



Herald Investment Trust plc

**Alternative Investment Fund Managers Directive Pre-Investment
Disclosure Document**

Rule 3.2 FCA FUND Sourcebook

1 August 2026

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This document is issued by abrdn Fund Managers Limited as the alternative investment fund manager (“AIFM” or the “Manager”) of Herald Investment Trust plc (the “Company”) in order to make certain information available to prospective investors in the Company prior to their investment in the Company in accordance with the requirements of the FCA’s FUND Sourcebook and is being made available to investors on the Company’s website at www.herald-trust.co.uk.

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

1. Investment Strategy, Policy and Objective of the Company, Types of Assets the Company may invest in, Investment techniques, Principal Risks and Investment Restrictions

Information about the Company’s investment strategy, policy and objective, the types of assets in which the Company may invest, the investment techniques and any investment restrictions, is contained in the Annual Report which is available on its website: www.herald-trust.co.uk.

The Company is not a fund of funds.

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 environmental or social characteristics or have specific sustainable investment objectives. This means that whilst sustainability risk factors and risks are considered, they may or may not impact portfolio construction. The Manager’s sustainability risk integration requires, in addition to its inclusion in the investment decision-making process, appropriate monitoring of sustainability considerations in risk management and portfolio monitoring. Where the Manager believes it can influence or gain insight, the Manager actively engages with the companies and assets in which it invests. The Manager believes this will create long-term value, including in relation to ESG practice. Where the Manager has rights, it also votes at Annual General Meetings of target companies to drive change. Aberdeen also engages with policymakers on sustainability risk 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. Further information on the Manager’s approach on sustainable investing and sustainability risk integration is available at www.aberdeenplc.com under “Sustainable Investing”.

Sustainability-related disclosure in line with EU SFDR

The EU SFDR is designed to enable investors to better understand sustainability-related investment strategies, notably sustainability risk integration, promotion of environmental or social characteristics and pursuit of a sustainable investment objective. As part of this enhanced transparency, investment funds are subject to disclosure requirements depending on the degree of consideration given to sustainability and binding investment criteria. The disclosure requirements are defined in the following EU SFDR articles:

- Article 6 – Funds which integrate sustainability risks into their investment process but do not give binding commitments, do not promote environmental and/or social characteristics and do not have sustainable investments as their objective.
- Article 8- Funds that promote social and/or environmental characteristics, invest in companies that follow good governance, give binding commitments but do not have a sustainable investment objective.
- Article 9 - Funds that have sustainable investment or carbon reduction as their objective and give binding commitments.

The Company is subject to EU SFDR Article 6.

Principle adverse impact (“PAI”) consideration

Under EU SFDR all funds have to indicate whether they consider PAIs on sustainability factors and if so, how this is applied.

PAI indicators are metrics that measure the negative effects on environmental and social matters. With the exception of house exclusions, PAIs are not considered for Article 6 funds. Therefore, as an Article 6 fund, the Manager does not consider PAIs in relation to the Company.

EU Taxonomy

The EU Taxonomy regulation provides a methodology to identify whether economic activities can be considered environmentally sustainable or not. The investments underlying an Article 6 Fund do not take into account the EU criteria for environmentally sustainable economic activities.

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2. Key risks

There are certain key risks which may arise from investment in the Company. The Board regularly reviews the risks and uncertainties faced by the Company in the form of a risk matrix and a summary of the principal risks is set out below. All page references refer to the published Annual report and financial statements for the year ended 31 December 2025 copies of which are available on the Company's website www.herald-trust.co.uk. The key risks below are based on the risks that are set out in the Annual Report.

Strategic Risk

Company risk as an investor in smaller companies

There is a risk that public markets become unattractive to investee companies due to a number of factors including burdensome regulations and taxation, and this could result in a smaller investible universe and orphan portfolio stocks. The board and the Manager engage with external bodies in the UK to endeavour to influence government and regulatory policy to support quoted smaller companies. The portfolio is globally diversified and the Manager has the ability to move capital to more favourable markets

The Company's objective and strategy are not attractive to investors

There is the risk that even though the Company's objective and strategy continue to be attractive to long-term investors, the short term agenda of one or a relatively low number of shareholders could cause significant damage to the Company's ability to continue to meet the Company's, and long-term shareholders', objectives.

A failure to adapt to changes in the market and investor demand could leave the Company exposed to the risk of shareholder dissatisfaction, activism and influence. There is a risk to shareholders that they will not be able to sell their shares at a price close to the underlying NAV. Over the course of the Company's history, the shares have generally traded at a discount to underlying NAV and this discount changes with market conditions. The board regularly reviews the performance of the Company against relevant indices and peers and annually reviews the Company's investment management arrangements. The Company has in place an active buyback policy, which is monitored by the board, whereby the Manager has authority to arrange buybacks of shares within the limits approved at the AGM each year. The board, the broker and the Manager engage regularly with shareholders to understand their views on key topics including discount volatility and shareholder views are discussed at each board and strategy meetings. The board regularly monitors the market for changes in sentiment. The Company has a significant minority shareholder. A significant minority shareholder's vote could disproportionately affect the outcome of any vote if shareholder voting numbers were to be low. The board will seek to ensure all shareholders, including those whose shares are held indirectly on platforms, are informed of upcoming meetings and of their opportunity to vote. Shareholders can raise questions of the board and the Manager at the AGM each year. Shareholders are given the opportunity to vote on the Company's continuation every three years at the AGM, with the next vote to be held at the AGM in 2028.

Market, Economic and Geopolitical Risks

Market risk including but not limited to liquidity, price, valuation, technology and communications, small cap risks

The Company's assets consist mainly of listed securities and the success of the Company's business model is therefore market-related and bears market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks, which have been subject to robust assessment by the directors, and how they are managed is contained in note 17 to the financial statements in the Annual Report, and a description of the internal controls operated by the Company is on pages 46 and 47 of the Annual Report. As a specialist investor in technology and communications and small cap stocks, the Company is exposed to more volatile share price movements than those of the general market and, on occasion, it may be difficult for the Manager to achieve sales of investments at market prices. The board's assessment of risk remained unchanged from the previous year due to the continuing uncertainty and volatility in the markets.

Economic risk

Interest rates, exchange rates, inflation, recession, taxes and changes in supply and demand can all pose a threat to the future of portfolio companies. The risk rating is unchanged from last year, reflecting the continuing impact of higher for longer interest rates and costs and the continuing challenging economies.

Geopolitical risk

Political developments can create risks to the value of the Company's assets. For example, armed conflicts can affect pricing and supply chains; uncertainty arising from global trade tariffs; antitrust action in the US undermines technology valuations and ongoing changes in UK Government policy on Net Zero continues to create uncertainty for UK businesses. The Manager considers the above three risks on an ongoing basis and reports on a regular basis to the board, including reporting on the composition and diversification of the portfolio by geography, sector and capitalisation along with sales and purchases of investments. Individual investments are discussed with the Manager together with the investment team's general views on the various investment markets and sectors. The board recognises that the potential for mitigation is likely to be limited other than through diversification. The risk rating remains consistent with last year, being at a heightened level from that of

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more 'normal' times.

Investment Management Risk

Liquidity risk

There is a risk that the Manager is unable to realise profits on significant positions in the portfolio and to redeploy them in sufficient sizes to new positions. Smaller companies have, by their nature, limited liquidity and the Company may also invest in unquoted securities which generally have greater valuation uncertainties and liquidity risks than securities listed or traded on a regulated market. The board receives regular reports from the Manager, which is experienced in stock selection. Investment risk is spread by having a diversified portfolio. The holding in any one company is generally restricted to less than 10% of a portfolio company's shares in issue and the Manager would usually start taking profits when a holding reaches 5% of the portfolio. The risk rating remains consistent with last year to reflect the deteriorating liquidity in certain markets for some stocks, albeit the Company's closed end nature reduces the risk of a forced disposal of illiquid investments.

Key person dependency

There is a risk the lead investment manager (Katie Potts) or other key members of the team become incapacitated or otherwise unavailable. The loss of key members of the team or key personnel changes in a short space of time could destabilise the investment team, however, the investment management team collaborate collectively and this ensures there is appropriate coverage of all geographic areas and sectors with back up where required easily available.

Third Party Service Provider Operational Risk

Information (including cyber) security and physical security

The failure or breach of information security could potentially lead to breaches of confidentiality, data records being compromised and the inability to make investment decisions. The failure or breach of physical security could lead to damage or loss of equipment, with consequential negative results. Cyber security risks are considered and continually monitored by the Manager as these threats evolve and become increasingly sophisticated. This includes advances in technology that has seen a greater use of Artificial Intelligence. The integrity of the Company's information security is closely monitored by the board, with each of the key service providers providing a regular report through its internal audit function which covers information technology security and provides comfort to the board that appropriate safeguards are in place. All physical locations have security in place and all third-party service providers have disaster recovery plans.

Emerging/External Risk

Emerging risk is a failure to have in place procedures that assist in identifying new or familiar risks that become apparent in new or unfamiliar conditions. The audit committee reviews risk management and internal controls twice a year and the board regularly considers industry trends and forthcoming legislation/regulatory change with its advisors, including the Manager, the broker and company secretary. It also reviews regular updates from the Association of Investment Companies ("AIC") and the auditor on such matters.

OTHER RISKS

The following are risks identified by the audit committee as potentially having a major impact on the Company but, after mitigation, are not deemed to be principal risks. All risk ratings remained unchanged from the previous year.

Strategic Risk Discount and discount volatility

There is a risk that the discount at which the Company's shares trade may widen. The board monitors the level of discount and its volatility and has undertaken significant share buybacks over the life of the Company, including buying back 4.9% of the issued share capital in 2025 and 10.3% in 2024, measured to the start of each year.

Operational Risk

Disruption to or failure of the Manager's or administrator's accounting systems or those of other third-party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. The Company uses third-party service providers and, consequently, is exposed to operational risk including information security and physical security, as described earlier. The Manager, administrator and company secretary each have comprehensive business continuity plans which facilitate continued operation of the business in the event of a service disruption or a major disruption event. The audit committee receives the administrator's report on internal controls and the reports by other key third-party providers are reviewed by the Manager and company secretary on behalf of the audit committee. The depositary reports six monthly on custody matters, including the continued safe custody of the Company's assets.

Emerging/External Risk Climate change risk

The financial risks from climate change are typically classified as physical or transitional risks. Physical risks are those arising from specific

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weather events (such as wildfires) and transitional risks are those arising from the changes to regulations (such as the move to net zero carbon). The portfolio is well diversified to mitigate against physical risks. Changes in climate change focused regulation, governing both the Company and investee companies, will create some uncertainty. A number of investments address the challenges arising from climate change and may benefit. However, if climate change has a significant adverse impact on the wider economy, the Company could be negatively affected. In comparison to the broader economy, the portfolio has a relatively low carbon footprint. The board encourages the Manager to consider environmental, social and governance factors when selecting and retaining investments.

Global pandemic risk

A pandemic remains an ongoing risk with both primary and consequential negative effects. The board continues to monitor, together with the Manager, the market and operational risks associated with pandemic risk and the ongoing economic impact on the underlying investee companies. The board is satisfied that the Manager and the key service providers have in place robust plans and infrastructure to minimise the impact on the Company's operations so that it can continue to trade, meet its regulatory obligations, and report and meet shareholder requirements. By their nature the risks presented by possible future pandemics are exceptionally difficult to assess.

Regulatory Risk

The failure to comply with applicable legal and regulatory requirements could lead to a suspension of the Company's Stock Exchange listing, financial penalties by the FCA or a qualified audit report. Breach of s1158 could lead to the Company being subject to tax on capital gains. The Manager, depositary and administrator provide regular reports to the audit committee on their monitoring programmes. The Manager monitors investment positions and the Manager and administrator monitor the level of forecast income and expenditure. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances, representations would be made to seek to ensure that the special circumstances of investment trusts are recognised.

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3. Risk management systems

The directors of abrdn Fund Managers Limited collectively assume responsibility for aFML’s obligations under the FUND Handbook including monitoring the Company’s risk profile during the year.

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

4. Leverage

Leverage limits

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

Commitment Method	2.0x
Gross Method	2.0x

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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.

5. Modification of Investment Policy

In accordance with the FCA 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.

The objective of the Company is to achieve capital appreciation through investments in smaller quoted companies in the areas of technology and communications. Investments may be made across the world.

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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 Herald Investment Trust plc are set out in the Annual Report which is available on its website www.herald-trust.co.uk.

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, a company incorporated in Scotland.

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 six months following the end of its financial year.

The Management Agreement contains customary termination provisions and may, in normal circumstances be terminated on 6 months' written notice by either the Company or the Manager, or immediately by either party, by notice, upon the insolvency or winding up of the other party or upon a material breach of contract. Following the appointment of the Manager it has been agreed that the Company should not give such notice for a period of 18 months from the date of appointment. The Company may terminate the agreement immediately inter alia if the Manager ceases to maintain its regulatory permission to act as AIFM or, with 6 months' notice upon a change of control of the Manager or if the

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Company ceases to satisfy the requirements for approval as an investment trust for UK tax purposes as a result of the negligence or wilful default of the Manager.

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

Depository

The Company has appointed The Bank of New York Mellon (International) Limited to act as its depository. Pursuant to the Depositary Agreement, the Depositary must carry out the duties specified in AIFMD including:

- Safekeeping of the assets of the Company which are entrusted to it
- Cash monitoring and verifying the Company's cash flows
- Oversight of the Company and the Manager, including:
 - Ensuring that the sale, issue, re-purchase, redemption, transfer, buy back and valuation of the Company's shares are carried out in accordance with the Company's constitutional documentation and applicable laws, rules and regulations
 - Ensuring that in transactions involving the Company's assets the consideration is remitted to the Company within the usual time limits
 - Ensuring that the Company's income is applied in accordance with the Company's constitutional documentation and applicable laws, rules and regulations.

Carrying out instructions received from the Manager unless they conflict with the Company's constitutional documentation or any applicable law, rule or regulation, or the provisions of the Depositary Agreement

In carrying out such functions the Depositary must act honestly, fairly, professionally, independently and in the interests of the 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 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 against certain liabilities suffered by the Depositary arising directly out of the performance of its obligations under the Depositary Agreement, except in the case of any liability arising from the fraud, negligence, intentional failure or breach of contract of the Depositary or any of its affiliates or delegates, or the loss of financial instruments as described above.

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

PricewaterhouseCoopers LLP has been appointed as the Company's auditor responsible for auditing the annual financial statements in accordance with auditing standards.

Registrar

The registrar of the Company is MUFG Corporate Markets and is responsible for keeping the register of shareholders. In the event of queries contact the registrars, MUFG Corporate Markets, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or Tel: 0371 664 0300 Lines are open 9.00 a.m. to 5.30 p.m. (London Time) Monday to Friday.

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Stockbroker

Singer Capital Markets have been appointed as the Company's stockbroker to provide 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 under 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 FUND.

9. Delegation arrangements and management of conflicts

Delegation arrangements

From time to time, the AIFM may sub-delegate certain management functions to its affiliated subsidiaries, including abrdn Investments Limited, or third parties. The AIFM has sub-delegated:

- Portfolio management to the Investment Manager, abrdn Investments Limited
- Company secretarial duties to Aberdeen Corporate Secretary Limited
- Administration to abrdn Investments Limited, which in turn has been sub-delegated to The Bank of New York Mellon (International) Limited

The Manager has sub-delegated portfolio management to the Investment Manager, which is authorised to undertake fund management and provide investment advice by the FCA. The Investment Manager is part of the Aberdeen Group plc group of companies of which the Manager is also part.

Pursuant to the Investment Management Agreement the Investment Manager will be responsible for advising on 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 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 Shareholders, 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.

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Administration

The Manager has delegated the administration of the Company to abrdn Investments Limited, which in turn has sub-delegated this function to The Bank of New York Mellon (International) Limited. The Administrator will assist the Manager in calculating the Company's Net Asset Value and provide fund accounting services in respect of the Company.

Depository delegation

The Depository has given notice that it will delegate certain safekeeping functions entrusted to it by the Company to various formally appointed delegates and third parties including in countries outside the domicile of the Company or the Depository (including central securities depositories, securities settlement systems, clearing houses, book-entry securities system and similar depositories, systems or facilities) in accordance with the provisions of AIFMD and the Depository Agreement.

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 Conflicts of Interests Policy of Aberdeen Group plc.

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 Interest 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 Manager and/or the Company may maintain other business relationships with The Bank of New York Mellon, its delegates, or members of its group in parallel with the appointment of The Bank of New York Mellon (International) Limited as depository of the Company. For example, the Administrator provides the Company and the Manager with fund administration services including net asset value calculations
- Directors of the Manager are senior executives of, and employed by, Aberdeen Group plc
- The Manager, the Investment Manager and the Company Secretary are affiliated entities of Aberdeen Group plc. 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
- Aberdeen 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 Aberdeen or its affiliates
- Representatives of the Manager may hold shares in the Company and Aberdeen and its affiliates may hold positions in the Company on behalf of other clients of Aberdeen.

In order to ensure that actual and potential conflicts of interests are appropriately identified, managed and monitored, Aberdeen Group plc 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.

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In order to address situations of conflicts of interest, the Depositary has implemented and maintains a conflicts of interest policy. Where a situation gives rise to a conflict which cannot be avoided, the Manager and Depositary will monitor the conflict in order to prevent adverse effects on the interests of the Company and investors.

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 which can be viewed at www.herald-trust.co.uk.

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 Aberdeen'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.

The Depositary is responsible for checking and monitoring that the Net Asset Value of the Company's assets is calculated in accordance with applicable law and regulation and the Articles.

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, the liquidity policy focuses, primarily, upon the potential issues with regard to the mis-pricing of illiquid securities, Aberdeen Group plc's market risk department is responsible for providing asset level liquidity evaluation reports on a periodic (eg monthly) basis to the Manager, the Investment Manager and other Aberdeen Group plc entities. 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

The Manager charges an investment management fee of 1.00% per annum of the value of net assets up to £1.25 billion and 0.80% of net assets above £1.25 billion. The investment management fee is chargeable 100% against revenue and 0% against realised capital reserves.

No fees are charged in the case of investments managed or advised by Aberdeen Group plc.

The Company also incurs annual fees, charges and expenses in connection with directors' fees, promotional activities, auditors' fees, lawyers' fees and depositary charges. The Company's Ongoing Charges (which includes the management fee) for the last reported financial year amounted to 1.08% for 2025.

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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 Aberdeen'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 that among other matters the Conduct Risk Policy is implemented and maintained and to consider any actual or potential Conduct Risk Policy issues arising in connection with Aberdeen carrying on its business operations. General awareness training on the Conduct Risk Policy and what it means to Aberdeen and its customers is delivered to all Aberdeen 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: www.herald-trust.co.uk

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 also qualify fully for inclusion within tax-efficient ISA wrappers. Further information about how shares in the Company may be purchased, investors are directed to the section headed 'Investor Information' in the Annual Report which is available on www.herald-trust.co.uk.

16. Latest NAV of the AIF

The Company's NAV is published 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: www.herald-trust.co.uk.

17. AIF's historical performance

The Company's historical performance data, including copies of the Company's previous annual report and financial statements, are available on the Company's website: www.herald-trust.co.uk.

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 financial statements 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

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- 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 changes to the periodic disclosures described above will be provided to Shareholders by way of an announcement released through a regulatory news service on the London Stock Exchange.

20. Defined terms

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

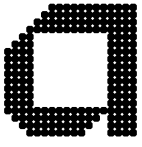
Aberdeen Group or Aberdeen	Aberdeen Group plc and its subsidiaries
Administrator	The Bank of New York Mellon (International) Limited
AIFMD	European Union Directive 2011/61/EU, together with its implementing measures
AIFM or Manager	abrdr Fund Managers Limited
Annual Report	the Company's Annual Report and financial statements for the year ended 31 December 2025
Articles	the Company's articles of association
Auditor	PricewaterhouseCoopers 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	Herald Investment Trust plc
Company Secretary	Aberdeen Corporate Secretary Limited
Conduct Risk Committee	Aberdeen's formal committee for overseeing, among other matters, the Conduct Risk Policy
Conduct Risk Policy	Aberdeen's documented policy regarding treating customers fairly
CoSec Agreement	the company secretarial agreement between the Manager and Company Secretary dated 1 August 2026, as amended
Conflicts of Interests Policy	Aberdeen's documented conflicts of interests policy
Depository	The Bank of New York Mellon (International) Limited
Depository Agreement	Depository agreement among the Company, the Manager and the Depository dated 1 August 2026, as amended
ESG	Environmental, social and governance
EU SFDR	the European Union Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector
EU Taxonomy	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment
FCA	Financial Conduct Authority
FCA Handbook	the FCA's handbook of rules and guidance
FUND Sourcebook	the FCA's investment funds sourcebook within the FCA Handbook
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	abrdr Investments Limited
Investment Management Agreement	investment management agreement between the Manager and the Investment Manager dated 1 August 2026, 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	Management agreement between the Company and the Manager dated 1 August 2026, as amended
Net Asset Value or NAV	The net asset value of the Company

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Ongoing Charges	Ratio of expenses as a percentage of average daily shareholders' funds calculated as per the Association of Investment Company's industry standard method
Registrar	MUFG Corporate Markets <i>(formerly known as Link Group)</i>
Shareholder	Shareholders of the Company
Stockbroker	Singer Capital Markets
Sustainability risk	Is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment
Valuation Policy	Aberdeen's valuation policy regarding the production and oversight of net asset values

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

Appendix to Pre-investment Disclosure Document

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 CRO, 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 Annex (CSA) is a legally binding document which is annexed to the ISDA agreement and details the Minimum Transfer Amount (MTA) or collateral required by aFML 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.

Appendix to Pre-investment Disclosure Document

- **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 provides 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 PLC 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.