03 May 2022

Important information for investors in the
abrdn Global Smaller Companies Fund (the 'Fund')
ARSN 636 945 090
Effective 11 April 2022

abrdn, is committed to continuously reviewing its range of Funds to ensure that we continue to meet client requirements as they develop and change over time.

Recently there has been identified a clear increase in client focus on Environmental, Social and Governance ("ESG") issues and wider sustainability.

Integrating ESG is a key consideration in abrdn's investment process and we are continuing to evolve our ESG integration.

Change to Underlying Investment Strategy

The abrdn Global Smaller Companies Fund ('The Fund') gains exposure to the shares of smaller companies listed on global stock markets and a range of other assets by investing in an Australian dollar unhedged share class of the Aberdeen Standard SICAV III - Global Smaller Companies Fund ('the Underlying Fund').

From 11 April, the Underlying Fund has made changes to promote ESG characteristics. The Underlying Fund has incorporated negative screening based on ESG Factors and societal norms. In addition, securities with the highest ESG risks will be screened out via abrdn's ESG House Score along with quantitative and qualitative inputs and asset class specific screens. Finally, the Underlying Fund will have explicit portfolio ESG targets. The changes are summarised below.

The Underlying Fund targets meaningfully lower carbon intensity than the benchmark for the Fund. [i]

Through the application of the abrdn Global Smaller Companies Promoting ESG Equity Investment Approach, the Underlying Fund targets an ESG rating that is equal to or better, and a meaningfully lower carbon intensity, than the benchmark.

This approach utilises abrdn's equity investment process, which enables portfolio managers to qualitatively identify and avoid ESG laggards. To complement this research, the abrdn ESG House Score is used to quantitatively identify and exclude those companies exposed to the highest ESG risks.

The Underlying Fund will not invest in companies which have a revenue contribution:
- of 5% or more from tobacco manufacturers
- of 5% or more from thermal coal extraction
- of 20% from power generation and are directly investing in new thermal coal capacity.

In addition, the Underlying Fund will not invest in companies which:
- have failed to uphold one or more principles of the UN Global Compact
- are involved in controversial weapons covering; cluster munitions, anti-personnel landmines, nuclear weapons, chemical and biological weapons, white phosphorus, non-detectable fragments, incendiary devices, depleted uranium ammunition or blinding lasers.

Because of the long standing integration of ESG assessment within our investment approach, these changes will not result in material changes to portfolios. Currently it is expected that there will be no associated cost impact as a result of the changes.

The changes have been incorporated in the PDS which is available on our website, www.abrdn.com/au. Alternatively, you can request that the PDS be sent to you

What action do unitholders in the Fund need to take?

abrdn.com

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It is important to note that this letter is for your information only. There is no action required by you.

Further information
If you require further information, please contact our Client Service team on 1800 636 888 (Australian investors toll free) or +61 2 9950 2853 (if calling from outside Australia). Alternatively you may wish to email us at client.service.aust@abrdn.com

Visit us online
abrdn.com/australia/investor

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[i] [i] As measured by the ASI Carbon Footprint tool (which uses Trucost data for Scope 1&2 emissions) calculated quarterly and reported six-monthly.