March 2021

Fund Guide

Standard Life Investments Global SICAV - Total Return Credit Fund

Key features

Well diversified Total Return Credit fund investing in our highest conviction ideas 70 – 100 Issuers	**Compelling performance target** Total return target of 3-6% p.a. over the credit market cycle	**Reduced volatility and drawdown compared to higher yielding global credit** supporting robust risk adjusted returns	**Attractive and stable income distribution** Portfolio of higher yielding issuers, generating attractive income

Total Return Credit (TRC) has been running for over five years and continues to represents one of the most innovative and relevant Fixed Income products from Aberdeen Standard Investments.

Total Return Credit is a global unconstrained strategy, focused on bonds that offer attractive yields and higher return potential, which seeks to deliver a total return of 3 – 6% p.a. over the credit market cycle. We aim to achieve this target outcome with a lower level of volatility and drawdown than higher yielding global credit markets to produce robust risk adjusted returns.

The Total Return Credit Fund has performed strongly since inception, including in the market volatility period of 2020.

Why Total Return Credit?

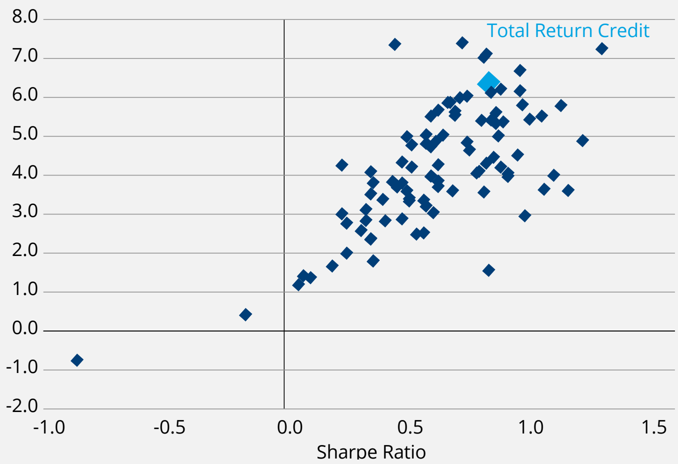
Deciding where to invest a fixed income allocation continues to be challenging. Economic uncertainty has driven Government bond yields to historic lows and is forcing investors to take more risk to deliver acceptable return outcomes. However, the same economic uncertainty, has led to increasing corporate debt levels, lower credit worthiness, as well as dispersion in individual name, sector and asset class pricing across global credit markets.

Against this backdrop we believe an appropriate Fixed Income strategy is to focus on stock selection with an emphasis on mitigating drawdowns during periods of heightened market volatility. The Total Return Credit Fund seeks to achieve such an outcome.

In the past our investment approach has performed strongly compared to its peer group. When analysing both the eVestment Global Unconstrained Fixed Income and Multi-Asset Credit universes, which include a range of unconstrained Multi Asset Credit and Absolute Return funds, the Total Return Credit Fund is ranked in the top decile (7th out of 95 funds) based on total returns and top quartile in terms of the Sharpe ratio (23rd of 95 funds).

How the Total Return Credit Fund compares to peers on a risk adjusted basis

Total return p.a (since inception October 2014)



Source: eVestment Multi-Asset Credit Fixed Income and eVestment Global Unconstrained Fixed Income universes. Returns in USD, 31 December 2020

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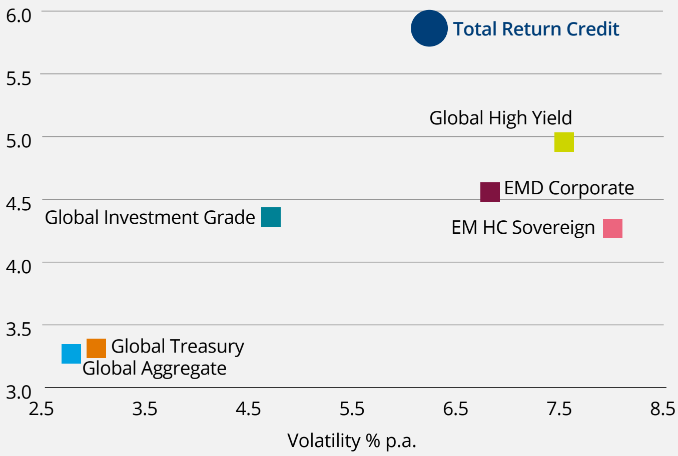
Aberdeen Standard Investments

How has the Total Return Credit Fund performed?

Delivering enhanced returns with reduced volatility since inception

Since inception return % p.a. (October 2014)



Source: Aberdeen Standard Investments, Barclays Indices: Global Aggregate, Global Aggregate Corporate, Global Treasury, Global High Yield Corporate, Emerging Market USD Aggregate: Sovereign, Emerging Market Corporate (10% country capped), gross returns hedged to GBP, 31 December 2020.
Performance is shown gross of fees and does not reflect investment management fees. Had such fees been deducted, returns would have been lower.

Past performance is not a guide to future results.

The Total Return Credit strategy has produced robust risk adjusted returns since inception (October 2014), delivering an annualised total return of 5.7%, which compares favourably to both Global High Yield (4.8%) and EM debt markets (4.2%) over the period.

How are the returns generated?

- At the core of the Fund is a credit portfolio consisting of 70 – 100 high conviction ideas sourced from across ASI's broad analyst coverage in global credit markets including Investment Grade, High Yield, Emerging Markets and Asset Backed.
- Idea generation leverages off the deeply resourced 150+ ASI Fixed Income team based across Europe, US and Asia, integrated through our global research platform. We believe this helps us to unearth high conviction idiosyncratic credit issuers and specific bond structures.
- While the Fund is concentrated on best ideas, portfolio construction provides diversification across sector, country, credit ratings and themes. The average credit rating ranges between BBB and BB- and the Fund has reduced sensitivity to interest rates, with duration ranging between 2 to 5 years.

What constitutes a best credit idea?

The Fund' investment scope is not constrained by any benchmark and includes the following asset classes:

- Global Credit
- Global High Yield
- Emerging Market Debt - Hard and local currency sovereign and corporates
- Asset-backed securities
- Sub-financials

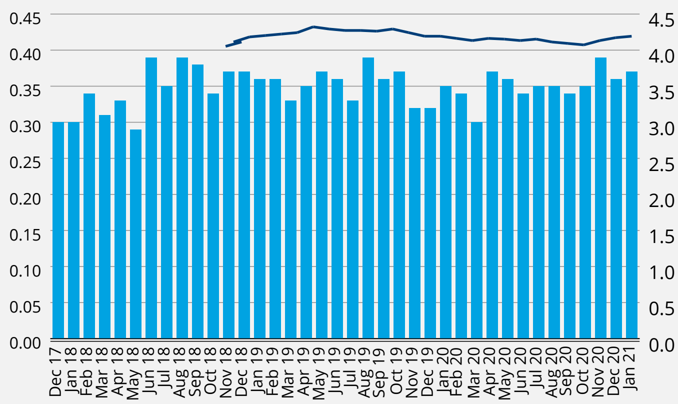
Our firm-wide fundamental bottom-up credit research process would typically produce 200-300 positive recommendations (i.e. analyst ratings of Buy and Overweight) from the broad global opportunity set. The Total Return Credit Fund portfolio management team has access to the entire pool of positive-rated names through the firm's shared research database and uses these as a starting point for building the credit portfolio. The key considerations for portfolio selection are:

Core considerations	Question we asks ourselves
Relative Value	Does the credit offer the best opportunity in context of the global opportunity set?
Yield	Is the expected return compelling enough to contribute to the strategy's return objective? Do return expectations compensate for expected volatility?
Trigger	We seek out idiosyncratic risk that is mispriced. Is there a trigger - bond structure, event driven or regulatory change etc. – that may result in capital upside?
Diversification	When included in the portfolio, do we avoid unnecessary concentration of risk in terms of rating, sector, structure and theme?

High and stable income distribution

Given an average credit rating of between BBB to BB- the portfolio is constructed mainly of higher yielding and coupon-paying bonds. In the past this has delivered a compelling and stable income stream on both a monthly and rolling 1-year basis.

High and stable distribution rate (%)



Monthly gross distribution rate (LHS)
Rolling 12 month gross distribution rate (RHS)

Source: Aberdeen Standard Investments, Barclays, JP Morgan, gross returns hedged to GBP, January 2021.

Past performance is not a guide to future results.

How do we manage risk?

We complement our best credit ideas with the use of a risk management tool kit designed to reduce the downside in negative credit market conditions. This is focused on two key aspects.

1. Diversification – Credit composition

Although the Total Return Credit Fund is an unconstrained best ideas credit portfolio, there are a number of investment parameters in place to avoid high concentration. These include;

Number of Issuers:	Minimum 70 Issuers
Sector allocation:	Maximum 25%
Country exposure:	Maximum 30% (excluding US, Maximum 60%)
Rating:	Maximum 30% rated CCC
EMD Sovereign:	Maximum 30% (Local currency Maximum 10%)
ABS:	Maximum 20%
Contingent convertibles:	Maximum 10%
Duration:	2 – 5 Years

Secondly, although the portfolio consists primarily of higher yielding credits, it is not a High Yield fund. We target an average credit rating of BBB- to BB. Accordingly the composition of the portfolio aims to deliver a broad set of diversified investment ideas.

2. Tailoring credit beta

We complement our best credit ideas with a set of targeted strategies which are aimed at helping the Fund to deliver not just a compelling total return but also strong risk adjusted returns. We use a number of levers to achieve this outcome:

- **Tactically managing the credit exposure of the Fund:** When we identify short term dislocations in market pricing, we can adjust up the credit risk of the Fund through the use of Credit Default Swap (CDS) indices. This is a more cost and time efficient means of adjusting the credit profile without having to bear the cost of buying and selling physical bonds to reshape the portfolio.
- **Defensive trades:** We implement selected trades, typically 3 – 7 at any given time, that we believe can contribute positive returns in market conditions that are negative for risk assets. These trades typically consist of duration, FX pairs and options. The criteria for inclusion is based on whether these trades:
  - Exhibit low to negative correlation to credit spreads
  - Are efficient to implement and not overly costly in positive markets

Asset class	Typical exposure[1]	Rationale/ benefits
Investment Grade Corporates	15% - 25%	• Lower risk • Offer best relative value and implementation of risk theme • Yield curve mispricing – taking longer dated exposures • Trigger for capital upside considerations
Non-Traditional High Yield	20% -30%	• Lower correlation to High Yield. • Typical exposure types: - Subordinated bank debt - Emerging Market Corporates and Sovereigns - Subordinated debt from IG-rated issuers
Traditional High Yield	30% – 40%	• Yield-generating • Stable business models • Deleveraging stories • Rising star candidates (upgrades from HY to IG) • Mispriced fallen angels (downgrades from IG to HY)

[1] Ranges based on historical exposures. The Fund has the flexibility to operate outside these ranges.

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What is the outcome?

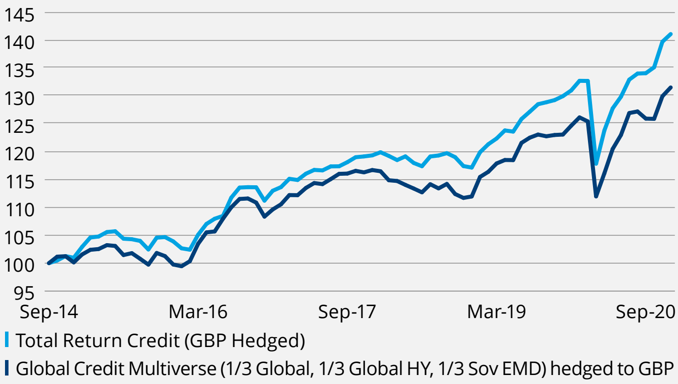
The Total Return Credit Fund has been able to consistently reduce drawdowns in down markets since inception. This can be seen in the table below, where we compare the Fund to Global High Yield, which is a good proxy for higher risk credit assets.

Periods of significant drawdown	TRC Drawdown	GHY Drawdown	% reduction of GHY drawdown
13 Nov 14 - 16 Dec 14	-0.95%	-4.01%	76.25%
3 March 15 - 18 March 15	-0.50%	-1.21%	58.60%
1 June 15 - 11 Feb 16	-4.68%	-11.07%	57.69%
10 June 16 - 27 June 16	-0.56%	-1.47%	61.73%
26 Oct 16 - 14 Nov 16	-2.01%	-2.36%	14.99%
3 March 17 - 14 March 17	-0.61%	-1.56%	60.78%
25 Oct 17 - 15 Nov 17	-0.64%	-1.26%	49.38%
29 Jan 18 - 2 July 18	-2.29%	-2.15%	-6.50%
4 Oct 18 - 26 Dec 18	-2.68%	-4.88%	45.06%
2 May 19 - 06 June 19	-0.37%	-1.45%	74.28%
30 July 19 – 15 Aug19	0.21%	-1.14%	118.10%
21 Feb 20 - 23 March 20	-15.66%	-22.59%	30.68%

The above table captures all recent periods when Global High Yield corporates have delivered a total return of -1% or worse. Since inception of the Total Return Credit Fund (Oct 2014), our approach has consistently reduced drawdowns and in particular against some of the most notable market events such as the 2015/2016 Energy Crisis, the Q4 2018 market correction and 2020 Covid-19 sell-off.

Over the life of the Fund, our defensive trades have reduced portfolio volatility and drawdowns, supporting a strong outcome for clients. They have contributed+0.49% (GBP hedged) to total returns per annum since inception. As such, the Fund's risk mitigation strategies have supported the delivery of more attractive risk adjusted returns compared to higher yielding credit markets

Attractive Asymmetry of returns



Source: Aberdeen Standard Investments, Barclays, JP Morgan, gross returns hedged to GBP, 31 December 2020.

Past performance is not a guide to future results.

Summary

Ultimately the target outcome for investors is a best ideas credit portfolio that can deliver attractive asymmetrical returns. Compared to the Global Credit Multiverse Index, the Total Return Credit Fund has outperformed since inception with an asymmetric upside (97%) and downside (73%) capture ratio.

Discrete annual returns - year to 31/1

	2021	2020	2019	2018	2017
Fund (gross) (%)	6.68	11.05	-0.34	5.51	10.70
Fund (net) (%)	6.15	10.33	-0.98	4.71	9.97

Performance Data: Share Class D Acc GBP
Source: Aberdeen Standard Investments. Basis: Total Return, NAV to NAV, net of annual charges, gross income reinvested, (GBP).
"Fund (Net)" refers to the actual unit price performance of the shareclass shown; "Fund(Gross)" adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark. All return data includes investment management fees, operational charges and expenses, and assumes the reinvestment of all distributions. The returns provided do not reflect the initial sales charge and, if included, the performance shown would be lower.

Past performance is not a guide to future returns and future returns are not guaranteed.

Key reasons to invest in the Total Return Credit Fund

Robust returns and lower volatility than Higher Yielding global credit markets

Since inception, the Fund in October 2014, it has delivered an annualised return of +5.7%, which is ahead of Global High Yield and EM Debt markets, and crucially this has been achieved with lower volatility, resulting in higher risk adjusted returns.

Low interest rate sensitivity

The portfolio is managed with a low duration bias of between 2 to 5 years, which is notably lower than most conventional benchmark indices.

Asymmetric upside/downside capture

With our high conviction portfolio driving returns and defensive trades limiting drawdowns, when measured against the Global Credit Multiverse Index (an equally weighted benchmark consisting of Global Investment Grade, Global High Yield and Emerging Market Debt Hard Currency Sovereign), the Total Return Credit Fund has had a 97% upside capture ratio and only 73% of downside capture.

Attractive Income

The Total Return Credit Fund has a focus on the higher yielding credit holdings, each with a strong underlying investment thesis supporting our conviction. The current level of income yield in the Fund is 4.2% p.a (distributed monthly).

“Over the life of the Fund, our defensive trades have reduced portfolio volatility and drawdowns, supporting a strong outcome for clients.”

Important Information

For professional investors only - not for public distribution.

- The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. Past performance is not a guide to future results.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and / or bonds.
- Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- More details of the risks applicable to this Fund can be found in the Key Investor Information Document (KIID) and Prospectus, both of which are available on request or at our website **aberdeenstandard.com**

The Fund is a sub-fund of Standard Life Investments Global SICAV a Luxembourg-domiciled UCITS fund, incorporated as a Société Anonyme and organised as a Société d'investissement à Capital Variable (a "SICAV "). The information contained in this marketing document should not be considered as an offer, investment recommendation or solicitation, to deal in the shares of any securities or financial instruments. It is not intended for distribution or use by any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication or use would be prohibited. No information, opinions or data in this document constitute investment, legal, tax or other advice and are not to be relied upon in making an investment or other decision. Subscriptions for shares in the Fund may only be made on the basis of the latest Prospectus and relevant Key Investor Information Document (KIID) which can be obtained free of charge upon request or from **aberdeenstandard.com**.

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