

abrdn Sustainable Managed Portfolio Service

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"What we invest in today will determine the world we live in tomorrow."

Steven Bird
CEO abrdn

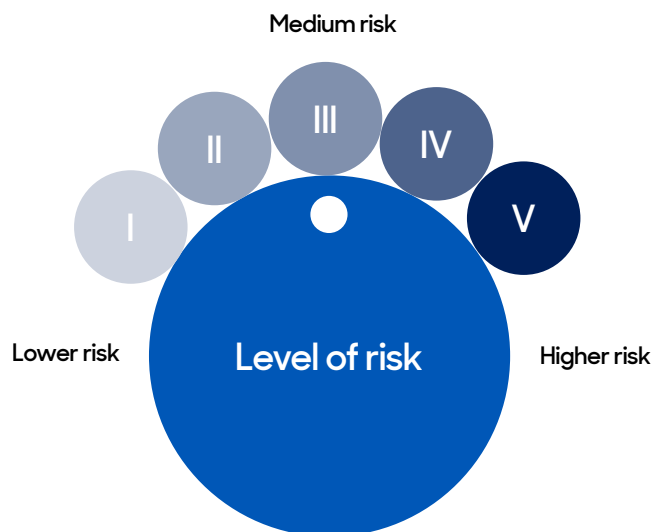
Introduction to ESG Investing

There is a growing demand from both society and clients for the investment community to fully embrace environmental, social and governance (ESG) issues into their portfolios. Investors are no longer just looking for financial returns from their investments, they want reassurance their money is being invested in a way that agrees with their values.

Investing in a more sustainable and responsible way can be one of the first steps to help rectify a number of the challenges the world currently faces, from climate change and pollution to poverty and inequality. One of the benefits of the scope and influence of abrdn is that we can use our impact to guide and encourage the companies we invest in to further drive positive change.


We are passionate about investing for a brighter future and by finding companies that can make a positive impact not only environmentally but also socially, our clients can benefit in a number of ways. It has been proven academically in various studies¹ that investing in companies that act in a responsible manner, exhibiting strong moral sensibilities can outperform their counterparts in terms of financial gains over the long term.²

Our Sustainable Managed Portfolio Service (MPS) offers a comprehensive Best Ideas and Index investment solutions that targets five different levels of risk.

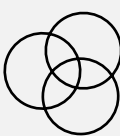


Comprehensive, understandable and cost efficient, we've designed our multi-asset sustainable solution to help your clients tap into the benefits of ESG investing, while simultaneously avoiding sustainability risks and making a positive impact on the world. We do this by carefully selecting and rigorously monitoring a diverse mix of investments, built on 4 key pillars:

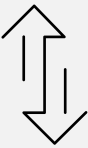
1. Environmental, Social and Governance (ESG) analysis
2. Active Stewardship and Engagement
3. Avoiding harm
4. Doing measurable good via Impact investing strategies




Sustainable investments that do less harm and more good



A diverse and well-balanced multi-asset portfolio



Allowing you to select a comfortable level of risk for your clients (with the option of five risk levels)



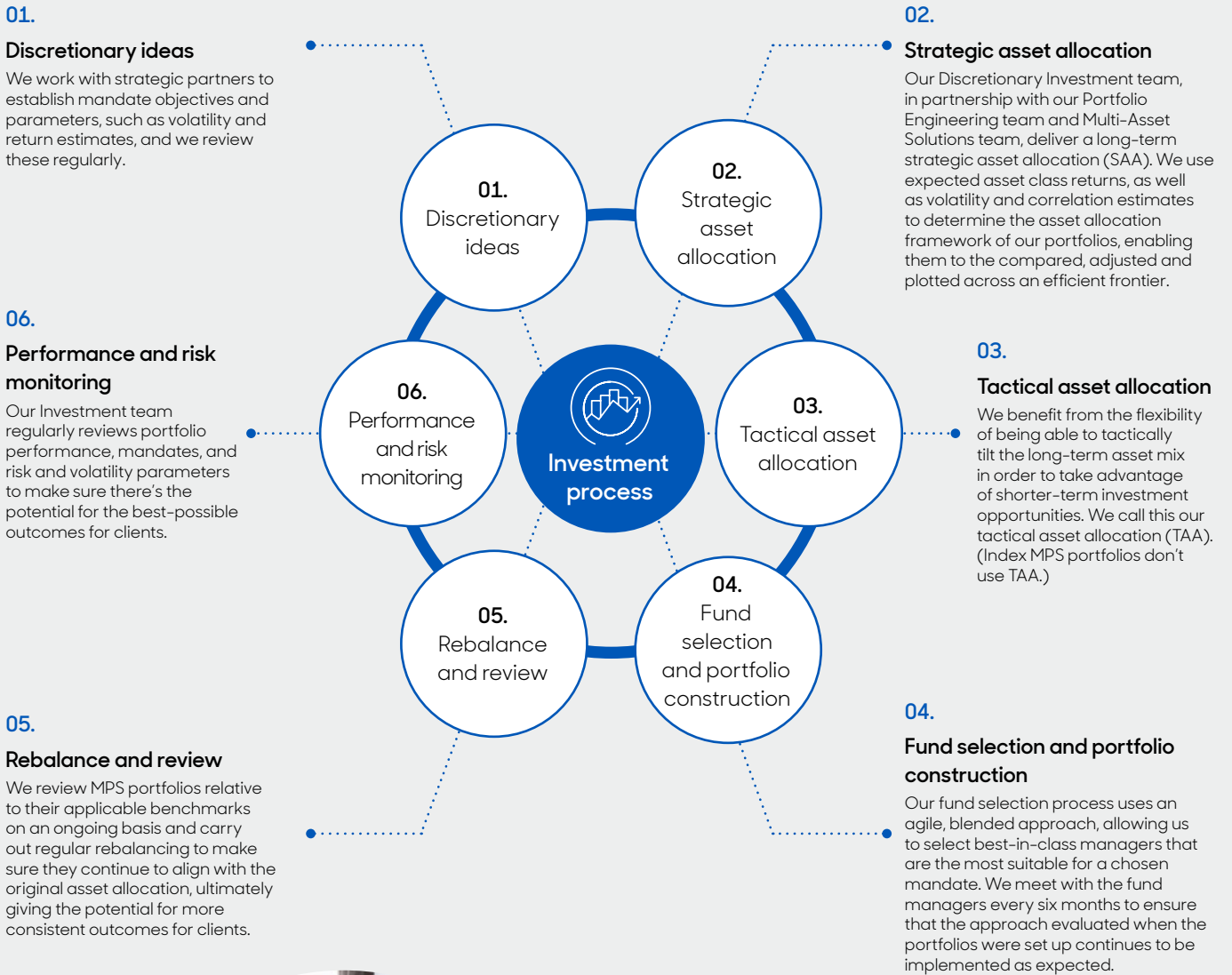
Professionally managed portfolios – that don't cost the earth

¹ Gunnar Friede, Timo Busch & Alexander Bassen (2015) ESG and financial performance: aggregated evidence from more than 2000 empirical studies, Journal of Sustainable Finance & Investment.

² From the stockholder to the stakeholder: How sustainability can drive financial outperformance, University of Oxford and Arabesque Partners, 2015 3 Corporate Sustainability: First Evidence on Materiality, Mozaffar Khan, George Serafeim, and Aaron Yoon, HBS, 2015.

Investment process

The portfolios benefit from a whole of market approach, allowing our portfolio managers to utilise in-house funds as well as best of breed funds. Portfolio construction take advantage of our Strategic asset allocation (SAA), Tactical asset allocation (TAA) (Sustainable Index MPS does not utilise TAA), rebalancing and review, optimising the risk reward dynamics within the portfolios, ensuring they continue to deliver the appropriate risk and return outcomes for investors.



“The portfolios benefit from a whole of market approach, allowing our portfolio managers to utilise in-house funds as well as best of breed funds.”

The 4 pillars explained

abrdn Sustainable MPS and abrdn Sustainable Index MPS deliver sustainable investing using 4 central pillars.

01. ESG analysis

abrdn Sustainable MPS and abrdn Sustainable Index MPS include funds that use environmental, social and governance factors as a framework for assessing the risks and opportunities of individual companies within those funds. By using this framework, fund managers gain a deeper understanding of the companies' operations and ultimately allows them to find the companies that are more likely to perform well and stand the test of time. For example, a company that flouts environmental regulations is more likely to be subject to fines or public censure. Companies that operate under sensible governance structures are more likely to operate efficiently. Ultimately ESG analysis helps fund managers buy companies that do the right thing.

This means that the underlying managers we invest in will:

- Work with companies to drive sustainable business practices
- Raise ESG issues with company management
- Vote against policies they think drive the wrong behaviours in companies
- Can help companies who have previously struggled with these principles to adapt and thrive

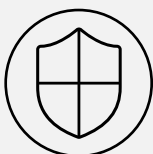
02. Active stewardship and engagement

abrdn and the external fund managers used within Sustainable MPS and Sustainable Index MPS portfolios use their influence to hold companies to account, to encourage positive behaviours and exercise voting rights on the issues that matter.



Back better companies

We use funds which aim to invest more in companies which treat people and the planet well and run their businesses better.



Avoid harm

We don't use funds investing in companies with business practices or in industries deemed to be controversial.

03. Avoiding harm

We invest in funds that in turn actively avoid controversial sectors or practices that are doing demonstrable harm to the environment and society, for example:

- Controversial weapons manufacturing
- Companies that don't meet UN standards on human rights, labour, environment and anti-corruption (UN Global Compact)
- Tobacco production

04. Impact investing

As well as avoiding companies that do harm, we use funds within the portfolio that invest in companies who's activities have a measurable positive impact on some of the most important issues facing the planet and society. These issues include areas such as climate change, poverty, sanitation, financial inclusion, access to clean water, hunger, among many others.

This means abrdn Sustainable MPS and abrdn Sustainable Index MPS can help to:

- Make a tangibly positive impact on the world
- Protect the planet through a transition towards clean energy
- Support people and communities



Develop and improve

We use funds whose managers meet companies to understand how they're run and treat people and the planet – and put pressure on them to change if needed.



Contribute to solutions

We use funds which put money into companies whose aim is to make a positive, measurable difference in the world.

To find out more

Please get in touch with your usual abrdn contact or email discretionary@abrdn.com

Or visit us online: abrdn.com/mps

Important information

Investment involves risk. The value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount invested. Past performance is not a guide to future results.

The details contained here are for information purposes only and should not be considered as an offer, investment recommendation, or solicitation to deal in any investments or funds and do not constitute investment research, investment recommendation or investment advice in any jurisdiction. No warranty is given as to the accuracy, adequacy or completeness of the information contained in this document and no liability for errors or omissions in such information.

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