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This is a marketing communication. Please refer to the Fund's prospectus and Key Investor Information Document (KIID) before making any final investment decision.

# Fund Guide

## Aberdeen Standard SICAV I – Diversified Income Fund

September 2022

### Key facts

# 7

asset classes in a differentiated portfolio.

# 1,000+

asset class specialists globally providing first-hand insights and expertise.

# 7

years' managing the Fund.

### Why diversify?

Traditional investments like equities and bonds are experiencing some of the toughest conditions for decades. Inflation is soaring, while bond yields are climbing in anticipation of further interest rate rises. Many believe that the resultant squeeze on the global economy will lead to weaker corporate earnings and declining equity prices.

Thankfully, there are many alternative investments with different drivers of returns. By investing in these assets, we aim to offer our clients resilient growth and income in numerous scenarios, including the current challenging economic climate.

- litigation finance
- asset financing
- private equity and debt
- high yield, emerging market debt and other forms of alternative credit.

The revenues from many of these investments have embedded inflation linkages, meaning they can help mitigate the effects of high and rising prices. Investing in a broad range of asset classes also helps moderate the performance extremes that any single asset may experience in isolation.

### Why abrdn's Diversified Income Fund?

The Fund has the freedom to invest across a broad range of traditional and alternatives asset classes. We seek investments that we believe offer attractive and relatively reliable levels of income. These include:

- social, digital, diversified, renewable energy and energy storage infrastructure
- social housing, student accommodation, retail, residential and logistics property
- music, healthcare and precious metals royalties

**"We believe our investment approach enables us to deliver diversified portfolios that can offer growth, income and resilience in a number of economic scenarios, including the current challenging market environment."**

**Sean Flanagan**  
Investment Director

**abrdn.com**

# Aberdeen Standard SICAV I – Diversified Income Fund

## Investment objective

The Fund aims to achieve a combination of income and capital growth by actively managing allocations in investments in a broad range of global assets. The Fund aims to exceed the return on cash deposits (as currently measured by the benchmark of US Secured Overnight Financing Rate ("SOFR") by 5% per annum over rolling five-year periods (before charges). There is, however, no certainty or promise that the Fund will achieve this level of return.

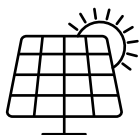
**Note:** for those investing in the sterling shareclass, cash is represented by the Sterling Overnight Interest Rate. For investors in the Hedge to EUR shareclass, cash is represented by the Euro Short Term Rate.

## Diversified sources of income and growth

Our Diversified Assets team carefully research and select each investment, seeking diversified sources of income and growth to achieve the Fund's objective. As part of this broad-based research, they also consider relevant environment, social and governance (ESG) factors. That's because we believe that ESG factors can be financially material and can affect an asset's performance – either positively or negatively.

## What's in the portfolio?

Here, we detail a few of the investments that make up the portfolio.



**Renewable energy infrastructure** – this asset potentially benefits from inflation-linked subsidies as the world seeks to increase the breadth, availability and reliability of energy sources. With demand for energy pushing prices upward, the Fund also benefits from energy sales.



**Social housing** – the need to support all parts of society means there is increasing demand for social housing. The Fund seeks to help meet that demand, while benefiting from government-funded inflation-linked rents.

## Risk factors you should consider before investing:



- 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 securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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.
- The Fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- The Fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- Dividend payment policies of the REITs in which the Fund invests are not representative of the dividend payment policy of the Fund.
- The Fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure of market participants and counterparties. 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.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.

# Aberdeen Standard SICAV I – Diversified Income Fund



**Student accommodation** – demand in this sector has returned as students embrace the learning and social opportunities that university education provides. Through our investments, the Fund benefits from rents received.



**Emerging market local currency debt** – the asset class typically offers higher yields than developed market government bonds. It can therefore provide a significant contribution to the Fund’s payable income.

## Access via listed alternatives

The Fund accesses many of these assets through listed alternatives. These are listed companies that invest directly into the asset class, such as by buying a wind farm. Listed on major global stock exchanges, these companies can be bought or sold on a daily basis.

## Strong return potential

The team seeks investments that they believe have compelling valuation, risk, return and income characteristics. To achieve its aim, they complete six-monthly, long-term assessments of asset class returns, capturing the in-house views of our economists, strategists and investors. Those views reflect prevailing and forecast market conditions, as well as long-term structural drivers such as ESG factors. These views, combined with company-specific inputs, help the team assess the medium- to long-term returns they believe the Fund can achieve, while maintaining a relatively stable yield.

## How do we seek to reduce volatility?

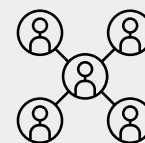
Managing risk is at the heart of the investment process. The Diversified Assets team uses risk models that help provide an independent assessment of risks within the portfolio. Additionally, analysis helps the team consider how the Fund might perform in various economic scenarios, providing the potential to refine portfolio positioning.

Our peer review process means that all research and proposals are thoroughly debated and challenged – ensuring our decision-making is robust. We believe this provides a reliable framework for portfolio construction.

The goal of this process is to deliver consistently lower levels of volatility and drawdowns compared with equities.

## Why invest with abrdn?

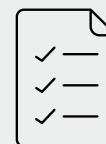
**Highly experienced team** – we’ve managed the Fund since 2015, harnessing 30 years of multi-asset expertise.



**Global resources** – the team is able to utilise the research and insights of our 1,000+ investment professionals around the world. This includes a variety of investment experts, covering both traditional and listed assets.



**Well-established process** – we’re active managers, applying our rigorous and consistent process to ensure our clients have access to our best investment ideas.



**Strong ESG credentials** – our Diversified Assets team leverage the top-down, thematic insights of abrdn’s 20-strong central ESG team. We also have on-desk ESG specialists providing additional insights.



## Fund info

<b>Fund Manager(s)</b>	Diversified Assets Team
<b>Launch Date</b>	1 June 2015
<b>Fund Size</b>	USD 210.4m
<b>Number of holdings</b>	1002

Source: abrdn 31 July 2022.



## Important Information

**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.**

To help you understand this Fund and for a full explanation of risks and the overall risk profile of this Fund and the share classes 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 [abrdn.com/corporate/legal](http://abrdn.com/corporate/legal).

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Details of our Sustainable and Responsible Investment Approach are published at [abrdn.com](http://abrdn.com) under **Sustainable Investing**.

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