



Responsible Investment Policy for Aberdeen Alternatives

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Policy

Aberdeen's vision is to be recognised as a premier alternatives investment provider. Operating globally with offices in Europe, the USA, Asia, and Australia, Aberdeen's Alternatives offering provides Clients with specialist access to a range of alternative and pan-alternative investment solutions. Aberdeen believes that investing in alternatives can offer a range of benefits to investors, including greater confidence in being able to generate long-term growth, enhanced returns and reduced volatility. Solutions include Multi-Manager exposures in Private Markets, Property, and Hedge Funds, along with direct investments, predominately in Infrastructure.

Across the range of solutions provided for Clients – and the breadth of underlying investments made – Aberdeen believes that it is important to integrate an analysis of the risks (and potential opportunities) arising from Environmental, Social and Corporate Governance ('ESG') issues. A key part of Aberdeen's philosophy is to focus on capturing long-term sustainable returns from high quality investments. These issues therefore form a natural component of proprietary fundamental research. As a long-term investor, Aberdeen also believes that it is important to be a constructive investor and owner of assets on an on-going basis.

To reflect this, Aberdeen Alternatives' has adopted the following approach to responsible investment:

- Investment research incorporates the consideration of material ESG factors, so that investment teams can more accurately identify and understand all the risks and opportunities presented by a potential investment
- When investing in new Funds, the due diligence process has evolved to include consideration of the underlying ESG risks and opportunities and how they are managed. This includes, for example, the way in which the third-party Fund Manager incorporates ESG issues into decision-making. Where applicable, Aberdeen would look to understand a Manager's specific ESG policy and the rigour with which it is applied, as well as the degree to which ESG issues are formally embedded in the process before and after investment and the approach to reporting on these aspects to Clients
- Where assets are directly owned, or where Aberdeen is directly investing in a company, it seeks to understand the specific ESG risks and opportunities associated with that investment, how they are managed, and, where appropriate, how they are mitigated. Factors that are material to underlying holdings could include such topics as remuneration, corruption, climate change, human rights, and supply chain issues
- Once invested, Aberdeen continues to engage with the underlying Fund Managers and direct holdings on these and other issues

Ultimately, the attractiveness of any investment opportunity is driven by a broad range of factors. In some cases ESG issues have a limited impact on the potential risks or opportunities for an investment. However, particularly for less liquid Private Market, Infrastructure, and Property holdings, and/or investments in less developed markets, these issues can be meaningful in any assessment.