

PRODUCT KEY FACTS

abrdn SICAV I – China A Share Sustainable Equity Fund



October 2023

- This statement provides you with key information about the abrdn SICAV I – China A Share Sustainable Equity Fund (the "Fund").
- This statement forms part of the offering document and should be read in conjunction with the offering document of abrdn SICAV I.
- You should not invest in this product based on this statement alone.

Quick facts

Management Company:	abrdn Investments Luxembourg S.A.
Investment Manager:	abrdn Investments Limited – the United Kingdom (internal delegation)
Sub-Investment Manager:	abrdn Asia Limited– Singapore (internal delegation)
QFI Holder:	abrdn Asia Limited
Depository:	Citibank Europe plc, Luxembourg Branch
QFI Custodian:	Citibank (China) Co., Ltd.
Ongoing Charges over a Year*:	Class A Acc USD: 1.97% Class A Acc CNH: 1.97%
Dealing Frequency:	Daily
Base Currency:	USD
Dividend Policy:	Class A Acc USD, Class A Acc CNH No dividend payment
Financial Year End:	30 September
Minimum Investment:	Class A Acc USD, Class A Acc CNH: US\$1,000 initial, US\$1,000 additional

* The ongoing charges figures are based on the expenses for the year ended 30 September 2022 expressed as a percentage of the average net asset value of the Fund over the same period. This figure may vary from year to year.

What is the product?

This is a fund constituted in the form of a mutual fund. It is domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier ("CSSF").

Investment Objectives

To achieve long term total return by investing at least 90% of the Fund's total assets in equity and equity-related securities of companies whose securities are listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, including, without limitation, China A-Shares and B-Shares of companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, and corresponding H-shares or other equivalent securities authorised by the China Securities Regulatory Commission for purchase by non-Chinese investors.

Strategy

The Fund may invest up to 100% of its net assets directly or indirectly in Mainland China equity and equity-related securities (including through QFI, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programmes, participatory notes, equity linked notes and any other eligible means).

The Fund is actively managed. The Fund aims to outperform the MSCI China A Onshore Index (USD) benchmark (the "Benchmark") before charges. The Benchmark is also used as a reference point for portfolio construction and as a basis for setting risk constraints, but does not incorporate any sustainable criteria.

In order to achieve its objective, the Fund will take positions whose weightings diverge from the Benchmark and may invest in securities which are not included in the Benchmark. The investments of the Fund may deviate significantly from the components of and their respective 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.

Investment in all equity and equity-related securities will follow abrdn's "China A Share Sustainable Equity Investment Approach".

Through the application of this approach the Fund has an expected minimum of 20% in sustainable investments. Furthermore, the Fund targets an environmental, social and governance (ESG) Rating (based on the weighted average of each company's MSCI ESG rating) that is equal to or better, and a lower carbon intensity than, the Benchmark at the portfolio level.

This approach utilises abrdn's equity investment process, which enables portfolio managers to qualitatively identify and focus investment in sustainable leaders and 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. abrdn considers the quality of a company's management team and analyse the ESG opportunities and risks impacting the business and appraise how well these are managed. abrdn assigns the ESG Quality Rating, a proprietary score (1 indicates best in class and 5 indicates laggards) to articulate the quality attributes of each company. Through this positive assessment, the Fund will invest in companies with an ESG Quality Rating of 3 or better.

To complement the qualitative research in the preceding paragraph, the abrdn ESG House Score is used to quantitatively identify and exclude those companies exposed to the highest ESG risks. The ESG House Score is a proprietary scoring system developed by our central ESG investment team in collaboration with the quantitative investment team, and 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 us to see how companies rank in a global context. 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 ESG House Score of bottom 10% of companies in the Benchmark.

Additionally, abrdn apply a set of company exclusions which are related to the UN Global Compact (to exclude companies which fail to uphold one or more of the 10 Principles of the UN Global Compact as determined by a combination of external data sources, including MSCI and our own internal research), Norges Bank Investment Management (NBIM), Weapons, Tobacco, Gambling, Thermal Coal, Oil & Gas and Electricity Generation. More detail on this overall process is captured within the abrdn China A Share Sustainable Equity Investment Approach, which is published at www.abrdn.com¹ under "Fund Centre".

Engagement with management teams of the companies in the Fund's investment universe is used to evaluate the ownership structures, governance and management quality of those companies in order to inform portfolio construction on an ongoing basis, before and after investment.

The abrdn China A Share Sustainable Equity Investment Approach reduces the Benchmark investable universe by a minimum of 20%.

Financial derivative instruments, money-market instruments and cash may not adhere to this approach.

The Fund may utilise financial derivative instruments for hedging and/or investment purposes, or to manage foreign exchange risks, subject to the conditions and within the limits laid down by applicable laws and regulations. The use of derivatives for hedging and/or investment purposes is expected to be very limited, mainly in those cases where there are significant inflows into the Fund so that cash can be invested while the Fund's investments in equity and equity related securities is maintained.

The Fund may hold ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its assets for treasury purposes.

The Fund may invest directly in money market and cash equivalent instruments or short-term debt securities, which may include fixed or floating rate commercial paper, bonds, notes and bills, bank deposits, certificates of deposit, term deposits up to one year, bankers' acceptances, call and notice accounts, and undertakings of collective investment which invest in these instruments (i.e. money market funds) for treasury purposes.

The Investment Manager retains the discretion to enter into securities lending for the Fund and the Fund may enter into securities lending for up to 50% of the net asset value of the Fund.

Use of derivatives/investment in derivatives

The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

¹ Please note that the website has not been reviewed by the SFC and may contain information relating to funds not authorised by the SFC.

What are the key risks?

Investment involves risks. Please refer to the offering document of abrdn SICAV I for details including the risk factors.

1. Investment risk

- The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.

2. Equity risk

- The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

3. Concentration risk

- The Fund invests in a single country market (i.e. China) and such is likely to be more volatile than a more widely invested fund.
- Lack of liquidity may adversely affect the value or ease of disposal of assets.
- The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting China.

4. Risk of investing in emerging markets (including China)

- The Fund invests in Chinese equities and equity-related securities thereby providing exposure to emerging markets, in particular China, which tend to be more volatile than mature markets and its value could move sharply up or down. In some circumstances, the underlying investments may become less liquid which may constrain the Investment Manager's ability to realise some or all of the portfolio. The registration and settlement arrangements in emerging markets may be less developed than in more mature markets so the operational risks of investing are higher. Political risks and adverse economic circumstances are more likely to arise.
- The Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

5. ESG Investment Policy Risks

- Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities in which the Fund might otherwise invest. Such securities could be part of the benchmark against which the Fund is managed, or be within the universe of potential investments. This may have a positive or negative impact on performance and may mean that the Fund's performance profile differs to that of funds which are managed against the same benchmark or invest in a similar universe of potential investments but without applying ESG or sustainability criteria.
- In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third party ESG research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. In addition, there is a lack of common or harmonised definitions and labels regarding ESG and sustainability criteria. As a result, there is a risk of incorrectly or subjectively assessing a security or issuer or there is a risk that the Fund could have exposure to issuers who do not meet the relevant criteria.
- Furthermore, the lack of common or harmonised definitions and labels regarding ESG and sustainability criteria may result in different approaches by managers when integrating ESG and sustainability criteria into investment decisions. This means that it may be difficult to compare funds with ostensibly similar objectives and that these funds will employ different security selection and exclusion criteria. Consequently, the performance profile of otherwise similar funds may deviate more substantially than might otherwise be expected.
- Additionally, in the absence of common or harmonised definitions and labels, a degree of subjectivity is required and this will mean that a fund may invest in a security that another manager or an investor would not.
- The use of ESG criteria may also result in the Fund being concentrated in companies with ESG focus and its value maybe volatile than that of funds having a more diverse portfolio of investments.

6. Exchange rates risk

- The Fund may invest in securities denominated in a number of different currencies other than the base currency in which the Fund is denominated. Changes in foreign currency exchange rates may adversely affect the value of the Fund's investments and the income thereon.

7. Risk associated with investments/exposure to RMB currency and/or Mainland China/RMB (CNH) share classes related risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund.
- Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

- Non-RMB based investors in share classes denominated in RMB (CNH) may have to convert HKD or other currency(ies) into RMB when investing in share classes denominated in RMB (CNH) and subsequently convert the RMB redemption proceeds and/or dividend payment (if any) back to HKD or such other currency(ies). Investors will incur currency conversion costs and you may suffer losses depending on the exchange rate movements of RMB relative to HKD or such other currencies.
- Under exceptional circumstances, payment of realisation proceeds and/or dividend payment from underlying investments to the Fund in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

8. Risks associated with Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme ("Stock Connects")

- The relevant rules and regulations on Stock Connects are subject to change which may have potential retrospective effect. The Stock Connects are subject to quota limitations. Where a suspension in the trading through the programme is effected, the Fund's ability to invest in China A-shares or access the PRC market through the programme will be adversely affected. In such event, the Fund's ability to achieve its investment objective could be negatively affected.

9. Risks associated with investment made through QFI regime

- The Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.
- The Fund may suffer substantial losses if the approval of the QFI status is being revoked/terminated or otherwise invalidated as the Fund may be prohibited from trading of relevant securities and repatriation of the Fund's monies, or if any of the key operators or parties (including QFI custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

10. Risks associated with ChiNext

- *Higher fluctuation on stock prices:* Listed companies on ChiNext are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board.
- *Over-valuation risk:* Stocks listed on ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- *Differences in regulation:* The rules and regulations regarding companies listed on ChiNext are less stringent in terms of profitability and share capital than those in the main board.
- *Delisting risk:* It may be more common and faster for companies listed on ChiNext to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted.
- Investments in ChiNext may result in significant losses for the Fund and its investors.

11. Risk associated with the equity market in China

- High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Fund.
- Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Fund.

12. Risk relating to securities lending agreements

- In relation to securities lending transactions, the Fund will be subject to counterparty risk, including the risk that the loaned securities may not be returned or returned in a timely manner. The Fund may suffer financial loss if it does not recover the securities and/or the value of the collateral falls. In the event of default by the counterparty, the collateral provided will need to be sold and the loaned securities repurchased at the prevailing price, which may lead to a loss in value of the Fund. This risk is increased when the Fund's loans are concentrated with a single or limited number of borrowers. The delays in the return of securities on loans may restrict the ability of the Fund to meet delivery obligations under security sales.
- To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, a loss of income and possible additional costs associated with asserting its rights, thus, adversely affecting the net asset value of the Fund.

13. Risk of Foreign Account Tax Compliance Act ("FATCA")

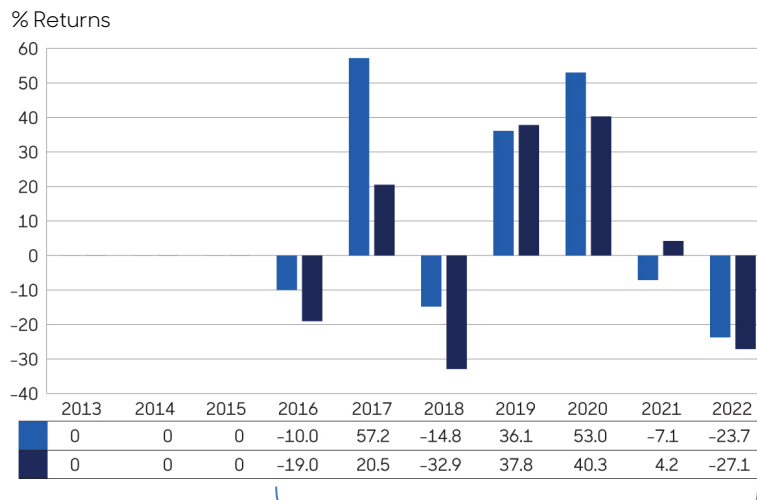
- The Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of FATCA withholding tax. However, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of the FATCA regime, the value of the shares held by the shareholders may suffer material losses.

14. Risk of using financial derivative instruments

Risks associated with financial derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a financial derivative

instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Fund. Exposure to financial derivative instrument may lead to a high risk of significant loss by the Fund.

How has the fund performed?



In April 2022 there was a material change of the Fund's investment objectives and strategy. The previous performance was achieved under circumstances that no longer apply.

■ Fund (Net)

■ Benchmark

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year-end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Class A Acc USD increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay (if any).
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- The Investment Manager views Class A Acc USD being the most appropriate representative share class as this share class is opened for investment by Hong Kong retail investors and broadly indicative of the Fund's performance characteristics.
- The benchmark is MSCI China A Onshore Index (USD).
- Fund launch date: 03/2015
- Class A Acc USD launch date: 03/2015

Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Investors should refer to the offering document of abrdn SICAV I for details regarding the fees and expenses of the Fund.

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund.

Fees and charges

Subscription fee[^]:

Switching fee:

Redemption fee:

What you pay

Up to 5.0% of the amount you pay

No switching is permitted within, into or out of this Fund

Not applicable

[^] Initial sales charge and capacity management charge if applicable.

Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

Investment Management Fee:	<u>Annual rate (as a % of the Fund's net asset value)</u>
Depository Fee:	Class A Acc USD, Class A Acc CNH: 1.75%*
Performance Fee:	Min: 0.0025% – Max: 0.50%
Management Company Charge:	Not applicable
General Administration Charge:	Up to 0.05%
	Up to 0.10% (plus VAT if any)

*You should note that the fee may be increased, up to a specified permitted maximum, by giving shareholders at least one month's prior notice. For details, please refer to the offering document of abrdn SICAV I.

Other fees

You may have to pay other fees and charges when dealing in the shares of the Fund. For details, please refer to the offering document of abrdn SICAV I.

Additional Information

- You generally buy and redeem shares at the Fund's next-determined net asset value after the Hong Kong Representative receives your request in good order before 5:00pm (Hong Kong time) on the Hong Kong business day (being a day, other than Saturday, on which banks in Hong Kong are open for business). Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal cut-off time (which may be earlier than the Fund's dealing cut-off time).
- The net asset value of the Fund is calculated and the price of shares is published daily at www.abrdn.com/hk. This website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors (if any) from www.abrdn.com/hk.
- Investors may obtain information on the distributor(s) by referring to Client Services Team of abrdn Hong Kong Limited

Important Notes

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.