



abrdn Sustainable Index MPS

What we mean by 'Sustainable'

November 2024



Please note

We have set out in this explanatory note what we mean by 'Sustainable' in abrdn Sustainable Index MPS. In the UK, there is currently no industry-wide defined criteria for the assessment of sustainability or ESG factors. Given the subjective nature of these assessments, investments could be rated differently elsewhere and also may not align with the views of individual investors.

Investment objective

As set out in the investment portfolio factsheet, the abrdn Sustainable Index MPS range aims to achieve growth through diversified portfolios of collective investment funds over the long term. Each portfolio in the range invests in ethical, enhanced ESG and sustainable index-tracker funds in addition to other assets held for diversification purposes and is intended for investors with a very low through to a medium high attitude to risk. The portfolios invest in a wide variety of assets via funds that in turn invest in equities, fixed interest, alternatives and money markets. This blend of assets should help to dampen down volatility over the long term.

Investment and fund selection process

There are two key elements of our investment process – strategic asset allocation (SAA) and fund selection.

The level of risk taken via the SAA process defines the allocation in funds providing exposure to equities, fixed income and alternatives on a global basis and this will be the main driver of returns from this proposition over the longer term.

Through our fund selection process, we identify and invest in the types of funds listed below. It should be noted that this is our own subjective classification and assessment, and we are reliant on the information which fund managers provide to us regarding their investment process and objectives.

This includes:

1. Funds which aPSL believe integrate environmental, social and governance (ESG) factors into their investment process. The ESG factors which we consider vary, but may include climate change, human rights, corporate governance, and air pollution.
2. Funds (or fund managers) which abrdn Portfolio Solutions Limited believe evidence a stewardship and engagement program with the underlying companies they invest within.
3. We will also invest in funds which do not fall into any of the above categories, for example, government bond funds. Such funds are held for portfolio construction purposes.

Further information

If you have any questions regarding abrdn Sustainable MPS and our investment process, please **contact us**.



Important Information

Past performance does not predict future returns. The value of investments, and the income from them, can go down as well as up and clients may get back less than the amount invested.

For more information visit abrdn.com/mps

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