

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

<b>Product name:</b>	Standard Life MyFolio Active V
<b>Standard Life Citicode:</b>	G7IR
<b>Legal entity identifier:</b>	MU1J7DTC8IC8VMFT8818

## Environmental and/or social characteristics

<p><b>Does this financial product have a sustainable investment objective?</b>          tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments</p> <p style="text-align: right;"> <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No         </p>	
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> <input type="text" value=""/> %	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	<input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> <input type="text" value=""/> %	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

The below information has been provided by the asset manager, abrdn.

**What environmental and/or social characteristics are promoted by this financial product?**

To promote the environmental and social characteristics, the Fund of Fund applies ESG assessment criteria, ESG screening criteria and promotes good governance.

The Fund of Fund considers the quality of fund management teams and analyses the environmental, social and governance (ESG) opportunities and risks impacting the fund and appraise how well these are managed. The nominated manager assign a proprietary score to articulate the quality attributes of each fund. This enables the portfolio managers to exclude funds with material ESG risks and positively skew the portfolio towards ESG opportunities and to build well-diversified, risk-adjusted portfolios.

This Fund of Fund has a financial benchmark that is used for portfolio construction but does not incorporate any sustainable criteria and is not selected for the purpose of attaining these characteristics. This financial benchmark is used as a comparator for Fund of Funds performance and as a comparison for the Fund of Fund's binding commitments.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The measures applied by the Fund are:

- a weighted average Scope 1,2 &3 carbon intensity targeting lower than benchmark,
- targets an ESG rating better than or equal to benchmark and
- promotes good governance

**What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Fund has not set a minimum proportion of sustainable investments.

**How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The Fund has not set a minimum proportion of sustainable investments.

**How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Fund has not set a minimum proportion of sustainable investments.

**How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

The Fund has not set a minimum proportion of sustainable investments.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

**The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.**

Any other sustainable investments must also not significantly harm any environmental or social objectives.

## Does this financial product consider principal adverse impacts on sustainability factors?



Yes, this Fund considers Principal Adverse Impacts (PAI) on sustainability factors.

Principal Adverse Impact Indicators are metrics that measure the negative effects on environmental and social matters. The nominated manager consider PAIs within the investment process for the Fund of Fund, this may include considering whether to make an investment, or they may be used as an engagement tool for example where a fund manager has not considered carbon intensity and this would be beneficial, or where carbon emissions are considered to be high, the nominated manager may engage to seek the creation of a long-term target and reduction plan. The nominated manager assess PAIs by using, amongst others, the PAI indicators referred to in the SFDR Delegated Regulation; however, dependent on data availability, quality and relevance to the investments not all SFDR PAI indicators may be considered.



No

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## What investment strategy does this financial product follow?

The nominated manager will seek to identify funds that explicitly consider and embed positive ESG factors when making investments. This will typically result in funds exhibiting positive ESG scores, relative to a comparator benchmark, and also evidencing an active approach to governance and engagement.

The types of sustainable funds the nominated manager will use within MyFolio Active can be classified into two groupings:

**Enhanced Passive ESG Funds:** Cost considerations and desire to provide sufficient diversification, lead MyFolio Active to use enhanced passive funds. These funds are designed to have a low tracking error versus a standard benchmark for the relevant asset class, whilst being tilted based on ESG criteria. The nominated manager would expect such holdings to display positive ESG characteristics, relative to a market capitalisation benchmark in areas such as carbon intensity and overall provider ESG score / rating.

**Active ESG Funds:** The nominated manager will look to utilise actively managed funds that have ESG and sustainability as a clear and embedded feature of their investment approach.

**Non-Aligned Funds:** Non-Aligned funds are those which the nominated manager define as having no specific ESG or sustainability criteria within their investment objective or process. In order to meet the long-term volatility objectives of the MyFolio Active range there will be a requirement to invest in Non-Aligned funds in some asset classes. These are currently Developed Global Government Bonds (nominal and index linked), and Global REITs, Cash and Money Market Funds. The use of Non-Aligned funds is required because there are certain asset classes that are crucial to optimal portfolio construction but where the universe of ESG fund options is underdeveloped or ESG strategies difficult to apply. As the asset classes in which Non-Aligned Funds will be used are historically the most defensive of those available within MyFolio Active they are a key requirement to build prudent, lower risk portfolios. These funds do not have minimum regulatory standard requirement.

In order to ensure that the overall MyFolio Active funds remain consistent with both their sustainability and risk objectives, limits will be applied for exposure to funds categorised as Non-Aligned Neutral at each risk level, with higher thresholds at risk levels where Defensive assets (where options with ESG or sustainable criteria are rarer) play a more prominent role.

The nominated manager considers the quality of management teams and analyse the environmental, social and governance opportunities and risks impacting the funds and appraise how well these are managed. The nominated manager assign a fund ESG score to articulate the quality attributes of each fund. This enables the portfolio managers to exclude funds with material ESG risks and positively skew the portfolio towards ESG opportunities and to build well-diversified, risk adjusted portfolios.

To further complement the fund research, the nominated manager also use third party ESG analysis which is primarily a quantitative assessment to identify environmental, social and governance risks and question management on the implementation of environmental, social and governance factors.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The binding elements used by the Fund are:

- a carbon intensity target lower than the benchmark and
- targeting an ESG rating better than or equal to benchmark.
- The Fund of Fund will be required to invest a maximum of 20% in non-aligned funds. At least 80% are required to be in funds which promote environmental, social and positive governance.

**What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Fund of Fund has not set a minimum rate to reduce the scope of investments prior to the application of the investment strategy

**What is the policy to assess good governance practices of the investee companies?**

For this Fund of Fund, the underlying funds need to follow good governance. To make sure all funds held follow good governance practices the nominated manager regularly monitor and assess funds' active engagement policy and how they show evidence of adherence to the policy.

This is monitored through bi-annual due diligence which confirms the regulators that the fund is recognised with, the reporting status the fund & share classes have applied for/granted and countries registered for sale. Furthermore, due diligence considers fund specific issues such as subscription limits, use of leverage and counterparty risk.

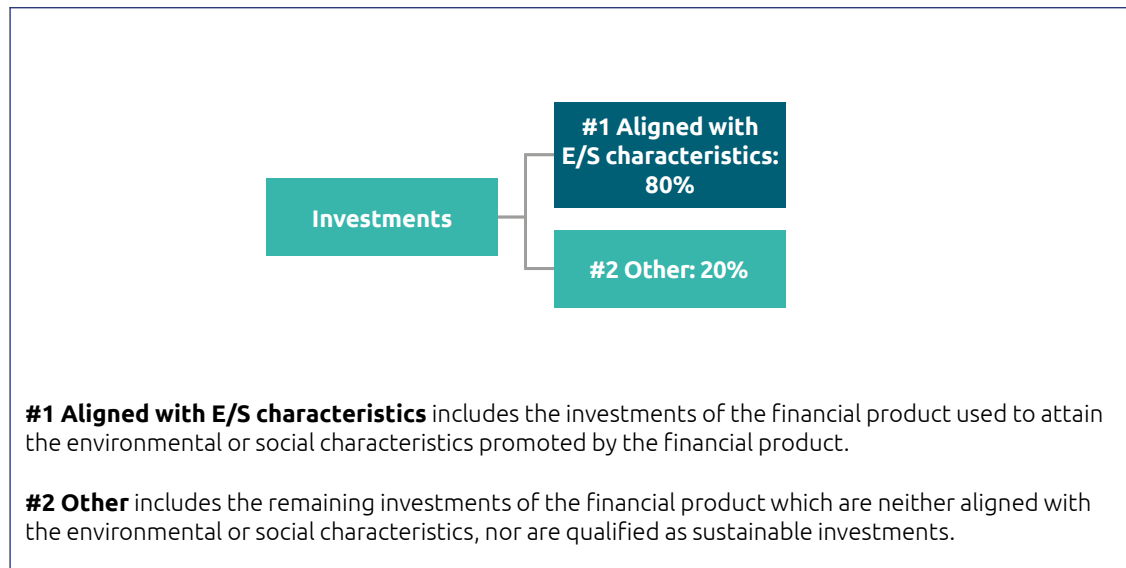
The nominated manager has access to portfolio underlying holdings allowing the monitoring of underlying funds and their constituents to ensure the portfolio delivers its E/S and Governance standards.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

## What is the asset allocation planned for this financial product?

A minimum of 80% of the Fund's assets are aligned with E/S characteristics. The Fund invests a maximum of 20% of assets in the "Other" category, which include cash, money market instruments, derivatives Developed Global Government Bonds (nominal and index linked), and Global REITs, Cash and Money Market Funds.

**Asset allocation** describes the share of investments in specific assets.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund of Fund will not use derivatives to attain any environmental or social characteristics.

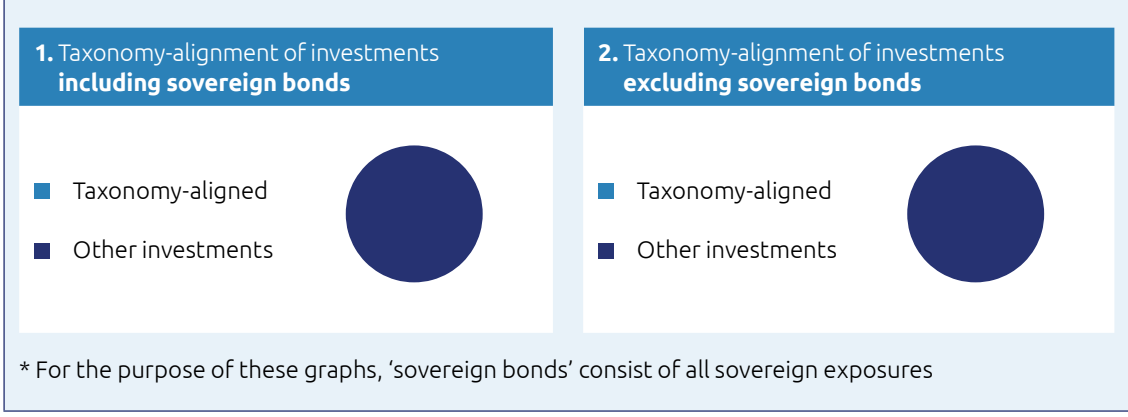
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0%. The Fund of Fund has not set a minimum proportion of investments in Taxonomy aligned economic activities.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes:
  - In fossil gas
  - In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

**What is the minimum share of investments in transitional and enabling activities?**  
 The Fund of Fund has not set a minimum proportion of investments in Taxonomy aligned economic activities.

**† What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable

**What is the minimum share of socially sustainable investments?**

Not applicable

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

These are currently Developed Global Government Bonds (nominal and index linked), and Global REITs, Cash and Money Market Funds. Non-Aligned funds are those which the nominated manager define as having no specific ESG or sustainability criteria within their investment objective or process, but which will not breach the exclusionary criteria specified for the MyFolio Active range.

† are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

<sup>1</sup>Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm and EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

**How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

**How does the designated index differ from a relevant broad market index?**

Not applicable

**Where can the methodology used for the calculation of the designated index be found**

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

## Where can I find more product specific information online?

Information relating to the Standard Life funds that you can invest in can be found at [www.standardlife.ie](http://www.standardlife.ie) under **Fund Centre**.

Standard Life International dac is regulated by the Central Bank of Ireland. Standard Life dac is a designated activity company limited by shares and registered in Dublin, Ireland (408507) at 90 St Stephen's Green, Dublin 2, D02 F653.

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