

Sustainability-related disclosures for MyFolio Active V

This document provides you with a summary of sustainability-related information available on our website about this financial product. It has been prepared by the asset manager, abrdn, in relation to Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088. The information disclosed is required by law to help you understand the sustainability characteristics and/or objectives and risks of this financial product.

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<p>Summary</p>	<p>The Fund of Fund is subject to article 8 of the European Union’s (EU) 2019/2088 Sustainable Finance Disclosure Regulation (“SFDR”) and thus it promotes environmental or social characteristics but does not have a sustainable investment objective.</p> <p>In line with the SFDR criteria for sustainable investments (positive contribution of the economic activity, no significant harm of the investment and good governance by the investee company) the nominated manager has developed an approach to identifying sustainable investments, the methodology of which is detailed in the Q&A below.</p> <p>The Fund of Fund has an expected minimum of 0% in Sustainable Investments.</p> <p>The Fund of Fund has not set a minimum proportion of investment in Taxonomy aligned economic activities.</p> <p>The Fund of Fund contains funds that have been identified through an established research process which takes into consideration both environmental, social and governance risks and opportunities.</p> <p>The nominated manager will seek to identify funds that explicitly consider and embed positive ESG factors when making investments. This will typically result in funds exhibiting positive ESG scores, relative to a comparator benchmark, and also evidencing an active approach to governance and engagement.</p> <p>The types of ESG funds the nominated manager will use within MyFolio Active can be classified into two groupings:</p> <p>Enhanced Passive ESG Funds: Cost considerations and desire to provide sufficient diversification, lead MyFolio Active to use enhanced passive funds. These funds are designed to have a low tracking error versus a standard benchmark for the relevant asset class, whilst being tilted based on ESG criteria. The nominated manager would expect such holdings to display positive ESG characteristics, relative to a market capitalisation benchmark in areas such as carbon intensity and overall provider ESG score / rating.</p> <p>Active ESG Funds: The nominated manager will look to utilise actively managed funds that have ESG and sustainability as a clear and embedded feature of their investment approach.</p> <p>Non-Aligned Funds: Non-Aligned funds are those which the nominated manager define as having no specific ESG or sustainability criteria within their investment objective or process. In order to meet the long-term volatility objectives of the MyFolio Active range there will be a requirement to invest in Non-Aligned funds in some asset classes. These are currently Developed Global Government Bonds (nominal and index linked), and Global REITs, Cash and Money Market Funds. The use of Non-Aligned funds is required because there are certain asset classes that are crucial to optimal portfolio construction but where the universe of ESG fund options is underdeveloped or ESG strategies difficult to apply. As the asset classes in which Non-Aligned funds will be used are historically the most defensive of those available within MyFolio Active they are a key requirement to build prudent, lower risk portfolios. These funds do not have minimum regulatory standard requirement.</p> <p>In order to ensure that the overall MyFolio Active funds remain consistent with both their ESG and risk objectives, limits will be applied for exposure to funds categorised as Non-Aligned Neutral at each risk level, with higher thresholds at risk levels where Defensive assets (where options with ESG criteria are rarer) play a more prominent role.</p> <p>The nominated manager consider the quality of management teams and analyse the environmental, social and governance opportunities and risks impacting the funds and appraise how well these are managed. The nominated manager assign a fund ESG score to articulate the quality attributes of each fund. This enables the portfolio managers to exclude funds with material ESG risks and positively skew the portfolio towards ESG opportunities and to build well-diversified, risk adjusted portfolios.</p> <p>To further complement the fund research, the nominated manager also use third party ESG analysis which is primarily a quantitative assessment to identify environmental, social and governance risks and question management on the implementation of environmental, social and governance factors.</p> <p>Due diligence for each asset held by the underlying funds are detailed in the Fund’s Investment Approach document, published at www.abrdn.com, under Fund Centre.</p>
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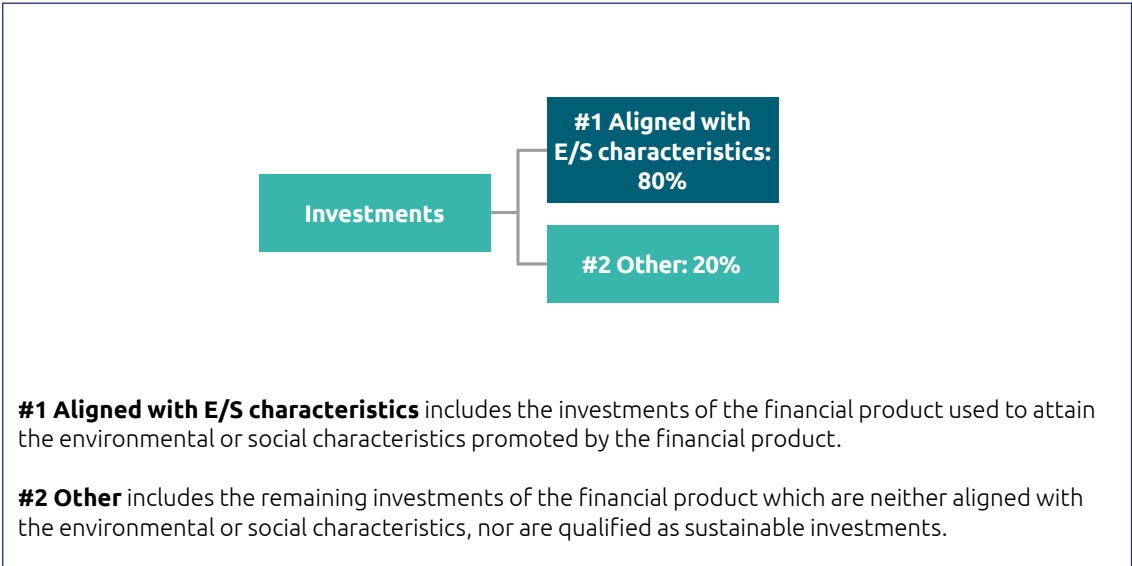
	<p>The Fund of Fund's ESG screening and binding commitments determine that Environmental or Social characteristics of holdings are met and are part of the overall portfolio construction. In addition, the nominated manager consider Principal Adverse Impact Indicators (PAIs) within the investment process for the Fund of Fund, which is detailed in the Q&A below.</p> <p>Monitoring of the Fund of Fund's environmental and social characteristics are carried out by the nominated manager through systematic oversight and independently through abrdn's ESG Governance teams.</p> <p>For details on the Stewardship and Engagement policies, please see abrdn's Stewardship Report published on www.abrdn.com under Sustainable Investing, within the Governance and Active Ownership section.</p>
<p>No sustainable investment objective</p>	<p>This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.</p>
<p>Environmental or social characteristics of the financial product</p>	<p>To promote the environmental and social characteristics, the Fund of Fund applies ESG assessment criteria, ESG screening criteria and promotes good governance including social factors.</p> <p>The Fund of Fund considers the quality of fund management teams and analyses the environmental, social and governance (ESG) opportunities and risks impacting the fund and appraise how well these are managed. The nominated manager assign a proprietary score to articulate the quality attributes of each fund. This enables the portfolio managers to exclude companies with material ESG risks and positively skew the portfolio towards ESG opportunities and to build well-diversified, risk-adjusted portfolios.</p> <p>The nominated manager considers the quality of management teams and analyse the environmental, social and governance opportunities and risks impacting the funds and appraise how well these are managed. The nominated manager assign a fund ESG score to articulate the quality attributes of each fund. This enables the portfolio managers to exclude funds with material ESG risks and positively skew the portfolio towards ESG opportunities and to build well-diversified, risk adjusted portfolios.</p> <p>To further complement the fund research, the nominated manager also use third party ESG analysis which is primarily a quantitative assessment to identify environmental, social and governance risks and question management on the implementation of environmental, social and governance factors.</p> <p>The nominated manager has access to portfolio underlying holdings allowing us to monitor funds and their constituents to ensure the portfolio delivers its E/S and Governance standards.</p> <p>This Fund of Fund has a financial benchmark that is used for portfolio construction but does not incorporate any sustainable criteria and is not selected for the purpose of attaining these characteristics. This financial benchmark is used as a comparator for Fund performance and as a comparison for the Fund's binding commitments.</p>
<p>Investment strategy</p>	<p>The Fund of Funds contains funds that have been identified through an established research process which takes into consideration both environmental, social and governance risks and opportunities.</p> <p>ESG analysis is a key element of our overall research process:</p> <ul style="list-style-type: none"> • The nominated manager consider the quality of management teams and analyse the environmental, social and governance opportunities and risks impacting the funds and appraise how well these are managed. • The nominated manager assign a fund ESG score to articulate the quality attributes of each fund. • This enables the portfolio managers to exclude funds with material ESG risks and positively skew the portfolio towards ESG opportunities and to build well-diversified, risk adjusted portfolios. <p>We also consider the quality of its management team and analyse the environmental, social and governance (ESG) opportunities and risks impacting the business and appraise how well these are managed. We assign a proprietary score to articulate the quality attributes of each company, one of which is the ESG Quality rating. This enables the portfolio managers to exclude companies with material ESG risks and positively skew the portfolio towards ESG opportunities and to build well-diversified, risk-adjusted portfolios.</p>

For this Fund of Fund, the investee funds need to follow good governance. To make sure all funds held follow good governance practices we regularly monitor and assess funds' active engagement policy and how they evidence adherence to the policy as part of the nominated manager's due diligence.

This is monitored through bi-annual due diligence confirming; the regulators which the fund is recognised with, the reporting status the fund & share classes have applied for/granted and countries registered for sale. Furthermore, due diligence considers fund specific issues such as subscription limits, use of leverage and counterparty risk.

In order to ensure that the overall MyFolio Active funds remain consistent with both their sustainability and risk objectives, limits will be applied for exposure to funds categorised as Non-Aligned Neutral at each risk level, with higher thresholds at risk levels where Defensive assets (where options with ESG or sustainable criteria are rarer) play a more prominent role.

Proportion of investments A minimum of 80% of the Fund's assets are aligned with E/S characteristics. The Fund invests a maximum of 20% of assets in the "Other" category, which include cash, money market instruments, derivatives Developed Global Government Bonds (nominal and index linked), and Global REITs, Cash and Money Market Funds



Monitoring of environmental or social characteristics

First line
 The nominated manager has the primary responsibility for implementing the investment strategy. The sustainable investing governance committees support investment desks with regards to the implementation of the framework as well as understanding the regulatory environment.

	<p>Second line Investment Risk abrdrn's Investment Risk Department carries out the analysis of risks and their overall contribution to the Fund's risk profile. The RAG status of funds as well as action taken to address moderate/high risks are reported to boards, and relevant committees as required, on a regular basis. The Investment Risk Department also undertakes an annual review of the fund risk profiles to determine the efficacy of the current limits and any potential forward looking trends.</p> <p>Compliance abrdrn's Compliance function reviews a range of funds' legal and regulatory documents to ensure they comply with regulations. Compliance also reviews marketing communications, including fund and non-fund specific material, to ensure marketing material and ESG related statements are clear, fair and non-misleading. Finally, a dedicated Monitoring & Oversight team operates a risk-based programme to provide assurance to senior management over the effectiveness of controls to ensure regulatory compliance. The outcome of the reviews is reported to the relevant entity boards and other governance forums, including the Risk and Capital Committee, Group Audit Committee and Executive Leadership Team Controls meeting. Assurance activities include both thematic reviews of risk or regulatory topics and focused reviews on specific regulatory or customer outcomes.</p> <p>Third line abrdrn's Internal Audit function conducts internal audits including of sustainability rule implementation as part of its internal audit agenda.</p>
<p>Methodologies</p>	<p>To promote the environmental and social characteristics, the Fund of Fund applies ESG assessment criteria, ESG screening criteria and promotes good governance including social factors.</p> <p>The nominated manager considers the quality of management teams and analyse the environmental, social and governance opportunities and risks impacting the funds and appraise how well these are managed. We assign a fund ESG score to articulate the quality attributes of each fund. This enables the portfolio managers to exclude funds with material ESG risks and positively skew the portfolio towards ESG opportunities and to build well-diversified, risk adjusted portfolios.</p> <p>To further complement the fund research, the nominated manager also use third party ESG analysis which is primarily a quantitative assessment to identify environmental, social and governance risks and question management on the implementation of environmental, social and governance factors. This Fund of Fund considers Principal Adverse Impacts (PAI) on sustainability factors.</p> <p>Principal Adverse Impact Indicators are metrics that measure the negative effects on environmental and social matters. The nominated manager consider PAIs within the investment process for the Fund of Fund, this may include considering whether to make an investment, or they may be used as an engagement tool for example where there is no policy in place and this would be beneficial, or where carbon emissions are considered to be high, abrdrn may engage to seek the creation of a long-term target and reduction plan. abrdrn assess PAIs by using, amongst others, the PAI indicators referred to in the SFDR Delegated Regulation; however, dependent on data availability, quality and relevance to the investments not all SFDR PAI indicators may be considered. Where Funds consider PAIs, information on that consideration will be made available in annual reports.</p>
<p>Data sources and processing</p>	<p>Data Sources</p> <p>The nominated manager has selected several data sources which serve an intended purpose to attain environmental and social characteristics. The nominated manager uses a combination of the following approaches:</p>

	<p>i. a combination of publicly available data sources to identify companies that may fail to meet screening requirements, DNSH or PAI assessments. In addition, external data is used to identify green and/or social Bonds, plus to calculate environmental or social revenues through disclosed data or estimates; and</p> <p>ii. using the nominated manager’s insight we overlay the quantitative methodology with a number of internal datasources including due diligence documentation completed by third part funds and qualitative primary research completed by analysts.</p> <p>The EU Regulatory Technical Standards calls on financial market participants to source sustainability data in various ways, including research providers, internal analysis, commissioned studies, publicly available information, and direct engagement with companies. The following sources are used by the nominated manager and 3rd party data providers to collect company reported data:</p> <ul style="list-style-type: none"> • Company direct disclosure: sustainability reports, annual reports, regulatory filings, company websites and direct engagement with company representatives. • Company indirect disclosure: government agency published data, industry and trade associations, and financial data providers. • Direct communication with companies as described above in Company Communication. <p>Data Quality assurance process</p> <p>Third Party Data Sources</p> <p>The nominated manager ensures that third party data sources follow a rigorous quality assurance process. Data accuracy and company profiles are peer-reviewed before final inclusion into datasets. Additionally, third party data providers have an escalation method to allow for cases that require further interpretation or an update to the relevant methodology.</p> <p>As part of the onboarding or review process, there are have several controls in place to test quality, which includes, but not limited to, coverage, validity checks and consistency. The nominated manager’s Data Governance Framework and Data Management operating models include the application of toolkits which profile data, capture full lineage and apply quality rules to monitor data that is critical to the investment processes. These services are further complimented by the existence of data owners and stewards across the business.</p> <p>Qualitative Assessment Process</p> <p>In all cases where the nominated manager applies a qualitative overlay or insight, this analysis is followed by a rigorous quality assurance and oversight process.</p> <p>Data Quality</p> <p>For both 3rd party and qualitative assessments, the percentage of disclosed data varies from holding to holding on a case by case basis depending on company size and the region it is located in. For example, a large European company will typically be required to disclose data due to regulation and there will be limited or zero estimates used in our methodology. However, where there is limited disclosed data for example within smaller companies, it is possible that the majority of the sustainable investment value is derived from estimates. In most cases, there is a blend of disclosed data and estimated data used in the methodology, typically with more disclosed data in relation to Environmental Characteristics, and more estimated data in relation to Social Characteristics. We use several data providers and the available actual and estimated data varies depending on the providers but the average estimated data is around 20%.</p>
<p>Limitations to methodologies and data</p>	<p>The nominated manager recognises that relying solely on quantitative disclosed data can be a limitation due to the difficulties obtaining consistent data from companies, and also as in some regions there are no regulatory requirements to disclose such data. As such, the nominated manager leverages investment research and insights to supplement our assessments, with qualitative assessments. However, this may differ from data that is subsequently disclosed in company reports or via engagements.</p>

	The EU Taxonomy focusses on the underlying economic activity that is aligned with an environmental (or in future social) objective. The EU taxonomy relies on demonstrable aligned revenue, opex or capex to demonstrate compliance. As a result, abrdn have aligned our method of calculating SFDR sustainable investments with this approach as we believe it is closer to the likely future direction of regulation.
Due diligence	Due diligence for each asset held is detailed in the Fund's Investment Approach document, published at www.abrdn.com , under Fund Centre .
Engagement policies	<p>ESG Engagement</p> <p>The fund of fund buys funds that believe engagement with company management teams is key and a standard part of our equity investment process and ongoing stewardship programme. It provides us with a more holistic view of a company, including current and future ESG risks that the firm needs to manage and opportunities from which it may benefit. It also provides the opportunity for us to discuss areas of concern, share best practice and drive positive change. Priorities for engagement for underlying funds are established by:</p> <ul style="list-style-type: none"> • The use of the ESG House Score, in combination with • Bottom-up research insights from investment teams across asset classes, and • Areas of thematic focus from our company level stewardship activities. <p>Please also see our Stewardship Report published on www.abrdn.com, under Sustainable Investing.</p>
	This Fund has a financial benchmark that is used for portfolio construction but does not incorporate any sustainable criteria and is not selected for the purpose of attaining these characteristics

The commitment from Phoenix Group

Standard Life International dac is part of the Phoenix Group, the UK's largest long-term savings and retirement business.

Responsible investment is central to Phoenix Group's purpose of helping people secure a life of possibilities and, as a long-term investor, safeguarding the interests of our customers, shareholders and other stakeholders. It is our responsibility to consider the sustainability of our investments and we believe ESG integration makes our portfolio more resilient over the long term. Responsible investing for us is more than just risk management; it is also about seeking opportunities, encouraging good corporate governance practices, and positively contributing to the environment and the wider community in which we operate.

To find out more about how we carry out our due diligence on our asset management partners please view our [Responsible Investment Philosophy](#).

Our Responsible Investment Philosophy contains information on our:

- [Group Stewardship Policy](#)
- [Investment Exclusions Policy](#)
- [Global Voting Principals](#)
- [Our expectations of companies on key sustainability issues](#)

You may also wish to view our [other reports and policies](#) that describe our sustainability priorities and progress.