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# **abrdn Life** **Unit-Linked Fund Guidelines**

16 May 2024

**[abrdn.com](https://abrdn.com)**

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# Constitution

## The business of the Company

abrdrn Life and Pensions Limited "abrdrn Life" is an authorised insurance company regulated by the Prudential Regulation Authority "PRA" and Financial Conduct Authority "FCA" for activities in relation to long-term insurance business. Details of our regulatory permissions can be found on the FCA register [register.fca.org.uk](https://register.fca.org.uk) using reference 187323.

The registered office is 280 Bishopsgate, London, EC2M 4AG. The registered number is 03526143. The Company is a wholly owned subsidiary of abrdrn plc.

In practice the Company serves as an efficient delivery mechanism of abrdrn investment management services to UK institutional pension scheme clients (both defined benefit and defined contribution) and other UK insurance entities through reinsurance of their unit-linked liabilities. The Company does not bear any insurance risk as all benefits of the policies are tied to the value of assets in the underlying internal linked funds by unit linking.

## Board of Directors

- David Hare (Non-executive Chairman)
- Aron Mitchell (Chief Executive Officer)
- David Vallery (Non-executive Director)
- Emma Herd (Director)
- Doug Vick (Director)

The Board serves in an oversight capacity to protect the interests of policyholders and to verify that management is complying with relevant legislation and regulation.

The Board is also responsible for protecting the interests of shareholders and therefore recognises that decisions relating to the Company's role (as a wholly owned subsidiary) are driven primarily by abrdrn Group. How those decisions are interpreted and implemented in relation to the Company is, however, solely the responsibility of the Board recognising, in particular, the Board's wider responsibilities. The Board pays particular attention to the assets of the Company and its solvency position with regard to the requirements of the PRA.

## Governance and control

Day to day governance and risk control is delegated to abrdrn Group (including the abrdrn Life management team) via a formal Management Services Agreement with abrdrn Investments Limited (formerly Aberdeen Asset Managers Limited). Services are provided by the Group's various operating entities and overseen by the committees which make up its risk control framework. abrdrn Life management regularly reviews the risks that are applicable to the company and oversees any actions resulting from occurrences of these.

## Fund range

abrdrn Life currently offers the following unit-linked funds:

### Equities

- abrdrn Life Emerging Markets Equity Fund
- abrdrn Life Global (ex UK) Equity Fund
- abrdrn Life American Equity Enhanced Index Fund
- abrdrn Life UK & Global (50/50) Equity Fund
- abrdrn Life UK & Global (70/30) Equity Fund
- abrdrn Life UK Equity Fund
- abrdrn Life Global Equity Fund
- abrdrn Life Sustainable Index UK Equity Fund
- abrdrn Life Sustainable Index World Equity Fund

### Multi-asset

- abrdrn Life Diversified Growth and Income Fund
- abrdrn Life Multi-Asset Fund
- abrdrn Life Multi-Asset Climate Solutions Fund

### Fixed income

- abrdrn Life Climate Transition Bond Fund
- abrdrn Life Sterling Bond Fund
- abrdrn Life Sterling Credit Bond Fund
- abrdrn Life Global Income Bond Fund
- abrdrn Life Multi-Sector Credit Fund

### Other

- abrdrn Life Sterling Liquidity Fund



## abrdn Life has appointed the following service providers:

### Investment Management

abrdnInvestmentsLtd  
1 George Street  
Edinburgh  
EH2 2LL

### Fund Administration

Citibank.N.A.,Londonbranch  
Citigroup Centre  
CanadaSquare  
Canary Wharf  
London  
E145LB

### Custodian

Citibank.N.A.,Londonbranch  
Citigroup Centre  
CanadaSquare  
Canary Wharf  
London  
E145LB

### Actuarial Services

Barnett WaddinghamLLP  
2 London Wall Place  
London  
EC2Y 5AU

### Investor Administration

SS&C  
ICSDepartment  
PO Box 12381  
Chelmsford  
CM99 2ET

### Auditor

KPMG  
20CastleTerrace  
Edinburgh  
EH1 2EG



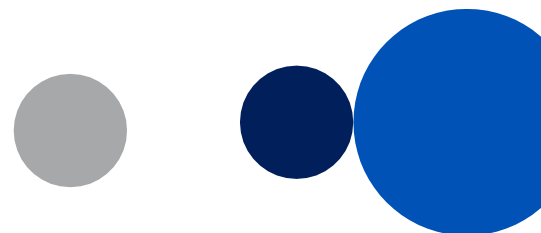


# Unit-Linked Fund Range

**General investment guidelines are set out on page 18.  
Fund specific guidelines are detailed in the following pages.**

References to internal performance targets are those which the Investment Manager aims to achieve as at the date of this document. This target is not based on past performance, may be subject to change and cannot be guaranteed.

# Equity Funds



## abrdn Life Emerging Markets Equity Fund

**Fund objective:**

To provide exposure to an actively managed portfolio of emerging market equities, or companies with significant activities in emerging markets countries worldwide.

**Team:**

Global Emerging Markets Equity

**Internal target:**

To outperform the benchmark by 3% per annum over the long term.

**Launch date:**

12 October 2006

**Structure:**

Unit-linked feeder fund

**Benchmark:**

MSCI Emerging Markets Index

**Eligible investments:**

- abrdn Emerging Markets Equity Fund
- Cash

| Open unit classes | 1            | B            |
|-------------------|--------------|--------------|
| Management Fee    | 0%           | 1%           |
| SEDOL             | B1C6T27      | B24CBW4      |
| ISIN              | GB00B1C6T274 | GB00B24CBW45 |
| Stakeholder       | No           | No           |

## abrdn Life Global (ex UK) Equity Fund

**Fund objective:**

To provide exposure to an actively managed portfolio of overseas equities.

**Team:**

Global Equity

**Internal target:**

To outperform the benchmark by 3% per annum over the long term.

**Launch date:**

2 October 1998

**Structure:**

Unit-linked directly invested fund

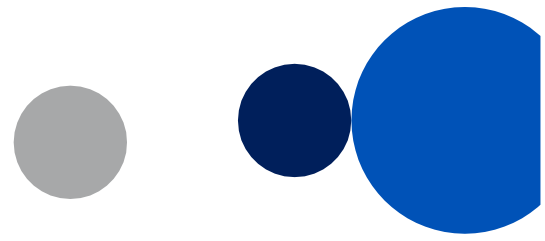
**Benchmark:**

- FTSE All World North America 35%
- FTSE All World Dev Europe ex UK 35%
- FTSE All World Japan 20%
- FTSE All World Dev Asia Pacific ex Japan 10%
- Quarterly rebalancing

**Eligible investments:**

- Overseas equities
- abrdn Liquidity Fund (LUX) – Sterling Fund

| Open unit classes | 1            | A            | E            | F            |
|-------------------|--------------|--------------|--------------|--------------|
| Management Fee    | 0%           | 0%           | 0.50%        | 0.60%        |
| SEDOL             | 3028861      | 0391685      | 0915223      | 0915308      |
| ISIN              | GB0030288616 | GB0003916854 | GB0009152231 | GB0009153080 |
| Stakeholder       | Yes          | No           | No           | No           |



## abrdn Life American Equity Enhanced Index Fund

### Fund objective:

The Fund aims to achieve long-term capital growth by investing in equity and equity-related securities of companies in North America, by investing primarily in equities and equity-related securities of companies that are constituents of the S&P 500 Index.

The Fund will use a variety of quantitative techniques and adopt a disciplined approach to stock selection whilst seeking to maintain a level of risk similar to that of the S&P 500 Index.

### Team:

Quantitative Investments

### Internal target:

To outperform the benchmark by 0.75% per annum over the long term.

### Launch date:

18 September 2000

### Structure:

Unit-linked directly invested Fund

### Benchmark:

S&P 500 Index

### Eligible investments:

- US equities
- iShares Core S&P500 UCITS ETF USD
- abrdn Liquidity Fund (LUX) - Sterling Fund

| Open unit classes | A            | F            |
|-------------------|--------------|--------------|
| Management Fee    | 0%           | 0.20%        |
| SEDOL             | 0966050      | 0966083      |
| ISIN              | GB0009660506 | GB0009660837 |
| Stakeholder       | No           | No           |

## abrdn Life UK & Global (50/50) Equity Fund

### Fund objective:

To provide exposure to an actively managed portfolio of UK and overseas equities.

### Team:

Multi-Asset

### Internal target:

To outperform the benchmark by 3% per annum over the long term.

### Launch date:

30 June 2000

### Structure:

Unit-linked fund of funds

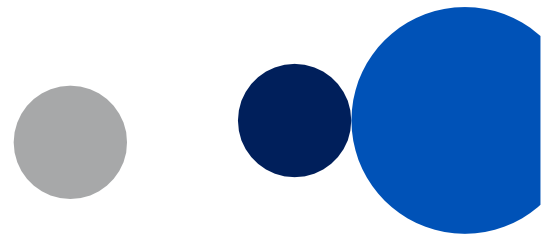
### Benchmark:

- FTSE AllShare Index 50%
- Overseas Equity 50%
- FTSE All World North America 35%
- FTSE All World Dev Europe ex UK 35%
- FTSE All World Japan 20%
- FTSE All World Dev Asia Pacific ex Japan 10%
- Quarterly rebalancing

### Eligible investments:

Unit-linked funds offered by abrdn Life and regulated collective investment schemes managed by the investment manager that invest in UK and overseas equities.

| Open unit classes | 1            | E            | F            |
|-------------------|--------------|--------------|--------------|
| Management Fee    | 0%           | 0.50%        | 0.60%        |
| SEDOL             | 3028742      | 0919441      | 0919429      |
| ISIN              | GB0030287428 | GB0009194415 | GB0009194290 |
| Stakeholder       | Yes          | No           | No           |



## abrdn Life UK & Global (70/30) Equity Fund

### Fund objective:

To provide exposure to an actively managed portfolio of UK and overseas equities, mainly in UK equities.

### Team:

Multi-Asset

### Internal target:

To outperform the benchmark by 3% per annum over the long term.

### Launch date:

2 October 1998

### Structure:

Unit-linked fund of funds.

### Benchmark:

- FTSE All Share Index 70%
- Overseas Equity 30%
- FTSE All World North America 35%
- FTSE All World Dev Europe ex UK 35%
- FTSE All World Japan 20%
- FTSE All World Dev Asia Pacific ex Japan 10%
- Quarterly rebalancing

### Eligible investments:

Unit-Linked funds offered by abrdn Life and regulated collective investment schemes managed by the investment manager that invest in UK and overseas equities.

| Open unit classes | B            | D            | E            |
|-------------------|--------------|--------------|--------------|
| Management Fee    | 0.825%       | 0.40%        | 0.50%        |
| SEDOL             | 391641       | 906164       | 915546       |
| ISIN              | GB0003916417 | GB0009061648 | GB0009155465 |
| Stakeholder       | No           | No           | No           |

## abrdn Life UK Equity Fund

### Fund objective:

To provide exposure to an actively managed portfolio of UK equities.

### Team:

Pan European Equity

### Internal target:

To outperform the benchmark by 3% per annum over the long term.

### Launch date:

2 October 1998

### Structure:

Unit-linked directly invested fund

### Benchmark:

FTSE All Share Index

### Eligible investments:

- UK equities
- abrdn Liquidity Fund (LUX) - Sterling Fund

| Open unit classes | 1            | A            | E            | F            |
|-------------------|--------------|--------------|--------------|--------------|
| Management Fee    | 0%           | 0%           | 0.50%        | 0.60%        |
| SEDOL             | 3028894      | 0391759      | 0601306      | 0916088      |
| ISIN              | GB0030288947 | GB0003917597 | GB0006013063 | GB0009160887 |
| Stakeholder       | Yes          | No           | No           | No           |



## abrdn Life Global Equity Fund

### Fund objective:

To provide exposure to an actively managed portfolio of internationally diversified equities.

### Team:

Global Equity

### Internal target:

To outperform the benchmark by 3% per annum over the long term.

### Launch date:

12 October 2006

### Structure:

Unit-linked directly invested fund

### Benchmark:

MSCI ACWI World Index

### Eligible investments:

- Global equities
- abrdn Liquidity Fund (LUX) – Sterling Fund

| Open unit classes | 1            | B            | D            |
|-------------------|--------------|--------------|--------------|
| Management Fee    | 0%           | 0.80%        | 0.675%       |
| SEDOL             | B1C6SZ3      | B7D7158      | B4K7D09      |
| ISIN              | GB00B1C6SZ34 | GB00B7D71583 | GB00B4K7D091 |
| Stakeholder       | No           | No           | No           |

## abrdn Life Sustainable Index UK Equity Fund

### Fund objective:

To provide exposure to a portfolio which aims to generate growth over the long term (5 years or more) by tracking the return of the MSCI United Kingdom IMI Select ESG Climate Solutions Target Index.

The Sustainable Investment Approach for the underlying fund can be found [here](#).

### Team:

Quantitative Investments

### Internal target:

To match the return of the MSCI United Kingdom IMI Select ESG Climate Solutions Target Index (before charges).

### Launch date:

19 April 2023

### Structure:

Unit-linked feeder fund

### Benchmark:

MSCI UK IMI Select ESG Climate Solutions Target Index

### Eligible investments:

- abrdn Sustainable Index UK Equity Fund
- Cash

| Open unit classes | A            | B            |
|-------------------|--------------|--------------|
| Management Fee    | 0%           | 0.07%        |
| SEDOL             | BNG8FD6      | BNG8FF8      |
| ISIN              | GB00BNG8FD65 | GB00BNG8FF89 |
| Stakeholder       | No           | No           |

## abrdn Life Sustainable Index World Equity Fund

### Fund objective:

To provide exposure to a portfolio which aims to generate growth over the long term (5 years or more) by tracking the return of the MSCI World Select ESG Climate Solutions Target Index.

The Sustainable Investment Approach for the underlying fund can be found [here](#).

### Team:

Quantitative Investments

### Internal target:

To match the return of the MSCI World Select ESG Climate Solutions Target Index (before charges).

### Launch date:

19 April 2023

### Structure:

Unit-linked feeder fund

### Benchmark:

MSCI World Select ESG Climate Solutions Target Index

### Eligible investments:

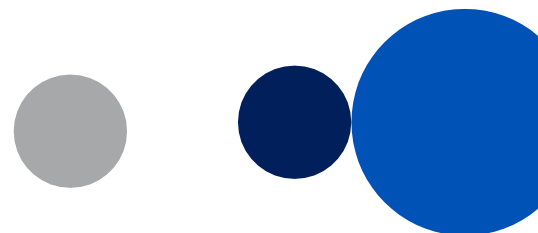
- abrdn Sustainable Index World Equity Fund
- Cash

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| Open unit classes | A            | B            |
|-------------------|--------------|--------------|
| Management Fee    | 0%           | 0.07%        |
| SEDOL             | BNG8FG9      | BNG8FH0      |
| ISIN              | GB00BNG8FG96 | GB00BNG8FH04 |
| Stakeholder       | No           | No           |

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# Multi-Asset Funds



## abrdn Life Diversified Growth and Income Fund

### Fund objective:

To provide exposure to a portfolio which aims to generate a positive return through capital growth and income over the long term (5 years or more) by investing in a globally diversified portfolio of assets whilst reducing the risk of losses. Invested capital is however at risk and there is no guarantee that this will be attained over any time period.

### Team:

Multi-Asset

### Internal target:

To exceed the return of SONIA by 5% per annum over rolling five year periods (before charges).

### Launch date:

1 November 2011

### Structure:

Unit-linked feeder fund

### Benchmark:

SONIA

### Eligible investments:

- abrdn Diversified Growth and Income Fund
- Cash

| Open unit classes | A            | B            |
|-------------------|--------------|--------------|
| Management Fee    | 0%           | 0.50%        |
| SEDOL             | B4RN0X2      | B5493X1      |
| ISIN              | GB00B4RN0X20 | GB00B5493X18 |
| Stakeholder       | No           | No           |

## abrdn Life Multi-Asset Fund

### Fund objective:

To achieve long-term returns from a diversified portfolio of assets.

### Team:

Multi-Asset

### Internal target:

To outperform the benchmark by 1% per annum over the long term.

### Launch date:

2 October 1998

### Structure:

Unit-linked fund of funds

### Benchmark:

- 40% - FTSE All Share UK
- 35% - MSCI ACWI ex UK Index
- 15% - SONIA + 4%
- 10% - iBoxx Sterling

### Eligible investments:

Unit-Linked funds offered by abrdn Life and regulated collective investment schemes managed by the investment manager that invest in UK and overseas equities and bond markets

### Investment Ranges:

Maximum +/-10% relative to benchmark weightings.

| Open unit classes | 1            | A            | B            | E            | F            |
|-------------------|--------------|--------------|--------------|--------------|--------------|
| Management Fee    | 0%           | 0%           | 0.725%       | 0.50%        | 0.60%        |
| SEDOL             | 3028690      | 0391599      | 0391618      | 0915449      | 0915502      |
| ISIN              | GB0030286909 | GB0003915997 | GB0003916185 | GB0009154492 | GB0009155028 |
| Stakeholder       | Yes          | No           | No           | No           | No           |

## abrdn Life Multi-Asset Climate Solutions Fund

### Fund objective:

To provide exposure to an actively managed portfolio which aims to generate growth over the long term (5 years or more) by investing in a diversified portfolio of equities (company shares) and corporate bonds (loans to companies) issued by companies whose core business is to offer products and services that enable the transition to a sustainable low carbon economy.

The Sustainable Investment Approach for the underlying fund can be found [here](#).

### Team:

Multi-Asset

### Internal target:

To outperform the benchmark over the long term.

### Launch date:

15 September 2022

### Structure:

Unit-linked feeder fund

### Benchmark:

Investment Association Mixed Investment 40-85% Shares Sector average return

### Eligible investments:

- abrdn Multi-Asset Climate Solutions Fund
- Cash

| Open unit classes | A            | B            |
|-------------------|--------------|--------------|
| Management Fee    | 0%           | 0.5%         |
| SEDOL             | BP4W084      | BP4W095      |
| ISIN              | GB00BP4W0849 | GB00BP4W0955 |
| Stakeholder       | No           | No           |

# Bond Funds



## abrln Life Climate Transition Bond Fund

### Fund objective:

To provide exposure to an actively managed portfolio which aims to achieve a combination of income and growth by investing at least 90% in bonds (loans to governments and companies) issued worldwide, including in Emerging Market countries. All bonds in the view of the Investment Manager, support the transition to a low carbon economy and society's adaptation to climate change.

The Sustainable Investment Approach for the underlying fund can be found [here](#).

The Sustainability Disclosures for the underlying fund can be found [here](#).

### Team:

Fixed Income

### Internal target:

To outperform the benchmark (before charges) over the long term.

### Launch date:

25 August 2022

### Structure:

Unit-linked feeder fund

### Benchmark:

60% Bloomberg Global Aggregate Corporates Index (GBP hedged), 20% Bloomberg Global High Yield Corporates Index (GBP hedged), 20% JP Morgan Corporate Emerging Market Bond Index (GBP hedged)

### Eligible investments:

- abrln SICAV I – Climate Transition Bond Fund
- Cash

| Open unit classes | A            | B            |
|-------------------|--------------|--------------|
| Management Fee    | 0%           | 0.40%        |
| SEDOL             | BP4W017      | BP4W073      |
| ISIN              | GB00BP4W0179 | GB00BP4W0732 |
| Stakeholder       | No           | No           |

## abrdn Life Sterling Bond Fund

### Fund objective:

To provide exposure to an actively managed portfolio, the majority of which is invested in sterling denominated investment grade debt and debt related securities. The Fund may also include some exposure to overseas interest rates and currencies.

### Team:

UK Fixed Income

### Internal target:

To outperform the benchmark by 0.75% per annum over the long term.

### Launch date:

2 October 1998

### Structure:

Unit-linked feeder fund

### Benchmark:

iBoxx Sterling

### Eligible investments:

- abrdn Sterling Bond Fund
- Cash

| Open unit classes | 1            | D            |
|-------------------|--------------|--------------|
| Management Fee    | 0%           | 0.35%        |
| SEDOL             | 3028719      | 0905600      |
| ISIN              | GB0030287196 | GB0009056002 |
| Stakeholder       | Yes          | No           |

## abrdn Life Sterling Credit Bond Fund

### Fund objective:

To provide exposure to an actively managed portfolio which aims to generate income and some growth over the long term (5 years or more) by investing in Sterling denominated investment grade corporate bonds.

### Team:

UK Fixed Income

### Internal target:

To exceed the IA Sterling Corporate bond Sector Average return (after charges) over 1 year and be top quartile over rolling three year periods.

### Launch date:

11 March 2004

### Structure:

Unit-linked feeder fund

### Benchmark:

- iBoxx Sterling Collateralized & Corporates

### Eligible investments:

- abrdn Sterling Corporate Bond Fund
- Cash

| Open unit classes | A            | E            |
|-------------------|--------------|--------------|
| Management Fee    | 0%           | 0.30%        |
| SEDOL             | B00GB48      | B4Y8ML2      |
| ISIN              | GB00B00GB482 | GB00B4Y8ML24 |
| Stakeholder       | No           | No           |



## abrdn Life Global Income Bond Fund

### Fund objective:

To provide exposure to an actively managed portfolio which aims to provide a combination of income and growth by investing in a diversified portfolio of debt and debt-related securities that are listed or traded anywhere in the world (including in Emerging Markets).

The Sustainable Investment Approach for the underlying fund can be found [here](#).

The Sustainability Disclosures for the underlying fund can be found [here](#).

### Team:

Fixed Income

### Internal target:

To outperform the Bloomberg Global Aggregate Corporate BBB Index (GBP) with a yield greater than the index over rolling three-year periods (before charges).

### Launch date:

15 September 2022

### Structure:

Unit-linked feeder fund

### Benchmark:

Bloomberg Global Aggregate Corporate BBB Index (GBP)

### Eligible investments:

- abrdn SICAV II – Global Income Bond Fund
- Cash

| Open unit classes | A            | B            |
|-------------------|--------------|--------------|
| Management Fee    | 0%           | 0.40%        |
| SEDOL             | BPQYGS0      | BPQYGT1      |
| ISIN              | GB00BPQYGS07 | GB00BPQYGT14 |
| Stakeholder       | No           | No           |

## abrdn Life Multi-Sector Credit Fund

### Fund objective:

To provide exposure to an actively managed portfolio which aims to generate income and some growth over the long term (5 years or more) by investing both directly and indirectly in bonds issued anywhere in the world.

### Team:

Fixed Income

### Internal target:

To exceed the return of SONIA by 2.50% per annum over rolling five year periods (before charges).

### Launch date:

19 April 2023

### Structure:

Unit-linked feeder fund

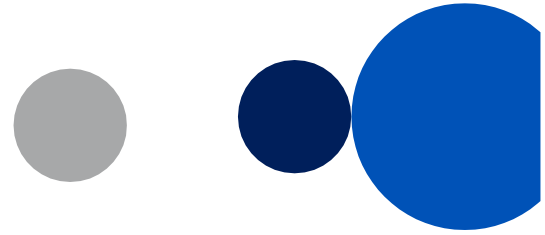
### Benchmark:

SONIA

### Eligible investments:

- abrdn Multi-Sector Credit Fund
- Cash

| Open unit classes | A            | B            | C            |
|-------------------|--------------|--------------|--------------|
| Management Fee    | 0%           | 0.50%        | 0.20%        |
| SEDOL             | BNG8BL6      | BNG8FB4      | BNG8FC5      |
| ISIN              | GB00BNG8BL69 | GB00BNG8FB42 | GB00BNG8FC58 |
| Stakeholder       | No           | No           | No           |



# Cash Fund

## abrdn Life Sterling Liquidity Fund

**Fund objective:**

To provide exposure to an actively managed portfolio, by investing in cash deposits, money market instruments and collective investment schemes.

The Sustainable Investment Approach for the underlying fund can be found [here](#).

**Team:**

Money Markets

**Internal target:**

To match or exceed the benchmark.

**Launch date:**

2 October 1998

**Structure:**

Unit-linked feeder fund

**Benchmark:**

SONIA

**Eligible investments:**

· abrdn Liquidity Fund (LUX) – Sterling Fund

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|                          |              |
|--------------------------|--------------|
| <b>Open unit classes</b> | D            |
| <b>Management Fee</b>    | 0.10%        |
| <b>SEDOL</b>             | 0906142      |
| <b>ISIN</b>              | GB0009061424 |
| <b>Stakeholder</b>       | No           |

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# General investment guidelines

## General

All investments must comply with the requirements of Chapter 21, "Permitted links and conditional permitted links" of the FCA Conduct of Business Sourcebook, (COBS 21) and the PRA Solvency II Firms "Investments" rulebook, which may be amended from time to time. Additional restrictions are set out below.

Compliance with the permitted links rules is achieved by the Company setting out what instruments and strategies are permitted. In practice, abrdn Life invests in regulated collective investment schemes such as Undertakings for the Collective Investment in Transferable Securities (UCITS) and Non UCITS retail schemes, certain Exchange Traded Funds (ETFs) and listed equities, all of which are permitted links. abrdn Life's funds are also permitted to invest into other unit-linked funds offered by abrdn Life. Any new instruments being added are part of a governance process that requires the permitted link rules to be considered prior to investment.

All investments must be classified according to their economic behaviour ahead of their legal form.

Securitised instruments are not permitted without the approval of the Chief Executive.

## Derivatives

The current policy of the Board of abrdn Life is that derivatives, quasi-derivatives and forward foreign currency contracts are not permitted for use in abrdn Life unit-linked funds. This does not affect their use in the underlying funds into which abrdn Life funds feed.

## Warrants

Not more than 5% of the value of the property of a unit-linked fund shall consist of warrants and these must be listed on a regulated market. Warrants can be held only if it is reasonably foreseeable that the right to subscribe conferred by such warrants could be exercised by the fund without contravening the investment restrictions.

Under no circumstances may warrants be used for purposes of gearing a unit-linked fund.

## Stock lending

abrdn Life does not currently permit stock lending within its unit-linked funds. However, stock lending may take place in the underlying funds into which abrdn Life funds feed.

## Underwriting/sub-underwriting

Underwriting occurs during a rights issue, whereby an abrdn fund manager would like to (sub) underwrite all/part of the rights issue on behalf of a unit-linked fund. The fund would receive a fee (e.g. 1% of the value of the rights issue that the fund underwrites). In return, the fund will be required to purchase all/part of the shares that have not been taken up by the market. Rights issues normally involve shares being issued at a discounted price.

If the total holding in the security will become 10% or more of the fund, after the rights issue and underwriting, then prior approval must be obtained from the Chief Executive Officer.

## Ability to realise and price assets

- All investments held should be capable of being realisable in the short term, apart from conditional permitted link assets, which should be capable of being realisable within an appropriate timeframe to allow payment of policyholder benefits in accordance with policy terms and conditions.
- All investments held should be such that the value of the relevant internal linked fund can be determined fairly and accurately to meet the requirements of COBS 21.2.1R.
- All investments must be of a type that comply with the requirements of COBS 21.

## Environmental Social and Governance (ESG)

A copy of the abrdn Life ESG policy can be found [here](#). Links to fund specific ESG disclosures and investment approaches can be found in the fund specific guidelines section above for the relevant funds.

## Cash management

abrdn Life's funds obtain market exposure in line with the investment objective with the flexibility of holding small amounts of cash. Directly invested funds and funds of funds can normally hold up to 5% in cash. All the other funds (feeder funds) can normally hold up to 2% cash. During the early stages of a fund's launch and/or where the fund is small, for the purposes of cash management the fund may deviate from the investment objective limits, usually by holding more cash holdings. Cash is normally invested in the abrdn Liquidity Fund (LUX) - Sterling Fund or held with the bank which acts as custodian to the funds.

## Borrowing

Borrowing must not be used to gear or leverage a unit-linked fund unless:

- a. the borrowing is on a temporary basis and for small amounts, no greater than 2% of the value of the unit-linked fund; or
- b. the borrowing is authorised by the Board

The Board should be advised of any borrowings above the 2% limit.

## Unlisted securities

Subject to other guidelines, no more than 5% of any one fund should be invested in unlisted securities.

## Collective investment schemes

An unlimited proportion of a unit-linked fund can be invested in units of regulated collective investment schemes and an unlimited proportion of the units in issue in individual collective investment schemes provided those schemes satisfy the requirements for a UCITS or Non-UCITS Retail Scheme (NURS). Other types of collective investment schemes can be held in accordance with any limits or other requirements of the permitted link rules.

Any collective investment schemes held must be single priced to meet the Stakeholder Pensions Regulations. If the fund invests in units or shares of other abrdn managed funds then zero charge units or shares will normally be purchased to avoid double charging of management fees. If fee paying units or shares are purchased, then the management fee must be rebated to the fund. No holdings may be purchased in collective investment schemes that are not managed by abrdn without the approval of the abrdn Life Chief Executive Officer and Chief Actuary.

## Solvency II

A copy of the Solvency and Financial Condition Report can be found on our website:

<https://www.abrdn.com/en-gb/institutional/funds/our-life-fund-range?tab=3>

## Exposure to the abrdn Group

Other than investments in authorised collective investment schemes managed by a company within the abrdn Group or accruals of monies owed by any company within the abrdn Group, abrdn Life shall not invest in shares or debt of abrdn plc.

The concerns here relate to the "conflicts of interest" issue and also the Companies Act issues that arise if a subsidiary owns shares in its parent.

## Eligible markets

The directly invested funds may invest via markets determined by the investment manager (all) in accordance with a robust governance process. all operates a Permissible Investment Universe (PIU) framework which details the instruments that all Funds may invest in (subject to their individual mandate constraints) and also sets out jurisdictions and specific markets that funds are able to invest into. Country reviews are undertaken which then forms the basis of the decisions taken on countries and markets to determine instruments and markets that Funds can invest in.

abrdn Life funds may invest up to 5% in markets that are not detailed in the approved securities markets. Any exposure must be aggregated with any limits on permitted investments held that are not realisable within the short term.

## Risk models and statistics

The fund monthly factsheets provide information on risk models and statistics for funds.

<https://www.abrdn.com/en-gb/institutional/funds/our-life-fund-range/our-life-fund-range-literature>

## Dilution

The directly invested funds operate a single swinging price (dilution adjustment) to protect policyholders from the effects of dilution. There are currently no dilution adjustments at the top fund level for the fund of funds and feeder funds but dealing in the underlying funds may attract dilution adjustments.

## Dealing

The valuation point and dealing cut off time for each fund can be found on the Factsheet for the fund at

<https://www.abrdn.com/en-gb/institutional/fund-centre/our-life-fund-range/our-life-fund-range-literature> or by speaking to your client manager.

Investors should be aware that switching between funds with different valuation points and dealing cycles may lead to the investor being out of the market for a period of time while the transaction is processed.

The abrdn Life Dealing Guide and Key Features document outlines additional information.



# Additional expenses



The Total Expense Ratios for abrdn Life funds consist of the Annual Management Charge applicable to each share class and any associated additional expenses. They are reviewed periodically and updated after each year end. Additional expenses currently include third party costs associated with the following services: fund administration, custody, transfer agency. Expenses from underlying funds held are also included on a look-through basis.

Further information on the current level of additional expenses for each fund is available on our website.

abrdn Life has a number of funds which include a designated Stakeholder unit class. To ensure all Stakeholder clients are correctly treated, including those investing via a reinsurance agreement, abrdn Life rebates all additional expenses back to stakeholder share classes.

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

The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested.

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