



**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

15 April 2024

Dear Shareholder,

**abrdn SICAV I**

We are writing to inform you of the changes that the Board of Directors of abrdn SICAV I (the “**Company**”) proposes to make to the Company and certain of its sub-funds (the “**Funds**”) with effect from 16 May 2024 (the “**Effective Date**”). The principal proposed changes are detailed in this letter.

Capitalised terms used in this letter shall have the same meaning as set out in the latest version of the prospectus of the Company (the “**Prospectus**”) unless the context otherwise requires.

**1. Conversion of abrdn SICAV I – Diversified Growth Fund, abrdn SICAV I – Diversified Income Fund, abrdn SICAV I – Select Emerging Markets Bond Fund and abrdn SICAV I – World Resources Equity Fund into Promoting ESG Funds and associated changes to their Investment Objective and Policy**

abrdn, through its Investment Managers, is committed to continuously reviewing its range of Funds to ensure that they continue to meet client requirements as they develop and change over time.

Recently there has been identified a clear increase in client focus on Environmental, Social and Governance (“**ESG**”) issues and wider sustainability. We believe that a conversion of the strategy of the Funds to incorporate ESG promotion aligns with investors future needs.

Sustainability risk integration is a key part of abrdn’s investment process and as part of this process we are now looking to make changes to the Funds to further promote the Funds’ ESG characteristics.

**abrdn SICAV I – Diversified Growth Fund and abrdn SICAV I – Diversified Income Fund**

The Funds will incorporate negative screening based on ESG Factors and societal norms. In addition, securities with the highest ESG risks will be screened out using quantitative and qualitative inputs and asset class specific screens. Finally, the Funds will have explicit portfolio ESG targets as set out in the new Investment Objective and Policy of each Fund. Through the application of this approach, each Fund commits to having a minimum of 10% in Sustainable Investments.

**abrdn SICAV I – Select Emerging Markets Bond Fund**

The Fund will incorporate negative screening based on ESG Factors and societal norms. In addition, securities with the highest ESG risks will be screened out via abrdn’s ESG House Score along with quantitative and qualitative inputs and asset class specific screens. Finally, the Fund will have explicit portfolio ESG targets as set out in the new Investment Objective and Policy of the Fund. Through the application of this approach, the Fund commits to having a minimum of 10% in Sustainable Investments.

**abrdn SICAV I**

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### abrtn SICAV I – World Resources Equity Fund

The change of the Fund's investment strategy is designed to modernise the existing strategy by focusing on investing indirectly in minerals, and the associated value chain, whose demand is expected to increase mainly driven by their use in technologies to support the clean energy transition. The repositioning of the Fund aims to allow investors to benefit from this demand shift that abrtn believe will drive superior longer term returns for those investors.

The Fund will provide investors with access to companies with alignment to the Future Minerals theme, which is defined as the extraction and processing of raw materials which clean energy transition technologies are reliant upon and the initial and post-use process technologies that enable this transition. Through the application of this approach the Fund will have a minimum of 20% in Sustainable Investments.

In line with the above changes, abrtn SICAV I – World Resources Equity Fund will change its name to abrtn SICAV I – Future Minerals Fund on the Effective Date.

As part of the Fund change, a revised Investment Management Fee will be implemented for the I and X Share Classes of 0.75% (reduction of 0.25% on current level of 1%). The fees of the other Share Classes will remain unchanged.

The changes result in a more concentrated portfolio with a specific focus on the Future Minerals theme resulting in an increase in the risk profile of the Fund from SRI 4 to 5.

The Investment Manager remains abrtn Investments Limited. As a result of the change in strategy, abrtn Brasil Investimentos Ltd will be appointed as an Investment Advisor and abrtn Inc will be removed as Sub-Investment Manager.

### **Summary**

Please refer to Appendix 1 for details of the ESG investment strategy of the Funds.

The following table summarises the changes to the Funds that will take place on the Effective Date. It also sets out the SFDR classification and estimated rebalancing costs as further described below.

Fund Name	Estimated rebalancing costs (% of AUM as at [6 September 2023])	Category	SFDR Classification	
			Current	New
abrtn SICAV I – Diversified Growth Fund	0.01%	Promoting ESG	Article 6	Article 8
abrtn SICAV I – Diversified Income Fund	0.01%	Promoting ESG	Article 6	Article 8
abrtn SICAV I – World Resources Equity Fund	0.69%	Promoting ESG	Article 6	Article 8
abrtn SICAV I – Select Emerging Markets Bond Fund	[0.20%]	Promoting ESG	Article 6	Article 8

Other than as set out above in relation to the World Resources Equity Fund, the changes will not alter the risk profiles of the Funds.

Details of the new Investment Objective and Policy for each Fund can be found in Appendix 1 and the investment approach documents can be found at [www.abrdn.com](http://www.abrdn.com).

### **Portfolio Rebalancing**

Shareholders are informed of the associated cost impact of the rebalancing of the portfolio with the estimated amounts as set out in the table above (including spreads, commissions and taxes). Such costs will be borne by the Funds. Any additional costs associated with implementing the changes set out above (such as legal, regulatory or administrative costs) will be borne by a group company of abrdn plc.

Please note, that it is intended that the Funds will become fully compliant with their new investment mandates as described above (the “**New Investment Mandates**”) as soon as practicably possible, but this is not expected to exceed 1 calendar month following the Effective Date (the “**Rebalancing Period**”). Shareholders should be aware that during the Rebalancing Period, the Investment Manager may need to adjust the Funds’ portfolios and asset allocation in order to implement the New Investment Mandates. As such, the Funds may not fully adhere to the New Investment Mandates during this brief period.

### **SFDR**

The Funds will, from the Effective Date, be classified as Article 8 under the EU’s Sustainable Finance Disclosure Regulation (“**SFDR**”), changing from Article 6 as shown in the table above. Article 8 funds are those that promote social and/or environmental characteristics, invest in companies that follow good governance, give binding commitments but do not have a sustainable investment objective.

## **2. Investment Management Fee Reduction for abrdn SICAV I – Diversified Income Fund**

From the Effective Date, following an abrdn fee review, the maximum Investment Management Fees of the Fund will be reduced as set out in the table below.

Class	Current Maximum IMF	New Maximum IMF
A	1.20%	0.95%
I	0.60%	0.50%
W	1.20%	0.95%
X	0.60%	0.50%

## **3. Change of carbon intensity target for abrdn SICAV I – Responsible Global High Yield Bond Fund and associated changes to its Investment Objective and Policy**

From the Effective Date, the Fund’s Investment Objective and Policy will be updated to reflect a change in the Fund’s carbon intensity target to a decarbonisation target with a phased reduction of this target over time. Using the benchmark carbon intensity as of 31 December 2019 as a baseline, the Fund will target a portfolio level carbon intensity that is at least 25% lower than the baseline by 31 December 2025 and at least 55% lower by 31 December 2030. As the Fund and investment universe evolves, the carbon intensity target is expected to be updated, and additional milestones added. Investors will be notified in advance of any such updates.

This update will not alter the performance or risk profile of the Fund and no portfolio rebalancing will be required as a result of the update.

## **4. Update to the Delegation Framework for Investment Management of the Funds**

abrdn has established a global network of investment management entities through which the Management Company obtains active investment advisory and management services to manage its Funds. The Funds benefit from the depth and interaction of this global investment advisory network and enjoy the advantages of having specialist personnel who have local expertise and timely access to the latest local market information. The Investment Managers are responsible for day-to-day management of the Funds' portfolios in accordance with the stated investment objectives and policies.

abrdn is committed to continuously reviewing its prospectuses and processes to include any efficiencies and increase transparency. As such, in order to offer greater flexibility, efficiency and increased transparency to investors, a new delegation framework is to be introduced which will enable (i) the Management Company to appoint or remove Investment Managers belonging to abrdn Group and (ii) the Investment Managers to, from time to time, appoint or remove additional entities of the abrdn Group to assist with portfolio management, without the current requirement to update the Prospectus and issue a notice.

No one month prior notice will be required provided that (1) such appointment will have no significant impact on the way the relevant Fund is being managed, (2) no additional fees will be charged to the relevant Fund, as any additional entities will be remunerated by the relevant Investment Manager out of the Investment Management Fee, and (3) the additional entity is a current abrdn Group entity disclosed in the Prospectus. From the Effective Date, shareholders will be able to access up-to-date information on the appointed abrdn Group entities for their relevant Funds at [www.abrdn.com](http://www.abrdn.com) under "Fund Centre".

The list of abrdn Group entities which can be appointed is set out below and will be disclosed in the main part of the Prospectus in the "Management and Administration" section along with full entity details.

abrdn Investments Limited  
abrdn Investment Management Limited  
abrdn Inc.  
abrdn Hong Kong Limited  
abrdn Asia Limited  
abrdn Japan Limited  
abrdn Brasil Investimentos Ltda. (as Investment Advisor)

Any appointed Investment Managers and/or Investment Advisors which do not belong to the abrdn Group will continue to be disclosed in the relevant Fund description in the Prospectus and on the website at [www.abrdn.com](http://www.abrdn.com). Any changes relating to such third party entities would be communicated to investors.

## **5. Data Processing Agents**

You are reminded that by subscribing for or purchasing Shares of the Company, you acknowledge and accept that data (including, as relevant, Personal Data) will be processed for the purpose of the investment services and compliance obligations described in the Prospectus and in particular, that the disclosure and the transfer of your data (including, as relevant, Personal Data) may take place to Processors which are located in countries outside of the European Union, and which are not subject to an adequacy decision of the European Commission and whose legislation may not ensure an adequate level of protection as regards the processing of data (including, as relevant, Personal Data).

From the Effective Date, a full list of entities that are receiving data from the Data Processing Agents of the Company will be available at [www.abrdn.com](http://www.abrdn.com) under "Fund Centre" in relation to the Registrar and Transfer Agent and at <https://www.citigroup.com/global/about-us/global-presence/luxembourg> in relation to the Depository and Administrator.

## **Rights of Shareholders**

Shareholders affected by the changes mentioned above, who feel that they no longer meet their investment requirements, may request redemption or switching of their Shares until 13:00 hours Luxembourg time on 15 May 2024.

### **Prospectus**

The changes detailed in this letter will be reflected in a new Prospectus to be dated 16 May 2024. The relevant Key Information Documents will be updated accordingly.

Your Board of Directors accepts responsibility for the accuracy of the information contained in this letter. To the best of the knowledge and belief of your Board of Directors (who have taken reasonable care to ensure this is the case) the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the importance of such information.

If you have any questions or would like any further information please contact us at our registered office or, alternatively, call one of the following Shareholder Service Centre helplines:

**Europe (excluding UK) and rest of the World +352 46 40 10 820**

**UK +44 1224 425 255**

**Asia +65 6395 2700**

Your Board of Directors believes that the changes are fair and reasonable and are in the best interests of Shareholders.

Yours faithfully,

For and on behalf of  
the Board of Directors – abrdn SICAV I

## **Appendix 1 – New Investment Objectives and Policies**

### **1. ABRDN SICAV I – DIVERSIFIED GROWTH FUND**

This Fund is subject to Article 8 of the SFDR. Further information can be found under section "EU's Sustainable Finance Disclosure Regulation – Sustainability Risk Integration".

#### **Investment Objective and Policy**

The Fund's investment objective is long term total return through income and capital growth by investing in an actively managed diversified portfolio of transferable securities across a wide range of global asset classes. This includes but is not limited to, equity and equity-related securities, Investment Grade and Sub-Investment Grade Debt and Debt-Related Securities issued by governments, government-related bodies, corporations or multilateral development banks, social and renewable infrastructure, asset backed securities, listed private equity, derivatives and Money Market Instruments either directly or indirectly through the use of UCITS or other UCIs.

The Fund aims to exceed the return on cash deposits (as currently measured by a benchmark of Euro Short Term Rate ("€STR") by 5% per annum over rolling five year periods (before charges). There is however no certainty or promise that the Fund will achieve this level of return.

The Investment process will follow abrdn's "Diversified Growth Investment Approach".

Through this approach the Fund has an expected minimum of 10% in Sustainable Investments and will also commit to a minimum of 2.5% in Social and 2.5% in Environmental investments, meaning investments in economic activities that contribute to an environmental and/or social objective, provided they do not significantly harm any of those objectives and that the companies in which investments are made follow good governance practices.

This approach enables portfolio managers to qualitatively identify and avoid ESG laggards. Additionally, abrdn apply a set of company exclusions which are related to the UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal. More detail on this overall process is captured within the abrdn Diversified Growth Fund Promoting ESG Equity Investment Approach, which is published at [www.abrdn.com](http://www.abrdn.com) under "Fund Centre".

Engagement with external company management teams is used to evaluate the ownership structures, governance and management quality of those companies in order to inform portfolio construction.

Investment in financial derivative instruments, money-market instruments and cash may not adhere to this approach.

The Fund is a global fund insofar as its investments are not confined to or concentrated in any particular geographic region or market. The Fund's investment exposures and returns may differ significantly from the benchmark. The Investment Manager uses its discretion (active management) to identify a diverse mix of investments which it believes are most appropriate for the investment objective. As a result of this diversification, and during extreme equity market falls, losses are expected to be below those of conventional global equity markets, with a volatility (a measure of the size of changes in the value of an investment) typically less than two thirds of equities.

The Fund may utilise financial derivative instruments for hedging and/ or investment purposes, or to manage foreign exchange risks, subject to the conditions and within the limits laid down by applicable laws and regulations.

Where Share Classes are denominated in a currency other than the Base Currency of the Fund, a currency specific benchmark will typically be used for performance comparison purposes. This will be a different currency specific benchmark with similar characteristics.

## **2. ABRDN SICAV I – DIVERSIFIED INCOME FUND**

This Fund is subject to Article 8 of the SFDR. Further information can be found under section "EU's Sustainable Finance Disclosure Regulation – Sustainability Risk Integration".

### **Investment Objective and Policy**

The Fund's investment objective is to achieve income combined with capital growth by investing in an actively managed diversified portfolio of transferable securities across a wide range of global asset classes. This includes but is not limited to, equity and equity-related securities, Investment Grade and Sub-Investment Grade Debt and Debt-Related Securities issued by governments, government-related bodies, corporations or multilateral development banks, social and renewable infrastructure, asset backed securities, listed private equity, derivatives and Money Market Instruments either directly or indirectly through the use of UCITS or other UCIs.

The Fund aims to exceed the return on cash deposits (as currently measured by a benchmark of US Secured Overnight Financing Rate ("SOFR")) by 5% per annum over rolling five year periods (before charges). There is however no certainty or promise that the Fund will achieve this level of return.

The Investment process will follow abrdn's "Diversified Income Investment Approach".

Through this approach the Fund has an expected minimum of 10% in Sustainable Investments and will also commit to a minimum of 2.5% in Social and 2.5% in Environmental investments, meaning investments in economic activities that contribute to an environmental and/or social objective, provided they do not significantly harm any of those objectives and that the companies in which investments are made follow good governance practices.

This approach enables portfolio managers to qualitatively identify and avoid ESG laggards. Additionally, abrdn apply a set of company exclusions which are related to the UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal. More detail on this overall process is captured within the abrdn Diversified Income Fund Promoting ESG Equity Investment Approach, which is published at [www.abrdn.com](http://www.abrdn.com) under "Fund Centre".

Engagement with external company management teams is used to evaluate the ownership structures, governance and management quality of those companies in order to inform portfolio construction.

Investment in financial derivative instruments, money-market instruments and cash may not adhere to this approach.

The Fund is a global fund insofar as its investments are not confined to or concentrated in any particular geographic region or market. The Fund's investment exposures and returns may differ significantly from the benchmark. The Investment Manager uses its discretion (active management) to identify a diverse mix of investments which it believes are most appropriate for the investment objective. As a result of this diversification, and during extreme equity market falls, losses are expected to be below those of conventional global equity markets, with a volatility (a measure of the size of changes in the value of an investment) typically less than two thirds of equities.

The Fund may utilise financial derivative instruments for hedging and/ or investment purposes, or to manage foreign exchange risks, subject to the conditions and within the limits laid down by applicable laws and regulations.

Where Share Classes are denominated in a currency other than the Base Currency of the Fund, a currency specific benchmark will typically be used for performance comparison purposes. This will be different currency specific benchmark with similar characteristics.

### **3. ABRDN SICAV I – SELECT EMERGING MARKETS BOND FUND**

This Fund is subject to Article 8 of the SFDR. Further information can be found under section "EU's Sustainable Finance Disclosure Regulation – Sustainability Risk Integration".

#### **Investment Objective and Policy**

The Fund's investment objective is long term total return to be achieved by investing at least two-thirds of the Fund's assets in debt and debt-related securities which are issued by corporations with their registered office in, and/or government related bodies domiciled in an Emerging Market country.

The Fund may invest up to 100% of its Net Asset Value in Sub-Investment Grade Debt and Debt-Related Securities.

The Fund is actively managed.

The Fund aims to outperform the JP Morgan EMBI Global Diversified Index (USD) benchmark before charges. The benchmark is also used as a reference point for portfolio construction and as a basis for setting risk constraints.

In order to achieve its objective, the Fund will take positions whose weightings diverge from the benchmark or invest in securities which are not included in the benchmark. The investments of the Fund may deviate significantly from the components of and their respective weightings in the benchmark. Due to the active nature of the management process, the Fund's performance profile may deviate significantly from that of the benchmark over the longer term.

The Fund promotes environmental and social characteristics but does not have a sustainable investment objective.

Investment in all debt and debt-related securities will follow the abrdn "Select Emerging Markets Bond Promoting ESG Investment Approach".

Through the application of this approach, the Fund has an expected minimum of 10% in Sustainable Investments.

This approach is designed to evaluate the Environmental, Social, Governance and Political ("ESGP") characteristics of sovereign issuers using a range of data points. This data results in a score being calculated for each of the four ESGP pillars and an overall ESGP score is then assigned to each issuer, based on an equally weighted average across the pillars. The overall ESGP score allows a subset of countries falling below a threshold to be excluded from the investment universe.

In addition to the exclusion threshold, a forward-looking qualitative Direction of Travel assessment is conducted. This assessment is based on internal research and focuses on material ESG factors, allowing quantitative exclusions to be overridden where ESGP weaknesses are being adequately addressed by the sovereign issuer and this is not reflected in the data.

To promote sustainable development, the Fund may invest in Green bonds, Social bonds or Sustainable bonds issued by excluded countries where the proceeds of such issues can be confirmed as having a positive environmental or social impact.

For investments in debt and debt-related securities issued by corporations, the abrdn ESG House Score is used to quantitatively identify and exclude those companies exposed to the highest ESG risks. In addition, abrdn apply a set of company exclusions, which are related to the UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal. While these exclusions are applied at a company level, investment is permitted in Green bonds, Social bonds or Sustainable bonds issued



by companies otherwise excluded by the environmental screens, where the proceeds of such issues can be confirmed as having a positive environmental impact.

Engagement with issuers is a part of abrdn's investment process and ongoing stewardship programme. As part of this, where the engagement process identifies companies in high carbon emitting sectors with ambitious and credible targets to decarbonise their operations, up to 5% of assets may be invested in these companies in order to support their transition to ultimately comply with the environmental screens.

Further detail of this overall process is captured within the "Select Emerging Markets Bond Promoting ESG Investment Approach", which is published at [www.abrdn.com](http://www.abrdn.com) under "Fund Centre".

Investment in financial derivative instruments, money-market instruments and cash may not adhere to this approach.

Where Share Classes are denominated in a currency other than the Base Currency of the Fund, a currency specific benchmark will typically be used for performance comparison purposes. This will be the benchmark of the Fund expressed in another currency.

#### **4. ABRDN SICAV I – FUTURE MINERALS FUND**

This Fund is subject to Article 8 of the SFDR. Further information can be found under section "EU's Sustainable Finance Disclosure Regulation – Sustainability Risk Integration".

##### **Investment Objective and Policy**

The Fund's investment objective is long-term total return to be achieved by investing at least 70% of the Fund's assets in equities and equity related securities of companies of all sizes with alignment to the Future Minerals theme, listed on global stock exchanges including Emerging Markets.

The Fund may invest up to 20% of its net assets in Mainland China equity and equity-related securities through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme.

The Fund is actively managed and will be a concentrated portfolio. No benchmark is used for portfolio construction or as a basis for setting risk constraints in the management of the Fund. The Fund references the MSCI ACWI Index (USD) for use as an indicative comparator of the long-term performance of the Future Minerals theme against global equities. The Fund does not aim to outperform this benchmark and it is not used for portfolio construction or risk management purposes.

The Fund promotes environmental and social characteristics but does not have a sustainable investment objective.

Investment in all equity and equity related securities will follow the abrdn "Future Minerals Investment Approach".

Through the application of this approach the Fund has an expected minimum of 20% in Sustainable Investments.

The approach identifies companies which are aligned to the Future Minerals theme defined as the extraction and processing of raw materials which clean energy transition technologies are reliant upon and the initial and post-use process technologies that enable this transition.

Future Minerals theme alignment is defined as companies with a minimum of 20% of their current or forecast revenue, profit, assets, capital expenditure linked to one of the following pillars:

1. Mineral extraction & processing: metals and mining companies with raw mineral exposure that clean energy technologies are reliant upon;

2. Upstream & downstream value chain: machinery and services that enable the clean energy transition and mineral conversion into clean energy products (e.g. electric vehicle battery makers);
3. Recycling & sustainability: minerals and metals extraction from waste for re-use;
4. Compounds & advanced materials: other material producing companies that support the clean energy transition.

More broadly this approach utilises abrdn's equity investment process, which enables portfolio managers to qualitatively identify and avoid ESG laggards. To complement this research, the abrdn ESG House Score is used to quantitatively identify and exclude those companies exposed to the highest ESG risks. Additionally, abrdn apply a set of company exclusions which are related to the UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal. More detail on this overall process is captured within the Future Minerals Investment Approach, which is published at [www.abrdn.com](http://www.abrdn.com) under "Fund Centre".

Engagement with external company management teams is used to evaluate the ownership structures, governance and management quality of those companies in order to inform portfolio construction.

Financial derivatives instruments, money-market instruments and cash may not adhere to this approach.

The Fund may utilise financial derivative instruments for hedging and/or investment purposes, or to manage foreign exchange risks, subject to the conditions and within the limits laid down by applicable laws and regulations. The use of derivatives for hedging and/or investment purposes is expected to be very limited, mainly in those cases where there are significant inflows into the Fund so that cash can be invested while the Fund's investments in equity and equity related securities is maintained.

Where Share Classes are denominated in a currency other than the Base Currency of the Fund, a currency specific benchmark will typically be used for performance comparison purposes. This will be the benchmark of the Fund expressed in another currency.