

June 6<sup>th</sup>, 2019

# SL Capital Infrastructure II

Ben Steele - Senior Sales Specialist, Private  
Market Solutions

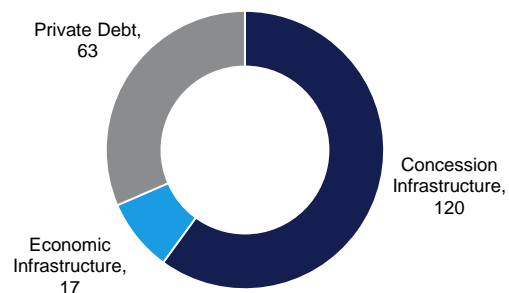
**This presentation is for one-on-one use with institutional investors and professional investors only and should not be distributed to or relied upon by retail clients.**

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

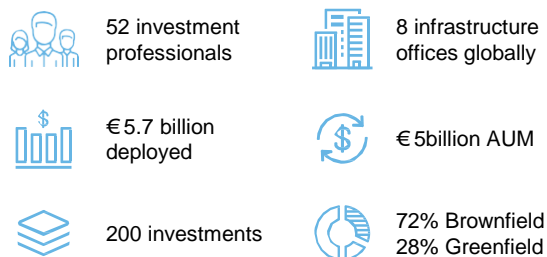
# Aberdeen Standard Investments' global infrastructure experience



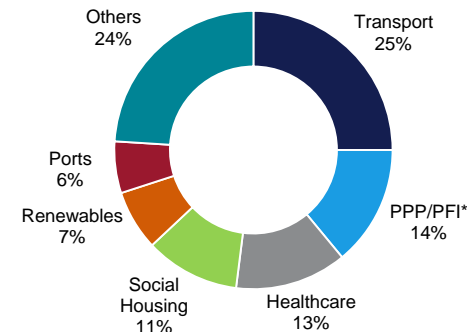
## Number of investments by type<sup>1</sup>



## Global infrastructure track record<sup>2</sup>



## Capital deployed by sector<sup>1</sup>



<sup>1</sup> At 31 December 2018. <sup>2</sup> At 30 September 2018.

\*Includes investments in other Public Private Partnership ("PPP") or Private Finance Initiative ("PFI") fund

# Team overview

## Investment team



**Dominic Helmsley**  
Head of Economic  
Infrastructure, London



**Graeme Dunbar**  
Senior Investment  
Director, Edinburgh



**Michael Kearney**  
Senior Investment  
Director, London



**Maciej Tarasiuk**  
Senior Investment  
Director, London



**Alex Anderson**  
Investment Manager,  
London



**Sotiris Calochristos**  
Investment Manager,  
London



**Nicholas Flynn**  
Investment Manager,  
Edinburgh



**Mark Jackson**  
Senior Investment  
Analyst, London



**Lisa Tomaschek**  
Senior Investment  
Analyst, London



**Albert Winid**  
Senior Investment  
Analyst, London



**Alister Bankhead**  
Investment Analyst,  
London



**Sean McLoughlin**  
Investment Analyst,  
London

## Additional team



**Alan Coffey**  
Snr Investment Director  
Investor Relations



**David Thompson**  
Global Head of  
Fund Structuring



**Victoria Heald-  
Barracough**  
Structuring Adviser



**Lauren Smith**  
Structuring Adviser



**Michael Robertson**  
Head of PE & Infra  
Operations EMEA



**Jill Hardie**  
Tax Manager



**Alan Perry**  
Fund Control  
Senior Manager



**Nigel Cessford**  
Client Reporting  
Senior Manager



**Renata Nemeth**  
Senior Fund  
Controller



**Jacqueline Ennis**  
Fund Controller

Support from > 50 professionals across finance, administration, structuring and investor relations

# Senior advisory panel



**Stig Gustavson**

**Sector**  
Utilities

**Region**  
Nordics

**Short biography** Stig has over 40 years' corporate experience and is extremely well connected in Finland and across the wider Nordic region

**Current positions** Chairman of the Supervisory Boards of Cramo Oy, Handelsbanken Finland, Ahlström Capital, as well as, Board member of IK 2004, IK 2007 and IK VII, Member of Supervisory Board of Varma, Board member of Outokumpo Group and Chairman of Suomi Gas Distribution

**Past experience** President, CEO and Chairman of Konecranes Corporation

**Education** M.Sc. (Eng), Dr.Tech. (Hon)

**Languages** English, Finnish, Swedish

**Current Fund I representation** Chairman – Auris Kaasunjakelu



**Vittorio Mazza**

**Sector**  
Airports & ports

**Region**  
Italy

**Short biography** Vittorio has over 20 years experience in transportation and infrastructure and has a corporate finance background

**Current positions** Holds board positions in European ports and UK airport ground handling businesses

**Past experience** CEO of GH Italia, Managing Director of AXE and GH Italia, CFO Euroports, CFO and Deputy CEO Alitalia L.A.I., Director of Business Administration BAA Italia, CFO AirOne, and board member of Rome Port Authority

**Education** CPA with an Economics degree at Bocconi University (Milan)

**Languages** English, Italian



**Andrew Halliwell**

**Sector**  
Midstream oil & gas

**Region**  
Europe

**Short biography** Andrew has over 35 years' experience in the energy sector having held direct roles in industry and various senior board level positions

**Current positions** NED London Array Ltd and Senior Consultant ADIL

**Past experience** ConocoPhillips UK board member, COP representation on the board of Britannia Operator Limited, Director for ConocoPhillips Pension Plan and Phillips Petroleum Company UK

**Education** M.Eng in Petroleum Engineering at Heriot-Watt University  
B.Sc (Eng), 1st class Honours at Aberdeen University  
BA Philosophy and Psychology at Open University

**Languages** English, French, Norwegian (basic)

**Current Fund I representation** Non-Executive Director (NED) – NGT



**Sheila Clarke**

**Sector**  
Management consulting

**Region**  
UK & Europe

**Short biography** Sheila has over 25 years' experience in HR and organisational change and has extensive experience across a number of sectors

**Current positions** Managing Director of Semper Learning Limited

**Past experience** Senior HR and Line Management roles in BAA plc, including General Manger Terminal 1 and Corporate HR Director. Further roles included Director and Senior Consultant for Ernst and Young and owner of Insight Training and Development Solutions Ltd

**Education** OPP qualified executive coach, Thomas International Certified user, Hay role evaluator, various qualifications in psychometric testing and evaluations, alongside further best in class industry specific qualifications

**Languages** English

# Philosophy

## Alignment of interests

- Private equity style structures are not well suited to core infrastructure given fees on commitments, relatively short hold horizons and motivation to realise assets to generate performance fees

### Our Approach

Fees on NAV i.e. no fees on commitments or uncalled capital  
Longer investment horizon  
Long term incentive structure focused on delivering target yield and performance

## Target market

- In a market characterised by abundant capital and widely available leverage, we see significant competition for assets at the large end of the market

### Our Approach

Focus on mid-market opportunities where we have a particular angle or insight  
Conservative leverage for each asset  
Employ a strict definition of what constitutes 'core' and 'core+' infrastructure

## Responsible ownership

- Most infrastructure involves the provision of essential public services, hence recognising all stakeholder requirements and considering ESG impacts are critical

### Our Approach

Active asset management with a key focus on responsible investment  
Appoint experienced, external non-executive directors to all boards  
Work closely with operating partners who supplement our in-house expertise

# Risk/return spectrum



Illustrative

# Fund I summary

## Performance

Asset	Description	Location	Investment Date	Invested	Ownership
Auris Kaasunjakelu	Gas distribution	Finland	Jun-15	£76.4m	100%
Nordic Power	Hydro	Norway	Jun-15	£45.8m	100%
Rock Rail Moorgate	Rolling stock	UK	Feb-16	£38.9m	94%
Rock Rail East Anglia <sup>1</sup>	Rolling stock	UK	Oct-16	£49.5m	48%
Rock Rail South Western <sup>2</sup>	Rolling stock	UK	Jun-17	£65.5m	66%
Noordgastransport (NGT) <sup>3</sup>	Gas pipeline	Netherlands	Sep-17	£102.1m	18 / 20% <sup>5</sup>
Oikos <sup>4</sup>	Liquid bulk storage	UK	May-19	£107.0m	100%
<b>Total Invested Capital</b>				<b>£485.2m</b>	

Fund Performance	
Committed capital	£516.4m
% drawn	94%
Net IRR	10.6%*
Average net yield	5.0%*

\* IRR data at 31 March 2018. Average yield data at 31 December 2018.

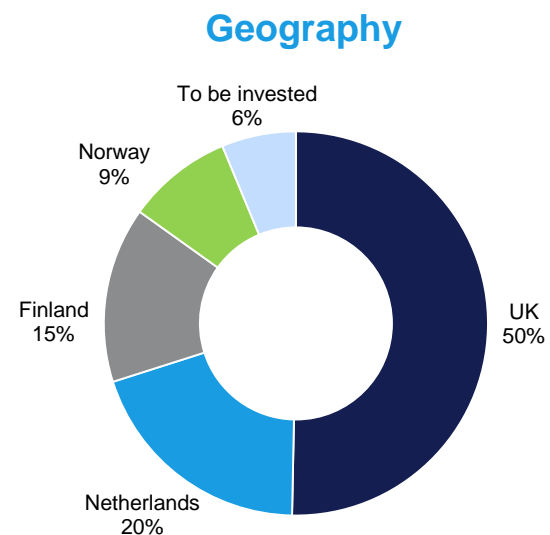
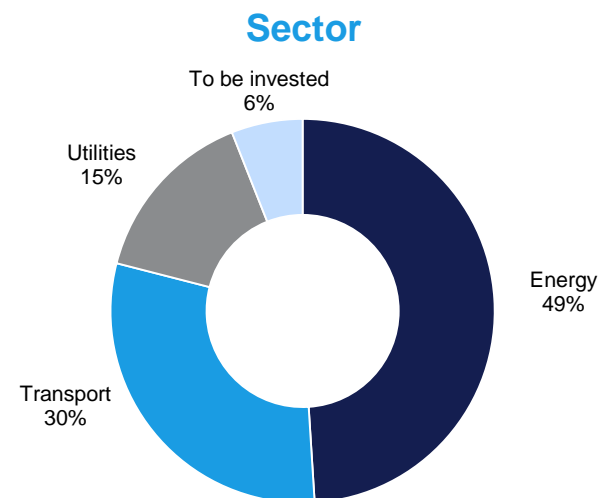
1) SL Capital managed vehicles own 51% of the controlling holding company. Additional fee paying co-investment provided by GLIL

2) SL Capital managed vehicles own 70% of the controlling holding company. Additional fee paying co-investment provided by GLIL

3) Following the original investment of £82.9m in Sep-17, £41.0m of cost was returned in Apr-18 as a result of the capitalisation of the asset and immediately re-invested into the second transaction meaning the total Fund investment into NGT is £102.1m

4) SPA signed. Subject to close. Invested amount may vary.

5) We originally took an 18% stake in the Extension Pipeline (NGT UJV), which was followed by a 20% stake in the Legacy Pipeline (NGT B.V.), which owns 70% of the UJV.





# Infrastructure Fund II – target sectors

## Investment Highlights

- Core and core+ infrastructure assets in Europe
- Lower mid-market focus with equity investments of €100-150 million
- Assets with established regulatory framework or contractual cash flows
- Focus on brownfield assets with little development risk
- Assets yielding from day one, with semi-annual distributions to investors
- Building on strong track record with experienced team, supported by the significant resources of the wider firm

## Target Returns

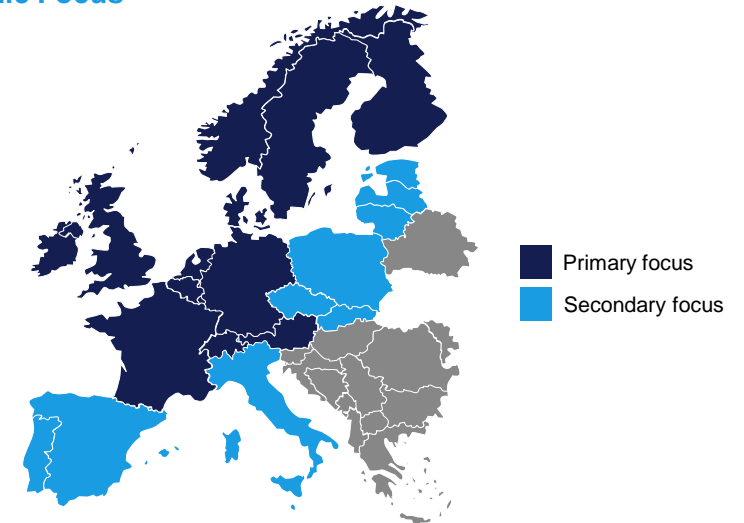


**Net IRR: 8-10%**  
**Net Yield: 4-5%**

## Sector Focus

Utilities	Transport	Energy
		
Gas/electricity distribution, transmission pipelines, water & waste, Towercos	Regulated/major regional airports, ports, rolling stock, toll roads	Operational renewables, district heating/CHP, terminal storage

## Geographic Focus



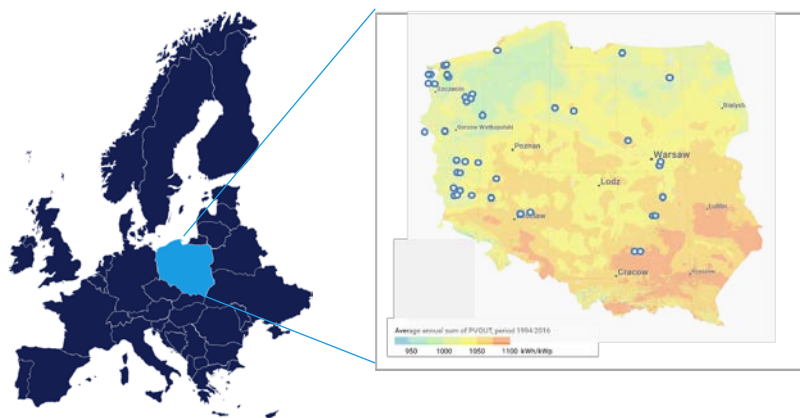


# Fund II asset: Helios

## Description

- 100% stake in 45.4MW of ground-mounted solar photovoltaic projects currently being developed in Poland by a local developer
- Revenue underpinned by 15-year guaranteed tariff under Poland's newly introduced contract for difference regime
- Proven and well understood technology with all equipment provided by Tier 1 global manufacturers
- Construction of first projects began in early 2018, which will be gradually connected to the grid between Q2 2018 and Q2 2019

## Geographic location



\* Identified opportunity to deploy at least an additional €40m based on current pipeline

\*\* Several closings planned due to construction and licensing schedule with take-over only once sufficient number of projects are completed

## Investment summary

Size	€20m (initial investment)*
Sector	Energy
Subsector	Solar PV
Location	Poland
Close	Q2-Q4 2019**
% ownership	100%

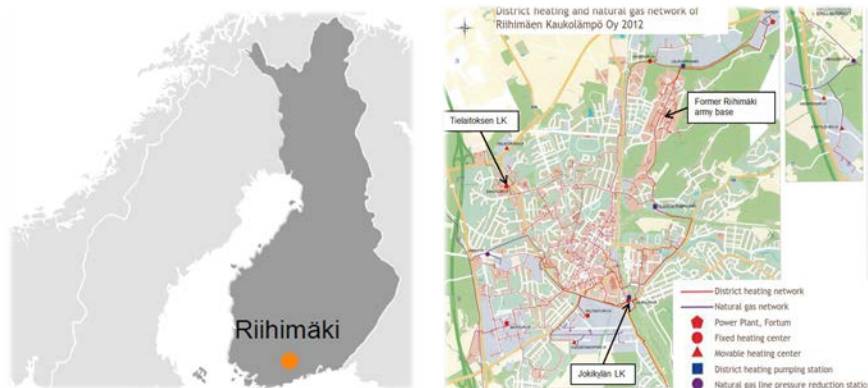
## Investment rationale and competitive advantage

- **Asset:** Long term contracted revenue under 15-year incentive mechanism in a well understood and established technology
- **Favourable support mechanism:** Under the CFD support mechanism, renewable electricity producers receive a guarantee fixed price for 15 years. no exposure to government budgets and with no scope for the government to (directly or indirectly) intervene in the market to adjust prices
- **Growth platform:** Additional projects are expected to enhance the return profile through scale benefits generated by larger portfolio
- **Market knowledge:** Two native Polish speakers who are close to the local market and are able to leverage their networks to gain in-depth insights and ensure efficient transaction processes

# Fund II asset: Riihimäen Kaukolämpö Oy

## Description

- 49% stake in Riihimäen Kaukolämpö Oy from the current owner, the City of Riihimäki, a local Finnish municipality, 70km north of Helsinki
- Riihimäen Kaukolämpö Oy primarily provides district heating (“DH”) solutions to its surrounding community in the town of Riihimäki
- The length of the network is 98.5km across the Riihimäki area. There are currently 718 clients connected to the network
- ASI team leveraged their experience from Fund I assets to beat competition from Nordic focused funds



## Investment summary

Size	€35m (initial investment)
Sector	Utilities
Subsector	District Heating
Location	Finland
Close	February 2019
% ownership	49%

## Investment rationale

- **Limited sales process** – only existing investors in Finland invited
- Attractive investment opportunity which provides **critical infrastructure** to the population of Riihimäki
- **Highly profitable** business when compared to its peers' networks, with the possibility to increase margins
- **Stable and predictable** cash flow profile with limited capex needs due to well maintained network and plants
- Strong possibility to **grow our stake** or pursue bolt-on opportunities
- Stable Finnish economic environment with **AA+ status**
- **ESG:** We factored in the sustainable nature of the asset - its key heat supplier is Fortum's neighbouring energy from waste (“EfW”) facility

# Fund II asset: UNITANK

## Description

- Acquisition of a 50% stake in UNITANK from the Westedt family
- UNITANK is a market leading independent infrastructure and services provider storing liquid oil products on behalf of strategic storage agencies and oil & gas majors
- The company owns and operates five terminals in Germany and one terminal in Belgium, all in key strategic locations
- The terminals handle diesel, gasoline, jet fuel and heating oil and have a total storage capacity of c.1.1 million cubic meters
- The company's combination of strategic storage and commercial activities offers robustness and stability and the portfolio is balanced across regions, markets and clients



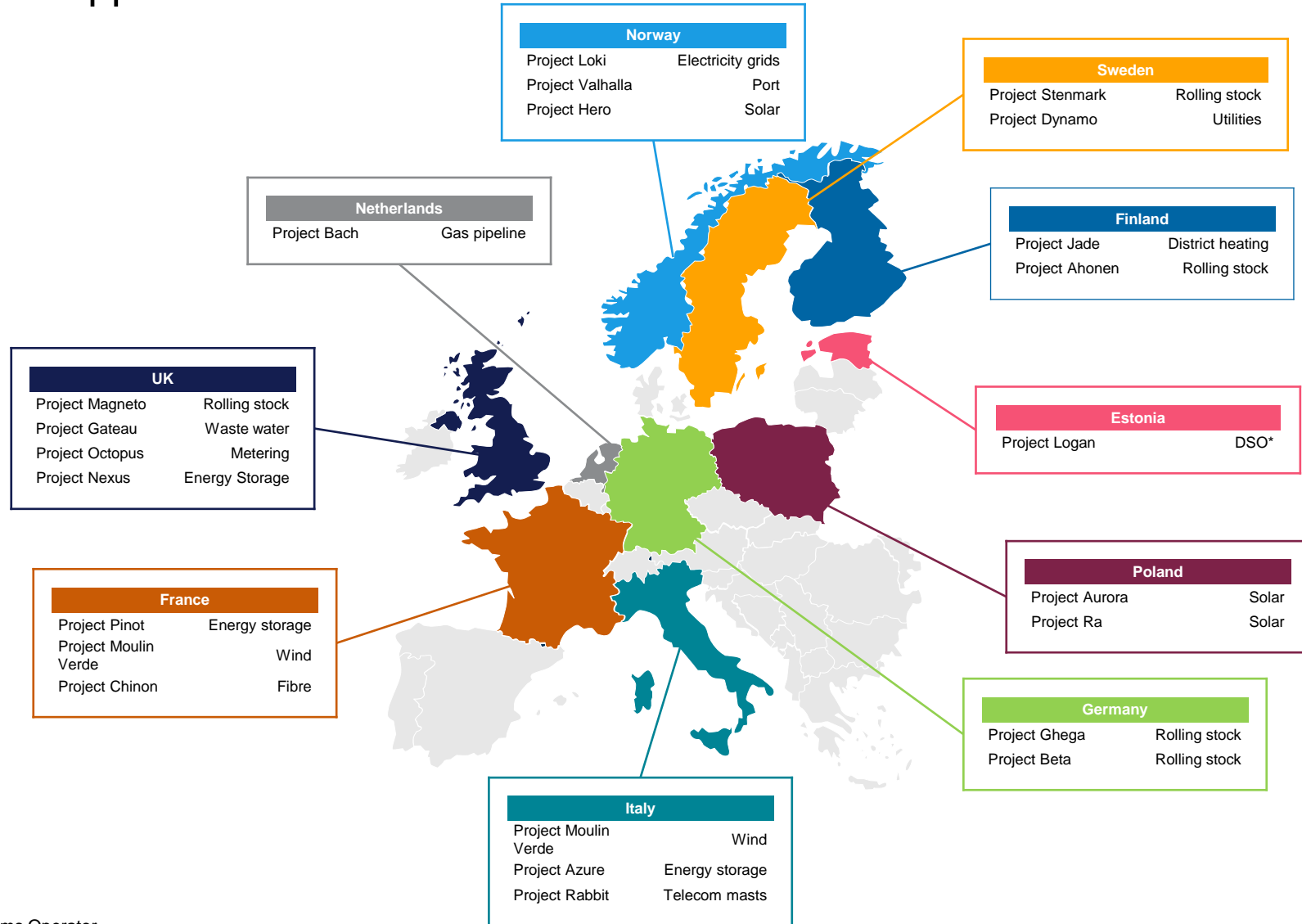
## Investment summary

Size	€55m
Sector	Energy
Subsector	Liquid bulk storage
Location	Germany and Belgium
Close	May 2019
% ownership	50%

## Investment rationale

- **Critical infrastructure** to inland communities across Germany, Belgium and Northern France
- **Stable and predictable** cash flow profile due to servicing both strategic stockholding agencies with product storage as well as commercial clients with product throughput
- **Further upside** identified through expanding and developing strategic, long-term partnerships with key commercial clients
- **Assets in excellent condition and above market standard** leading to limited future capex following recent capex programs
- Highly cash generative with historic free cash flow >90% offering a **strong yield base**
- Key competitive characteristics include independence, multi-product offering and strategic locations ensure **resilient & robust market position**
- **ESG:** asset offering emission efficient inland distribution of fuels, robust operational procedures and automation ensures highest health and safety standards, strong alignment of interest with reputable co-investor

# Pipeline of opportunities



\*Distribution Systems Operator

# Fund terms

Term	Detail
<b>Fund structure</b>	Luxembourg SCSp
<b>Target fund size</b>	€800 million ( <del>€350 million closed to date</del> )
<b>Next fund close</b>	Final close targeted for end of Q3 2019
<b>Target exposure</b>	Core/core+ investments in utilities, transport and energy infrastructure across the UK and Continental Europe
<b>Return target</b>	8-10% net IRR with a running yield of 4-5% paid semi-annually
<b>Currency</b>	Euros
<b>Term</b>	Initial 12 years from final close, with LP option to extend in 5 year increments or orderly realisation over 3 years
<b>Investment period</b>	3 years from the final close
<b>Single asset concentration</b>	25% in a single asset
<b>Management fee</b>	Management fee of 80 bps on NAV
<b>Long term performance fee<sup>†</sup></b>	Performance fee measured against Year 12 NAV (also point at which investors vote on fund extension) Performance fee based on an 8% share over an 8% hurdle, with a cap at 12% Any fee only payable if fund has achieved average yield of 4% p.a. net since inception
<b>Advisory committee</b>	An Advisory Committee will be established at final close representing some of the largest investors in the fund

Subject to change

# Summary – differentiating features of SLCI II

## Market opportunity

Benefits from significant volume of deal flow across target sectors and geographies

## Differentiated strategy

Focused on small to mid-market transactions (€100-150m) where competition is less acute compared to the large end of the market

## Established platform

Experienced team with track record of successfully building the SLCI I portfolio. Active pipeline of opportunities for SLCI II

## Fund structure

Supports long term buy and hold nature of strategy, while providing strong investor alignment with option to extend fund at year 12

## Competitive fees

Competitive management fee based on NAV i.e. no commitment fees. Long term, back ended performance fee which is only payable if return and yield objectives are met



# Important information

For professional investors only.

The information in this document is confidential and may not be reproduced or distributed in whole or in part without the prior written consent of Standard Life Investments (Private Capital) Limited ("SL Capital"). This document may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such an offer or solicitation is unlawful or not authorised. Nothing in this document constitutes a direct or indirect offering or placement of interests, units or shares in any alternative investment fund or in any other fund, entity or undertaking. Any such offering or placement would only be made where, among other conditions, all regulatory consents, authorisations and approvals required for such offering or placement have been obtained.

The information set out in this document is for information only. No investment decision should be made other than on the basis of the final constitutional documents of the Fund. The information contained in this document remains in draft and is subject to change and, to the fullest extent permitted by law, all duties to update it are disclaimed.

Whilst the information in this document has been prepared in good faith, no representation or warranty is given, and, to the fullest extent permitted by law, no responsibility is accepted by SL Capital or its affiliates (or by any of their respective officers, employees or agents), in relation to its accuracy or completeness and, to the fullest extent permitted by law, any such liability is expressly disclaimed.

All opinions and estimates in this document are those of SL Capital and constitute SL Capital's judgment as of the date indicated. Information in this document is only by current as at the date indicated, and may be superseded by subsequent events or for other reasons. Statements concerning market trends are based on current conditions, which may fluctuate. References to future returns are not promises or even estimates of actual returns that may be achieved, and should not be relied upon. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. In addition, any forecasts are based upon subjective estimates and assumptions about circumstances and events that may not yet have taken place or may never do so.

Any investment in the Fund would be speculative, would involve significant risks and would only be suitable for sophisticated investors who have sufficient experience and knowledge to make their own evaluation of the merits and risks of an investment in the Fund. In particular, the investment objective of the Fund may not be achieved and an investment in the Fund will only be suitable for investors who are able to bear a substantial loss of investment and for whom the illiquid nature of the investment is suitable. Prospective investors should ensure that they read this document and understand the nature of the investment and the extent of their exposure to risk in making an investment in the Fund.

Neither SL Capital nor any of its affiliates, members or employees are advising any person in relation to any investment or other transaction involving shares in the Fund. Prospective investors must not treat the contents of this document or any subsequent communications from SL Capital or any of its affiliates, officers, directors, partners, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Fund and an investment in it.

Prospective investors must determine for themselves the suitability of an investment in the Fund in light of their own circumstances and seek such professional advice as they may require in relation to legal, taxation, accounting, regulatory, investment or other matters.

No person has been authorised to give any information or make any representations not contained in this document and, if given or made, such information or representations may not be relied upon as having been made or given with the authority of SL Capital. No responsibility is accepted by SL Capital or any of its affiliates or by any other person in respect of any such information or representation.

Performance may differ based on factors which included cash flows, fees, product structure differences, etc. Past performance is not a guarantee of future results and a loss of principal may occur.

Standard Life Investments (Private Capital) Limited (SC184076) is registered at 1 George Street, Edinburgh, EH2 2LL and is a wholly owned subsidiary of Standard Life Investments Limited. Standard Life Investments Limited is registered in Scotland (SC123321) at 1 George Street, Edinburgh EH2 2LL and is authorised and regulated in the UK by the Financial Conduct Authority.

Standard Life Investments (Hong Kong) Limited is licensed with and regulated by the Securities and Futures Commission in Hong Kong and is a wholly-owned subsidiary of Standard Life Investments Limited. Standard Life Investments Limited, a company registered in Ireland (904256) 90 St Stephen's Green Dublin 2, is authorised and regulated in the UK by the Financial Conduct Authority. Standard Life Investments (USA) Limited is registered as an Exempt Market Dealer in Canada and as an Investment Adviser with the US Securities and Exchange Commission. Standard Life Investments (Corporate Funds) Limited is registered as an Investment Adviser with the US Securities and Exchange Commission. In Canada, Standard Life Investments (Private Capital) Limited relies on an exemption from registration as an International Dealer in the provinces of Alberta, British Columbia, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan as well as an International Investment Fund Manager in Ontario and Quebec.

Issued by Aberdeen Standard Investments Australia Limited, ABN 59 002 123 364 AFSL No. 240263. Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments. This document has been prepared with care, is based on sources believed to be reliable and opinions expressed are honestly held as at the applicable date. However it is of a general nature only and we accept no liability for any errors or omissions. This is not an offer of securities. This document has been prepared without taking account of your individual objectives, financial situation or needs. You should obtain your own investment, taxation and other advice and consider the fund offer document before deciding whether to acquire, or to continue to hold units in a Fund. Investments are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Past performance is not a reliable indicator of future results. Any performance forecasts are not promises of future performance and are not guaranteed. This document may describe some current internal investment guidelines and processes which are constantly under review and may change. Although this document is provided in good faith, it is not intended to create any legal liability on the part of Aberdeen Standard Investments. All indices are copyrighted by and proprietary to the issuer.

Issued by Aberdeen Standard Investments Australia Limited, ABN 59 002 123 364 AFSL No. 240263. Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments. This document has been prepared with care, is based on sources believed to be reliable and opinions expressed are honestly held as at the applicable date. However it is of a general nature only and we accept no liability for any errors or omissions. This is not an offer of securities. This document has been prepared without taking account of your individual objectives, financial situation or needs. You should obtain your own investment, taxation and other advice and consider the fund offer document before deciding whether to acquire, or to continue to hold units in a Fund. Investments are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Past performance is not a reliable indicator of future results. Any performance forecasts are not promises of future performance and are not guaranteed. This document may describe some current internal investment guidelines and processes which are constantly under review and may change. Although this document is provided in good faith, it is not intended to create any legal liability on the part of Aberdeen Standard Investments. All indices are copyrighted by and proprietary to the issuer.

**Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.**