

4 June 2020

IMPORTANT INFORMATION – FUND UPDATE

Investor Name:
Investor Reference:
Designation:

Dear Investor,

ABERDEEN STANDARD OEIC IV CHANGES TO THE INVESTMENT POLICY OF THE BOND TRACKER FUNDS

Please read this letter carefully as it contains important information regarding upcoming changes to the above fund.

Full details of the changes can be found at

www.aberdeenstandard.com/en/uk/investor/fund-centre/investor-communications.

In this letter, when we say 'we' or 'us', we mean Aberdeen Standard Fund Managers Limited – the company that is currently responsible for managing and operating your investment in one, or more, of the Funds ("**the Funds**") listed below:

- ASI Global Corporate Bond Tracker Fund
- ASI Sterling Corporate Bond Tracker Fund
- ASI Short Dated Sterling Corporate Bond Tracker Fund
- ASI Short Dated Global Corporate Bond Tracker Fund
- ASI Global Inflation-Linked Bond Tracker Fund
- ASI Short Dated Global Inflation-Linked Bond Tracker Fund
- ASI Emerging Markets Local Currency Bond Tracker Fund

The purpose of this letter is to explain these changes. **You don't need to take any action in response to this letter**; but we would encourage you to familiarise yourself with the changes.

Changes to the Funds

Investment policy

We have decided that it is in the best interests of our investors to amend the investment policy of the Funds to permit the use of derivatives and exchange-traded funds to a broader extent than is currently the case within the Funds and this is described as indirect investment in the Investment policy wording. The use of derivatives (specifically bond futures and currency forwards) supports the Funds' objective to track the return of the benchmark index.

Derivatives usage will be for Efficient Portfolio Management purposes (namely to reduce risk, reduce cost and/or general additional income or growth consistent with the risk of the Funds) and will continue to be expected to be very limited and shall not affect the objective of the Funds. To confirm this approach, we have amended the 'Derivatives & Techniques' section of the investment policy as set out in the Prospectus and Key Investor Information Document (KIID).

Aberdeen Standard Fund Managers Limited

PO Box 12233 Chelmsford CM99 2EE

Telephone UK: 0345 113 6966 Int: +44 (0)1268 44 5488 aberdeenstandard.com

Additionally within the 'Derivatives & Techniques' section in the Prospectus, the wording relating to the hedging of currency risks has been adapted for the following Funds: ASI Global Corporate Bond Tracker Fund, ASI Short Dated Global Corporate Bond Tracker Fund, ASI Global Inflation-Linked Bond Tracker Fund and the ASI Short Dated Global Inflation-Linked Bond Tracker Fund. This is to clarify the description and does not change the powers of the Fund.

The use of exchange traded funds will improve the efficiency of managing larger flows into and out of the Funds.

We have clarified that the following Funds will invest primarily in investment grade bonds, as defined by the index provider: ASI Global Corporate Bond Tracker Fund, ASI Short Dated Global Corporate Bond Tracker Fund, ASI Sterling Corporate Bond Tracker Fund and ASI Short Dated Sterling Corporate Bond Tracker Fund. In addition, Government bonds and sub-sovereign bonds have also been added to the list of other holdings the Fund can invest in (*ASI Global Corporate Bond Tracker Fund and the ASI Short Dated Global Corporate Bond Tracker Fund only*).

Finally, we have made minor updates to:

- Remove the benchmark details section from the investment policy section, as this is a duplication of information found elsewhere in the Fund Prospectus (applicable to all Funds);
- Updated the benchmark index name throughout the investment objectives and policy to reflect the full title of the index (*ASI Sterling Corporate Bond Tracker Fund index: "Markit iBoxx Sterling Non-Gilts Overall Total Return Index"; ASI Short Dated Sterling Corporate Bond Tracker Fund index: "Markit iBoxx Sterling Non-Gilts 1-5 years Total Return Index"*). For clarity, the benchmark index for these Funds has not changed; and
- Updated the website details for the benchmark index (*ASI Sterling Corporate Bond Tracker Fund and ASI Short Dated Sterling Corporate Bond Tracker Fund only*)

The above changes will not materially change the risk profile of the Funds.

A comparison of the current and proposed investment policies of the Funds is set out in the Appendix and can also be found at www.aberdeenstandard.com/en/uk/investor/fund-centre/investor-communications.

With effect from **5th August 2020** we will also update the Prospectus and the Key Investor Information documents to reflect these changes. Please note that you may see changes to the Factsheet document produced for the Funds.

Timing of Changes

All the changes described in this letter will take effect on **5th August 2020**.

Contact Us

If you have any questions on this letter and the changes that will be made to the Funds you can contact us by calling 0345 113 6966 or +44 (0) 1268 44 5488 if outside the UK. Lines are open Monday to Friday 9am to 5.30 pm. Calls may be monitored and/or recorded to protect both you and us and help with our training.

Please note that while we will be able to answer general questions on this letter, we cannot provide financial advice.

If you do not understand this letter you should seek advice from a person authorised to give investment advice.

Thank you for your continued support of Aberdeen Standard Investments.

Yours faithfully



Gary Marshall
Aberdeen Standard Fund Managers Limited

APPENDIX – Excerpts of the Investment Policies (Current Wording and Proposed Changes)

| <i>Investment Policy Section</i> | <i>ASI Global Corporate Bond Tracker Fund</i> | <i>ASI Sterling Corporate Bond Tracker Fund</i> | <i>ASI Short Dated Sterling Corporate Bond Tracker Fund</i> | <i>ASI Short Dated Global Corporate Bond Tracker Fund</i> |
|-----------------------------------|--|--|--|---|
| Portfolio Securities | <p><u>Current</u> The fund will invest at least 90% in corporate bonds (loans to companies) that make up the Bloomberg Barclays Global Aggregate Corporate Index (Hedged to GBP). The fund may also invest in other funds including those managed by Aberdeen Standard Investments), money-market instruments, and cash.</p> <p><u>Proposed</u> The fund will invest at least 90% in bonds that make up the Bloomberg Barclays Global Aggregate Corporate Index (Hedged to GBP). The fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective. Indirect investment may be achieved via <i>derivatives</i> and <i>exchange-traded funds</i>. The fund will invest primarily in investment grade bonds, as defined by the index provider. The fund may also invest in government and sub-sovereign bonds, other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.</p> | <p><u>Current</u> The fund will invest at least 90% in bonds that make up the iBoxx Sterling Non-Gilts Index. The fund may also invest in gilts, other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.</p> <p><u>Proposed</u> The fund will invest at least 90% in bonds that make up the Markit iBoxx Sterling Non-Gilts Overall Total Return Index. The fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective. Indirect investment may be achieved via <i>derivatives</i> and <i>exchange-traded funds</i>. The fund will invest primarily in investment grade bonds, as defined by the index provider. The fund may also invest in gilts, other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.</p> | <p><u>Current</u> The fund will invest at least 90% in bonds that make up the iBoxx Sterling Non-Gilts (1-5 year) Index. The fund may also invest in gilts, other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.</p> <p><u>Proposed</u> The fund will invest at least 90% in bonds that make up the Markit iBoxx Sterling Non-Gilts 1-5 years Total Return Index. The fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective. Indirect investment may be achieved via <i>derivatives</i> and <i>exchange-traded funds</i>. The fund will invest primarily in investment grade bonds, as defined by the index provider. The fund may also invest in gilts, other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.</p> | <p><u>Current</u> The fund will invest at least 90% in corporate bonds (loans to companies) that make up the Bloomberg Barclays Global Aggregate Corporate 1 – 5 Year Index (Hedged to GBP). The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.</p> <p><u>Proposed</u> The fund will invest at least 90% in bonds that make up the Bloomberg Barclays Global Aggregate Corporate 1-5 year Index (Hedged to GBP). The fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective. Indirect investment may be achieved via <i>derivatives</i> and <i>exchange-traded funds</i>. The fund will invest primarily in investment grade bonds, as defined by the index provider. The fund may also invest in government and sub-sovereign bonds, other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.</p> |
| Derivatives and Techniques | <p><u>Current</u> The fund may use <i>derivatives</i> to reduce risk, reduce cost and/ or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Currency forwards are used to reduce (hedge) risk related to currency movements on non-Sterling assets in order to replicate the index provider's currency hedging strategy. <i>Derivative</i> usage otherwise in the fund is expected to be very limited. Where <i>derivatives</i> are used, this would typically be to maintain allocations while meeting cash inflows or outflows, or to manage currency risk.</p> <p><u>Proposed</u> The fund may use <i>derivatives</i> to reduce risk, reduce cost and/ or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Currency forwards are used to reduce (hedge) risk related to currency movements on non-Sterling assets in order to match the return of the currency hedged benchmark. <i>Derivatives</i> may also be used to reduce tracking error by enabling the fund to match the maturity profile ("duration") of the Bloomberg Barclays Global Aggregate Corporate Index (Hedged to GBP). <i>Derivative</i> usage in the fund otherwise is expected to be very limited.</p> | <p><u>Current</u> The fund may use <i>derivatives</i> to reduce risk, reduce cost and/ or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). <i>Derivative</i> usage in the fund is expected to be very limited. Where <i>derivatives</i> are used, this would typically be to maintain allocations to bonds while meeting cash inflows or outflows.</p> <p><u>Proposed</u> The fund may use <i>derivatives</i> to reduce risk, reduce cost and/ or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Where <i>derivatives</i> are used, this would typically be to reduce tracking error by enabling the fund to match the maturity profile ("duration") of the Markit iBoxx Sterling Non-Gilts Overall Total Return Index. <i>Derivative</i> usage in the fund otherwise is expected to be very limited.</p> | <p><u>Current</u> The fund may use <i>derivatives</i> to reduce risk, reduce cost and/ or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). <i>Derivative</i> usage in the fund is expected to be very limited. Where <i>derivatives</i> are used, this would typically be to maintain allocations to bonds while meeting cash inflows or outflows.</p> <p><u>Proposed</u> The fund may use <i>derivatives</i> to reduce risk, reduce cost and/ or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Where <i>derivatives</i> are used, this would typically be to reduce tracking error by enabling the fund to match the maturity profile ("duration") of the Markit iBoxx Sterling Non-Gilts 1-5 years Total Return Index. <i>Derivative</i> usage in the fund otherwise is expected to be very limited.</p> | <p><u>Current</u> The fund may use <i>derivatives</i> to reduce risk, reduce cost and/ or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Except for the use of <i>derivatives</i> to reduce currency exposure <i>derivative</i> usage in the fund is expected to be very limited. Where <i>derivatives</i> are used, this would typically be to maintain allocations while meeting cash inflows or outflows, or to manage currency risk.</p> <p><u>Proposed</u> The fund may use <i>derivatives</i> to reduce risk, reduce cost and/ or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Currency forwards are used to reduce (hedge) risk related to currency movements on non-Sterling assets in order to match the return of the currency hedged benchmark. <i>Derivatives</i> may also be used to reduce tracking error by enabling the fund to match the maturity profile ("duration") of the Bloomberg Barclays Global Aggregate Corporate 1-5 year Index (Hedged to GBP). <i>Derivative</i> usage in the fund otherwise is expected to be very limited.</p> |

| Investment Policy Section | ASI Global Inflation-Linked Bond Tracker Fund | ASI Short Dated Global Inflation-Linked Bond Tracker Fund | ASI Emerging Markets Local Currency Bond Tracker Fund |
|--|---|--|--|
| <p>Portfolio Securities</p> | <p><u>Current</u> The fund will invest at least 90% in government bonds that make up the Bloomberg Barclays World Government Inflation Linked Index (Hedged to GBP). The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash. 35% or more of the fund's total assets may be invested in securities issued by a single government issuer.</p> <p><u>Proposed</u> The fund will invest at least 90% in government bonds that make up the Bloomberg Barclays World Government Inflation- Linked Index (Hedged to GBP). The fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective. Indirect investment may be achieved via <i>derivatives</i> and <i>exchange-traded funds</i>. The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash. 35% or more of the fund's total assets may be invested in securities issued by a single government issuer.</p> | <p><u>Current</u> The fund will invest at least 90% in government bonds that make up the Bloomberg Barclays World Government Inflation Linked 1-10 years Index (Hedged to GBP). The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash. 35% or more of the fund's total assets may be invested in securities issued by a single government issuer.</p> <p><u>Proposed</u> The fund will invest at least 90% in government bonds that make up the Bloomberg Barclays World Government Inflation- Linked 1-10 years Index (Hedged to GBP). The fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective. Indirect investment may be achieved via <i>derivatives</i> and <i>exchange-traded funds</i>. The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash. 35% or more of the fund's total assets may be invested in securities issued by a single government issuer.</p> | <p><u>Current</u> The fund will invest at least 90% in government bonds that make up the JP Morgan GBI-EM Global Diversified Index. The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.</p> <p><u>Proposed</u> The fund will invest at least 90% in government bonds that make up the JP Morgan GBI-EM Global Diversified Index. The fund will typically invest directly but may also invest indirectly when deemed appropriate in order to meet its objective. Indirect investment may be achieved via <i>derivatives</i> and <i>exchange-traded funds</i>. The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.</p> |
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