Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: abrdn SICAV I - Climate Transition Bond Fund

Legal entity identifier 2138001IN6XY2E88UX09

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.

Sustainable investment objective

Does this financial product have a sustainable investment objective?

[X] **Yes**	[ ] **No**
[X] It will make a minimum of **sustainable investments with an environmental objective**: 75%	[ ] It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of _% of sustainable investments
[ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[X] in economic activities that do not 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 will make a minimum of **sustainable investments with a social objective** _%	[ ] It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained

The Investment objective of the Fund aims to achieve a combination of income and growth by investing at least 90% in bonds (loans to governments and companies) issued worldwide, including in Emerging Market countries, which follow the Investment Manager's "Climate Transition Bond Investment Approach" (the "Investment Approach"). All bonds in the view of the Investment Manager, support the transition to a low carbon economy and society's adaptation to climate change.

The Fund draws on abrdn's deep resources and understanding of climate and environmental issues to help our clients benefit from the long-term shift towards greater sustainability. We aim to achieve a combination of income and growth by investing in bonds issued by companies and countries that, in our view, are addressing the causes of climate change and adapting to its consequences.

These are companies that are lowering green-house-gas (GHG) emissions of their operations or helping others to reduce their emissions, and companies and countries that are helping society adapt to the physical risks of climate change.

The Fund uses three pillars to identify investments that are contributing to either climate change mitigation or climate change adaptation:
o Leaders – supporting the leading emission reducers in high emitting sectors.
Companies with ambitious and credible decarbonisation targets.

o Adaptors – facilitating climate change adaptation.
Companies and countries addressing the physical risks of climate change.

o Solutions – helping the economy decarbonize.
Investing in the bonds of issuers whose products are services are helping the wider economy avoid emissions. This includes, but is not limited to, investments in the circular economy, energy efficiency, electrification, energy storage, renewable materials, smart buildings, renewable energy.

This Fund does not refer to a benchmark index for portfolio construction.

What Sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Fund invests in three pillars which contribute to either climate change mitigation or adaptation:

- Leaders (climate change mitigation: supporting the leading emission reducers)
- Adaptors (climate change adaptation: facilitating climate change resilience)
- Solutions (climate change mitigation: helping the economy decarbonise)

Eligible issuers are assessed based on their economic contribution to each objective, measured via the proportion of revenue, capital expenditure or operating expenditure from these activities. Additional indicators are used to assess the contribution to sustainable objectives using a proprietary climate screening tool, which takes data from a range of external providers combined with a qualitative peer-reviewed assessment.

The Fund also reduces the investment universe by a minimum of 20% through a combination of negative screening and strict climate criteria.

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 do sustainable investments 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 associated 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 have the indicators for adverse impacts on sustainability factors been 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** under "**Fund Centre**".

Post-investment the following PAI indicators are considered:
- abrdn monitors all mandatory and additional PAI indicators via our ESG integration investment process 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.
- Consideration of each investment's carbon intensity and GHG emissions via our climate tools
- Governance indicators via our proprietary governance scores and risk framework, including consideration of sound management structures, employee relations, remuneration of staff and tax compliance
- 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.

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

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.

Does this financial product consider principal adverse impacts on sustainability factors?

x Yes, this Fund considers Principal Adverse Impacts (PAI) on sustainability factors.Principal Adverse Impact Indicators are metrics that measure the negative effects on environmental and social matters. abrdn consider PAIs within the investment process for the Fund, this may include considering whether to make an investment, or they may be used as an engagement tool for example where there is no policy in place and this would be beneficial, or where carbon emissions are considered to be high, abrdn may engage to seek the creation of a long-term target and reduction plan. abrdn assess PAIs by using, amongst others, the PAI indicators referred to in the SFDR Delegated Regulation; however, dependent on data availability, quality and relevance to the investments not all SFDR PAI indicators may be considered. Where Funds consider PAIs, information on that consideration will be made available in annual reports.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund aims to achieve attractive long-term returns by investing at least 90% of the assets in fixed-income securities that support the transition to a low-carbon economy and society's adaptation to climate change. These securities include investment- grade and sub-investment-grade debt, as well as debt-related securities. abrdn make these investments worldwide, including in emerging markets.

The Fund draws on abrdn's deep resources and understanding of climate and environmental issues to help our clients benefit from the long-term shift towards greater sustainability. We aim to achieve a combination of income and growth by investing in bonds issued by companies and countries that, in our view, are addressing the causes of climate change and adapting to its consequences.

These are companies that are lowering green-house-gas (GHG) emissions of their operations or helping others to reduce their emissions, and companies and countries that are helping society adapt to the physical risks of climate change.

The Fund uses three pillars to identify investments that are contributing to either climate change mitigation or climate change adaptation:
o Leaders – supporting the leading emission reducers in high emitting sectors.
Companies with ambitious and credible decarbonisation targets.
o Adaptors – facilitating climate change adaptation.
Companies and countries addressing the physical risks of climate change.
o Solutions – helping the wider economy decarbonise.
Investing in the bonds of issuers whose products are services are helping the wider economy avoid emissions. This includes, but is not limited to, investments in the circular economy, energy efficiency, electrification, energy storage, renewable materials, smart buildings, renewable energy.

Bond issuers are selected through a multi-stage process which uses a proprietary screening tool with multiple external data providers, a qualitative research note completed by members of the investment team and a peer-review discussion to scrutinise each proposed bond issuer for the fund.

abrdn also apply a set of company exclusions, which are related to normative screening (UN Global Compact, ILO and OECD), Tobacco, Alcohol, Gambling, Thermal Coal, Oil & Gas, Adult Entertainment and Weapons. These screening criteria apply in a binding manner and on an ongoing basis.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

  All fixed-income securities in the view of the Investment Manager, support the transition to a low carbon economy and society's adaptation to climate change.

We aim to achieve a combination of income and growth by investing in bonds issued by companies and countries that, in our view, are addressing the causes of climate change and adapting to its consequences.
These are companies that are lowering green-house-gas (GHG) emissions of their operations or helping others to reduce their emissions, and companies and countries that are helping society adapt to the physical risks of climate change.

The Fund uses three pillars to identify investments that are contributing to either climate change mitigation or climate change adaptation:
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o Adaptors – facilitating climate change adaptation.
Companies and countries addressing the physical risks of climate change.

o Solutions – helping the economy decarbonise.
Investing in the bonds of issuers whose products are services are helping the wider economy avoid emissions. This includes, but is not limited to, investments in the circular economy, energy efficiency, electrification, energy storage, renewable materials, smart buildings, renewable energy.

The Fund seeks to achieve a minimum of 75% economic contribution to either climate change mitigation or adaptation. This is measured at the issuer level by the proportion of revenue, capital expenditure or operating expenditure allocated to these activities. As a result, the average (weighted by position size) economic contribution for each issuer to these sustainable objectives will be at least 75%

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

For this Fund, the investee company needs to follow good governance practices in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. This can be demonstrated by the monitoring of certain PAI indicators, for example corruption, tax compliance and diversity. In addition, by using abrdn's proprietary ESG scores within the investment process abrdn screen out any investments with low governance scores. Our governance scores assess a company's corporate governance and management structure (including remuneration of staff policies) and the quality and behaviour of its leadership and management. A low score will typically by given where there are concerns in relation to financially materially controversies, poor tax compliance or governance concerns, or poor treatment of employees or minority shareholders.

The investment must further be 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.

abrdn also apply a set of company exclusions, which are related to normative screening (UN Global Compact, ILO and OECD), Tobacco, Alcohol, Gambling, Thermal Coal, Oil & Gas, Adult Entertainment and Weapons. These screening criteria apply in a binding manner and on an ongoing basis.

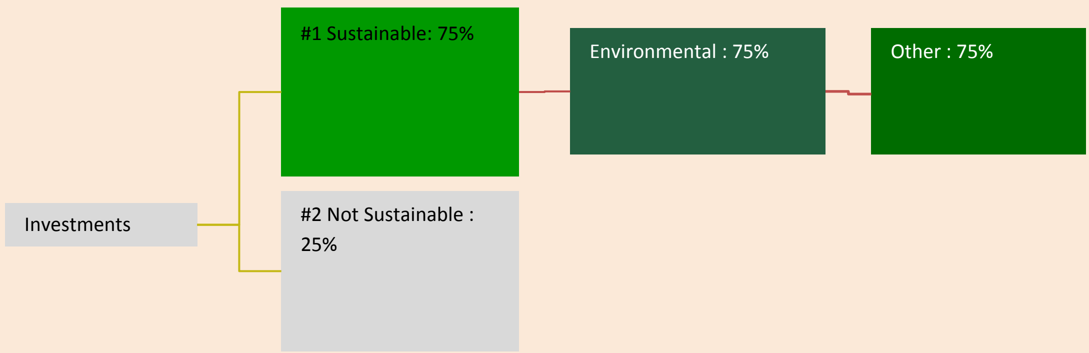
What is the asset allocation and the minimum share of sustainable investments?

The Fund commits to a minimum of 75% in Sustainable Investments with an environmental objective.

The Fund invests a maximum of 25% of assets in the “Non Sustainable” category, which is mainly made up of cash, money market instruments and derivatives.

Asset allocation describes the share of investments in specific assets.

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.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

The Fund will not use derivatives to attain any sustainable investment objective.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund has not set a minimum proportion of investments in Taxonomy aligned economic activities. This graph represents 100% of the total investment.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?[1]

☐ Yes

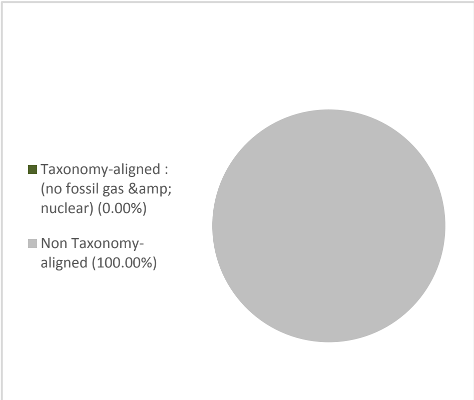
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

In fossil gas In nuclear energy

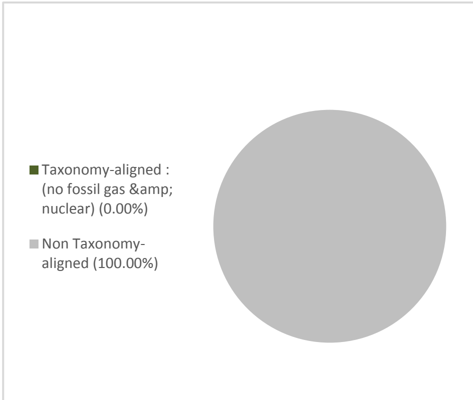
x No

The two graphs below show in green the minimum percentage of investments that are 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.

1. Taxonomy alignment of investments **including sovereign bonds***



2. Taxonomy alignment of investments **excluding sovereign bonds***



This graph represents 100 % of the total investments.

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

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

Not applicable

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The Fund makes investments on the basis of income securities that support the transition to a low-carbon economy and society's adaptation to climate change. These securities include investment grade and sub-investment grade debt, as well as debt-related securities. We make these investments worldwide, including in emerging markets.

We aim to achieve the Fund's sustainable objective by investing in bonds issued by companies and countries that, in our view, are addressing the causes of climate change and adapting to its consequences.

These are companies that are lowering green-house-gas (GHG) emissions of their operations or helping others to reduce their emissions, and companies and countries that are helping society adapt to the physical risks of climate change. The outcome of this results in the Fund committing to a minimum 75% to sustainable investments which are inclusive of both environmental and social objectives that aren't explicitly taxonomy aligned. The minimum share of sustainable investments with an environmental objective is 75%.

What is the minimum share of sustainable investments with a social objective?

Not applicable

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The Fund may invest in securities that are not deemed sustainable including cash, money market instruments and derivatives but only for the purpose of hedging and liquidity management.There are certain environmental and social safeguards that are met by applying PAI's. Where relevant, these are applied to the underlying securities. Many pre-investment PAI indicators are considered but below are the ongoing post-investment PAI indicators that continue to be considered:

- abrdn monitors all mandatory and additional PAI indicators via our ESG integration investment process 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.
- Consideration of each investment's carbon intensity and GHG emissions via our climate tools
- Governance indicators via our proprietary governance scores and risk framework, including consideration of sound management structures, employee relations, remuneration of staff and tax compliance
- 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

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

Where can I find more product specific information online?

Fund specific documentation, including Sustainability Related Disclosures, are published at **www.abrdn.com** under **Fund Centre**.

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