

27th August 2021

Investor Name:  
Investor Reference:  
Designation:

**IMPORTANT INFORMATION  
FUND CHANGES**

Dear Investor

**Please read this letter carefully as it contains important information regarding forthcoming changes to some of our funds.**

The London Interbank Offered Rate, LIBOR, is a benchmark interest rate that is widely used across the world. It is the interest rate at which banks lend to each other and it underpins many mortgages, loans and financial derivatives. LIBOR will no longer be published after the end of 2021 and this means that the financial services industry must take significant steps to prepare for it to be removed from funds, investments and legal agreements.

As a result of the phasing out of LIBOR, we will be making the following change in respect of the below funds, in some or all of which, you are invested:

Fund Name
Aberdeen Standard Capital Bridge Fund
Aberdeen Standard Capital Balanced Bridge Fund
Aberdeen Standard Capital Merlin Fund

In this letter, when we say 'we' or 'us', we mean Aberdeen Standard Fund Managers Limited.

**Change in Investment Policy**

As a result of the phasing out of LIBOR, we are making changes, in the investment policy of the funds, to one of the components of the composite index used as a reference point for portfolio construction and for setting risk constraints on the funds from LIBOR to SONIA, as outlined below. It is important to stress that this does not impact how the fund is actually managed, and therefore does not change the current value of your investment, the fund's risk profile, nor the amount you may receive at the end of your investment.

SONIA is the replacement rate proposed by industry working groups and is administered by the Bank of England. Differences in LIBOR and SONIA calculation methodologies may mean that the fund shall compare slightly more favourably against the previous version, however we consider SONIA to be a similar and appropriate measure for each fund. These changes will be effective from 1 October 2021.

Fund Name	Current Composite Index – Cash Element (and % of overall index)	New Composite Index – Cash Element (and % of overall index)
Aberdeen Standard Capital Bridge Fund	1 Month GBP LIBOR (5%)	SONIA (5%)
Aberdeen Standard Capital Balanced Bridge Fund	1 Month GBP LIBOR (10%)	SONIA (10%)
Aberdeen Standard Capital Merlin Fund	1 Month GBP LIBOR (5%)	SONIA (5%)

See Appendix One for full details of the change.

See Appendix Two for details of the ISINs and unit classes impacted by all the changes set out in this letter.

The minimal costs for the aforesaid changes will be borne by the relevant fund, where permitted in with the prospectus for each fund

If you would like to know more about LIBOR and why it will no longer be published, further information is available on our website – <https://www.aberdeenstandard.com/en/insights-thinking-aloud/the-journey-away-from-libor>.

**Do I need to take any action?**

No. This letter is for information only and the aforementioned changes will be implemented on 1 October 2021 and relevant fund documentation will be updated automatically to reflect this change.

**Customer Services**

If you have any questions about the contents of this letter you can contact us as follows:

Telephone: 0345 113 6966  
 Email: [customer.services@aberdeenstandard.com](mailto:customer.services@aberdeenstandard.com)  
 Website: [aberdeenstandard.com](http://aberdeenstandard.com)

Yours faithfully,



Aron Mitchell, Director  
**Aberdeen Standard Fund Managers Limited**

We may record telephone calls for training purposes and to improve our service to you.

**Appendix One – Changes to the management process under the investment policy**

**Aberdeen Standard Capital Bridge Fund**

Current Management Process	Post Change Management Process
<p>2.2 Investment Policy</p> <p>2.2.2 Management Process</p> <p>a) The management team use their discretion (<i>active management</i>) to identify holdings based on an analysis of global economic and market conditions (for example, <i>interest rates</i> and inflation) and analysis of a company's prospects and <i>creditworthiness</i> compared to that of the market.</p> <p>b) They focus on selecting companies and <i>bonds</i> and ensuring that the allocation of assets meets the fund's objectives.</p> <p>c) In seeking to achieve the <i>performance target</i>, a composite index, details of which are provided below, is used as a reference point for portfolio construction and as a basis for setting risk <i>constraints</i>. The expected variation ("tracking error") between the returns of the fund and the composite index, is not ordinarily expected exceed 4%. Due to the fund's risk <i>constraints</i>, the intention is that the fund's performance profile will not deviate significantly from that of the composite index over the <i>longer term</i>.</p> <ul style="list-style-type: none"> <li>• <i>Composite Index</i>: 30% FTSE All-Share Index, 45% FTSE World ex UK Index, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index, 10% ICE BofAML Sterling Non-Gilts Index , 5% 1 Month GBP LIBOR Index.</li> </ul>	<p>2.2 Investment Policy</p> <p>2.2.2 Management Process</p> <p>a) The management team use their discretion (<i>active management</i>) to identify holdings based on an analysis of global economic and market conditions (for example, <i>interest rates</i> and inflation) and analysis of a company's prospects and <i>creditworthiness</i> compared to that of the market.</p> <p>b) They focus on selecting companies and <i>bonds</i> and ensuring that the allocation of assets meets the fund's objectives.</p> <p>c) In seeking to achieve the <i>performance target</i>, a composite index, details of which are provided below, is used as a reference point for portfolio construction and as a basis for setting risk <i>constraints</i>. The expected variation ("tracking error") between the returns of the fund and the composite index, is not ordinarily expected exceed 4%. Due to the fund's risk <i>constraints</i>, the intention is that the fund's performance profile will not deviate significantly from that of the composite index over the <i>longer term</i>.</p> <ul style="list-style-type: none"> <li>• <i>Composite Index</i>: 30% FTSE All-Share Index, 45% FTSE World ex UK Index, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index, 10% ICE BofAML Sterling Non-Gilts Index , 5% SONIA.</li> </ul>

**Aberdeen Standard Capital Balanced Bridge Fund**

Current Management Process	Post Change Management Process
<p>2.2 INVESTMENT POLICY</p> <p>2.2.2 Management Process</p> <p>a) The management team use their discretion (active management) to identify holdings based on an analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.</p> <p>b) They focus on selecting companies and bonds and ensuring that the allocation of assets meets the fund's objectives.</p> <p>c) In seeking to achieve the performance target per annum, a composite index, details of which are provided below, is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the composite index, is not ordinarily expected to exceed 3%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the composite index over the longer term.</p> <ul style="list-style-type: none"> <li>• Composite Index: 30% FTSE All-Share Index, 30% FTSE World ex UK Index, 15% FTSE Actuaries UK Conventional Gilts All Stocks Index, 15% ICE BofAML Sterling Non-Gilts Index, 10% 1 Month GBP LIBOR.</li> </ul>	<p>2.2 INVESTMENT POLICY</p> <p>2.2.2 Management Process</p> <p>a) The management team use their discretion (active management) to identify holdings based on an analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.</p> <p>b) They focus on selecting companies and bonds and ensuring that the allocation of assets meets the fund's objectives.</p> <p>c) In seeking to achieve the performance target per annum, a composite index, details of which are provided below, is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the composite index, is not ordinarily expected to exceed 3%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the composite index over the longer term.</p> <ul style="list-style-type: none"> <li>• Composite Index: 30% FTSE All-Share Index, 30% FTSE World ex UK Index, 15% FTSE Actuaries UK Conventional Gilts All Stocks Index, 15% ICE BofAML Sterling Non-Gilts Index, 10% SONIA.</li> </ul>

## Aberdeen Standard Capital Merlin Fund

Current Management Process	Post Change Management Process
<p>2.2 Investment Policy</p> <p>2.2.2 Management Process</p> <p>a) The management team use their discretion (<i>active management</i>) to identify holdings based on an analysis of global economic and market conditions (for example, <i>interest rates</i> and inflation) and analysis of a company's prospects and <i>creditworthiness</i> compared to that of the market.</p> <p>b) They focus on selecting companies and <i>bonds</i> and ensuring that the allocation of assets meets the fund's objectives.</p> <p>c) In seeking to achieve the <i>performance target</i>, a composite index, details of which are provided below, is used as a reference point for portfolio construction and as a basis for setting risk <i>constraints</i>. The expected variation ("tracking error") between the returns of the fund and the composite index, is not ordinarily expected to exceed 4%. Due to the fund's risk <i>constraints</i>, the intention is that the fund's performance profile will not deviate significantly from that of the composite index over the <i>longer term</i>.</p> <ul style="list-style-type: none"> <li>• <i>Composite Index</i>: 30% FTSE All-Share Index, 45% FTSE World ex UK Index, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index, 10% ICE BofAML Sterling Non-Gilts Index, 5% 1 Month GBP LIBOR.</li> </ul>	<p>2.2 Investment Policy</p> <p>2.2.2 Management Process</p> <p>a) The management team use their discretion (<i>active management</i>) to identify holdings based on an analysis of global economic and market conditions (for example, <i>interest rates</i> and inflation) and analysis of a company's prospects and <i>creditworthiness</i> compared to that of the market.</p> <p>b) They focus on selecting companies and <i>bonds</i> and ensuring that the allocation of assets meets the fund's objectives.</p> <p>c) In seeking to achieve the <i>performance target</i>, a composite index, details of which are provided below, is used as a reference point for portfolio construction and as a basis for setting risk <i>constraints</i>. The expected variation ("tracking error") between the returns of the fund and the composite index, is not ordinarily expected to exceed 4%. Due to the fund's risk <i>constraints</i>, the intention is that the fund's performance profile will not deviate significantly from that of the composite index over the <i>longer term</i>.</p> <ul style="list-style-type: none"> <li>• <i>Composite Index</i>: 30% FTSE All-Share Index, 45% FTSE World ex UK Index, 10% FTSE Actuaries UK Conventional Gilts All Stocks Index, 10% ICE BofAML Sterling Non-Gilts Index, 5% SONIA.</li> </ul>

## Appendix Two – Unit class and ISIN

Fund	Shareclass	ISIN
Aberdeen Standard Capital Bridge Fund	Income-GBP-Unhedged	GB0006441181
Aberdeen Standard Capital Bridge Fund	Z Units (Net Accumulation)-Acc-GBP-Unhedged	GB00BLBND727
Aberdeen Standard Capital Bridge Fund	Z Units (Net Income)-Inc-GBP-Unhedged	GB00BT9Q2618
Aberdeen Standard Capital Balanced Bridge Fund	Income-GBP-Unhedged	GB0004833660
Aberdeen Standard Capital Balanced Bridge Fund	Z Units (Net Accumulation)-Acc-GBP-Unhedged	GB00BLBND503
Aberdeen Standard Capital Balanced Bridge Fund	Z Units (Net Income)-Inc-GBP-Unhedged	GB00BLBND610
Aberdeen Standard Capital Merlin	Income-GBP-Unhedged	GB0006889678

