

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

16 January 2020

Dear Shareholder,

ABERDEEN STANDARD SICAV I

We are writing to inform you of the changes that the Board of Directors of Aberdeen Standard SICAV I (the “**Company**”) proposes to make to the Company and its sub-funds (the “**Funds**”) with effect from 17 February 2020 (the “**Effective Date**”). The principal proposed changes are detailed in this letter.

Capitalised terms used in this letter shall have the same meaning ascribed to them in the latest version of the prospectus of the Company unless the context otherwise requires.

1. Update to the investment policies of all Funds concerning use of benchmarks

The investment objective and policy section of all Funds within the Company has been updated to include additional information on use of benchmarks.

In particular and from the Effective Date, this section will now state that all Funds are actively managed and specify whether or not a benchmark plays a role (even if minimal) in the management of the Funds, as well as the degree of freedom that the Investment Manager(s) have in relation to that benchmark. For instance, a Fund may aim to outperform a benchmark or may be managed within risk constraints which limit the deviation between investments, their weightings and the expected performance relative to a benchmark.

The updated disclosures, which will also be included in the Key Investor Information Documents, address the new requirements laid down by the European Securities Markets Authority in their Q&A on the application of the UCITS Directive dated 29 March 2019.

For the avoidance of doubt, this additional information intends to provide more insight to investors but in no way changes the way in which the Funds are managed in practice nor modifies the investment objective and policy nor the risk profile of the Funds, except as otherwise stated in this letter.

2. Enhancement of disclosures on volatility targets in relation to Aberdeen Standard SICAV I – Australian Dollar Income Bond Fund, Aberdeen Standard SICAV I – Emerging Markets Total Return Bond Fund, Aberdeen Standard SICAV I – Emerging Markets Bond Fixed Maturity 2023 Fund and Aberdeen Standard SICAV I – Global Bond Fixed Maturity 2023 Fund

The investment policy will be updated to inform investors that the Investment Manager will aim to control the volatility of the Funds, as follows:

“The Investment Manager will seek to reduce the risk of losses and the expected change (as measured by annual volatility) in the value of the Fund is not ordinarily expected to exceed 7.5%”.

3. Change to the use of financial derivative instruments and to the methodology to calculate the global exposure in relation to Aberdeen Standard SICAV I – Artificial Intelligence Global Equity Fund

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Currently, the Fund is allowed to invest in financial derivative instruments for hedging or to manage foreign exchange risks only.

From the Effective Date, the Fund will also be allowed to use financial derivative instruments for investment purposes and therefore the below provision will be included to its investment policy:

“The Fund may utilise financial derivative instruments for hedging and/or investment purposes, or to manage foreign exchange risks, subject to the conditions and within the limits laid down by applicable laws and regulations”.

Consequently, the methodology to calculate the global exposure of the Fund will change from Commitment to Relative Value-at-Risk and the MSCI AC World Index (USD) will be used as risk benchmark.

Investors are reminded that the use of derivatives other than for hedging purposes may result in leverage and may increase volatility in the Net Asset Value of the Fund.

4. Change to the name and clarification of the investment policy in relation to Smart Beta Low Volatility Global Equity Growth Fund and Smart Beta Low Volatility Global Equity Income Fund

From the Effective Date, the Funds will be renamed as Multifactor Global Equity Fund and Multifactor Global Equity Income Fund, respectively.

It is believed that the new names reflect better the multi-factor strategy that the Funds follow which, other than low volatility, also targets value, quality, momentum and small size.

In the same vein, the investment policy of both Funds will be clarified to include the reference to this multi-factor strategy, so that:

“The Fund will follow a multi-factor strategy which targets value, quality, momentum, small size and low volatility.

The Investment Manager will use quantitative techniques, based on statistical and numerical analysis, while adopting a disciplined and rigorous approach to both stock selection and portfolio construction”.

For the avoidance of doubt, the above changes have been made for clarification purposes and in no way modify the investment strategy of the Funds nor their respective investment objective or policy.

5. Change to the investment policy and to the methodology to determine the global exposure in relation to Aberdeen Standard SICAV I – Listed Private Capital Fund

Currently, the Fund is allowed to invest in financial derivative instruments for hedging and/or investment purposes.

From the Effective Date, the investment policy of the Fund will be clarified to reflect the limited use of financial derivative instruments for investment purposes, so that:

“The use of derivatives for investment purposes is expected to be very limited, mainly in those cases where there are significant inflows into the Fund so that cash can be invested while the Fund’s investments in equity and equity related securities is maintained”.

As a consequence, the below provision will be deleted:

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“Without limiting the generality of the foregoing, the Investment Manager may alter the currency exposure of the Fund, solely through the use of derivative contracts (without buying or selling underlying Transferable Securities or currencies)”.

In parallel, and as a consequence of the above change, the methodology to calculate the Fund’s global exposure will change from Relative Value-at-Risk to Commitment.

6. Change to the methodology to determine the global exposure in relation to Aberdeen Standard SICAV I – Emerging Markets Total Return Bond Fund

Currently the Fund uses the Relative Value-at-Risk methodology for the purposes of determining its global exposure.

From the Effective Date, the Fund will use the Absolute Value-at-Risk methodology instead as this is deemed to be more appropriate considering the total return investment strategy of the Fund.

7. Increase in the expected level of leverage applicable to Aberdeen Standard SICAV I – Asia Pacific Multi Asset Fund and Aberdeen Standard SICAV I – Asian Local Currency Short Term Bond Fund

Shareholders are informed that from the Effective Date the Expected Level of Leverage figures applicable to the Funds as noted below will be updated. The revised figures are due to an increase in the use of financial derivative instruments within the limits of their respective investment objective and policy:

| Fund | Expected Level of Leverage (%) based on "Sum of Notionals" approach | Expected Level of Leverage (%) based on Commitment approach |
|---|---|---|
| Aberdeen Standard SICAV I – Asia Pacific Multi Asset Fund | 170 (No change) | 50 100 |
| Aberdeen Standard SICAV I – Asian Local Currency Short Term Bond Fund | 425 150 | 25 (No change) |

8. Update to the Risk Management Process Section in relation to (i) the use of the Commitment approach and (ii) to the impact of the revised Hong Kong Code on Unit Trusts and Mutual Funds (the “Code”)

(i) This Section currently states that:

“Funds which will either not use financial derivative instruments or limit their use of hedging strategies will be monitored using the commitment approach”.

There are certain Funds which make use of financial derivative instruments for investment purposes on a limited basis for cash management only and which use the Commitment approach to determine their global exposure.

Therefore, the section has been amended for clarification as follows:

“Funds which will not use financial derivative instruments or limit their use to hedging strategies or make use of financial derivative instruments for investment purposes but only to a limited extent for cash management will be monitored using the commitment approach”.

(ii) On a separate matter, the following provision has been included for information purposes as a consequence of the publication of the updated Code and which has an impact on Funds which are authorised under section 104 of the Securities and Futures Ordinance of Hong Kong. In a nutshell, the updated Code requires the disclosure of the expected net derivative exposure of a Fund based on a methodology which is different to the methodologies applicable according to the UCITS regulations (Commitment and Value-at-Risk).

“Where a Fund is authorised by the Securities and Futures Commission (SFC) in Hong Kong, it will be required to disclose its maximum expected net derivative exposure (NDE) as calculated in accordance with the requirements under the SFC's Code on Unit Trusts and Mutual Funds and the requirements and guidance issued by the SFC from time to time.

Investors' attention is brought to the fact that such methodology is different to the risk management approaches described herein and that as a consequence, in some instances, this could result in a Fund having a more restrictive use of financial derivative instruments than what it is allowed to based on the limits outlined above. However, the maximum expected NDE is not expected to impact the achievement of the investment objectives of the relevant Funds”.

9. Change to the definition of Emerging Market

Currently, an Emerging Market is defined as “Any country that is included in the MSCI Emerging Markets Index or composite thereof (or any successor index, if revised), or any country classified by the World Bank as a low to upper middle income country”.

The definition has been updated to include additional indices so that both equities and fixed income asset classes are represented, as follows: “Any country that is included in the MSCI Emerging Markets series of indices or FTSE Emerging Markets series of indices or JP Morgan Emerging Market series of indices (or composites thereof or any successor series) or any country classified by the World Bank as a low to upper middle income country”.

Rights of Shareholders

Shareholders affected by the changes mentioned in paragraphs 3, 5 and 8 (concerning the NDE disclosures only) above who feel that they no longer meet their investment requirements may request redemption or switching of their Shares, free of any applicable redemption and/or subscription charges, until 13:00 hours Luxembourg time on 17 February 2020.

Prospectus

The changes detailed in this letter will be reflected in a new prospectus to be dated February 2020. The relevant Key Investor Information Documents will be updated accordingly.

Your Board of Directors accepts responsibility for the accuracy of the information contained in this letter. To the best of the knowledge and belief of your Board of Directors (who have taken reasonable care to ensure this is the case) the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the importance of such information.

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If you have any questions or would like any further information please contact us at our registered office or, alternatively, call one of the following Shareholder Service Centre helplines:

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Your Board of Directors believes that the changes are fair and reasonable and are in the best interests of Shareholders.

Yours faithfully,



Soraya Hashimzai
For and on behalf of
the Board of Directors – Aberdeen Standard SICAV I