

# A guide to MyFolio Enhanced ESG Index

June 2025

# Contents

Why invest sustainably?	3
What is sustainable investing?	4
MyFolio Enhanced ESG Index does the hard work for you	5
A robust investment process	6
What is ESG?	7
What does MyFolio Enhanced ESG Index invest in?	8
Who manages MyFolio Enhanced ESG Index?	9



# Why invest sustainably?

## **What does investing mean to you? Is it just about meeting your long-term financial goals – or do you want the money you invest to do more?**

Whether it's avoiding funding controversial companies, or supporting firms making a positive impact on the world, demand for sustainable investing is growing. And, there doesn't have to be a trade-off between taking care of your own financial future – and building a better one for everyone else.

Sustainability is maintaining and preserving natural, social and economic resources now, and for generations to come. In essence, it's meeting the current needs of the world's population, without compromising the ability of future generations to meet theirs.

Companies have a huge role to play in building a more sustainable world. Whether it's the products they make, or the services they offer. It involves production processes and supply chains, how firms treat their staff, and the communities where they operate.

For you as an investor, addressing sustainability can also make sense financially. That's because:

- Companies operating responsibly are more likely to avoid behaviours that would damage their reputation and share price.
- AND companies focused on sustainable themes are potentially tapping into growth from new markets.

In this guide, we help you understand the main things to consider when looking for sustainable investments.



# What is Sustainable Investing?

**There are many different avenues to help make your investments sustainable. Maybe it's investment solutions that avoid potentially harmful investments, or funds that target companies creating sustainable products.**

We've listened to our clients and advisers to understand which sustainable goals matter the most to you. And, importantly, which approaches balance being sustainable, with meeting your own personal financial goals. As a result, we've based MyFolio Enhanced ESG Index around three principles which we believe can help you invest for a better future – both for you and the wider world.



## **Avoiding harm**

Many investors want to avoid certain controversial industries or practices. Sustainable investing can provide a simple path to do that. For example, you can avoid companies that fail to meet the United Nations standards for human rights, labour, the environment and anti-corruption.



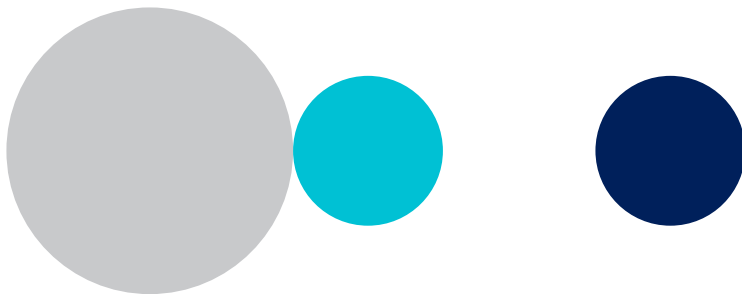
## **Back better companies**

Investing in businesses that operate in a responsible manner – considering their staff, customers and the wider planet.

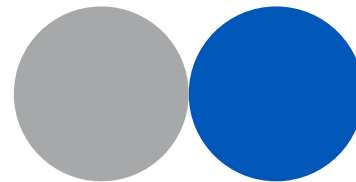


## **Develop and improve**

We can use our influence as investors to encourage the companies we invest in on your behalf to be more responsible. For MyFolio Enhanced ESG Index it means we use funds whose managers meet and engage with companies to understand how they're run and put pressure on them to change if needed.



# MyFolio Enhanced ESG Index does the hard work for you



**With so many approaches to sustainable investing, we've made it simpler for you. MyFolio Enhanced ESG Index gives you an option to access a carefully blended mix of sustainable investment strategies.**

They aim to grow your money sustainably over the long-term and do good (for you and the wider world) while avoiding harm.

All you need to do is speak to your financial adviser about choosing a risk level you're comfortable with.

## MyFolio Enhanced ESG Index

- Avoids certain controversial investments that may harm people or the planet.  
Contributes to sustainable solutions to environmental and social challenges.  
Encourages companies to be more responsible and sustainable.
- Uses a broad mix of investments, such as shares and bonds from across the globe, which helps to diversify and reduce risk.
- Offers a choice of five different risk levels, from lower risk to higher risk.



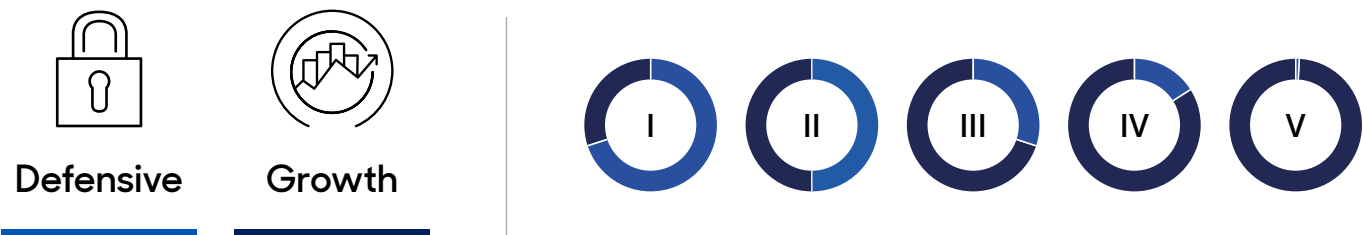
# A robust investment process

## We aim to achieve the best possible returns for the level of risk you choose.

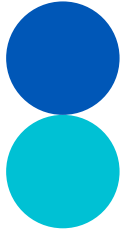
MyFolio Enhanced ESG Index offers five clear risk levels, from one – lower risk, to five – higher risk. Our investment experts aim to achieve the best possible returns for the level of risk you've chosen. Remember though that the value of your investments can go down as well as up and isn't guaranteed. You may get back less than you paid in.

We aim to manage the impact of ups and downs and provide smoother long-term returns. To do this, we use different types of growth and defensive investments. Defensive investments are usually seen as less risky, and include assets such as cash and bonds. Meanwhile, growth investments are usually seen as more risky, and include assets like company shares. By combining different types of investments, we believe we can achieve the best possible return for each risk level.

**None of the MyFolio Enhanced ESG Index funds will move out of its risk level. If you select risk level III, which is the medium risk level, this won't become higher risk.**



# What is ESG?



**Environmental, social and governance (ESG) factors are crucial for any responsible investment manager when considering whether to invest in a company.**

## **Environmental**

What impact does a company have on the climate, wildlife, the natural environment? Important considerations for managers include how much energy a company uses, the size of its carbon footprint and whether it disposes of its waste responsibly.

## **Social**

Does a company have a good relationship with its employees, suppliers and the local community? Investment managers consider issues such as labour practices, human rights, employee wellbeing, health schemes for staff, and supplier relationships.

## **Governance**

Who runs the company and how are its finances managed? Investment managers will look closely at the issues affecting a company's management and processes, such as how it approaches salaries and strategy.

**We believe that markets and companies which adopt best practices in corporate governance and risk management – including the management of environmental and social risks – are well-placed to deliver sustainable, long-term investment performance.**



# What does MyFolio Enhanced ESG Index invest in?

When you invest in MyFolio Enhanced ESG Index, you're investing in a way that we believe can help you invest for a better future, for you and the wider world. The MyFolio Enhanced ESG Index range invests in funds that help to tackle sustainability issues in several different ways; from avoiding controversial investments, to investing in sustainable solutions to environmental and social problems, to encouraging companies to be more responsible.



## Avoid harm

**We don't use funds investing in companies with business practices or in industries deemed to be controversial.**

That means MyFolio Enhanced ESG Index limits exposure to companies which:

- Controversial weapons
- UN Global Compact violations
- Tobacco production
- Thermal coal production

Exclusions



## Back better companies

**We use funds which aim to invest more in companies which treat people and the planet well and run their businesses better.**

That means MyFolio Enhanced ESG Index:

Invests in funds with exposure to companies which are considering and embedding positive environmental, social and governance factors in their business models.

Sustainable funds



## Develop and improve

**We use funds whose managers meet companies to understand how they're run and treat people and the planet – and put pressure on them to change if needed.**

This means you can expect managers to:

We regularly monitor and assess funds' active engagement policy and how they evidence adherence to the policy as part of our due diligence.

Governance and engagement

# Who manages MyFolio Enhanced ESG Index



"MyFolio Enhanced ESG Index will closely align with our other low cost proposition, providing customers with access to the same risk based approach as MyFolio Index, but with the addition of sustainable features."

**Justin Jones**  
Senior Investment Director



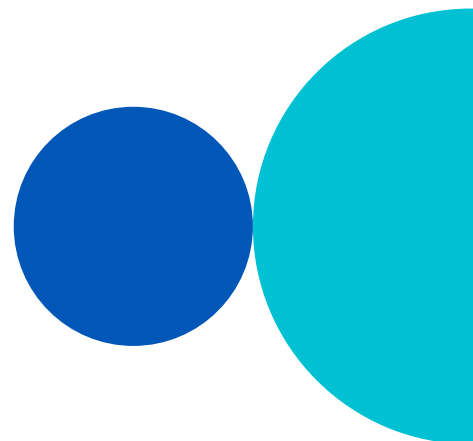
"We want to offer you the ability to invest for an outcome that's right for you, whilst limiting exposure to companies which may do harm to the environment and backing those which treat people and the planet well."

**Daniel Reynolds**  
Investment Director

## It starts with us

At Aberdeen Investments, our vision for a better future starts with asking more of ourselves. We always look for ways to go further for our clients and customers, be a better and more inclusive employer, to strengthen our governance, and to reduce our impact on the environment.

We've considered ESG factors in our investment decisions since the 1990s. Because we believe it's the right thing to do and because it makes us better investors - helping us identify opportunities and manage risks. We expect high standards of responsibility from the companies and funds we invest in and we're just as serious about how we manage the ESG impacts of our own operations.



## Important Information

**The value of an investment is not guaranteed and can go down as well as up. An investor may get back less than they invested.**

Please refer to the Key Investor Information Document or the Prospectus for more details of the risks applicable to each fund in the MyFolio range, or ask your adviser. The MyFolio funds are not managed to a particular benchmark. Aberdeen Investments has not considered the suitability of investment against your individual needs and risk tolerance.

Please consider the below risk factors:

- 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's 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.
- 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 use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. 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.

Subscriptions for shares in the fund may only be made on the basis of the latest Prospectus and relevant Key Investor Information Document (KIID) which can be obtained free of charge upon request or from **aberdeeninvestments.com**.

**United Kingdom (UK):** abrdn Fund Managers Limited, registered in England and Wales (740118) at 280 Bishopsgate, London EC2M 4AG. Authorised and regulated by the Financial Conduct Authority in the UK.

Aberdeen Investments is a global business providing a range of services to help clients and customers plan, save and invest. Aberdeen Group plc uses different legal entities to meet different client and customer needs. Some elements of the Aberdeen Investments client experience may contain previous brand names until all brand name changes have completed.

For more information visit [aberdeeninvestments.com](https://www.aberdeeninvestments.com)

GB-300123-187049-2