



June 2023  
Investor Name:  
Investor Reference:  
Designation:

## IMPORTANT INFORMATION - FUND CHANGES

Dear Investor,

### ABRDN GLOBAL CORPORATE BOND TRACKER FUND

**Please read this letter carefully as it contains important information regarding upcoming changes to the above fund. No action is required in response to this letter, but we would encourage you to familiarise yourself with the changes.**

In this letter, when we say 'we' or 'us', we mean abrdn Fund Managers Limited, the company that is currently responsible for managing and operating your investment.

We regularly review our range of funds to ensure that they remain able to meet the needs of our investors and are appropriate in the current marketplace. As a result of a recent review, we will be making the following changes to the abrdn Global Corporate Bond Tracker Fund (the "**Fund**") which you are invested in. On 21 August 2023 (the "**Effective Date**") we will:

- Change the investment objective and update the investment policy of the Fund
- Update the "Benchmark Index" description
- Change the Fund name.

### Changes to the Fund

#### *Investment Objective and Policy ("IOP")*

The IOP of the Fund currently refers to tracking of the Bloomberg Global Aggregate Corporate Index (Hedged to GBP) (the "**Current Index**") and we will replace this benchmark with an index which applies screens to exclude securities issued by companies involved in:

- Controversial Weapons: All companies classified as involved in the core weapon system or components and services that are considered tailor-made and essential for the lethal use of controversial weapons.
- UNGC violations: All companies that have breached a principle of the UN Global Compact.
- Thermal Coal: All companies deriving 5% or more of their revenue from mining thermal coal, generating electricity from thermal coal, or providing supporting products or services for thermal coal extraction.
- Oil Sands: All companies deriving 5% or more of their revenue from the extraction of oil sands.
- Shale Energy: All companies deriving 5% or more of their revenue from the extraction and/or production of shale energy.
- Tobacco: All companies deriving 5% or more of their revenue from certain tobacco products. It includes tobacco products manufacturers, retailers and distributors, as well as companies providing tobacco-related products or services.

PO Box 12233, Chelmsford  
Essex, CM99 2EE

T 0345 113 6966

**abrdn.com**

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(the “**Excluded Activities**”).

The above negative screens will be applied by the new customised index – Bloomberg Global Corporate Screened Index (the “**Screened Index**”) - developed in cooperation with the index provider, Bloomberg Index Services Limited. The Screened Index is composed of a subset of bonds within the Current Index. As a result of the change, the Fund will be tracking the Screened Index which will become its new benchmark index and changes will be made to the Fund’s IOP to reflect this. The “Benchmark Index” section as set out in the prospectus will also be updated to reflect the change.

#### *Change of Name*

We are changing the name of the Fund to “abrdn Global Corporate Bond Screened Tracker Fund” to better reflect the new IOP and the Screened Index.

We believe the changes set out in this letter are in the best interests of our investors as they are expected to reduce the Fund’s exposure to the long-term Environmental, Social and Governance risks associated with the Excluded Activities.

A comparison of the current and new Fund name together with the current and new IOP of the Fund, as well as the updated “Benchmark Index” section are set out in Appendix 1 and can also be found at [www.abrdn.com/en/uk/investor/fund-centre/investor-communications](http://www.abrdn.com/en/uk/investor/fund-centre/investor-communications). Further details on the methodology adopted by the Screened Index provider can be found on <https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#!/ucits>.

#### **Risk Profile**

The above changes do not alter the risk profile of the Fund and the Fund’s Synthetic Risk and Reward Indicator (SRRI), as set out in the Key Investor Information Documents (“**KIIDs**”), will remain the same.

#### **Expenses**

Some holdings in the Fund will be bought and sold to better align to the Screened Index in the two weeks prior to the Effective Date and the cost of this rebalancing of the Fund will be borne by the Fund. We estimate this cost to be approximately 0.07% of the value of the Fund (i.e. a cost of £7 for every £10,000 held). In practice, these costs will be dependent on market conditions at the point of trading and may be higher or lower.

We have agreed to meet the other expenses deriving from these changes, including all administrative expenses and other professional adviser expenses.

#### **Other information**

No action is required from you, this notification is for information only. Our fund documentation, including the prospectus and KIIDs, will be updated to reflect the changes set out in this letter on 21 August 2023. Please also note that all share classes will be impacted by this change (see Appendix 1 for the full list of the available share classes).

**Contact us**

If you have any questions, please call us on 0345 113 6966 or +44 (0) 1268 44 5488 if you are outside of the UK. We are here between 9:00 am and 5:30 pm, Monday to Friday. Calls may be monitored and/or recorded to protect both you and us and help with our training.

Please note that while we will be able to answer general questions on this letter and the Fund changes, we cannot provide financial advice.

If you do not understand this letter you should seek advice from a person authorised to give investment advice.

Thank you for your continued support of abrdn.

Yours faithfully,

On behalf of abrdn Fund Managers Limited

## APPENDIX 1

### Name Change

With effect from 21 August 2023 the name of the Fund will be changed as follows:

Current Fund Name	New Fund Name
abrdn Global Corporate Bond Tracker Fund	abrdn Global Corporate Bond Screened Tracker Fund

### Investment Objective and Policy Change

With effect from 21 August 2023 the investment objective and policy of the Fund will be amended as follows:

Current Investment Objective and Policy	New Investment Objective and Policy
<p><b>Investment Objective</b> To generate income and some growth over the long term (5 years or more) by tracking the return of the Bloomberg Global Aggregate Corporate Index (Hedged to GBP).</p> <p>Performance Target: To match the return of the Bloomberg Global Aggregate Corporate Index (Hedged to GBP) (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.</p> <p>The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.</p> <p><b>Investment Policy</b> <b>Portfolio Securities</b></p> <ul style="list-style-type: none"> <li>• The fund will invest at least 90% in bonds that make up the Bloomberg Global Aggregate Corporate Index (Hedged to GBP).</li> <li>• The fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective.</li> <li>• Indirect investment may be achieved via derivatives and exchange traded funds.</li> <li>• The fund will invest primarily in investment grade bonds, as defined by the index provider.</li> <li>• The fund may also invest in government and sub-sovereign bonds, other funds (including those managed by abrdn), money-market instruments, and cash.</li> </ul> <p><b>Management Process</b></p> <ul style="list-style-type: none"> <li>• The fund uses passive management techniques (including indexation and sampling) to achieve the fund's objective. The management team use their discretion (specifically when using sampling techniques) in deciding which investments are to</li> </ul>	<p><b>Investment Objective</b> To generate income and some growth over the long term (5 years or more) by tracking the return of the Bloomberg Global Corporate Screened Index (Hedged to GBP) (the "Index").</p> <p>Performance Target: To match the return of the Index (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.</p> <p>The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.</p> <p><b>Investment Policy</b> <b>Portfolio Securities</b></p> <ul style="list-style-type: none"> <li>• The fund will invest at least 90% in bonds that make up the Index.</li> <li>• The fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective.</li> <li>• Indirect investment may be achieved via derivatives and exchange traded funds.</li> <li>• The fund will invest primarily in investment grade bonds, as defined by the index provider.</li> <li>• The fund may also invest in government and sub-sovereign bonds, other funds (including those managed by abrdn), money-market instruments, and cash. These investments may not comply with the exclusions applied by the Index, as described under "Management Process".</li> </ul> <p><b>Management Process</b></p> <ul style="list-style-type: none"> <li>• The fund uses passive management techniques (including indexation and sampling) to achieve the fund's objective. The management team use their discretion (specifically when using sampling techniques)</li> </ul>

be included in the portfolio. The number of investments may vary.

- They anticipate that deviation from the performance of the Bloomberg Global Aggregate Corporate Index (Hedged to GBP) ("tracking error") will be in the region of 0.0 - 0.5% per year. Factors likely to affect the ability of the fund to achieve this tracking error are transaction costs, small illiquid components, coupon reinvestment, fund expenses such as annual management charges, significant inflows/ outflows and the cash management.

- The tracking error may be affected if the times at which the fund and the Bloomberg Global Aggregate Corporate Index (Hedged to GBP) are priced are different. The fund is valued at 12:00, but the Bloomberg Global Aggregate Corporate Index (Hedged to GBP) is valued at market close and so therefore the tracking error of the fund at Valuation Point may appear to be higher than if the fund and the Bloomberg Global Aggregate Corporate Index (Hedged to GBP) were priced at the same time.

- Non-Sterling denominated assets will typically be hedged back to Sterling to reduce exposure to currency rate movements.

#### **Derivatives and Techniques**

- The fund may use derivatives to reduce risk, reduce cost and/ or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Currency forwards are used to reduce (hedge) risk related to currency movements on non-Sterling assets in order to match the return of the currency hedged benchmark.

- Derivatives may also be used to reduce tracking error by enabling the fund to match the maturity profile ("duration") of the Bloomberg Global Aggregate Corporate Index (Hedged to GBP).

- Derivative usage in the fund otherwise is expected to be very limited.

in deciding which investments are to be included in the portfolio. The number of investments may vary.

- They anticipate that deviation from the performance of the Index ("tracking error") will be in the region of 0.0 - 0.5% per year. Factors likely to affect the ability of the fund to achieve this tracking error are transaction costs, small illiquid components, coupon reinvestment, fund expenses such as annual management charges, significant inflows/ outflows and the cash management.

- The tracking error may be affected if the times at which the fund and the Index are priced are different. The fund is valued at 12:00, but the Index is valued at market close and so therefore the tracking error of the fund at Valuation Point may appear to be higher than if the fund and the Index were priced at the same time.

- Non-Sterling denominated assets will typically be hedged back to Sterling to reduce exposure to currency rate movements.

- The Index is composed of a subset of bonds within the Bloomberg Global Aggregate Corporate Index (Hedged to GBP) (the "Parent Index"). Unlike the Parent Index, the Index excludes companies which are involved in certain activities (see further details below under "Benchmark Index").

#### **Derivatives and techniques**

- The fund may use derivatives to reduce risk, reduce cost and/ or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Currency forwards are used to reduce (hedge) risk related to currency movements on non-Sterling assets in order to match the return of the currency hedged benchmark.

- Derivatives may also be used to reduce tracking error by enabling the fund to match the maturity profile ("duration") of the Index.

- Derivative usage in the fund otherwise is expected to be very limited.

- The fund may use derivatives which do not comply with the exclusions applied by the Index.

## Benchmark Index Description Change

With effect from 21 August 2023 the “Benchmark Index” description as set out in the prospectus will be amended as follows:

Current Benchmark Index Description	New Benchmark Index Description
<p><b>Benchmark Index</b></p> <p>The Bloomberg Global Aggregate Corporate Index (Hedged to GBP) is made up of a broad spread of bonds. The Bloomberg Global Aggregate Corporate Index (Hedged to GBP) measures the performance of global investment grade, fixed rate corporate debt issued by companies in global markets. The fixed income securities will pay income according to a fixed rate of interest and will be investment grade (i.e. meet a specified level of credit worthiness) at the time of inclusion in the benchmark index. They will have a minimum remaining time to maturity of 1 year (i.e. the time until they become due for repayment) at the time of investment.</p> <p>The benchmark index rebalances on a monthly basis. Further details regarding the benchmark index (including its constituents) are available on the index provider's website <a href="https://www.bloomberg.com/professional/product/indices/#/index/LG_CPTRUU">https://www.bloomberg.com/professional/product/indices/#/index/LG_CPTRUU</a>.</p> <p>The ACD may use various indexation or sampling techniques to achieve the objective of tracking the benchmark index. In doing so the ACD may use discretion in deciding which investments are to be included in the portfolio. The number of investments so included may vary.</p> <p>In accordance with the COLL Rules, the ACD may at its discretion replace the current benchmark index with such similar index as it may consider appropriate.</p>	<p><b>Benchmark Index</b></p> <p>The Index is made up of a broad spread of bonds. The Index aims to reflect the performance characteristics of a subset of bond securities within the Parent Index and exclude securities currently included in the Parent Index which are related to: thermal coal mining and power generation, unconventional oil and gas production, tobacco, controversial weapons and UN Global Compact. More detail regarding the Index exclusions is available on the Index provider's website at: <a href="https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits">https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits</a></p> <p>The Index measures the performance of global investment grade, fixed rate corporate debt issued by companies in global markets. The fixed income securities will pay income according to a fixed rate of interest and will be investment grade (i.e. meet a specified level of credit worthiness) at the time of inclusion in the Index. They will have a minimum remaining time to maturity of 1 year (i.e. the time until they become due for repayment) at the time of investment.</p> <p>The Index rebalances on a monthly basis. Further details regarding the Index (including its constituents) are available on the Index provider's website at: <a href="https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits">https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits</a></p> <p>The ACD may use various indexation or sampling techniques to achieve the objective of tracking Index. In doing so the ACD may use discretion in deciding which investments are to be included in the portfolio. The number of investments so included may vary.</p> <p>In accordance with the COLL Rules, the ACD may at its discretion replace the current Index with such similar index as it may consider appropriate.</p>

Current Fund Name	Fund Name From 21 August 2023	Share Class	ISIN
abrdn Global Corporate Bond Tracker Fund	abrdn Global Corporate Bond Screened Tracker Fund	A Accumulation	GB00BGHW1V88
		A Income	GB00BGHW1W95
		B Accumulation	GB00BF473024
		B Income	GB00BF473131
		N Accumulation	GB00BDFZ6M47
		X Accumulation	GB00BF473248