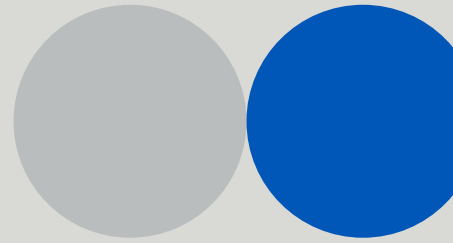


abrdn SICAV I – Select Emerging Markets Bond Fund

Fund guide



Important information

1. The Fund invests in fixed interest securities issued by corporations and/or government related bodies in emerging markets.
2. The Fund is therefore exposed to risks related to debt and debt-related securities, Sovereign debt, investing in sub-investment grade bonds, counterparty, emerging markets and exchange rates.
3. The Fund's net derivative exposure may be up to 50% of the Fund's net asset value and subject to counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk.
4. The Fund may at its discretion pay dividends out of the capital of the Fund. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Fund's capital or payment of dividends effectively out of the Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share.
5. Investment in this fund may involve a high degree of risk and may not be suitable for all investors. It is possible that the entire value of the Investment could be lost.
6. Investors should not invest in this Fund based solely on this document and should read the relevant offering documents for further details including risk factors.

Why invest in Emerging Markets (EM) bonds?



A large and diversified asset class

A large universe with low correlation to other asset classes. EM bonds provide investors with a suitable portfolio diversifier.



Tap into superior Emerging Markets GDP growth

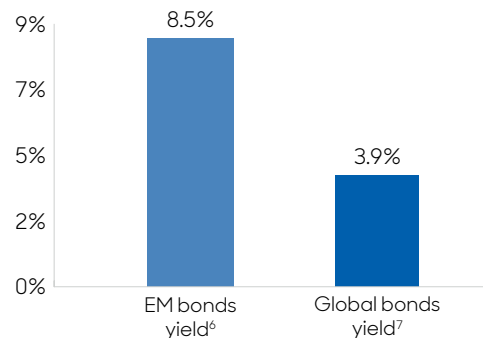
EM accounts for 60% of global GDP², and is forecasted to more than double Developed Markets (DM) growth in 2024.³



Attractive valuation, compelling yield

EM bonds yields are at 10-year highs and significantly above their 20-year average.⁴

Meanwhile, EM spreads over US Treasuries remain above 10-year long-term average, meaning valuations are attractive.⁵



¹Source: J.P. Morgan, November 2023.

²Source: The International Monetary Fund (IMF), World Economic Outlook, October 2023.

³Source: IMF, 30 June 2023. Forecasts are not a reliable indicator of future results and there can be no guarantee that these will be achieved.

⁴Source: abrdn, 30 November 2023.

⁵Source: JPM EMBI Global Diversified Index, 30 November 2023.

⁷Source: JPM Global Bond Index, 30 November 2023.



Key benefits of investing in abrdn SICAV I – Select Emerging Markets Bond Fund



Attractive income profile

Providing investors with a steady distribution and scope for meaningful capital gains.

Average distribution yield

5.75%⁸



Outstanding total performance

Top quartile performance since inception, year-to-date, on a 1-month, 3-month, 6-month, and 1-year⁹.



Dynamic asset allocation

Can invest **outside** of the benchmark in **local currency and corporate debt**

Investment case study Incorporating macro views on Brazil

Why we held Brazil local currency bonds

- The Brazilian Central Bank has a strong commitment to improve its fiscal position by broadening the tax base
- Brazil hiked rates early in the cycle and was successful in bringing inflation to below 5% by mid-2023 and disinflation momentum currently remains strong
- Real rates widened to above 10% at the beginning of 2023 providing ample room for rate cuts
- **Low external debt service / revenue ratio¹⁰** at just 3%, which is the lowest of all EM economies excluding China

Investment outcome

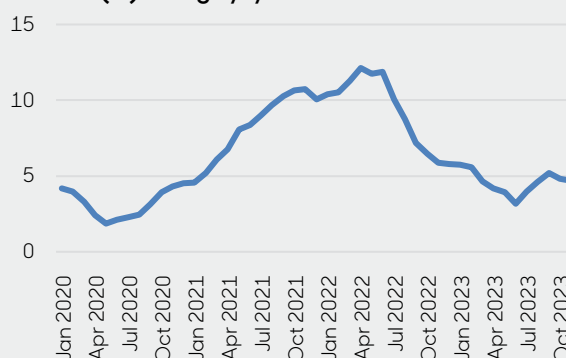
- Brazilian bonds have recorded double digit returns in 2023 and the Brazilian Real (BRL) has appreciated approximately 8% vs the US Dollar
- The Brazilian central bank has cut rates by 200bps in 2023 to 11.75%. Bond prices have consequently risen and yields have fallen
- Our off-benchmark positioning in Brazilian local currency bonds contributed to 93bps of alpha in 2023

Yield (%) on Brazilian local currency bonds



Source: Bloomberg, December 2023

Inflation (%) change y/y



Source: Haver, December 2023

⁸Source: abrdn, 31 December 2023. Distribution yield is annualised per month over the last 12 months. Based on Class A Mlnc USD. Aim at monthly distribution. Dividend rate is not guaranteed. Dividend may be paid out of capital. Please refer to Important Information 4. A positive yield does not imply a positive return of the Fund.

⁹Source: Lipper, Morningstar, 30 November 2023. A Mlnc USD class.

¹⁰Source: abrdn, 30 November 2023. Where debt service is defined as interest and principal due on external debt, and revenue is defined as taxes and fees collected by the government.

Past performance does not predict future results.

Why abrdn for Emerging Markets bonds?



Pioneers in capturing the EM information gap

A significant portion of the Fund's alpha has been generated through allocations to EM issuers which are often underresearched and mispriced.

80+

EM countries researched

500+

Annual meetings with EM policymakers¹¹



Sourcing alpha-generation

We have a 54 strong EM fixed income team across the globe and have been investing in the asset class for 27 years. This gives us the scope to research and invest in smaller issuers that are a key source of alpha generation.

165bp

p.a. outperformance since inception in 2001



Focused risk management

We manage

currency risks

as we invest in both USD and local currency and hedge our FX exposure where appropriate.

Fund facts

Fund manager(s)	Emerging Market Debt Team	
Fund launch date	August 2001	
Base currency	USD	
Shareclass availability	A MInc USD A Acc USD	LU0132413252 LU0132414144
Subscription fee	Up to 5%	
Investment management fee	1.50% per annum	
Distribution frequency	Aim at monthly distribution (Class A MInc USD)	
Benchmark	JP Morgan EMBI Global Diversified (USD)	

¹¹Conducted in-house during 2022.

Important information

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