30 September 2025

Standard Risk Measures for Aberdeen Funds - 2025

The Standard Risk Measure (SRM) for each fund is calculated based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Investors should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s. Investors should regularly review their investment decision with their financial adviser.

The following table is used to determine the risk label that applies to a fund:

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The table overleaf details the current SRM that applies to each Aberdeen fund. The calculations are undertaken by Deloitte based on the *Financial Services Council / Association of Superannuation Funds of Australia Standard Risk Measure Guidance Paper for Trustees, July 2011*. Investors should be aware that the SRM labels used for each fund may differ to similar funds offered by other providers. The differences are generally due to the methodology used in calculating the SRM or differences in timing of the most recent review of a fund's SRM.

Deloitte calculation method

Deloitte has adopted the approach of Monte-Carlo Simulation. The steps in the process are:

1. Simulate 40,000 annual return scenarios for each modelled asset class using the Deloitte *Stochastic Investment Model*. This involves generating correlated random variables that are subsequently transformed through proprietary methods to adjust higher-order moments, ensuring skewness and kurtosis conform to target distributional assumptions. Details of the model and asset class assumptions are provided in Appendix A (Stochastic Investment Model).
2. For each scenario, calculate the annual return of each investment option by aggregating the gross returns of constituent asset classes weighted by portfolio allocations, then deduct investment management costs (but gross of tax and administration fees).
3. Estimate the annual probability of negative returns for each investment option by computing the proportion of scenarios (out of 40,000) with negative annual returns.
4. Project the expected frequency of negative return years over a 20-year horizon by multiplying the

annual negative return probability by 20, providing an estimate of the total number of years with negative outcomes within that period. No adjustment has been made for the impact of active investment management.

In producing the SRM calculations, Deloitte has supplemented historical data and internal assumptions with their survey of major asset consultants, superannuation funds and fund managers. This survey collects data regarding expectations of asset class returns looking forward ten years. Deloitte has used this to help form a forward-looking view on the potential investment returns and volatility of various asset classes.

The following table sets out the SRM for each Aberdeen fund:

Fund	Risk band	Risk label
EQUITIES		
abrdn Emerging Markets Equity Fund[1]	6	High
abrdn Sustainable Asian Opportunities Fund	7	Very high
abrdn Sustainable International Equities Fund	6	High
FIXED INCOME		
abrdn Global Corporate Bond Fund	4	Medium

The SRM is generally reviewed each year based on the latest estimates of long-term volatility and correlation data. A significant change to market conditions or refinements to the SRM methodology may alter the SRM from time to time. As a result, the current SRM for a Fund may differ from the SRM ('Risk Level') detailed in the Product Disclosure Statement (PDS). More information on the risks which may affect an investment in each of the above-listed funds are included in the 'Risks of managed investment schemes' section of the relevant PDS, which can be viewed or downloaded from this website.

Further information

If you require further information, please contact our Client Services team on 1800 636 888 (Australian investors toll free) or +61 3 9612 4646 (if calling from outside Australia). Alternatively you may wish to email us at clientservice@sghiscock.com.au

[1] Please note: Prior to 30 September 2025, the Fund was known as the abrdn Sustainable Emerging Opportunities Fund. Prior to 30 September 2025, performance was obtained under a different objective and strategy.