

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Product name: **Responsible Global Asset Strategies Fund**

Legal entity identifier **213800H44IXVBWSIJ774**

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It made **sustainable investments with an environmental objective**: %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: %

☒ ☐ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 0.00% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promoted E/S characteristics, but **did not make any sustainable investments**

### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund has closed to all investors and holds no investments at the year end reporting date.

Prior to closure and during the reporting period, to promote the environmental and social characteristics, the Fund applied ESG screening criteria, excluded companies with the highest ESG risks as identified by abrdn's ESG House Score, and promoted good governance including social factors.

The Responsible Global Asset Strategies (RGAS) Fund typically consisted of 20 to 30 investment strategies that span markets and were the discretionary choice of our managers using our established Absolute Return philosophy and approach. In selecting and constructing positions for RGAS, alongside traditional analysis, we used a combination of ESG integration, screening and enhancement criteria to achieve the Fund's sustainable and financial objectives.

ESG integration incorporated an assessment of ESG factors into the investment analysis and decision

making across all holdings of the Fund. Exclusions via ESG screening criteria mean we avoided investing in activities that present particular risks. Our ESG enhancement criteria mean that the Fund holdings enhanced ESG characteristics. Combined, these three elements provided investors with a responsible approach to global asset investing.

The assessment of ESG factors was integrated into every stage of our multi-asset investment process, from research and implementation to asset allocation, risk management and stewardship.

Our Multi Asset Solutions team generated insights combining return-potential with sustainable investment themes. Asset allocation decisions and ESG were closely linked, as changes associated with ESG issues shaped our view of the optimal allocation of capital to generate risk-adjusted returns for clients. This can also create the opportunity to direct capital to where ESG challenges are particularly pressing, such as climate change.

When implementing each investment idea, we considered the characteristics of each security and consider the financial risks associated with ESG issues. This resulted in the exclusion of firms associated with certain activities.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### ● ***How did the sustainability indicators perform?***

The fund has closed to all investors and holds no investments at the year end reporting date. Prior to closure the measures applied by the Fund were:

Countries:

For government bonds and instruments used to express interest rate and currency view, the Fund excluded any country in the bottom 25% based on the abrdn ESG Country Ranking. This index used Environmental, Social, Governance and Political factors ("ESGP Factors") which are aligned with the UN Sustainable Development Goals (SDGs). The Emerging Market Government Bond allocation used similar criteria which focus on the indicators under the Governance and Political pillars.

Companies or Issuers:

abrdn sought to enhance the overall ESG characteristics of the direct investments in equity and credit by adjusting the holdings based on abrdn view of ESG risk. abrdn used the abrdn proprietary ESG House Score, developed by the central ESG investment team, to identify companies abrdn view as having high or poorly managed ESG risks. The score was 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 allowed abrdn to see how companies rank in a global context. abrdn excluded companies with the highest ESG risks, as identified by the ESG House Score.

For our core global equity allocation, we targeted a 50% reduction in weighted average carbon intensity (measured by Trucost) compared to passive global equities. For each equity basket, we targeted a 10% reduction in carbon intensity relative to the MSCI ACWI Index or relevant sector benchmark where appropriate.

### ● ***...and compared to previous periods?***

The fund has closed to all investors and holds no investments at the year end reporting date.

### ● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The fund has closed to all investors and holds no investments at the year end reporting date. Prior to closure and during the reporting period the following objectives were applicable:

(1) The Fund's sustainable investments will contribute to either environmental or social objectives, or both. Where the objective relates to the environment, the investment will contribute to at least one of the following objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. Where the objective relates to social matters, the investment will contribute to social objectives in line with one of the Sustainable Development Goals. [The objectives of the sustainable investments may vary from time to time depending on the specific

activity or investment. No specific environmental or social objective is being targeted, from those listed above.]

## (2) Sustainable Investment Methodology

The objective of the sustainable investment is to make a contribution to solving an environmental or social challenge, in addition to not causing significant harm, and being well governed. Each sustainable investment may make a contribution to Environmental or Social issues. In fact, many companies will make a positive contribution to both. abrdn use the six environmental objectives of the Taxonomy to inform Environmental contributions, including: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems. In addition, abrdn use the 17 Sustainable Development Goals and their sub-goals to supplement the EU Taxonomy topics and provide a framework for considering Social objectives

An economic activity must have a positive economic contribution to qualify as a Sustainable investment, this includes consideration of Environmental or Socially aligned revenues, Capex, Opex or sustainable operations. abrdn seek to establish or estimate the share of the investee company's economic activities/contribution towards a sustainable objective and it is this element that is weighted and counted towards the Sub-fund's total aggregated proportion of Sustainable Investments.

abrdn uses a combination of the following approaches: i. a quantitative methodology based on a combination of publicly available data sources; and ii. using abrdn's own insight and engagement outcomes abrdn overlay the quantitative methodology with a qualitative assessment to calculate an overall percentage of economic contribution towards a sustainable objective for each holding in a Fund.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

### ● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

As required by the SFDR Delegated Regulation, the investment does not cause Significant Harm ("Do No Significant Harm"/ "DNSH") to any of the sustainable investment objectives. abrdn have created a 3-step process to ensure consideration of DNSH:

#### i. Sector Exclusions

abrdn have identified a number of sectors which automatically do not qualify for inclusion as a Sustainable Investment as they are considered to be causing significant harm. These include but are not limited to: (1) Defence, (2) Coal, (3) Oil & Gas Exploration, Production and associate activities, (4) tobacco, (5) gambling and (6) alcohol.

#### ii. DNSH Binary Test

The DNSH test, is a binary pass/fail test which signals if the company passes or fails criteria for the SFDR Article 2 (17) "do no significant harm". Pass indicates under abrdn's methodology the company has no ties to controversial weapons, less than 1% of revenue from thermal coal, less than 5% of revenue from tobacco related activities, is not a tobacco producer, and has no red/severe ESG Controversies. If the company fails this test, it cannot be considered a Sustainable Investment. Abrdn's approach is aligned with the SFDR PAIs included within tables 1, 2 & 3 of the SFDR Delegated Regulation and is based on external data sources and abrdn internal insights.

#### iii. DNSH Materiality Flag

Using a number of additional screens and flags, abrdn consider the additional SFDR PAI's indicators as defined by the SFDR Delegated Regulation to identify areas for improvement or potential future concern. These indicators are not considered to cause significant harm and therefore a company with active DNSH materiality flags may still be considered to be a Sustainable Investment. abrdn aim to enhance the engagement activities to focus on these areas and seek to deliver better outcomes by resolving the issue.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The fund considers Principle Adverse Impact Indicators defined by the SFDR Delegated Regulation.

Pre investment, abrdn applies a number of norms and activity-based screens related to PAIs, including but not limited to: UN Global Compact, controversial weapons, and thermal coal extraction.

UNGC: The Fund uses norms-based screens and controversy filters to exclude companies that may be in breach of international norms described in the OECD guidelines for multinational enterprises and the UN guiding principles on business and human rights, as well as state owned entities in countries which violate norms.

Controversial Weapons: The Fund excludes companies with business activities related to controversial weapons (cluster munitions, anti-personnel landmines, nuclear weapons, chemical and biological weapons, white phosphorus, non-detectable fragments, incendiary devices, depleted uranium ammunition or blinding lasers).

Thermal Coal Extraction: The Fund excludes companies with exposure to the fossil fuels sector based on percentage of revenue from thermal coal extraction.

abrdn apply a fund specific set of company exclusions, more detail on these and the overall process is captured within the Investment Approach, which is published at [www.abrdn.com](http://www.abrdn.com) under "Fund Centre".

Post-investment the following PAI indicators are considered:

- o abrdn monitors all mandatory and additional PAI indicators via our ESG integration investment process using a combination of our proprietary house score and 3rd party data feeds. PAI indicators that either fail a specific binary test or are considered above typical are flagged for review and may be selected for company engagement.
- o Consideration of portfolio carbon intensity and GHG emissions via our Climate tools and risk analysis
- o Governance indicators via our proprietary governance scores and risk framework, including consideration of sound management structures, employee relations, remuneration of staff and tax compliance
- o On an on-going basis the investment universe is scanned for companies that may be in breach of international norms described in the OECD guidelines for multinational enterprises and the UN guiding principles on business and human rights, as well as state owned entities in countries which violate norms.

— ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Yes, all sustainable investments are aligned with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human rights. Breaches and violations of these international norms are flagged by an event-driven controversy and are captured in the investment process, and in turn excluded from consideration as a sustainable investment.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors?

The fund has closed to all investors and holds no investments at the year end reporting date. Prior to closure and during the reporting, the Fund considered the following:

(1) GHG Emissions Scope 1 & 2 and carbon footprint: This is undertaken via monitoring of the carbon benchmark and we confirm that during the reporting period that the portfolio performed better than the benchmark and in line with our overall commitment.

(2) Exclusions: We confirm that screening in line with our approach documents has been undertaken during the reporting period



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:  
- - 31/12/2023

Largest Investments	Sector	% Assets	Country
TSY INFL IX N/B 1.125% 01/15/2033	Government	13.89	United States of America
NOTA DO TESOURO NACIONAL 10% 01/01/2027	Government	8.01	Brazil
APPLE INC	Technology	0.76	United States of America
MICROSOFT CORP	Technology	0.75	United States of America
DANONE	Consumer Staples	0.73	France
KROGER CO	Consumer Staples	0.65	United States of America
MERIDIAN ENERGY LTD	Utilities	0.62	New Zealand
MERCURY NZ LTD	Utilities	0.62	New Zealand
US Foods Holding Corp	Consumer Staples	0.55	United States of America
DARLING INGREDIENTS INC	Consumer Staples	0.55	United States of America
JERONIMO MARTINS	Consumer Staples	0.54	Portugal
JOHN BEAN TECHNOLOGIES CORP	Industrials	0.53	United States of America
Lamb Weston Holdings Inc	Consumer Staples	0.52	United States of America
AGCO CORP	Industrials	0.50	United States of America
INGREDION INC	Consumer Staples	0.50	United States of America



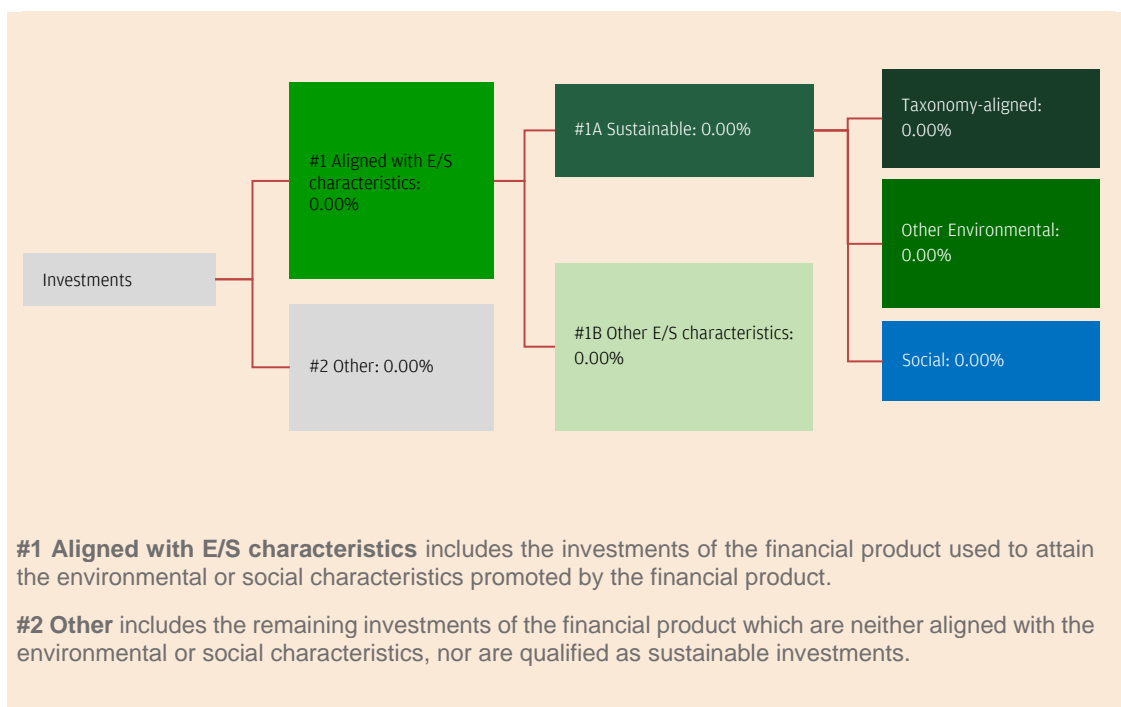
## What was the proportion of sustainability-related investments?

**Asset allocation** describes the share of investments in specific assets.

### What was the asset allocation?

The fund committed to hold a minimum of 50% of the Fund's assets are aligned with E/S characteristics. Environmental and social safeguards were met by applying certain PAI's, where relevant, to these underlying assets. The Fund invested a maximum of 50% of assets in the "Other" category, which include cash, money market instruments and derivatives.

The fund has closed to all investors and holds no investments at the year end reporting date.



### In which economic sectors were the investments made?

Sector	Sub-sector	% Assets
Consumer Discretionary	Consumer Discretionary Products	1.60
Consumer Discretionary	Consumer Discretionary Services	0.61
Consumer Discretionary	Retail & Whsle - Discretionary	0.71
Consumer Discretionary	Auto Parts Manufacturing	0.56
Consumer Discretionary	Casinos & Gaming	0.05
Consumer Discretionary	Automobiles Manufacturing	0.18
Consumer Discretionary	Department Stores	0.08
Consumer Discretionary	Home Improvement	0.15
Consumer Discretionary	Entertainment Resources	0.07
Consumer Discretionary	Consumer Services	0.17
Consumer Discretionary	Retail - Consumer Discretionary	0.08
Consumer Discretionary	Apparel & Textile Products	0.04
Financials	Financial Services	1.01
Financials	Insurance	0.77
Financials	Banking	1.70
Financials	Real Estate	0.26
Financials	Banks	0.06
Industrials	Industrial Products	2.31
Industrials	Industrial Services	1.03
Industrials	Industrial Other	0.25
Industrials	Electrical Equipment	0.10

	Manufacturing	
Industrials	Aerospace & Defense	0.03
Materials	Materials	2.76
Materials	Containers & Packaging	0.21
Materials	Construction Materials Manufacturing	0.10
Materials	Metals & Mining	0.08
Materials	Chemicals	0.10
Health Care	Health Care	3.93
Health Care	Health Care Facilities & Services	0.70
Health Care	Biotechnology	0.13
Health Care	Pharmaceuticals	0.38
Technology	Software & Tech Services	2.77
Technology	Tech Hardware & Semiconductors	2.49
Technology	Software & Services	0.09
Consumer Staples	Consumer Staple Products	8.33
Consumer Staples	Retail & Wholesale - Staples	3.29
Consumer Staples	Supermarkets & Pharmacies	0.10
Energy	Renewable Energy	0.25
Energy	Oil & Gas	0.61
Energy	Pipeline	0.09
Utilities	Utilities	1.58
Utilities	Power Generation	0.06
Real Estate	Real Estate	0.58
Communications	Media	1.48
Communications	Cable & Satellite	1.00
Communications	Wireless Telecommunications Services	0.31
Communications	Telecommunications	0.99
Communications	Wireline Telecommunications Services	0.29
Communications	Entertainment Content	0.12
Government	Sovereigns	21.90



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund has closed to all investors and holds no investments at the year end reporting date.

The fund holds 0% sustainable investments with an environmental objective aligned with the EU Taxonomy. This assessment has not been subject to an external review.

These sustainable investments will not be EU Taxonomy aligned as the environmental objective does not have associated technical standards for comparison and relevant data is not available to confirm alignment

### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

☐ Yes

☐ In fossil gas

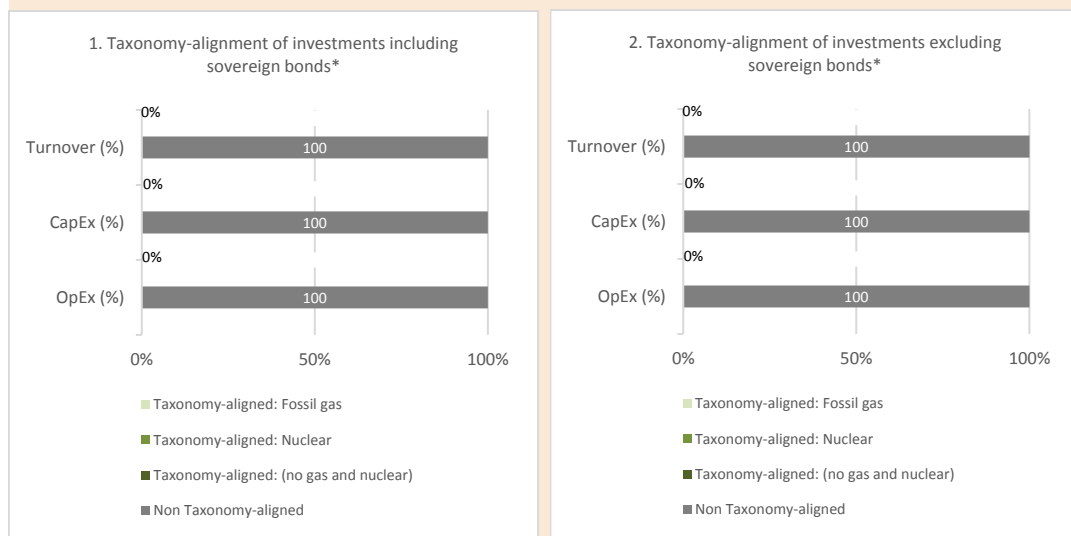
☐ In nuclear energy

☒ No

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (Capex) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (Opex) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



This graph represents 0 % of the total investment.

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### ● What was the share of investments made in transitional and enabling activities?

The fund has closed to all investors and holds no investments at the year end reporting date.



The fund holds 0% investments made in transitional and enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

No change



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 22/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The fund has closed to all investors and holds no investments at the year end reporting date.

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy is 0%



**What was the share of socially sustainable investments?**

The fund has closed to all investors and holds no investments at the year end reporting date.

The share of sustainable investments with a social objective is 0%



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

The fund has closed to all investors and holds no investments at the year end reporting date.

The investments included under "other" are cash, money market instruments, derivatives. The purpose of these assets are to meet liquidity, target return or manage risk and may not contribute to the environmental or social aspects of the Fund.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Fund has applied ESG assessment criteria, ESG screening criteria and promoted good governance including social factors. The fund has also engaged with issuers on topics which may include Climate change, Environment, Labour, Human rights, Corporate Governance and Behaviour.



**How did this financial product perform compared to the reference benchmark?**

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

● **How does the reference benchmark differ from a broad market index?**

Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable

- ***How did this financial product perform compared with the broad market index?***

Not applicable