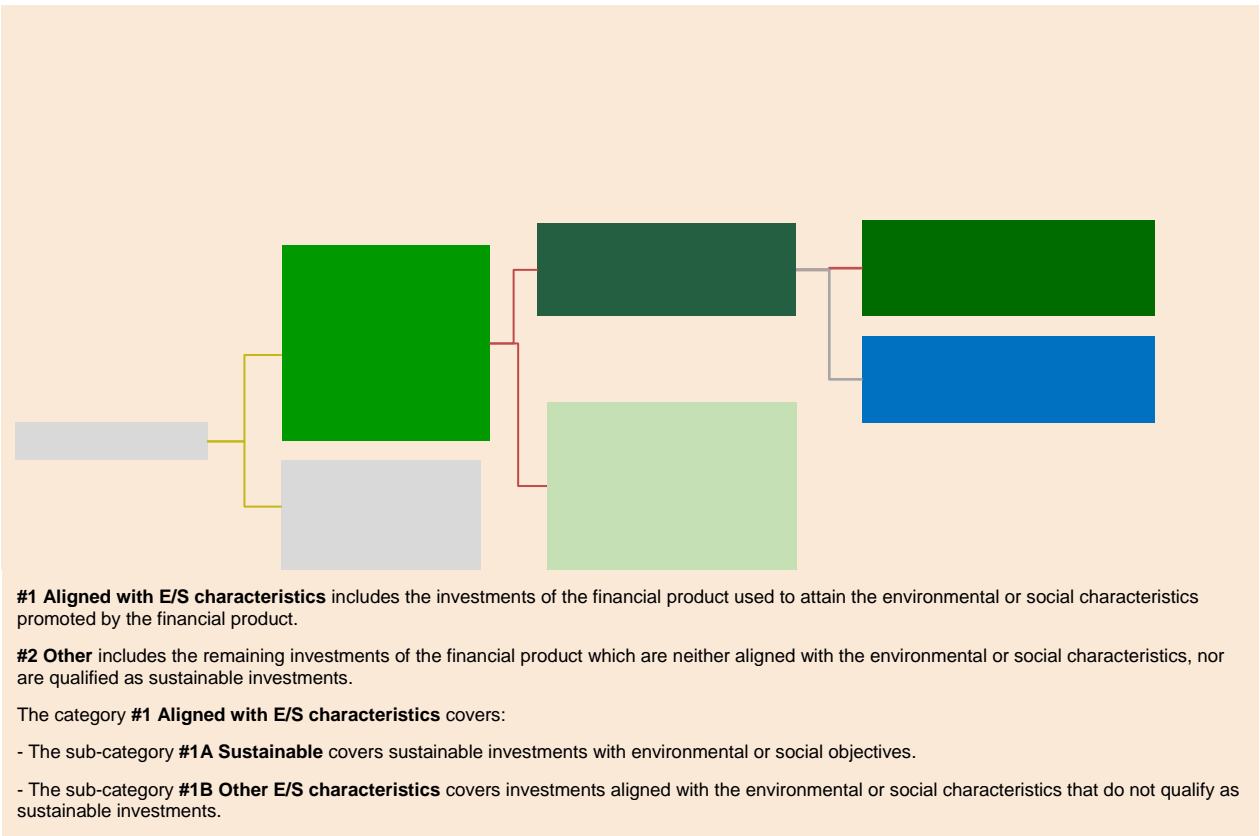


	<p>T[] q iã * Á - Á@Á} ãq Á} cá[] { ^ } çãá áÁ [&ã Á @ããç!ã çã Áã Áãã!ããÁ ~ òÁ } Áã Áã Áã Áã } ãÁ ãÁ managers, through systematic oversight and independently thi[~ * @ãã!ã) q ÁÓÁÓ [ç!ã] ã & Áã çã • È</p> <p>abrñ have selected several internal and external data sources that serve an intended purpose to attain environmental and social characteristics. As part of the onboarding or review process, we have several controls in place to test quality, which includes, but not limited to, coverage, validity checks and consistency.</p> <p>Q ! Áã çã Á } Áã Áç, ãã • @ Áã ãÁ) * çã ^ { ^ } òÁ [ãã • È ãã Áã Áã!ã) q Áç, ãã • @ Áã ^ [! ç published on www.abrdn.com under Sustainable Investing, within the Governance and Active Ownership section.</p>
<p>No sustainable investment objective</p>	<p>This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.</p>
<p>Environmental or social characteristics of the financial product</p>	<p>The Fund promotes environmental and social characteristics by aiming to invest in issuers that:</p> <ul style="list-style-type: none"> ~ Avoid severe, lasting or irremediable harm; and ~ Appropriately address adverse impacts on the environment and society; and ~ Support a decent standard of living for their stakeholders <p>The Fund aims to promote environmental and social characteristics holistically. In doing so, we do not consider all characteristics for all investments, but rather focus on the most relevant characteristics for each investment based on the nature of its activities, areas of operation, and products and services. However, using our proprietary research framework we aim to promote the below characteristics within this fund, however a broader suite of characteristics may also be promoted on an investment-by-investment basis:</p> <p>Environment . reducing energy consumption and greenhouse gas emissions, increasing renewable energy usage/generation, reducing biodiversity/ecological impacts.</p> <p>Social . promoting good labour practices and relations, maximising employee health and safety, supporting diversity in the workforce, and healthy relationships with communities.</p> <p>Benchmark This Fund has a financial benchmark that is used for portfolio construction but does not incorporate any sustainable criteria and is not selected for the purpose of attaining these characteristics. This financial ã^ } &ç ã Á Á • áã çã ãã [] ããç Á Áç) ãÁ ã ç ã & Áã áã çã ãã [] ãã [] Á Áç Áç } ãq Áã ãã * Á commitments.</p>
<p>Investment strategy</p>	<p>V @ Áç) ãq Á ç • ç ^ } òÁ ãã & çã Áã Á } * çã { Á çã Áã ç } Áã Áã çã çã Áã Áã çã çã çã * Áã Áã çã Áã Áã @ Á ç Ö } ãq Áã • Á • Á Á çã çã çã çã } Á ~ ãã Áã ãÁ ~ ç -related securities of companies listed, incorporated or domiciled in the United States of America (USA) or Canada or companies that derive a significant proportion of their revenues or profits from US or Canadian operations or have a significant proportion of their assets there.</p> <p>The Fund is actively managed. The Fund aims to outperform the Russell 2000 Index (USD) benchmark before charges. The benchmark is also used as a reference point for portfolio construction and as a basis for setting risk constraints, but does not incorporate any sustainable criteria.</p> <p>In order to achieve its objective, the Fund will take positions whose weightings diverge from the benchmark and may invest in securities which are not included in the benchmark. The investments of the Fund may deviate significantly from the components of and their respective weightings in the benchmark. Ö ^ Áã Áã çã Áã çã Áã Áã Áã çã çã ^ { ^ } òÁ [& • È @ Áç } ãq Á ã ç ã & Áã çã ã çã çã çã Áã significantly from that of the benchmark.</p> <p>The Fund promotes environmental and social characteristics but does not have a sustainable investment objective.</p> <p>Investment in all equity and equity-related securities will follow the abrñ "North American Smaller Companies Promoting ESG Equity Investment Approach".</p> <p>Through the application of this approach the Fund has an expected minimum of 10% in Sustainable Investments. However, the Fund targets an ESG rating that is equal to or better, and a meaningfully lower carbon intensity, than the benchmark.</p> <p>V @ Áç [çã çã çã Áã!ã) q Á ~ ç Á çã çã çã ^ } òÁ [& • È @ Áç) ãã Áã çã çã çã çã çã Áã qualitatively identify and avoid ESG laggards. To complement this research, the abrñ ESG House Score is used to quantitatively identify and exclude those companies exposed to the highest ESG risks. Additionally, abrñ apply a set of company exclusions which are related to the UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal. More detail on this overall process is captured within the abrñ North American Smaller Companies Promoting ESG Equity Investment Approach, which is published at www.abrdn.com under "Fund Centre".</p>

	<p>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.</p> <p>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 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 be 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.</p> <p>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.</p>
<p>Proportion of investments</p>	<p>Assets, the Fund commits to a minimum of 10% in Sustainable Investments. Voted assets, the Fund commits to a minimum of 10% in Sustainable Investments.</p>



<p>Monitoring of environmental or social characteristics</p>	<p>First line Our investment teams have the primary responsibility for implementing the investment strategy.</p> <p>Our sustainable investing governance committees support investment desks with regards to the implementation of the framework as well as understanding the regulatory environment.</p> <p>Second line Investment Risk analysis of risks and their overall contribution to the reported to boards, and relevant committees as required, on a regular basis. The Investment Risk Department also undertakes an annual review of the fund risk profiles to determine the efficacy of the current limits and any potential forward looking trends.</p> <p>Compliance to ensure they comply with regulations. Compliance also reviews marketing communications, including fund and non-</p>
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	<p>fund specific material, to ensure marketing material and ESG related statements are clear, fair and non-misleading.</p> <p>Compliance function plays a key role in monitoring ESG related investment limits and adherence to the binding commitments of funds that have environmental or social characteristics (in line with SFDR Article 8) and funds that have sustainable investment objectives (in line with SFDR Article 9). Through the ESG Regulatory & Standards Taskforce, Compliance feeds all sustainability-related regulatory developments and new requirements to relevant first line stakeholders to ensure these are duly considered and integrated into disclosures. In this taskforce, Compliance teams from all jurisdictions in which abrdn operates are represented.</p> <p>Finally, a dedicated Monitoring & Oversight team operates a risk-based programme to provide assurance to senior management over the effectiveness of controls to ensure regulatory compliance. The outcome of the reviews is reported to the relevant entity boards and other governance forums, including the Risk and Capital Committee, Group Audit Committee and Executive Leadership Team Controls meeting. Assurance activities include both thematic reviews of risk or regulatory topics and focused reviews on specific regulatory or customer outcomes.</p> <p>Third line abrdn also conducts internal audits including of sustainability rule implementation as part of its internal audit agenda.</p>
<p>Methodologies</p>	<p>The Fund promotes environmental and social characteristics by aiming to invest in issuers that:</p> <ul style="list-style-type: none"> ~ Avoid severe, lasting or irremediable harm; and ~ Appropriately address adverse impacts on the environment and society; and ~ Support a decent standard of living for their stakeholders <p>The Fund aims to promote environmental and social characteristics holistically. In doing so, we do not consider all characteristics for all investments, but rather focus on the most relevant characteristics for each investment based on the nature of its activities, areas of operation, and products and services. However, using our proprietary research framework we aim to promote the below characteristics within this fund, however a broader suite of characteristics may also be promoted on an investment-by-investment basis:</p> <p>Environment . reducing energy consumption and greenhouse gas emissions, increasing renewable energy usage/generation, reducing biodiversity/ecological impacts.</p> <p>Social . promoting good labour practices and relations, maximising employee health and safety, supporting diversity in the workforce, and healthy relationships with communities.</p> <p>Benchmark This Fund has a financial benchmark that is used for portfolio construction but does not incorporate any sustainable criteria and is not selected for the purpose of attaining these characteristics. This financial benchmark is not selected for the purpose of attaining these characteristics. This financial benchmark is not selected for the purpose of attaining these characteristics.</p> <p>this Fund considers Principal Adverse Impacts (PAI) on sustainability factors.</p> <p>Principal adverse impacts consideration Yes, the Fund commits to consider the following PAIs in its investment process, this means that there is pre- and post-trade monitoring is in place and that every investment for the Fund is assessed on these factors to determine its appropriateness for the Fund.</p> <ul style="list-style-type: none"> ~ PAI 1: GHG emissions (scope 1 and 2) ~ PAI 10: Violations of the UN Global Compact (UNGC) principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises ~ PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) <p>Adverse impacts monitoring</p> <p>Pre investment, abrdn applies a number of norms and activity-based screens related to the above PAIs, including but not limited to:</p> <ul style="list-style-type: none"> ~ 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).

