

# Changes to UK Investment Funds – from 7th August 2019



## Investment objective & policy changes – Standard Life Investments Global Real Estate Fund (to be renamed ASI Global Real Estate Fund)

Investment objective		Investment policy	
Existing	Proposed	Existing	Proposed
<p><b><u>Objective &amp; Investment Policy</u></b></p> <p>The objective of the Scheme is to provide income, with some capital appreciation over the longer term.</p> <p>The current policy of the Scheme is to invest predominantly in global commercial property and property-related equities, property investment companies, other property collective investment schemes and cash.</p> <p>Potentially at any time up to 80% of the Scheme's assets may be held in immovable property.</p> <p>Non-Sterling denominated assets may be hedged back to Sterling.</p>	<p>To generate income and some growth over the long term (5 years or more) by investing in global <i>commercial property</i> markets.</p> <p><i>Performance Target:</i> To exceed the return of the MSCI Global Custom Property/MSCI World Real Estate Custom Index over <i>rolling</i> three year periods (before charges). The performance target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the performance target.</p> <p>The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.</p>	<p>See existing investment objective.</p>	<p><b><u>Portfolio Securities</u></b></p> <p>The fund invests at least 80% in global <i>commercial property</i> and property-related equities (company shares) with the potential for up to 100% to be held in <i>commercial property</i> at any time.</p> <ul style="list-style-type: none"> <li>• The fund may also invest indirectly in <i>commercial property</i> through investment vehicles such as quoted and unquoted property companies or funds (including those managed by Aberdeen Standard Investments).</li> <li>• The fund may also invest in <i>money-market instruments</i>, and cash.</li> </ul>

### **Management Process**

- The management team use market research and their discretion (active management) to identify investments that are expected to benefit from changes in property prices and property improvements. They will maintain a diverse asset mix at country and sector level.
- In seeking to achieve the Performance Target, the MSCI Global Custom Property/MSCI World Real Estate Custom Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. Due to the active nature of the management process, the Fund's performance profile may deviate significantly from that of the MSCI Global Custom Property/MSCI World Real Estate Custom Index.
- Non-Sterling denominated assets will typically be hedged back to Sterling to reduce exposure to currency rate movements.
- Please note: Selling property can be a lengthy process so investors in the fund should be aware that, in certain circumstances, they may not be able to sell their investment when they want to.

### **Derivatives and techniques**

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Where derivatives are used, this would typically be to maintain allocations following a

			significant inflow into the fund or to manage currency risk.
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