

Reasons why abr_{dn} Ex-20 Australian Equities Fund

July 2021

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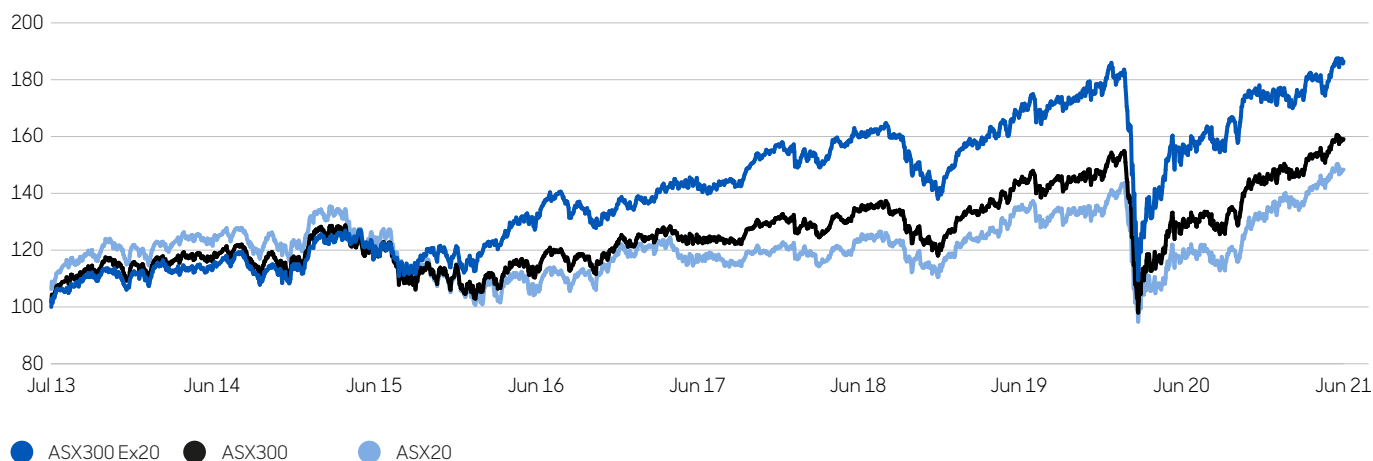
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abrdn Ex-20 Australian Equities Fund

01 Upside potential

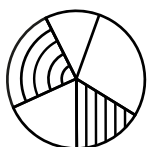
- Being less researched than blue chips and sitting within the more inefficient part of the market, stocks outside the top 20 presents more opportunities to uncover mispricing.
- Mid-caps are comparatively nimble and a lack of bureaucracy allows for quicker decision making. This has enabled mid-caps to deliver above-average growth consistently as they diversify into new markets and initiatives.

Mid caps outperform over 5 years



Source: Bloomberg available data until 30 June 2021. Price return based at 100.

02 Optimise your exposure, avoid duplication



- The largest 20 stocks in the S&P/ASX 300 Accumulation Index disproportionately drives the risk and return outcomes of the index.
- By excluding the top 20 stocks, the weighting to Financials falls from 28.8% to 14.2%, allowing for more balanced sector exposures; increasing the benefits of diversification.
- Greater sector diversification allows us to capture earnings from a wider range of growth drivers.

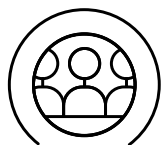
03 Not too big, not too small



- Mid-caps have greater flexibility than blue chips to disrupt the industries in which they operate.
- Compared to small caps, mid-caps have greater access to capital to drive expansion, allowing them to gain exposure to fast growing economies, reducing dependence on domestic earnings.
- Mid-caps have more developed governance and risk frameworks than small companies. Their cash flows tend to be more stable and replicable, and their share prices less volatile.

abrdn Ex-20 Australian Equities Fund

04 Why abrdn for Ex-20?



Experience

Long history of investing in Equities.

- Experienced, stable team with a broad range of specialist skills
- We have invested in a variety of market conditions and stages of the economic cycle



Resources

Local presence and experienced team.

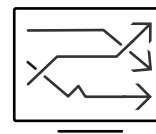
- Six locally dedicated investment professionals
- Leveraging the support and insights of regional and global teams



Research

Intensive, global proprietary approach.

- We conduct all our own research
- We meet with company management to ensure we understand the fundamentals and risks that drive long term returns



ESG

Analysis deeply embedded within investment process.

- We aim to be the industry leader in ESG
- Stewardship and ESG are fundamental components of our investment process
- Critical to protecting and enhancing the value of the portfolios we manage on behalf of clients

Key facts

Fund Type	abrdn Ex-20 Australian Equities Fund
ARSN	088 905 426
APIR	CRS0003AU
ASX mfund code	AFZ19
Management costs comprising:	0.95% pa of the net asset value of the Fund
• Management fee (Class A)	0.95% pa
• Indirect costs	0.00% pa
Distribution frequency	Half yearly (30 June and 31 December)
Benchmark	S&P/ASX 300 Accumulation Index excluding S&P/ASX 20 Leaders Index
Min. suggested time frame	Long term – 5 years plus
Mix of asset classes¹	90–100% Australian equity securities 0–10% Cash

¹ These are indicative asset allocation ranges for the Fund. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, cause the Fund to move outside these indicative ranges, or a limit set out in the PDS, this will be addressed by us as soon as reasonably practicable.

Risks

All investments carry risk. The likely investment return and the risk of losing money is different for each managed fund, as different strategies carry different levels of risk based on the underlying mix of assets. Investors should not make investment decisions based on this document alone. More information on the risks of investing in the Fund is contained in the Product Disclosure Statement, which should be considered before deciding to invest in the Fund.

Important Information

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