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This brochure provides information about the qualifications and business practices of SL Capital Partners LLP ("SL Capital"). If you have questions about the contents of this brochure, please contact us at +44 131 245 0055. The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority.

SL Capital is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provides you with information which may help you determine whether to hire or retain an adviser.

Additional information about SL Capital is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Summary of Material Changes**

Since the most recent filing of the ADV Part 2A on March 30, 2021, SL Capital has made the following changes to this Brochure:

- Effective July 5, 2021, the name of SL Capital’s ultimate parent company, Standard Life Aberdeen PLC (“SLA”) has been changed to abrdn plc, following the sale of the Standard Life name to Phoenix Group Holdings (“Phoenix Group”). As such, references to SLA have been replaced.

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## Item 4 – Advisory Business

### Our Firm

SL Capital Partners LLP (“SL Capital”, “the Manager” or “the Applicant”) is indirectly majority owned by Standard Life Investments Limited (“SLIL”), SLIL is ultimately wholly owned by abrdn plc. The asset management business of abrdn plc operates under the name Aberdeen Standard Investments (“ASI”).

In addition to SL Capital, Aberdeen Standard Investments Inc. (“ASI”), Aberdeen Standard Investments (Asia) Ltd., Aberdeen Standard Investments Australia Ltd., and Aberdeen Asset Managers Ltd., Aberdeen Capital Management LLC, Aberdeen Standard Investments ETF Securities Advisors LLC and Aberdeen Standard Alternative Funds Limited are also subsidiaries of abrdn plc. Aberdeen Standard Investments Inc., Aberdeen Standard Investments (Asia) Ltd., Aberdeen Standard Investments Management Australia Ltd., Aberdeen Asset Managers Ltd., Aberdeen Capital Management LLC, Aberdeen Standard Investments ETF Securities Advisors LLC, Aberdeen Standard Alternative Funds, and SL Capital Partners LLP, (collectively, “ASI” or “the Advisers”) are registered as investment advisers with the Securities and Exchange Commission (the “SEC”). In rendering investment advisory services, the Advisers may share resources, including personnel and facilities, and research information. The Advisers may also use the resources of other abrdn plc subsidiaries. The Advisers have entered into Memorandums of Understanding (“MOU”) and have elected to appoint as associated persons certain individuals who are employed by affiliated offshore unregistered advisers. These individuals render portfolio management, research and trading services to the Advisers' clients.

abrdn plc (formerly Standard Life) has invested in private equity funds and co-investments since 1973. A subsidiary, Standard Life Investments (Private Equity) Limited (“SLIPE”), was created in 1998 to manage the first private equity fund of funds product offered to third party investors. This business transferred to SL Capital in October 2007.

SL Capital has been registered with the SEC as an Investment Adviser since October 2007. Its predecessor, SLIPE, was originally registered with the SEC as an Investment Adviser in January 1999. SL Capital is also authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom.

SL Capital provides both discretionary and non-discretionary investment management services for its clients. SL Capital acts as an “Investment Manager” (as defined in Section 3(38) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) with respect to certain clients. SL Capital’s affiliate, Aberdeen Capital Management LLC, offers multi-manager research, selection and portfolio management for private equity and debt, venture capital, real asset investments, direct investments in infrastructure projects, and an Asset Manager Minority Investments strategy (“AMMI”), a direct private equity strategy with a focus on acquiring minority equity interests in alternative asset managers.

### Advisory Services

SL Capital provides investment management services to:

- Limited partnership vehicles (“LP’s” or “the Fund” or “Funds”) – pooled vehicles/Funds and segregated mandates.
- An investment company which is traded publicly on the London Stock Exchange - Standard Life Private Equity Trust plc (“SLPET” or “the Funds”).
- Certain non-US clients on a non-discretionary /advisory basis.

The limited partners of the Funds include U.S. and non-U.S. investors. The U.S. limited partners are “Qualified Purchasers” as that term is defined under the U.S. Investment Company Act of 1940 or “Accredited Investors” as defined under the U.S. Investment Advisers Act of 1940.

In providing investment management services to the Funds SL Capital makes investment decisions on behalf of those vehicles. The investment strategy is stated in the legal documentation of each LP. The investment opportunities that SL Capital considers include the following:

- Private equity fund investments (primary and secondary) primarily in Europe and North America

- Selective co-investments alongside SL Capital chosen managers in private companies primarily in Europe and North America
- Infrastructure investments, primarily in co-investments and secondary fund investments
- Strategic Credit investments,(primary and secondary) primarily in Europe and North America

#### Tailoring Services to Client Needs

SL Capital's primary investment objective is to achieve a superior rate of return for its investors, either through capital appreciation, by making fund investments and, where applicable, co-investments, or for certain assets (e.g. Infrastructure) to generate a regular yield.

The investment strategy for each Fund is determined at the time of establishment. There is no opportunity for individual investors to impose client specific restrictions within the pooled vehicles.

#### Model Delivery/Wrap Fee Programs

ASI may provide non-discretionary investment advice whereby ASI provides investment recommendation. SL Capital does not participate in wrap-fee programs.

#### Assets under Management

As of December 31, 2020, SL Capital had approximately \$5.5 billion in assets under management (AUM) on a discretionary basis, and approximately \$1.2 billion in assets under advisement on a non-discretionary basis, and total assets under management/advisement of approximately \$6.7 billion.

## **Item 5 – Fees and Compensation**

The basis of the management fees are described fully in the limited partnership agreements of each vehicle, copies of which are agreed with each limited partner prior to their admission as a limited partner. These amounts are paid by each fund quarterly in advance to the manager. These are calculated on a variety of bases depending upon the product, including (i) drawn/undrawn amounts (ii) amounts invested (iii) total commitment amount (iv) Net Asset Value. Fees for non-discretionary advisory mandates are agreed with the client and included in the advisory agreement. Due to the limitations on liquidity within LPs (as set out in each limited partnership agreement) there are no early redemption provisions for investors.

### Standard Life Private Equity Trust plc (“SLPET”)

Under the terms of the investment management agreement between SLPET and SL Capital, SL Capital is entitled to receive an investment management fee of 0.95% per annum of shareholders' funds. The fee is payable quarterly and is calculated on the basis of shareholders' funds at the end of each quarter.

Investors in the Funds will pay management fees as well as other administration expenses incurred by the Fund in accordance with the relevant legal documentation. These may include depository, custody, legal, accounting, and other relevant expenses.

SL Capital may receive transaction fees, abort fees or other investment related fees from actual or prospective portfolio companies. Any amount received will be for the account of SL Capital, but will be credited against and reduce the management fees in accordance with the relevant Fund agreement.

When the Funds make commitments to underlying fund investments, management fees will be charged by underlying fund investments. These fees potentially impact the returns of SL Capital's LP and ultimately returns to investors. This is inherent in a fund-of-funds structure in any asset class.

Costs which are controlled by SL Capital and paid by clients are considered in light of SL Capital's fiduciary duty to its clients.

The compensation of Supervised Persons of SL Capital is not based directly on the value of security transactions.

### Private Market Funds

Investors and prospective investors should review the confidential private placement memorandum, limited partnership agreement and other governing documents (collectively, the “Governing Documents”) of each Private Market Fund in conjunction with this brochure for complete information on the fees and compensation payable with respect to that particular Private Market Fund. “Private Market Funds” include private equity, venture capital, real assets fund of funds, and private credit. Different Private Market Funds and advisory accounts may be subject to different management fees and performance-based compensation arrangements. In certain circumstances, the advisory fees payable to SL Capital by individual investors are negotiable and waived for certain investors. Investors and prospective investors in each Private Market Fund should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

For an additional discussion of brokerage and other transaction costs, please refer to Item 12 - Brokerage Practices of this Brochure.

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

We sometimes enter into agreements for performance-based fees with qualified clients. The existence of such a performance-based fee may create conflicts of interest in the allocation of management time, resources and investment opportunities between different strategies. Additionally, collecting performance-based fees may result in instances in which a portfolio manager concurrently manages accounts with different fee structures for the same strategy. This is referred to as “side-by-side” portfolio management and, in these instances, we will not determine allocations based on whether we are participating in a trade or on the fee structure of the managed accounts participating in the trade. Furthermore, we may seed investment vehicles and make co-investments along with clients invested in property funds, direct property investments, or other private fund investments.

The potential management of different types of accounts and accounts with different fee arrangements for the same strategy may give rise to potential conflicts of interest. For example, where performance is good, performance-based fee clients may be charged fees higher than the industry standard. We may have a material incentive to favor certain, more lucrative accounts over those that may be less lucrative. Additionally, we may have a material incentive to favor accounts in which we, or our affiliates, have significant proprietary interest. For example, we have an incentive to allocate better-performing securities to those accounts subject to performance fees rather than to those which are not. These performance fees may also incentivize the portfolio manager to take riskier positions than would have otherwise been initiated. Additionally, the calculation of performance fees is based upon a number of factors both within and out of our control. To mitigate these conflicts, we have adopted policies and procedures to ensure that investment decisions are made based in the best interests of our clients and without consideration of our financial interests.

SL Capital’s policies generally prohibit Portfolio Managers from trading in conflict with themselves – specifically, across same strategy accounts that they manage. Generally, Portfolio Managers are prohibited from taking an “inconsistent position”, or from holding the same security long in some accounts and short in others, unless they are materially underweight in a long only account that must hold that security at some level for benchmark tracking purposes (as this would not appear to represent a conflict of interest). Portfolio Managers may, however make different investment decisions for the same security or credit for different strategies they manage, as appropriate.

In the event that a potential conflict of interest is identified, the Department Head and the Risk & Compliance Department will discuss the conflict and take appropriate corrective action. Risk & Compliance will also review the procedures in such instances to ensure that they are appropriately crafted to identify similar future conflicts of interest.

From time to time, SL Capital, its directors, officers, employees or affiliates (“affiliated persons”) may, directly or indirectly, have interests in securities owned by or recommended to our clients. As these situations may represent a potential conflict of interest, we have adopted a Code of Conduct (“Code”) in compliance with the requirements of Rule 17j-1 adopted under the 1940 Act and Sections 204A and 206 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), to govern personal transactions by directors, officers, and advisory personnel of SL Capital and its affiliates (“Access Persons”). For further detail on ASI’s Code, please refer to Item 11 of this Brochure.

We also monitor for conflicts by implementing “best execution” trading procedures and reviewing account allocation and performance.

SL Capital, or an affiliate, as general partner of certain Private Market Funds or adviser to a separate account or investment advisory client, will typically receive certain allocations or fees calculated and charged based on a share of capital gains on or capital appreciation of the assets of the Private Market Fund, separate account client or investment advisory client. These performance-based allocation arrangements comply with Rule 205-3 under the Advisers Act. Any share of profits paid to SL Capital, an affiliate, or the general partners of the Private Market Funds, is separate and distinct from the advisory fees charged by SL Capital for advisory services. Performance-based allocation arrangements received by SL Capital may create an incentive for SL Capital to recommend investments that may be riskier or more speculative than those that

would be recommended under a different fee arrangement. In addition to Performance-Based fees paid to the Adviser, the Funds may cover operating and organizational expenses of the Adviser, as detailed in Item 5 above. Please refer to the Governing Documents of the applicable Private Market Fund (or the investment advisory agreement of the applicable separate account client) for complete information on the performance-based compensation arrangements entered into with respect to such client.

SL Capital or an affiliate may provide concurrent advisory services to client accounts that are not charged a performance-based fee or allocation by ASI's related persons and client accounts that are charged a performance-based fee or allocation by a related person of ASI. SL Capital or an affiliate may also provide concurrent advisory services to private market funds, and/or separate account or investment advisory clients that are charged different performance-based fees or allocations and, in certain cases, SL Capital or an affiliate may only be permitted to take a performance-based fee or allocation from a private market fund, or separate account client or investment advisory client after the applicable investors or client received a preferred return on their committed or contributed capital. Additionally, the General Partner may, in its discretion, agree to special terms regarding carried interest with respect to certain Partners including, without limitation, ASI employees, SL Capital affiliates, and certain Limited Partners with significant capital commitments to the Fund. As a result, the potential for ASI's related persons to receive different fees or allocations from performance-based accounts creates a potential conflict of interest with respect to the allocation of investment opportunities because SL Capital may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a more favorable performance fee or allocation.

To mitigate this potential conflict of interest, allocation of commitments and investment decisions with respect to investment opportunities are made by SL Capital or an affiliate for all private market funds, and separate account and investment advisory clients in accordance with SL Capital's investment allocation policies. With respect to investment opportunities that are appropriate for more than one client including a Fund and/or a separate account or investment advisory client, the investment allocation policies takes into account multiple criteria, including but not limited to the investment objectives and strategies of each applicable client, differences with respect to the available capital, size, and remaining life of the applicable clients, differences in risk profile at the time the opportunity becomes available, potential conflicts of interest, the nature of the security or the transaction, and current and anticipated market conditions. In the event the investment opportunity is suitable for more than one client, SL Capital will derive an allocation that, over a period of time, is fair and equitable to each applicable client relative to other clients, taking into account all relevant facts and circumstances. Prospective investors should refer to the Governing Documents of the Private Market Funds for more details on investment allocation decisions among the Private Market Funds.



## Item 7 – Types of Clients

### Clients

SL Capital manages assets on behalf of:

- Limited partnership vehicles (“LPs”)
- An investment company which is traded publicly on the London Stock Exchange - Standard Life Private Equity Trust plc (“SLPET”).
- Certain non-US clients on a non-discretionary basis.

SL Capital has a global investor base, with the majority of investors in the Funds being pension funds. Other types of investors include insurance companies, banks, endowments and other qualified investors. Minimum investments for each LP are described in Part 1 of Form ADV.

### Privacy Policy

We recognize and respect the privacy concerns of our customers. We are committed to protecting the privacy of client information and will not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law. In order to service your account and effect your transactions, we may provide your personal information to our affiliates and to financial service providers that assist us in servicing your account and have a need for such information, such as a broker-dealer, custodian or administrator. We may also provide client information to a third party in situations where clients have given us consent to do so, at the request of a regulator or where we are required to disclose the information by law or regulation. We require third-party service providers and financial institutions with which we have joint marketing arrangements to protect the confidentiality of your information and to use the information only for the purposes for which we disclose the information to them. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your non-public personal information. We have adopted privacy policies and procedures that are designed to prevent the unauthorized disclosure and use of client non-public personal information.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

### **Methods of Analysis and Investment Strategies**

SL Capital follows a systematic, disciplined investment process in which it will originate, analyse, execute, monitor and exit portfolio investments.

SL Capital's due diligence process includes:

- Validation of the merits of the proposed investment, including market research on similar or competing investment opportunities and the overall environment and strategy.
- Quantitative evaluation of the fund manager's track record.
- Extensive reference checks on fund managers.
- Evaluation of the fund manager's team and processes.
- Assessment of the investment's projected returns, risk factors and proposed exit strategies.
- Review and negotiation of key investment terms and investment provisions in order to provide maximum investor protection and value.
- Review of the fund manager's approach to responsible investing and ESG issues
- Evaluation of any potential conflicts of interest.
- Legal and tax due diligence performed by external advisers.
- Instruct independent Operational Due Diligence Review
- Review of the fund manager's processes for monitoring the performance of portfolio companies.

### **Investment Strategy Risks**

Investing in securities involves a substantial degree of risk. An LP may lose all or a substantial portion of its investments and investors in the LPs must be prepared to bear the risk of a complete loss of their investment.

The risks associated with the investment opportunities that SL Capital considers are distinct from those of other investment asset classes. The risk profile of the Funds that SL Capital manages will vary, depending on the specific investment strategy. **Full descriptions of these risks are available within the specific fund documentation.**

Primary drivers of risk are included below:

- The value of assets may go down as well as up.
- Past performance is not indicative of future performance of any strategy.
- Investments in LPs are not freely transferable.
- The success of any strategy depends on the ability of SL Capital to identify, select, execute, and realise appropriate investment opportunities. There is no guarantee that suitable investments can be or will be acquired or that the investments will be successful.
- Changes in the legal, tax, or regulatory regime during the life of the investment may result in adverse effects on earnings. This risk is intensified given the limited ability of investors to redeem investments.
- There may be a significant amount of time before the fund has invested all of its commitments.
- The strategy may employ a limited number of investments such that overall performance could be reduced by the inferior performance of a single investment.
- Constraints on the availability of credit and tightening of credit terms available to borrowers and/or decreased liquidity in the senior debt, second lien and subordinated debt markets may have an adverse impact on the ability of SL Capital to acquire or sell portfolio companies.
- Private equity investments are inherently long term; although performance over the life of the fund may be satisfactory, performance in the near term may be poor.
- Highly leveraged transactions, by their nature, are subject to a high degree of financial risk.
- Some investments may be in varying currencies and therefore their value may vary with the relevant exchange rate;

- Changes in legal, tax, accounting and regulatory regimes or their interpretation may occur during the life of the Funds which may have an adverse effect on it or its investments; such changes may make it necessary or desirable to make alterations to the Funds, its structure, service providers, activities and disclosures, any of which may involve additional expense and affect the performance and returns of the Funds;

SL Capital will always endeavour to act in a manner consistent with its fiduciary duty. However, investing in unquoted investments involves risk of loss that the client needs to be prepared to bear.

Below is a summary of material risks associated with SL Capital's significant strategies and methods of analysis. Not all possible risks are described below.

Allocation Risk – The allocation among different investment opportunities may have a significant effect on a portfolio's value when one of these investments is performing more poorly than others. There will be transaction costs which may be significant over time because both the direct investments and derivative positions will be adjusted periodically to reflect our view of market and economic conditions. In addition, there is a risk that certain allocation decisions may not achieve the desired results and, consequently, a portfolio may incur losses.

Borrowing Risk – Borrowing creates leverage. The use of leverage may subject investments to additional risk and could magnify losses. It also adds to any given portfolio expenses, and at times could effectively force a portfolio to sell securities when it otherwise might not want to do so.

Business Continuity Risk – We have adopted a business continuity plan to maintain critical functions in the event of a partial or total building outage affecting our offices or a technical problem affecting applications, data centers or networks. The plan is designed to limit the impact on clients from any business interruption or disaster, including those related to third party service providers. Nevertheless, our ability to conduct business may be curtailed by a disruption in the infrastructure that supports our operations and the regions in which our offices are located. While ASI and its service providers have established business continuity plans in the event of, and risk management systems to prevent, such incidents, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified.

The illness caused by a novel coronavirus (COVID-19) has resulted in a global pandemic and major disruption to economies and markets around the world, including the United States. Financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some interest rates are very low and in some cases yields are negative. Some sectors of the economy and individual issuers have experienced particularly large losses. These circumstances may continue for an extended period of time, and may continue to affect adversely the value and liquidity of the fund's investments. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, including the Funds, are not known.

Co-Investment Opportunities – With respect to Private Market Funds, from time to time, SL Capital may, in its sole discretion offer co-investment opportunities to select clients. SL Capital is not expected to offer co-investment with respect to all of a Fund's investments, and may allocate any such opportunities in its sole discretion, including for example, on the basis of contractual rights to co-investments provided to some but not all clients, and the size of investor commitments to the funds, vehicles, and separately managed accounts. The allocation of co-investment opportunities may involve a benefit to SL Capital including, without limitation, fees or carried interest from the co-investment opportunity and capital commitments to other Funds. SL Capital may form committed co-investment vehicles both during and following a Fund's fundraising period to participate alongside a Fund in investment opportunities that SL Capital has determined in good faith exceed prudent diversification levels for such fund. The capital committed to such co-investment vehicles would not be included in the overall size limitation on a Fund's investment program. Further, it is possible that funds managed by SL Capital may compete with each other for the same limited co-investment opportunities.

Competitive Investment Environment – The activity of identifying, completing and realizing venture capital, private equity and real assets investments is highly competitive and involves a high degree of uncertainty. We may, at times, be in competition with other funds and managers with similar investment objectives for the acquisition of the same targets. It is further possible that ASI, via its AMMI strategy, may hold a minority interest in a manager who competes with ASI funds of funds managers. This may have adverse effects on investment objectives and returns and, at times, may result in not being able to enter, even partially, into a targeted investment position.

Conflicts of Interest – Due to the structure of ASI, it is possible that we may hold or trade the same securities and instruments as our underlying fund managers in which we or an affiliate invest. Additionally, we may utilize similar techniques and strategies as those adopted by our underlying fund managers. As a result, we may directly or indirectly compete with our underlying managers and investment vehicles on an “arm’s length” basis. In the event that knowledge of a conflict of interest does arise, we will endeavor to ensure that it is resolved fairly and at arm’s length.

Concentration Risk – A portfolio that concentrates its investments in issuers within the same country, state, industry or economic sector, an adverse economic, business or political development may affect the value of the portfolio’s investments more than if its investments were not so concentrated. A portfolio which invests a larger percentage of its assets in a relatively small number of issuers may be subject to greater risks than a more diversified account. That is, a change in the value of any single investment held by a portfolio may affect the overall value of the account more than it would affect an account that holds a greater number of investments.

Counterparty Risk – A portfolio may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, it deals in connection with the investment of its assets, whether engaged in exchange-traded or off-exchange transactions.

Credit Lines – The general partner may utilize a capital call line of credit to fund investments and to pay expenses and other liabilities. Although the general partners intend to use each Fund’s capital call line of credit primarily for administrative convenience to reduce the overall number of capital calls from the limited partners and avoid having excess cash on hand, each Fund’s net IRR may be higher than it would be in the absence of such capital call line of credit, since each Fund’s net IRR may will be based on the time limited partner contributions are actually made and use of the capital call line of credit will delay such contributions. The Funds (and indirectly its partners) will bear any interest expense, fees or other cost in connection with such capital call line of credit.

The capital call line of credit may provide the lender with certain rights, which the general partner expects to include, among others, the right to call capital from the partners in the event of a default and, in the event of failure by a limited partner to fully fund its capital contributions to the Funds when due, the right to exercise certain default remedies directly against such limited partner.

Currency Risk – Fluctuations in currency exchange rates may negatively affect the value of your portfolio’s investments or reduce its returns.

Cyber Security Risk – SL Capital, like all companies, may be susceptible to operational and information security risks. Breaches in cyber security include, among other behaviours, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber-attacks. Cyber security failures or breaches of ASI or its service providers or the issuers of securities in which SL Capital invest have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of SL Capital’s clients to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. SL Capital and its clients could be negatively impacted as a result.

Derivatives Risk – Derivatives are financial instruments that have a value which depends upon, or is derived from, the value of something else, such as one or more underlying securities, pools of securities, options, futures, indexes or currencies. Derivatives may be illiquid, difficult to price, and leveraged so that small

changes may produce disproportionate losses for your portfolio, and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, your portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses.

Gains or losses involving derivative instruments may be substantial, because a relatively small price movement in the underlying security(ies), instrument, currency or index may result in a substantial gain or loss. Derivatives will typically increase exposure to the principal risks to which a fund or client is otherwise exposed, and the following additional risks:

- Counterparty credit risk – A counterparty to the derivative instrument becomes bankrupt, insolvent, enters administration, liquidates or otherwise fails to perform its obligations due to financial difficulties, and the Fund may obtain no recovery of its investment or may only obtain a limited recovery, and any recovery may be delayed.
- Hedging risk – derivative instruments used to hedge against an opposite position may offset losses, but they may also offset gains.
- Correlation risk – There may be an incomplete correlation between the hedge and the opposite position, which may result in increased or unanticipated losses.
- Liquidity risk – An instrument may be difficult or impossible to sell or terminate, which may cause the client to be in a position to do something we would not otherwise choose, including accepting a lower price for the derivative instrument, selling other investments or forgoing another, more appealing investment opportunity.
- Leverage risk – Losses from the derivative instrument may be greater than the amount invested in the derivative instrument.

Deterioration of Market Conditions – In the case of extreme and continued market disruptions, attractive investment returns may be adversely affected. Continued market disruption or deterioration of market conditions and uncertainty could result in decreases in the market values of existing or potential investments. Additionally, liquidity may be affected, resulting in the inability to sell or liquidate investments at favorable times or prices. These circumstances may adversely impact the ability to meet investment objectives.

Dilution Levy Risk – Investment in underlying funds may subject the investor to dilution levies, which are fees charged by fund managers on investors buying and selling units in a fund. These fees may be applied at any combination of the purchase and sale of a unit and may have adverse effects on the returns of the investment.

Distressed Investments – SL Capital funds may directly and indirectly invest in securities and obligations of companies that are experiencing financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These investments involve a substantial degree of risk and may not compensate investors adequately for the risks they assume. Due to the degree of complexity and unpredictability of bankruptcy and other insolvency proceedings, investors may be adversely affected.

Due Diligence Process – The due diligence process that we intend to undertake may not reveal all material facts or circumstances. Any due diligence process involves subjective analysis and there can be no assurance that this process will reveal all issues related to the potential allocation of assets to underlying fund managers.

Early Termination of Portfolio Funds – The governing documents of many of the portfolio funds are expected to include provisions that would enable the general partner, the manager, or a percentage in interest of the limited partners to terminate such portfolio funds prior to the end of their respective stated terms. Early termination of a portfolio fund may result in (i) the Funds receiving distributions of immature or illiquid securities or (ii) the Funds' inability to invest all of its committed capital as anticipated, either of which could have a material adverse effect on the performance of the Funds. Moreover, a portfolio fund may, among other things, in certain circumstances be permitted to terminate the Funds' interest in such portfolio fund.

Event Arbitrage – Arbitrage opportunities may exist in securities which are subject to tender offers, exchange offers, mergers, liquidations, reorganizations, bankruptcies or other extraordinary corporate

transactions. Although it is expected that the underlying fund managers hedge such exposures, there can be no guarantee that these hedges will either be in place or be effective.

Emerging Markets Risk – Foreign investment risk may be particularly high if a portfolio invests in emerging market securities that are economically tied to countries with developing economies. These securities may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries.

Equity Securities Risk – Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities also include, among other things, preferred stocks, convertible stocks and warrants. The values of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. Your portfolio at any point in time may be worth less than the amount that you invested, even after taking into account the reinvestment of dividends and distributions. Regardless of how well an individual investment performs, if financial markets go down, you could lose money.

European Union Uncertainty – UK’s exit from the EU was finalized on January 31, 2021 (“Brexit”). The EU and UK are currently in the process of agreeing a Memorandum of Understanding (MOU) establishing a framework for structured regulatory cooperation on financial services. Whether or not a portfolio invests in securities of issuers located in Europe (whether the EU, Eurozone or UK) or with significant exposure to European, EU, Eurozone or UK issuers or countries, the unavoidable uncertainties and events related to Brexit, or a future event involving EU countries, could negatively affect the value and liquidity of the portfolio’s investments; increase taxes and costs of business; cause volatility in currency exchange rates and interest rates; adversely affect the performance of contracts and European, UK or worldwide political, regulatory, economic or market conditions; and could contribute to instability in political institutions, regulatory agencies and financial markets. This could also lead to legal uncertainty and politically divergent national laws and regulations as a new relationship between the UK and EU is defined and the UK determines which EU laws to replace or replicate.

Foreign (Non-U.S.) Risk – A portfolio’s investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. The prices of these securities may fluctuate more widely and may be less liquid due to adverse market, economic, political, regulatory or other factors.

Fund of Funds– SL Capital or affiliates may acquire minority ownership interests in asset managers whose funds are held in our funds-of-funds (“FoF”) or certain clients with similar mandates may invest. Conflicts of interests may arise if a FoF or client mandate is invested in a fund managed by an underlying fund manager in which SL Capital or an affiliate owns a minority interest. With this relationship, there is the potential for fees to be directly or indirectly collected by affiliated funds and advisors. ASI has implemented information barriers and controls to mitigate the conflict of interest should a FoF or client ever be invested in a fund managed by an asset manager where an affiliate also has a minority ownership interest.

General Partner Risk – Governing Documents often limit the circumstances under which a general partner, manager and their affiliates can be held liable to a fund. As a result, investors may have a more limited right of action in certain cases than they would otherwise have in the absence of this provision.

Impact of the AIFM Directive - Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the “AIFM Directive”) entered into force on July 21, 2011, and took effect on July 22, 2013. The AIFM Directive applies to (a) alternative investment fund managers (each, an “AIFM”) established in the European Economic Area (“EEA”) (as it is expected that Liechtenstein will implement the AIFM Directive) who manage EEA or non-EEA alternative investment funds (each, an “AIF”), (b) non-EEA AIFMs who manage EEA AIFs, and (c) non-EEA AIFMs who market their AIFs within the EEA. European secondary implementing legislation has now been adopted, and

individual EEA member states were required to have implemented the AIFM Directive into domestic law by July 22, 2013. Although the AIFM Directive only governs the marketing of AIF interests to professional investors, EEA member states may impose the same or stricter conditions on the marketing of AIF interests to “retail” investors, including some high net worth individuals. EEA member states may also impose stricter conditions on the marketing of non-EEA AIFs, such as the Fund, which may potentially limit the General Partner’s ability to market the Fund in the EEA or increase the costs borne by the Fund in doing so.

The AIFM Directive, related European and national legislation and interpretive rules present the potential for additional compliance costs being borne by the Fund (and therefore by the Limited Partners), and adverse impact on the operating flexibility of Aberdeen and the General Partner and the ability of the Fund to source deals because of many of the AIFM Directive’s provisions. The AIFM Directive imposes operational requirements that will restrict Aberdeen, the General Partner and the Fund from engaging in certain activities and impose certain other requirements that may restrict their operations (including the ability of the General Partner and Aberdeen to market the Fund in the EEA) and increase the operating expenses of the Fund. For example, the AIFM Directive imposes disclosure and reporting requirements to both investors and regulators. Aberdeen and the General Partner may be required to provide to regulators, among other things, information regarding the liquidity of the Fund’s assets and information regarding the Fund’s risk profile and leverage, if any, on an ongoing basis. SL Capital and the General Partner may also be required to provide to regulators information regarding the main categories of assets in which the Fund has invested.

Further, SL Capital and the General Partner may be restricted from marketing the Fund in the EEA, unless, among other things, relevant U.S. regulators have signed cooperation agreements for the purpose of systemic risk oversight with the relevant EEA competent authority in each EEA member state in which the Fund is proposed to be marketed. The General Partner reserves the right to restructure the Fund and the arrangements associated with the operation and management of and investment with the Fund to take account of the requirements or impact of the AIFM Directive on the subject matter of this Memorandum.

Insurance Risk – When investing in private markets, there are additional risks that might not present themselves as compared to traditional asset classes. While the assets may in some cases be insured, this is no way an insurance of investment or principal and there are various uninsured and/or uninsurable risks that are present (such as natural disaster) and therefore investment carries greater risk of loss.

Inside Information – From time to time, we may come into possession of material, non-public information concerning an entity in which an account has invested, or proposes to invest. Possession of that information may limit our ability to buy or sell securities of the entity on behalf of a client.

Issuer Risk – The value of an investment may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets.

Key Person Risk – Underlying funds are generally reliant on certain key investment personnel employed in managing assets. Termination, disability, death, or departure of key personnel could adversely affect the underlying fund and its performance.

Legal, Tax, and Regulatory Risk – Legal, tax and regulatory changes may occur in the future that may adversely affect investors. The effects of any future regulatory change are impossible to predict and could have substantial adverse effects on both investors and investment strategies.

Limited Capacity Opportunities – We manage assets for multiple portfolios that may from time to time have overlapping investment mandates. Where an investment opportunity is of limited capacity, an allocation process will need to ensure each of the competing accounts is treated equitably over time in determining whether an account may participate and to what extent.

Limited Operating History – At times, as we launch new strategies, certain of our investment teams may have a limited operating history and little or no past performance in the strategy they manage. Similarly, certain of the underlying managers in whom our AMMI funds acquire a minority stake or in whose funds our

fund of funds invest may have limited operating history and little or no past performance in the strategy they manage.

Liquidity Risk – In certain situations, it may be difficult or impossible to sell an investment in an orderly fashion at an acceptable price. This includes investors in funds that may lock them up, possibly for multiple years. Investors in such funds must be able to bear the risk of investment for an extended period of time.

Management Risk – We will apply our investment techniques and risk analyses in making investment decisions for your portfolio, but there is no guarantee that our techniques will produce the intended results. For research or investment techniques that incorporate or rely upon quantitative models, there is no guarantee that these mathematical models will generate accurate forecasts, reduce risks or otherwise produce the intended results.

Market Risk – The value of a portfolio's assets will fluctuate along with the markets. The value of your investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

Multi-Jurisdictional Investment – The investments we make may be subject to a variety of jurisdictions, each of which may have unique economic, political, social, cultural, business and labor environments, laws, regulations, accounting practices and business customs. These differences may be considerable and no single method of investment can be applied uniformly or be expected to produce uniform results.

Multi-Manager Investing Risk – A strategy's relative performance is subject to the investment decisions made by each underlying fund or manager. The performance of a small number of underlying funds or managers could affect overall performance. Additionally, underlying funds may compete with one another from time to time for the same positions in the market and may potentially hold opposite positions in the same securities. Consequently, there can be no assurance that a diversification strategy implemented will be successful.

Multiple Levels of Fees and Expense Risk – Fund-of-funds and multiple manager strategies will generally incur certain fees at two levels: the funds of funds vehicle and the underlying funds themselves. These fees potentially include both management and performance fees, which may increase the expense of the strategy, thus affecting investor returns. Additionally, investor returns may be adversely affected during periods in which there are overall portfolio losses due to the potential that performance fees may be earned by one or more of the underlying portfolio managers.

No Voluntary Withdrawal – Voluntary withdrawals from the Funds are not permitted, except in the limited instances set forth in the Fund agreements. As a result, limited partners will generally not be able to liquidate their investments in the Funds prior to the end of each Fund's term. A withdrawing limited partner may not be entitled to immediate payment for its interest. Any withdrawal of a limited partner may reduce the amount of capital available for investment or other activities.

Operational Risk – A portfolio may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. This risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

Political and Economic Risk – Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal, fiscal, regulatory and/or market reforms.

Portfolio Company Risks – Portfolio funds and SPVs in which the Funds will invest in portfolio companies that involve a high degree of business or financial risk. The portfolio companies may be start-ups or in an early stage of development or have operating losses or significant variations in operating results and may be engaged in rapidly changing business with products subject to a substantial risk of obsolescence. Such investments may be experiencing, or may be expected to experience, financial difficulties that may never be overcome. In addition, such investments, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition.



Pricing Risk – If market conditions make it difficult to value some investments, we may internally value these investments using more subjective methods such as fair value pricing. In these cases, the value determined for an investment could differ from the value realized upon such investment's sale.

In our funds of funds, we will have no ability to assess the accuracy of the valuations received from an underlying investment manager. Furthermore, the net asset values or other valuation information received by us from such underlying investment managers will typically be estimated, subject to revision through the end of each underlying fund's annual audit. Revisions to the gain and loss calculations will be an ongoing process, and no net capital appreciation or depreciation figure can be considered final until the annual audit of each underlying fund is completed.

Repurchase Agreements Risk – In the instance that an underlying fund manager enters into a repurchase agreement for a security, there can be no guarantee that the transferee of the securities in the agreement will not default. Therefore, any investment of the sort bears the risk of default of the transferee.

Restrictions on Transfer and Illiquidity of Shares – The shares held in private funds and the underlying funds are generally not registered under any securities laws and, therefore, cannot be resold in a public market. Consequently, investors do not have the right to withdraw their investment other than in accordance with the prescribed redemption procedures of the underlying funds. These redemption procedures may be suspended due to certain circumstances that could further affect withdrawals. This potential illiquidity of shares could adversely affect NAV and result in delays in receiving redemptions. Investors may at times be restricted from redemption from certain of our private funds.

Secondary Investments – There is no established market for purchasing or selling existing portfolio fund interests ("Secondary Interests") on the secondary market and although there has been an increasing volume of sales of Secondary Interests, no liquid market is expected to develop. Moreover, the market for Secondary Interests has been evolving and is likely to continue to evolve. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which investments can be made. Accordingly, there can be no assurance that some of the Funds will be able to identify sufficient investment opportunities or that they will be able to acquire Secondary Interests on attractive terms. In addition, in the cases where the Funds acquire an interest in a portfolio fund in a secondary transaction, the Funds may acquire contingent liabilities of the seller of the interest.

Side Letters – The general partner may enter into one or more "side letters" or similar agreements with certain limited partners pursuant to which the general partner grants to such limited partners specific rights, benefits, or privileges that are not made available to the limited partners generally, including, without limitation, the circumstances under which exclusion from certain investments or involuntary withdrawals from some of the Funds may be required; "most favored nation" rights (i.e., the right to receive favorable rights or other arrangements that may be afforded to other limited partners); co-investment rights; special economic rights (including reductions or waivers of management fee and/or carried interest); and the right to receive reports from the Funds on a more frequent basis or to receive reports that include information not provided to other limited partners. Subject to applicable law, such agreements will be disclosed only to those potential or actual limited partners that have separately negotiated with the general partner for the right to review such agreements.

Tax Risk – Tax laws and regulations applicable to an account are subject to change, and unanticipated tax liabilities could be incurred by investors as a result of such changes. Investors should consult their own tax advisers to determine the potential tax-related consequences of investing.

Underlying Manager Risk – Private Market Funds and clients will directly invest in portfolio funds managed by third-party managers that may or may not be affiliated with us and over which we do not exercise control. Therefore our funds will not have an active role in the day-to-day management of the underlying portfolio funds. Underlying managers may not be registered as investment advisers with the U.S. SEC and their funds may not be registered as investment companies. Moreover, our funds will generally not have an opportunity

to evaluate the specific investments made by underlying funds. As a result, the return of our funds will depend in large part on the performance of these unrelated third-party managers.

It is expected that in the instance of the redemption of assets or termination of an underlying manager, the resultant assets and cash proceeds will be invested with a replacement underlying manager. This could result in increased turnover rates and higher corresponding brokerage fees and commissions.

Underlying funds in which our Private Market Funds and clients invest are generally subject to the same risks disclosed elsewhere in this brochure.

Warehoused Investments - The Funds are permitted under certain circumstances to make investments on behalf of other Funds (normally, the next Fund to be offered within the same Private Markets strategy), with the intention that these investments will be transferred after a short period of time. A predetermined interest rate is paid to the investing Fund prior to the transfer to such other Fund on costs incurred, but the original investing Fund will not receive any price appreciation or other income as a result of the investment. In addition, an investment of this type (i.e., an investment that is held by a Fund with the intent of transferring it to another Fund) can present conflicts of interest with respect to allocation of the opportunity presented by the investment. Because the value of warehoused investments may decline prior to their transfer, there can be no assurance that their value will not be less than their cost, at the time of the transfer.

## **Item 9 – Disciplinary Information**

SL Capital has no actions or administrative proceedings to disclose.

## **Item 10 – Other Financial Industry Activities and Affiliations**

We are committed to providing clients with service of the highest quality and we are guided by the principle that we act in the best interests of our clients. Nevertheless, there are circumstances where client interests conflict with our interests or the interests of other clients. Some of these conflicts of interest are inherent to our business. We have policies and procedures that are designed to ensure that we are always acting in the best interests of our clients.

We are affiliated with various U.S.-registered investment advisers, broker-dealers and pooled investment vehicles, among other financial entities. We occasionally may engage in business activities with some or all of these companies, subject to our policies and procedures governing how we handle conflicts of interest. We may use our affiliates to provide other services to our clients to the extent permitted under applicable law.

In executing trades on behalf of our clients, we may use the resources of our abrdn plc affiliates. These affiliates have entered into a global trading agreement pursuant to which professionals from each affiliate may execute trades on behalf of our clients. The use of affiliates to execute trades under the global trading agreement does not alter or change the entity making investment decisions for the client accounts.

We provide advice for numerous clients. We may advise some clients or take actions for them that differ from recommendations or actions taken for other clients. We are not obligated to recommend to clients any investments that we may recommend to or purchase or sell for other clients. Our employees regularly share information, perceptions, advice and recommendations about market trends, the valuations of individual securities, and investment strategies, except where prohibited by ethical walls established by us or by applicable law or regulation. Persons associated with us may have investments in securities that are recommended to clients or held in client accounts, subject to compliance with our policies regarding personal securities trading.

### Broker-Dealer and Registered Representatives

Aberdeen Fund Distributors LLC (“AFD”), a wholly owned subsidiary of Aberdeen Standard Investments Inc., is a limited-purpose broker-dealer which will similarly distribute products of affiliated advisors. There are no trades executed through AFD. Certain of our management persons are registered, or have an application pending to register, as registered representatives of AFD.

### Investment Advisers

In rendering investment advisory services, we may use the resources of additional investment adviser subsidiaries of abrdn plc. These affiliates have entered into a MOU with us pursuant to which investment professionals from each affiliate may render portfolio management, research or trading services to our clients. We may share personnel, research and other resources with our affiliated U.S. registered investment advisers (Aberdeen Standard Investments Inc., in the US, Aberdeen Standard Investments (Asia) Ltd. in Singapore, Aberdeen Standard Investments Australia Ltd. in Australia, Aberdeen Asset Managers Limited and Aberdeen Standard Alternative Funds Limited in the United Kingdom) and a number of unregistered foreign entities under our personnel sharing procedures.

In executing trades on behalf of our clients, we may use the resources of our abrdn plc affiliates. These affiliates have entered into a global trading agreement pursuant to which professionals from each affiliate may execute trades on behalf of our clients. The use of affiliates to execute trades under the global trading agreement does not alter or change the entity making investment decisions for the client accounts.

### Limited Partnerships or Similar Private Funds

We sponsor and serve as investment adviser to several private funds organized as limited partnerships, limited liability companies or non-U.S. entities. SL Capital and its affiliates may also serve as the general partner or managing member of these private investment vehicles.

Our affiliates also serve as investment adviser to certain private funds and provide investment management services to limited partnership vehicles with U.S. investors. These funds may be domiciled in the U.S., as in the case of a Delaware partnership, or outside the U.S., as in the case of a Cayman corporation.

#### Participation in Privately Offered Investment Vehicles

ASI, its affiliates, officers and employees may participate individually in privately offered investment vehicles in which clients are solicited to invest. SL Capital may act as adviser or general partner (or in a similar capacity) to these investment vehicles, may receive management fees, and may participate in any profits generated by these investment vehicles. Participation by affiliates, officers and employees in such investments on such terms and the receipt of such compensation may be an incentive for such employees to devote an increased amount of time to the management of such vehicles to the detriment of other client account or investment vehicles. ASI has policies and procedures in place to mitigate this conflict.

#### Other Positions

Principals and employees of ASI may serve as officers, advisors, directors or provide comparable management functions for public companies and/or portfolio companies in which clients directly or indirectly invest, as well as for investment institutions that may invest in ASI funds. In addition, such principals and employees may provide other services to public companies and/or portfolio companies and may receive compensation in connection therewith. Principals and employees of ASI may be provided access to confidential information relating to public companies and/or portfolio companies in which clients may directly or indirectly invest. As a result, clients may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the securities of such public companies and/or portfolio companies, which prohibition may have an adverse effect on clients.

#### Selection or Recommendation of Other Advisers

As a manager of funds of funds, SL Capital Partners may select other investment advisers for its clients. Certain of ASI's principals, employees and/or related persons may be invited to serve on the advisory boards of the underlying private equity funds in which clients invest to provide advice on certain conflicts of interest and other matters pertaining to such private equity funds. There may be instances where such persons are asked to vote on issues taking the needs of all investors in such private equity funds into account. Additionally, such persons may receive compensation for such services. Any such compensation will be applied to the appropriate Fund to reduce the management fees paid to ASI.

#### Business Alliances

Our strategic partnerships and associate businesses play a vital role in our global distribution model as an effective way to reach clients in key markets around the world. The following summary provides an overview of our more significant business alliances:

##### *Phoenix*

On August 31, 2018, abrtn plc (formerly SLA) announced the completion of the sale of the heritage Standard Life insurance business to Phoenix Group Holdings ("Phoenix Group") and an expansion of the long-term strategic partnership between the two firms, historically entered into by Standard Life. Under the terms of the agreement (the "Insurance Sale"), SLA and Phoenix Group agreed to significantly enhance and expand their existing long-term strategic partnership whereby abrtn plc continues as Phoenix Group's long-term asset management partner for the business acquired by Phoenix Group and the existing arrangements between the parties under which ASI manages £48 billion of assets for Phoenix Group have been extended. The Phoenix Group life companies have committed to review the investment management mandates not currently managed by ASI, subject to normal commercial and governance constraints. abrtn plc currently owns 14.43% of Phoenix Group.

On February 23, 2021, abrtn plc announced a simplification and extension of its strategic partnership with Phoenix Group. The two groups agreed to simplify these arrangements and strengthen their relationship in the following way:

- The strategic asset management partnership will be extended and will now operate until at least 2031.
- abrtn plc has an offering for its UK financial adviser clients in the form of its Wrap and Elevate platforms. To support its growth plans for these businesses and the continuous improvement of its service to its UK adviser clients, abrtn plc purchased the Wrap Self-

Invested Personal Pension (“Wrap SIPP”) and Wrap Onshore Bond businesses from Phoenix Group.

- abrdn plc will continue to partner with Phoenix Group to design and provide investment solutions for Phoenix customers. In addition, it will acquire the UK Trustee Investment Plan (“TIP”) business from Phoenix Group to consolidate its investments offering for UK pension scheme clients.
- Standard Life Aberdeen sold the “Standard Life” brand to Phoenix Group, effective July 5, 2021 and subsequently changed the name of the business to abrdn plc. As a consequence, certain colleagues who support this brand and related marketing have transferred to Phoenix Group. abrdn plc will pay £32m to Phoenix Group in return for Phoenix Group bearing the cost of some transferring colleagues going forward.
- The upfront payment by abrdn plc for the purchase of the Wrap SIPP, onshore bond and TIP businesses was £62.5m, which will be offset in part by expected payments from Phoenix Group to abrdn plc relating to the profits of the business prior to completion of the legal transfer.
- Other existing services and platform arrangements between the groups will gradually be terminated to simplify the strategic partnership.

### *Virgin Money*

On August 1 2019, abrdn plc (SLA at the time) announced the completion of the joint venture between Virgin Money UK PLC (Virgin Money) and Aberdeen PLC. The joint venture was formed by the sale by Virgin Money to Aberdeen of 50 per cent (less one share) of Virgin Money Unit Trust Managers Limited which will offer investments and pensions propositions. The joint venture combines Virgin Money’s brand, scale and retail distribution expertise with ASI’s market-leading investment solutions and asset management technology and digital expertise. As a result of the acquisition of Virgin Money in October 2018 by The Clydesdale and Yorkshire Banking Group plc (CYBG) the joint venture will also, over time, offer investment solutions to CYBG’s combined customer base of six million customers.

### *Heng An Standard Life*

Heng An Standard Life (HASL) is a life insurer owned 50% by abrdn plc and based in Tianjin, China. It is not a listed company. It was formed in 2003 as a joint venture between Standard Life plc and Tianjin TEDA International (“TEDA”). TEDA is the Tianjin Economic-Technological Development Area; it is the state owned Tianjin economic enterprise board. HASL has 10 provincial branches across 8 provinces and sales offices over 80 cities and offers a comprehensive suite of health, life and savings products. Assets are predominantly managed by HASL’s in-house investment team. A portion of the assets (predominantly fixed interest assets) is outsourced to Taikang AM. In July 2020 HASL purchased an insurance subsidiary in Hong Kong from abrdn plc In January 2021 HASL was granted permission to open a pensions insurance company in China

### *HDFC AMC*

HDFC Asset Management Company (HDFC AMC) was established in 1999 as a joint venture between HDFC Ltd (one of India’s leading housing finance companies) and Standard Life Investments Ltd. It completed a successful IPO on the Indian stock market in August 2018. abrdn plc currently owns 21.25% of the company (through SLI Ltd), which is a leading Indian asset manager with a successful track record in equity investment and multi-channel distribution network.

### *HDFC Life*

HDFC Life Insurance Company Limited (HDFC Life) was established in 2000 and is a joint venture between HDFC Ltd and abrdn plc via a Mauritian subsidiary company, Standard Life Mauritius Holdings 2006 Limited (SLMH06 Ltd). It completed a successful IPO on the Indian stock market in November 2017. Through SLMH06, abrdn plc currently owns 8.89% of the company, which is one of India’s leading life insurance companies. It sells a wide range of products including traditional insurance, savings, pensions,

protection and health products through distribution channels including banc assurance, agency and brokers. HDFC Life has its own asset management company, as required by Indian regulation.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### Code of Ethics and Personal Trading

From time to time, ASI or our directors, officers, employees or affiliates may, directly or indirectly, have interests in securities owned by or recommended to our clients. These situations may represent a potential conflict of interest, so we have adopted a Code of Conduct (the Access Person Code of Conduct, herein the “Code”), in accordance with Rule 204A-1 of the Adviser’s Act, to govern personal transactions by our directors, officers, and employees (“Access Persons”) in order to ensure that their interests do not conflict with the interests of our clients.

The Code mitigates potential conflicts of interest by requiring, among other things, pre-clearance of transactions in Reportable Securities (as defined in the Code) placed in reportable accounts. The Code restricts the purchase and sale by Access Persons for their own accounts of Reportable Securities, which have been purchased or sold for funds or clients within specified time limits. Except under certain limited circumstances, Access Persons may not engage in a personal transaction in a Reportable Security for which an order for a fund or client is pending or within seven (7) calendar days before or after execution of a client order. This blackout period does not apply to transactions in certain large cap securities of a de minimis value.

Access Persons are subject to reporting obligations, including completing quarterly transaction and annual holdings reports. Access Persons are required to direct their brokers to send copies of all brokerage confirmations and statements to their local Risk & Compliance Department. Alternatively, Access Persons can have the information sent by the broker via electronic feed, if available. Our procedures recognize that some Access Persons either reside in countries or maintain brokers where such statements are not regularly issued or available, and therefore these individuals are exempt from providing quarterly statements within a specific time period. In such circumstances, brokerage statements or their equivalent holdings reports must be provided as available. Employees must fully acknowledge the terms of the Code on an annual basis. Any employee who violates the Code may be subject to verbal or written warnings and censures, monetary sanctions, disengagement, suspensions or dismissal, among other punitive actions.

Additionally, the Code includes provisions for employees relating to the confidentiality of client information, a prohibition on insider trading, a rumors policy, dollar restrictions on the value of accepted gifts and entertainment, and requires that certain outside business activities are approved in advance.

Clients or prospective clients may request a free copy of the Code by contacting ASI at (215) 405-5700.

### Our Approach to Potential Conflicts of Interest

Various parts of our brochure discuss potential conflicts of interest that arise from our asset management business model. We disclose these conflicts due to the fiduciary relationship we have with our clients. Where potential conflicts of interest arise from our fiduciary activities, we take steps to mitigate, or at least disclose, them. Conflicts arising from fiduciary activities that we cannot avoid are mitigated through written policies and procedures. Potential conflicts may arise from new products or services, operational changes, new reporting lines and market developments.

### Gifts and Entertainment

We have policies and procedures in place which prohibit employees from accepting gifts, entertainment and other things of material value that may create a conflict of interest or give the appearance of a conflict of interest. Additionally, our employees may not offer gifts, entertainment or other things of material value that could be viewed as attempting to unduly influence the decision-making of any client or other business partner. In general, our policies dictate that giving and receiving gifts or participating in entertainment cannot occur if the value and/or the frequency of the gift or entertainment are deemed excessive or extravagant. The policies impose specific dollar restrictions and require compliance approval of gifts and entertainment. Additional restrictions regarding gifts apply to our employees who are registered representatives of our affiliated broker-dealer.

### Participation or Interest in Client Transactions



Potential conflicts of interest may exist if an investment adviser or one of its related persons buys or sells for client accounts, securities in which the adviser or a related person has a material financial interest. We may recommend to clients that they buy or sell shares of an investment company or other investment product in which we have some financial interest by serving as adviser or sub-adviser to a fund or other product. Some of the investment companies, including private funds, are subject to a performance-based incentive fee. Employees providing advice to these funds may also hold interests in such performance-based funds and may also provide investment advisory services with respect to similarly managed accounts that are not subject to performance fees.

We may manage private funds and sub-advised investment companies similarly in that we may buy or sell the same securities for both the private funds and sub-advised funds. These transactions must be consistent with our trade allocation procedures so that no fund is favored over any other fund. In addition, and only in accordance with our policies and procedures, employees are permitted to invest in securities (including those recommended to clients) for their own accounts.

Our ASI affiliates may recommend clients other products offered by SL Capital or our affiliates. If we recommend our own products and services through our Client Solutions or advisory services offering, it may appear that our interest in selling the product or service could conflict with the client's expectation. In each instance where we direct clients into an ASI-managed product or strategy, we will obtain client consent.

Our officers or directors may sit on the boards, and board committees, of publicly traded clients. In addition, employees may buy or sell securities for a client where we may have a material interest in a security or issuer of a security. A material interest could include owning a security, office, directorship, significant contract, interest or relationship which is likely to affect the person's judgment. In these cases, ASI or our employees could benefit from the success of a client's investments because of our interest in the security or issuer of the security. We maintain procedures to mitigate these potential conflicts.

#### Adviser for Multiple Accounts

We serve as investment adviser or sub-adviser to client accounts, including registered investment companies. Consistent with our fiduciary obligations, we may give advice with respect to funds or accounts we manage that may differ from action taken by our firm on behalf of other funds or accounts. We are not obligated to recommend, buy or sell—or to refrain from recommending, buying or selling—any security that any of ASI, our affiliates, or our Access Persons, may buy or sell for their own accounts or for the accounts of any other client. Any company associated with ASI that wishes to purchase or sell securities of the types purchased for clients may do so only in a manner consistent with our fiduciary obligations. We are not obligated to refrain from investing in securities held by funds or accounts it manages, except if the investments violate the Code.

#### Insider Trading Policy and Use of Expert Networks

We have adopted an insider trading policy in accordance with Section 204A of the Advisers Act, which establishes procedures to prevent the misuse of material non-public information by ASI, our officers, directors and employees. Any officer, director or employee who fails to observe the insider trading policy risks serious sanctions, including dismissal and personal liability.

From time to time, employees of ASI may obtain, either voluntarily or involuntarily, material non-public information that is not available to other investors or other confidential information which, if disclosed, would likely affect an investor's decision to buy, sell or hold a security. Such information may be provided from various possible sources including upon execution of a non-disclosure agreement, as a result of serving on the board of directors of a portfolio company or serving on ad hoc or official creditors' committees. Under applicable law, employees are generally prohibited from disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether that person is an ASI client.

Accordingly, should an employee receive, either voluntarily or involuntarily, material non-public information with respect to an issuer, it may be prohibited from communicating such information to, or using such information for the benefit of, clients, which could limit the ability of clients to buy, sell or hold investments and can also result in an underlying security or investment being priced inconsistently across clients. Even if ASI or our affiliates request material non-public information, ASI shall have no obligation or responsibility to disclose such information to, or use such information for the benefit of, any person

(including clients), even if failure to do so would be detrimental to the interests of such person. In this connection, ASI has adopted policies governing the treatment of material non-public information, and established procedures reasonably designed to prevent the misuse of material non-public information by ASI and our personnel. Under the policy, ASI employees are not permitted to use material non-public information obtained by any department or affiliate of ASI in the course of its business activities or otherwise, in effecting purchases and sales in securities transactions for our clients or for their personal accounts. Consequently, we may not be able to engage in investment activity that they would otherwise take were they not in receipt of such information, even if a failure to act on such information may ultimately be detrimental to our clients. In addition, use of such information would also be prohibited by the policies referenced herein.

ASI may utilize expert network services to obtain market, sector, company or other information. There may be an inherent conflict of interest in such arrangements as the experts are financially incented to provide information to justify their position within the network. ASI has policies and procedures in place to deal with such conflicts as well as risk of receiving inside information via the use of expert network services.

#### Charitable Contributions

From time to time, clients or certain financial intermediaries may approach ASI to request that we make contributions to certain charitable organizations. Because our contribution may result in the financial intermediary or our employees or representatives recommending us or our affiliated investment advisers' products to their underlying clients, the solicitation or contribution raises potential conflicts of interest. Consequently, we maintain procedures to ensure that charitable contributions are not made for the purpose of influencing business.

Moreover, there may be certain circumstances where a fund has closed or a client has terminated and unanticipated proceeds have subsequently been paid to the fund or client. In such a circumstance, where it is impracticable and/or or uneconomical (e.g., the estimated costs of escheating the entire remaining amount, including the costs of an escheatment specialist, mailing, legal, check distribution, etc.) to find and remit the proceeds to the fund or client or escheat the proceeds to a state or where the amount is de minimis, then such proceeds may be donated to a third party 501(c)(3) charitable organization, as selected by an appropriate delegate of SL Capital, e.g., a charitable committee.

#### Political Contributions

None of ASI's funds or assets may be contributed to any U.S. political candidate or political party. This ban includes contributions to U.S. political action committees ("PACs").

Financial contributions made to certain U.S. political campaigns may raise potential conflicts of interest because of the ability of certain office holders to direct business to ASI.

Employees are therefore prohibited from making contributions to any person running for or holding a U.S. city, county, state or other municipality-related position. This prohibition includes contributions to U.S. city, county, state or other municipality-related PACs. Employees are permitted to make contributions to persons holding or campaigning for a federal position as long as such person does not also hold a city, county or state position. However, employees may not allow present or anticipated business relationships of ASI to be a factor and must seek approval from ASI's Risk & Compliance Department before soliciting such contributions. Additionally, Contributions to federal PACs are permissible. Approval from ASI's Risk & Compliance Department must be received before making a contribution. Employees are prohibited from doing indirectly what they cannot do directly and, as such, cannot funnel payments through third parties, including, for example, consultants, attorneys and/or family members, as a means to circumvent ASI's Political Contributions Policy. The solicitation and coordination restrictions relate only to fundraising activities and would not prevent ASI's employees from expressing support for candidates in other ways, such as volunteering their time.

Any federal political contributions made or solicited by employees should be viewed as personal. Therefore, employees should never represent themselves as employees of ASI when participating in these activities (e.g., the use of ASI's letterhead for correspondence regarding these contributions is prohibited). Under Rule 206(4)-5 of the Advisers Act, the Advisers will ensure that any third party solicitor used to solicit government clients are a "Regulated Person" as defined by the Rule.

#### Directorships and Outside Business Activities

Access Persons are permitted to serve on the boards of directors of non-profit organizations such as educational institutions, charitable foundations or other civic organizations. Access Persons are not permitted to serve on the board of directors of any publicly traded company without prior authorization. Authorization is generally based upon a determination that the board service not bring ASI into disrepute and has s considered appropriately in terms of actual or potential conflicts.

In general, all Access Persons' Outside Business Activities are tracked and reviewed by ASI's Risk & Compliance Department to ensure they do not conflict with the duty that we owe to clients.

#### Material Non-Public Information

Our investment personnel, in the course of research or other related activities, may from time to time acquire confidential or material non-public information that may prevent ASI from purchasing or selling particular securities for certain clients. Consequently, certain clients could realize a positive or negative impact to overall performance. We maintain policies and procedures for handling material non-public information.

#### Initial Account Funding

We may purchase and sell securities for accounts funded with our own assets, which also is known as "seed capital." These accounts are intended to establish a performance history for a new or potential product or service. We may earn a profit on our seed capital investments.

#### Securities Where SL Capital has a Material Financial Interest

From time to time, SL Capital or its related persons may make investments in the LPs for which SL Capital serves as manager.

As referenced in Item 6, in order to ensure the fair treatment of clients, SL Capital has a detailed policy for the allocation of investment opportunities between vehicles which may have a similar strategy. All investment allocations are approved internally by the Investment Committee(s). In addition, allocations of all investments (whether fund investments or co-investments) are reviewed by the independent Advisory Committee of each limited partnership vehicle or the Board of Directors of SLPET, as appropriate. Each Advisory Committee comprises a representative group of investors from that vehicle.

SL Capital encounters conflicts of interest in the routine conduct of its business. Consistent with Conduct rules of the FCA and its fiduciary duties under U.S. regulations, SL Capital has implemented a robust suite of policies, procedures, controls, and reporting to manage these conflicts effectively. In addition to the conflicts indicated in other parts of the document, below are conflicts identified by SL Capital and the primary means by which they are mitigated.

#### Allocation of Investment Opportunities

- SL Capital considers investment opportunities (both fund and co-investments) which may be suitable for more than one of its clients. In addition, SL Capital may not be able to secure the target allocation for all clients. In such cases, there may be factors which could give rise to a potential conflict to favour one client over another. These may include: superior (i.e. higher) management or performance fees, existence of investors in the LP with which SL Capital or its partners, officer, or directors have a significant relationship.
- As stated above in Item 6, SL Capital has a detailed policy for the allocation of investment opportunities between LPs which may have a similar strategy. All investment allocations are approved by SL Capital's Investment Committee(s). In addition, allocations of all investments are reviewed by the Advisory Committee of each limited partnership vehicle and the Board of Directors of SLPET, as appropriate. Each Advisory Committee comprises a representative group of investors in that vehicle.

#### Affiliated General Partner

- Affiliates of SL Capital serve as the general partner for its limited partnerships. As such, SL Capital is in

a position to influence decisions made by the general partner regarding the allocation of expenses (both regular and one time) in a way that could benefit SL Capital, its partners, directors, or officers investing in the funds, or other investors with which SL Capital has a significant relationship.

- In addition, SL Capital may be incentivised to influence the decision by the general partner in regards to service providers. For example, SL Capital may attempt to influence a decision in such a way that a related person is chosen to provide services to the Fund when a superior unrelated alternative exists
- The allocation of expenses is codified within the constitutional documents of each partnership. All investors in funds managed by SL Capital receive copies of the audited financial statements. The selection of service providers is governed by a robust procurement policy and only unrelated providers are considered for primary service roles, including administrator, auditor, and custodian.

#### Fee Structure

##### Management Fees

- Management fees charged by SL Capital LPs are based on either commitments, amounts drawn from investors or on the current market value of investments. These arrangements are fully disclosed in the legal documents of each Fund.
- Where management fees are based on the current market values of investments, this may incentivise SL Capital to artificially inflate the value of the Funds investments in order to report higher fund values and therefore allowing SL Capital to collect higher management fees. Similarly, SL Capital may have an incentive to allow the managers of the Funds in which it invests to artificially adjust valuations of those investments.
- To mitigate this potential conflict, SL Capital has a detailed valuation policy, fundamentally based on the valuations received from the managers of the funds in which it invests. All investments are valued quarterly in accordance with the International Private Equity and Venture Capital Valuation Guidelines (“Guidelines”). The Guidelines establish a framework for measuring fair value and define fair value as the price that would be received upon selling an investment in an orderly transaction between willing market participants at the valuation date. Valuation involves regular and ongoing meetings with the managers of those funds to gain understanding of the underlying portfolio companies and the drivers of those values. Valuations of the fund’s investments are reviewed by the advisory committee for each fund and are considered during the audit of the financial statements.
- The key controls employed by SL Capital in the valuation of its funds are also included in the scope of the Internal Controls Report (ISAE 3402).
- Where management fees are based on amounts drawn from investors, a potential conflict may exist to make investments more quickly than might otherwise be optimal for the benefit of investors. However, SL Capital’s fee structures (including carried interest) are agreed with investors in the respective funds in order to provide alignment of interests over the life of the fund.
- As discussed above, all investment opportunities are rigorously challenged by the Investment Committee(s) and will be reviewed by the advisory committee of the fund, which is comprised of representatives from investors in the fund.

#### Carried Interest

The carried interest arrangements for all LP funds are driven by realised values, with carried interest only becoming payable once realised performance hurdles are achieved. No carried interest is payable based on valuation of unrealised valuations, removing any incentive for the manager to artificially inflate valuations for this purpose.

#### Funds Investing in other SL Capital Funds

Where an SL Capital fund acquires an interest in a fund of funds vehicle managed by SL Capital, there is a conflict with regard to the appropriate use of capital, allocation opportunities with other vehicles and

decisions around co-investment opportunities. These conflicts are mitigated by ensuring the opportunity fits within the investment policy of the fund, applying the standard allocation policy practices and the discretion that SL Capital has on offering co-investments. In addition, any opportunity of this nature would require Advisory Board consent to proceed.

#### Side Letter Agreements

Side Letter Agreements (SL Capital may enter into side letter arrangements with certain investors that provide such investors with different or preferential rights or terms). Such side letter provisions only relate to meet specific legal, regulatory or policy considerations of certain investors, in a way that is not considered to involve preferential treatment.

#### Litigation

ASI could invoke legal proceedings against companies and their advisors that we have holdings in, who are ASI clients or in which ASI employees have interests in or with whom they are associated. ASI may choose not to pursue litigation where it would be appropriate, because we have other business relationships that could be harmed by pursuing litigation.

Conduct of all litigation is managed by SL Capital Legal and subject to appropriate governance.

#### Expenses

SL Capital has an incentive to cause the private funds to pay expenses that SL Capital would typically have to pay. Furthermore, SL Capital may be conflicted in the choice of service providers due to other commercial incentives i.e. overpaying certain service providers to reward for other commercial businesses. There are various controls and processes in place to ensure expenses are paid and suppliers are chosen properly. The controls include:

- All expenses are adequately outlined in fund documentation,
- Private funds go through independent audits,
- Expenses are reviewed by the Risk & Compliance Team,
- Suppliers are chosen through the procurement process which is separate from the other SL Capital functions.

#### Engagement of common legal counsel

Engagement of common legal counsel with other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Any such conflicts are identified at the commencement of a deal and action taken (which may include engagement of different legal counsel) to ensure such a conflict is appropriately managed.

## Item 12 – Brokerage Practices

### Broker-Dealer Selection and Best Execution

We have established policies and procedures designed to assess and monitor the broker-dealers selected to execute client transactions. We do not adhere to a rigid formula in making the selection of a broker-dealer for portfolio transactions, but rather weigh a combination of certain factors. When selecting a broker-dealer for client transactions, we take all sufficient steps to obtain the best possible outcome by looking at price, transaction costs, reasonableness of commissions, speed, efficiency, knowledge of particular securities, likelihood of execution and settlement, size and type of transaction, settlement capabilities, reputation, nature and any other consideration relevant to the best execution of that order. In selecting broker-dealers and in effecting portfolio transactions we seek to obtain best execution. Steps associated with seeking best execution are: (1) determining each client's trading requirements; (2) selecting appropriate trading methods, venues, and agents to execute the trades under the circumstances; (3) evaluating market liquidity of each security and taking appropriate steps to avoid excessive market impact; (4) maintaining client confidentiality and proprietary information inherent in the decision to trade; and (5) reviewing the results on a periodic basis. We review the above criteria on an ongoing basis. We do not consider the sales of shares of investment companies it advises as a factor in the selection of broker-dealers to execute portfolio transactions for a fund.

When selecting or recommending for client transactions, a broker or service provider, we will consider, among other things, the following:

- Professional reputation;
- Ability to provide clear, impartial and expert advice;
- Understanding of and presence in the relevant market; and
- Potential for or actual conflicts of interest.

If a client requires preauthorization of trades, such trades may not be commingled or “batched” for purposes of execution with orders for the same securities for other accounts we manage. Therefore, such trades may be executed subsequent to the trades executed for other accounts we manage and at different prices and commission rates which may be better or worse than the rates received for batched trades.

We may use Electronic Communications Networks (“ECN”) or Alternative Trading Systems (“ATS”) to execute when, in our judgment, the use of an ECN or ATS may result in equal or more favorable overall executions for the transactions.

With regards to our Private Market Funds, we do not arrange trades with any broker or dealer. The advice and investment activity conducted with regards to private market funds generally relates to privately offered securities in partnerships or similar relevant structures. We may invest in private market funds which are marketed to ASI by placement agents; either the fund or the third-party manager bears the associated placement agent fees.

Timing delays or other operational factors associated with the implementation of trades may result in non-discretionary clients receiving materially different prices relative to other client accounts. This may create performance dispersions within accounts with the same or similar investment mandate.

### Commission Rates

We seek to minimize the expenses incurred for effecting portfolio transactions to the extent consistent with the interests and policies of our clients. However, we will not select broker-dealers solely on the basis of “posted” commission rates. We will not always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. Although we generally seek competitive commission rates, we will not necessarily pay the lowest commission. Transactions may involve specialized services on the part of the broker-dealer involved, resulting in higher commissions.

The reasonableness of commissions is based on the broker-dealer's ability to provide professional services, best execution.

In appointing a broker or service provider for client transactions, we will consider the proposed level of fee given, among other things:

- The scope of activities to be undertaken in relation to the client transaction;
- Local market rates for the activities to be undertaken in relation to the client transaction; and
- The ability to deliver the transaction in a timely fashion and in the best interest of the client.

#### Research

On September 12, 2017, ASI announced a change to the payment for research model, such that ASI would absorb all research costs directly (i.e., pays for research from its profits and losses) to coincide with the new MiFID II legislation which went into effect on January 3, 2018. As a result, ASI has been paying “execution only” commission rates since the start of 2017.

#### Brokerage for Client Referrals

We may use solicitation agreements. We do not consider, in selecting or recommending broker-dealers, whether we or an affiliate have a relationship with a broker-dealer or third party, or whether we or an affiliate receive client referrals from a broker-dealer or third party. A client may direct us to use the services of a particular broker-dealer in executing transactions for that client’s account. In some cases, the directed broker may have recommended our firm as a manager for that account. As stated previously, it is possible that such an account may suffer adverse effects from this direction, depending on market conditions.

#### Directed Brokerage

We do not routinely recommend, request or require that any client execute transactions through any specific broker or service provider. However, we occasionally receive requests from clients to direct a portion or all of the commissions earned on their account through a specific broker-dealer in order to generate a benefit for the client under such terms and arrangements as the client may negotiate with the particular broker or dealer. Where a client has directed the use of a particular broker-dealer, we may not be in a position to freely negotiate commission rates or spreads, to obtain volume discounts, or to select broker-dealers on the basis of best execution. In situations where the client has directed us to direct trades to a select broker, the client must forfeit best execution and should understand that we will enter into such arrangements on a “best efforts” basis. If a client directs us to use a particular broker-dealer for a transaction, it will not be commingled or “batched” for purposes of execution with orders for the same securities for other accounts we manage. Client-directed transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if we were empowered to freely negotiate commission rates or spreads, or to select broker-dealers on the basis of best execution. It is ASI’s policy to accept these requests only under certain circumstances.

With regard to the funds of private market funds in which clients invest, securities are generally purchased directly from the issuer or general partner, without the assistance of a broker-dealer and without the payment of a brokerage commission. With regard to securities distributed from the underlying funds in which SL Capital clients invest, SL Capital has discretion to select a broker-dealer to effect securities transactions. In selecting broker-dealers to effect securities transactions, SL Capital seeks to obtain best execution by considering factors including, but not limited to, execution quality, price, the level of service offered, reliability, experience in liquidating distributions from private market funds and other such factors as SL Capital deems relevant and beneficial to the applicable clients. Broker-dealers utilized by SL Capital are reviewed on an ongoing basis.

We may have certain accounts that were referred to us through the recommendation of third parties, including consultants that may also be broker-dealers, or may have certain pre-existing financial arrangements or relationships with a particular broker-dealer. Clients obtained from these third parties may instruct us to direct some or all of their brokerage transactions to the third party’s broker-dealers, or we may otherwise allocate brokerage to these or related broker-dealers. As stated previously, in situations where the client has directed us to direct trades to a particular broker, the client must forfeit best execution and should understand that we will only enter into such arrangements on a “best efforts” basis. We may also buy from such third parties certain services or products used in our investment advisory business (such as software or research publications) or pay registration or other fees toward or otherwise assist in sponsoring such third

parties' industry forums, seminars or conferences. We do not use client commissions to pay for these services

#### Trade Errors and Corrections

In the event that we cause a trade error, our policy states that we ensure that the error is resolved in the best interests of the client. This means that trades are adjusted as needed in order to put the client account in such a position as if the error had never occurred. We review all trade errors to ensure they are resolved timely and accurately and that they do not indicate a recurrent pattern. In correcting trade errors, we or the party responsible for the error will bear the cost of correcting the error. Trade errors resulting in losses to client accounts will be reversed and the account compensated accordingly. To the extent a trade error in a client account results in a gain, we allow the client to keep the benefit, unless the gain offsets a loss in connection with a single transaction or occurrence or a series of related transactions, in which case any such gains and losses are netted unless prohibited by applicable regulation or a specific agreement with the client. In general, compensation is expected to be limited to direct monetary losses and will not include any amounts that ASI deems to be speculative or uncertain, nor will it cover investment losses not caused by the error.

Sub-advisers are responsible for their own execution of trades, and are therefore not covered under ASI's Trade Error Policy. Sub-advisers are, however, expected to have sufficient policies and procedures with regards to trade error management that are in line with ASI's policy. ASI will, when appropriate, review sub-adviser trade error policies and procedures and periodically review with the sub-advisers whether any trade errors were resolved in conformity with policies and procedures disclosed to the Adviser.

#### Cross-Trades

We may cross-trade between and among certain client accounts in accordance with our written cross-trading procedures. We will only consider engaging in cross-transactions to the extent permitted by applicable law and will, to the extent required by law, obtain the necessary client consents. Clients may revoke their consent for agency cross-transactions at any time.

For fund of fund products, we may arrange for a transaction between two or more of the Funds, in which one Fund buys an interest in an underlying fund or other investment from, or sells such investment to, another Fund managed by ASI. Each of these cross transaction is affected at "fair value," which is generally the Net Asset Value of the underlying fund. ASI receives no compensation (other than its management fee and incentive fee), directly or indirectly, for effecting a particular cross transaction. Although ASI will receive no compensation for cross transactions, underlying funds may assess customary transfer fees or commissions in connection with any such cross transaction. Cross transactions may inure to the benefit of the selling and buying Funds. Avoidance of redemption fees, taking on aged positions with the avoidance of soft and hard lock-ups, and the preservation of high water marks, are examples of other value added benefits that can inure to the benefit of the buying or selling Funds when applicable.

When a potential cross trade involves a Fund or account that has a significant beneficial ownership by ASI or its affiliates and control persons, it will be considered whether this transaction should be treated as a principal transaction under ASI's procedures (and separate criteria would apply), rather than as a cross trade. Under ASI's procedures, cross transactions are not permitted from or to any Fund or other account deemed to comprise "plan assets" pursuant to regulations under the Employee Retirement Income Security Act of 1974, or to or from a Registered Fund, without consideration of additional regulatory restrictions or approvals that are required by applicable law.

#### Foreign Exchange ("FX") Transactions

We may execute currency transactions on an active basis through our currency trading desk, except where market restrictions in some emerging currencies exist and execution for trade settlement is arranged by the custodian directly. In addition, certain of our asset management clients may direct their currency trades to their custodian banks for execution via standing instructions, and in such cases as well as in the case of restricted emerging currencies, we may not know the precise execution time of the FX trade and cannot influence the exchange rates applied to these trades.

#### Aggregation and Allocation



We seek to allocate opportunities to all clients in a consistent, fair manner. In accordance with our written policies and procedures, we may take special considerations when deciding on allocations, provided they are deemed fair and equitable to all clients. SL Capital's allocation policy takes into account multiple criteria, including (but not limited to) the investment objectives and strategies of each applicable client, differences with respect to the available capital, size, and remaining life of the applicable clients, differences in risk profile at the time the opportunity becomes available, potential conflicts of interest, and the nature of the security or the transaction, and current and anticipated market conditions. All investment allocations are approved internally by the relevant Investment Committee(s) and/or Allocation Committee(s), as applicable.

We engage in real estate asset and investment management activities for a limited number of institutional and market counterparty clients; this creates the potential for a conflict of interest when allocating deals between clients. In order to manage any such conflict, we operate a deal introduction and allocation procedure which is intended to fulfill a number of criteria:

- Providing a practical, consistent and efficient method of deal introduction and deals allocation;
- Ensuring consistent fair and equal treatment of clients in deal introduction and deals allocation;
- Ensuring compliance generally and with any specific requirement in Asset Management or Investment Management Agreements in connection with deal introduction and deals allocation; and
- Providing a transparent and auditable control for deal introduction and deals allocation.

We may make co-investments along with clients in property funds or direct property. When undertaking investment management activities for clients, the duty owed to that client shall prevail over any owed to SL Capital, to its managers, employees or any other person directly or indirectly linked to SL Capital by control or to any other third party, including any other client.

Although SL Capital does not often trade in public securities for the Private Market Funds, in certain circumstances SL Capital will, to the extent possible, generally place a combined order for two or more Private Market Funds and/or separate account clients engaged in the purchase or sale of the same security if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the participating Private Market Funds' Governing Documents and participating separate account clients' investment advisory agreements, and otherwise in the best interest of the participating clients.

Inevitably, not all clients, including clients with similar investment strategies, can participate in every investment opportunity, and clients who do participate in an investment cannot always participate to the same degree. SL Capital may determine that a limited supply of a particular opportunity or investment or other factors noted above may preclude the participation of some clients in a particular investment opportunity or trade. Similarly, when SL Capital determines to exit a position for some clients, other clients may not always participate, may not participate at the same time, or may not participate to an equal degree.

Where transactions for an account are not aggregated with other orders, including directed brokerage accounts, or not netted against orders for the account or other accounts, the account may not benefit from a better price, lower commission rate, or lower transaction cost. Aggregation and netting of trades may disproportionately benefit some accounts relative to other accounts due to the relative amount of savings obtained.

We apply the same general principles equally to decisions on which underlying funds or managers would be suitable to be recommended for non-discretionary advisory clients as for making decisions to invest for discretionary clients. However, since SL Capital does not have discretion over allocation decisions in non-discretionary accounts, it is likely that the actual allocations will differ as between discretionary and non-discretionary accounts. In addition, there may be situations where we provide non-discretionary advice concerning an underlying fund or manager where there is no discretionary account for which the underlying fund or manager is suitable (or where there is no cash available in the discretionary account to make an investment) or vice versa. There may also be situations where ASI advises a non-discretionary client not to invest in an underlying fund or manager, but in which ASI does make an investment for its discretionary accounts. Finally, there may be situations where an advisory client sources an underlying fund or manager

and asks for SL Capital's advice, and even if SL Capital provides a favorable opinion on that underlying fund or manager, ASI may not invest in an underlying fund or manager for a variety of reasons. The results of any of these scenarios could, and it should be expected will, reasonably result in a divergence in performance between and among the various accounts over which SL Capital acts with discretion and for which ASI provides non-discretionary advice.

In order to avoid conflicts arising from limited capacity available for investment in or with an underlying fund or manager that is identified as suitable for investment by both an advisory client and by ASI for its discretionary accounts, SL Capital will apply procedures that are designed to create a fair result under the circumstances.

### **Item 13 – Review of Accounts**

The investments held by each client are subject to continuous review by SL Capital. This is undertaken through regular interaction with the fund managers, on-site visits, active representation on the advisory boards and attendance at all the formal annual/semi-annual meetings for the fund manager. SL Capital operates a ‘point’ and ‘shadow’ investment responsibility system so there is always someone who can attend and meaningfully contribute to all meetings with managers.

SL Capital provides (as a minimum) the following reports to all investors within the LPs:

- Quarterly capital statements
- Quarterly managers reports
- Annual audited financial statements

#### **Item 14 – Client Referrals and Other Compensation**

ASI may effect transactions with broker-dealers that furnish non-research services which we believe will be beneficial.

Our advisory services are marketed both directly by the firm and through referrals by clients and consultants. We will make cash payments to third-party solicitors for client referrals. Each solicitor must enter into a written agreement with our firm and provide each prospective client with a copy of our Form ADV Part 2 and a disclosure of the terms of the solicitation arrangement, which includes the nature of the relationship. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act. SL Capital is currently not engaging the services of a placement agent. If these circumstances were to arise, any costs incurred are paid by SL Capital.

In connection with investments made by certain Funds, separate account clients, or investment advisory clients, ASI or certain employees of ASI may, from time to time, receive directors' fees, consulting fees, monitoring fees, investment banking fees, transaction fees and/or other remuneration. To mitigate potential conflicts of interest, ASI may offset all or a portion of such benefits against advisory fees payable (i) by the applicable Private Market Fund to ASI in accordance with such Private Market Fund's Governing Documents and (ii) to ASI pursuant to agreements entered into with separate account or investment advisory clients. Investors should refer to the Governing Documents of the applicable Private Market Fund for complete information on the calculation of advisory fees charged to such Fund and applicable fee offsets.

### **Item 15 – Custody**

SL Capital does not maintain physical custody of clients' assets and has appointed an independent custodian to safe-keep the assets (including cash) of each Fund. SL Capital may be deemed to have custody for certain Funds under the provisions of Rule 206(4)-2 under the Advisers Act because certain affiliates of SL Capital serve as General Partner. The assets held by the SL Capital funds are legal agreements and other indicia of ownership interests (e.g. LP documents).

The investments owned by the vehicle are held, where appropriate, by the independent appointed custodian and are reconciled regularly by SL Capital.

## **Item 16 – Investment Discretion**

Depending upon the terms of an investment management agreement entered into with each client, we may have discretionary authority to make the following determinations without client consultation or consent prior to effecting each transaction:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the broker-dealer through whom securities are to be bought or sold; and
- the commission rates at which securities transactions for client accounts are effected.

We exercise discretion in a manner consistent with the stated investment objectives for a particular client account. We may accept advisory accounts with limited discretion or where investments are client-directed pursuant to an investment management agreement. We may also be limited in the type or quantity of securities purchased or held due to certain regulatory or internal compliance restrictions. Client investment guidelines and restrictions must be provided to us in writing. Unless ASI and a client have entered into a non-discretionary arrangement, ASI generally is not required to provide notice to, consult with, or seek the consent of its clients prior to engaging in transactions. Please refer to Item 4 of this Brochure for additional information on clients' ability to tailor investment guidelines.

## Item 17 – Voting Client Securities

Due to the nature of the investments in the Funds, it is not expected that SL Capital would have instance to vote proxies on shares publicly offered where clients appoint SL Capital to vote proxies on their behalf. Policies have been established to vote these proxies in the best interests of our clients.

We employ ISS as a service provider to deliver our voting decisions efficiently to companies. We require ISS to provide recommendations based on our own set of parameters tailored to ASI's assessment and approach, but remain conscious that all voting decisions are our own on behalf of our clients. We consider ISS's recommendations and those based on our custom parameters as input to our voting decisions.

An ASI analyst will assess the resolutions at general meetings in our active investment portfolios. This analysis will be based on our knowledge of the company, but will also make use of the custom and standard recommendations provided by ISS as described above. The product of this analysis will be a final voting decision instructed through ISS and applied to all funds for which ASI have been appointed to vote. In instances where we become aware of an issuer filing or intending to file additional soliciting materials after ASI has received ISS' voting recommendation but before the proxy voting submission deadline, and the information is received sufficiently in advance of the submission deadline, ASI will assess whether the new information is considered material to the voting decision, and whether a change in vote is warranted. This will also apply to automated pre-populated votes.

There may be certain circumstances where SL Capital may take a more limited role in voting proxies. We will not vote proxies for client accounts in which the client contract specifies that SL Capital will not vote. We may abstain from voting a client proxy if the voting is uneconomic or otherwise not in clients' best interests. For companies held only in passively managed portfolios, SL Capital custom recommendations provided by ISS will be used to automatically apply our voting approach; we have scope to intervene to test that this delivers appropriate results, and will on occasions intrude to apply a vote more fully in clients' best interests. If voting securities are part of a securities lending program, we may be unable to vote while the securities are on loan. However, we have the ability to recall shares on loan or to restrict lending when required, in order to ensure all shares have voted. In addition, certain jurisdictions may impose share-blocking restrictions at various times which may prevent SL Capital from exercising our voting authority.

We recognize that there may be situations in which we vote at a company meeting where we encounter a conflict of interest. Such situations include:

- Where a portfolio manager owns the holding in a personal account.
- An investee company that is also a segregated client.
- An investee company where an Executive Director or Officer of our company or that of abrdn plc or another affiliate is also a Director of that company.
- An investee company where an employee of SL Capital, abrdn plc, or an affiliate or subsidiary is a Director of that company.
- A significant distributor of our products.
- Any other companies which may be relevant from time to time

In order to manage such conflicts of interests, we have established procedures to escalate decision-making so as to ensure that our voting decisions are based on our clients' best interests and are not impacted by any conflict.

Clients may obtain a free copy of SL Capital's proxy voting policies and procedures and/or proxy voting records for their account by contacting us at (215) 405-5700. ASI publishes Stewardship Principles, which describe our approach to investment analysis, shareholder engagement and proxy voting across companies worldwide. There are published on our website.

Clients that have not granted SL Capital voting authority over securities held in their accounts will receive their proxies in accordance with the arrangements they have made with their service providers.

## **Item 18 – Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about ASI's financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients. In addition, we have not been the subject of a bankruptcy proceeding.