

# PRODUCT KEY FACTS

## Aberdeen Standard SICAV II – (SLI) China Equities Fund



April 2022

- This statement provides you with key information about Aberdeen Standard SICAV II – (SLI) China Equities Fund.
- This statement forms part of the offering document and should be read in conjunction with the offering document of Aberdeen Standard SICAV II.
- 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 Manager:</b>	abrdn Investment Management Limited – the United Kingdom (internal delegation)
<b>Sub-Investment Manager:</b>	abrdn Hong Kong Limited – Hong Kong (internal delegation)
<b>Depositary:</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch
<b>Ongoing Charges over a Year*:</b>	Class A <sup>A</sup> : 2.08%
<b>Dealing Frequency:</b>	Daily (Luxembourg business days)
<b>Base Currency:</b>	USD
<b>Dividend Policy:</b>	No dividend payment
<b>Financial Year End:</b>	31 December
<b>Minimum Initial Investment:</b>	Class A <sup>A</sup> : USD 1,000
<b>Minimum Subsequent Investment:</b>	N/A
<b>Minimum Subsequent Holding:</b>	Class A <sup>A</sup> – USD 500

\* The ongoing charges figures (OCF) are based on the expenses for the year ended 31 December 2021. This figure may vary from year to year. The OCF is calculated by adding the applicable charges and payments deducted from the assets of the fund and then dividing by the fund's average net asset value for the fiscal year attributable to the relevant share class.

### 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 Commission de Surveillance du Secteur Financier ("CSSF").

### Objectives and Investment Strategy

#### Investment Objectives

The fund aims to provide long term growth in the share price through capital appreciation of the underlying equity portfolio. The fund aims to outperform the MSCI China Index (USD) benchmark before charges.

#### Strategy

The fund seeks to achieve its investment objective primarily through investment in equities and equity related securities of corporations domiciled in the People's Republic of China or companies that derive a significant proportion of their revenues or profits from Chinese operations or have a significant proportion of their assets there.

The fund invests at least 70% of its net assets in (i) shares of companies listed on the Hong Kong stock market, (ii) China A-shares, (iii) China B-shares listed on the Shenzhen or Shanghai stock market and (iv) foreign listings in companies that derive a significant proportion of their revenues or profits from Chinese operations or have a significant proportion of their assets there. The fund may invest up to 50% of its net assets in (ii) and (iii) above through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programmes (collectively, "**Stock Connects**") or by any other available means.

The fund is actively managed by our investment team, who will select stocks to try to take advantage of opportunities they have identified.

The benchmark is also used as a reference point for portfolio construction and as a basis for setting risk constraints. In order to achieve its aim, the fund will take positions whose weightings diverge from the benchmark or invest in securities which are not included in the benchmark.

The investments of the fund may deviate significantly from the components and their weightings in the benchmark. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the benchmark over the longer term.

### **Financial Derivative Instruments**

The fund may use financial derivative instruments (such as stock futures, index futures, equity linked swaps, currency forwards, currency swaps and options, forward exchange contracts and swaps, index options, stock options, participatory notes and other eligible instruments) for hedging and efficient portfolio management purposes (e.g. hedge against the risk of unfavourable stock market movements, interest rate fluctuations or fluctuation of currencies). Financial derivative instruments will not extensively or primarily be invested to achieve the fund's investment objective or for investment purposes (i.e. there is limited/ancillary use of financial derivative instruments for investment purposes only).

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

The fund's net derivative exposure\* may be up to 50% of its net asset value.

\* Please refer to the offering document of Aberdeen Standard SICAV II for details regarding the calculation methodology of net derivative exposure.

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

**Investment involves risks. Please refer to the offering document of Aberdeen Standard SICAV II for details including the risk factors.**

#### **1. Investment risk**

- Past performance is not a guide to future returns. The value of your investment in the fund and any income received from it may go down as well as up.
- Inflation reduces the buying power of your investment and income.
- The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

#### **2. Investment in equity securities**

- The value of the fund will be affected by changes in the stock markets, changes in the value of individual portfolio securities, as well as by economic, political, and issuer specific changes. At times, stock markets and individual securities can be volatile and prices can change substantially in short periods of time. This risk will affect the value of the fund, which will fluctuate as the value of the underlying equity securities fluctuates.

#### **3. RMB Currency and Conversion Risks**

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD or USD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the fund.
- Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

#### **4. China Market risk**

- The fund invests in equities and equity related securities of China. Investing in China is subject to the risks of investing in emerging markets generally. There is a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, regulatory, settlement and custody risks.
- As an evolving market, China is undergoing continuous developments in its legal and regulatory framework, controls over currency conversion and exchange rates, tax regulations, and application of accounting standards. There is a risk that investments may be adversely affected by such changes.
- Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the fund.
- The fund's investments are concentrated in China. This may result in greater volatility than portfolios which are more geographically diversified.
- High market volatility and potential settlement difficulties in the equity market in China may also result in significant fluctuations in the prices of the securities traded on such market and thereby may adversely affect the value of the fund.

#### **5. Risks associated with the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect ("Stock Connects")**

- The relevant rules and regulations on Stock Connects are subject to change which may have potential retrospective effect. The Stock Connects are subject to daily quotas which do not belong to the fund and may only be utilized on a first-come-first-serve basis and therefore the fund may not be able to make its intended

investments through the Stock Connects. Where a suspension in the trading through the Stock Connects is effected, the fund's ability to invest in China A-shares or access the PRC market through the Stock Connects will be adversely affected. In such event, the fund's ability to achieve its investment objective could be negatively affected.

#### 6. PRC tax risk

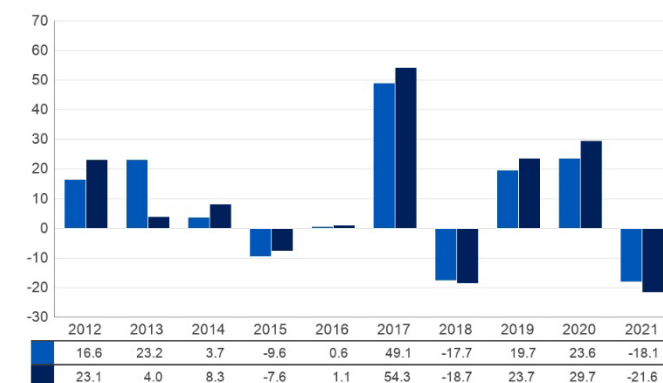
- Based on professional independent tax advice, the fund does not make any provision in respect of any capital gains tax, withholding tax on dividends or value added tax. However, there are uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via Stock Connects on the fund's investments in the PRC, withholding tax on dividends or value added tax (which may have retrospective effect). The fund's investment in Chinese equities and equity related securities may be subject to irrecoverable PRC tax as a result of future tax administrative or regulatory changes that have retrospective effect. Where no provision is made in respect of any PRC tax, redemption proceeds may be paid to investors without taking full account of any retrospective tax. Such tax charges would subsequently be borne by the fund as additional tax liabilities and negatively affect the net asset value of the fund and the remaining investors in the fund.
- The Investment Manager and the Sub-Investment Manager will review and make adjustments to its tax provision policy as and when it considers necessary from time to time and as soon as practicable upon relevant changes to the investment portfolio of the fund or the issuance of further notices or clarification issued by the PRC tax authority in respect of the application of the PRC Corporate Income Tax Law and/or any other applicable tax regulations/laws and the respective implementation rules.

#### 7. Financial Derivative Instrument risk

- The fund is entitled to use financial derivative instruments for hedging and efficient portfolio management purposes which may involve additional risks. In adverse situations, the fund's use of financial derivative instruments may become ineffective in hedging or efficient portfolio management. Risks associated with investment in 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 instruments may lead to a high risk of significant loss by the fund.

#### How has the fund performed?

% Returns



Fund (Net) Benchmark\*

In November 2020 there was a material change of the fund's investment objectives and strategy. The previous performance was achieved under circumstances that no longer apply.

\*The disclosure of this benchmark is to adhere to European disclosure rules regarding the use of 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<sup>A</sup> 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 benchmark is MSCI China Index (USD).
- Fund launch date: 2005
- Class A<sup>A</sup> launch date: 2005

## 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 SICAV II 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 (Issuing commission):**

**Switching fee (Conversion charge):**

**Redemption fee:**

#### What you pay

Up to 5% of the amount you pay.

Up to 0.50% of the amount to be converted.

The fund is also subject to an Equalisation Charge equivalent to the difference between the Subscription Fee (Issuing commission) of the fund applied on subscription to the fund and the Subscription Fee (Issuing commission) of another fund that the shares of the fund is being converted to

Nil.

### 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 Fee (Annual Management Charge)\*:**

#### Annual rate (as a % of the fund's net asset value)

Class A<sup>A</sup>: 1.80%

The fund pays an annual management charge to the fund manager

**Depository Fee:**

Min: 0.0025% – Max: 0.50%

**Performance Fee:**

Not applicable

**Administration Fee:**

Up to 0.35%

**Management Company Charge:**

Up to 0.05%

**Domiciliary Agent Fee:**

Up to 0.01% (plus VAT if any)

**Registrar & Transfer Agent Fee:**

Up to 0.1% (plus VAT if any)

\*Current Annual Management Charge may be increased up to a specified permitted maximum level as set out in the Prospectus by giving not less than one month prior notice to the investors.

### 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 SICAV II.

## Additional Information

- You generally buy and redeem shares at the fund's next-determined net asset value (NAV) after the Management Company receives your request in good order on or before 1:00 p.m. (Luxembourg time) being the dealing cut-off time. The Hong Kong representative/distributor may impose different dealing deadlines for receiving requests from investors.
- The net asset value of this fund is calculated and the price of the shares published each "business day". They are available online at [www.abrdn.com/hk](http://www.abrdn.com/hk). This website has not been reviewed by the SFC.

## 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.