

Changes to UK Investment Funds – from 7th August 2019



Investment objective & policy changes – Standard Life Wealth Phoenix Fund (to be renamed Aberdeen Standard Capital Phoenix Fund)

Investment objective		Investment policy	
Existing	Proposed	Existing	Proposed
<p><u>Investment Objectives and Policies of the Scheme</u></p> <p>The objective of the Scheme is to achieve long-term capital growth in excess of cash ('cash' being the London Inter-Bank Offered Rate ("LIBOR")) returns from a balanced portfolio diversified across a range of assets. The Scheme may invest in equities, fixed interest securities, collective investment schemes, warrants, derivative instruments, deposits and approved money market instruments. By investing in the Scheme, capital is at risk. There is no guarantee that the Scheme will deliver positive returns over the long term, or any, time period.</p>	<p><i>Performance Target:</i> To exceed the return of the 1 Month GBP LIBOR plus 2% per annum, evaluated over <i>rolling</i> three year periods (before charges). The <i>Performance Target</i> is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the <i>Performance Target</i>.</p> <p>The Manager believes this is an appropriate target for the fund since it reflects the risk and return profile that private clients expect and aligns with the investment policy of the fund.</p>	<p>See existing investment objective.</p>	<p>Portfolio Securities</p> <p>The fund invests at least 70% in global equities (company shares and investment trusts), and <i>bonds</i> including government <i>bonds</i> (loans to a government) and <i>investment grade</i> corporate <i>bonds</i> (loans to a company) issued anywhere in the world.</p> <p>The fund's equity holdings may include for example investments in companies operating in infrastructure, energy, property and <i>commodities</i>.</p> <p>The fund's <i>bond</i> holdings may include for example investment in sub-sovereign debt, <i>sub-investment</i> grade and convertible issued</p>

anywhere in the world.

The fund has flexibility to seek returns from currencies.

The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), *money-market instruments*, and *cash*.

Management Process

The management team use their discretion (*active management*) to identify holdings and *derivatives* based on an analysis of global economic and market conditions (for example, *interest rates* and inflation) and analysis of a company's prospects and *creditworthiness* compared to that of the market.

They focus on selecting company shares, *bonds* and *derivatives*, and ensuring that the allocation of assets meets the fund's objectives.

The team also seek to reduce the risk of losses and the expected change (as measured by annual volatility) in the value of the fund, is not ordinarily expected to exceed 12%.

Derivatives and Techniques

The fund may routinely use *derivatives* to reduce risk, to reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "***Efficient Portfolio Management***"), and for

investment purposes.

Derivatives include instruments used to manage expected changes in interest rates, companies share prices, currencies or *creditworthiness* of corporations or governments.

The fund may also invest in other funds which may use *derivatives* extensively although these investments shall be in line with fund's overall risk profile.

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