

Diversified Fund (Fiera Capital) Fiera Capital Corporation

Lead Manager(s): Francois Bourdon

Performance Review Date: December 31, 2013

Investment Objective: The fundamental investment objective of the fund is to provide total long term returns through both capital appreciation and distribution income. To attain this objective, the fund will invest in a well-diversified portfolio of Canadian fixed income securities and equity securities of Canadian and foreign issuers.

Investment Style: Active

Annual Fund Performance (%)

	2009	2010	2011	2012	2013	5 yrs
Diversified Fund (Fiera Capital)	19.11	9.18	-2.63	9.00	13.86	9.46
Diversified Fund Benchmark (Fiera Capital)	16.65	10.27	-0.30	7.80	12.08	9.15
Value Added (+) / Lost (-)	2.46	-1.09	-2.33	1.20	1.78	0.31
Quartile Ranking ⁽¹⁾	2nd	4th	4th	3rd	3rd	3rd
Benchmark:	35% S&P/TSX Composite Index + 27% MSCI All Country World Index Net (Can\$) + 36% DEX Universe Bond Index + 2% DEX 91-day T-Bill					

Annualized Performance – Relative Rankings ⁽¹⁾ (ending December 31, 2013)

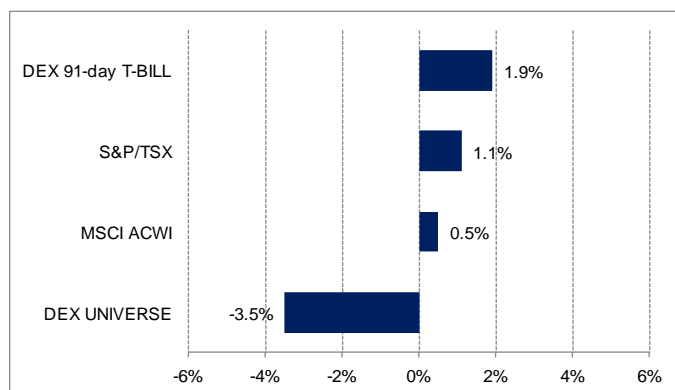
3 years	4 th	Quartile
5 years	3 rd	Quartile
7 years	n/a	
10 years	4 th	Quartile

Risk Characteristics (5 years ending December 31, 2013)

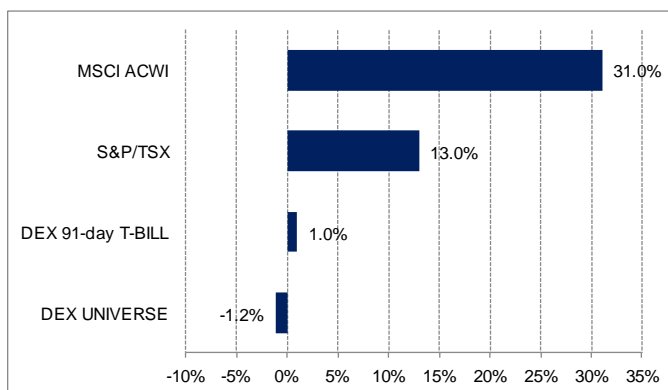
Downside Volatility	0.99%	4 th	Quartile
Standard deviation	4.46%	4 th	Quartile
Tracking error	1.80%	3 rd	Quartile
Information ratio	-0.40	4 th	Quartile
Beta	0.89	4 th	Quartile

Portfolio Positioning

Fund Sector Deviations



Year-to-date Index Sector Performance



Short-Term Performance Analysis

- In 2013, the fund outperformed its benchmark and ranks in the third quartile relative to its peers.
- Asset class performance was the main driver of added value, particularly within the Canadian equity market.
- Asset allocation also produced positive results, primarily due to an underweight position in the underperforming Canadian bond market.
- Given the fund's Core investment bias, its style had no impact on short-term Canadian equity performance.
- Given the fund's Core investment bias, its style had no impact on short-term global equity performance.

Long-Term Style Analysis

	2009	2010	2011	2012	2013	5 years
S&P/TSX Outperforming Style	Growth	Value	Value	Value	Value	Value
MSCI WORLD Outperforming Style	Growth	Growth	Value	Growth	Value	Growth

Long-Term Performance Analysis

- The fund has outperformed its benchmark in three of the past five years and has added value on a five-year annualized basis. This long-term performance ranks it in the third quartile when compared to its peers.
- Asset class performance was the primary driver of added value.
- Asset allocation had minimal impact on long term performance.
- Based on S&P/TSX style indices, Value stocks outperformed on average. Given the fund's Core investment bias, its style had no impact on long-term Canadian equity performance.
- Based on MSCI World style indices, Growth stocks outperformed on average. Given the fund's Core investment bias, its style had no impact on long-term global equity performance.

Significant Corporate Events

Corporate

- December 11, 2012 - Fiera Capital Corporation ("Fiera") announced that it has reached an agreement with UBS Global Asset Management (Canada) Inc. ("UBS Global AM"), to purchase UBS Global AM's Canadian fixed income, Canadian equity and domestic balanced account business representing assets under management of approximately \$8 billion for a cash consideration of \$52 million, subject to certain adjustments. The transaction, which is subject to customary conditions, including regulatory approval, is expected to close in the first quarter of 2013.

Fund Specific

- In January 2013, Fiera Capital Corporation (Fiera) announced the closing of the transaction under which Fiera acquired the Canadian fixed income, Canadian equity and domestic balanced account business from UBS Global Asset Management (Canada) Inc. The name of these Standard Life funds will be changed on February 28, 2013. The underlying fund – UBS (Canada) Balanced Fund – will be assigned to Fiera at the closing of the transaction. Standard Life will continue to invest in the same underlying fund. The Bond component of the underlying fund is expected to be managed by members of the existing UBS Fixed Income Team. Jeff Seaver, Peter Osborne and Philippe Ouellette from the UBS Fixed Income Team have been offered positions with Fiera and are expected to join Fiera after the closing of the transaction. The Canadian equity component of the underlying fund will continue to be managed by CIBC until the end of February 2013. Fiera's Canadian Core Equity Team will then assume management of the underlying fund. The foreign equity component of the underlying fund will continue to invest in the UBS Global Equity Fund until the end of February 2013 at which time units in the UBS Global Equity Fund will be sold and units of the Fiera Global Equity Fund will be purchased.
- In November 2011, UBS Global Asset Management announced that they will no longer be managing in house the UBS (Canada) Canadian Equity Fund, underlying fund for the Standard Life Canadian Equity fund (UBS Global). Instead, they have decided to appoint CIBC Global Asset Management as the sub-advisor to manage this fund and all of their Canadian equity products, effective immediately. Consequently, all their professional staff involved in the management of Canadian equities (located in Toronto) have been let go.
- In June 2011, Greg Anderson has re-joined the USB team, after a seven-year break from the company, as an analyst in Financials. Joining him is Michael Levy analyst for Insurance and REIT's. This follows the departure of three investment analysts in the Financials sector.
- In August 2010, UBS appointed two new analysts to the UBS equities team. Curtis Gillis joined the team as the Energy sector analyst while Natalie Taylor took on the role of Financials sector analyst.
- In May 2010, Duncan Mathieson, Head of Canadian Equities and Large Cap Portfolio Manager, Barbara Betanski (Energy Analyst), Marilyn Brophy (Consumer Analyst) and Kim Chafee (Financials Analyst) have left the firm. Pierre Ouimet, currently Head of Canadian Portfolio Strategy, will now lead the 10-member Canadian Equity team and take responsibility for large cap portfolio management. Pierre has worked closely with the Canadian Equity team since joining the firm in 1995.
- In 2009, John Young, member of the Canadian equity team and responsible for large cap Canadian equity portfolio construction and Michael Chan, Small Cap Canadian Equity Portfolio manager resigned to pursue other opportunities. Duncan Mathieson head of Canadian equities assumed responsibilities for both. The UBS Canadian Small Cap Fund is an integral part of the Canadian Equity Fund.

Quality & Choice Commentary

- The manager seeks to add value through active asset allocation. Using a top-down multiple-scenario approach, the manager evaluates the capital market outlook, forecast expected returns and develops an asset mix strategy to optimize performance while controlling risk. The equity components of the fund utilize a bottom-up, fundamental investment approach, searching for dominant companies that have a strong and sustainable competitive advantage with high barriers to entry, a proven track record and attractive valuations.

Conclusion: The fund is No Longer Promoted as a Quality & Choice investment option as of July 2012, based on the analysis done at that time.

Manager Outlook

- During the 4th quarter 2013, the manager reduced their overweight position in equities as valuation and sentiment indicators provided a warning signal of over-enthusiasm but will look to increase equity exposure on a market pullback. Within bonds, the manager continues to have an overweight in corporate bonds and short duration bias. The Canadian equity component will remain underweight in Materials while in global equities the manager is focused on Switzerland and underweight the Euro zone, the U.S. and Japan.

⁽¹⁾ Quartile rankings are based on the underlying fund's returns.

This report card is provided by Standard Life as a tool to assist you in the governance of your retirement plan.

Standard Life makes no representation or warranty, express or implied, as to the accuracy or completeness of the information provided. Though Standard Life has taken all reasonable measures to provide you with relevant information and professional opinions, based on reliable sources*, it reserves the right to correct any error or omission.

The opinion of Standard Life expressed in this report card shall not be the only factor to consider for decisions related to your plan's portfolio. Standard Life is not responsible for the outcome of decisions made based on the information and opinion provided in the report card.

* Sources may include, but are not limited to, Mercer MPA, Morningstar, Principia and Thomson Baseline

All rights reserved © 2013 The Standard Life Assurance Company of Canada

Standard Life Assurance Limited