

Global Equity Impact Fund

Invest for a better future

December 2022

Standard Life 

The Standard Life Global Equity Impact Fund invests fully in the abrdn SICAV III – Global Equity Impact Fund.

It seeks to generate long-term capital growth by investing in a concentrated portfolio of 35-60 global companies which aim to create positive measurable environmental and/or social impacts.

It invests in impact areas such as sustainable energy, recycling practices, health and social care, sanitation, education and employment, agriculture, housing and financial inclusion.

Why invest in the Standard Life Global Equity Impact Fund?

It allows you to drive positive change by investing for a better future

Investing in companies that focus on delivering positive social and environmental impact gives you the opportunity to drive positive change in the world.

You can align your investments with your values

Impact investing allows you to signal your commitment as a responsible investor, while seeking a financial return. There's no reason why investors cannot align their values of having a positive social and environmental impact with a positive financial return.

Private capital is needed to address global challenges

The most pressing global problems cannot be solved through charitable donations and government funding alone. Private capital is required to address many of the global challenges.

Warning: If you invest in this fund you may lose some or all of the money you invest

Warning: This investment may be affected by changes in currency exchange rates

Warning: The value of your investment may go down as well as up

Who is the fund suitable for?

Consider this fund if you

- are seeking the potential for long term capital appreciation
- are interested in investing in companies that aim to have a positive impact on the world
- have an investment horizon of at least five years
- can take risk with your capital

This fund may not be suitable if you

- do not want to take any risk with your capital
- have an investment horizon of less than five years
- are not prepared to accept periods of losses due to the volatile nature of equity markets
- you have specific ethical or moral investing requirements

Why abrdn for Impact investing?

The scale and resources of abrdn mean their investment management team has superior access to the companies that they research – they therefore really get to know a business before making a decision to invest in a company.

This helps to ensure that the companies that the fund invests in are having a truly meaningful and positive impact – for the ultimate benefit of our environment, society and clients.



Source: abrdn, June 2022

Strong engagement with companies we invest in

abrdn actively engages with the companies in which they invest so that they can understand the business better and encourage best practice when it comes to impact reporting. Responsible investment analysis is integrated into the equity research process.

Source: abrdn, May 2020

Well established and dedicated Environmental-Social Governance (ESG) capabilities

The ESG team of 50+ professionals is solely focussed on integrating ESG considerations into the investment processes. abrdn achieved an A+ rating by the UN Principles for Responsible Investment (PRI).

Source: abrdn, September 2020

Established and successful track record of responsible investment

abrdn manages €37.9bn of sustainable public market assets across Ethical, Sustainable and Responsible, and Impact strategies.

Source: abrdn, December 2020

Assessing Impact

abrdn use the universally accepted 17 United Nations' Sustainable Development Goals. To make these goals more applicable the 'eight pillars' framework was created to assess and quantifiably measure the ability of a company to affect positive change in the world.

Eight Pillars

The fund will invest in global shares that fit one of the following pillars:

1. **Financial inclusion** – enabling the under-served to participate in the economy
2. **Circular economy** – doing more and better with less
3. **Sustainable energy** – increasing renewables and decreasing emissions
4. **Food and agriculture** – producing quality food and preventing land degradation
5. **Water and sanitation** – ensuring access to clean water and sustainable facilities
6. **Education and employment** – providing opportunities for the vulnerable or marginalised
7. **Sustainable real estate and infrastructure** – eco-friendly buildings and connectivity
8. **Health and social care** – giving access to essential care and enhancing healthcare

abrdn asks three key questions to ensure that companies are making a genuine impact through the products or services that they provide.

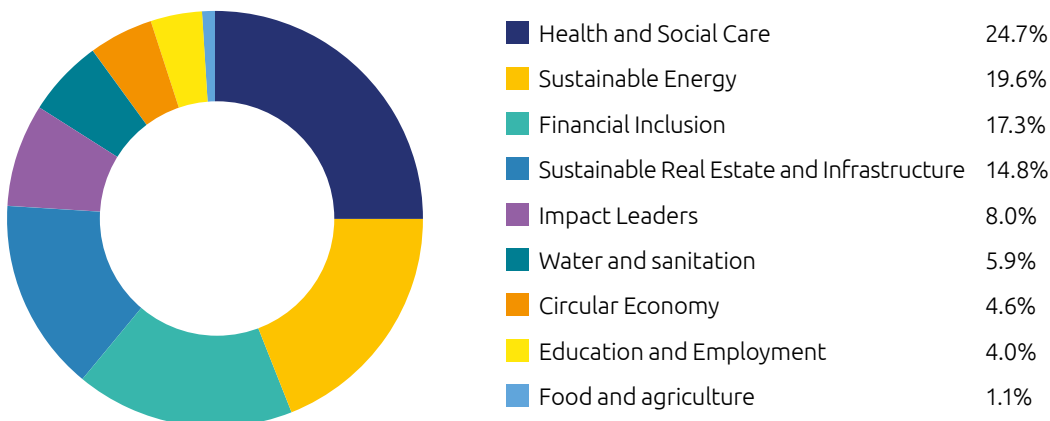
1. Does the company intentionally direct its resources toward making an impact (for example funding research and development)?
2. Is the company actively promoting this strategy in its operations (for example generating revenue from it)?
3. What is the measurable scope of impact from the company (for example number of people affected, gallons of water saved)?

abrdn select companies based on their beliefs of the company’s present and future value and rate them ‘+++’, ‘++’ or ‘+’ based on the stage that the company is at in terms of impact maturity. For example, a company with a ‘+’ rating may only be at the beginning of its impact journey, and the impact may not be evident for a few years.

In addition to the rating system, the fund can also invest in companies whose products or services do not fit within our pillars. These companies are known as **Impact Leaders**, whose transformational business practices challenge/inspire their peers and transform their industries or actively enable others to positively contribute to society.

Underlying fund information as at 31 December 2022

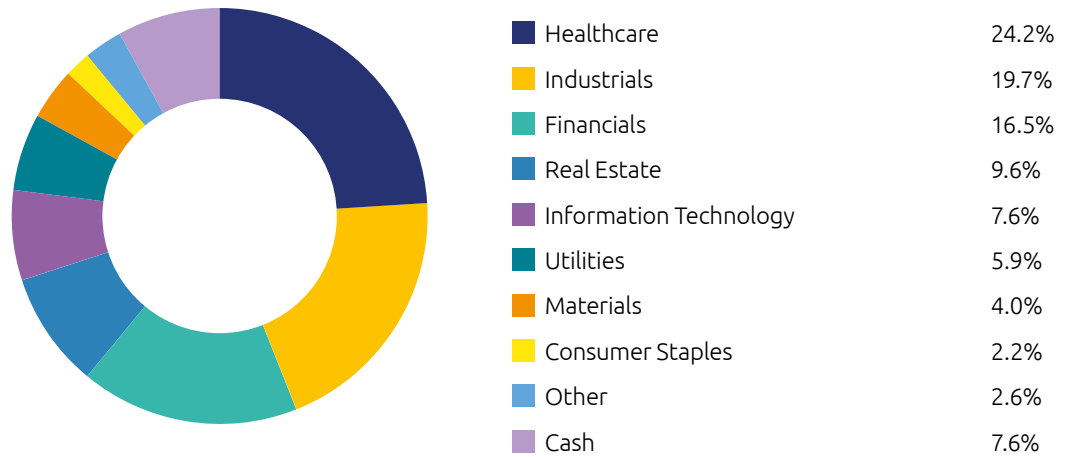
Pillar allocation



Source: abrdn, 31 December 2022
May not add to 100% due to rounding

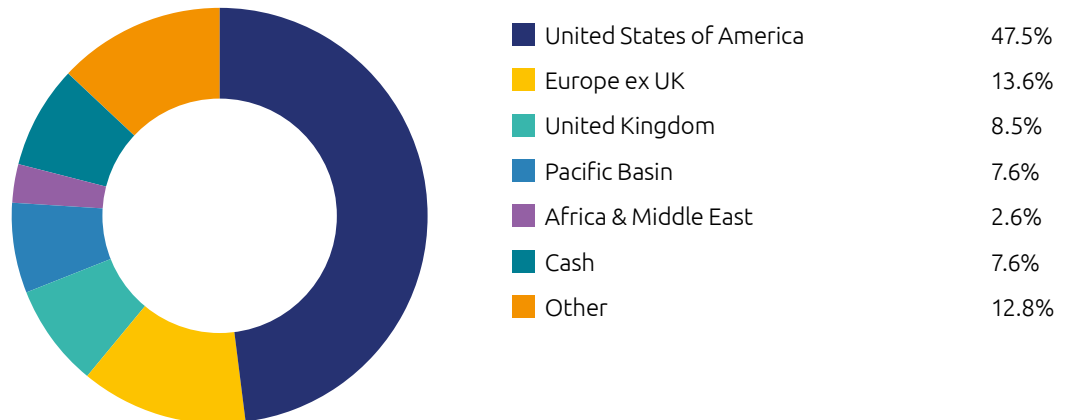
Underlying fund information as at 31 December 2022

Sector allocation



May not add to 100% due to rounding

Geographic allocation



Source: abrdn, 31 December 2022
May not add to 100% due to rounding

Top 10 holdings	Pillars	% of fund
Novo Nordisk A/S	Health and Social Care	5.5
AIA Group Ltd	Financial Inclusion	5.4
AstraZeneca PLC	Health and Social Care	5.1
United Health Group Inc	Health and Social Care	5.0
Tetra Tech Inc	Water & Sanitation	4.9
Prologis Inc	Sustainable Real Estate & Infrastructure	4.4
Schneider Electric SE	Sustainable Energy	4.1
Merck & Co. Inc	Health and Social Care	3.7
Equinix Inc	Sustainable Real Estate & Infrastructure	3.4
Crown Holdings Inc	Sustainable Energy	3.3
Total		44.8

Source: abrdn, 31 December 2022

How ESG is integrated into the investment strategy of the fund

The Standard Life Global Equity Impact Fund invests in companies whose products and/or services are designed to address the world's most pressing social and environmental challenges. Through company-specific research, the investment manager will choose companies that in their opinion have the potential to produce attractive long-term returns across a number of impact criteria which are aligned to the UN Sustainable Development Goals (<https://sdgs.un.org/goals>).

abrdrn integrates sustainability risks and opportunities into its research, analysing and investment decision-making processes. abrdrn believes that the consideration of sustainability risks and opportunities can have a material impact on long-term returns for investors.

abrdrn's ESG integration requires, in addition to its inclusion in the investment decision making process, appropriate monitoring of sustainability considerations in risk management, portfolio monitoring, engagement and stewardship activities. abrdrn also engages with policymakers on ESG and stewardship matters.

Combining the integration of sustainability risks and opportunities with broader monitoring and engagement activities may affect the value of investments and therefore returns.

Further information on abrdrn's ESG integration approaches by asset classes can be found at www.abrdrn.com/Ireland under "Sustainable Investing".

Important information:

Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities in which the Fund might otherwise invest.

Such securities could be part of the benchmark against which the Fund is managed, or be within the universe of potential investments. This may have a positive or negative impact on performance and may mean that the Fund's performance profile differs to that of funds which are managed against the same benchmark or invest in a similar universe of potential investments but without applying ESG or sustainability criteria.

Furthermore, the lack of common or harmonised definitions and labels regarding ESG and sustainability criteria may result in different approaches by managers when integrating ESG and sustainability criteria into investment decisions. This means that it may be difficult to compare funds with ostensibly similar objectives and that these funds will employ different security selection and exclusion criteria. Consequently, the performance profile of otherwise similar funds may deviate more substantially than might otherwise be expected. Additionally, in the absence of common or harmonised definitions and labels, a degree of subjectivity is required and this will mean that a fund may invest in a security that another manager or an investor would not.

Important things to consider

All investment involves risk. This Fund offers no guarantee against loss or that the Fund's objective will be attained. This is not a guaranteed or capital protected product. There are risks to your capital should you choose to invest in this fund. Past performance is not a reliable guide to future performance and future performance is not guaranteed.

The value of investments within the Fund and the income from them can fall as well as rise and is not guaranteed – an investor may get back less than they paid in.

The Fund may use derivatives for the purpose of efficient portfolio management, reduction of risk or to meet its respective investment objective.

The value of overseas assets held in the Fund may rise and fall as a result of exchange rate fluctuations.

In extreme market conditions, some securities may become hard to value or sell at a desired price. This could affect the Fund's ability to meet redemptions in a timely manner.

The Fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Inflation reduces the buying power of your investment and income.

Investors in the Fund may buy and sell units on any normal business day.

You should also be aware of the following risk factors

Equities

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.

Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.

The interpretation of 'Impact Investing' will vary according to beliefs and values.

Consequently the fund may invest in companies which do not align with the personal views of any individual investor.

The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions.

There is a risk investments in these structures may be adversely affected by changes in the legal and regulatory framework.

Use of derivatives

Investing in 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 economic 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 fund does not make extensive use of derivatives.

Concentrated Portfolio

Due to the concentrated nature of the fund investors must be willing to accept a relatively high degree of stock-specific risk. A concentrated portfolio may be more volatile than a more broadly diversified one.

Switching your funds, transferring or cashing in

You may be one of many investors in a fund. Sometimes in exceptional circumstances:

- We may change the pricing basis of a fund to reflect cashflows in and out. If it's a property based fund, due to the high transaction charges associated with the assets, this can result in a significant movement of the fund price
- We may also wait before we carry out your request to switch your funds, transfer or cash in your policy. This delay could be up to a month. But for some funds, the delay could be longer, for example, if it's a property based fund, it may be up to 12 months because property and land can take longer to sell

If we have to delay switching, transferring or cashing in, we'll use the fund prices on the day the transaction takes place – these prices could be very different from the prices on the day you made the request.

These are processes which aim to maintain fairness between those remaining invested and those leaving a fund.

At certain times, and when you cash in your policy, there's likely to be tax payable, depending on the policy type you invested in, and your personal circumstances.



A decision to invest in this product should not be based solely on information provided in this document. Please talk to your financial adviser for more information or if you need an explanation of the terms used.

For more information on our funds, please visit www.standardlife.ie/funds

Find out more

Talk to your financial adviser. They'll give you the information you need. Also, you can call us or visit our website.

Call us on (01) 639 7000

Mon-Fri, 9am to 5pm. Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

www.standardlife.ie

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