

30 July 2021

Investor Name:  
Investor Reference:  
Designation:

### IMPORTANT INFORMATION – FUND EXPENSES CHANGE

Dear Investor,

We are writing to you as an investor in one or more of the funds set out in Schedule 1 to this letter (each standalone fund and sub-fund shall be referred to herein as a "Fund" and together the "Funds") to notify you of changes we are making to the way that expenses are charged to the Funds.

**Please read this letter carefully as it contains important information regarding upcoming changes to the Funds. You don't need to take any action in response to this letter but we would encourage you to familiarise yourself with the changes.**

#### Background

We, Aberdeen Standard Fund Managers Limited ("ASFML"), have recently conducted a review of the way the fund operating expenses are charged across our fund range and, as a result, we plan to standardise the way that fees and expenses are charged across the Funds.

We believe these changes, which are set out in detail below, are in the best interests of investors because they will standardise and simplify the Funds' charging policies. These changes will deliver clarity and certainty as to how the operating costs being incurred by each Fund are charged to those Funds and will make it easier for investors to compare the ongoing costs of the Funds within our range.

**There will be no increase in the level of the On-going Charges Figure ("OCF"), as quoted in the Key Investor Information Document ("KIID"), incurred by investors in the Funds as a direct result of this change.**

The OCF rate of each fund is reviewed on a regular basis to ensure the rate remains appropriate.

#### What are the changes?

The new standardised fund operating expense charging structure will consist of two elements:

1. **General Administration Charge** – ASFML will be entitled to be paid a fixed rate charge out of the scheme property of each Fund, to cover the Fund's share of the ongoing general operating expenses incurred by ASFML across the Fund range, such as depositary and fund administration services, which will now be referred to consistently across the Fund range as the "**General Administration Charge**". This is a single fixed percentage fee that does not vary month on month and will be calculated in the same way as the Annual Management Charge. Details of the specific fees and expenses covered by this General Administration Charge are set out in Schedule 2 to this letter.

2. **Other Fees and Expenses** – Other fees and expenses may also be paid out of the scheme property of each Fund. These are fees and expenses specific to each individual Fund, such as asset custody fees, and those related to buying and selling investments for the Funds, known as "**transaction costs**". Details of the other fees and expenses are set out in Schedule 3 to this letter.

Any previous operating expense application methodology on the Funds will be replaced by this new approach.

There are no new fees being introduced as a result of these changes, rather this is just a change to the way that the fees and expenses are disclosed to investors.

#### **Annual Management Charge**

We are also taking this opportunity to make the investment management charge wording consistent across the Funds. ASFML is entitled to receive, out of the property of each Fund, an investment management charge as remuneration for the management services it provides to the Funds. This charge will now be referred to consistently across the Fund range as the "**Annual Management Charge**".

The structure and value of all other entry, exit or class specific charges currently levied within the funds remain unchanged.

#### **When will the changes take effect?**

These changes will take effect on the effective date set out in the table in Schedule 1 to this letter (the "Effective Date").

#### **Further Information**

The costs associated with implementing these changes will be borne by ASFML and not by the Funds. Please note these changes do not impact in any way the day to day management of the Funds.

If you have any questions on this letter and the changes that will be made to the Fund you can contact us by calling our Investor Services Centre on **0345 113 6966** (or +44 (0) 1268 44 5488 from outside the UK) or email [customer.services@aberdeenstandard.com](mailto:customer.services@aberdeenstandard.com). Our team is available from 9.00am to 5.30pm Monday to Friday. Calls may be monitored and/or recorded to protect both you and us and help with our training.

Please note that whilst we will be happy to take your calls and answer general queries, we are not able to provide you with financial advice. If you require financial advice, we recommend that you speak with a financial adviser.

Thank you for your continued support of Aberdeen Standard Investments.

Yours faithfully,

A handwritten signature in black ink, appearing to be a stylized name or initials, enclosed within a circular scribble.

On behalf of Aberdeen Standard Fund Managers Limited

SCHEDULE 1

Funds and Effective Date

<b>Umbrella Fund/Standalone Fund</b>	<b>UCITS/NURS</b>	<b>Sub-Fund</b>	<b>Effective Date</b>
ASI Global Absolute Return Strategies Fund	UCITS	ASI Global Absolute Return Strategies Fund	1st October 2021
ASI Dynamic Distribution Fund	NURS	ASI Dynamic Distribution Fund	1st October 2021



## SCHEDULE 2

### General Administration Charge

ASFML is entitled to be paid a fixed rate charge of 0.08%, out of the scheme property of each Fund, to facilitate payment of the ongoing registration and general administration expenses of the Funds. The expenses that are payable by ASFML out of this charge are as follows:

- fees and expenses incurred by the depositary/trustee, as applicable, (including fees and expenses payable to any professional adviser advising or assisting the depositary/trustee);
- fees and expenses of the auditors;
- fees and expenses in respect of establishing and maintaining the register of shareholders/unitholders, as applicable, and related functions including the fees of the registrar and distribution of income;
- fees and expenses in respect of fund accounting services;
- the cost of listing the prices of the Funds in publications and information services selected by ASFML;
- the costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for investors;
- the fees and any proper expenses of any professional advisers retained by the Funds or by ASFML in relation to the Funds;
- any costs incurred in respect of any meeting of shareholders (including meetings of shareholders in any particular Fund or any particular share class within a Fund) convened on a requisition by holders, not including ASFML or an associate of ASFML;
- any costs incurred in creating or amending documentation relating to the Funds including the instrument of incorporation, prospectus and key investor information documents;
- any costs incurred in respect of meetings of investors and/or directors of ASFML;
- the cost of printing, translating and distributing promotional material and material required for regulatory purposes as permitted by the Collective Investment Schemes handbook of the Financial Conduct Authority ("**COLL Sourcebook**") in respect of the Funds;
- insurance which the Funds may purchase and/or maintain for the benefit of and against any liability incurred by any directors of the Funds in the performance of their duties;
- fees of the Financial Conduct Authority and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares/units, as applicable, are or may be marketed; and
- any value added or similar tax applicable to any of the costs, charges, fees and expenses listed above.

It is the intention of ASFML to provide investors with certainty as to the ongoing registration and general expenses paid by the Funds. The General Administration Charge is a single fixed percentage fee that does not vary month on month.

In some periods the General Administration Charge may be less than the costs actually incurred by ASFML. In these circumstances ASFML will pay the difference from its own resources. Conversely, in some periods the General Administration Charge may be more than the costs actually incurred by ASFML. In these circumstances the ASFML will retain the difference.

ASFML will regularly review the General Administration Charge. Should the underlying fees and expenses that make up the General Administration Charge reduce or increase, ASFML may increase or decrease the General Administration Charge where it reasonably considers this to be appropriate.

In the event of any changes to the General Administration Charge, ASFML will notify investors in writing in accordance with the Financial Conduct Authority's requirements under the COLL Sourcebook. For example:

- before increasing the General Administration Charge, ASFML will give investors at least 60-days prior notice in writing; or
- when decreasing the General Administration Charge, ASFML will give notice (which may be before or after the decrease in the General Administration Charge becomes effective) utilising an appropriate method of communication as specified in the COLL Sourcebook, such as notice on the website and in the next report and accounts of the relevant Fund.

ASFML may from time to time subsidise costs incurred by any Fund to keep the costs of a Fund in line with the published estimated Ongoing Charges Figure or for any other reason as ASFML may in its sole discretion determine. Details of the Ongoing Charges Figure for the previous reporting period can be found in the report and financial statements of the Company or the key investor information document.



## SCHEDULE 3

### Other Fees and Expenses

The following charges and expenses may be paid out of the scheme property of each Fund:

- a) fees and expenses incurred by the custodian;
- b) dilution levy/adjustment broker commission, fiscal charges (including stamp duty, asset spread, other transactional costs) and any other disbursements which are necessarily incurred in effecting transactions;
- c) any amount payable by the Funds under any indemnity provisions contained in the instrument of incorporation or any agreement with any functionary of the Company;
- d) liabilities on transfer of assets arising and payable as specified in 6.7.15 R of the COLL Sourcebook, (if applicable);
- e) all charges and expenses incurred in connection with the collection of income and collateral management services;
- f) correspondent and other banking charges;
- g) litigation expenses, exceptional measures, particularly legal, business or tax expert appraisals or legal proceedings undertaken to protect shareholders'/unitholders' interests;
- h) taxation and other duties payable in respect of the scheme property or on the issue or redemption of shares/units;
- i) any fees, dilution levy/adjustment, transactional costs and expenses in relation to, and expenses incurred in the holding of, an investment in another third-party collective investment scheme;
- j) interest on and other charges relating to permitted borrowings;
- k) benchmark licence fees and royalty fees incurred for the use of any index names;
- l) (for the NURS funds only) any fees and expenditure incurred in relation to the immovable property;
- m) any value added or similar tax applicable to any of the other payments in this section; and
- n) any other charges or expenses which may be taken out of the scheme property in accordance with the COLL Sourcebook.

Please note it is currently anticipated the above charges and expenses will normally be taken from the income generated by each Fund, unless otherwise stated in the prospectus, and with the exception of fees b), c) and d) which will be taken from the capital of the Fund.

In all cases, where there is insufficient income to meet the charge or it would not be appropriate in respect of the type of fee or expense to charge to income, the charge may then be taken from the capital of the Fund. Where the charge is taken from the capital of the Fund, this may result in capital erosion or constrain capital growth.

Expenses not directly attributable to a Fund will be allocated between the Funds.