



# Additional Information Booklet

Issued: 11 October 2023

Issued by Melbourne Securities  
Corporation Limited  
ACN 160 326 545 AFSL 428289

Please read and keep for future reference

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### Important information

This information forms part of the Product Disclosure Statement (PDS) issued by Melbourne Securities Corporation Limited for each Fund listed on page 4 of this Additional Information Booklet. You should read this booklet together with the relevant PDS before making a decision to invest in a Fund. Certain sections of this booklet may not apply to all Funds.

The PDS for each Fund can be viewed or downloaded at: [www.abrdn.com/au/howtoinvest](http://www.abrdn.com/au/howtoinvest). Alternatively, you can request a copy be sent to you free of charge by contacting the Client Services team.

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### **This is important information you should consider before making a decision to invest in the Fund.**

The information in each PDS and this document is of general information only and does not take into account your personal financial objectives, situation or needs. You should consider the appropriateness of the information in this document and the PDS having regard to your personal objectives, financial situation and needs before acting on the information and should consult a licensed financial adviser (in Australia) or a financial advice provider (in New Zealand) to obtain financial advice that is tailored to suit your personal circumstances.

Investments in a Fund can only be made by someone receiving a PDS (including an electronic version) in Australia (or New Zealand) (where relevant). If you are in possession of a PDS outside Australia (or New Zealand), you should seek advice regarding restrictions on investing. Failure to comply with relevant restrictions may violate laws.

abrdn Oceania Pty Ltd, Melbourne Securities Corporation Limited, SG Hiscock & Company Limited and any other entity, do not guarantee the repayment of capital or any rate of return on income or capital or the investment performance of the Fund.

Terms used in this document have the same meaning as set out in the PDS of each Fund.

The Target Market Determination (TMD) for the Fund can be found at [www.abrdn.com/au](http://www.abrdn.com/au) and includes a description of who the product is suitable for.

### Contact us

If you have any questions or would like more information about the Fund, or if you need a copy of a PDS, you can contact Client Services in the following ways:

### Distributor and Promoter

SG Hiscock & Company Limited ('SGH')  
ABN 51 097 263 628 AFSL 240679  
Phone: 1800 636 888 or +61 3 9612 4646  
Email: [clientservice@sghiscock.com.au](mailto:clientservice@sghiscock.com.au)

### Responsible Entity and Issuer

Melbourne Securities Corporation Limited ('MSC Trustees', 'Trustee' or 'Responsible Entity')  
CAN 160 326 545 AFSL 428289

### Fund Manager

abrdn Oceania Pty Ltd ('abrdn', 'Fund Manager')  
ABN 35 666 571 268  
Website: [www.abrdn.com/au](http://www.abrdn.com/au)

### Investors in the Fund through mFund:

[www.mFund.com.au](http://www.mFund.com.au)



**Contents**

1.	How the Funds work	5
2.	Risks of managed investment schemes	9
3.	Fees and costs	9
4.	How managed investment schemes are taxed in Australia	12
5.	Other information	14



## The Funds

Fund	ARSN	APIR	Offered for sale <sup>1</sup>	mFundcode	Date of PDS
<b>Equities</b>					
abrdn International Equity Fund	089 488 139	EQI0015AU	Australia and New Zealand	AFZ04	11 October 2023
abrdn Sustainable Asian Opportunities Fund (Class A) <sup>2</sup>	106 201 236	EQI0028AU	Australia and New Zealand	AFZ01	11 October 2023
abrdn Sustainable Emerging Opportunities Fund	109 536 503	ETL0032AU	Australia and New Zealand	AFZ03	11 October 2023
abrdn Sustainable International Equities Fund	088 905 033	CRS0005AU	Australia	AFZ18	11 October 2023
<b>Fixed Income</b>					
abrdn Global Corporate Bond Fund (Class A) <sup>2</sup>	125 896 184	ETL0132AU	Australia and New Zealand	n/a	11 October 2023
abrdn Global Corporate Bond Fund (Class P) <sup>2</sup>	125 896 184	EQL6923AU	Australia and New Zealand	n/a	11 October 2023

<sup>1</sup> In very limited circumstances and at MSC Trustees' discretion, persons in other jurisdictions (other than the United States) who meet applicable local regulatory requirements may be able to invest in a Fund (please contact the Client Services team for further information).

<sup>2</sup> The abrdn Global Corporate Bond Fund and the abrdn Sustainable Asian Opportunities Fund ('Scheme') currently has more than one class of units on issue. All rights and entitlements of a unit in a class relate to the rights, entitlements, liabilities and other amounts referable to the relevant class of units. Where the context requires, including for example in relation to the calculation of unit prices and fees and costs, a reference to units, class or the Fund refers to the relevant class of units and a reference to the Fund refers to the Scheme. Different classes of units in the Scheme may be created and issued, in which case unitholders will be notified and unitholders in the different classes must be treated fairly

## 1. How the Funds work

### mFund Settlement Service

Funds admitted as mFund products under the ASX Operating Rules are identified in the table on page 4.

The mFund Settlement Service ('mFund') enables investors to buy and sell units in selected unlisted managed funds directly with the fund issuer through your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

mFund uses CHESS to automate and track the process of applying for and withdrawing units in managed funds. Your holdings in these funds are held electronically and can be linked to the same Holder Identification Number (HIN) used to hold other investments transacted through ASX, such as shares.

While a Fund is admitted as an mFund product under the ASX Operating Rules, individuals, and superannuation funds only (or as otherwise advised)<sup>3</sup> will be able to buy and sell units in a Fund through mFund. Only investors applying for units in Class A can invest via mFund.

Investors through mFund should read the PDS for the relevant fund, which can be viewed or downloaded at [www.abrdn.com/au](http://www.abrdn.com/au) or at [www.mfund.com.au](http://www.mfund.com.au).

### Fund valuation

All units in a Class have equal value.

A Fund is normally valued as at the end of each Business Day. Valuations are based on the market value of assets in a Fund and this forms the basis for calculating the application and withdrawal prices. For example, for valuation purposes, this means that if the security is regularly traded on a licensed financial market, such as a listed securities exchange, the value of the security will generally be the last traded price prior to valuation or close of the relevant market, whichever is the later.

Where assets are not regularly traded on a licensed financial market, the policy is to source appropriate independent valuation, such as from an independent pricing provider, or dealers or issuers.

### Unit prices

Unit prices are generally calculated each Business Day, based on the Fund's net asset value for that day and divided by the number of units on issue and adjusted for the buy/sell spread. Please visit the abrdn website to obtain the latest available application and withdrawal unit prices for each Fund.

The Funds operate on a forward pricing model. This means that applications to invest or withdraw are processed using unit prices calculated and published after the application has been received. The unit price for a particular Business Day is generally available the next Business Day. This means that if your application to invest or withdraw is received and accepted today, before the cut off time, the unit price applicable to your investment will be based on the net asset value as at the close of business today, which will generally be available the next Business Day.

For Funds admitted as an mFund product, unitholders will be able to view the current price of units at any time at [www.abrdn.com/au](http://www.abrdn.com/au) or [mfund.com.au](http://mfund.com.au).

The mFund service is not a trading facility and investors will not trade units with other investors on the market. A formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices. The policy is available free of charge on the Fund's website at [www.abrdn.com/au](http://www.abrdn.com/au) or by contacting the Client Services team.

### Who can invest in the Fund

The offer made in each PDS is available to persons over 18 receiving the PDS within Australia or New Zealand (for Funds indicated in the table on page 4). Units in a Fund cannot be offered or sold within the United States (US) or offered or sold to, or for the account or benefit of, any 'US Person' as defined in Regulation S of the US Securities Act 1933. In very limited circumstances and at the discretion of MSC Trustees, persons in other jurisdictions who meet applicable local regulatory requirements may be able to invest in a Fund (please contact the Client Services team for further information).

Investment in Class P of a Fund (where available) is reserved for wholesale investors for the purposes of the Corporations Act with whom separate arrangements have been agreed in accordance with the Corporations Act, such as platforms, institutional investors, and other funds including abrdn funds investing into this Fund.

In accordance with the Corporations Act, a Target Market Determination (TMD) for each Fund has been agreed which describes the retail clients (target market) for whom the Fund is likely to be suitable, and reasonable steps must be taken to ensure each Fund is distributed in line with its TMD. The TMDs can be found at [www.abrdn.com/au](http://www.abrdn.com/au). At the discretion of MSC Trustees, a direct retail investor who is determined to be outside the target market for the Fund will not be able to invest, unless they are a Professional Investor or investing on the recommendation of their financial adviser.

<sup>3</sup> Under certain circumstances, investors other than individuals and superannuation funds may be able to invest in the Fund through mFund. Please contact the Client Services team for further information.

## **Warning statement for New Zealand investors**

**If you are a New Zealand investor, we are required to provide the following warning statement to you under New Zealand law.**

### **Warning Statement**

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand ([www.fma.govt.nz](http://www.fma.govt.nz)). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

### **Currency exchange risk**

1. The offer may involve currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

### **Investing through an IDPS Provider**

Investing through an IDPS Provider may result in you becoming an indirect investor and not a unitholder in a Fund. If so, you do not acquire the rights of a unitholder and the IDPS Provider acquires the rights of the unitholder and can exercise, or decline to exercise, them on your behalf. You should consult with the IDPS Provider to ascertain whether you will be an indirect investor.

As an indirect investor you do not receive distributions or reports directly from MSC Trustees, abrdn or SGH directly participate in meetings and can only withdraw depending upon the withdrawal times allowed by the IDPS Provider. Your rights as an indirect investor should be set out in the disclosure documents issued by the IDPS Provider.

You may wish to seek appropriate tax advice before becoming an indirect investor.

### **Investing through mFund**

Your ASX broker will process a buy order for units through CHESS. CHESS will confirm the order with your ASX broker once received and accepted. Applications for units received and accepted will be forwarded by CHESS to your ASX broker for your payment to be passed through the CHESS daily batch settlement process.

New units in the Fund will be priced and allotted to your CHESS Holder Identification Number (HIN). CHESS will notify your ASX broker of the unit price and units allotted.

### **Anti-Money Laundering and Counter-Terrorism Financing laws**

From time to time, MSC Trustees, abrdn or SGH may take various actions believed are necessary to comply with these laws and relevant internal policies, including requiring additional information from you, and even delaying, blocking, freezing or not processing a transaction. MSC Trustees, abrdn or SGH may be required to report information about you to the relevant authorities, and are under no obligation to tell you when this occurs. Such actions may impact on your investment and could result in a loss of income and principal invested.

MSC Trustees, abrdn or SGH shall not be liable for any loss (including consequential loss) resulting from any such actions.

### **Appointed representatives**

Investors may elect to appoint a representative to operate their account (by completing section 10 of the Application Form). If a company is appointed, any director or authorized officer of the company may operate the account.

If a partnership is appointed, any partner may operate the account.

Such appointments last until written notice of cancellation is received. You are responsible for anything your representative does on your behalf, and the representative will be able to do everything with the investment that you can do, except delegate authority to another third party, change bank account details or change your personal details (including your name or date of birth).

If you appoint a representative, it is suggested that you ensure that they cannot appoint another representative.

Please note that in accordance with Anti-Money Laundering and Counter-Terrorism Financing laws, certain information about each investor must be collected. This includes collecting information on any appointed representative, and/or any person you appoint as a Power of Attorney. They will be required to complete an Identification Form and provide the necessary supporting documentation to verify their identity. Where a Power of Attorney is appointed, an originally certified

copy of the Power of Attorney for that person will need to be provided.

By appointing a representative, you release, discharge and agree to indemnify MSC Trustees, abrdn and SGH and each of their respective agents (which may differ by Fund) including the registrar, administrator and custodian from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from our acting on the instructions of your appointed representative.

You also agree that any instructions of your appointed representative to MSC Trustees, abrdn or SGH or any of their agents, shall be a complete satisfaction of our and our agents obligations, notwithstanding any fact or circumstances, including that the instructions were made without your knowledge or authority. You agree that if the appointed representative's instructions are followed you and any person claiming through or under you shall have no claim against us or any of a MSC Trustees, abrdn, SGH or any of their agents in relation to those instructions.

mFund investors should initially contact their broker to update authorised representative records on their behalf.

#### **Processing of applications and additional investments**

If your correctly completed Application Form and Identification Form (if applicable) or additional investment request is received (including your application monies) and accepted by 2pm (Sydney time) on any Business Day, your request will be processed using the application price for (and you will be a unitholder in a Fund on) that Business Day.

If your correctly completed Application Form and Identification Form (if applicable) or additional investment request (including application monies) is received and accepted after 2pm (Sydney time) on any Business Day, your investment will be processed using the application price for (and you will be a unitholder in a Fund on) the next Business Day.

MSC Trustees reserves the right to accept or reject all or part of an application at its discretion and suspend applications in certain circumstances in accordance with the Constitution.

#### **Processing of withdrawal requests**

You can decrease your units by making a withdrawal from a Fund. In some circumstances, such as when withdrawals are suspended, unitholders may not always be able to withdraw their funds within the usual period.

Withdrawal forms can be downloaded from the abrdn website, or can be obtained by calling the Client Services team.

You can make a withdrawal from a Fund by sending or faxing a completed and signed Withdrawal Form or a written signed request stating:

- your unitholder account number/code;
- the name of the Fund from which you are withdrawing;
- how many units (or the value of your investment that) you wish to withdraw (subject to minimum balance requirements); and
- your bank account details, as the withdrawal proceeds will be electronically deposited into an

Australian bank account or New Zealand bank account (if applicable).

If you hold the investment in joint names, generally, both/all investors need to execute the withdrawal request.

Withdrawal payments will not be made to any third party.

Valid withdrawal requests received and accepted by 2pm (Sydney time) on any Business Day will be processed at the withdrawal price calculated for that Business Day (and you will not be a unitholder in a Fund if you withdraw your entire holding in the Fund on that Business Day).

Valid withdrawal requests received after 2pm (Sydney time) on any Business Day will be deemed to have been received and accepted on the next Business Day and will be processed at the withdrawal price for that Business Day (and you will not be a unitholder in a Fund if you withdraw your entire holding in the Fund on the next Business Day).

Please post or fax withdrawal requests to:

abrdn Oceania Pty Ltd  
C/- Citi Unit Registry Australia  
GPO Box 764  
Melbourne VIC 3001  
Fax: 1300 101 688 (Australia Investors)  
+61 1300 101 688 (International investors)

#### **Restrictions on withdrawing your investment**

If the Fund is not Liquid, you may not withdraw from the Fund unless MSC Trustees makes a withdrawal offer to you in accordance with the Corporations Act. MSC Trustees is not obliged to make such offers. As at the date of the PDS the Scheme is Liquid.

Additionally, in the case of the Funds (with the exception of the abrdn Global Corporate Bond Fund) MSC Trustees may suspend withdrawals for up to 180 days where:

- it is impracticable for us to calculate the Net Asset Value for any reason, for example because of an inability to value the assets, or during any period in which we rebalance the assets of the Fund in accordance with the investment strategy;
- the Fund's investments are suspended, delay or restrict the withdrawal, issue or payment of withdrawal proceeds;
- we receive withdrawal requests, within one day, that exceeds 5% (by value) of all assets of the Fund;
- the payment of withdrawal proceeds involves realizing a significant portion of the Fund's assets which would result in remaining units holders bearing a disproportion amount of capital gains tax or expenses or suffering any other disadvantage or decrease in the value of their units;
- we reasonably consider it to be in the interests of unitholders;
- a withdrawal request is received in a financial year and we determine that the date on which the completion of the withdrawal would otherwise occur would be in the next financial year;

- a withdrawal request is received during any period before or after a distribution which period we determine to be necessary or desirable to facilitate calculation and distribution of distributions;
- we believe that the assets cannot be realised at prices that would be obtained if the assets were realised in an orderly fashion over a reasonable period in a stable market; or
- it is otherwise legal permitted.

Where MSC Trustees suspends redemptions, you may not withdraw from the Fund. Any withdrawal request that is lodged before or during any period when the withdrawal of units is suspended and is not processed, will be taken to be lodged the day after the end of the relevant suspension period.

In the case of the abrdn Global Corporate Bond Fund, MSC Trustees may suspend withdrawals if it is not possible, or not in the best interests of unitholders, for it to process withdrawal requests due to one or more circumstances outside its control (such as restricted or suspended trading or extreme price fluctuation or uncertainty in the market for an asset). In these circumstances withdrawals may be suspended for the number of days during which the circumstances apply.

For further details on the circumstances where withdrawals may be suspended, please contact the Responsible Entity or refer to the Constitution, a copy of which is available free of charge by contacting the Responsible Entity.

#### **Withdrawing through mFund**

If a Fund is admitted as an mFund product, mFund investors can withdraw from a Fund by lodging a request with your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

Your ASX broker will direct the withdrawal request to abrdn through CHESSE. Applications for withdrawals received and accepted by us will be forwarded by CHESSE to your ASX broker with the withdrawal payment date and the withdrawal unit price as notified by us. When your withdrawal payment is passed through the CHESSE daily batch settlement process, the units will be cancelled, and your HIN will be updated.

#### **Transfers**

With the consent of MSC Trustees and subject to minimum balance requirements as detailed in section 2 of the PDS you may transfer your units to another party by providing us with a completed and signed transfer form (marked that applicable duty has been paid or is not payable).

If the transferee is a new investor, then the transferee must also complete an Application Form and Identification Form (if applicable). All transfers are subject to the transferee being eligible to hold units in a Fund.

A transfer of units involves a disposal of units, which may have tax implications. You should obtain legal and tax advice before requesting a transfer.

Please post or fax transfer requests to:

abrdn Oceania Pty Ltd  
C/- Citi Unit Registry Australia  
GPO Box 764  
Melbourne VIC 3001  
Fax: 1300 101 688 (Australia Investors)  
+61 1300 101 688 (International investors)

If you are an investor through mFund, please contact the Client Services team to discuss your options.

#### **Distributions**

Generally, it is the Funds' policy to fully distribute the net income of a Fund to investors every year. The components of the distributions you receive depend upon the distributable income available and how many units you hold as at a Distribution Record Date.

The Distribution Record Date is the last Business Day of each distribution period.

An investor must be registered as a unitholder in a Fund on a Distribution Record Date in order to receive the Fund's distributable income, if any.

If your application is received and accepted before 2pm (Sydney time) on the Distribution Record Date, you will be a unitholder on the Distribution Record Date and entitled to any distributions which may be payable.

Accordingly, if you invest just before the Distribution Record Date, the unit price may already include income that you would be entitled to receive at the Distribution Record Date. Consequently, by investing just before the Distribution Record Date, you may have some of your capital returned to you as income.

If you submit a full withdrawal request and such a request is received and accepted before 2pm (Sydney time) on the Distribution Record Date, you will generally not be a unitholder on the Distribution Record Date. If that is the case you will not be entitled to any distributions which may be payable.

Distributions reinvested into a Fund will be reinvested using the unit price calculated immediately after the distribution is determined on the last day of the distribution period or in the case of the abrdn Sustainable Emerging Opportunities Fund, where the distributions will be reinvested using the unit price calculated on the next Business Day after the end of the distribution period. Reinvested distributions do not incur the buy spread.

After a distribution is paid the unit price usually falls by a similar amount as the distribution per unit.

#### **How distributions are paid**

You can choose to have your distributions:

- automatically reinvested in units in the Fund; or
- paid directly to your nominated Australian bank account or New Zealand bank account (if applicable). Please note that the distribution amount paid to you will be in Australian dollars and may differ from the amount you receive in New Zealand dollars due to foreign exchange spreads between Australian and



New Zealand dollars (currency rate differs daily) and overseas telegraphic transfer costs.

Payment to any third party will not be made.

The above could affect your taxation position so please seek professional tax advice.

You can change your distribution preference at any time.

Please post or fax requests to change to:

abrdn Oceania Ptd Ltd

C/- Citi Unit Registry Australia

GPO Box 764

Melbourne VIC 3001

Fax: 1300 101 688 (Australia Investors)

+61 1300 101 688 (International investors)

### **Conditions for use of the facsimile transaction facility**

Facsimile requests will only be processed in the manner and within the timeframes specified in the PDS.

There is a risk that fraudulent facsimile requests may be made by a third party. You agree that none of MSC Trustees, abrdn, SGH or their officers, employees or agents are responsible for any fraudulently completed communications or are required to compensate you for any losses arising from such communications.

You release and indemnify, MSC Trustees, abrdn, SGH and their respective officers, employees and agents against any liabilities whatsoever arising from any of them acting on facsimile communications from, or purporting to be from, you.

You should also be aware that facsimile instructions will only be processed if they have been received in full. abrdn, MSC Trustees and SGH are also not responsible for any loss or delay which results from a facsimile transmission not being received (note – a facsimile receipt confirmation from the sender's facsimile machine is not evidence of receipt of the facsimile).

## **2. Risks of managed investment schemes**

The following additional risks should be considered before choosing to invest:

- legal and regulatory risk – a Fund may be adversely affected by future changes in applicable laws, including tax laws and regulations.
- Business risk – includes the risks that arise from carrying on a complex business. The operation of a Fund requires MSC Trustees, abrdn and other its service providers to implement sophisticated systems and procedures. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events. Procedures are in place to manage these risks, such as compliance systems and risk management processes.
- Reliance on the managers and other service providers
  - o the success of a Fund will depend in large part upon the skill and expertise of the manager and any service providers including any sub managers appointed in respect of a Fund. The performance of

service providers will be monitored on a regular basis. Potential conflicts may arise between interests, the interests of investors and other parties. From time to time, related parties may be appointed to provide certain services to the funds. Such appointments will be made on arm's length terms.

- o Risks may also arise in relation to transactions processed via mFund if ASX settlement procedures have not been accurately relayed or processed.

## **3. Fees and costs**

### **Additional explanation of fees and costs<sup>4</sup>**

#### **Management fees and cost**

Management fees and costs comprise the management fee, recoverable expenses and indirect costs that you incur by investing in the Fund.

The management fees and costs of each Fund are set out in the PDS for the relevant Fund under 'Fees and costs'.

Management fees and costs are not deducted directly from your Fund account. Instead, they are accrued daily within the unit price for the Fund and are deducted from the assets of the Fund.

Investment management services may be provided to MSC Trustees and abrdn by other members of the abrdn Group, for which management fees and costs are charged. Where such fees and costs are paid for the provision of investment management services, they are payable by us and are not at an additional cost to you.

Additionally, where an investment is made through a fund managed by abrdn or another company in the abrdn Group, the management fees of the underlying fund will generally either be rebated or not charged.

#### **Management fees**

The management fee is paid from the assets of the Fund and comprises remuneration for managing and overseeing the operations of the Fund. The management fee is calculated as a percentage of the Fund's NAV and is reflected in the Fund's unit price. It is accrued daily in the unit price and calculated and paid monthly in arrears from the Fund, prior to calculation and payment of distributions, on the last day of the month.

From the management fee investment management fees, all normal operating expenses of the Fund including investment management, responsible entity, custody fees, audit fees, accounting fees, legal and regulatory fees and all other normal costs except extraordinary expenses (as described under 'Recoverable Expenses' below) and transaction costs are paid.

Prior notice will be provided to investors if normal operating expenses will be recovered from the Fund in the future. The management fee includes Goods and Services Tax (GST) after taking into account any expected input tax credits. The amount of this fee can be negotiated.

#### **Recoverable Expenses**

The recoverable expenses represent the operating expenses incurred in the operation of the Fund. The Fund's Constitution

<sup>4</sup> Except as otherwise provided, the costs are presented as a percentage of the average fund size.

allows all properly incurred expenses to be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered.

### **Normal operating expenses**

As at the date of each Funds' PDS, any normal operating expenses that may be recovered from the Fund are paid out of the management fee and are not an additional charge to you. You will receive prior notice if we seek to recover normal operating expenses from the Fund in the future.

### **Extraordinary expenses**

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of the Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing the Fund's constitution, or defending or pursuing legal proceedings. Such extraordinary expenses may be recovered from the assets of the Fund as an additional expense to the management fee where permitted under the Fund's constitution.

Extraordinary expenses may vary from year to year including to the extent that they rely on estimates. This amount is not an indication or guarantee of the amount that may be charged in the future.

The estimated recoverable expenses of each Fund disclosed in the PDS for the relevant Fund under 'Fees and costs' includes the estimated extraordinary expenses, which reflects the amount actually incurred by the relevant Fund for the previous financial year, including reasonable estimates where it was unable to determine the exact amount or information was unavailable at the date of the relevant PDS.

### **Indirect Costs**

In investing the assets of the Fund in accordance with its investment objective and strategy, the Fund can incur indirect costs. Indirect costs are any amounts that are known or reasonably ought to know, or where this is not the case, reasonably estimate has or will reduce, whether directly or indirectly, the return of the Fund or the amount or value of the income of, or assets attributable to the Fund or an interposed vehicle in which the Fund invests other than the management fee and recoverable expenses. Indirect costs are not paid to abrdn or MSC Trustees.

Indirect costs are reflected in the Fund's daily unit price, and can include any underlying (indirect) management fees and costs, and other indirect costs (including the cost of certain types of derivatives used for trading activity other than hedging, if applicable).

The estimated indirect costs may vary from year to year, including to the extent that they rely on estimates. These amounts are not an indication or guarantee of the amount that may be charged in the future. From time to time, a notification of non-material updates to the estimated indirect costs will be provided on the website at [www.abrdn.com/au](http://www.abrdn.com/au).

The indirect costs of each Fund are set out in the PDS for the relevant Fund under 'Fees and costs' and reflect the amount actually incurred by the relevant Fund for the previous financial year, including reasonable estimates where it was unable to

determine the exact amount or information was unavailable at the date of the relevant PDS.

### **Performance fees**

Performance fees are not currently charged for the Funds. However, the Responsible Entity is entitled to charge a performance fee under the Constitution of the of the Funds (with the exception of the abrdn Global Corporate Bond Fund). The performance fees that the Responsible Entity is entitled to charge in respect of the relevant Funds is 20% of the of daily performance above the benchmark for the Fund.

The performance fee figure disclosed in the fees and costs summary of the PDS is a reasonable estimate of the performance fee payable for the relevant Fund, based on the average performance fee incurred by the Fund for the previous 5 financial years, which for the Fund is 0% p.a. of the NAV of the Fund as the Responsible Entity has not charged any performance fee in respect of the Fund in the past 5 financial years.

### **Changing the fees**

Fees may be increased, or new fees introduced without unitholder consent. Investors will be provided with at least 30 days' advance notice of any increase to the fees. Reasons for increasing fees might include changing economic conditions or changes in regulations or to the Fund's Constitution. MSC Trustees also reserve the right to waive or reduce any of the Fees described in in the PDS may be waived or reduced for the relevant Fund without prior notice.

### **Transaction costs**

The table below details the gross transaction costs, the amount recovered through the buy/sell spread and the net transaction costs (that are not recovered through the buy/sell spread) for each Fund, these amounts, and the estimated transaction costs disclosed in the fees and costs summary, reflect the amount actually incurred by the relevant Fund for the previous financial year, including the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was unavailable at the date of the relevant PDS.

In managing the assets of the Fund, the Fund may incur transaction costs when assets are bought and sold, including brokerage, clearing and settlement costs, buy/sell spreads and applicable stamp duty. Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by the Fund. These costs, which are factored into the asset value of the Fund and reflected in the daily unit price, are recovered in part by the buy/sell spread on applications and withdrawals.

The Fund may also incur other transaction costs through the day-to-day trading activity required to execute the Fund's investment strategy (and can include the cost of derivatives used for hedging purposes, if applicable). These costs, which are factored into the asset value of the Fund and also reflected in the daily unit price, are an additional implicit cost to unitholders of in the Fund. These costs are not recovered through the buy/sell spread.

Transaction costs are paid out of the Fund's assets as and when incurred and are shown in the fees and costs summary net of any amount recovered by the Fund from the buy/sell spread. Transaction costs are not paid to abrdn or MSC Trustees but are an additional implicit cost of investing in the Fund where transaction costs have not already been recovered by the buy/sell spread.

The actual transaction costs may differ and will vary based on a number of factors including the volume of transactions undertaken and market conditions generally. This means that estimated and/or historical costs may not be an accurate

indicator of the transaction costs an investor may pay in the future.

Transaction costs should not be considered in isolation of investment returns. It is important to understand that actively managed investments are likely to have higher transaction costs than passively managed investments, such as index funds, because of the higher expected volume of trading of the Fund's assets in generating investment returns. Transaction costs are dependent upon a number of factors and therefore may change from year to year. Transaction costs for future periods may be higher or lower than the transaction costs currently disclosed.

Fund	Total transaction costs (%)	Minus: Buy/sell spread recovery (%)	Equals: Net transaction costs (%) <sup>5</sup>
<b>Equities</b>			
abrdn International Equity Fund	0.02	0.06	0.00
abrdn Sustainable Asian Opportunities Fund (Class A)	0.03	0.13	0.00
abrdn Sustainable Emerging Opportunities Fund	0.06	0.14	0.00
abrdn Sustainable International Equities Fund	0.04	0.06	0.00
<b>Fixed Income</b>			
abrdn Global Corporate Bond Fund (Class A)	0.25	0.00	0.25
abrdn Global Corporate Bond Fund (Class P)	0.25	0.00	0.25

### Buy/Sell Spread

Buy/sell spreads are an amount representing the estimated costs arising from applications and withdrawals made by investors moving into and out of the Fund.

The buy spread is added to the unit price and represents the estimated cost incurred to convert application monies to investments. The sell spread is deducted from the unit price and represents the estimated cost to convert investments to cash for withdrawal purposes.

Charging a buy/sell spread ensures that the cost of buying or selling the underlying assets is borne by those making the application or withdrawal, and not the remaining unitholders in the Fund. Buy/sell spreads are retained in the Fund, not paid to abrdn, SGH or MSC Trustees.

The buy/sell spreads may be varied or waived without notice when it is appropriate to protect the interests of existing investors and if permitted by law.

Reinvested distributions do not incur the buy spread.

The table below details the buy/sell spread for each Fund as at the issue date of this Additional Information Booklet. A notification of the current buy/sell spread for each Fund will be provided on the abrdn website at [www.abrdn.com/au](http://www.abrdn.com/au).

Fund	Buy spread on application (%)	Sell spread on withdrawals (%)
<b>Equities</b>		
abrdn International Equity Fund	+0.15	-0.15
abrdn Sustainable Asian Opportunities Fund (Class A)	+0.28	-0.28
abrdn Sustainable Emerging Opportunities Fund	+0.22	-0.22
abrdn Sustainable International Equities Fund	+0.15	-0.15
<b>Fixed Income</b>		
abrdn Global Corporate Bond Fund (Class A)	+0.16	-0.16
abrdn Global Corporate Bond Fund (Class P)	+0.16	-0.16

<sup>5</sup> If the net transaction costs are zero, the buy/sell spread recovery exceeds the total transaction costs. Any excess recovery is retained by the Fund, not paid to abrdn or MSC Trustees.

### Additional payments made

abrdn may make payments to distributors of the Funds (such as master funds, IDPS Providers and dealer groups) for the administration and investment related services they provide.

Such payments are in accordance with the Corporations Act and other regulatory requirements. They are paid directly out of abrdn's own resources. They are not an additional cost to you or the Fund.

### Taxation of a Fund

Information in relation to taxation is set out in section 4 of this Additional Information Booklet.

### Maximum Fees

The maximum management fees the Responsible Entity is entitled to charge are set out in the Constitution and are summarised below:

Fund	
Equities	(%)
abrdn International Equity Fund	2.0%
abrdn Sustainable Asian Opportunities Fund (Class A)	2.0%
abrdn Sustainable Emerging Opportunities Fund	2.0%
abrdn Sustainable International Equities Fund	2.0%
Fixed Income	
abrdn Global Corporate Bond Fund (Class A)	2.0%
abrdn Global Corporate Bond Fund (Class P)	2.0%

## 4. How managed investment schemes are taxed in Australia

### Australian income taxation information

The income tax information below is of a general nature only and applies to Australian resident investors who hold their units on capital account (rather than revenue account) and may not apply to non-resident investors.

Investors should obtain advice from professional tax advisers as tax consequences will vary depending on individual circumstances. Investors who invest in a Fund through an IDPS Provider and/or who are non-residents, should seek separate tax advice.

abrdn has elected that each Fund is an Attribution Managed Investment Trust ("AMIT") with effect from the income year commencing 1 July 2017.

Generally, it is Fund policy to fully attribute the taxable income of the Fund to investors every year. As a result, unitholders will be liable to pay income tax on their attributed share of the taxable income of the Fund and income tax should not generally be payable by the Fund.

The comments in this section are based on current taxation law. The tax law is frequently being changed, both prospectively and retrospectively.

### Distributions

Broadly, under the AMIT regime, the income tax consequences for an investor is intended to be the same or similar to those that would occur if the investor had directly invested in the Fund's assets. Each investor shall be taxed on their share of a Fund's taxable 'trust components' that are 'attributed' to them for a given income year, regardless of whether income and gains are accumulated, or distributed by payment or reinvestment as additional units. The amounts attributed to each investor (including the components of such amounts) and tax information relating to the cost base of the investor's units in the Fund, will be advised in an AMIT Member Annual Statement (AMMA Statement).

The income tax treatment for an investor will depend upon the assessable income character amounts (such as dividends, interest and capital gains) and tax offset character amounts (such as franking credits and foreign income tax offsets).

The cost base of an investor's units in a Fund are increased by attributed assessable income (including capital gains) and non-assessable non-exempt income and decreased by actual payments (including reinvestment as additional units) and attributed tax offsets. The increases or decreases are offset, resulting in either a net cost base increase or decrease to the investor's units in a Fund for each year. If a reduction is greater than the investor's cost base, the excess will be taxable to the investor as a capital gain. Investors should ensure that they monitor and increase or decrease the cost base of their units in a Fund.

### Fund not an AMIT

A Fund may not be an AMIT for a given income year (e.g. it does not qualify as a MIT for that year). The AMIT regime will not apply and the general trust provisions of the tax law will apply.

A Fund will be required to determine its net (taxable) income for the income year. Each unitholder will be assessed on that share of net income that accords to the proportion of the 'income of the trust' to which they are 'presently entitled' for that year, even if they receive or reinvest a distribution after year end. On the basis that unitholders are presently entitled to all of the trust income for that year, the Responsible Entity should not be assessed on the net (taxable) income of the Fund, and it will be treated as a flow-through entity for income tax purposes.

In the case where a Fund incurs a revenue loss for Australian tax purposes, the Fund cannot distribute the tax loss to unitholders. However, the tax loss may be carried forward by the Fund and recouped against assessable income of the Fund in subsequent years, subject to the trust loss recoupment rules. This is also the case where a Fund is an AMIT.

### Deemed Capital Gains Tax ('CGT') election

Eligible managed investment trusts ('MITs') may make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible

investments (including equities and units in other trusts but excluding derivatives and foreign exchange contracts). All the Funds, except for abrdn Global Corporate Bond Fund, have made the election for deemed capital account treatment. As such, all the Funds, except for abrdn Global Corporate Bond Fund, holds its eligible investments on capital account.

In relation to abrdn Global Corporate Bond Fund, this fund holds its eligible investments on revenue account. On this basis, the realised gains of the Fund will be income or revenue gains and not capital gains, with no entitlement to the CGT discount concession. Realised losses will be revenue losses which, subject to the Fund meeting certain conditions, will be able to be claimed as a deduction against any assessable income of the Fund.

#### **Disposal of units**

A withdrawal or transfer of units constitutes a disposal for tax purposes. The tax consequences of a disposal depend on the particular circumstances of each investor. Certain investors who hold units for more than 12 months may be entitled to a capital gains discount in relation to a capital gain arising on the disposal of their units.

The CGT discount is 50% (for individual and trust investors) and 33⅓% (for complying superannuation entities) of the nominal gain and is applied after allowing for the offset of any capital losses. The discount is not available to companies.

#### **Non-resident investors**

Withholding tax may be deducted if required at the applicable tax rates from attributions of Australian sourced income (such as dividends and interest) and fund payments of other Australian sourced income and Taxable Australian Property capital gains.

Fund payments represent the sum of assessable income of the Fund for the income year (excluding certain amounts, such as dividends and interest from an Australian source; capital gains which are not 'Taxable Australian Property'; and foreign source income and capital gains and capital losses from disposals of assets that are not Taxable Australian Property).

If a Fund derives foreign source income, non-resident investors should not be subject to Australian tax on any distribution of such income.

Australian CGT should not apply to non-resident investors (who have not used their units in a Fund at any time in carrying on a business through an Australian permanent establishment) in relation to their disposal of units in a Fund, unless the units in a Fund constitute Taxable Australian Property.

#### **Tax File Number (TFN) or Australian Business Number (ABN)**

Investors are not required to provide a TFN or an ABN. However, tax may be deducted (at the highest marginal tax rate, including the Medicare Levy) on distributions to investors who do not provide a TFN, ABN or details of their exemption on their Application Form.

#### **Common Reporting Standard (CRS)**

The CRS is an OECD led framework to tackle and deter cross-border tax evasion. The CRS creates an international standard of due diligence and reporting rules for Financial Institutions including abrdn to identify the accounts of foreign tax residents, and report certain information regarding the foreign tax resident account holder (and in the case of certain entities their controlling persons) to the ATO, which then shares that information with the tax authority in the foreign jurisdiction where the account holder is tax resident, where that jurisdiction has enacted the CRS into its domestic law. The information to be reported includes their name, address, jurisdiction of tax residence, Tax Identification Number and in respect of individuals their date of birth, account code, account balance or value, and the total gross income generated from the account for the relevant year.

New investors must self-certify their country or countries of tax residence. In respect of accounts opened by investors before 1 July 2017, abrdn will carry out any additional due diligence procedures which are necessary to confirm an investor's tax residency, in line with the CRS and Australian domestic law.

#### **Foreign Account Tax Compliance Act (FATCA)**

FATCA is US legislation targeting US tax residents who do not correctly disclose their worldwide income to the US Internal Revenue Service (IRS). To enforce the provision of FATCA, the IRS imposes a 30% withholding tax from 1 July 2014 on any foreign financial institution (FFI), including us, that does not comply with FATCA's requirements to identify and report on financial accounts held or controlled by certain US persons. The 30% withholding tax will apply to certain US source income and, beginning in 2019, gross proceeds from the sale of property that can produce US source dividends or interest.

The Australian and US government have entered into an intergovernmental agreement (IGA) requiring Australian financial institutions, to identify and report to the ATO on US reportable accounts (including accounts where insufficient information exists to disprove otherwise), and in turn the ATO will report these to the IRS.

Additional information will be collected from you in order to establish whether or not your account is a US reportable account.

If you do not provide the required information, or if your account will be a US reportable account, your application may not be processed. This will apply to any new investments, even if you already have other investments with us.

It is not anticipated that any Fund listed in this Additional Information Booklet will be obliged to withhold tax under FATCA. However, if an obligation to withhold arises, tax will be withheld from your returns from the Fund. Neither abrdn, MSC Trustees nor the Fund will compensate you for any tax withheld.

These rules should have no practical implications for individual unitholders who are Australian tax residents (who are not also US citizens) and provide sufficient information demonstrating their Australian tax residence.

## Foreign Investments

Funds with foreign income (e.g. foreign dividends) may be subject to withholding tax in the country from which the income is derived. The Fund does not accrue for foreign withholding tax. In the event the Fund pays foreign tax, the distribution from the Fund may include a foreign income tax offset, which investors need to take into account in determining their taxable income. Amounts to be included in the investor's tax return will be notified in the tax statement for the income year. It is recommended seeking independent tax advice.

## 5. Other information

### Labour standards, environmental, social or ethical considerations for the following Funds referred to as 'Sustainable Funds'

- **abrdn Sustainable Asian Opportunities Fund**
- **abrdn Sustainable Emerging Opportunities Fund**
- **abrdn Sustainable International Equities Fund**

When making investment decisions, abrdn follow the approach as set out in section 5 of the PDS for each Fund and each Sustainable Fund's 'Investment Approach' and 'Sustainable Investment Report' which is published at [www.abrdn.com/au](http://www.abrdn.com/au).

This section below contains further information on the labour standards, environmental, social or ethical considerations that abrdn takes into account when selecting, retaining or realising investments in the Sustainable Funds only, and should be read in conjunction with the PDS for each fund and each Sustainable Fund's 'Investment Approach' which is published at [www.abrdn.com/au](http://www.abrdn.com/au).

MSC Trustees does not itself take into account labour standards, environmental, social and ethical considerations for the purposes of selecting, retaining or realizing investments.

MSC Trustees has delegated investment decisions for the Fund to abrdn who has appointed the Investment Manager. abrdn and the Investment Manager take labour standards, environmental, social and ethical considerations into account, as well as key financial criteria, when selecting, retaining or realising investments of the Fund.

Other than described in the PDS and this Additional Information Booklet, abrdn and the Investment Manager have no other predetermined view as to what they consider to be labour standards, environmental, social and ethical considerations which they will apply or fixed methodology or weightings for taking these standards and considerations into account when selecting, retaining and realising investments of the Fund.

The Sustainable Funds invest in high-quality companies that have been identified through abrdn's bottom-up equity research process which takes into consideration the sustainability of the business in its broadest sense and the company's environmental, social and governance (ESG) performance.

Within the abrdn Group's sustainable investment process, every company that abrdn invests in is given a proprietary

overall Quality rating and a component of this is the ESG Quality rating which enables the portfolio manager to identify sustainable leaders and improvers and to build well-diversified, risk-adjusted portfolios.

To complement the bottom-up research, abrdn Group also use their proprietary ESG House Score, which is primarily a quantitative assessment, to identify and exclude those companies exposed to the highest risks.

The Sustainable Funds will target a weighted average carbon intensity at least 20% lower than the benchmark for the Fund<sup>6</sup>.

### Negative screening

The focus of the Sustainable Funds is to identify sustainable leaders and improvers through bottom-up fundamental research.

In addition, binary and norms-based exclusions are applied, as detailed below under the 'Exclusions and Restrictions Criteria'.

abrdn and the Investment Manager may engage third party service providers (including MSCI and Trucost) to provide research, ratings information and/or data related to the assessment criteria with respect to securities in the Fund, where information is available from such providers.

The suitability of the exclusions is overseen by the abrdn Group's central ESG investment team.

### The Investment Framework

There are three core principles which underpin abrdn's Sustainable investment approach and the time abrdn dedicate to ESG analysis as part of abrdn's overall equity research process:

- ESG factors are financially material, and impact corporate performance.
- Understanding ESG risks and opportunities alongside other financial metrics allows abrdn make better investment decisions.
- Informed and constructive engagement helps foster better companies, enhancing the value of clients' investments.

### ESG Assessment criteria

The Sustainable Funds use a number of ESG Assessment Criteria:

#### Identifying sustainable leaders and improvers

abrdn and the Investment Manager use a proprietary research framework to identify companies which they believe to be sustainable leaders or improvers.

Sustainable leaders are viewed as companies with the best in class ESG credentials or products and services which address global environmental and societal challenges, whilst improvers are typically companies with average governance, ESG management practices and disclosure with potential for improvement.

Within the equity investment process, for all companies under coverage abrdn and the Investment Manager analyse the foundations of each business to ensure proper context for the

<sup>6</sup> as measured by the abrdn Carbon Footprint tool (which uses Trucost data for Scope 1&2)



investments. This includes the durability of its business model, the attractiveness of its industry, the strength of its financials and the sustainability of its economic moat. Abrdn and the Investment Manager also consider the quality of its management team and analyse the environmental, social and governance (ESG) opportunities and risks impacting the business and appraise how well these are managed. Abrdn and the Investment Manager assign a proprietary score (1

indicates best in class and 5 indicates laggard) to articulate the quality attributes of each company. The ESG Quality rating is an important consideration in assessing whether a stock is a sustainable leader or improver.

Companies eligible for inclusion in the Sustainable Funds must be rated 3 or better on both overall Quality and ESG Quality.

5 key components of Quality assessed by abrdn's analysts for all companies under coverage					
Industry	Business Model	ESG	Management	Financial Strength	
Analyst ESG Rating	1	2	3	4	5
	Best in Class				Laggard
Examples of input	Strong Corporate Governance	Good Corporate Governance	Governance is generally good, but some minor concerns	Known governance issues/poor treatment of minority shareholders	Severe governance concerns
	Strong management of the most material Environmental & Social (E&S) risks, and revenue growth from E&S opportunities	Strong management of the most material E&S risks, and revenues from E&S opportunities	Mixed management of E&S risks	Limited oversight of key ESG issues	Poor treatment of minority shareholders
	Excellent disclosure	Good disclosure	Disclosure in line with regulatory requirements	Evidence of some financial material controversies	Many financially material controversies

### ESG House Scores

abrdn Group's proprietary ESG House Score, developed by the central ESG investment team in collaboration with the Quantitative investment team, is used to identify companies with potentially high or poorly managed ESG risks. The score is calculated by combining a variety of data inputs within a proprietary framework in which different ESG factors are weighted according to how material they are for each sector. This allows abrdn and the Investment Manager to see how companies rank in a global context.

The abrdn ESG House Score was designed so that it can be broken down into specific themes and categories.

The ESG score comprises of two scores: the Operational score and Governance score. This allows a quick view of a company's relative positioning on its management of ESG issues at a granular level.

The Governance score assesses the corporate governance structure and the quality and behaviour of corporate leadership and executive management. The Operational score assesses the ability of the company's leadership team to implement effective environmental and social risk reduction and mitigation strategies in its operations.

The Fund looks to exclude at least the bottom 10% of companies with the lowest ESG House Score in the benchmark. If investing in a company that is not in the benchmark, the company must have an ESG House Score that is equal to or higher than the minimum acceptable score within the benchmark.

Additionally, it is expected that the Investment Approach reduces the benchmark investable universe by a minimum of 20%.

### ESG Commitments

- ESG Rating – The Fund will target an ESG rating that is better than or equal to the benchmark measured by the MSCI ESG rating (CCC–AAA) based on the weighted average of each companies MSCI ESG rating.
- Carbon Footprint – The Fund will target a Carbon Intensity that is at least 20% lower than the benchmark, as measured by the abrdn Carbon Footprint Tool (which uses Trucost data for Scope 1&2 emissions). This tool enables analysis of company, sector, and the overall portfolios carbon footprint.
- If the Fund falls behind in these commitments it will normally be corrected within a month, but up to 3 months is permitted to allow for market movements.

### Exclusions and Restrictions Criteria

The Sustainable Funds target to exclude at least 20% of the Fund's benchmark investable universe, through a combination of in-house proprietary scoring tools, and abrdn and the Investment Manager use negative criteria to avoid investing in certain industries and activities that our customers are concerned with. Further detail is set out in the table on page 3 of the Sustainable Fund's 'Investment Approach' which is published at [www.abrdn.com/au](http://www.abrdn.com/au). In particular, binary and norms based exclusions are applied to exclude the particular areas of investment as detailed below.

- of 5% or more from tobacco wholesale trading and 0% from tobacco manufacturers
- of 5% or more from gambling
- of 5% or more from unconventional oil and gas extraction or are investing in new unconventional extraction capacity in their own operations
- from thermal coal extraction and power generation and are directly investing in new thermal coal capacity
- from the manufacture or sale of conventional weapons or weapons support systems
- from majority owned state-owned Enterprises in countries subject to international sanctions that materially violate universal basic principles<sup>7</sup>

In addition, the Sustainable Funds will not invest in companies which:

- have failed to uphold one or more principles of the UN Global Compact
- are involved in controversial weapons covering: cluster munitions, anti-personnel landmines, nuclear weapons, chemical and biological weapons, depleted uranium ammunition and blinding lasers
- are primarily involved in conventional oil and gas extraction and do not have a significant revenue contribution (at least 40%) from natural gas or renewable alternatives or are investing in new unconventional extraction capacity in their own operations.
- are directly involved in electricity generation which has a carbon emission intensity inconsistent with the Paris Agreement 2 degrees scenario
- are directly investing in new thermal coal or nuclear electricity generation capacity in their own operations

To complement this abrdn and the Investment Manager also utilise active stewardship and engagement activities.

#### **Active Stewardship**

##### **Active Ownership**

abrdn Group views, good governance, and stewardship as vital to safeguard the way in which a company is managed and to ensure that it operates responsibly in relation to its customer, employees, shareholders, and the wider community. abrdn and the Investment Manager also believe that markets and companies which adopt best practices in corporate governance and risk management – including the management of environmental and social risks – are more likely to deliver sustainable, long-term investment performance.

As owners of companies, the process of stewardship is a natural part of the investment approach as abrdn and the Investment Manager seek to benefit from their long-term success on their clients' behalf. Their fund managers and

analysts regularly meet with the management and non-executive directors of companies in which they invest.

#### **Voting**

Voting analysis is carried out for all general meetings in actively held companies. Vote instructions on holdings are decided by analysts in regional and ESG investment teams. abrdn and the Investment Manager subscribe to proxy research providers IVIS and ISS and use their research to support their own analysis rather than automatically following recommendations of any third party. Decisions will reflect our knowledge of companies, and insights gained through engagement. The involvement of the investment managers in voting decisions allows them to ensure proxy voting remains an integral part of the investment process.

Engagement with company management teams is a key and standard part of the equity investment process and ongoing stewardship program. It provides abrdn and the Investment Manager with a more holistic view of a company, including current and future ESG risks that the firm needs to manage and opportunities from which it may benefit.

It also provides the opportunity for abrdn and the Investment Manager to discuss any areas of concern, share best practice and drive positive change.

Priorities for engagement are established by

- bottom-up research insights from investment teams across asset classes;
- areas of thematic focus from our company-level stewardship activities.

The Sustainable Fund's compliance with the assessment criteria and its investment guidelines is reviewed regularly (usually quarterly). If the review process identifies that an investment ceases to comply with the assessment criteria and/or investment guidelines, the investment will usually be sold as soon as is reasonably practicable (usually within three months), having regard to the interests of unitholders (but this may vary on a case-by-case basis).

#### **abrdn Global Corporate Bond Fund**

The Fund integrates negative exclusions (which are set out in the PDS for this Fund) and may include ESG and carbon targets but does not give binding commitments, promote environmental and/or social characteristics and does not have sustainable investments as their objective. In particular, the Fund will not invest in bonds issued by tobacco manufacturers or companies which have been identified as having involvement in the production of cluster munitions.

The ESG and carbon targets that the Fund may target are:

- ESG Rating – the abrdn Global Corporate Bond Fund will target an ESG rating that is better than or equal to the benchmark measured by the MSCI ESG rating (CCC–AAA) based on the weighted average of each company's MSCI ESG rating.
- Carbon footprint – the abrdn Global Corporate Bond Fund will target a Carbon Intensity that is lower than the benchmark, as measured by the abrdn Carbon

<sup>7</sup> This screen only applies to the abrdn Sustainable Emerging Opportunities Fund.



Footprint Tool (which uses Trucost data for Scope 1&2 emissions). This tool enables analysis of company, sector, and the overall portfolios carbon footprint.

Further detail can be found in the Fund's 'Sustainable Investment Report' which can be found on the Fund's website at [www.abrdn.com/au](http://www.abrdn.com/au).

The Fund's compliance with the assessment criteria and its investment guidelines is reviewed regularly (usually quarterly). If the review process identifies that an investment ceases to comply with the assessment criteria and /or investment guidelines, the investment will usually be sold as soon as is reasonably practicable (usually within three months), having regard to the interests of unitholders (but this may vary on a case by case basis).

## Reports and statements

The following reports are made available to unitholders.

Reports	Frequency
Transaction statements	After each transaction (initial and additional investments, withdrawals and transfer of units)
Unitholder statements	Quarterly (31 March, 30 June, 30 September and 31 December)
Distribution statements	Following each distribution
Tax statements	Annually
Annual Financial reports	Annually

You can request a transaction statement at any time. Statements are sent by mail, email or through the investor portal as nominated by the unitholder. If you nominate an email address in the Application Form, you agree that MSC Trustees, abrdn or SGH may use it to deliver to you information about your investment (such as transaction confirmations, statements and reports) and disclosures and information about the Fund (such as any new PDS for the Fund). From time to time letters in the post may still need to be sent.

If you invest through an IDPS Provider, you should make enquiries directly with the IDPS Provider regarding the reports they provide.

## Investing through mFund

If a Fund is admitted as an mFund product, you will receive or have access to the following information on the website, [www.abrdn.com/au](http://www.abrdn.com/au) and/or via the ASX website at [www.mFund.com.au](http://www.mFund.com.au) via their Market Announcement Platform on a periodic basis (or as necessary):

- The net asset value of the Fund on a quarterly basis;
- Information on any distributions declared or paid;
- Information on redemptions (the amount and value of units redeemed from the Fund on a monthly basis);
- Any material information that updates the Fund as part of our continuous disclosure obligations; and

- Any replacement PDS and Additional Information Booklet required or any other updated information relevant to the Fund under the Corporations Act.

ASX Settlement will periodically issue to you a CHESS holding statement summarising any movement of units through mFund.

The type of information you will receive or have access to may change in the future.

## Financial reports

The audited annual financial report for each Fund will generally be available on the website at [www.abrdn.com/au](http://www.abrdn.com/au) by the end of September each year. The report will be issued in accordance with the Australian Accounting Standards, the Corporations Act and all other applicable professional reporting requirements.

## Compliance plan

A compliance plan for each Fund has been prepared and lodged with ASIC. The plan describes the procedures to comply with the Corporations Act and relevant Fund's Constitution. Each plan is audited annually and the audit report is lodged with ASIC.

## Proxy voting and corporate governance

The exercise of voting rights is an important aspect of the investment management process and the fund manager's ability to influence corporate management and manage the performance of portfolios, where applicable. abrdn will vote on all company resolutions where it has the authority to do so. abrdn will report on the outcome of its Australian proxy voting record on an annual basis.

abrdn considers corporate governance to be concerned with the way companies are governed, as distinct from the way the businesses within them are managed. Such issues include a governance structure and selection of directors. abrdn adheres to the corporate governance guidelines issued by the Financial Services Council.

For further details on abrdn's approach to proxy voting and corporate governance, please refer to the policies set out in the 'Proxy Voting' section of abrdn's website.

## Related party transactions

A Fund may be involved in related party transactions such as appointing our related entities to provide services or perform functions in relation to the Fund, investing in or transferring assets to/from another fund or assets of which MSC Trustees or abrdn or their associates is the responsible entity, Fund Manager, Trustee or Investment Manager.

Any such arrangements are subject to legal and compliance guidelines to protect the interests of unitholders, including that they be allowable under the terms of the Fund documentation and are on an arm's length basis.

Dealings with related bodies corporate and external parties are conducted on commercial arm's length terms and with formal agreements in place.

## Insurance

Adequate professional indemnity insurance is maintained.

## Borrowing

The Funds do not intend to undertake any long-term borrowings; however the Constitutions permits borrowing. Short-term borrowings are undertaken for operational purposes from time to time. From time to time, the Fund may borrow cash using an overdraft facility to meet short-term cashflow requirements. Any debt interest in relation to the overdraft facility will be attributed to the Fund. Any associated costs will be borne by abrdn.

## Conflicts of interest

Conflicts of interest may arise between the interests of unitholders, ourselves and others.

Policies, procedures and organisational arrangements are in place to manage conflicts of interest through either controlling, avoiding or disclosing the conflict. Conflicts of interest will be resolved fairly and reasonably and in accordance with the law, ASIC policy and its own policies.

## Privacy

When you complete the Application Form for units in a Fund, personal information will be collected from you. This information will be used to establish and support the ongoing administration of your investment, to advise you of new developments relevant to your investment and to comply with Australian taxation laws, the Corporations Act and other laws and regulations. It is not compulsory for an investor to provide a TFN or ABN but if it is not provided it may mean that tax may need to be withheld from that investor as required by the Australian Taxation Office (ATO).

Your application will not be processed or your investment administered if you do not provide with your personal information. Your personal information may need to be disclosed to external parties situated in Australia and offshore which provide services to the Fund (confidentiality arrangements apply), such as custodial and registry service providers, bulk mailing, market research and information technology support, and providers of printing and postal services, or a government or regulatory body (such as ASIC, AUSTRAC or the ATO) or upon a court order. Information about your investments may be disclosed to your financial adviser or your appointed representative whose names appear on your Application Form. Otherwise, your personal information will not be disclosed to any other external parties unless required by law.

In many circumstances you can request access to personal information held about you. Sometimes, it is not possible to give you access, in which case explanation will be provided. You may also request information to be corrected which is held about you, which is inaccurate, incomplete or out of date.

The full privacy policy is available on the website at [www.abrdn.com/au](http://www.abrdn.com/au) by contacting Client Services team.

## Distributor and Promoter

SG Hiscock & Company Limited ('SGH') has been appointed as wholesale distribution partner and promoter of the funds.

## Responsible Entity

Melbourne Securities Corporation Limited is the Responsible Entity of each Fund. The responsibilities and obligations as

responsible entity are governed by each Fund's Constitution as well as the Corporations Act and general trust law. MSC Trustees hold an AFSL No. 428289.

## Constitution

Each Fund is regulated by the Corporations Act, its Constitution and the general laws of Australia. The Constitution sets out the conditions under which the Fund is to operate, the rights and liabilities of unitholders and the rights, powers, responsibilities and duties of MSC Trustees as Responsible Entity.

When you become a unitholder, your rights and obligations are governed by the Constitution of the Fund. Similarly, the responsibilities and obligations of MSC Trustees, as the Responsible Entity of the Fund, are also governed by the Constitution of the Fund (as well as the Corporations Act and general trust law).

The Constitution for the Fund contains provisions relating to:

- your powers, rights and obligations as a unitholder;
- the commencement, duration and termination of the Fund;
- the application, issue and withdrawal of units;
- how units are valued;
- income and capital distributions;
- unitholder meetings;
- powers of MSC Trustees, as Responsible Entity, to invest or borrow, limitations on our liability, our rights including the right to charge fees, recover expenses and be indemnified; and
- your liability (in this respect, the Constitution of each Fund states that your liability is limited to the amount you paid for your units, but the courts are yet to determine the effectiveness of provisions of this kind. Accordingly, no absolute assurance can be given that your liability as a unitholder in the Fund is limited in every situation).

MSC Trustees may alter the Constitution of a Fund, but only in accordance with the provisions in the Constitution and the Corporations Act.

You may inspect the Constitution of a Fund at our offices on any Business Day, free of charge, or obtain a free copy by contacting the Client Services team.

## Your rights as a unitholder

Each unit you hold in a Fund confers a proportional beneficial interest in the net assets of the Fund. You do not, however, have any entitlement to any particular part of the Fund, the direct assets of the Fund or the management or operation of the Fund (other than through investor meetings)

As a unitholder in a Fund, you have the right:

- to participate in income or capital distributions from the Fund you are invested in;
- to receive reports about your investment;
- where the Fund is Liquid, to have your units repurchased or withdrawn in accordance with the Constitution;
- to participate in distributions on termination or winding up of the Fund; and

- to call, attend and vote at meetings.

### **Registrar**

Citigroup Pty Ltd has been appointed as registrar of the funds listed in this Additional Information Booklet.

### **Custodian and administrator**

Citigroup Pty Ltd has been appointed to hold fund assets, provide administration functions and maintain the primary books and records for the Funds.

### **Auditor**

KPMG undertakes the financial audit of the financial statement for each fund listed in this Additional Information Booklet.

### **Consents**

Citigroup Pty Ltd has given, and not withdrawn its written consent to being named in this PDS as unit registry provider, administrator and custodian of each fund listed in this Additional Information Booklet. abrdn Oceania Pty Ltd and SG Hiscock & Company Limited have given, and not withdrawn, their consent to be named in the PDS.

### **Auditor**

KPMG has given and not withdrawn its written consent to be named as the auditor of the financial statement for each fund listed in this Additional Information Booklet.

### **Tax**

The information under the heading 'How managed investment schemes are taxed' in section 7 of each PDS and section 4 of this Additional Information Booklet has been reviewed by PwC Australia who have indicated that, based on the tax law at 11 October 2023, the information is not misleading by either misstatement or omission.

PwC Australia has given, and as at the date of each PDS has not withdrawn, its consent to the general income taxation information under the heading 'How managed investment schemes are taxed' in section 7 of each PDS and section 4 of this Additional Information Booklet being included in the form and context in which it is included in each PDS and in this Additional Information Booklet. PwC Australia takes no responsibility for the content of each PDS other than the general income taxation information under the heading 'How managed investment schemes are taxed'.

Corporations Act 2001 (Cth) (Corporations Act), and the PwC Australia is not licensed to provide financial product advice under the Corporations Act. To the extent that this document contains any information about a "financial product" within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient.

## Definitions

Capitalised terms in this PDS are defined below.

Key	Summary
Business Day	Any day other than a Saturday or a Sunday on which banks are open for general banking business in Sydney, Australia.
Constitution	The constitution of a Fund, which has been lodged with ASIC in accordance with Chapter 5C of the Corporations Act.
Corporations Act	The Corporations Act 2001 (Cth) and includes any regulations made under that Act and any exemption or modification of that Act, as amended or replaced from time to time
Distribution Record Date	The date on which an investor must be registered as a unitholder of the Fund in order to receive the Fund's distributable income (if any).
Distributor and Promoter	SG Hiscock & Company Limited
Fund Manager	abrdn Oceania Pty Ltd (ABN 35 666 571 268) in its capacity as a corporate authorised representative (CARNo. 001304153) of AFSL Holder MSC Advisory Pty Ltd, ACN 607 459 441, AFSL No. 480649 or, when dealing in derivatives on behalf of the Responsible Entity, as a corporate authorised representative (CAR No. 001304154) of AFSL Holder Melbourne Securities Corporation Limited, ACN 160 326 545, AFSL No. 428289
GST	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999. The Responsible Entity will apply for reduced input tax credits on behalf of the Fund, where applicable, to reduce the GST cost to the Fund.
IDPS Provider	Investor directed portfolio service includes a master trust, wrap account and an investor directed portfolio service-like scheme in accordance with ASIC Class Order 13/763, as amended or replaced from time to time. An IDPS Provider is the provider of an IDPS.
Liquid	A registered scheme is Liquid if liquid assets account for at least 80% of the value of scheme property in accordance with section 601KA of the Corporations Act. Broadly, liquid assets are assets that are reasonably expected to be realised for their market value within the period specified in the Constitution for satisfying withdrawal requests while the Fund is liquid.
Net Asset Value	The value of Fund assets less liabilities, often expressed as a per unit or per share value.
Retail investor	An investor who invests in the Fund as a retail client as defined in section 761G of the Corporations Act.
Responsible Entity and Issuer	Melbourne Securities Corporation Limited in its capacity as responsible entity of the Fund

For more information visit [abrdn.com](http://abrdn.com)

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