

For professional investors only (in Switzerland for qualified investors). Not for use by retail investors.

## Fund Guide

### Aberdeen Standard SICAV I – Global Climate and Environment Equity Fund

September 2021



#### Investing in the transition to a low carbon global economy

Focus on finding the leading climate change solutions providers and leaders



#### Focus on positive climate impact and attractive returns

Investing in companies that can have the biggest positive climate impact and deliver attractive returns



#### Article 9

The fund is classified Article 9 under new EU Sustainable Finance Disclosures Regulation. Article 9 funds have a sustainable investment objective.

### Investing in the climate change megatrend

There is growing understanding that the world needs to address climate change by mitigating its causes and adapting to its consequences.

For a successful global climate transition, all areas of the economy will have to change positively.

While climate change poses risks for asset prices, we believe it also offers once-in-a-generation investment opportunities – an estimated \$50 trillion of investment will be needed to reach net zero emissions by 2050.<sup>1</sup>

Equity investors can contribute by directing capital to companies that help address the challenges of climate change. The companies most successful in this can also be excellent investments.

### Fund overview – key features

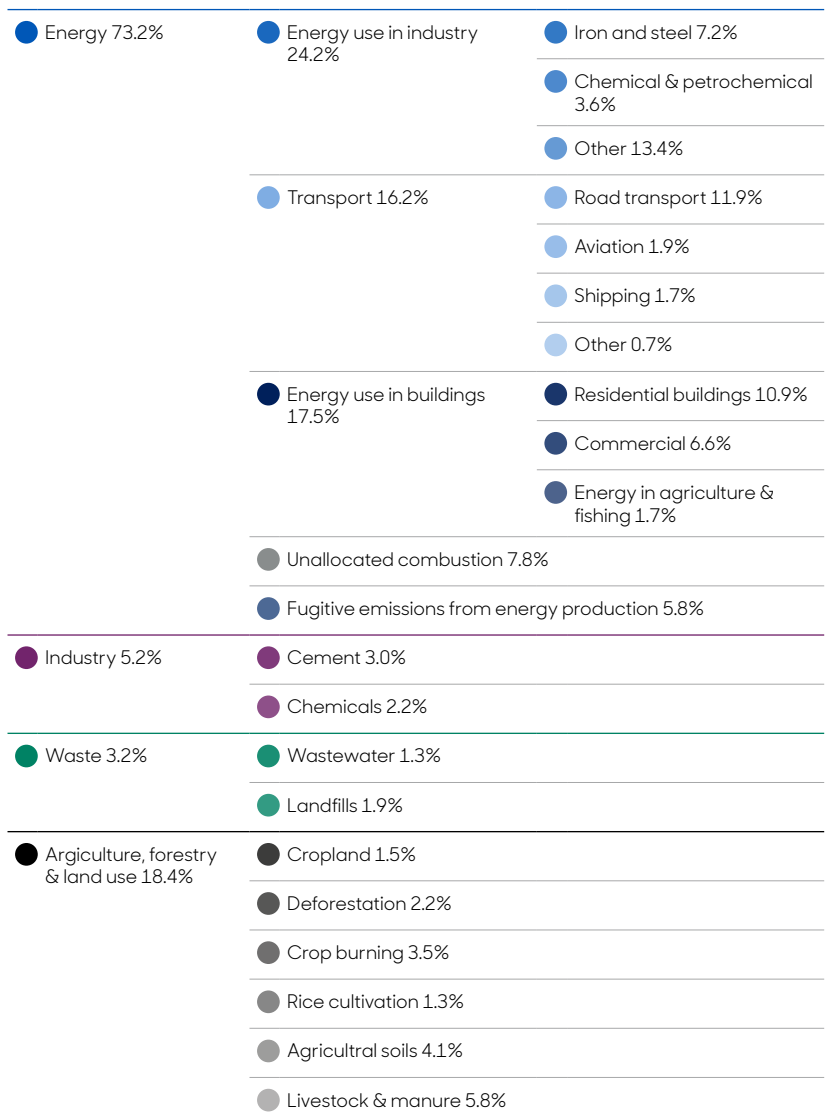
<b>Investment universe:</b>	Global
<b>Market cap:</b>	All caps investible
<b>Number of stocks:</b>	30-50 (indicative)
<b>Reference index:</b>	MSCI All Country World Index
<b>Single stock maximum weighting:</b>	9%
<b>Investible sectors:</b>	All except exclusions
<b>Exclusions:</b>	Companies failing to uphold one or more principles of UN Global Compact; Businesses for which more than 10% of gross annual turnover comes from the production or sale of tobacco products; Companies which manufacture or sell nuclear weapons, cluster munitions, conventional weapons or weapons systems; Companies which derive annual revenues from mining or selling thermal coal or oil and gas exploration, production, refining and related marketing.

<sup>1</sup> Source: IEA, 'Net Zero by 2050 – A roadmap for the global energy sector', May 2021.

01	<b>Heritage</b> – long and successful track record of managing ESG and environmental impact equity strategies.
02	<b>Resources</b> – sizeable research resources (including 120 equity investment managers and over 50 dedicated ESG investment professionals) and large global presence, helping to uncover the best opportunities.
03	<b>Investment framework</b> – Unique 5 pillar climate change classification system for finding the biggest positive impact companies, coupled with multi-dimensional risk management.
04	<b>Engagement</b> – active engagement with companies aimed at improving environmental outcomes, improved understanding and effective stewardship.
05	<b>Active investing</b> – high conviction active investing approach.

## Where do emissions come from?

While global emissions are distributed across a wide range of sectors, they are also heavily concentrated in some sectors. This is an important consideration for investors seeking to make a positive impact in terms of counteracting climate change.

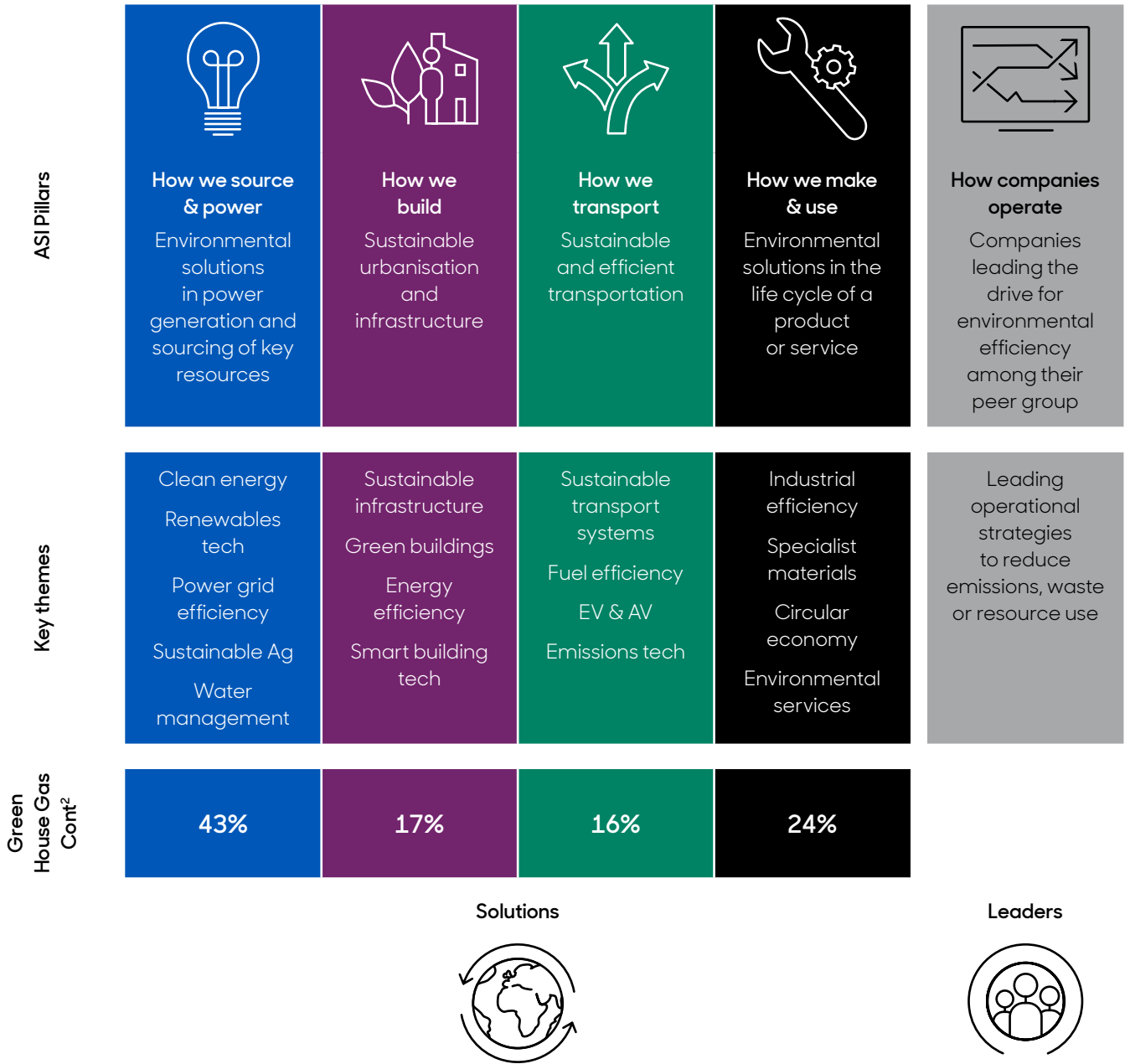


Source: Climate Watch, the World Resource Institute (2020).

# 5-pillar climate change investment opportunity framework

Our 5-pillar investment framework focuses on **solutions** for the parts of the economy that have the highest climate change impact, as well as climate change **leaders** across all sectors.

As shown below, climate change solutions companies are categorised in terms of four key economic functions: 'How we source & power', 'How we build', 'How we transport' and 'How we make & use':



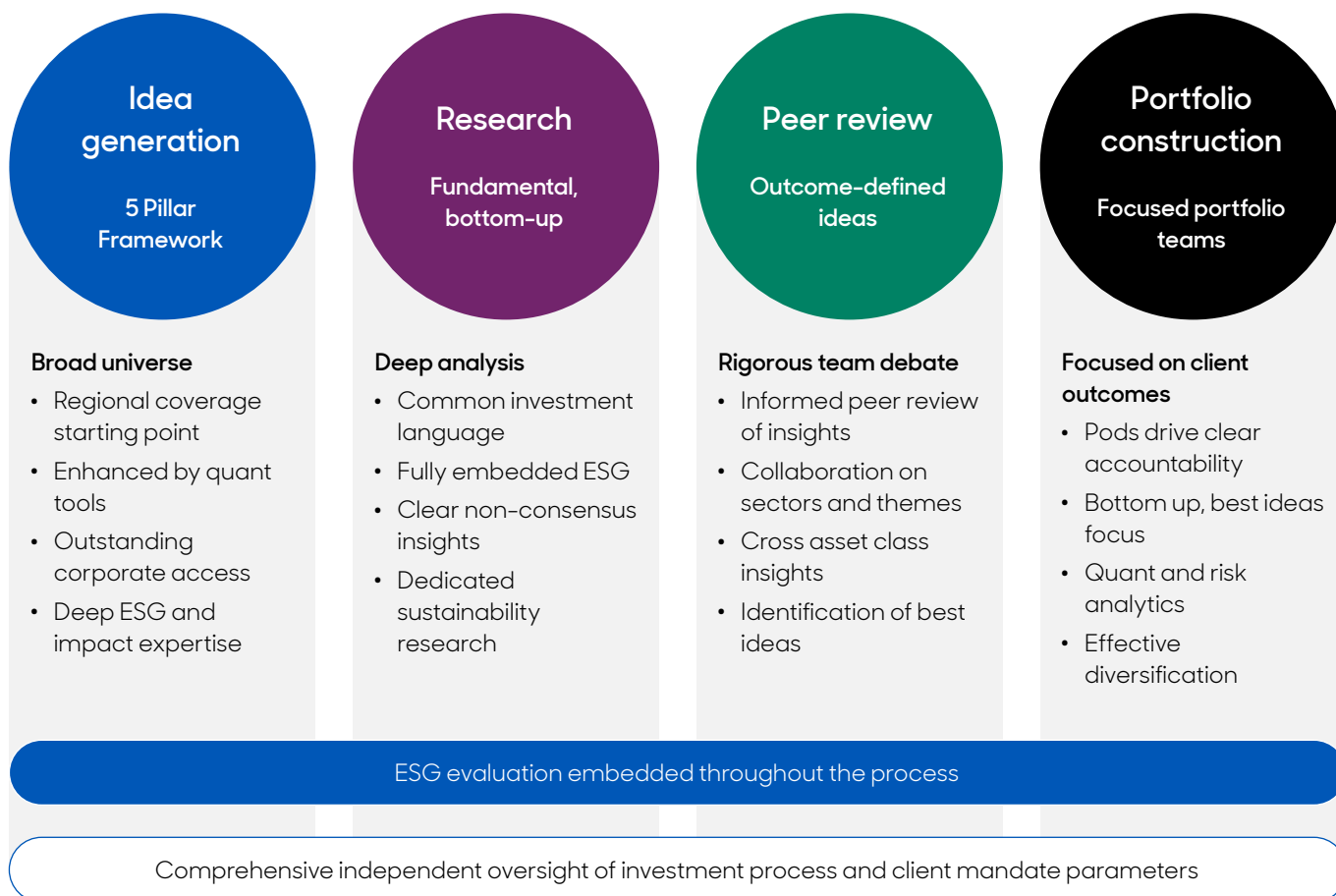
Source: abrdn, November 2020.

<sup>2</sup> Climate Watch, the World Resources Institute (2020).

## Investment process – research-driven performance

We have a tried and tested investment process for identifying the most compelling climate change companies.




As shown below, our investment process, which has ESG evaluation embedded at all stages, has four key chronological elements, namely: 1) **Idea generation** guided by our 5-pillar climate change investment opportunity framework; 2) Fundamental, bottom-up **Research**; 3) **Peer review** – rigorous interrogation of investment ideas; and 4) **Portfolio construction** aimed at effective portfolio level risk control and diversification.



## Example portfolio holdings

Some examples of climate change **solutions** companies and climate change **leaders** that we presently like based on the above opportunity and investment frameworks are provided below.

One solution example for each economic function category ( 'How we source & power', 'How we build', 'How we transport' and 'How we make & use') is shown below, as well as one climate change leader example.

	<p><b>How we make &amp; use</b></p> <p>Leading vendor of computer-aided design software for architects, construction and manufacturing industries.</p> <p>Focused on digitising the construction industry, where it is estimated up to 30% of materials are wasted on-site due to inefficiencies, which can be reduced through the deployment of Autodesk software.</p>
 <p><b>TETRA TECH</b></p>	<p><b>How we build</b></p> <p>Provides specialised management consulting and technical services primarily in resource management, infrastructure, and communications.</p> <p>A deep focus on climate change-related areas, including water resource management, green buildings and infrastructure.</p>
<p><b>SAMSUNG SDI</b></p>	<p><b>How we transport</b></p> <p>Samsung SDI is a global leader in lithium-ion battery production for powering Electric Vehicles.</p> <p>Transport accounts for around 25% of global emissions and electrification is key to reducing this.</p>
	<p><b>How we source &amp; power</b></p> <p>Power management systems and solar inverter business.</p> <p>Enabling and benefitting from the rapid growth in renewables and off-grid power generation.</p>
<p><b>L'ORÉAL</b></p>	<p><b>How companies operate</b></p> <p>Leading global cosmetics group strongly committed to sustainable sourcing and zero deforestation.</p> <p>Targets include pledges to make all plastic packaging 100% reusable, recyclable, or compostable by 2025, and to cut total emissions by 25% by 2030.</p>

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.



## Important Information

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The value of an investment is not guaranteed and can go down as well as up. An investor may get back less than they invested.

### Please consider the below risk factors:

- The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. Past performance is not a guide to future results.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that the fund may invest in companies which similar funds do not (and thus perform differently) and which do not align with the personal views of any individual investor.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- To help you understand this fund and for a full explanation of risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents available in the local language, and Prospectus available in English, which are available on our website [abrdn.com](http://abrdn.com). The Prospectus also contains a glossary of key terms used in this document. A summary of investor rights can be found in English on our website's Legal Notice at [abrdn.com](http://abrdn.com)

The Fund aims to provide long term growth by investing in companies listed globally that develop or use products and services designed to maximize resource efficiency, support the transition to a low carbon economy and address wider environmental challenges.

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The fund is a sub-fund of Aberdeen Standard SICAV I a Luxembourg-domiciled UCITS fund, incorporated as a Société Anonyme and organized as a Société d'Investissement à Capital Variable (a "SICAV").

**In Spain**, Aberdeen Standard SICAV I has been registered with the Comisión Nacional del Mercado de Valores under the number 107.

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