



ASIAN INFRASTRUCTURE  
INVESTMENT BANK



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## ASIAN INFRASTRUCTURE INVESTMENT BANK PARTNERS WITH ABERDEEN STANDARD INVESTMENTS TO DRIVE ESG INVESTING AND DEVELOP SUSTAINABLE DEBT CAPITAL MARKETS IN EMERGING ASIA

### US\$500 million AIIB Asia ESG Enhanced Credit Managed Portfolio to Invest in Infrastructure Related Bonds

The Asian Infrastructure Investment Bank (AIIB) and Aberdeen Standard Investments (ASI) have forged a strategic partnership that aims to develop debt capital markets for infrastructure, drive responsible investing in fixed income and build a sustainable environmental, social and governance (ESG) ecosystem in emerging markets in Asia.

The partnership entails the US\$500 million AIIB Asia ESG Enhanced Credit Managed Portfolio managed by ASI on behalf of AIIB, which will comprise primarily Asian infrastructure related bonds including both green and unlabelled issuances, with ESG factors fully integrated in the investment process and portfolio management. In addition, through bespoke research and active engagement, ASI will work closely with AIIB on the launch of the **Sustainable Capital Markets Initiative**, which aims to catalyse ESG investing strategies, act as an engine of change to improve ESG standards and build capacity around responsible investing with various market participants including corporate bond issuers, rating agencies and index providers to improve disclosure and expand ESG rating coverage in Emerging Asia.

Over the next few decades, institutional investors are expected to play an integral role in financing Asia's growing infrastructure investment needs. As the region is facing some of the most pressing sustainability challenges, integrating environmental and social factors into investment decisions is critical, along with governance. In close alignment with AIIB's objectives and ASI's investment philosophy, the project aims to unlock the potential of ESG investing and mobilise private capital to support the region's sustainable development.

The Asia ESG Enhanced Credit Managed Portfolio was approved by the AIIB Board of Directors in December 2018. ASI was awarded the contract to manage the portfolio through a competitive bidding process.

#### **AIIB Vice President and Chief Investment Officer D.J. Pandian said:**

*"We believe that institutional investors are a key part of the solution to finance Asia's infrastructure investment needs over the coming decades. Integrating ESG standards into capital markets in Emerging Asia will be important to achieving long-term sustainable development goals. We look forward to partnering with Aberdeen Standard Investments to achieve our shared vision of sustainable capital markets in Asia."*

#### **Standard Life Aberdeen Chairman Sir Douglas Flint, CBE, said:**

*"We are truly honoured to be entrusted by AIIB with this important partnership. Having been investing in Asia for three decades, Aberdeen Standard Investments shares AIIB's commitment to deepening the region's capital markets and building a sustainable ESG ecosystem for investing. ESG investing has always been part of our DNA. The significant need for more infrastructure investment in Asia offers a real opportunity to embed ESG principles, while countries and communities accrue the long-term social and economic value that comes from the asset class."*

The portfolio will be managed by ASI's Asian fixed income team based in Singapore, which has a long-term track record in emerging markets investing. To support AIIB's mission to improve social and economic outcomes in Asia, the portfolio has a strong emphasis on ESG. All bonds will be screened, assessed and managed in accordance with both AIIB and ASI's ESG investing principles. ASI will also leverage its global ESG team's deep insights and proprietary thematic research to inform investment decisions and further develop industry knowledge with AIIB.

Aberdeen Standard Investments' ESG team is one of the best resourced in the industry, with a broad range of in-house tools to inform ESG analysis and extensive experience in ESG investing across asset classes. ESG philosophy has been integrated into ASI's investment process, decisions and product suite for over 25 years, as the firm believes it will ultimately generate the best possible long-term, risk-adjusted returns for its clients.

Aberdeen Standard Investments is the asset management business of Standard Life Aberdeen plc, one of the world's largest investment companies.

## **Ends**

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### **About Asian Infrastructure Investment Bank**

The Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank with a mission to improve social and economic outcomes in Asia. Headquartered in Beijing, we began operations in January 2016 and have now grown to 97 approved members worldwide. By investing in sustainable infrastructure and other productive sectors in Asia and beyond, we will better connect people, services and markets that over time will impact the lives of billions and build a better future.

### **About Aberdeen Standard Investments**

Aberdeen Standard Investments is a leading global asset manager dedicated to creating long-term value for our clients, and is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

With over 1,000 investment professionals we manage US\$676.8 billion\* of assets worldwide. We have clients in 80 countries supported by 50 relationship offices. This ensures we are close to our clients and the markets in which they invest. We are high-conviction; long-term investors who believe teamwork and collaboration are the key to delivering repeatable, superior investment performance. We are resolute in our commitment to active asset management.

Aberdeen Standard Investments is the asset management business of Standard Life Aberdeen plc, one of the world's largest investment companies. Standard Life Aberdeen plc is headquartered in Scotland. It has around 1.2 million shareholders and is listed on the London Stock Exchange. The Standard Life Aberdeen group was formed by the merger of Standard Life plc and Aberdeen Asset Management PLC on 14 August 2017.

\*as at 31 March 2019

**Important Information**

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

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