Stan Life Active Plus II Pn S4



Defensive assets		%
■	Money Market including Cash	0.75%
■	Sterling Corporate Bonds	12.25%
■	Short Dated Sterling Corporate Bonds	12.35%
■	Global Corporate Bonds	18.05%
■	Short Dated Global Corporate Bonds	7.00%
Total		50.40%
Growth assets		%
■	UK Equities	18.30%
■	US Equities	5.60%
■	European Equities	2.35%
■	Japanese Equities	3.60%
■	Asia Pacific Equities	2.60%
■	Emerging Market Equities	3.10%
■	Emerging Market Local Currency Bonds	5.20%
■	Global High Yield Bonds	1.95%
■	Property	6.90%
Total		49.60%

Source: Aberdeen Standard Investments 2021

Fund commentary

Allocations to UK, US and emerging market equities, and property were the largest positive contributors to returns over the past 12 months. The actively managed tactical tilts placed over the year had a positive effect on overall Fund performance.

Over the 12 months to the end of June 2021, the main changes to the asset allocation were as follows:

Reduced exposure

- global corporate bonds
- global high-yield bonds
- property

Increased exposure

- sterling corporate bonds
- emerging market local-currency bonds

Market outlook

The global economy will likely experience a period of above-trend growth as it rebounds from the Covid-19 crisis. The current market backdrop is supportive for equities, with investor concern about long-term inflation abating and developed market monetary policy remaining accommodative. Moreover, better company fundamentals have also kept investors buoyant. However, it is still possible that inflationary concerns may re-emerge. Additionally, central banks have started to signal the need to reduce asset-repurchase programmes. Also, as the investment cycle matures, valuations rise and sentiment improves, prospective returns should steadily diminish.

Within fixed income, increasing vaccine dissemination and the progressive easing of Covid-19 mobility restrictions are supporting both economic activity and sentiment. The economic recovery in the US has been particularly strong, with an annualised real GDP growth rate of 6.4% in the first quarter. As a result, inflation has also been picking up strongly, and a key focus of investor attention is on whether this will be transitory or more long-lived. Evidence suggesting the latter would not be seen favourably.

In UK commercial real estate, industrials are likely to be the best-performing sector in 2021 for a fifth successive year. Meanwhile, there are increasing signs of bifurcation in the retail sector. Retail that is skewed towards grocery, value and core bulky goods has not just stabilised but started to see rising capital values. In contrast, discretionary and fashion-led retail is likely to see further loss, with shopping centre returns expected to be sharply negative in 2021.

Holdings (as at 30/06/2021) – assuming £100,000 fund value

Defensive assets		Asset class	£	%
SL Corporate Bond		Sterling Corporate Bonds	£11770.00	11.77%
SL Global Corporate Bond		Global Corporate Bonds	£17700.00	17.70%
SL Global Short Duration Corporate Bond	Short Dated Global Corporate Bonds		£6580.00	6.58%
Asset Fund				
SL Money Market Pension		Money Market including Cash	£690.00	0.69%
SL Vanguard UK Short-Term Investment	Short Dated Sterling Corporate Bonds		£11720.00	11.72%
Grade Bond				
Total			£48460.00	48.46%
Growth assets		Asset class	£	%
SL Asia Pacific ex Japan Equity		Asia Pacific Equities	£2640.00	2.64%
SL Emerging Markets Equity		Emerging Market Equities	£3410.00	3.41%
SL European Equity		European Equities	£2620.00	2.62%
SL Global Property Securities Asset Fund		Property	£2100.00	2.10%
SL Japanese Equity		Japanese Equities	£3500.00	3.50%
SL North American Equity		US Equities	£2890.00	2.89%
SL Pooled Property		Property	£5200.00	5.20%
SL SLI Emerging Market Local Currency	Emerging Market Local Currency Bonds		£5010.00	5.01%
Debt				
SL SLI Global High Yield Bond		Global High Yield Bonds	£2370.00	2.37%
SL UK Equity		UK Equities	£18310.00	18.31%
SL UK Smaller Companies		UK Equities	£440.00	0.44%
SL US Equity Tracker Pension Fund		US Equities	£3050.00	3.05%
Total			£51540.00	51.54%

Source: Aberdeen Standard Investments 2021

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Key risks

The fund can invest in a wide variety of investment strategies and assets. Below we document the specific or heightened risks applicable to this fund rather than an exhaustive list. **Collective Investment Schemes** - The fund can invest in collective investment schemes which can themselves invest in a diverse range of other assets. These underlying assets may vary from time to time but each category of asset (which may include equities, bonds or immovable property) has individual risks associated with them. The fund may not have any control over the activities of any collective investment scheme invested in by the fund. **Equities Risk** - This fund can invest in equities which are one of the more volatile asset classes and can therefore suffer sudden sharp falls or rises. Equities can offer good growth potential over the longer term but may have a higher volatility than other asset classes. **Bond Risk** - This fund can invest in bonds, the value of a bond may fall if, for example, the company or government issuing the bond is unable to pay the loan amount or interest when they are supposed to. The value may also be affected by movements in interest rates which may result in the value of the bond rising or falling. This may (or will) result in the value of the fund falling. **Property Risk** - This fund can invest in direct property. The value of properties held in any property fund is generally a matter of the valuer's opinion and not fact. Property can also be difficult to sell, so you might not be able to sell your investment when you want to. **Absolute Risk** - This fund invests in one or more absolute return funds. It is important not to confuse absolute return funds with guaranteed funds or products which guarantee a positive return over any period. Absolute return funds can lose money when markets rise and vice-versa. They aim to reduce overall volatility by using more sophisticated investment techniques and instruments such as derivatives. Derivatives are financial instruments which derive their value from an underlying asset, such as a share or bond, and are used routinely in global financial markets. Used carefully, derivatives offer an effective and cost-efficient way of investing in markets. However, derivatives can lead to increased volatility of returns in a fund, thus requiring a robust and extensive risk management process. While the fund will not borrow cash for investment purposes, the total value of exposures to markets will routinely exceed the fund's net asset value. Derivatives may be Exchange Traded or Over the Counter (OTC). However, the success of the fund is heavily dependent on the skill of the fund managers and the investment strategies they employ. As such, the performance of an absolute return fund is heavily dependent on the skill of the fund managers and the investment strategies they decide to employ, rather than the direction of the market.

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