

Aberdeen Life

Long Dated Corporate Bond Fund

Performance Data and Analytics to 30 June 2010



Summary investment objective

Aims to maximise total returns primarily from investment in pound Sterling denominated (or, from such time as the UK participates in the single European currency, euro denominated) Debt and Debt Related Securities.

Performance (%)

	3 months	6 months	1 year	Annualised		Launch
				3 years	5 years	
Fund	2.54	7.38	19.58	5.72	3.43	4.62
Benchmark	3.02	7.29	19.09	5.93	3.49	4.67
Difference	-0.49	0.09	0.48	-0.21	-0.06	-0.05
Sector ranking	117/124	18/122	16/118	105/111	70/74	-
Quartile	4	1	1	4	4	-

Discrete annual returns (%) - year ended 30/06

	2010	2009	2008	2007	2006
Fund	19.58	0.28	-1.47	-1.16	1.36

Calendar year performance (%)

	YTD	2009	2008	2007	2006
Fund	7.38	11.77	-5.90	-0.09	0.17
Benchmark	7.29	13.03	-6.23	-0.31	-0.12
Difference	0.09	-1.26	0.33	0.22	0.29
Sector ranking	18/122	27/120	108/116	79/101	42/82
Quartile	1	1	4	4	3

Performance Data: Share Class A until 28/02/10 thereafter Share Class D

Source: BNP Paribas, Lipper. Basis: Total Return, Gross of Fees (GBP)

Rankings and quartiles are sourced from Lipper, are measured against ABI Pension Fund sectors and are based on dealing prices net of annual management charges.

Performance measured from 31/10/2004.

Prior to September 2005 the Fund was managed by a different management company. However, the Fund's investment objective is fundamentally unchanged throughout and its historic performance has been treated as continuous since inception.

The performance will be reduced by the impact of the management fees paid, the amount of which varies depending on the share class held, and the terms of any fee arrangement reflected in your policy schedule. The sector average incorporates the performance of all funds in the sector at any stage during the period while sector rankings reflect the relative performance of those funds which have been in the sector throughout the period. This may give rise to apparently incongruous results.

Past performance is not a guide to future performance. The value of shares may go down as well as up and an investor may not get back the amount invested.

Fund managers' report

Market review

News flow in the UK was dominated by the General Election and ongoing concerns about Euro area debt problems.

The Bank of England left the base rate unchanged at 0.5% during the quarter and maintained the asset purchase target at £200bn. However, the minutes from the meeting in June highlighted the first split in voting since February 2009, with Andrew Sentance dissenting in favour of a 0.25% increase, based on a combination of inflation resilience in the UK and signs of global recovery.

Long dated sterling credit underperformed government bonds, with spreads widening by 0.27% to end the quarter at 1.61% over gilts, despite companies generally reporting improved performance. Sovereign debt concerns overshadowed credit fundamentals causing a drag on performance.

Fund review

The fund underperformed over the quarter. Security selection within credit detracted value. We remain overweight credit risk, specifically in sub-ordinated financials, but trimmed down our financial holdings.

Within interest rates, a short duration position and a yield curve flattening position both detracted value.

Annualised tracking error

	3 years	5 years
Annualised tracking error	2.12	1.67

Source: Aberdeen Asset Management, Total Return, Gross of Fees, Russell/Mellon Analytical Services, Factset, GBP.

Top ten holdings

	%
European Investment Bank 6% 07/12/28	3.7
Network Rail Infra Fin 4.75% 29/11/35	2.5
Network Rail Infra Finance 4.375% 09/12/30	2.2
Wal-Mart Stores 4.875% 19/01/39	2.2
Telereal Securitisation 5.3887% Sink 10/12/33	2.2
GE Capital UK Funding 5.875% 18/01/33	1.9
Electricite De France 6.125% 02/06/34	1.9
Southern Water Services Finance 5% 31/03/21	1.9
LCR Finance 4.5% 07/12/28	1.8
Tesco 6.125% 24/02/22	1.6
Total	21.9
Total number of holdings	127

Geographical allocation (%)^A

	Fund	Benchmark	Difference
UK	100.4	100.0	0.4
Europe (ex UK)	(0.2)	-	(0.2)
Dollar Bloc	(0.2)	-	(0.2)
Total	100.0	100.0	

^A Calculated as a percentage of interest rate exposure. Figures may not always sum to 100 due to rounding.

Sector breakdown (%)

	Fund	Benchmark	Difference
Domestic Government	5.1	-	5.1
Finance	27.6	24.1	3.5
Industrial	19.3	18.7	0.6
Utility	7.3	14.7	(7.4)
Sovereign/Supra	22.1	25.3	(3.2)
Asset Backed	14.5	14.7	(0.2)
Other	2.2	2.6	(0.4)
Cash	1.9	-	1.9
Total	100.0	100.0	

Figures may not always sum to 100 due to rounding.

Key information

Benchmark	Merrill Lynch Sterling Non Gilts >10 Years
Fund size	£33.2m
Date of launch	11 October 2004
Investment team	Fixed Income
Fund advisory company	Aberdeen Asset Managers Limited

Contact details

Website www.aberdeen-asset.co.uk/pensions

All sources (unless indicated): Aberdeen Asset Management 30 June 2010.

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Interest rate exposure (years)

	Fund	Benchmark	Difference
UK	10.80	11.04	(0.24)
Europe (ex UK)	(0.02)	–	(0.02)
Dollar Bloc	(0.02)	–	(0.02)
Modified duration	10.76	11.04	

Interest rate exposure is calculated by multiplying market weight by duration.

Maturity profile IRE (years)

	Fund	Benchmark	Difference
0 - 5	0.01	0.02	(0.01)
5 - 15	2.01	2.97	(0.96)
>15	9.14	8.06	1.08

Currency exposure (%)

	Fund	Benchmark	Difference
Sterling	99.4	100.0	(0.6)
Europe (ex UK)	0.6	–	0.6
Total	100.0	100.0	

Figures may not always sum to 100 due to rounding.

Yields (%)

	Fund	Benchmark	Difference
Yield to maturity	5.6	5.5	0.1

Important information

Risk factors you should consider before investing:

- Past performance is not a guide to future performance.
- The value of shares and the income from them can go down as well as up and you may get back less than the amount invested.
- The value of a bond will fall in the event of the default or reduced credit rating of the issuer (or if credit spreads widen, relative to gilts). Similarly, an increase in credit rating (or narrowing of credit spreads) can lead to capital appreciation. Generally, the higher the quality of the issuer, the lower the interest rate at which they can borrow money. Issuers of a lower quality will tend to have to pay more to borrow money to compensate the lender (the purchaser of a bond) for the extra risk taken. Unlike income from a single bond, the level of income from the Fund is not fixed and may fluctuate. Yields are estimated figures and may fluctuate.
- Non-Investment Grade Debt and Debt-Related Securities may involve greater price volatility and risk of loss of principal and income than Investment Grade Debt and Debt-Related Securities.
- Derivatives may be used for both investment and hedging using efficient portfolio management style techniques which means that, due to its portfolio composition, the net asset value of the Fund may be more volatile. Using derivatives for investment purposes will increase the risk profile of the Fund.
- Underlying funds may participate in securities lending activities whereby they lend securities to third parties in return for fees. Although such lending is fully collateralised, some risk remains in relation to counterparty default and collateral shortfall in the event of market disruption.

Other important information:

The Fund is a unit-linked life fund issued by Aberdeen Asset Management Life and Pensions Limited.

The fund invests in other Aberdeen managed funds. The top ten holdings listed reflect those of the underlying funds.

The value of any holding in other collective investment schemes managed by any subsidiary of Aberdeen Asset Management PLC is excluded for the calculation of management charges.

Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned.

Issued and approved on behalf of Aberdeen Asset Management Life and Pensions Limited by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Services Authority in the United Kingdom.

Credit rating (%)

	Fund	Benchmark	Difference
AAA	25.9	24.7	1.2
AA	12.5	13.5	(1.0)
A	39.2	40.1	(0.9)
BBB	18.2	21.0	(2.8)
BB or below	2.3	0.8	1.5
Cash	1.9	–	1.9
Total	100.0	100.0	

Figures may not always sum to 100 due to rounding.

Additional information

Fund type	Unit Linked Life Fund
Domicile	UK
Currency	GBP
Registered for sale	UK
Sector	UK Fixed Income
Deal closing time	10.00 am (UK)
Daily valuation point	10.00 am (UK)