

# PRODUCT KEY FACTS

## Aberdeen Standard Liquidity Fund (LUX) – US Dollar Fund



April 2022

- This statement provides you with key information about the Aberdeen Standard Liquidity Fund (Lux) – US Dollar Fund.
- This statement forms part of the offering document and should be read in conjunction with the offering document of Aberdeen Standard Liquidity Fund (Lux).
- You should not invest in this product based on this statement alone.

### Quick facts

<b>Management Company:</b>	Aberdeen Standard Investments Luxembourg S.A.
<b>Investment Managers:</b>	Aberdeen Asset Managers Limited – the United Kingdom (internal delegation) abrdn Inc. – the United States of America (internal delegation)
<b>Depository:</b>	State Street Bank International GmbH, Luxembourg Branch
<b>Ongoing Charges over a Year*:</b>	<b>Class A-2 Acc:</b> 0.14%
<b>Dealing Frequency:</b>	Daily
<b>Base Currency:</b>	USD
<b>Dividend Policy:</b>	<b>Class A-2 Acc</b> No dividend payment
<b>Financial Year End:</b>	30 June
<b>Minimum Investment and Minimum Holding:</b>	Minimum Investment : Class A: US\$ 10,000 or currency equivalent initial, Nil additional; Minimum Holding: Class A: US\$ 10,000 or currency equivalent

\* The ongoing charges figure is based on the expenses for the 12-month period ended 31 December 2021. It is based on the information in the latest annual financial report (for the year ended 30 June 2020) and the latest interim financial report (covering the period 1 July 2021 to 31 December 2021). This figure may vary from year to year.

### What is the product?

This is a fund constituted in the form of a mutual fund. It is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier ("CSSF").

The purchase of a share in the Fund is not the same as placing funds on deposit with a bank or deposit-taking company. The Management Company and the Investment Managers has no obligation to redeem shares at the offer value and the Fund is not subject to the supervision of the Hong Kong Monetary Authority.

Despite the net asset value ("NAV") of the Fund may be described as "Constant NAV" in the prospectus, the NAV of the share class (and the issue and redemption prices of shares in the share class) may fluctuate. Whilst the investment objective of the Fund is to preserve capital, it is not intended to maintain a stable net asset value per share and the shares may fall in value and investors may suffer losses.

### Investment Objective and Policy

The Fund's investment objective is to preserve capital and provide liquidity whilst aiming to deliver a return in line with prevailing short term money market rates for which Secured Overnight Financing Rate has been chosen as the performance comparator. The Fund qualifies as a Money Market Fund under the MMF Regulation<sup>#</sup> and more specifically as a Low Volatility Net Asset Value Money Market Fund ("LVNAV MMF") as defined in MMF Regulation.

To achieve this objective, the assets of the Fund are invested with the principle of risk diversification predominantly in fixed or floating US Dollar denominated Money Market Instruments and in deposits with credit institutions, including but not limited to, fixed-term deposits at financial institutions, certificates of deposit, commercial paper, asset-backed commercial papers (ABCPs), medium-term notes, short-term treasury bills, floating rate notes, asset backed securities and call and notice accounts for bank deposits. The Fund is actively managed and may hold ancillary liquid assets, provided that the Fund will only invest in instruments permitted under the MMF Regulation. The Fund may have exposure to investments with zero or negative yields in adverse market conditions which may reduce the share price.

The Fund may use the derogation provided under section 17.7 of the MMF Regulation and invest, in accordance with the principle of risk spreading, up to 100% of its assets in different money market instruments issued or guaranteed separately or jointly by (including but not limited to) the European Union or its Member States or any other relevant international financial institution or organisation to which one or more Member States belong. Please refer to the Appendix A of the prospectus for details of entities investable under section 17.7 of the MMF Regulation.

The Fund's investment in securities is limited to those with a residual maturity not exceeding 397 days. The Fund's investment has a weighted average maturity ("WAM") that does not exceed 60 days and a weighted average life that does not exceed 120 days.

In addition, the Management Company and the Investment Managers will seek to obtain and maintain a fund-level rating of AAAm or equivalent external credit rating assigned by at least one ratings agency.

The Fund may enter into reverse repurchase transactions. It is expected that such transactions may range from 0 to 20% of the Fund's assets.

The Board of Directors may decide, if deemed to be necessary and in the best interests of shareholders, to convert the Fund into a Short Term Variable Net Asset Value Money Market Fund as defined in the Prospectus (the "Conversion"), in the following circumstances:

- (i) with respect to fixed and floating US Dollar denominated money market instruments and deposits with credit institutions, interest rates become low or negative, or if the yield of the Fund became negative; or
- (ii) it is anticipated that the Constant NAV (as defined in the Prospectus) of the Fund may potentially deviate by 20 basis points or more from the Variable NAV (as defined in the Prospectus) in a way that involves a long term structural impact on the operations of the Fund and therefore justifies a Conversion.

In case of a Conversion, the provisions in relation to Short Term Variable Net Asset Value Money Market Funds as described in the Prospectus will apply. In the event of a Conversion, investors will be notified by an announcement published on the website [www.abrdn.com](http://www.abrdn.com)<sup>1</sup> at least twenty-four (24) hours in advance of the Conversion. The NAV of the share price will be calculated using the Variable NAV after the Conversion. Please refer to the section "Dealing arrangement in case of Conversion" in the Hong Kong Supplement for details.

For the avoidance of any doubt, the Conversion (if operated) will not impact the investment objective and policy of the Fund. Once the Conversion has occurred, the Fund will operate as a Short Term Variable Net Asset Value Money Market Fund.

# MMF Regulation refers to the Regulation (EU) 2017/1131 of the European Parliament and of the Council (as amended).

#### **Use of derivatives/investment in derivatives**

The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

#### **What are the key risks?**

**Investment involves risks. Please refer to the offering document of Aberdeen Standard Liquidity Fund (LUX) for details including the risk factors.**

##### **1. General investment risk**

- The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the fund may suffer losses. The Fund is an investment fund and not in the nature of a bank deposit. There is no guarantee of the repayment of principal.

##### **2. Risk relating to Amortised Cost Method**

- The investments of the Fund may be valued using the amortised cost method, which takes the acquisition cost of a security and adjusts that value to account for amortization of premiums or discounts until maturity.

<sup>1</sup> This website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.

- Amortised cost method may result in the valuation of the security being higher or lower than the market price of the security if it was sold. During the periods when amortised cost method is used, the daily fluctuation in value of the shares in the Fund may differ somewhat from an identical computation made by a fund with identical investments utilising available market price in order to value its portfolio securities. Where the value of a security as determined by the amortised cost method of valuation is higher than the market price of such security and an investor redeems at a redemption price calculated on the basis of such amortised cost value, the Fund may be left with a portfolio of assets whose value is lower than the market price of the relevant securities. The remaining shareholders may therefore be worse off where this difference is greater than 20 basis points and results in the fund pricing at a Variable NAV.
- The adjustment of value of a security is applied at a pre-set amortisation regardless of the impact of fluctuating interest rates on the market value of the security. As a result, the accuracy of the amortised cost method of valuation can be lowered by changes in market interest rates and credit standing of issuers of the securities.
- Sudden movements in interest rates or credit concerns may cause material deviations between the market value of a security and the value calculated using the amortised cost method.

### **3. Risk of applying Variable NAV**

- On each business day (unless the Conversion has been implemented), the underlying investments of the Fund will be valued by using two methodologies, which will produce two net asset values, namely a Constant NAV and a Variable NAV. In calculating the Constant NAV, investments may be valued using amortised cost method, with the exception of assets with a residual maturity of over 75 days, or assets that deviate by 10 basis points or higher from the value calculated with the amortised cost method; instead those assets will be priced on a mark-to-market or mark-to-model method. In calculating the Variable NAV, investments are all valued by using mark-to-market or mark-to-model method (or the last reported net asset value, in case of investments in other money market funds).
- Despite the net asset value of the Fund being described as "Constant NAV", the issue and redemption price of shares may fluctuate. Whilst the investment objective of the Fund is to preserve capital, the shares may fall in value and investors may suffer losses.
- The Fund shall use the Constant NAV for the purpose of the issue and redemption of shares, save that where the Constant NAV deviates from the Variable NAV by more than 20 basis points, subscriptions and redemptions of shares shall be automatically processed at the Variable NAV without notice pursuant to the MMF Regulation.
- In circumstances in which the Constant NAV is higher than the Variable NAV by more than 20 basis points, the resulting redemption amount will be less than the amount calculated using the Constant NAV and shareholders may suffer losses.
- Where the difference between the Constant NAV and Variable NAV exceeds 20 basis points, the Board of Directors may or may not decide to implement the Conversion. The Board of Directors will be required to approve any Conversion, considering the best interests of investors. The Management Company will monitor market conditions and will endeavour to operate the Conversion before the Constant NAV deviates from the Variable NAV by more than 20 basis points, in which case at least 24 hours' notice will be given.

### **4. Risk of change of the Low Volatility Net Asset Value Money Market Fund ("LVNAV MMF") status**

- The Management Company may decide, if deemed to be necessary and in the best interests of shareholders, to convert the Fund into a Short Term Variable Net Asset Value Money Market Fund as defined in the Prospectus, under the following circumstances: (i) with respect to fixed and floating US Dollar denominated money market instruments and deposits with credit institutions, interest rates become low or negative, or if the yield of the Fund becomes negative; or (ii) it is anticipated that the Constant NAV of the Fund may potentially deviate by 20 basis points or more from the Variable NAV in a way that involves a long term structural impact on the operations of the Fund and therefore justifies a Conversion.
- When, within a period of 90 days, the total duration of the suspensions in dealing in shares exceeds 15 days, the Fund shall automatically cease to be an LVNAV MMF pursuant to the provisions of the MMF Regulation and in which case shareholders of the Fund will be informed immediately in writing in a clear and comprehensible way.
- Where the Fund is converted into a Short Term Variable Net Asset Value Money Market Fund, the assets of the Fund will be valued using mainly market price valuation principles and the Fund shall use the Variable NAV for the purposes of the issue and redemption of shares and the net asset value and the share price may fluctuate more widely than a LVNAV MMF.

### **5. Negative Yield Environment**

- Market conditions, including but not limited to a reduction in interest rates, may have a material impact on the yield payable on shares of a class. Either the yielding will be so low that following the deduction of the charges and

expenses applicable to that class will be a negative number (negative net yield) or the yield will already be a negative number before the charges and expenses have been deducted (negative gross yield). Negative yields may reduce the share prices. Such market conditions, together with any actions taken by financial institutions in response thereto (such as, for example, by way of reducing interest rates and therefore income payable on the Fund), are outside the control of the Fund.

#### **6. Risk of using liquidity management tools**

- The Management Company has discretion to impose a dilution levy, impose a redemption gate or may temporarily suspend redemption in shares in certain circumstances, including if the Fund's liquidity falls below required minimums because of market conditions or other factors. The dilution levy will be deducted from the amount payable to a shareholder in respect of the redemption of shares and will be retained by the Fund. Accordingly, shareholders may not be able to sell shares or redemptions may be subject to a dilution levy at certain times.

#### **7. Risks associated with debt securities (including money market instruments)**

- Credit / Counterparty risk: The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in.
- Interest rate risk: Investment in the Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- Volatility and liquidity risk: The debt securities in emerging markets and frontier markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. Investments in frontier markets may be subject to volatility and liquidity risk to a greater extent since they tend to be even smaller, less developed, and less accessible than other emerging markets.
- Downgrading risk: The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Fund may be adversely affected. The manager may or may not be able to dispose of the debt instruments that are being downgraded.
- Valuation risk: Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Fund.
- Credit rating risk: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

#### **8. Risks associated with collateralised and/or securitised products**

The Fund may invest in asset backed securities and asset backed commercial papers which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

#### **9. Sovereign debt risk**

- Investment in debt obligations issued or guaranteed by governments of certain developed and developing countries or their agencies and instrumentalities ("governmental entities") involves a higher degree of risk. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt.
- A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject.
- Governmental entities may default on their sovereign debt. Holders of sovereign debt, including the Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities.

#### **10. Risk of using financial derivative instruments**

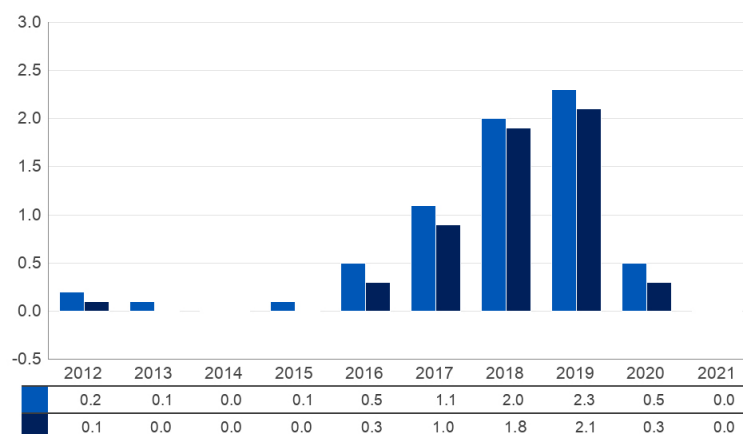
- Risks associated with financial derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Fund. Exposure to financial derivative instrument may lead to a high risk of significant loss by the Fund.

#### **11. Risks relating to reverse repurchase transactions**

- In the event of the failure of the counterparty with which cash has been placed, the fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

## How has the fund performed?

% Returns



■ Fund (Net)

■ Benchmark

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year-end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Class A-2 Acc increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay (if any).
- The Investment Managers views Class A-2 Acc being the most appropriate representative share class as this share class is opened for investment by Hong Kong retail investors and broadly indicative of the Fund's performance characteristics.
- The benchmark is Secured Overnight Financing Rate.
- Fund launch date: 09/1984
- Class A-2 Acc launch date: 09/1984

## Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

## What are the fees and charges?

Investors should refer to the offering document of Aberdeen Standard Liquidity Fund (LUX) for details regarding the fees and expenses of the Fund.

### Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund.

#### Fees and charges

**Subscription fee:**

**Switching fee (between shares classes of the Fund):**

**Redemption fee:**

#### What you pay

Not applicable

Nil

Not applicable

### Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

**Management Company's Fees:**  
(of the Fund's net assets)

#### Annual rate

up to 0.01%

**Investment Management Fees**  
(of the Fund's net assets)

Class A-2 Acc: 0.50%\* (current and maximum rate)

**Performance Fee:**

Not applicable

**Service Providers' Fees and Expenses:**  
(of the net assets of Aberdeen Standard Liquidity Fund (Lux) as determined on the last dealing day of the month)

The Depositary's fee will not exceed 2% (plus VAT, if any); The Administrator's fees will not exceed 0.05% (plus VAT, if any); for the Paying Agent's Fees and Expenses, the fees will not exceed 0.01% (plus VAT, if any); the Registrar and Transfer Agent's fees will not exceed 0.1% (plus VAT, if any); the Distributors' fees will not exceed 0.45% (plus VAT, if any)

\*You should note that the Investment Managers reserve the right, at their discretion, apply a waiver on the above fees from time to time. Please refer to the latest annual and interim reports of Aberdeen Standard Liquidity Fund (Lux) and to [www.abrdn.com/hk](http://www.abrdn.com/hk) for up to date information on the actual management fees charged.

**Other fees**

You may have to pay other fees and charges when dealing in the shares of the Fund. For details, please refer to the offering document of Aberdeen Standard Liquidity Fund (LUX).

**Additional Information**

- You generally buy and redeem shares at the Fund's next-determined net asset value after the Hong Kong Representative receives your request in good order before 5:00pm (Hong Kong time) on the Hong Kong business day (being a day, other than Saturday, on which banks in Hong Kong are open for business). Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal cut-off time (which may be earlier than the Fund's dealing cut-off time).
- The net asset value of the Fund and the price of shares is published daily at [www.abrdn.com/hk](http://www.abrdn.com/hk). This website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.
- The difference between the Constant NAV and the Variable NAV is published daily at [www.abrdn.com/hk](http://www.abrdn.com/hk).
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors (if any) from [www.abrdn.com/hk](http://www.abrdn.com/hk).
- Investors may obtain information on the distributor(s) by referring to Client Services Team of abrdn Hong Kong Limited (formerly known as Aberdeen Standard Investments (Hong Kong) Limited).

**Important Notes**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.