

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

### Product Name: Global Risk Mitigation Fund, Z Acc USD Shares

ISIN: LU2471069794

Website: [www.abrdrn.com](http://www.abrdrn.com)

Telephone: (+352) 46 40 10 820

This fund is managed by abrdrn Investments Luxembourg S.A., a firm authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg.

Document published: 23/8/2024

## What is this product?

### Type

Global Risk Mitigation Fund (the "Fund") is a US Dollar denominated sub-fund of a SICAV (société d'investissement à capital variable), abrdrn SICAV II, incorporated in Luxembourg.

### Term

abrdrn SICAV II (the "Company") has no maturity date. The Fund and the Company may not be unilaterally terminated by abrdrn Investments Luxembourg S.A.

### Objective

The objective of the Fund is to provide investors with a strategy that delivers strong positive returns when global equity markets experience material declines and volatility is high and costs comparable to, or less than other systematic derivative based hedging strategies such as rolling puts. The Fund aims to have a negative beta to equity markets. The nature of the strategy is expected to experience a degree of loss during periods when equity markets rise and experience low volatility. It is therefore intended to mitigate other investment exposures an investor may have in their overall portfolio. Invested capital is at risk and there is no guarantee that the objective will be attained over any time period.

The Fund is actively managed and no benchmark is used for performance comparison or portfolio construction.

### Portfolio Securities

The Fund:

- Will enter in one or more total return swap(s), to gain exposure to GRM strategies which will include investments in derivatives such as, but not exclusively, futures, options, credit swaptions, credit default swaps, forwards and UCITS eligible indices, to provide investors with returns linked to a diverse range of asset classes including equities, commodities, fixed interest securities and currencies.
- Will invest directly in money market instruments, which may include bank deposits, fixed or floating rate commercial paper, floating or variable rate notes, certificates of deposit, debentures and short-dated government or corporate bonds, cash or cash equivalents (including treasury bills) and undertakings of collective investment that are rated as investment grade, debt securities, including bonds, issued by governments, government related and corporate entities worldwide denominated in local currencies which may be fixed or floating rate.
- May hold any substantial cash balances resulting from the extensive use of derivatives managed to maintain liquidity in accordance with the principle of risk diversification.
- Will invest in financial indices which are compliant with applicable UCITS regulations and detailed on the website at [www.abrdrn.com](http://www.abrdrn.com).

### Management Process

The Fund will seek to gain synthetic exposure through total return swaps to the underlying strategy indices. These strategies fall into one of the following four categories:

- First Risk strategies are intended to perform well in a market shock and are overall short equities and long volatility.
- Defensive Factors are systematic strategies targeting positive returns over time by investing in defensive factors that exhibit stable and low correlation to traditional asset classes.
- Systematic Trend Following strategies position themselves to benefit from trending market behaviour across multiple asset classes but typically struggle in range bound markets.
- Tail Risk strategies are predominantly long volatility and volatility relative value strategies that exhibit little sensitivity to the direction of equities under normal market conditions but are expected to generate strong positive returns through larger declines in global equity prices and during periods of heightened market stress.
- Further details of these strategies are outlined in the Fund's prospectus.
- Strategy allocation is actively managed. Strategies are selected through a combination of systematic quantitative techniques and a qualitative assessment and can be added to or replaced. Factors considered are the strategy's expected contribution to the performance objective, the relative cost of implementation and an assessment of risk exposures.

### Derivatives and Techniques

- The Fund will make extensive use of total return swaps to reduce risk, reduce cost and / or generate growth consistent with the Fund's risk profile, if market prices are expected to rise ('long positions') or fall ('short positions').
- The strategies that the Total Return Swap reference may themselves have high notional leverage as a result of the exposure to derivatives.
- The use of leverage in the underlying reference indices increases the risk of potential increased losses or returns compared to unleveraged indices.
- At the time of launch of the Fund, BNP Paribas S.A. of 16 boulevard des Italiens, 75009 Paris, registered with the French Registre de Commerce et des Societes under number B662042449, is acting as the approved UCITS OTC counterparty.

### This fund is subject to Article 6 of the Sustainable Finance Disclosure Regulation ("SFDR").

Investors in the fund may buy and sell shares on any dealing day (as defined in the Prospectus). If you invest in income shares, income from investments in the fund will be paid out to you. If you invest in accumulation shares, income will be added to the value of your shares.

### Intended Retail Investor

Investors with advanced investment knowledge. Investors who can accept large short term losses. Investors seeking to hedge other investment exposures. The Fund has specific and generic risks with a risk rating as per the risk indicator. The Fund is intended for general sale to retail investors with professional advice and professional investors through all distribution channels with or without professional advice.

The Fund's depository is Citibank Europe plc Luxembourg Branch. The prospectus, the articles of association, the annual reports and interim reports may be obtained free of charge from our website or via the contact details in 'Other relevant information'. All documents are available in English and German; the prospectus is also available in French and Italian. For further information about abrdrn SICAV II, including the latest share prices, please visit [www.abrdrn.com](http://www.abrdrn.com).

## What are the risks and what could I get in return?

### Risk Indicator

1	2	3	4	5	6	7
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Lower risk

Higher risk



The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you sell it at an earlier stage. The value of investments and the income from them can go down as well as up, and you may get back less than you invested.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact our capacity to pay you.

Where the currency of the country where you are resident is different to the currency of the product, **please be aware of currency risk**. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Further information on risks is detailed in the prospectus available at [www.abrdn.com](http://www.abrdn.com) or on request from the management company.

This product does not include any protection from future market performance or any capital guarantee against credit risk, so you could lose some or all of your investment.

### Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product / a suitable benchmark over the last 10 years. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

Recommended holding period:		5 years	
Example Investment:		10,000 USD	
		If you exit after 1 year	If you exit after 5 years
<b>Scenarios</b>			
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress	What you might get back after costs	1,270 USD	420 USD
	Average return each year	-87.3%	-47.0%
Unfavourable	What you might get back after costs	7,560 USD	5,410 USD
	Average return each year	-24.4%	-11.6%
Moderate	What you might get back after costs	8,690 USD	8,460 USD
	Average return each year	-13.1%	-3.3%
Favourable	What you might get back after costs	13,590 USD	9,670 USD
	Average return each year	35.9%	-0.7%

The figures shown include all the costs of the product itself, and includes the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

The stress scenario shows what you might get back in extreme market circumstances.

The unfavourable scenario occurred in the benchmark between April 2020 and July 2024. The moderate scenario occurred in the benchmark between February 2017 and January 2022. The favourable scenario occurred in the benchmark between July 2017 and June 2022.

### What happens if the Company is unable to pay out?

There is no financial compensation scheme for retail investors in SICAVs domiciled in Luxembourg. In the absence of a compensation scheme applicable to investments in the Fund, investors may face a financial loss of up to their entire investment amount.

### What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

#### Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario
- 10,000 USD is invested.

	If you exit after 1 year	If you exit after 5 years
<b>Total costs</b>	543 USD	638 USD

<b>Annual cost impact (*)</b>	5.4%	1.4% each year
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\* This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be -1.9% before costs and -3.3% after costs. We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

### Composition of costs

<b>One-off costs upon entry or exit</b>		<b>If you exit after 1 year</b>
Entry costs	5.00% of the amount you pay in when entering this investment. This is the most you will be charged. The person selling you the product will inform you of the actual charge.	Up to 500 USD
Exit costs	We do not charge an exit fee for this product.	0 USD
<b>Ongoing costs taken each year</b>		
Management fees and other administrative or operating costs	0.13% of the value of your investment per year. This is an estimate based on actual costs over the last year and includes any known future changes.	13 USD
Transaction costs	0.30% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	30 USD
<b>Incidental costs taken under specific conditions</b>		
Performance fees	There is no performance fee for this product.	

## How long should I hold it and can I take money out early?

### Recommended holding period: 5 years

This product has no required minimum holding period but you should have an investment time horizon of at least 5 years. You may buy or sell shares in the product, without penalty, on any normal business day as set out in the prospectus. Please contact your broker, financial adviser or distributor for information on any costs and charges relating to the purchase or sale of the shares.

### How can I complain?

If you wish to complain, you may do so by letter to abrDN Investments Luxembourg S.A. Shareholder Service Centre, c/o International Financial Data Services (Luxembourg) S.A., 49 Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg; by email to [asi\\_luxembourgcs@statestreet.com](mailto:asi_luxembourgcs@statestreet.com); or by telephone 00 352 464 010 820 or 01224 425255 (from the UK).

### Other relevant information

This document describes only one share class; other share classes are available. The facility to switch into another share class within this fund or any other fund, is subject to the availability, compliance with any eligibility requirements and/or other specific conditions or restrictions attached to this fund or any other fund within abrDN SICAV II. Please see the prospectus for more details.

abrDN Investments Luxembourg S.A. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

Further information on this fund or abrDN Investments Luxembourg S.A. (including the remuneration policy) is available at [www.abrDN.com](http://www.abrDN.com) and can also be obtained from abrDN Investments Luxembourg S.A., 35a, Avenue J.F. Kennedy, L-1855 Luxembourg. Telephone: (+352) 46 40 10 820. Email: [asi\\_luxembourgcs@statestreet.com](mailto:asi_luxembourgcs@statestreet.com).

Please refer to [www.abrDN.com/kid-hub](http://www.abrDN.com/kid-hub) for further information including previous performance scenario calculations and past performance. The website shows one year of past performance data for this product.

The representative and paying agent in Switzerland is BNP PARIBAS, Paris, Zurich branch, Selnaustrasse 16, 8002 Zurich, Switzerland.

Starting from 1 October 2024, the Swiss representative will be FIRST INDEPENDENT FUND SERVICES LTD., Feldeggstrasse 12, 8008 Zurich, Switzerland.

Starting from 1 October 2024, the Swiss paying agent will be NPB New Private Bank Ltd, Limmatquai 1, 8001 Zurich, Switzerland.

Until and including 30 September 2024, the Prospectus, the Key Information Documents, the Articles of Incorporation and the annual and interim reports of the Company may be obtained free of charge from the Company's current representative in Switzerland, BNP PARIBAS, Paris, Zurich branch and starting from 1 October 2024 may be obtained from the Company's new representative in Switzerland, FIRST INDEPENDENT FUND SERVICES LTD.