

Changes to UK Investment Funds – from 7th August 2019



FAQ document

Who is Aberdeen Standard Investments?

Standard Life Aberdeen plc is one of the world's largest investment companies, created in 2017 from the merger of Standard Life plc and Aberdeen Asset Management PLC. Operating under the brand Aberdeen Standard Investments, the investment arm manages £505.1bn (as at 31 December 2018) of assets, making it the largest active manager in the UK and one of the largest in Europe. It has a significant global presence and the scale and expertise to help clients meet their investment goals.

As a leading global asset manager, Aberdeen Standard Investments is dedicated to creating long-term value for our clients. The investment needs of our clients are at the heart of what we do. We offer a comprehensive range of investment solutions, as well as the very highest level of service and support.

Do I need to take any action? / Do I need to do anything?

You do not need to take any action based on these changes.

Changes to Fund Names

Why is my fund changing name?

Following the merger of Standard Life plc and Aberdeen Asset Management PLC, our fund names are being amended to reflect the new Aberdeen Standard Investments brand.

When are the fund names changing?

UK fund names will change on Wednesday, 7th August 2019.

Where will I find a list of old and new fund names?

A list of old and new fund names are available on our website.

Will the fund name changes impact any of the share class codes?

All share class codes and company registration numbers will remain the same.

Will I still be able to distinguish my Aberdeen Funds from my SLI Funds?

Following the merger of Standard Life plc and Aberdeen Asset Management plc, the combined company has adopted a single fund management brand, Aberdeen Standard Investments (ASI).

As a result, our funds are being renamed to reflect the ASI brand. For a limited number of funds, where funds have similar names, we are including a reference to Standard Life Investments (SLI) or Aberdeen Asset Management (AAM) to avoid confusion.

For certain funds (where Aberdeen Standard Capital is the sub-adviser), the name will have Aberdeen Standard Capital at the beginning in place of Standard Life Wealth.

Why have the new fund names been chosen?

In most instances, our UK fund names are being amended only to reflect the Aberdeen Standard Investments branding. We are also revising some of our fund names to ensure that they are more closely aligned to fund objectives and investment policies.

Are there any plans to merge funds with similar names?

We keep our fund range under review, and where we believe it is in the best interests of customers, would look to merge appropriate funds. Similar fund names does not necessarily mean that the funds should merge, as the way in which they are managed could differ. Customers should review the KIIDs and prospectus documents for a full explanation of how the funds are managed, rather than simply relying on the fund name. If any proposal to merge funds is made, full information will be issued to investors.

Has there been a change to the investment objective or process associated with the name change? Will this affect my investment?

We are taking the opportunity to update the way we describe our UK funds by amending the wording of the investment objectives but we will not be changing the way we manage funds. There will be no change to funds' risk profiles or charges.

Changes to Investment Objective and Policy

What changes are you making - investment objectives and policies?

We are amending the way we describe what our funds aim to achieve and how they do so. In particular, we are seeking to make it clearer what assets our funds invest in and how our fund managers run funds. We are providing more detail about the portfolio construction process, and giving investors a sense of how “actively” their fund is managed. “Active” management refers to the extent to which a fund’s performance profile is likely to deviate from a comparator such as other funds which invest in similar asset types, or an index which is composed of the types of assets in which the fund invests. Finally, we are providing more detail about how funds use instruments known as derivatives to achieve their objectives.

Why are you changing the funds’ investment objectives and policies?

The Financial Conduct Authority (FCA) has made changes to its rules regarding how authorised fund managers disclose the use of benchmarks which we need to comply with. Since this requires us to change investment objectives and policies we are taking the opportunity to also update the way we describe what our funds aim to achieve and how they do so to ensure our investors have as much clarity as possible.

Will the change to the investment objective affect my investment?

Although the language of the investment objective and policy of our UK funds will change, there is no change to either: (i) the way in which the UK funds will be managed; or (ii) the risk profile of any UK fund. The changes are descriptive only and have been made solely for the purpose of providing investors with more granular detail on the investment objective and policy of the UK funds and making simplifications and clarifications where we consider this to be appropriate or helpful.

Changes to Benchmark Disclosure

What changes are you making - benchmarks?

The new FCA rules require us to explain in our fund documentation when and why we use a particular benchmark in the management of our UK funds. The FCA’s rules identify 3 benchmark categories:

1. **A constraint** – a factor that a fund manager uses to limit or constrain how they construct a fund’s portfolio with the intention of limiting risk;
2. **A target** - a level of performance which a fund manager has in mind when managing a particular fund; and
3. **A comparator** – an index or similar factor against which a fund manager invites investors to compare a fund’s performance.

In order to reflect our compliance with these new rules, we are amending our UK fund documentation to explain whether any benchmark is used and, if so, why we have used that particular benchmark. We have also identified how we have categorised our use of that benchmark.

Why are you only now disclosing benchmarks?

We have always shown how our funds perform relative to a benchmark in documents such as factsheets. However, the FCA are changing their rules so that this benchmark must be explicitly referenced within funds’ investment objective and policies, as well as documents like the factsheet and Key Investor Information Document. In addition, in some cases funds are managed with the aim of achieving a certain level of performance versus other similar funds, often grouped together in a “sector” such as for example the Investment Association UK All Companies. In these cases, we will usually use a separate reference point such as an index like the FTSE 100 to measure risk and inform portfolio construction. We are now explicitly stating this where applicable within investment objectives and policies.

Have you always had the same benchmarks?

We are not changing any fund benchmarks. Over time, fund benchmarks may change - typically when the name of the benchmark changes. We have always noted this in fund factsheets when this has happened in the past and will continue to do so.

Additional Information

Have you changed your contact details?

No. All our contact details will remain the same

Are there any changes to the charges of the funds?

No. We are not making any changes to fund charges.

Will these changes affect the risk profile of my Fund?

No. There will be no change to the risk profile of any fund as a result of these changes.

Will these changes affect the return of my Fund?

No. We are not changing how funds are managed, simply changing how we describe this. Investors should of course bear in mind that future returns are not guaranteed.

Will the Fund Manager be changing as a result of this?

No. We are not changing any fund managers as a result of these changes.

Will the statement periods change?

No. There will be no change to the statement periods.

Will I have to make changes with my bank for any regular savings facility/collections I have in place?

No. Unless you wish to change the amount of your regular investment, in which case you need to contact us.

Will accounting periods change?

There will be no change to the accounting periods.

Are there any tax implications of this change?

There are no tax implications as a result of this change.

I sold my holding with you recently. Why am I still getting this communication?

The date we prepared a data cut for our mailing was prior to the sale of your holding.

How do these changes affect platforms, data providers and KIIDs?

We have worked with providers to make the name changes on their platforms and to update the KIIDS and KIDS in line with our planned timings.

When will the Prospectus be updated/available with the changes?

It is our intention to update prospectuses (and KIIDs) on or before 7 August 2019. Factsheets will be updated as soon as is practical after this date.

Will you be providing me with updated literature and fund documentation?

Updated literature and fund documentation will be available on our website.

Where will I find a list of affected ISIN's?

If you require a list of the ISINs impacted by this issue, please use the contact number or address provided.

Why are ASI wasting money contacting me regarding this?

It is a regulatory requirement for us to make changes and inform clients of these changes.

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

Aberdeen Standard Fund Managers Limited is registered in England and Wales (740118) at Bow Bells House, 1 Bread Street, London EC4M 9HH. SLTM Limited is registered in Scotland (SC075550) at 1 George Street, Edinburgh, EH2 2LL. Aberdeen Standard Fund Managers Limited and SLTM Limited are authorised and regulated by the Financial Conduct Authority.

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