

# Risk acknowledgement form for Non-Investment Grade/Unrated Instrument

Apply to funds below;

Aberdeen Standard Euro High Yield Bond Fund (ABEHB)\*

Aberdeen Standard Emerging Opportunities Bond Fund (AEOB)\*

I/We have acknowledged, and understood the investment policy in non-investment grade/unrated instruments, including the risks and impact pertaining to the investment in such instruments and that:

1. Investment policy of non-investment grade/ unrated instrument

The fund may invest in non-investment grade/ unrated instrument more than 60% of its NAV.

2. The risks of investment in non-investment grade/ unrated instruments

The fund primarily invest in instruments with higher credit and liquidity risks than those invested by a general fixed income fund. The issuer of such instruments may not be able to fully repay, the principal and interest within the agreed period of time. Therefore, this fund is suitable for investors with a financial status that can accept the risks of losses to the investment capital.

For the investment in high risk or complexity funds, I/We certify that I/We have received documents, explanation, warning and investment advice from the management company. I/We have acknowledged, and understood that the investment in such fund contain high risk or complexity which differ from investment or transaction in ordinary capital market products, even though I/We have a previous experience investing or transacting in a capital market. I/We have studied and understood the risks involved and specific conditions of the above fund before making my/our investment decision.

I/We agree to be bound by the terms and conditions as specified in the fund's prospectus.

Signature

Mobile phone number  
(please identify)

Date

\*The fund invests in the above instruments through a foreign fund (Master Fund). The Master Fund will invest in non-investment grade/unrated instruments more than 60% of its NAV.

## Relevant risks

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Investing in this fund involves high risk or complexity which are higher than investing in general fund. Despite the fact that the investor may have previous investment experience, the investor should understand the following risks that are including but not limited to:

### 1. Market Risk

The changing factors such as economic, financial market conditions or government policy may affect the price of underlying fixed income instrument invested by the Master Fund and results in the fluctuation of the investment unit's price.

### 2. Credit Risk

The fund's performance may be influenced by the performance or business capability of the issuers of the underlying fixed income instrument invested by the Master Fund. The credit risk reflects the issuer's ability to meet its financial obligation.

### 3. Interest Rate Risk

The risks of fluctuation in the interest rate may affect the capital value of the underlying fixed income instrument. When long-term policy interest rate adjusts upwards the capital value of the fixed income instruments are likely to adjust downwards and when long-term policy interest rate adjusts downwards the capital value of the fixed income instruments are likely to adjust downwards.

### 4. Liquidity Risk

Fixed income instruments or fixed income markets of the same countries invested by the Master Fund may lack liquidity, efficiency, regulatory and supervisory controls of more developed markets, which may adversely affect the value or ease of disposal/sales of assets resulting in negative impact to the fund's performance.

### 5. Exchange Rate Risk

Where investment involves foreign currency transactions. The currencies may be subject to fluctuations of currency values. Exchange rates may also cause the value of the underlying overseas investment to go down or up which may affect the performance of the fund.

### 6. Regulatory Risk

Risk associated to the implementation of law, regulation and governance of the underlying markets. This can add to uncertainty and volatility in the underlying asset price.

### 7. Political and Economic Risk

Systematic risks in the emerging market in many form including the lack of efficiency in government, changes in the economic policy which may be sudden and add to risks of the market.

### 8. Accounting Practice Risk

Accounting policies in different countries may not be align with international practice and may cause risk in asset valuation and transparency of the accounts.

### 9. Execution and Counterparty Risk

Some countries may not have an efficient system of asset transfer and asset pricing which may lead to difficulty in enforcing Counterparty contracts.

This may cause contracts to be enforced in a manner that is disadvantaged to the buyer or seller.