

# abrdn SICAV I - Emerging Markets SDG Corporate Bond Fund



This is a marketing communication. Please refer to the Prospectus of the UCITS/Information document and the Key Investor Information Document (KIID) or Key Information Document (KID) as applicable before making any final investment decisions.

I Acc USD

29 February 2024

## Objective

The Fund aims to achieve a combination of income and growth by investing in Emerging Market corporate bonds (loans to companies), which follow the Investment Manager's "Emerging Markets SDG Corporate Bond Investment Approach" (the "Investment Approach"). The Fund aims to outperform the JP Morgan ESG CEMBI Broad Diversified Index (USD) before charges.

## Portfolio securities

- The Fund invests at least 90% in bonds.
- The Fund invests at least 70% in Emerging Market corporate bonds.
- The Fund may invest up to 15% in contingent convertible securities.
- The Fund may invest up to 10% in Frontier Market government bonds.
- Non-US Dollar denominated issues will typically be hedged back to US Dollars.
- Up to 100% of the Fund may be invested in Sub-Investment Grade bonds.
- Investment in bonds will follow the Investment Approach, which is published at [www.abrdn.com](http://www.abrdn.com) under "Fund Centre".
- The Fund will invest in companies with a minimum of 20% of their revenue, profit, capital, operating expenditure or research and development linked to the UN SDGs. For companies classified in the benchmark as "Financials", alternative measures of materiality are used based on loans and customer base.
- The Fund will also invest up to 20% in SDG leaders. These are companies considered to be integral to the supply chain for progressing towards the UN SDGs, but may not currently meet the 20% materiality requirement.
- The Fund may invest in Green bonds, Social bonds or Sustainable bonds. Up to 10% may be invested in such bonds issued by companies that do not meet the materiality thresholds or are not regarded as SDG leaders, as defined above.
- In addition, we apply a set of company exclusions, which are related to Normative Screening (UN Global Compact, ILO & OECD), State-Owned Enterprises, Tobacco, Thermal Coal, Oil & Gas, Electricity Generation, Gambling, Alcohol, Adult Entertainment and Weapons.
- Financial derivative instruments, money market instruments and cash may not adhere to this approach.

## Performance



## Cumulative and annualised performance

	1 month	6 months	Year to date	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)
Fund (net) (%)	0.39	5.62	0.94	8.08	n/a	n/a	n/a
Performance target (%)	0.72	6.16	1.34	9.20	n/a	n/a	n/a

## Discrete annual returns - year to 29/2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund (net) (%)	8.08	-5.82	-3.68	0.00	n/a	n/a	n/a	n/a	n/a	n/a
Performance target (%)	9.20	-4.37	-4.41	n/a						

Performance Data: Share I Acc USD

Benchmark history: Performance target - JP Morgan ESG CEMBI Broad Diversified Index

Source: Lipper. Basis: Total Return, NAV to NAV, net of annual charges, gross Income reinvested, (USD).

Costs may increase or decrease as a result of currency and exchange rate fluctuations. This may impact what you might get back. "Fund (Net)" refers to the actual unit price performance of the shareclass shown; "Fund(Gross)" adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark. All return data includes investment management fees, operational charges and expenses, and assumes the reinvestment of all distributions. The returns provided do not reflect the initial sales charge and, if included, the performance shown would be lower.

**Past performance does not predict future returns.**

## Key facts

Fund manager(s)	Global Emerging Market Debt Team
Fund managers start date	03 May 2021
Fund launch date	01 December 2021
Share class launch date	01 December 2021
Management company	abrdn Investments Luxembourg S.A.
Fund size	USD 140.5m
Number of holdings	120
Performance target	JP Morgan ESG CEMBI Broad Diversified Index
Yield to maturity exc derivatives <sup>1</sup>	7.06%
Entry charge (up to) <sup>2</sup>	0.00%
Annual management charge	0.50%
Ongoing charge figure <sup>3</sup>	0.62%
Minimum initial investment	USD 1,000,000 or currency equivalent
Fund type	SICAV
Valuation point	13:00 (LUX time)
Base currency	USD
Share class currency	USD
Sedol	BMDV1P5
ISIN	LU2392364217
Bloomberg	ABDCBIU
Citicode	U4Q5
Reuters	LP68679273
Valoren	114031580
WKN	A3C4J5
Domicile	Luxembourg

## Risk and reward profile



This indicator reflects the volatility of the fund's share price over the last five years. See the relevant UCITS Key Investor Information Document (KIID) or PRIIP Key Information Document for details.

## Key risks

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

Investor Service

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## Management process

- The Fund is actively managed.
- The Investment Approach excludes companies with a High ESG Risk Rating and identifies:
- Companies aligned to the UN SDGs, which are designed to address the world's major long-term challenges. These include climate change, growing social inequality, and unsustainable production and consumption. OR
- Countries which meet our criteria on Environmental, Social, Governance and Political factors.
- Through the application of this approach, the Fund has an expected minimum of 75% in Sustainable Investments. It also targets a lower carbon intensity than the benchmark.
- This approach is expected to reduce the investment universe by a minimum of 20%.
- Engagement with external company management teams is used to evaluate the ownership structures, governance and management quality of those companies to inform portfolio construction.
- The benchmark is also used as a reference point for portfolio construction and as a basis for setting risk constraints. In order to achieve its objective, the Fund will take positions whose weightings diverge from the benchmark or invest in securities which are not included in the benchmark. The Fund's investments may deviate significantly from the components and their weightings in the benchmark. Due to the active and sustainable nature of the management process, the Fund's performance profile may deviate significantly from that of the benchmark.

## Top Ten Holdings

Prudential Plc 2.95% 2033	1.9
PT Indonesia Infrastructure Finance 1.5% 2026	1.9
Tower Bersama Infrastruc 2.75% 2026	1.8
Globe Telecom 3% 2035	1.7
Manila Water 4.375% 2030	1.7
National Central Colling 2.5% 2027	1.7
Sociedad De Transmision 4% 2032	1.7
Banque Ouest Africaine 4.7% 2031	1.7
Dev Bank Philippines 2.375% 2031	1.6
Lima Metro Line 2 Finance 4.35% 2036	1.6
<b>Assets in top ten holdings</b>	<b>17.3</b>

## Country (%)

India	8.4
Chile	8.1
Brazil	7.2
Peru	7.0
Colombia	6.7
United Arab Emirates	6.3
Philippines	5.1
Indonesia	5.1
Other	45.7
Cash	0.4

## Maturity (%)

0-5 years	64.8
5-10 years	24.1
10-15 years	2.8
15-20 years	2.7
20-25 years	2.9
25-30 years	1.3
30+ years	1.4

Source : abrdn 29/02/2024

Figures may not always sum to 100 due to rounding.

## Credit rating (%)

AA	3.3
A	7.2
BBB	37.1
BB	35.7
B or below	16.2
N/R	0.5

## Composition by asset (%)

Financials	30.8
Utilities	15.9
Telecommunication Services	14.3
Government	6.5
Quasi Sovereign	6.3
Industrials	4.9
Materials	4.4
Consumer Discretionary	4.0
Other	12.5
Cash	0.4

- (d) The fund invests in emerging market equities and / or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- (e) The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- (f) Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- (g) Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that the fund may invest in companies which similar funds do not (and thus perform differently) and which do not align with the personal views of any individual investor.
- (h) The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

## Risk stats

Effective duration (years) **4.26**

Source : abrdn. ^ Three year annualised.

## Derivative usage

- The Fund may use investment techniques (including Derivatives) to seek to protect and enhance the value of the Fund and to manage the Fund's risks. Derivatives, such as futures, options and swaps, are linked to the rise and fall of other assets. In other words, they 'derive' their price from another asset. They can generate returns when share prices and/or indices fall.

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A summary of investor rights can be found in English on our website - [www.abrdn.com/corporate/legal](http://www.abrdn.com/corporate/legal). To help you understand this fund and for a full explanation of risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents available in the local language, and Prospectus available in English, which are available on our website [www.abrdn.com](http://www.abrdn.com). The Prospectus also contains a glossary of key terms used in this document. The Fund Management company may terminate arrangements for marketing the fund under the Cross-border Distribution Directive denotification process.

**This Fund concerns the acquisition of units or shares in a fund, and not in a given underlying asset such as a building or shares of a company.**

<sup>1</sup>The Historic Yield as at 31/01/2024 reflects distributions declared over the past twelve months as a percentage of the mid-market share price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

<sup>2</sup>These are the maximum charges that we might take out of your money before it is invested. In some cases, the charges may be less and you should speak to your financial advisor about this.

<sup>3</sup>The Ongoing Charge Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the fund. It is made up of the Annual Management Charge (AMC) of 0.50% and other charges. It does not include any initial charges or the cost of buying and selling stocks for the fund. The Ongoing Charges figure can help you compare the annual operating expenses of different funds. There are other applicable costs. The other operating charges figure (OOC) is the total expenses paid by each share class, against its average net asset value. This includes the annual management charge, the other operating expenses and any synthetic element to incorporate the ongoing charges of any underlying qualifying investments. The OOC can fluctuate as underlying costs change. Where underlying costs have changed, the OOC disclosed in the Fund offering Documents will be updated to reflect current changes.

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In Switzerland these documents along with the fund's articles of association can be obtained from the fund's Representative and Paying Agent, BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH 8002 Zürich, Switzerland (Tel. 058 212 63 77).

In Italy these documents can be obtained from the Paying Agent, State Street Bank S.p.A, 10 Via Ferrante Aporti, 20125 Milano.

In France, these documents can be obtained from the Centralising Correspondent Agent : BNP Paribas Securities Services, 3, rue d'Antin, 75002 Paris, France.

In Spain, these documents can be obtained from Allfunds Bank S.A., c / Estafeta nº6 (La Moraleja), Plaza de la Fuente Complex -Building 3-28109, Alcobendas -Madrid- Spain. For the purposes of distribution in Spain, has been registered with the Comisión Nacional del Mercado de Valores under the number 107. These documents are also available on [www.eifs.lu/abrdn](http://www.eifs.lu/abrdn), including; The articles of association; Information on how orders (subscription, repurchase and redemption) can be made and how repurchase and redemption proceeds are paid; Information and access to procedures and arrangements related to investors' rights and complaints handling.

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