



**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

12 September 2023

Dear Shareholder,

**ABERDEEN STANDARD LIQUIDITY FUND (LUX)**

We are writing to inform you of the changes that the Board of Directors of Aberdeen Standard Liquidity Fund (Lux) (the “**Company**”) proposes to make to the Company and certain of its sub-funds (the “**Funds**”) with effect from 16 October 2023 (the “**Effective Date**”). The principal proposed changes are detailed in this letter.

Capitalised terms used in this letter shall have the same meaning as set out in the latest version of the prospectus of the Company (the “**Prospectus**”) unless the context otherwise requires.

**1. Conversion of Aberdeen Standard Liquidity Fund (Lux) – Euro Fund from a Variable Net Asset Value MMF to a Low Volatility Net Asset Value MMF**

The Euro Fund is currently a Variable Net Asset Value (Short Term) MMF. It was categorised as such in January 2019. Due to a number of factors, predominantly being the current positive interest rate environment for fixed and floating Euro denominated Money Market Instruments and deposits with credit institutions, it is proposed that, from the Effective Date, the Euro Fund will convert to a Low Volatility Net Asset Value (Short Term) MMF.

The Board believes it is in the best interest of Shareholders that in a positive interest rate environment, subscriptions and redemptions are carried out at a price which is equal to the constant NAV of the relevant Class. The Low Volatility Net Asset Value MMF model allows for this pricing (provided that the Constant NAV does not deviate by more than 20 basis points from the Variable NAV).

Subscriptions and redemptions of income and flexible income Shares of the Euro Fund will normally be carried out at a price that is equal to the Constant NAV of the relevant Class as noted above. Subscriptions and redemptions of accumulation Shares of the Euro Fund will be carried out at a price that is equal to the Variable NAV of the relevant Class.

The table below compares the specific features of a VNAV MMF (Short Term) to a LVNAV MMF (Short Term):

VNAV MMF (Short-Term)	LVNAV MMF (Short-Term)
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<p>WAM (max): 60 days  WAL (max): 120 days  Maturity (max): 397 days  Daily liquid assets (min): 7.5%  Weekly liquid assets (min): 15%  Valuation rule: Mark-to-Market or Mark-to-Model</p> <p>Subscription/redemption price: Variable NAV</p> <p><small>*Please note our VNAV MMF is currently run to the stricter daily and weekly liquid asset limits set out for LVNAV MMFs in the column opposite. However, the VNAV does have the ability to decrease such limits as above.</small></p>	<p>WAM (max): 60 days  WAL (max): 120 days  Maturity (max): 397 days  Daily liquid assets (min): 10%  Weekly liquid assets (min): 30%  Valuation rule: Amortised Cost Method OR Mark-to-Market or Mark-to-Model (as appropriate)</p> <p>Subscription/redemption price: Constant NAV / Variable NAV (as the case may be)</p>
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The following changes will therefore become effective on the Effective Date:

- the Euro Fund will qualify as a Short Term (AAA rated) Money Market Fund under the Money Market Fund Regulation and more specifically as a Low Volatility Net Asset Value Money Market Fund. The Dealing Cut-Off and Valuation Point of the Euro Fund will also change from 13.00 CET to 14.00 CET.
- A range of income Share Classes will also be made available to Shareholders from the Effective Date for which subscriptions, redemptions and exchanges will normally be carried out at a price that is equal to the Constant NAV of the relevant Class (provided that the Constant NAV does not deviate by more than 20 basis points from the Variable NAV).
- The total number of income Shares held by Shareholders will be revised in order to allow the Share Price to be calculated at a price that is equal to the Constant NAV, rounded to two decimal places. The total number of Accumulation Shares will be unchanged. For the avoidance of doubt, the value of each Shareholder's holding will not be impacted by this conversion.

## 2. Conversion mechanism in the event of low or negative interest rates for Aberdeen Standard Liquidity Fund (Lux) – US Dollar Fund and Aberdeen Standard Liquidity Fund (Lux) – Euro Fund

For both the Euro Fund and the US Dollar Fund, it is also proposed to give the additional ability to operate a “**Class Conversion**” should interest rates become low or negative. This gives additional flexibility to the Low Volatility Net Asset Value MMF model.

A “**Class Conversion**” will mean that Income (and flexible Income) Shares will convert to Accumulation Shares if the Board deems it necessary and in the best interests of Shareholders. This decision will only be taken in the event where, if with respect to fixed and floating US Dollar or Euro denominated Money Market Instruments and deposits with credit institutions, interest rates become low or negative.

This is because subscriptions and redemptions of income (and flexible income) Shares are normally carried out at a price that is equal to the Constant NAV of the relevant Class. However, in a negative or low interest environment, it is not possible to use a Constant Price NAV and instead, a Variable NAV is more appropriate.

In case of a Class Conversion, the income Shares and the flexible income Shares will be renamed as accumulation conversion Shares (i.e. Class A-4, Class I-4 Shares etc.) and flexible accumulation conversion Shares (i.e. Class A-5, Class I-5 Shares etc.), respectively.

Please note that there will be no change to the Funds or their operations at this point in time and the Class Conversion will only be implemented in the limited circumstances set out above.

In case of a Class Conversion, the Cut-Off Time for subscriptions, redemptions and switching of shares, the Valuation Point and deadline for payment of the subscription price/redemption proceeds for all the Classes of the Funds will be adapted as will be set out in the Prospectus from the Effective Date.

For the avoidance of doubt, the Class Conversion (if operated) will not impact the investment objectives and policies of the Funds.

Shareholders of Class A-2, Class I-2, Class J-2, Class K-2, Class L-2, Class M-2, Class X-2, Y-2 and Z-2 accumulation Shares will not be impacted in case of a Class Conversion except that the Cut-Off Time will change as stated above.

If the Board decides to implement the Class Conversion, shareholders of the Funds will be notified by an announcement published on our website ([www.abrdn.com](http://www.abrdn.com)) at least 5 business days in advance of the Class Conversion and the Prospectus will be updated accordingly. However, in the very unlikely event of an unexpected market event the notice period may be reduced to 24 hours in advance of the Class Conversion.

In case of a Class Conversion, holders of income and flexible income Shares of the Funds have the following choices:

- i. remain invested in the relevant Fund and have their income and flexible income Shares converted into accumulation Shares as stated above; or
- ii. request the redemption of their Shares, free of charge.

In the event that the Constant NAV deviates by more than 20 basis points from the Variable NAV, prices will be published in line with the Variable NAV.

## **Rights of Shareholders**

Shareholders affected by the changes mentioned above who feel that they no longer meet their investment requirements may request redemption or switching of their Shares free of charge until the relevant Cut-Off Time on 13 October 2023.

## **Prospectus**

The changes detailed in this letter will be reflected in a new Prospectus to be dated 16 October 2023. The relevant Key Investor Information Documents will be updated accordingly.

Your Board of Directors accepts responsibility for the accuracy of the information contained in this letter. To the best of the knowledge and belief of your Board of Directors (who have taken reasonable care to ensure this is the case) the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the importance of such information.

If you have any questions or would like any further information please contact us at our registered office or, alternatively, call one of the following Shareholder Service Centre helplines:

**Europe (excluding UK) and rest of the World +352 46 40 10 820**

**UK +44 1224 425 255**

**Asia +65 6395 2700**

Your Board of Directors believes that the changes are fair and reasonable and are in the best interests of Shareholders.

Yours faithfully,



Hugh Young  
Director

For and on behalf of  
the Board of Directors – Aberdeen Standard Liquidity Fund (Lux)