



16 December 2024

Investor Name:
Investor Reference:
Designation:

IMPORTANT INFORMATION - FUND CHANGES

Dear Investor,

ABRDN OEIC I – CHANGES TO THE INVESTMENT OBJECTIVES AND POLICIES OF CERTAIN FUNDS

Please read this letter carefully as it contains important information regarding upcoming changes to the following funds:

abrdn UK Sustainable and Responsible Investment Equity Fund
abrdn Global Sustainable and Responsible Investment Equity Fund
(each the “Fund” and together the “Funds”)

No action is required in response to this letter, but we would encourage you to familiarise yourself with the changes, as you are invested in one or more of the impacted Funds.

In this letter, when we say ‘we’ or ‘us’, we mean abrdn Fund Managers Limited, the company that is currently responsible for managing and operating your investment in the Funds.

We regularly review our range of funds to ensure that they are best positioned to deliver positive outcomes for investors and appropriate in the current marketplace. The Financial Conduct Authority (FCA) have issued a naming, marketing and labelling regulation under their Policy Statement 23/16 on sustainability disclosure requirements and investment labels (“**SDR**”). In light of the requirements set out under the SDR, with effect from 20 February 2025 (“**Effective Date**”) we are making the following changes to the Funds:

- amendments to the investment objectives to set out an explicit broad-based thematic sustainability and financial objective with dual sustainability standards, including changes to the performance target;
- amendments to the investment policies, to make the portfolio selection and management process and their alignment with the sustainability objective more transparent;
- changes to the Fund names; and
- other consequential updates to include requisite disclosures as well as a minor update to the target market.

The SDR:

The SDR sets out the criteria and standards for sustainable investment products to help investors navigate investment products and enhance consumer trust and transparency. This includes a set of criteria for:

PO Box 12233, Chelmsford
Essex, CM99 2EE

T 0345 113 6966

abrdn.com

abrdn Fund Managers Limited, registered in England (00740118) at 280 Bishopsgate, London, EC2M 4AG.
Authorised and regulated by the Financial Conduct Authority in the United Kingdom.

0001576263 12/22



- (a) **Labelling** - classifying investment funds under one of the following categories:

Funds with an 'Investment Label'			
Sustainability Focussed	Sustainability Improvers	Sustainability Impact	Sustainability Mixed
Funds that invest in assets that are environmentally or socially sustainable determined by a robust, evidence-based standard of sustainability	Funds that invest in assets that have the potential to become more sustainable over time, determined by their potential to meet a robust, evidence based standard of sustainability in due course	Funds that aim to achieve a predefined, positive, measurable environmental and/or social impact	Funds that invest in assets falling under any two or more of the investment labels referred to above

- (b) **naming and marketing of investments funds** - investment funds without an Investment Label to be further classified as follows:

Funds without an Investment Label		
Funds with sustainability terms in their names and material sustainability characteristics	Funds with sustainability characteristics	All other Funds
Funds which do not fall under any of the four Investment Labels but have sustainability characteristics that are material to the fund as well as a sustainability term in their name	Funds which do not fall under any of the four Investment Labels but have sustainability characteristics and use sustainability related terms in their strategy or marketing material for financial promotion purposes.	Funds which neither meet the requirements for an Investment Label nor have any sustainability characteristics

The funds with an Investment Label or sustainability characteristics (material and/or non-material), as explained above, are regarded as '**sustainability products**'. The use of sustainability related terms is restricted to sustainability products. However, the usage of the terms 'sustainable' and 'sustainability' in the name of a fund is now restricted to a fund with an investment label and the term 'impact' in the name of fund is restricted to a fund with sustainability impact label;

- (c) **detailed disclosure requirements** at the fund and entity level, including a specific consumer facing disclosure document ("**CFD**") to be published and updated annually for a sustainability product, to provide consumers with better, more accessible information to help them understand the key sustainability features of a sustainability product.

Changes to the Funds

1. (a) Investment Objectives

While the Funds are primarily focused on investing in companies that have positive sustainability characteristics, the Funds currently offer sustainability outcomes while delivering a financial objective. Given the nature of the Funds, we have taken the decision to make the objective explicitly sustainability focused while continuing to deliver the existing financial objective alongside. Therefore, the Funds will now have a sustainability objective to invest in companies that manage adverse environmental impacts and promote societal welfare focused on four thematic areas of **climate change, environment, labour management, and human rights & stakeholders**, assessed against dual sustainability standards of either:

- (i) **Products and Services** - the revenue derived from or investment budget directed to, products and services that contribute to one or more of the four thematic areas specified above; or

- (ii) **Business Operations** - the sustainability of business operations as determined by the abrdn Operational Sustainability Score which considers a variety of data inputs related to the aforementioned four thematic areas to identify companies that are addressing adverse environmental impacts and promoting societal welfare.

In each case while continuing to deliver on the financial objective of generating growth over the long term.

Accordingly, from the Effective Date the Funds will be labelled 'Sustainability Focus' Funds under the SDR. This will enable investors to understand that the Funds apply all required regulatory criteria to make use of the Sustainability Focus investment label as set out under the SDR. We believe this provides the investors with funds which continue to invest sustainably in line with their expectation but with a more clearly defined sustainability objective and greater transparency on how the sustainability objective will be achieved.

(b) Performance Targets

- The Funds' existing performance targets (which is the level of performance a fund aims to achieve) have a threshold of 3% per annum above the relevant Fund's benchmark ("Hurdle"), and each Fund's performance is calculated before deducting fees. The current performance targets will be replaced with a simplified approach of aiming to outperform the relevant benchmark after charges are accounted for, given the absence of a Hurdle to calculate the excess against. We believe this change provides the most appropriate measure of success and is in the best interests of investors as it allows investors to more easily assess the value being provided by each Fund over the long term after deduction of fees. The change focuses the performance target on the key objective of the relevant Fund, which is to provide a return above that of the market and allows for easier comparison of the Funds' performance against their respective peers.
- The time period for measuring the performance for the abrdn Global Sustainable and Responsible Investment Equity Fund will also be changed from the existing rolling three (3) years to five (5) years. We believe five years is a more appropriate timeframe, given the objective of the Fund is to generate growth over the long term, being five (5) years or more. This change better reflects the expected timeframe necessary to achieve the Fund's objective and is a reasonable proxy for a market cycle to better assess performance.
- In the interest of transparency, it is also being clarified that the application of sustainability criteria may result in the exclusion of certain securities within the Funds' potential investment universe which can impact their financial returns profile.

2. Investment Policies (portfolio securities and management process)

- As a consequence of the changes to the Funds' investment objectives, certain changes will also be made to their investment policies. Additional disclosures are being added to make the portfolio selection process more transparent to the investors. These enhanced disclosures provide greater rigour and independence for the assessment of the sustainability characteristics for each company.
- Currently the abrdn UK Sustainable and Responsible Investment Equity Fund can invest in UK equities (company shares) only. From the Effective Date, the Fund will also be able to invest in overseas non-UK equities, however these will be limited to a maximum of 20% of the Fund but at least 70% of the Fund's investments will remain aligned with the sustainability objective. We believe introducing this additional flexibility is in the best interest of investors as it will expand the investment opportunities for the Fund, which in turn will support meeting the investment objective.
- The Funds' will continue to be actively managed but the management process and particularly the sustainability and screening criteria applied ("Sustainable Approach") will be explained in more detail to set out the robust, evidence-based standards applied for meeting the Funds' objective, that are absolute measures of the Funds' environmental and/or social sustainability characteristics. The detailed Sustainability Approach is now incorporated in the Funds' prospectus as an appendix for investors' ease of reference.
- Furthermore, while the Funds' carbon footprint is expected to remain lower than their relevant benchmarks, this will no longer be the emphasis given that it is a by-product of the Sustainability Approach and not the direct sustainability target of the Funds.

Given the relevant Fund's investment team's research process primarily identified companies that meet the aforementioned sustainability standards, it will not directly result in any changes to the companies held, the risk profiles, or the performance expectations of either Fund.

The current and new investment objectives and policies of each Fund together with the Sustainable Approach can be found at www.abrdn.com/en-gb/personal/log-in/abrdn-uk-funds-oeic-unit-trust/investor-communications

If you would like to receive paper copies of the above comparison you may request this from us using the details in the “Contact Us” section below.

Please note that all impacted Funds are listed on this webpage, therefore please ensure that you read the relevant changes for the Fund or Funds in which you are invested.

3. Fund Names

Due to the changes and updates to the investment objectives and policies, which are now explicitly sustainability focused, we are also simplifying the names of the Funds to remove any ambiguity and more directly reflect the objectives or the Funds with the removal of “Responsible Investment”, which is no longer relevant for the investment process. Therefore, the Funds’ names will change as follows:

Current Name	New Name
abrdn UK Sustainable and Responsible Investment Equity Fund	abrdn UK Sustainable Equity Fund
abrdn Global Sustainable and Responsible Investment Equity Fund	abrdn Global Sustainable Equity Fund

Other consequential changes

As a consequence of the changes detailed above, a new appendix will be incorporated in the prospectuses of the Funds setting out the Sustainable Approach applicable to the two Funds. The Sustainable Approach, amongst others, will set-out in detail the stewardship approach, engagement and voting policy, key performance indicators (KPIs), oversight of sustainability standards applied and exclusionary screens enabling the investors to obtain all material information they need to make informed decision before investing in the Funds, from a single document.

As responsible investing is no longer relevant in the Funds’ investment process, the target market for both Funds will also be slightly updated to reflect and to clarify that the Funds’ target investors are those with a specific need around sustainable criteria rather than the existing sustainable and responsible investment criteria.

Risk Profile

Each Fund will remain within the existing risk profile parameters and the Synthetic Risk and Reward Indicator (SRRI) as set out in the Key Investor Information Documents (“**KIIDs**”) will remain the same.

Expenses

We have agreed to meet all administrative expenses associated with the changes detailed above. For clarity, there are no additional costs beyond the already payable ongoing charges figure (OCF) to the Funds/ investors as a result of this change.

Other information

No action is required from you and this notification is for information only. On the Effective Date our fund documentation, including the Prospectuses and KIIDs, will be updated to reflect the changes set out in this letter and a CFD for each of the Funds, as required under the SDR, will be made available on Fund Centre at www.abrdn.com. Please also note that all share classes in all Funds will be impacted by this change (see Appendix 1 for the full list of available share classes).

Contact us

If you have any questions or would like to know more about the changes detailed in this letter, please call us on 0345 113 6966 or +44 (0) 1268 44 5488 if you are outside of the UK. We are here between 9:00 am and 5:30 pm, Monday to Friday. Calls may be monitored and/or recorded to protect both you and us and help with our training.

Please note that while we will be able to answer general questions on this letter and the changes to the Funds, we cannot provide financial advice. If you wish to receive financial advice, you should speak to a person authorised to give such advice.

Thank you for your continued support of abrdn.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Adam Shanks', with a long horizontal flourish extending to the right.

Adam Shanks, Director
abrdn Fund Managers Limited

Appendix 1

Current Fund Name	Fund Name From 20 February 2025	Share Class	ISIN
abrdn UK Sustainable and Responsible Investment Equity Fund	abrdn UK Sustainable Equity Fund	A Accumulation	GB00B131GB92
		A Income	GB00B131GC00
		I Accumulation	GB00B131GD17
		I Income	GB00B131GH54
		M Accumulation	GB00BGRLY509
		M Income	GB00BGR LZ688
		K Accumulation	GB00BM8H7F03
		ZC Accumulation	GB00BPBR9S55
		Z Accumulation	GB00BNKC3Z27
		L Accumulation	GB00BNTY3F91
		L Income	GB00BNTY3L51
abrdn Global Sustainable and Responsible Investment Equity Fund	abrdn Global Sustainable Equity Fund	A Income	GB0006833601
		A Accumulation	GB0006833718
		I Income	GB0006833825
		I Accumulation	GB0006833932
		M Accumulation	GB00BGRLYZ01
		M Income	GB00BGR LZW45