abrdn UK Ethical Equity Fund – Investment Objective and Policy	
Current	**Updated (Effective 27th November 2026)**
Investment Objective To generate growth over the long term (5 years or more) by investing in UK equities (company shares) which adhere to the abrdn UK Ethical Equity Investment Approach. Performance Target: To achieve a return in excess of the FTSE All-Share Index over rolling five year periods (after charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target. Due to the ethical nature of the management process, there are a material number of stocks and sectors in the FTSE All-Share Index that the fund is unable to invest, which means the fund's performance profile may deviate significantly from that of the FTSE All-Share Index. The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.	**Investment Objective** To generate growth over the long term (5 years or more) by investing in UK equities (company shares) which adhere to the abrdn UK Ethical Equity Investment Approach. Performance Target: To achieve a return in excess of the FTSE All-Share Index over rolling five year periods (after charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target. Due to the ethical nature of the management process, there are a material number of stocks and sectors in the FTSE All-Share Index that the fund is unable to invest, which means the fund's performance profile may deviate significantly from that of the FTSE All-Share Index. The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.
Investment Policy **Portfolio Securities** • The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated, or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there. • The fund may invest up to 20% in non-UK listed companies. • All investments will adhere to the abrdn UK Ethical Equity Investment Approach set out in Appendix VIII. • The fund may also invest in other funds (including those managed by Aberdeen Investments), money-market instruments, and cash. • The fund applies a set of company exclusions which are related but not limited to fossil fuels, animal testing, weaponry, pornography, gambling, tobacco and alcohol. • In addition, the investment team carries out qualitative and quantitative assessment of companies' ESG characteristics.	**Investment Policy** **Portfolio Securities** • The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated, or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there. • The fund may invest up to 20% in non-UK listed companies. • All investments will adhere to the abrdn UK Ethical Equity Investment Approach set out in Appendix VIII. • The fund may also invest in other funds (including those managed by Aberdeen Investments), money-market instruments, and cash. • The fund applies a set of company exclusions which are related but not limited to fossil fuels, animal testing, weaponry, pornography, gambling, tobacco and alcohol. • In addition, the investment team carries out a dual assessment of companies' ESG characteristics.

○ The qualitative assessment utilises Aberdeen Investments' equity investment process, where companies invested in are given an overall quality rating, a component of which is the ESG Quality Rating which enables the management teams to qualitatively identify ESG leaders and avoid ESG laggards. ESG leaders are viewed as companies with the best-in-class ESG credentials or products and services which address global environmental and societal challenges, whilst ESG laggards are typically companies with financially material controversies, severe governance concerns, and/or poor treatment of minority shareholders. ○ The quantitative assessment utilises the Aberdeen Investments ESG House Score to evaluate how companies manage their ESG risks and assigns a score accordingly. The global universe of scored companies is then sorted and split into 7 equal groupings, with at least 70% of the fund invested in companies in the top two groups. **Management Process** • The fund management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level. • Their primary focus is on stock selection using research techniques to select individual companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions. • Engagement with external company management teams is used to evaluate the ownership structures, governance and management quality of those companies in order to inform portfolio construction. • The abrdn UK Ethical Equity Investment Approach criteria reduces the benchmark investable universe by a minimum of 20%. • In seeking to achieve the Performance Target, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily	○ The fund utilises Aberdeen Investments' equity investment process, where companies invested in are given an overall quality rating, a component of which is the ESG Quality Rating which enables the management teams to qualitatively identify ESG leaders and avoid ESG laggards. ESG leaders are viewed as companies with the best-in-class ESG credentials or products and services which address global environmental and societal challenges, whilst ESG laggards are typically companies with financially material controversies, severe governance concerns, and/or poor treatment of minority shareholders. ○ Additionally, at least 60% of the fund's assets will be invested in companies that manage adverse environmental impacts and promote societal welfare through their products and/or services or the way in which they operate their business. **Management Process** • The fund management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level. • Their primary focus is on stock selection using research techniques to select individual companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions. • Engagement with external company management teams is used to evaluate the ownership structures, governance and management quality of those companies in order to inform portfolio construction. • The abrdn UK Ethical Equity Investment Approach criteria reduces the benchmark investable universe by a minimum of 20%. • In seeking to achieve the Performance Target, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 12%. Due to the ethical nature of the management process, there are a material number of stocks and sectors in the

expected to exceed 12%. Due to the ethical nature of the management process, there are a material number of stocks and sectors in the FTSE All-Share Index that the fund is unable to invest, which means the fund's performance profile may deviate significantly from that of the FTSE All-Share Index. **Derivatives and Techniques** • The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). • Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.	FTSE All-Share Index that the fund is unable to invest, which means the fund's performance profile may deviate significantly from that of the FTSE All-Share Index. **Derivatives and Techniques** • The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). • Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.