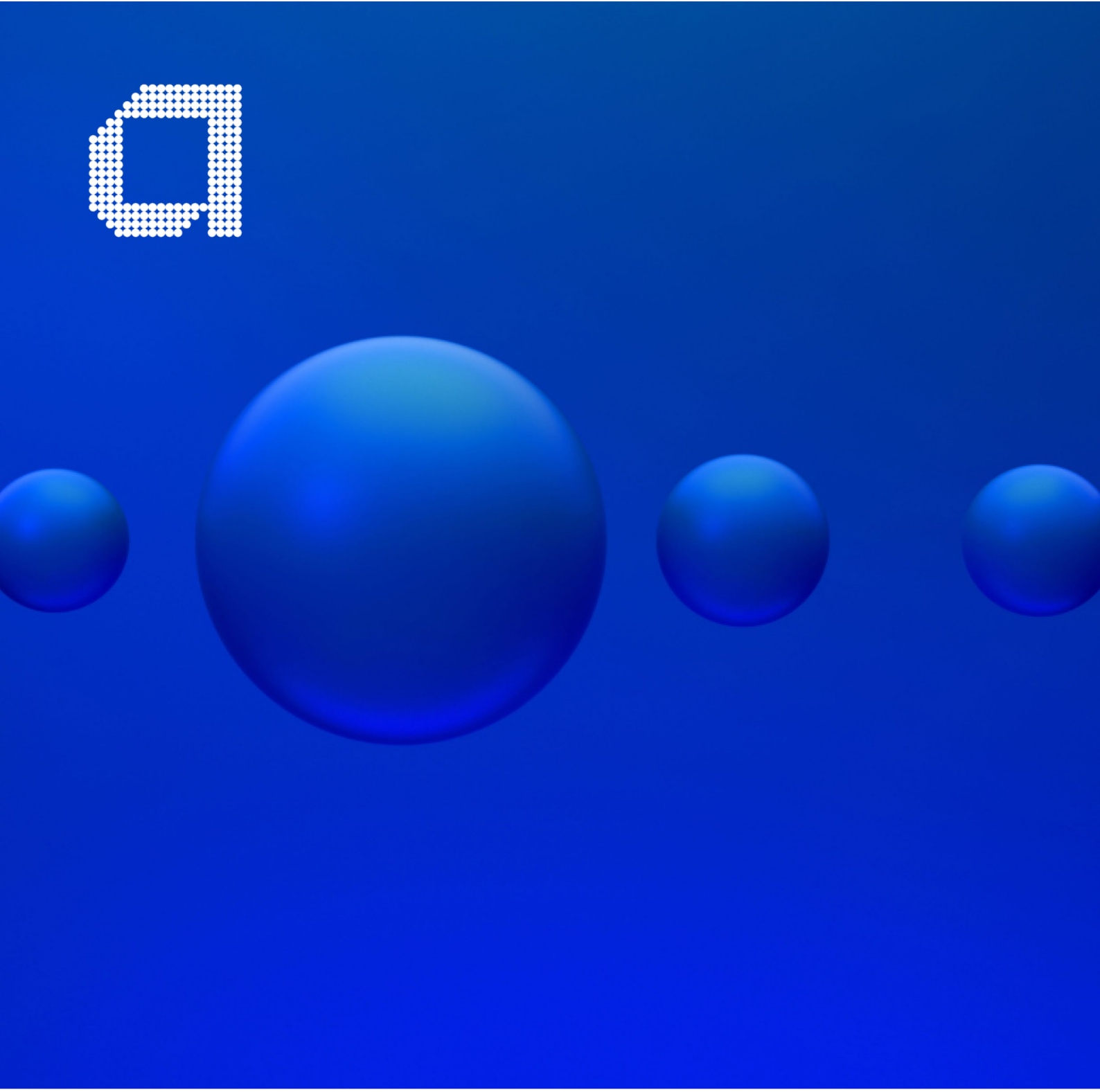


# Aberdeen Equity Income Trust plc

Alternative Investment Fund Managers Directive
Pre-investment Disclosure Document

Article 23 AIFMD/Rule 3.2 FCA FUND Sourcebook

aberdeenplc.com

31 August 2026

# Aberdeen Equity Income Trust plc

This document is issued by abrdn Fund Managers Limited, as the alternative investment fund manager of Aberdeen Equity Income Trust plc in order to make certain information available to prospective investors prior to such investors' investment in the Company, in accordance with the requirements of the FCA FUND Sourcebook implementing the EU Alternative Fund Managers Directive (Directive 2011/61/EU) in the United Kingdom and is being made available on the Company's website: **aberdeenequityincome.com**.

Defined terms used in this pre-investment disclosure document can be found in section 20 below.

## 1. A description of the investment strategy, policy and objective of the Company, types of assets the Company may invest in, Investment techniques and Investment restrictions

### Objective

To provide Shareholders with an above average income from their equity investment, while also providing real growth in capital and income.

Further Information about the Company's investment strategy, policy and objectives, the types of assets in which the Company may invest, the investment techniques and any investment restrictions are contained in the Annual Report which is available on the Company's website: **aberdeenequityincome.com**.

### Investment policy

The management of the Company's investments and the day-to-day operation of the Company is delegated to abrdn Fund Managers Limited (the Manager).

The Directors set the investment policy, which is to invest in a diversified portfolio consisting mainly of quoted UK equities which will normally comprise between 50 and 70 individual equity holdings.

In order to reduce risk in the Company, without compromising flexibility:

- no holding within the portfolio will exceed 10% of total assets at the time of acquisition; and
- the top ten holdings within the portfolio will not exceed 50% of net assets.

The Company may invest in convertible preference shares, convertible loan stocks, gilts and corporate bonds.

The Directors set the gearing policy within which the portfolio is managed. The parameters are that the portfolio should operate between holding 5% net cash and 15% net gearing. The Directors have delegated responsibility to the Manager for the operation of the gearing level within the above parameters.

### Investment philosophy and process

The portfolio is invested on an index-agnostic basis. The process is based on a bottom-up stock-picking approach where sector allocations are a function of the sum of the stock selection decisions, constrained only by appropriate risk control parameters. The aim is to Focus on Change by evaluating changing corporate situations and identifying insights that are not fully recognised by the market.

The Company may only make material changes to its investment policy with the approval of Shareholders in the form of an ordinary resolution. In addition, any material changes to the Company's investment policy will require the prior approval of the Financial Conduct Authority.

**Sustainable Finance Disclosure Regulation**

The Manager integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes. The AIFM believes that the consideration of sustainability risks and opportunities can have a material impact on long-term returns for investors. The Company is managed using an investment process integrating environmental, social and governance ("**ESG**") factors but does not promote ESG characteristics or have specific sustainable investment objectives. This means that whilst ESG factors and risks are considered, they may or may not impact portfolio construction. The Manager's ESG integration requires, in addition to its inclusion in the investment decision making process, appropriate monitoring of sustainability considerations in risk management, portfolio monitoring, engagement and stewardship activities. The Manager also engages with policymakers on ESG and stewardship matters. Combining the integration of sustainability risks and opportunities with broader monitoring and engagement activities may affect the value of investments and therefore returns. Furthermore, investments within the Company's portfolio do not take into account the EU Taxonomy criteria for environmentally sustainable economic activities. Further information on the Manager's ESG integration approaches by asset classes can be found on its website.

## 2. Principal and emerging risks and uncertainties

The Board and Audit Committee carry out a regular review of the risk environment in which the Company operates, to identify changes in the operating environment and assess individual risks.

Risk Management Framework
There are a number of principal risks and uncertainties which, if realised, could materially impact the Company's business model, performance, solvency, liquidity, or reputation.

The Board, through the Audit and Risk Committee, has implemented a risk management framework to identify, robustly assess and monitor the principal and emerging risks facing the Company. These risks, and the controls to manage these risks, are captured in a risk register and heat map.

**Principal Risks**
The principal risks facing the Company, as determined by the Board, are outlined in the table below. The Board considers its risk appetite in relation to each principal risk and monitors this on an ongoing basis. Where a risk is approaching or is outside the tolerance level, the Board will consider taking action to manage the risk. Currently, the Board considers the risks to be managed within acceptable levels.

**Emerging Risks**
Emerging risks are typified by having a high degree of uncertainty and may arise from sudden events, emerging trends, or evolving risks where the impact and likelihood are difficult to determine. As the assessment becomes clearer, the risk may become a 'known' risk.

During the year under review, the Board did not identify any new emerging risks which are not already encompassed within the existing principal risks.

**Review of risk management framework**

The effectiveness of the risk management framework is monitored and reviewed throughout the year, as explained in the Audit and Risk Committee Report on pages 59 to 62.

**Other disclosures**

The principal risks associated with an investment in the Company's shares are also published in the monthly Company factsheet and they can be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are available on the Company's website.

| Risk | Trend | Mitigating Action |
|---|---|---|
| **Strategy** – Demand for the Company's shares may decline if its objectives become misaligned with investor expectations, or if the investment trust sector as a whole - or the equity income sub-sector – loses appeal among investors. | ⇔ | The Board monitors the Company's strategy and market positioning through regular updates from the Manager, analysis of share price movements and investor sentiment.<br><br>It also reviews the share price premium or discount at which the Company's shares trade relative to the net asset value and its peers. Working with the broker, the Board has undertaken several share issuances during the year to meet investor demand.<br><br>An annual strategy meeting is held to assess the Company's positioning, during which the Board receives feedback from the broker on the broader investment trust sector, the UK Equity Income sub-sector, and the Company's relative performance.<br><br>To further understand investor sentiment, the Board receives regular updates from the Manager's investor relations team regarding market perceptions of the Company and its strategy. |
| **Market Risk**- Absolute portfolio losses arising from economic or market factors – such as interest rates, exchange rates, inflation – global political developments and other exogenous factors. | ⇔ | The Board recognises that market risk plays a critical role in delivering performance and regularly reviews the investment restrictions and guidelines it has set to ensure that they remain appropriate.<br><br>It meets with the Manager frequently and regularly receives reports to assess portfolio diversification, asset allocation, stock selection, and gearing levels. These discussions also consider the impact of geopolitical instability and broader market developments on risk exposure.<br><br>The Manager maintains ongoing dialogue with investee companies, economists, and market participants to evaluate the effects of global economic and political conditions on the portfolio and shares these insights with the Board.<br><br>Although elevated market risk remains, and the Company is limited in its ability to mitigate the effect of external factors, the Board and Manager recognise that such conditions can also create attractive investment opportunities for the Portfolio Manager. |
| **Investment Performance** - Persistent underperformance relative to benchmarks and peers may reduce the Company's | ⇩ | The Board reviews the Company's investment performance against its stated objectives, reference benchmark, and the AIC UK Equity Income sector peer group on a monthly basis. Performance is challenged where appropriate at each Board meeting. |

| Risk | Trend | Mitigating Action |
|---|---|---|
| appeal as an investment proposition. | | At every meeting, the Board assesses the level of gearing and its contribution to performance, the share price premium or discount, revenue forecasts, and the Company's operating expenses. The Board also monitors physical climate risks affecting portfolio companies through quarterly reports provided by the Manager.<br>It determines the Company's dividend policy and approves the level of dividends payable to shareholders.<br><br>The Remuneration & Management Engagement Committee conducts a formal annual appraisal of the Manager's performance.<br><br>Given the recent performance of the NAV and the share price, the Board concluded that the risk of the impact of a short-term drop off in performance (should it arise) has diminished. |
| **Discount/Premium to NAV –**<br>Volatility in the level of discount increases levels of uncertainty for shareholders. |  | The Board actively monitors the Company's share price premium or discount relative to net asset value. Over the final six months of the financial year, the Company predominantly traded at a premium, enabling the issuance of 1,005,000 shares from Treasury to meet investor demand.<br><br>At 30 September 2024, the share price traded at a discount of 3.0% to NAV, while at 30 September 2025, it was trading at par. If necessary, the Board retains the authority to buy back shares. The most recent buyback occurred in November 2022.<br><br>The Board has assessed the discount/premium control risk as decreased due to the Company sharing price trading at a premium or narrow discount. |
| **Operational Risk** –<br>All of the Company's operations are outsourced to third-party service providers. Any failure in their operational controls, poor service delivery, or disruption of technology systems—such as through cyber-attacks, failed software updates, or data breaches—could result in operational disruption, inaccurate financial reporting, regulatory breaches, reputational damage, or financial loss to the Company. |  | The Audit and Risk Committee closely monitor the control environment and quality of services provided by third-party providers through service level agreements, regular meetings, and key performance indicators. It receives and reviews regular reports—including ISAE assurance reports—from the Manager and other significant service providers covering operational controls, risk management, business continuity, and cyber security strategies.<br><br>Written agreements are in place with all third-party service providers.<br><br>The Remuneration & Management Engagement Committee conducts a formal appraisal of the Company's key service providers annually. No material issues were identified during the 2025 evaluation. |

| Risk | Trend | Mitigating Action |
|---|---|---|
| **Governance Risk** – An inexperienced or an ineffective Board—unable to engage in discussion, review matters, or make decisions—could adversely impact the Company's governance, strategic direction, and shareholder value. | ⇔ | The Board recognises the importance of effective leadership and appropriate board composition and experience. It regularly reviews its structure and tenure to ensure continued independence and diversity of thought. All Directors are subject to annual shareholder re-election.<br><br>The Board has agreed that Ms Hitch will retire in January 2026, having served nine years. In preparation, a search and selection process was undertaken with the support of Fletcher Jones, resulting in the appointment of Ms Ryder as an independent non-executive director on 1 October 2025.<br><br>Board, Committee, Chair, and individual Director performance is formally evaluated annually through an externally facilitated process led by Cyclico. No material issues were identified in the 2025 evaluation. |
| **Financial obligations** – Inadequate controls over financial record-keeping and forecasting, the implementation of an inappropriate gearing strategy, or a breach of loan covenants could result in the Company being unable to meet its financial obligations. This may lead to financial losses and could impact the Company's ability to continue operating as a going concern. | ⇔ | At each Board meeting, the Directors review management accounts, revenue forecasts, and the coverage of the forecasted dividend for the current financial year, alongside the Company's long-term dividend growth strategy.<br><br>As at 30 September 2025, the Company held revenue reserves of £10.6 million (prior to payment of the fourth interim dividend) and distributable capital reserves of £83.8 million.<br><br>The Board sets the gearing policy, which permits the portfolio to operate within a range of 5% net cash to 15% net gearing. Responsibility for managing gearing within these parameters is delegated to the Manager, who provides quarterly reports on gearing performance and covenant compliance.<br><br>These matters are considered in greater depth as part of the Board's annual strategy review.<br><br>The Company's annual financial statements are independently audited. |
| **Legal and Regulatory Risks** – The Company operates within a complex legal and regulatory framework. Failure to comply with applicable laws and regulations—or to identify and implement necessary regulatory changes—could result in financial or legal penalties, reputational damage, and the potential loss of investment trust status or suspension of the Company's shares. | ⇔ | The Board has formal agreements in place with its key service providers, including the Investment Manager, to support ongoing legal and regulatory compliance. It receives quarterly reports from each provider to monitor adherence to relevant requirements. The Company complied with all legal and regulatory obligations during the reporting period to 30 September 2025.<br><br>The Board also receives and reviews monthly reports on compliance with s.1158/9 of the Corporation Tax Act 2010, which governs investment trust status.<br>The Board responds to relevant FCA consultations and monitors legislative and regulatory changes.<br><br>The Board has adopted the AIC Code of Corporate Governance (2024) and associated guidance, which will be implemented in the financial year commencing 1 October 2025.<br><br>Where necessary, the Board may instruct additional external professional support on behalf of the Company or individual Directors. |

| Risk | Trend | Mitigating Action |
|---|---|---|
| **Financial and Non-Financial Reporting Material misstatements in the Company's financial or non-financial reporting**—whether due to inaccurate or incomplete disclosures—could result in a loss of investor and public trust, regulatory fines, reputational damage, and potential legal consequences. | ⇔ | The Manager oversees the delegated accountant to ensure that all financial and non-financial reporting is accurate and complete.<br>The Board receives regular reports from key service providers detailing internal controls, as well as any breaches or errors identified.<br>The Company Secretary supports the Board in ensuring that all required legal and regulatory disclosures are made to the market and relevant authorities in a timely manner.<br>The Board engages with the external auditor and reviews the annual report, including the financial statements and accounting policies.<br>The auditor conducts an independent annual audit to obtain reasonable assurance that the financial statements are free from material misstatement and provide their opinion in the Independent Auditor's Report to shareholders.<br>A Corporate Governance checklist is completed against the annual report and published on the Company's website. |

Details of the Company's key risks, together with their mitigating actions, are also set out in the Company's Annual Report, which may be accessed at **aberdeenequityincome.com**.

### 3. Risk management systems

The directors of abrdn Fund Managers Limited ("aFML") collectively assume responsibility for aFML's obligations under the AIFMD including monitoring the Company's risk profile during the year.

aFML, as a fully integrated member of the Aberdeen Group plc group of companies, receives a variety of services and support in the conduct of its business activities from the resources of the Aberdeen Group. aFML conducts its risk oversight - including in the conduct of its risk oversight function, through the operation of the Aberdeen Group's risk management processes and systems. Further details of the Aberdeen Group's risk management programme and systems are set out in the Appendix to this document.

### 4. Leverage

Leverage limits

The maximum leverage which the Manager is entitled to employ on behalf of the Company (expressed as a ratio to total assets) is:

| | |
|---|---|
| Commitment Method | 2.00:1 |
| Gross Method | 3.00:1 |

Types of leverage

Although leverage is often used as another term for gearing, under the AIFMD regulations leverage is expressed as a ratio of the exposure of debt, non-sterling currency, equity or currency hedging and derivatives exposure against the net asset value. It defines two types of leverage, the gross method and the commitment method. These are essentially the same other than the commitment method allows derivative instruments to be netted off to reflect

'netting' or 'hedging arrangements'. Non-sterling cash is deemed to carry a currency exposure so is considered to be leverage. In accordance with the AIFMD the Company is obliged to disclose the maximum expected leverage levels under both methods, and this is disclosed above. In order to comply with the AIFMD the maximum leverage levels have been set in accordance with the maximum gearing allowable by the Company's Articles of Association. However, the day-to-day management of gearing and leverage levels will be conducted within the tighter limits set by the Company's investment policy.

Leverage may be applied to the portfolio by utilising financial gearing (such as bank borrowings and overdrafts) and synthetic gearing (through derivatives and/or other non-fully funded instruments or techniques for efficient portfolio management purposes such as stock-lending). Typically, leverage will arise through the use of index futures, forward foreign exchange contracts or contracts for difference, where cash is paid to the counterparty as a margin against the current mark-to-market value of the derivative contract; as a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may even result in further loss exceeding any margin deposited. The use of leverage therefore creates additional risks and may significantly increase the market and counterparty risk of the Company through non-fully funded exposure to underlying markets or securities. Leverage is considered in terms of the Company's overall 'exposure' to financial or synthetic gearing and includes any method by which the exposure of the Company is increased whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. aFML is required, in accordance with the AIFMD, to calculate and monitor the level of leverage of the Company, expressed as the ratio between the total exposure of the Company and its net asset value with exposure values being calculated by both the gross method and commitment method.

Exposure values under the gross method basis are calculated as the absolute value of all positions in the portfolio; this includes all eligible assets and liabilities, relevant borrowings, derivatives (converted into their equivalent underlying positions) and all other positions, even those held purely for risk reduction purposes, such as forward foreign exchange contracts held for currency hedging.

The gross method of exposure of the Company requires the calculation to:

- Include the sum of all non-derivative assets (if applicable) held at market value, plus the absolute value of all such liabilities
- Exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Company, that are readily convertible to a known amount of cash, which are subject to an insignificant risk of change in value and provide a return no greater
  than the rate of a three-month high-quality bond
- Include derivative instruments which are converted into the equivalent position in their underlying assets
- Exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known
- Include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed
- Include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements as applicable

Exposure values under the commitment method basis are calculated on a similar basis but may take into account the effect of netting off instruments to reflect eligible netting and hedging arrangements on eligible assets and different treatment of certain cash and cash equivalent items in line with regulatory requirements.

The calculation of leverage assumes that a leverage ratio of 1.00:1 equates to zero leverage. A ratio of less than 1.00:1 would mean that the portfolio included uninvested cash whilst a ratio above 1.00:1 would mean that the portfolio had leverage to the ratio amount above 1.00:1.

The Company does not have in place any collateral or asset reuse arrangements.

## 5. Modification of Investment policy

In accordance with the FCA's listing rules, any material change to the Company's investment policy will require the FCA's prior approval as well as the approval of Shareholders. In considering what is a material change the Company must have regard to the cumulative effect of any changes since Shareholders last had the opportunity to vote.

## 6. Contractual relationship between the Company and Investors, applicable law and the enforcement of judgements

The Company is incorporated as a public limited company under the laws of England and Wales. Investors who acquire shares in the Company will do so subject to the Articles. The Articles are one of the Company's constitutional documents and contain the rights and restrictions attaching to the Company's shares. The Articles may only be amended by way of a special resolution. A shareholder's liability to the Company will be limited to the value of the shares held by such shareholder.

As the Company is incorporated in England and Wales, it may not be possible for an investor located outside that jurisdiction to effect service of process upon the Company within the local jurisdiction in which that investor resides. All or a substantial portion of the assets of the Company may be located outside of the local jurisdiction in which an investor resides and, as a result, it may not be possible to satisfy a judgment against the Company in such local jurisdiction or to enforce a judgment obtained in the local jurisdiction's courts against the Company.

A number of legal instruments provide for the recognition and enforcement in England and Wales of judgments given in other states. These include the Brussels Regulation, in relation to judgments made in most EU member states, and domestic legislation implementing the terms of international conventions. Where no particular legal instrument applies, a judgment creditor may nevertheless have rights to seek to enforce a judgement under the common law.

Details on how to invest in Aberdeen Equity Income Trust plc are set out in the Annual Report.

## 7. Information on the AIFM, Depositary and Service providers

### AIFM/Manager

The Company has appointed abrdn Fund Managers Limited, which is a company limited by shares and incorporated in England and Wales, as its alternative investment fund manager. The Manager is a subsidiary of Aberdeen Group plc.

The Manager is authorised and regulated by the FCA as an alternative investment fund manager. Pursuant to the Management Agreement, the Manager provides investment management services (including portfolio management), risk management services and general administrative services to the Company.

The duties of the Manager also include (but are not limited to) the following:

- The proper valuation of the Company's assets and the calculation and publication of the Net Asset Value of the Company
- To review its delegation of the portfolio management function to the Investment Manager on an ongoing basis
- To ensure that appropriate and consistent procedures are established so that a proper and independent valuation of the assets of the Company can be performed
- To implement a risk management system to identify, measure and manage appropriately all risks relevant to the Company's investment strategies and to review this system on an annual basis
- To ensure that a single depositary is appointed to ensure, among other things, the proper monitoring of the Company's cash flows and the safe keeping of the Company's assets that can be held in custody
- To employ an appropriate liquidity management system
- To adopt procedures enabling it to monitor the liquidity risk of the Company and ensure that the liquidity profile of the Company's investments complies with its underlying obligations
- To use adequate and appropriate human and technical resources necessary for the proper management of the Company
- To make available an annual report for the Company no later than four months following the end of its annual accounting period

The Management Agreement contains customary termination provisions and may, in normal circumstances, be terminated on six months' written notice by either the Company or the Manager. The Company may also terminate the Management Agreement immediately inter alia if the Manager ceases to maintain its regulatory permission to act as AIFM or if the Investment Manager ceases to maintain its regulatory permissions. In addition, either party may terminate the agreement immediately by notice upon the occurrence of certain events including the insolvency or winding up of the other party and a material breach of contract. The Company is also entitled to terminate the Manager's appointment on 30 days' notice following a change of control of the Manager.

The Manager has delegated the portfolio management of the Company to abrdn Investment Management Limited. Further details of the delegation arrangements are set out in paragraph 9 below.

**Depositary**

The Company has appointed BNP Paribas S.A. (London Branch) to act as its depositary. Pursuant to the Depositary Agreement, the Depositary must carry out the duties specified in AIFMD, including:

- Safekeeping of the assets of the Company
- Cash monitoring and verifying the Company's cash flows
- Oversight of the Company and the Manager, including ensuring:

- The value of the shares of the Company is calculated in accordance with applicable law and the relevant valuation procedures
- The Net Asset Value of the Company's assets is calculated in accordance with applicable law and regulation and the Articles
- The sale, issue, repurchase, redemption and cancellation of shares are carried out within usual time limits
- Income distributions take place in accordance with the Company's constitutional documentation
- All cash is booked in accounts opened with an appropriate deposit-taking institution in accordance with the provisions of AIFMD
- Custody assets are physically held in safe keeping

- Implementing:
  - Effective and proper procedures to reconcile all cash flow movements
  - Appropriate procedures to identify significant cash flows particularly those which would be inconsistent with the Company's operations
- Monitoring the Company's compliance with investment limits and Leverage requirements

In carrying out such functions the Depositary must act honestly, fairly, professionally, independently and in the interests of Shareholders.

The Depositary is liable to the Company and/or Shareholders for the loss of a financial instrument held in custody by the Depositary or a delegate, unless the Depositary is permitted to discharge and has discharged such liability under AIFMD and the Depositary Agreement. The Manager will inform investors of any changes with respect to the Depositary's liability for the loss of a financial instrument held in its custody. The Depositary is also liable to the Company and/or the Shareholders for all other losses suffered by them as a result of the Depositary's negligent and/or intentional failure to properly fulfil its duties.

Under the Depositary Agreement, the Company has indemnified the Depositary and its delegates against certain liabilities and expenses resulting from the Depositary's performance of its obligations under the agreement or where the Depositary has acted in accordance with authorised instructions, except where (i) the Depositary is in material breach of contract, is negligent or has intentionally failed to carry out its obligations, is in wilful default or there is fraud; or (ii) any affiliate of the Depositary has been negligent, has failed to take reasonable care or has been fraudulent in connection with the services provided.

The Company, the Manager and the Depositary may terminate the Depositary Agreement at any time by giving 90 days' notice in writing. The Depositary may only be removed from office when a new depositary is appointed by the Company.

**Auditor**

Johnston Carmichael LLP has been appointed as the Company's auditor responsible for auditing the annual financial statements in accordance with auditing standards and, as appropriate, regulations, and for providing its

report to the Company's Shareholders in the annual report and financial statements. In addition, applicable law and regulation may require other reports to be prepared for the Company and, as the appointed auditor of the Company; the Auditor will undertake such work under the auditor service agreement between the Company and the Auditor.

**Registrar**

The registrar of the Company is Computershare Investors Services PLC, which is responsible for keeping the register of Shareholders, which may be inspected at the Registrar's office at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, during normal business hours.

**Stockbroker**

JP Morgan Cazenove provides the Company with corporate broking and associated financial advisory services. Investors' rights against service providers will vary depending on a range of factors. If the relevant service provider is an authorised person under FSMA carrying out a regulated activity with respect to the Company, then a contravention by it of a Rule contained within the FCA Handbook may in certain circumstances give rise to a claim for breach of statutory duty against that service provider by an investor who suffers loss as a result of that contravention. Investors may also be afforded certain rights against service providers by the general law.

## 8. Protection from professional liability risks

The Manager has effective internal operational risk management policies and procedures in order to appropriately identify measure, manage and monitor operational risks, including professional liability risks, to which it is or could reasonably be exposed. These policies and procedures are subject to regular review and the operational risk management activities are performed independently as part of the risk management policy.

The management of operational risk, through the risk and control self-assessment process, is aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses. All risks and events are facilitated via the internal risk management system, which provides a platform to facilitate the convergence of governance, risk and compliance.

The Manager is required to cover professional liability risks, such as the risk of loss of documents evidencing title of assets to the Company and complies with such requirement by maintaining an amount of its own funds in accordance with AIFMD.

## 9. Delegation arrangements and management of conflicts

Delegation arrangements

From time to time, the AIFM may delegate certain management functions to its affiliated subsidiaries or third parties. The AIFM has delegated:

- Portfolio management to the Investment Manager, abrdn Investment Management Limited.
- Company secretarial duties to Aberdeen Corporate Secretary Limited.
- Administration to abrdn Investments Limited, which in turn has sub-delegated this function to BNP Paribas S.A.
- Certain promotional and distribution services to abrdn Investments Limited.

**Portfolio management**

The Manager has delegated portfolio management to the Investment Manager, which is authorised and regulated by the Financial Conduct Authority. The Investment Manager is part of the Aberdeen Group of companies of which the Manager is also part.

Pursuant to the Investment Management Agreement the Investment Manager will be responsible for managing the purchase and sale of investments within the categories allowed. The Investment Manager has discretion to take day to day investment decisions and to deal in investments in relation to the investment management of the Company, without prior reference to the Manager. The Manager is entitled to give further instructions to the Investment Manager. Notwithstanding the delegation of portfolio management to the Investment Manager, the Manager will at all times remain responsible for the portfolio management function and the Investment Manager has undertaken to abide by, and be subject to, the Manager's overall supervision, direction and control.

**Company secretarial duties**

The Manager has delegated the company secretarial duties to Aberdeen Corporate Secretary Limited. Pursuant to the CoSec Agreement, the Company Secretary provides company secretarial services including convening meetings of Directors and general meetings of the Company, keeping the statutory books and records of the Company, maintaining the Company's register, preparing and delivering company announcements and other company secretarial duties properly or reasonably performed by the secretary of a company or as the Manager may reasonably require.

**Administration**

The Manager has delegated the administration of the Company to abrdn Investments Limited, which in turn has sub-delegated this function to BNP Paribas S.A. The Administrator will assist the Manager in calculating the Company's Net Asset Value as well as providing fund accounting services in respect of the Company.

**Depositary delegation**

The Depositary has given notice that it will delegate certain safekeeping functions in accordance with the provisions of AIFMD and the Depositary Agreement. A delegate of the Depositary may in turn sub-delegate subject to the same requirements.

**Conflicts of interests**

The Manager and the Investment Manager are committed to treating clients and Shareholders fairly and have implemented procedures and processes to ensure that this is the case. In particular, the Manager and the Investment Manager have approved and adopted the Aberdeen Group's Conflicts of Interests Policy.

The objective of the Conflicts of Interests Policy is to ensure the fair treatment of clients and Shareholders in cases of conflicts of interests or potential conflicts of interests which may arise in the course of providing management, advisory or administrative services to the Company.

To achieve this objective, the Conflicts of Interests Policy seeks to ensure that the Company and its service providers and the Manager and its delegates have adequate organisational and structural measures in place:

- To identify circumstances which constitute or may give rise to a conflict of interests entailing a material risk of damage to the interests of the Company or its Shareholders
- To provide procedures, mechanisms and systems to manage or resolve any such conflicts of interests; where such conflict cannot otherwise be avoided, ensuring that the Company, the Manager and the Investment Manager always act in the best interests of Shareholders
- To maintain a proper record of any such conflict or potential conflict and to ensure proper reporting to affected Shareholders.

The following circumstances have been identified as constituting or potentially giving rise to conflicts of interests:

- The Depositary is responsible for the oversight of the Manager's discharge of its duties
- Directors of the Manager are senior executives of, and employed by, the Aberdeen Group.
- The Manager, the Investment Manager and the Company Secretary are affiliated entities of the Aberdeen Group. The key terms of the Investment Management Agreement and the CoSec Agreement are similar to those which might be agreed between independent third parties
- The Investment Manager has discretion to enter into foreign exchange hedging transactions and borrowings on behalf of the Company. The Investment Manager may appoint an affiliate of any existing service provider or any other third party to act as a counterparty in the execution of foreign exchange transactions in connection with the currency hedging activities of the Company and/or to implement the currency hedging strategy
- The Aberdeen Group and its affiliates may hold or trade in securities and instruments of the same type as the securities and instruments held or traded in by the Company; they may also utilise the same or similar strategies as those adopted by the Investment Manager on behalf of the Company. In addition, the Company may make investments in other funds managed or advised by the Aberdeen Group or its affiliates

In order to ensure that actual and potential conflicts of interests are appropriately identified, managed and monitored, the Aberdeen Group has established a formal committee which operates under documented terms of reference, and which meets regularly to maintain oversight of the Conflicts of Interests Policy and the management of live conflicts situations. Aberdeen Group plc maintains a documented matrix of known or inherent conflicts of interests, as well as a documented register of live actual or potential conflicts of interests arising in the carrying on of its business operations.

**10. Valuation procedures**

The Company's accounting policies, including its policy in relation to the valuation of investments, are set out in the Annual Report.

The Company has delegated a number of its duties to the Manager including the proper valuation of the Company's assets, the calculation of the Net Asset Value of the Company and the publication of such Net Asset Values. Accordingly, the Manager has approved and adopted the Aberdeen Group's Valuation Policy. The Manager considers that the Valuation Policy contains appropriate and consistent procedures to ensure that a proper and independent valuation of the assets of the Company can be performed.

The Administrator has been engaged by abrdn Investments Limited to assist the Manager in calculating the Net Asset Value of the Company. In practice, this means that the Administrator sources prices for the assets of the Company and calculates a proposed Net Asset Value. These calculations are presented to the Manager, which discusses any particular pricing issues with the Administrator and may ultimately decide whether any prices require adjustment before the Net Asset Value of the Company is adopted. This may be the case where the price of an asset is hard to value and the Administrator has used fair value pricing, or where the price of an asset has increased or fallen by a significant proportion since its previous valuation.

## 11. Liquidity risk management and redemption rights

The Manager has a Liquidity Policy in place. For closed ended funds such as the Company, given their very nature, this policy focuses, primarily, upon the potential issues with regard to the mispricing of illiquid securities. The Aberdeen Group's market risk department is responsible for providing asset level liquidity evaluation reports on a periodic (e.g. monthly) basis to the Manager, the Investment Manager and other entities within the Aberdeen Group. This market risk department uses various risk assessment methods and sophisticated portfolio modelling, via a tool called APT (Advanced Portfolio Technologies), to measure the risk profile of assets held by portfolios and the risk of there being portfolio illiquidity related to the assets. This measurement enables the provision of management information to the Manager and the Investment Manager to enable those risks to be monitored. The portfolio modelling and measurement looks at the following risks: (i) asset liquidity risk (where a number of methods are used to measure liquidity, depending upon the nature of the asset – e.g. traded volumes reported on an exchange as a percentage of the total outstanding of the specific asset or with reference to the depth of the market using the bid-ask spread as an indicator); and (ii) contingency arrangements or liquidity buffers.

There are no redemption rights attaching to shares in the Company.

## 12. Fees, charges and expenses

With effect from 1 October 2023, the Manager charges an annual fee of 0.55% on the Company's net assets above, payable quarterly in arrears.

The Company also incurs annual fees, charges and expenses in connection with administration, directors' fees, promotional activities, auditors' fees, lawyers' fees and depositary charges. The Company's Ongoing Charges (which include the management fee) for the last reported financial year, amounted to 0.86%.

## 13. Fair treatment/preferential treatment of Investors

The Manager is subject to the FCA's rules on treating customers fairly and has adopted a policy regarding treating customers fairly, the operation of which is overseen by a formal committee comprised of senior managers from the Aberdeen Group's various business units and from its risk division. The role of the Conduct Risk Committee, which meets regularly and operates under documented terms of reference, is to ensure, among other matters, that the Conduct Risk Policy is implemented and maintained and to consider any actual or potential Conduct Risk Policy issues arising in connection with the Aberdeen Group carrying on its business operations. General awareness training on the Conduct Risk Policy and what it means to the Aberdeen Group, and its customers is delivered to all Aberdeen Group staff.

No investor in the Company obtains preferential treatment or the right to obtain preferential treatment.

**14. Availability of the AIF's latest annual report**

The Company's latest Annual Report is available on the Company's website: aberdeenequityincome.com. The Annual Report was published on 10 December 2025.

**15. Procedure and conditions for the Issue and sale of shares**

The issue of new shares by the Company, either by way of a fresh issue of shares or by way of the sale of shares from treasury, is subject to the requisite shareholder authorities being in place and all FCA listing rule requirements having been met. Shares in the Company can also be bought in the open market through a stockbroker. They qualify fully for inclusion within tax-efficient ISA wrappers. Further information about how shares in the Company may be purchased is set out in the section headed 'Investor Information' in the Annual Report.

**16. Latest NAV of the AIF**

The Company's NAV is published daily by way of an announcement on a regulatory information service.

For internet users, additional data on the Company, including the latest published NAV, the closing price of ordinary shares for the previous day of trading on the London Stock Exchange, performance information and a monthly factsheet, is available on the Company's website: **aberdeenequityincome.com.**

**17. AIF's historical performance**

The Company's historical performance data, including copies of the Company's previous annual report and accounts, are available on the Company's website: **aberdeenequityincome.com.**

**18. Prime brokerage**

The Company has not appointed a prime broker.

**19. Periodic disclosures**

The Manager will, at least as often as the annual report and accounts are made available to Shareholders, make the following information available to Shareholders:

- Any changes to (i) the maximum level of Leverage that the Manager may employ on behalf of the Company and (ii) any right of reuse of collateral or any guarantee granted under any leveraging arrangement
- The total amount of Leverage employed by the Company
- The percentage of the Company's investments which are subject to special arrangements resulting from their illiquid nature
- The current risk profile of the Company outlining (i) measures to assess the sensitivity of the Company to the most relevant risks to which the Company is or could be exposed and (ii) if risk limits set by the Manager have been or are likely to be exceeded and where these risk limits have been exceeded, a description of the circumstances and, the remedial measures taken
- The risk management systems employed by the Manager outlining the main features of the risk management systems employed by the Manager to manage the risks to which the Company is or may be exposed. In the case

of a change, information relating to the change and its anticipated impact on the Company and Shareholders will be made available.

The Manager will inform Shareholders as soon as practicable after making any material changes to its liquidity management system and procedures. Any material change to the periodic disclosures will be provided to Shareholders by way of an announcement to a regulatory news service.

**20. Defined terms**

The following defined terms are used in this pre-investment disclosure document:

| | |
|---|---|
| Administrator | BNP Paribas S.A. |
| Aberdeen Group plc | Aberdeen Group plc and its subsidiaries |
| AIFMD | European Union Directive 2011/61/EU, together with its implementing measures |
| AIFM, Manager or aFML | abrdn Fund Managers Limited |
| Annual Report | The Company's Annual Report and Accounts for the relevant financial year, the most recent year being the year ended 30 September 2025 |
| Articles | The Company's articles of association, as amended from time to time |
| Auditor | Johnston Carmichael LLP |
| Brussels Regulation | Council Regulation (EC 44/2001) of 22 December 2000, concerning the recognition and enforcement in England and Wales of judgments given by the courts of most EU member states in civil and commercial matters |
| Commitment Method | The commitment method for calculating leverage as prescribed under Article 8 of the AIFMD, which excludes certain hedging instruments from the calculation |
| Company or AIF | Aberdeen Equity Income Trust plc |
| Company Secretary | Aberdeen Corporate Secretary Limited |
| Conduct Risk Committee | Aberdeen Group plc's formal committee for overseeing, among other matters, the Conduct Risk Policy |
| Conduct Risk Policy | Aberdeen Group plc's documented policy regarding treating customers fairly |
| CoSec Agreement | The company secretarial agreement between the Manager and Company Secretary dated 15 July 2014 and as amended |
| Conflicts of Interests Policy | Aberdeen Group plc's documented conflicts of interests policy |
| Depositary | BNP Paribas S.A., London Branch |

| | |
|---|---|
| Depositary Agreement | Depositary agreement among the Company, the Manager and the Depositary dated 14 July 2014 |
| ESG | Environmental social and governance |
| FCA | The Financial Conduct Authority |
| FCA Handbook | The FCA's Handbook on rules and guidance |
| FSMA | Financial Services and Markets Act 2000, as amended |
| Gross Method | The gross notional method for calculating leverage as prescribed under Article 7 of the AIFMD, which includes certain hedging instruments within the calculation |
| Investment Manager | abrdn Investment Management Limited |
| Investment Management Agreement | The investment management agreement between the Manager and the Investment Manager dated 4 July 2014 and as amended |
| Leverage | Any method by which the AIFM increases the exposure of the Company whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means |
| Liquidity Policy | Aberdeen Group plc's documented policy regarding liquidity risk management |
| Management Agreement | The management agreement between the Company and the Manager dated 4 July 2014 and as amended |
| Net Asset Value or NAV | The net asset value of the Company |
| Ongoing Charges | The ratio of expenses as a percentage of average daily shareholders' funds calculated as per the Association of Investment Companies' industry-standard method |
| Registrar | Computershare Investor Services PLC |
| Shareholders | Shareholders in the Company |
| Stockbroker | J.P. Morgan Cazenove |
| Valuation Policy | Aberdeen Group plc's documented valuation policy regarding the production and oversight of net assets values of collective funds in the Europe, Middle East and Africa region |

**Other important information**

Issued by abrdn Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Registered Office: 280 Bishopsgate, London, EC2M 4AG. Registered in the United Kingdom No. 00740118. An investment trust should be considered only as part of a balanced portfolio. Under no circumstances should this information be considered as an offer or solicitation to deal in investments.

**Appendix to Pre-investment Disclosure Document**

**abrdn Fund Managers Limited: Risk management**

**Risk management function**

Aberdeen Group plc and its subsidiaries ("the Group") is committed to building and continuously improving a sound and effective system of internal control and a risk management framework that is embedded within its operations; this is the Group's first line of defence.

The Group's Risk Division, as the second line of defence, exists to support management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Conduct & Compliance, Operational Risk and investment risk Oversight. The team is headed by the Group's Chief Risk Officer, who reports to the Chief Executive Officer of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system (SHIELD).

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group CEO and to the chair of the Audit Committee of the Group's Board of Directors. The Internal Audit Department is responsible for providing an independent assessment of the Group's control environment; it is the Group's third line of defence.

The Group's corporate governance structure is supported by several committees that bring together Group's subject matter experts from different departments, to assist the Boards of Directors of Aberdeen Group plc, its subsidiaries and the funds to fulfil their roles and responsibilities. The Group's Risk Division is represented on all committees, with the exception of those that deal with investment recommendations to the Boards. The specific goals and guidelines on the functioning of these committees are described in their respective terms of reference.

Description of the process of identifying, assessing and managing risks

- Market risk**:** Is monitored through factor modelling used to calculate both absolute and relative ex ante quantities such as tracking error (TE) and Value at Risk (VaR). The VaR is computed on a NAV basis as the maximum loss that the portfolio should incur over 20 days, 99% of the time under normal market conditions. The fund's portfolio risks are decomposed into intuitive components to pinpoint areas of unexpected market risk. The techniques are applied to all relevant asset classes. The market risk is further monitored through the computation of the level of leverage by both the gross and net approach. The leverage is calculated by converting each FDI into the equivalent position in the underlying assets of those derivatives, on a NAV basis. The market risk linked to the concentration risk is mitigated through investment restrictions set according to the basic principle of diversification.

- Liquidity risk**:** The Group has a Liquidity Risk Management Policy in place applicable to the funds and set out in accordance with its overall Risk Management Process, relative to the size, scope and complexity of the funds. Liquidity Risk is monitored on both the asset and liability sides. To measure and monitor asset liquidity risk the Group employs a number of methods specific to the underlying assets. In all cases, the approach is to reference the actual holdings of the sub-fund against a true measure of the market at both an aggregate and a position level. The Group has implemented a Group Pricing Policy which details the operational responsibilities for pricing assets, this policy is owned and overseen by the Group pricing Committee. On the liability side, investor transactions and, beyond this, investor behaviour are the main driver of liquidity within each sub-fund. In this context, the articles and

prospectuses contain certain key provisions or limits which provide protection to the funds and ultimately investors, in situations where liquidity might become a concern. In addition, the fund receives and analyses periodic reports in respect of the shareholder concentration within each sub-fund. Any shareholder concentrations and transactional behaviour are identified at sub-fund level and any particular concerns noted are escalated to the relevant Group Committee and respective Boards, if material.

- Credit and counterparty risk**:** The credit and counterparty risks linked to derivatives transactions are managed through processes outlined in the Group's Counterparty Credit Risk Policy. This Policy underpins on the following principles: Internal Credit assessments; credit limits; exposure calculation and oversight and Control. Credit research on counterparties is carried out by the Credit Investment Team. Research is conducted on the basis of qualitative and quantitative analysis and is presented for discussion at the Credit Committee on a monthly basis. Each counterparty is reviewed at least once per annum. Furthermore, the Risk and Exposure Committee (REC) and/or credit Committee can impose house level restrictions on concentrations. Credit risk exposures are calculated net of collateral received. The methodology for calculating an amount for potential exposure arising from movements in mark to market is approved by the REC. Acceptable collateral and other commercial and credit terms for inclusion in the International Swap and Derivative Association (ISDA) documentation is defined in the Group Derivative Management Policy. Counterparty credit exposures are monitored against internal limits by an investment control team and monitored by the Group Credit Committee and Risk and Exposure Committee.

- Legal risk: All key contractual arrangements entered into by the funds are reviewed by the Legal Department and, where required, by external legal counsel. If these contracts refer to delegation arrangements, where applicable, there is an operating memorandum defining information flows between the parties, frequency of services and deadlines, a clear attribution of rights and responsibilities of each party and, when applicable, the key performance indicators to measure performance. Any litigation issues are also handled by the Legal Department.

  Each OTC derivatives are framed within the legal provisions of the ISDA Master agreement which defines the rights and obligations of parties engaging in derivatives trading. The ISDA master agreements are negotiated and signed between each umbrella/sub-fund and the counterparty. The Credit Support Annexe (CSA) is a legally binding document which is annexed to the ISDA agreement and details the Minimum Transfer Amount (MTA) or collateral required by AAML when engaging in OTC derivatives trading with counterparties. The Group Derivative Management Committee is responsible for approving the commercial terms associated to derivative documentation for the Group.

- Tax risk**:** The Group uses external tax consultants to advise on tax structuring, transactions and tax reporting.

- Operational risk: The Operational Risk Management Framework ensures that the operational risks taken and their contribution to the overall risk profile are accurately measured on the basis of sound and reliable data and that the risk measurement arrangements, processes and techniques are adequately documented. The identification, measurement, management and monitoring of operational risk within the Group are achieved through the use of the Group's Operational Risk Management Framework System, SHIELD. This system provides the following key Risk Management Modules:

  – *Event Management:* This module serves as a historical loss database, in which any operational failures, loss and damage experience (Events) will be recorded. The records include professional liability damages. The process for recording, investigation and mitigation of Events aims to ensure that they are not repeated.

- *Issues and Actions Plan:* The issues and actions module provide a standardised mechanism for identifying, prioritising, classifying, escalating and reporting internal audit findings and other on-going / unresolved matters impacting the Group from a risk or regulatory perspective (Issues).

- *Risk and Control Self-Assessment (RCSA*): The RCSA process is to ensure key risks and key controls are identified and managed effectively in order to satisfy, at a Group level, Internal Capital Adequacy (ICAAP) requirements. The RCSA also provides a systematic and holistic means of identifying risk and control gaps that could impact business or process objectives which are agreed by senior management to complete.

- *Business Continuity Plan (BCP):* Is in place and designed for invocation where there has been significant disruption to normal business functions at any Aberdeen Group office that is likely to last longer than 24 hours.

**Measuring risk**

Where appropriate the Group applies the following measurements for each fund:

- Leverage: Has the effect of gearing a fund's expected performance by allowing a fund to gain greater exposure to underlying investment opportunities (gains and losses). The higher the leverage the greater the risk (potential loss).

- Volatility, Value-at-Risk (VaR) and Conditional VaR (CVaR): Volatility measures the size of variation in returns that a fund is likely to expect. The higher the volatility the higher the risk. VaR measures with a degree of confidence the maximum the fund could expect to lose in any one given day, assuming a normal (Gaussian) distribution, this is a function of the volatility of the fund. The higher the volatility, the higher the VaR, the greater the risk. CVaR calculates the expected loss, under the assumption that the VaR has been reached.

- Tracking error (TE): Measures the expected magnitude of divergence of returns between the fund and benchmark over a given time.

- Systematic and stock specific risk: Systematic risk represents the proportion of a fund's risk that is attributable to market exposure; and specific risk represents the risk that is intrinsic to individual stocks (i.e. particular to a given stock's attributes).

- Stress test and scenario analysis: Captures how much the current portfolio will make or lose if certain market conditions occur.

- Concentration risk**:** By grouping the portfolio through various different exposures: country, sector, issuer, asset etc., to identify where concentration risk exists.

**Escalation and reporting**

The Group recognises timely and adequate reporting measures as well as escalation channels to be key components of the control process and management of risk.

The Risk team provide regular updates to the Board/senior management on the adequacy and effectiveness of the Risk Management Process indicating, where applicable, actual or anticipated deficiencies and the remedial measures.

In addition, all issues and events impacting any Group entity, or the funds are logged in SHIELD, by the relevant area within the prescribed time limits.