

May 2020

Sustainable Investment Approach for the Islamic and Shariah Fund Range

Approach applies to

- Aberdeen Standard Islamic SICAV – Islamic Global Equity Fund
- Aberdeen Standard Islamic World Equity Fund
- Aberdeen Standard Islamic Asia Pacific Ex Japan Equity Fund
- Aberdeen Standard Syariah Asia Pacific Equity Fund

The Aberdeen Standard Islamic and Aberdeen Standard Shariah funds have been designed for investors seeking returns that comply with Shariah law and Islamic Investment Guidelines. However, these funds are open to Islamic and non-Islamic investors alike.

Investors should be aware that investments will be managed in accordance with the advice of the respective Shariah Advisory Boards on these funds for compliance with the Islamic Investment Guidelines as set out in the fund prospectuses.

Islamic investment guidelines

Islamic investment refers to a range of contractual arrangements and investment guidelines that are in compliance with Shariah law. Subject to the Investment Objective and Policy of each fund, no fund or sub-fund shall make investments in companies whose activities would be considered contrary to the Islamic Investment Guidelines on that fund.

Where a cash dividend, that has an interest element, is received by the fund from a company invested in, such cash dividend will be cleansed pursuant to the procedure as set out in the fund prospectus. Each Investor shall be responsible for the payment of their own Zakat (donation to charity).

Islamic investment guidelines and other non-Islamic income

The Investment Manager will receive the Shariah Advisory Board's instructions as set out in the Investment Management Agreement on the specific funds. Pursuant to such instructions by the Shariah Advisory Board, the Investment Manager will, for instance, not be allowed to invest in securities and other financial instruments which, in the opinion of the Shariah Advisory Board, are not or are no longer, in compliance with the Islamic Investment Guidelines. A list of the kind of harmful activities, that companies undertake and which would preclude any Sub-Fund from investing in them, is set out below:

- adult entertainment;
- tobacco;
- pork-related products;
- alcohol;
- conventional financial services;
- weapons and defence;
- sectors/companies significantly affected by the above.

For the following funds:

Aberdeen Standard Islamic World Equity Fund

Aberdeen Standard Islamic Asia Pacific Ex Japan Equity Fund

Investment in companies with the following core activities and instruments are also prohibited:

- (i) gambling
- (ii) cloning
- (iii) advertising and media with the following exceptions:
 - (a) news channels
 - (b) newspapers
 - (c) sports channels
 - (d) children's channels
- (iv) trading of gold and silver as cash on deferred basis
- (v) financial except:
 - (a) Islamic banks;
 - (b) Islamic financial institutions; and
 - (c) Islamic insurance companies;
- (vi) whose total debt divided by market value of equity (36-month average) is equal to or more than 33 per cent, where total debt equals short term plus current portion of long terms debt plus long terms debt;
- (vii) where the sum of cash and interest-bearing securities divided by market value of equity (36-month average) is equal to or more than 33 per cent;
- (viii) where the accounts receivable divided by market value of equity (36-month average) are equal or more than 49 per cent, where "accounts receivables" means current receivables plus longer-term receivables;
- (ix) where income from non-permissible activities exceeding five per cent of the revenue of the company.

Our responsible investing capabilities

As a leading global asset manager, we believe that investing responsibly can help generate long-term value for our clients. We offer an extensive and growing range of investment solutions, as well as the very highest levels of service and support.

When investing our clients' capital, environmental, social and governance (ESG) considerations are an integral part of our decision-making. By understanding how ESG factors affect our investments, we believe we can generate better outcomes for our clients, society and the wider world.

To help us achieve this, our dedicated, 20-strong ESG Investment team works closely with colleagues across all asset classes to support this work. A further 30 dedicated ESG asset-class analysts provide an additional layer of expertise.

Important Information

Investment involves risk. The value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount invested.

This document relates to the range of Islamic and Shariah funds. For more information on individual Islamic and Shariah funds, the risks applicable to them, and their respective benchmarks, please refer to the Key Investor Information Document or the Prospectus.

Please note that some of the investments referenced in this publication are not authorised for distribution in all of those jurisdictions in which we operate. For further information, please speak to your usual contact or visit www.aberdeenstandard.com

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