

Product Disclosure Statement (PDS)

abr dn Australian Small Companies Fund

Issued: 30 September 2022


Issued by abr dn Australia Limited
ABN 59 002 123 364, AFSL 240263

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abr dn.com

Please read and keep for future reference

Important information

This PDS provides a summary of the significant information about the abrdn Australian Small Companies Fund ('the Fund') and your investment in it. It incorporates a number of references to further information which forms part of this PDS. References to additional information are highlighted with a  and can be viewed or downloaded at: <https://www.abrdn.com/au/howtoinvest>.

Alternatively, you can request a copy be sent to you by contacting our Client Service team.

This is important information you should consider before making a decision to invest in the Fund.

The information in this document is general information only and does not take into account your personal financial objectives, situation or needs. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

Investments in the Fund can only be made by someone receiving this PDS (including an electronic version) in Australia. If you are in possession of this PDS outside Australia, you should seek advice regarding restrictions on investing. Failure to comply with relevant restrictions may violate laws.

abrdn, and any other entity, do not guarantee the repayment of capital or any rate of return on income or capital or the investment performance of the Fund.

The Target Market Determination (TMD) for the Fund can be found at www.abrdn.com/au and includes a description of who the product is suitable for.

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Contact us

If you have any questions or would like more information about abrdn Australia Limited or the Fund, or if you need a copy of any material, you can contact us in the following ways:

Telephone:

1800 636 888 or +61 2 9950 2853
if calling from outside Australia

Email:

client.service.aust@abrdn.com

Website:

www.abrdn.com/au

Post:

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Level 10, 255 George Street,
Sydney, NSW 2000, Australia
GPO Box 4306
Sydney, NSW 2001

Investors in the Fund through mFund:

mfund.com.au

ASX mFund code:

AFZ20



1. About abrdn Australia Limited

abrdn Australia Limited ('abrdn', 'we', 'us', 'our') is the issuer of this PDS and of units in the Fund. We are the responsible entity of the Fund under the Corporations Act and we also act as the investment manager of the Fund.

At abrdn we invest to help our clients create more.

More opportunity. More potential. More impact. We offer investment expertise across all key asset classes, regions and markets so that our clients can capture investment potential wherever it arises.

By combining market and economic insight with technology and diverse perspectives, we look for optimal ways to help investors navigate the future and reach their financial goals. And by putting environmental, social and governance (ESG) considerations at the heart of our process, we seek to find the most sustainable investment opportunities globally. By ensuring the assets we invest in are ready for and resilient to a world in transition, we act as guardians of our clients' assets.

- Operating in over 30 locations worldwide Keeping us close to our clients and ensuring first-hand insight into companies, industries and markets.
- Managing £464bn GBP / \$863bn AUD in assets for our clients. On behalf of individuals, governments, pension funds, insurers, companies, charities and foundations across 80 countries.
- Focus on fundamental research. The combination of our research, thematic thinking, ESG best practice and extensive on-the-ground analysis helps us find the most sustainable future-fit investment opportunities globally.

We are a wholly owned subsidiary of abrdn plc but are not guaranteed by them, or any other abrdn plc subsidiary or associated entity (the abrdn group).

The Australian business, which began operations in December 2000, manages assets for global and domestic clients, including managed investment schemes and segregated mandates.

Some of the assets of our funds may be managed by other entities within the abrdn group.

2. How the abrdn Australian Small Companies Fund works

The Fund is an Australian unit trust, registered as a managed investment scheme under the Corporations Act.

Unit trusts are vehicles that allow investors to pool their money with that of other investors and this pooled money is then managed by an investment manager, in this case abrdn, who manages the pooled money in accordance with the investment objective, guidelines and strategies of the Fund. Investing in the Fund allows investors to access what they may otherwise not be able to access independently, including the services of an investment manager. The price of interests in the Fund will vary as the market value of assets in the Fund rises or falls.

When you invest, your money buys units in the Fund, which represent your holding in the Fund, and your name is entered on the Fund's register as a holder of units. Each unit in the Fund confers an equal and proportionate beneficial interest in the net assets of the Fund. The number of units you receive depends on the amount you invest and the current unit price. You can increase your units in the Fund by reinvesting distributions or making additional investments or decrease your units by making a withdrawal.

We may in the future create and issue different classes of units in the Fund, in which case we will notify unitholders and must treat unitholders in the in different classes fairly.

The Fund was admitted as an mFund product under the ASX Operating Rules on 22 December 2014.

While the Fund is admitted as an mFund product under the ASX Operating Rules, individuals and superannuation funds only (or as otherwise advised)² will be able to buy and sell units in the Fund through mFund. Only investors applying for units in Class A can invest via mFund.

mFund uses CHESS, ASX's electronic settlement system, allowing automated application and withdrawal of units in the Fund through your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

Unit prices

The application price of a unit is calculated by taking the net asset value of the Fund, divided by the number of units in the Fund on issue, then adding a buy spread which is an amount representing the estimated cost to convert application monies to investments.

While the Fund is Liquid (as defined in the Corporation Act), the withdrawal price of a unit is calculated by dividing the net asset value of the Fund by the number of units in the Fund on issue, then deducting a sell spread which is an amount representing the estimated cost to convert investments to cash for withdrawal purposes. When the Fund is not Liquid, the withdrawal price of a unit will be specified in any withdrawal offer. However, we are not obliged to make such offers.

Investing in the Fund

Who can invest in the Fund

The offer made in this PDS is available only to persons over 18 receiving the PDS within Australia. Units cannot be offered or sold within the United States (US) or offered or sold to, or for the account or benefit of, any 'US Person' as defined in Regulation S of the US Securities Act 1933. In very limited circumstances and at our discretion, persons in other jurisdictions who meet applicable local regulatory requirements may be able to invest in the Fund (please contact our Client Service team for further information).

The Fund can be accessed through an IDPS Provider with which we have entered into an agreement to allow units in the Fund to be offered through this service.

While the Fund is admitted as an mFund product, individuals and superannuation funds only (or as otherwise advised)³ will be able to make initial and additional investments in the Fund using mFund. Only investors applying for units in Class A can invest via mFund. Further information about mFund is detailed in 'How to apply' in section 8 of this PDS.

We reserve the right to accept or reject applications at our discretion.

Minimum investment

The minimum initial investment in Class A is \$20,000. We have the right to fully redeem your investment in the Class A if your holding falls below \$20,000. Lesser amounts may be accepted into the Fund by prior arrangement at our discretion.

Additional investments

The minimum additional investment in Class A is \$5,000. If you are already a unitholder in the Fund, you can make additional investments at any time. Lesser amounts may be accepted into the Fund at our discretion. No contribution fees are payable. However, normal buy spread applies.

Any additional investments must be made in accordance with the PDS current at the time of the addition. You can make the additional investment by direct credit, together with an Application Form.

Processing of applications and additional investments

The Fund's processing cut-off time is 2pm (Sydney time) on each Business Day (any day other than Saturday or Sunday on which banks are open for general banking business in Sydney).

We reserve the right to accept or reject all or part of an application at our discretion and delay processing of applications where we believe this to be in the best interests of all unitholders.

Investing through an IDPS Provider

We have authorised the use of this PDS as disclosure to direct investors and investors of an IDPS (commonly known as a master trust or wrap account). If you invest through an IDPS Provider, your rights and liabilities will be governed by the terms and conditions of the disclosure document provided by them. Investors should carefully read those terms and conditions before investing.

2 Under certain circumstances, investors other than individuals and superannuation funds may be able to invest in the Fund through mFund. Please contact our Client Service team for further information.

Anti-Money Laundering and Counter-Terrorism Financing laws

We are required to comply with these laws, including the need to establish your identity (and, if relevant, the identity of other persons associated with your account) including any appointed representative and/or under Power of Attorney.

Withdrawals

You can decrease your units by making a withdrawal from the Fund. In some circumstances, such as when there is a freeze on withdrawals, unitholders may not always be able to withdraw their funds within the usual period on request.

Minimum withdrawal

The minimum withdrawal amount from the Fund is \$5,000, unless the entire investment is withdrawn. No withdrawal fees are payable on a withdrawal. However normal sell spread applies.

We have the right to fully redeem your investment in Class A if a withdrawal request would result in your holding falling below \$20,000 in the Fund.

Processing of withdrawal requests

The Fund's processing cut-off time is 2pm (Sydney time) on each Business Day (any day other than Saturday or Sunday on which banks are open for general banking business in Sydney).

Payment of withdrawal proceeds

Your withdrawal proceeds will be electronically deposited into your nominated Australian bank account, normally within 7 Business Days of the receipt and acceptance of the withdrawal request.

However in some circumstances, for example, where the assets of the Fund are not readily realisable so as to meet the withdrawal, we are permitted by the Constitution to take a longer period of time to pay the withdrawal request.

If the Fund is not Liquid, if the processing of applications and redemptions has been suspended, or if the Fund is being wound up, you may not withdraw from the Fund unless we make a withdrawal offer to you in accordance with the Corporations Act. We are not obliged to make such offers. As at the date of the PDS the Fund is Liquid.

Withdrawing through an IDPS Provider

If you gain exposure to the Fund through an IDPS Provider, to withdraw, you will need to complete the documents which the IDPS Provider requires.

Withdrawing through mFund

While the Fund is admitted as an mFund product, individuals and superannuation funds invested through mFund will be able to make a withdrawal request from the Fund using mFund.

Distributions

Frequency of distributions

The Fund generally pays distributions half yearly.

Distribution amounts will vary from year to year and there may be times when there is no distribution paid.

How distributions are calculated

Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of units on issue. We generally distribute all taxable income to unitholders each year, including the net capital gains of the Fund. Net realised capital gains are typically distributed in the final distribution of the financial year.

Distribution payments are normally made within 30 days of the end of the relevant distribution period. If you do not make a choice on the Application Form, your distributions will be reinvested.



You should read the important information about 'How the Fund works' in section 1 of the Additional Information Booklet before making a decision to invest in the Fund. Go to: <https://www.abrdn.com/au/howtoinvest>. This information may change between the time you read this PDS and the day you sign the Application Form.

3. Benefits of investing in the abrdn Australian Small Companies Fund

Significant features

The Fund is a high conviction actively managed Australian and New Zealand equity portfolio managed using a bottom-up approach with little reference to a benchmark.

Utilising abrdn's proven equity investment philosophy and approach, that is replicated and consistent across all equity investment desks, we seek to identify quality companies trading at reasonable valuations through our own first hand research.

Refer to 'How we invest your money' in section 5 of this PDS for more information on the Fund's investments.

Significant benefits

Investing in the Fund offers a number of benefits, including:

- Access to investment opportunities and diversification that individual investors usually cannot achieve on their own.
- Investment professionals who are part of a globally integrated network with global research capabilities delivering their best investment ideas and capabilities to clients around the world.
- Participation in any income distributions from the Fund.

4. Risks of managed investment schemes

All investments carry risk. The likely investment return and the risk of losing money is different for each managed scheme, as different strategies carry different levels of risk based on the underlying mix of assets. Generally, the higher the level of risk you are prepared to accept, the higher potential returns or losses. Assets with the highest long-term returns may also carry the highest level of short-term risk, particularly if you do not hold your investment for the minimum suggested time frame. Growth assets, such as shares and property, are generally considered the most volatile assets, as they are likely to experience greater fluctuations in value than defensive assets, such as fixed income and cash.

The significant risks for the Fund are as follows:

³ Under certain circumstances, investors other than individuals and superannuation funds may be able to invest in the Fund through mFund. Please contact our Client Service team for further information.

- Market risk – investment returns are influenced by the performance of the market as a whole. Changes in economic, technological, environmental or political conditions, and even market sentiment can (and do) arise. These changes can lead to changes in prices and overall market volatility. This means that the assets in the Fund can fluctuate in value.
- Security and investment-specific risk – within each asset class, individual securities can be affected by risks that are specific to that investment or that security. For example, the value of a company's shares can be influenced by changes in company management, its business environment or profitability. These risks can also impact on the company's ability to repay its debt.
- Performance risk – the Fund may fail to perform as expected in which case the Fund's investment objective may not be achieved.
- Structural and fund risk – investing in a managed fund is not like investing directly in securities, and can result in a different outcome, including in relation to income and capital gains. As Responsible Entity of the Fund, we take into consideration the Fund as a whole, and all unitholders. The Constitution of the Fund, subject to the Corporations Act, allows us to terminate the Fund in certain circumstances.
- Liquidity risk – refers to the difficulty in selling an asset for cash quickly without an adverse impact on the price received. Under abnormal or difficult market conditions some normally liquid assets may become illiquid, restricting our ability to sell them and to make withdrawal payments for investors without a potentially significant delay. In circumstances where the Fund's portfolio ceases to be 'Liquid' for Corporations Act purposes, there may be significant delays, or a freeze on withdrawal requests.
- Interest rate risk – changes to interest rates can directly and indirectly impact investment value and returns.
- International investing risk – investing internationally carries additional risks due to differences between countries relating to accounting, auditing, financial reporting, government regulation, securities exchanges and transactional procedures. Foreign markets may also have different levels of liquidity, pricing availability, settlement and clearance procedures. The actions of foreign governments, exchange controls, defaults on government securities, political and social instability can also affect investments.
- Prepayment risk – certain debt securities can be prepaid at the option of the issuer. There is no assurance that proceeds received from a prepayment can be invested in similar securities generating the same level of return.
- Currency risk – changes in the value of the Australian dollar relative to other currencies can cause changes to the value of the Fund's overseas investments. The Fund is managed on an unhedged basis so it is fully exposed to currency movements.

Risk can be managed but it cannot be completely eliminated. It is important to understand the following:

- The value of your investment will go up and down.
- Past performance is not an indicator of future performance.
- The level of returns will vary and future returns may differ from past returns.
- Returns are not guaranteed and there is always the chance you may lose money on any investment you make in the Fund.
- Laws affecting your investment in a managed scheme may change in the future.
- The level of risk for you will vary depending on a range of factors, including your age, investment time frame, where other parts of your wealth are invested, and your risk tolerance.

i You should read the important information about 'Risks of managed investment schemes' in section 2 of the Additional Information Booklet before making a decision to invest in the Fund. Go to: <https://www.abrdn.com/au/howtoinvest>. This information may change between the time you read this PDS and the day you sign the Application Form.

5. How we invest your money

You should consider the likely investment return, risk and your investment time frame when choosing to invest in the Fund.

abrdn Australian Small Companies Fund	
Fund description	The Fund utilises abrdn's proven investment philosophy and approach to invest primarily in a concentrated portfolio of mainly Australian (primarily outside of the S&P/ASX 100 Accumulation Index) and New Zealand listed companies that have the potential for capital growth and increased earning potential.
Investment objective	To outperform the benchmark, the S&P/ASX Small Ordinaries Accumulation Index, after fees, over rolling three year periods, by investing mainly in Australian (primarily outside the S&P/ASX 100 Accumulation Index) and New Zealand securities.
Fund strategy	<p>Our equity managers seek to identify and invest in good quality Australian and New Zealand listed securities through first hand company visits.</p> <p>Quality is chiefly an evaluation of a company's management, balance sheet and business model.</p> <p>Only those companies which pass our rigorous quality screen are assessed for value. We see risk in terms of investing in a poor quality company, or overpaying for a good one, and do not view risk in benchmark relative terms.</p> <p>We therefore downplay benchmarks in portfolio construction since these provide little indication of future performance. We are comfortable not holding companies if they do not satisfy our disciplined quality and valuation criteria, regardless of their benchmark weight.</p> <p>The normal characteristics of the Fund include:</p> <ul style="list-style-type: none"> • Low turnover due to our 'buy and hold' approach - average holding period of around five years. • Significant divergence from the benchmark. • Low cash allocation (as the aim is to be fully invested in securities).
Hedging strategy	Unhedged
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Minimum suggested time frame	Long term - 5 years plus
Mix of asset classes ⁴	<p>75-100% Australian equity securities</p> <p>0-15% New Zealand equity securities</p> <p>0-10% Cash</p> <p>The Fund is generally fully invested in Australian and New Zealand equity securities.</p>
Derivatives	N/A
Risk Level ⁵	7 - Very high. The Risk Level may change. Please visit our website at www.abrdn.com/au for the latest Risk Level for the Fund.
Type of investors for whom the Fund is intended to be suitable	Mainly direct and indirect investors seeking long term capital growth with some income through investment in Australian and New Zealand equity securities. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.
Fund inception	March 2001
Fund performance	For the latest available information on the performance of the Fund, including the performance history, please visit our website at www.abrdn.com/au (past performance is no indication of future performance, so your decision to invest in the Fund should not be based on past performance).
Distributions frequency	Half yearly (30 June and 31 December). For up-to-date information on the distribution history of the Fund, please visit our website at www.abrdn.com/au .
Labour standards, environmental, social or ethical considerations	Underlying abrdn's quality assessment is the belief that companies with a best practice approach to governance can provide a more sustainable and higher quality investment opportunity. Company reviews include factors which may be impacted by labour standards, social, environmental and ethical issues. However we do not use specific methodology or have predetermined views about the extent to which such issues will be taken into account in a review.
Changes to fund details and investments	We have the right to make changes to the Fund at any time, and in some cases without prior notice. This could include closing or terminating the Fund, amending its investment parameters, including the investment objective and strategy, or changing the asset class allocation ranges and currency strategy (if applicable). We will inform you about any material change to the Fund's details in your next regular communication or as otherwise required by law. Details of any change will be available on our website, www.abrdn.com/au .

⁴These are indicative asset allocation ranges for the Fund. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, or a change in the fund investment strategy, cause the Fund to move outside these indicative ranges, or a limit set out in this PDS, this will be addressed by us as soon as reasonably practicable.

⁵The Risk Level represents the Standard Risk Measure (SRM) for the Fund. The SRM is generally reviewed each year based on the latest estimates of long-term volatility and correlation data. Any significant changes to market conditions or refinements to the SRM methodology may alter the SRM from time to time. Please visit our website at www.abrdn.com/au for more information on SRMs.

5. Fees and costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC) Moneysmart website (www.moneysmart.gov.au)** has a managed investment fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Scheme as a whole.

Taxes are set out in the 'How managed investment schemes are taxed in Australia' section on page 7 of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Unless otherwise stated, all fees and costs quoted in this PDS are gross of income tax, inclusive of GST (and any applicable stamp duty) and net of an estimate of any applicable Reduced Input Tax Credits (RITCs). All dollar amounts quoted are in Australian dollars.

Fees and cost summary

Type of fee or cost ⁶	Amount	How and when paid
Ongoing annual fees and costs⁸		
Management fees and costs^{6,12} The fees and costs for managing your investment	Estimated to be 1.26% p.a. of the net asset value (NAV) of the fund, comprised of: <ol style="list-style-type: none"> management fee⁷: 1.26 % p.a. of the NAV of the Fund Estimated recoverable expenses: 0.0% of the NAV of the Fund. Estimated indirect costs: 0.00% p.a. of the NAV of the Fund 	<ol style="list-style-type: none"> The management fee is accrued daily in the unit price and calculated and paid monthly in arrears from the Fund prior to calculation and payment of distributions on the last day of the month. Recoverable expenses are deducted from the assets of the Fund as and when they are incurred and are reflected in the unit price. Indirect costs are deducted from the assets of the Fund as and when they are incurred and are reflected in the unit price.
Performance fees Amounts deducted from your investment in relation to the performance of the product.	Nil	Not applicable
Transaction costs The costs incurred by the scheme when buying or selling assets. ⁹	Estimated transaction costs: 0% p.a. of the NAV of the Fund	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of that Fund. They are paid out of the assets of the Fund as and when incurred and are reflected in the unit price.
Member activity related fees and costs (fees and services or when your money moves in or out of the scheme)⁸		
Establishment fee The fee to open your investment.	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment.	Nil	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme. ¹⁰	Estimated to be +0.25% of the application amount on application and -0.25% of the withdrawal amount on withdrawal	The buy/sell spread is reflected in the buy price and sell price respectively for units in the Fund and is paid at the time of the relevant application or withdrawal for units. ¹¹
Withdrawal fee The fee on each amount you take out of your investment.	Nil	Not applicable
Exit fee The fee to close your investment.	Nil	Not applicable
Switching fee The fee for changing investment options	Nil	Not applicable

⁶ See 'Additional explanation of fees and costs' below for further details on fees and costs that may be payable. Unless otherwise stated, the fees and costs shown are inclusive of GST and net of any applicable input tax credits and reduced input tax credits, and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.

⁷ The amount of the management fee may be negotiated if you are a wholesale client pursuant to the Corporations Act. For further information refer to 'Differential fees' in the 'Additional explanation of fees and costs' section below.

⁸ All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect the Responsible Entity's reasonable estimates of the typical fees for the Fund for the current financial year. As the Fund is newly established, the costs reflect the Responsible Entity's reasonable estimates at the date of this PDS of those costs that will apply to the Fund for the current financial year (adjusted to reflect a 12 month period). Please refer to the 'Additional explanation of fees and costs' section for more information on fees and costs that may be payable.

⁹ The transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting unitholders in the Fund. Please refer to the 'Additional explanation of fees and costs' section for further details.

¹⁰ In estimating the buy/sell spread for the Fund, the Responsible Entity has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for the Responsible Entity to predict) the buy/sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations. The Responsible Entity may vary the buy/sell spreads for the Fund from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed on our website. Please refer to the 'Additional explanation of fees and costs' section for further details.

¹¹ See 'Buy/sell spread' in this section for more details.

¹² No additional management fees are incurred when the Fund is directly invested in other investment vehicles managed by us and other abrdn group companies.

Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual for the Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment scheme products offered.

EXAMPLE a brdn Australian Small Companies Fund

Balance of \$50,000 with a contribution of \$5,000 during the year.¹³

Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs ^{14,15}	1.26% p.a. the NAV of the Fund	And for every \$50,000 you have in the Fund, you will have deducted from your investment \$630 each year.
PLUS Performance fees	Nil	And for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment \$0 each year.
PLUS Transaction costs	Nil	And for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment \$0 each year.
EQUALS Cost of the a brdn Australian Small Companies Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged costs ranging from: \$630 to \$693. ¹⁵ What it costs you will depend on the fees you negotiate.

Additional explanation of fees and costs

Management costs

Management costs comprise the management fee and indirect costs that you incur by investing in the Fund.

Management fee

The management fee is paid to us from the assets of the Fund and comprises our remuneration for managing and overseeing the operations of the Fund. The management fee is calculated as a percentage of the Fund's NAV and is reflected in the Fund's unit price. The routine costs of running the Fund, including custodian, registry, and administration costs (excluding transactional and operational costs as detailed below) are paid by us from the management fee. However, we reserve the right to be additionally reimbursed from the Fund for any items and expenses of an extraordinary nature.

Changing the fees

We may increase our fees or introduce new fees without unitholder consent. We will provide investors with at least 30 days' advance notice of any increase to our fees. Reasons for increasing fees might include changing economic conditions or changes in regulations or to the Fund's Constitution. We also reserve the right to waive or reduce any of the fees described in this PDS without prior notice.

Indirect costs

In investing the assets of the Fund in accordance with its investment objective and strategy, the Fund can incur indirect costs. Indirect costs are any amounts that we know or reasonably ought to know, or where this is not the case, reasonably estimate has or will reduce, whether directly or indirectly, the return of the Fund or the amount or value of the income of, or assets attributable to the Fund or an interposed vehicle in which the Fund invests other than the management fee and recoverable expenses. Indirect costs are reflected in the Fund's daily unit price, and can include any underlying (indirect) management fees and costs, and other indirect costs (including the cost of certain types of derivatives used for trading activity other than hedging, if applicable). Indirect costs are not paid to us.

The indirect costs may vary from year to year, including to the extent that they rely on estimates. These amounts are not an indication or guarantee of the amount that may be charged in the future. From time to time, we will provide notification of updates to the estimated indirect costs on our website at www.abrdn.com/au

Transactional costs

In operating the assets of the Fund, the Fund may incur transactional costs when assets are bought and sold, including brokerage, clearing and settlement costs, buy/sell spreads and applicable stamp duty. These costs, which are reflected in the daily unit price, are recovered in part by the buy/sell spread charged on applications and withdrawals.

The Fund may also incur other transactional costs through the day-to-day trading activity required to execute the Fund's investment strategy (and can include the cost of derivatives used for hedging purposes, if applicable). These costs, which are reflected in the daily unit price, are an additional implicit cost to unitholders in the Fund. Transaction costs are paid out of the Fund's assets as and when incurred and are shown in the fees and costs summary net of any amount recovered by the Fund from the buy/sell spread. Transactional costs are not paid to us.

The estimated net transactional costs (that are not recovered through the buy/sell spread) are detailed in the Additional Information Booklet. These costs may vary from year to year.

Buy/sell spread

Buy/sell spreads are an amount representing the estimated costs arising from applications and withdrawals made by investors moving into and out of the Fund.

The buy/sell spreads for the Fund current at the issue date of the Additional Information Booklet (AIB) are set out in the AIB.

We will provide notification of the current buy/sell spread for the Fund on our website at www.abrdn.com/au.

We may vary or waive the buy/sell spreads without notice when it is appropriate to protect the interests of existing investors and if permitted by law.

Service fees

If you consult a financial adviser or broker, and/or access the Fund via mFund or an IDPS Provider, advice or special request fees may be payable to them by you, or on your behalf under your arrangements with them. You should refer to their Statement of Advice, or speak to them directly regarding these fees.

Differential fees

A rebate of part of the management fee or a lower management fee may be negotiated with investors who are wholesale clients for the purposes of the Corporations Act or with staff of a brdn or its related bodies corporate. Further information can be obtained by contacting us. See page 1 of this PDS for our contact details.



You should read the important information about 'Fees and costs' in section 3 of the Additional Information Booklet before making a decision to invest in the Fund. Go to: <https://www.abrdn.com/au/howtoinvest>. This information may change between the time you read this PDS and the day you sign the Application Form.

7. How managed investment schemes are taxed in Australia

It is important to note that investing in the Fund is likely to have tax consequences. We strongly advise that you seek professional tax advice before investing in the Fund.

Generally, it is our policy to fully attribute the taxable income of the Fund to investors every year. As a result, unitholders will be liable to pay income tax on their attributed share of the taxable income of the Fund and income tax should not generally be payable by the Fund. Investors should obtain advice from professional tax advisers about their individual circumstances as the tax consequences will vary depending on their individual circumstances. Investors who invest in the Fund through an IDPS Provider should seek separate tax advice.



You should read the important information about 'How managed investment schemes are taxed in Australia' in section 4 of the Additional Information Booklet before making a decision to invest in the Fund. Go to: <https://www.abrdn.com/au/howtoinvest>. This information may change between the time you read this PDS and the day you sign the Application Form.

8. How to apply

Direct investor

Direct investors making an initial or additional investment in the Fund should read this PDS together with the 'Additional Information Booklet' then complete the relevant sections of the Application Form and sign it. All investors applying for a new abrdn account must also complete an Identification Form (for the purposes of Anti-Money Laundering and Counter-Terrorism Financing laws). Identification Forms can be downloaded from the 'How to Invest' page at www.abrdn.com/au. Initial and additional investment payments can be made by direct credit to our registrar.

Account name: abrdn Applications Trust Account Name of institution: Citibank NA, Australia
BSB: 242-000
Account number: 218500269
Swift code: CITIAU2X
Reference: Please quote the investor name as per your Application Form

Please note that cash or cheques cannot be accepted.

If investing via direct credit, confirmation that funds have been received is required prior to units being issued.

The completed Application Form and Identification Form (if applicable) can be forwarded to us in accordance with the instruction on the application form.

Alternatively, an initial investment in the Fund can be made online at our website, www.abrdn.com/au/howtoinvest. Please contact our Client Service team for further information.

The Target Market Determination for the Fund can be found at www.abrdn.com/au and includes a description of who the product is suitable for. At our discretion, a direct investor we determine is outside the target market for the Fund will not be able to invest unless they are a Professional Investor¹⁶ or investing on the recommendation of their financial adviser.

Investing through an IDPS Provider

If you intend to invest in the Fund through an IDPS Provider, you will need to give a direction to the IDPS Provider to invest in the Fund and complete the documents provided by them. Please contact our Client Service team for a current list of IDPS Providers through which the Fund is available.

Investing through mFund

While the Fund is admitted as an mFund product, individuals and superannuation funds only (or as otherwise advised)¹⁷ will be able to make an initial and/or additional investment in the Fund through mFund using your ASX broker (or your financial adviser who uses a stockbroking service on your behalf).

Cooling-off rights

If you invest in the Fund as a Retail Client (as defined in section 761G of the Corporations Act), you have 14 days from the earlier of 5 days after we issue units to you or receipt by you of a confirmation statement to have your investment repaid (cooling-off period). The amount repaid will be adjusted to take into account any transaction costs (including buy/sell spreads) and administration costs and increase/decrease in the value of your investment.

Your right to be repaid during this cooling-off period does not apply:

- where your units have been issued due to a reinvestment of your distribution;
- if you are a Wholesale Client;
- if you invested through an IDPS Provider; or
- if you have exercised your rights as a unitholder in the Fund.

¹³ The additional management fees and costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This example is prescribed by the Corporations Act, and is based on an assumption that the \$5,000 investment in the Fund occurs on the last business day of the year (and therefore, the management fees and costs are calculated using an investment balance of \$50,000 only). These examples also assume that the value of your investment in the Fund remains the same during the year. Please note that this is just an example. In practice, actual investment balances will vary daily and actual fees and costs charged are based on the value of the Fund, which also fluctuates daily.

¹⁴ All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect the Responsible Entity's reasonable estimates of the typical fees for the Fund for the current financial year. Please refer to the 'Additional explanation of fees and costs' section for more information on fees and costs that may be payable.

¹⁵ The amount of the management fee may be negotiated if you are a wholesale client pursuant to the Corporations Act. For further information refer to 'Differential fees' in the 'Additional explanation of fees and costs' section.

¹⁶ Professional Investor is as defined in the Corporations Act and generally includes an investor in relation to whom one or more of the following applies: holder of an Australian financial services license (other than for settlement services); trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme, within the meaning of the Superannuation Industry (Supervision) Act 1993 and the fund, trust or scheme has net assets of at least \$10 million; a body regulated by APRA; a listed entity, or a related body corporate of a listed entity; an exempt public authority; a body that carries on an investment business and raises funds pursuant to an offer or invitation to the public; a foreign entity that, if established in Australia, would be covered by one of these. Individuals, small businesses and personal superannuation funds are generally not included.

¹⁷ Under certain circumstances, investors other than individuals and superannuation funds may be able to invest in the Fund through mFund. Please contact our Client Service team for further information.

To have your investment repaid, please write to us at the address detailed on page 1 of this PDS setting out your account details and stating that you wish to redeem your holding.

Complaints resolution

An internal complaints handling procedure has been established by abrdn. Complaints can be made in writing and forwarded to our Client Service team. Alternatively, you can contact our Client Service team by phone on 1800 636 888 (Australian Investors), 0800 446 439 (New Zealand Investors) or +61 2 9950 2853 (if calling from outside Australia or New Zealand). We will acknowledge any complaint in writing and use reasonable endeavours to deal with or resolve your complaint within 30 days.

abrdn is a member of the Australian Financial Complaints Authority ('AFCA'). If you are not satisfied with our response, you may lodge a complaint with the AFCA:

Online: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678 (free call with Australia)
Mail: Australian Financial Complaints Authority

GPO Box 3
Melbourne VIC 3001

If you are investing through an IDPS Provider, the enquiries and complaints should be directed to the operator of the service.

9. Other information ⓘ

Continuous disclosure documents

The Fund may be subject to certain regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, any ASIC office.

You may obtain a copy of the following at our website (in accordance with ASIC's good practice guidance for website disclosure) or from us free of charge on request (where relevant):

- the Fund's annual financial report most recently lodged with ASIC;
- any half-yearly financial reports lodged with ASIC by the Fund after lodgement (where applicable);
- any continuous disclosure notices given by the Fund after that date of lodgement of that annual report;
- and any other material updates.

Updated information

Information in this PDS and the terms of your investment are subject to change from time-to-time. In the case of material changes we will give notice to unitholders in the time-frames provided for in the relevant legislation. Updated information that is not materially adverse can be obtained by:

- Contacting your financial adviser;
- Contacting your IDPS Provider (for indirect investors);
- Visiting our website, www.abrdn.com/au; and/or
- Calling our Client Service team by phone on 1800 636 888 (Australian Investors), 0800 446 439 (New Zealand Investors) or +61 2 9950 2853 (if calling from outside Australia or New Zealand).
- Visiting www.mFund.com.au (mFund investors only).



You should read the important information about 'Other information' in section 5 of the Additional Information Booklet before making a decision to invest in the Fund. Go to: <https://www.abrdn.com/au/howtoinvest>. This information may change between the time you read this PDS and the day you sign the Application Form.