

09 September 2021

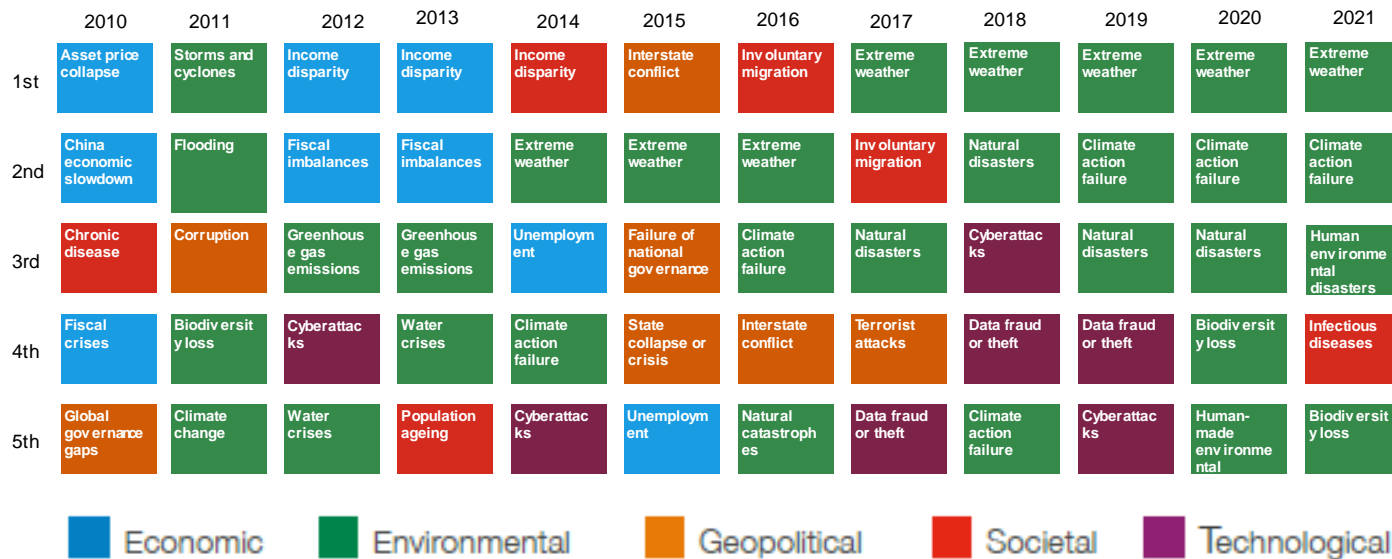
Impact investing in listed equities

What's the future after four years of live
experience?

Sarah Norris, Investment Director

The greatest risks the world faces are increasingly environmental and social

Top five global risks in terms of likelihood over the years





Note: Global risks may not be strictly comparable across years, as definitions and the set of global risks have evolved with new issues emerging on the 10-year horizon. For example, cyberattacks, income disparity and unemployment entered the set of global risks in 2012. Some global risks were reclassified: water crises and rising income disparity were re-categorized first as societal risks and then as a trend in the 2015 and 2016

Global Risks Reports, respectively

Source: World Economic Forum 2010-2021, Global Risks Reports

Defining positive impact

Using global risks and goals as a lens to identify the most pressing problems

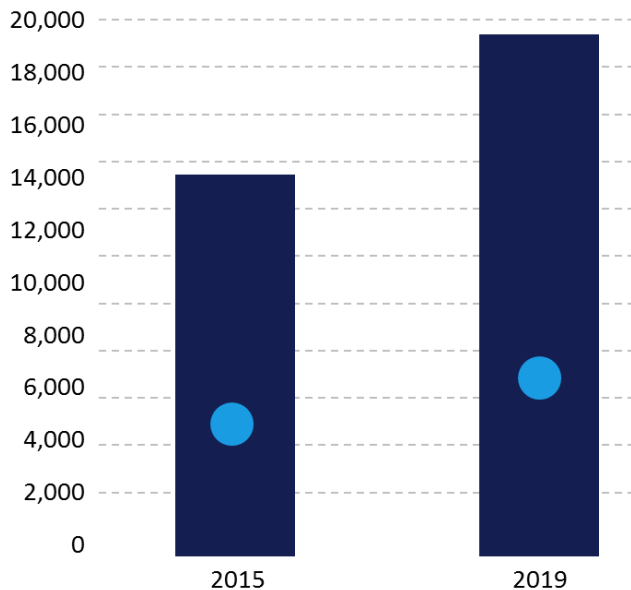
	Pillars	Sub-themes
	Circular Economy	Resource efficiency Material recovery and reuse
	Sustainable Energy	Access to energy Clean energy Energy efficiency
	Food & Agriculture	Access to nutrition Food quality Sustainable agriculture
	Water & Sanitation	Access to water & hygiene Clean water Water efficiency
	Health & Social Care	Access to healthcare & social care Enhanced healthcare Treatment
	Financial Inclusion	Access to financial services
	Sustainable Real Estate & Infrastructure	Affordable housing Eco-construction Clean mobility
	Education & Employment	Access to education and skills development Quality employment and job creation
	Impact Leader	Companies that are integral to the supply chains and enable our other pillars

Source: Aberdeen Standard Investments

How it started vs How it's going

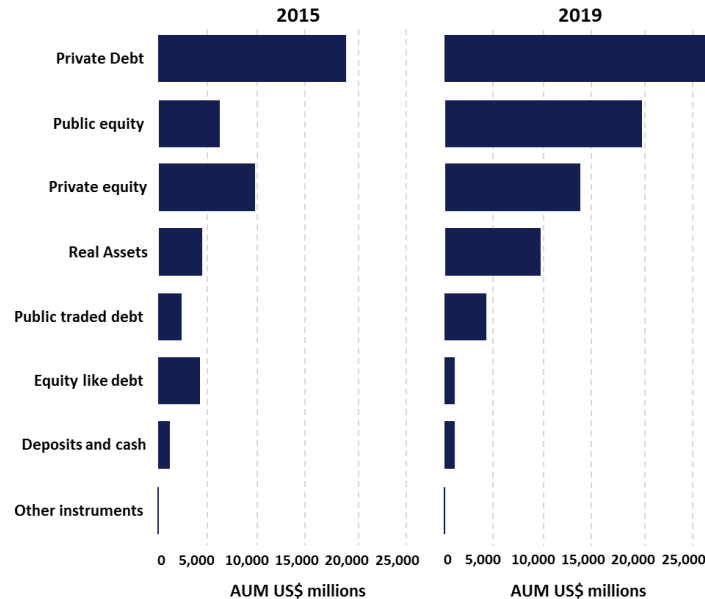
Public equity impact investing more widely accepted

Repeat respondents grew their collective volume of capital invested by 12% per annum between 2015 and 2019



n = 78 excludes outlier for 2019 investment activity. Capital invested in US\$ Millions.
Source: GIIN, 2020 Annual Impact Investor Survey

Public equity has grown significantly, at a rate of 33% CAGR from 2015 to 2019, followed by real assets at 21%

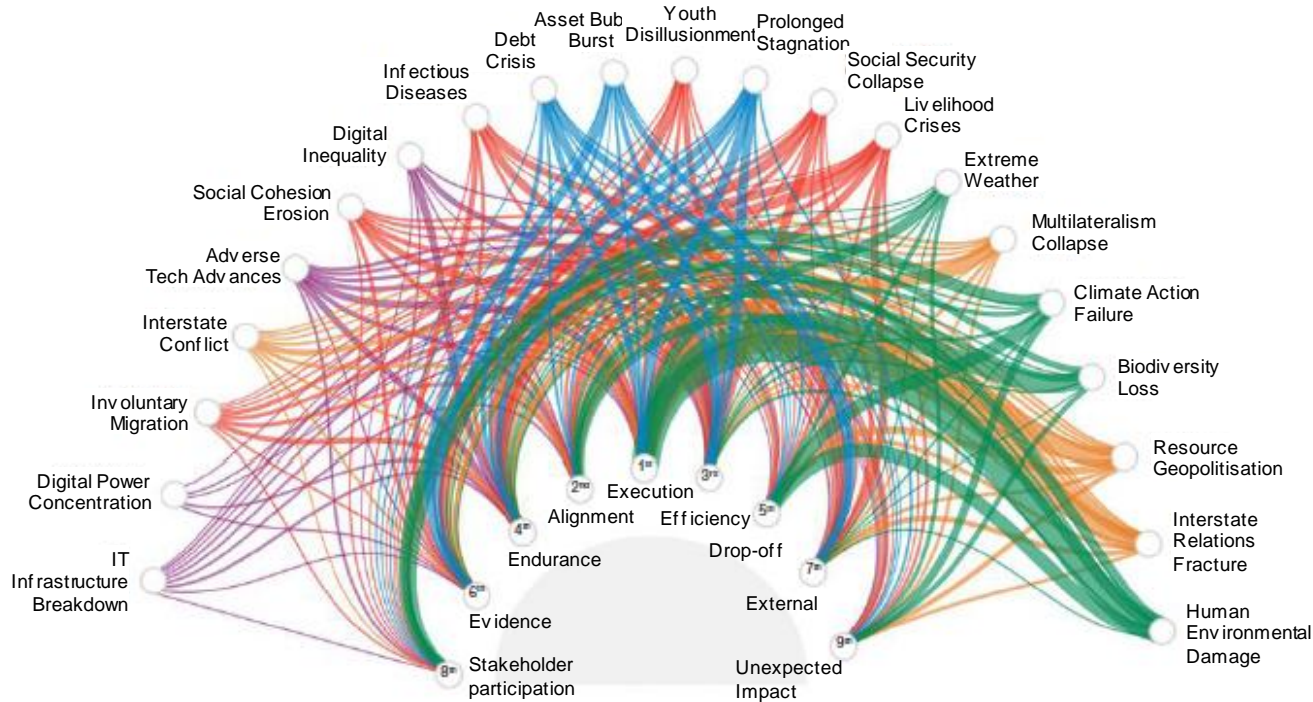


n = 78 figures in USD millions Note: Excludes one large outlier that significantly grew allocations to public traded debt. The 2016 survey included a category for pay-for-performing instruments which were included in 'other' for this analysis

GIIN, Annual Impact Investor Survey, 2020

Impact Measurement: Key Debates

Should we report on risks?



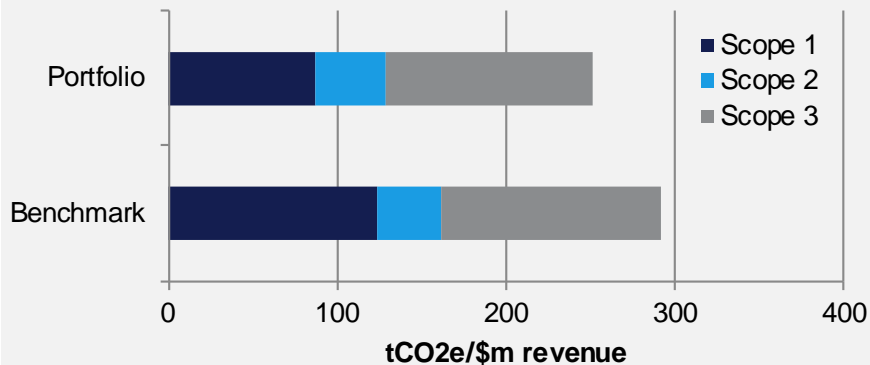
Source: Bridges Ventures, The Impact Management Project; World Economic Forum

Impact Measurement: Key Debates

How do we choose the right metrics?

Carbon intensity lower than that of the benchmark

Aberdeen Standard SICAV III - Global Equity Impact Fund
MSCI AC World Index

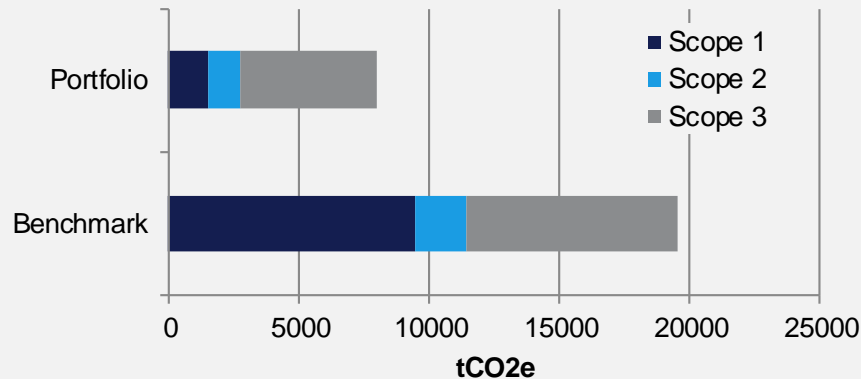


Carbon Footprint

79.36%
Relative Carbon Intensity

Fund “owned” emissions less roughly half of the benchmark

Aberdeen Standard SICAV III - Global Equity Impact Fund
MSCI AC World Index



47.60%
Relative Apportioned Fund
Emissions

1903
Equivalent Cars Taken Off
The Road

Source: Trucost, 12 August 2021; ASI-fund data as of 12 August 2021. Relative Carbon Intensity, Apportioned Total Emissions and Avoided Emissions metrics refer to scope 1, 2 & 3 emissions data. Cars taken off the road are calculated as avoided emissions (84,446tCO2e) divided by 4.6t which is the annual CO2 emitted by an average passenger car 5 doing 11,500m (EPA)

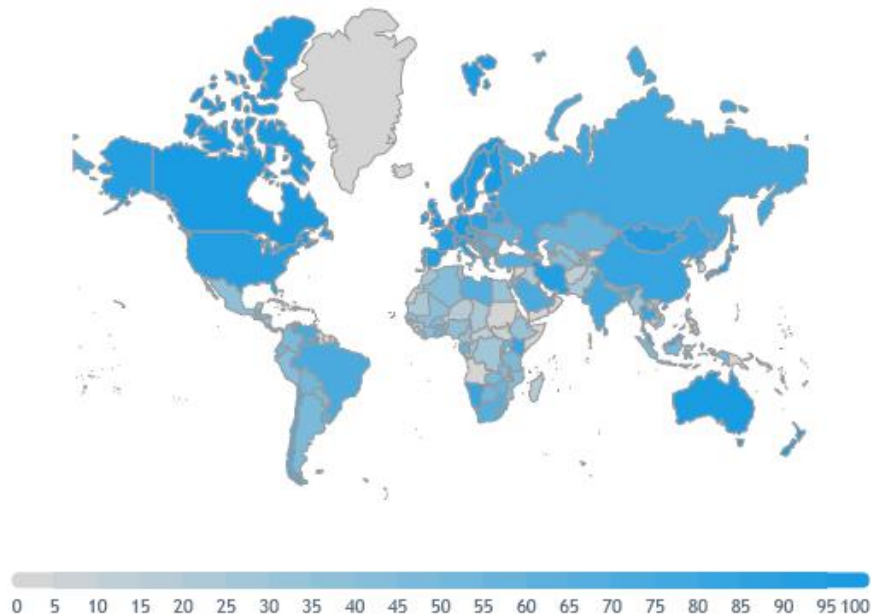
Impact Measurement: Key Debates

How do we define success?



Basic Financial Services Penetration

	Account Penetration (% of the population)	New Accounts created by Fund holdings as a percentage of un/underbanked
Indonesia	48.86%	10.38%
Sri Lanka	73.65%	0.48%
Philippines	34.50%	0.23%
Sierra Leone	19.81%	0.92%
Uganda	59.20%	0.35%



Understanding the nature of the problem, the intended beneficiaries and potential outcomes

Source: ASI 2020 Impact Report; Global Financial Inclusion Database, World Bank

Impact Measurement: Key Debates

Should we compare impact?



Source: LeapFrog Invest, EQ Investors, Aberdeen Standard investments

Key questions to ask



- **How is positive impact defined?**
- **What are the Fund's impact objectives? What does success look like?**
- **What is the process and is it monitored?**
- **What is the approach to risk?**
- **How is impact reported? Is this aligned with the impact objectives?**

International Finance Corporation (World Bank Group) Operating Principles for Impact Management

Appendix

Fund Profile: Aberdeen Standard SICAV III - Global Equity Impact Fund

Launch date:	18 October 2017	
Sector:	Global Equities	
Structure:	UCITS IV SICAV	
Domiciled:	Luxembourg	
Reference Index	MSCI All Country World Index (ACWI)	
Dealing frequency:	Daily , subscription deadline 13:00 CET, (settlement T+3)	
	Retail (Class A), US\$	Institutional (Class D), US\$
Minimum investment:	\$1,000	\$1,000,000
Management fee:	1.40%	0.70%
Ongoing charges figure:	1.56%	0.82%
Share Class / ISIN:	EUR ^{A,U} LU1697922752	
Other Share classes available	Other share classes available for early adopters which have preferential charges	
Registered for sale**:	UK; Austria; Denmark; Finland; France; Germany; Ireland; Luxembourg; Netherlands; Spain; Sweden; Switzerland	



* A (Accumulation); I (Income); H (Hedged); U (Unhedged) ** Please check which share classes are available for sale in your region

Aberdeen Standard SICAV III - Global Equity Impact Fund

Please note that the information shown below relates to the D Accumulation Unhedged EUR share class. More information on share classes can be found on the website, www.aberdeenstandardinvestments.com

The following risk factors apply specifically to this Fund. These are in addition to the generic risks of investing. A full list of the risks applicable to this Fund can be found in the Prospectus which is available on the website or upon request.

- (a) A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- (b) 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.
- (c) The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- (d) Interpretation of "Impact Investing" will vary according to beliefs and values. Consequently the fund may invest in companies which do not align with the personal views of any individual investor.

Aberdeen Standard SICAV III - Global Equity Impact Fund

Investment objective

The Fund aims to outperform MSCI AC World Index (USD) benchmark before charges. The Fund is actively managed. - The benchmark is used as a reference point for portfolio construction and as a basis for setting risk constraints.

The Fund aims to generate growth over the long term by investing in equities which aim to create positive measurable environmental and/or social impacts. It will invest primarily in equities of corporations listed on recognised stock exchanges. The impact criteria may change from time to time and may include areas such as sustainable energy, recycling practices, health and social care, sanitation, education and employment, agriculture, housing and financial inclusion. The investment team will maintain a diverse asset mix at impact, country, sector and stock level, with the regional, country and sector weightings within the portfolio a by-product of the underlying stock exposure. Their primary focus is on stock selection to try to take advantage of opportunities they have identified. Due to the concentrated nature of the fund investors must be willing to accept a relatively high degree of stock specific risk. The impact criteria applicable to the Fund are set out in an Impact Policy which is available from the Management Company and may be amended from time to time as considered necessary.

Discrete performance

Calendar year returns (%)	1 year to 30/06/2021	1 year to 30/06/2020	1 year to 30/06/2019	1 year to 30/06/2018	1 year to 30/06/2017
Fund (USD)	41.56	7.66	2.30	--	--
MSCI AC World Index	39.87	2.64	6.32	--	--

Note: D Acc Shareclass in USD used. Performance has been calculated over the stated period on the share price performance basis, based on the given shareclass and net of fees. Past Performance is not a guide to future performance. Returns may vary due to currency fluctuation. The price of shares and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment. For full details of the fund's objective, policy, investment and borrowing powers and details of the risks investors need to be aware of, please refer to the prospectus. The fund does not have an index-tracking objective.

Source: Aberdeen Standard Investments, 30 June 2021. Past performance is not a guide to future results

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